Report for:

Copeland Borough Council

Strategic Housing Market Assessment and Objectively Assessed Housing Need

Final Report

October 2019

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Note about this report

This report was initially drafted in early 2018, with a report being circulated to neighbouring authorities and other key stakeholders for comments in April 2018. For a number of reasons, the report was not finalised until October 2019.

Since the report was drafted there have been a number of additional releases of data and also changes to national planning policy and planning practice guidance. It is not considered that these changes have any material impact on the overall findings of this study although brief comments are made where relevant.

It is recommended that the Council undertake a selected updating of the report at an appropriate time (e.g. shortly prior to submission of the Local Plan) to test some of the key outputs and to confirm the continued relevance of the findings. This will in particular be in relation to establishing the overall need for housing to be provided in the area.

A non-exhaustive list of additional data and reports that should be considered include:

- A new National Planning Policy Framework (NPPF) in February 2019 – in particular noting the confirmation of a Standard Method for assessing housing need and changes to the definition of affordable housing;
- A series of new Planning Practice Guides (PPGs) covering issues such as housing and economic needs assessment, housing for older and disabled people and housing needs of different groups;
- New subnational population and household projections from ONS with a 2016-base;
- New data about past population growth – mid-year population estimates (MYE) – data now up to mid-2018 for local authorities.

Contents

Summary

Introduction

1. This report provides a Strategic Housing Market Assessment (SHMA) and assessment of Objectively Assessed Housing Need (OAN) for Copeland Borough Council. The purpose of the SHMA is to develop a robust understanding of housing market dynamics, to provide an assessment of future needs for both market and affordable housing and the housing needs of different groups within the population for the 2017-35 period. The analysis updates previous assessments of need to take account of new demographic and economic data.

2. National planning policies require a SHMA to define the 'full objectively assessed need for market and affordable housing.' This provides a starting point for considering policies for housing provision. The assessment must 'leave aside' constraint factors (such as land availability), however these are relevant in drawing together evidence and testing options in the development of local plans. The SHMA does not set targets for housing provision.

3. Government's Planning Practice Guidance sets out how the objectively assessed need for housing should be defined. It sets out that the starting point should be demographic projections, with appropriate assumptions regarding household formation rates. Consideration then needs to be given to economic growth, market signals and affordable housing need. The SHMA follows this approach to identifying objectively assessed housing need (OAN).

4. In March 2018, the Ministry of Housing, Communities and Local Government (MHCLG) published a new draft NPPF and PPG. The key implication of these documents is a proposal to introduce a standard methodology for assessing housing need. Whilst this report is based on current guidance (as at the time of writing), it is mindful of potential changes in the future.

5. Since this report was drafted, MHCLG has published a new NPPF and associated PPG. These do confirm the Standard Method as well as making a number of other changes (e.g. around the definition of affordable housing) – it is not considered that these changes fundamentally impact on the research and conclusions in this report.

Housing Market Geographies

6. The NPPF states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their housing market area (HMA). It is therefore important for the SHMA to identify the extent of the HMA.

7. In simple terms, the HMA is a geographical area in which the majority of people, who move, will move within. It also reflects functional relationships between where people live and work. However, defining housing market areas is an inexact science and there is no single source of information that will clearly identify housing market areas.

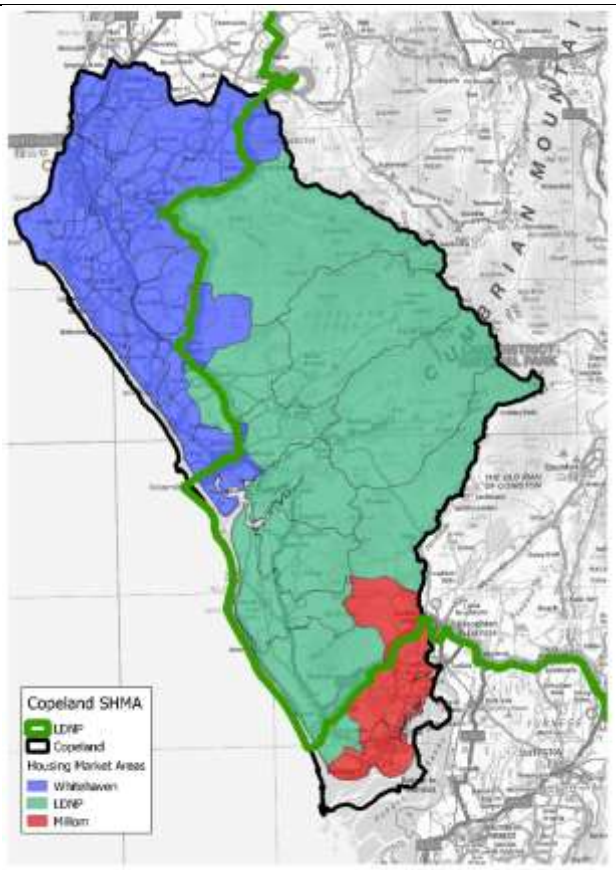
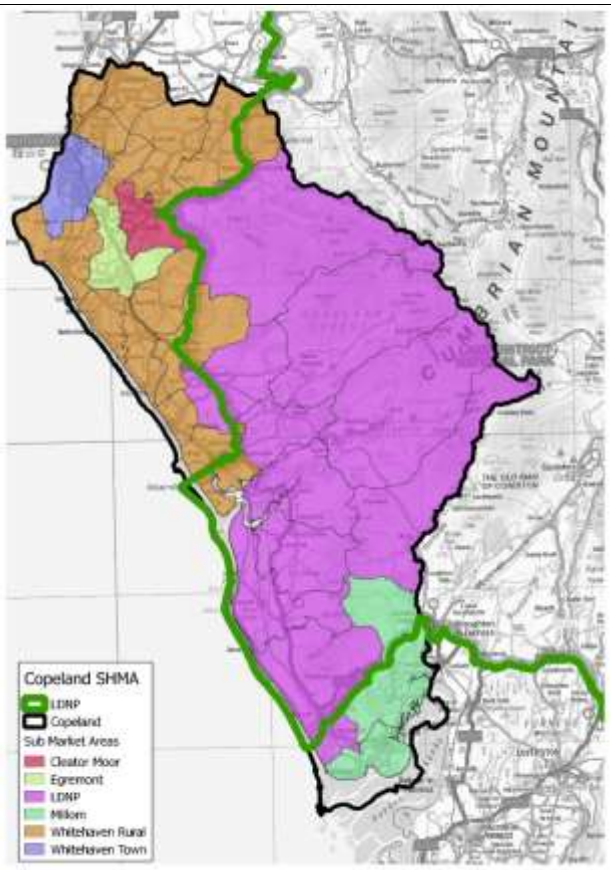
8. In drawing the analysis together, it is clearly evident that Copeland is a Housing Market Area in its own right. Analysis of the 2011 Census migration data highlights high levels of self-containment; in particular, when long-distance moves are excluded self-containment reaches 78%. This is considered significant and also exceeds the 70% threshold set out in the PPG. Analysis of commuting patterns and job self-containment also confirm that Copeland is an HMA in its own right. The strongest links outside of the Borough are with Allerdale although these links are not particularly strong (making up 6%-7% of all population moves and 16% of the resident workforce).

9. At a local level, the Copeland HMA can be split into three local HMAs (Whitehaven, the Lake District National Park and Millom) and the Whitehaven local HMA can be split further into four sub-market areas. These areas are broadly the same as previously defined by Cumbria County Council (CCC – and used in the 2011 and 2014 SHMA). The main difference has been to include the National Park area of the Borough as a separate HMA – this is useful given that the National Park falls into a separate Planning Authority area. For clarity, the core local HMA distinction used in analysis is:

- Whitehaven HMA (all parts of the Borough to the north of the National Park and additionally split into four subareas/markets for the purposes of some analysis);
- National Park (where this is within the Borough boundary); and
- Millom HMA (all parts of the Borough to the south of the National Park)

10. The maps below show the HMAs used in this report and the additional sub-areas in the Whitehaven HMA. The map shows the actual boundaries (as defined by CCC) and it should be noted that those parts of a HMA within the National Park are actually included in the National Park sub-area for analytical purposes. This does not have any significant impact on the analysis as for the most part, those areas affected do not contain large population or household numbers.

Figure 1: Housing Market Areas and Sub-Areas of Copeland

Housing Market Areas	Sub-Areas
	

Source: Maps provided by GL Hearn

Copeland Borough Profile

11. A range of variables have been considered to look at the profile of the population and housing in the Borough (and for the three local housing market areas (including the National Park)). Key variables have looked at population, household characteristics, housing profile and the economic profile of residents.

12. The analysis identifies a relatively old population age structure (notably in the National Park) and a population decline in the 2006-16 period. There has however been growth in the population aged 65 and over – increasing by 24% in the decade to 2016. Due to the population profile, household types are concentrated in older age groups; as of 2011, 22% of all households in the Borough were entirely composed of people aged 65 and over. Households with dependent children and lone parent households are concentrated in the Whitehaven and Millom local market areas (although numbers of such households are low when put in a regional or national context).

13. The tenure profile of the Borough sees a relatively large proportion of outright owners (which will to some extent be linked to the age structure) and a small private rented sector. Between 2001 and 2011, the number of owners with a mortgage declined by 6%, whilst the private rented sector increased by 35%; this may reflect the difficulties faced by younger households in accessing market housing to buy.

Figure 2: Change in tenure (2001-11) – Copeland				
	2001 households	2011 households	Change	% change
Owns outright	8,822	11,315	2,493	28.3%
Owns with mortgage/loan	11,173	10,452	-721	-6.5%
Social rented	6,796	5,668	-1,128	-16.6%
Private rented	1,980	2,665	685	34.6%
Other	715	436	-279	-39.0%
TOTAL	29,486	30,536	1,050	3.6%

Source: 2001 and 2011 Census

14. The dwelling stock in the Borough is predominantly of larger homes, with a greater average number of bedrooms and a high proportion of detached and semi-detached homes. The National Park area sees a particularly large proportion of detached homes (51%) with Millom having the largest proportion of terraces and flatted accommodation (51% of homes being terraced or flatted accommodation in this location).

15. Overcrowding in the Borough (and across sub-markets) is low, and there is a significant level of under-occupation (42% of all households have at least two spare bedrooms). Under-occupancy is particularly great in the National Park. The economic profile of the Borough looks to be fairly average in terms of unemployment and the proportion of people in work. However, the data suggests that the population is poorly qualified (in academic terms) and are less likely than other areas to be working in more senior positions.

16. Interviews with local estate/letting agents identified the area as being one of generally low prices, with housing costs not seen as a barrier to home ownership; as a result of prices, there was little pressure on the private rented sector. There was a clear impact of Sellafield and BAE on different parts of the local housing market and it was suggested that Millom might not be 'sustainable' if it were not for BAE contractors. There was limited evidence of newbuild housing, which (along with the price information) suggests an area with relatively low housing demand.

17. Overall, the analysis identifies Copeland as having less 'prosperous' characteristics in terms of some variables studied and in terms of interviews with agents. Within the Borough there are also differences, with the National Park and rural areas being different to the main towns (Whitehaven, Millom, Egremont and Cleator Moor) for many of the variable studied. The analysis suggests that there might be reasons to suggest different policy responses in different locations, although this is far from clear cut.

Trend-based Demographic Projections

18. The start-point for assessing housing need in line with the PPG is the most recent official household projections; these are the 2014-based CLG projections which suggest a need for around 10 dwellings per annum to be provided (2017-35) – including an allowance for vacant homes drawn from Council Tax data. These projections were underpinned by the most recent ONS subnational population projections (SNPP – also 2014-based).

Figure 3: Annual housing need (2017-35) – CLG household projections (2014-based)	
	Official household projections
Copeland	10

Source: Derived from CLG 2014-based household projections

19. The SNPP is based on short-term trends (migration trends over the previous 5/6 years); analysis of the components of population change suggested that migration has been slightly weaker in the short term. Therefore, alternative projections based on 10- and 15-year migration trends were developed (and this includes more up-to-date information from ONS mid-year population estimates to 2016 and information about housing delivery in the 2016-17 period to get to a base position for 2017). These projections suggest a higher level of future population growth and a need for up to 97 dwellings per annum to be provided.

20. A further sensitivity was developed taking account of Unattributable Population Change (UPC) – this is an adjustment made by ONS to reflect population growth as informed by the Census and may be related to the misrecording of migration. The UPC adjusted projection showed a higher level of need (up to 120 dwellings per annum).

Figure 4: Annual housing need (2017-35) – alternative scenarios				
	SNPP (+MYE)	10-year trends	15-year trends	15-year trends (+UPC)
Copeland	14	40	97	120

Source: Demographic projections

21. When looking at the data about household representative rates (HRRs) underpinning the 2014-based CLG household projections it was observed that the 25-34 and 35-44 age groups had reduced slightly in the 2001-11 period, although this trend was not projected to continue into the future. Arguably, there was no evidence of any suppression of household formation and hence the 2014-based CLG projections can readily be used as published to translate population figures into household growth and housing need.

22. However, a sensitivity was provided where it was assumed that the HRRs of people aged 25-44 would partially return to levels seen in (pre-recession) 2008-based projections. Such a method has often been used in studies of this nature. Typically, including this additional sensitivity identified a demographic need for up to 138 dwellings per annum.

Figure 5: Annual housing need (2017-35) – alternative scenarios and part-return to trend household representative rates (HRRs)					
	SNPP	SNPP (+MYE)	10-year trends	15-year trends	15-year trends (+UPC)
Copeland	25	30	56	114	138

Source: Demographic projections

23. As part of the draft NPPF and PPG, the MHCLG has set out a proposed standard method for the assessment of housing need. This is based just on official household projections with an adjustment based on the local affordability ratio (a house price to income ratio). Using the standard methodology with the most recent data available suggests a need to provide 32 dwellings per annum. This is above the figure from the latest official projections (10 dpa) but is some way below the highest scenario developed in this report (138 dpa).

24. Since this report was drafted, MHCLG have indeed confirmed the Standard Method. Given that the needs shown using this methodology are some way below those derived above, it is not considered that the Council should use the Standard Method – although it should note that any planned provision above the level of the Standard Method would be considered as planning positively for growth. To clarify, for Copeland it is considered that the Standard Method is not appropriate for Plan making.

Future Employment and the Link to Housing

25. Analysis has sought to estimate the likely level of housing needed to be delivered if the resident workforce is to increase sufficiently to meet job-growth forecasts. In line with the PPG, the main purpose should be to establish if there are any clear spatial imbalances between where population growth is projected to occur and where the jobs might be provided. In the case of Copeland (due to the Borough being defined as a single housing market area) this is less relevant, although any changes to housing need could have an impact on other areas that may need to be dealt with through the Duty-to-Cooperate.

26. Economic forecasts were provided by Cumbria County Council (CCC) and included four different scenarios, from a baseline position through to job estimates linked to Sellafield and West Cumbria Mining. For the period from 2017 to 2035, the forecasts showed a range of job changes from a loss of 3,400 to growth of 1,100 jobs.

27. The analysis took account of both commuting patterns and double jobbing, as well as making a series of assumptions about how economic activity rates might change in the future. This latter point is a key difficulty in matching job-growth to population growth – a range of potential sources are available to undertake this step, and the SHMA used an approach that linked as closely as possible to economic forecasts.

28. In running the modelling, it is estimated that to meet job growth forecast there would need to be provision of up to 198 dwellings per annum across the Borough (2017-35); this figure being based on the most optimistic of the forecasts provided by CCC (Scenario 3) and including an uplift to the HRRs of people aged 25-44 (as in the demographic projections).

Figure 6: Annual housing need (2017-35) – economic-led projections				
	Baseline	Scenario 1	Scenario 2	Scenario 3
Copeland	18	26	106	198

Source: Demographic projections

29. The forecasts also highlighted the issue of temporary construction workers linked to the potential NuGen developments, with a notable uplift in jobs in the period to 2027. This study has not modelled housing needs arising from construction workers and it has been assumed that the three accommodation sites identified by NuGen will be sufficient to meet and needs arising. This should however be monitored as construction develops to ensure that there are no adverse impacts on the local housing market.

30. Overall, it is concluded that it would be reasonable to conclude that an economic-based OAN for Copeland would be for up to 198 dwellings per annum. However, as this is substantially more than the level suggested by 'official' projections and also higher than even the highest of the demographic-based scenarios; some caution should be exercised, in particular in terms of the impact this may have on other locations (particularly neighbouring authorities). It should also be noted that this figure includes needs arising in the National Park.

Affordable Housing Need

31. An assessment of affordable housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Copeland. Overall, in the period from 2017 to 2035 a net deficit of up to 83 affordable homes per annum is identified. There is thus a requirement for new affordable housing in the Borough and the Council is justified in seeking to secure additional affordable housing. The analysis suggests that there is a need for affordable housing in all parts of the Borough (when looking at the three local HMAs).

32. The table below shows the components of the affordable housing need that leads to a need for 83 dwellings per annum; it should be noted that this links to the highest of the projections developed (the economic-based projection with a need for 198 dwellings per annum). Lower conclusions on OAN show much lower affordable needs, for example, linking the analysis to the latest official population and household projections shows a need for just 23 affordable homes each year.

Figure 7: Estimated Need for Affordable Housing (per annum) – by HMA (2017-2035)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Whitehaven HMA	9	213	163	385	323	62
National Park	0	9	4	14	6	7
Millom HMA	1	31	17	49	35	14
Copeland	10	254	184	448	364	83

Source: Projection Modelling/affordability analysis

33. How affordable housing need sits with the overall need for housing needs to be properly understood, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Additionally, the modelling includes newly forming households, who are already part of the demographic projections (i.e. they are already included within the need). Furthermore, many households secure suitable housing within the Private Rented Sector, supported by housing benefit.

34. Once account is taken of the range of outputs with the modelling and the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not suggest that there is any strong evidence of a need to consider additional housing over and above that already shown as being needed by the demographic/economic based analysis to help meet the affordable need. There are however a number of concealed households within the modelling who are not picked up by demographic projections (and are without housing). There is merit in considering these households as an additional need and this is addressed in the analysis of market signals.

35. Looking at affordable need in the National Park areas is also important as this typically is the main focus when looking at new housing development. The analysis suggests a need for up to 7 affordable homes per annum within the National Park area of the Borough. This figure can reasonably be considered as the OAN for the National Park and should be taken off any Borough-wide estimate of need to establish the number of homes to be provided within the Copeland Council planning area.

36. The estimated need for affordable housing is similar to that shown in previous SHMA research and it is clear that provision of new affordable housing (as part of overall housing delivery) is an important issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

37. Finally, it should be noted that the Government intends to revise the definition of affordable housing and affordable housing need through revised NPPF/PPG (and this happened in the 2019 NPPF). This will be to include households who are able to afford a private rent but not afford to buy a home within the definition of need. This is discussed in more detail below.

Types of Affordable Housing

38. Analysis has been undertaken to provide an indication of the range of tenure options that meet the needs of a broad spectrum of households – including those able to access the private rented sector, but not owner-occupation; this is a key additional category of affordable housing need set out in the draft PPG. A particular focus of the analysis is to therefore consider the (wider) proposed definition of affordable housing in the draft NPPF and PPG (and initially set out in the Housing White Paper (HWP) of February 2017).

39. The analysis considered the cost of housing of different tenures and developed this to seek to understand what this might mean in terms of an income required to access such housing. The analysis considered both market housing and the full range of affordable housing options set out in the draft PPG.

40. Overall, the cost of housing to buy in Copeland is relatively cheap in comparison with national figures. Additionally, the income levels likely to be required to access owner-occupied housing are often lower than might be needed to rent privately (for smaller homes). This would suggest that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary). The table below shows indicative estimates of the income required to access a range of different products by dwelling size (ordered for 3-bedroom homes).

Figure 8: Indicative affordability (income) thresholds for different tenures of housing – by size (Copeland)

	1-bedroom	2-bedrooms	3-bedrooms	4-bedrooms
Discounted market/Starter Home	£15,100	£19,300	£23,400	£50,900
Lower Quartile private rent	£16,800	£19,200	£21,600	£28,800
Lower Quartile purchase	£13,500	£17,200	£20,900	£45,400
Shared ownership (50% equity share)	£13,200	£16,800	£20,500	£44,500
Affordable rented (median)	£15,200	£17,300	£20,200	£28,800
Social rented	£16,000	£17,900	£19,700	£22,200
Affordable rented (lower quartile)	£13,400	£15,400	£17,300	£23,000
Shared ownership (25% equity share)	£10,400	£13,200	£16,100	£35,000

Source: Derived from a range of sources including Land Registry and VOA

41. The fact that the income likely to be required to buy a home or privately rent is fairly similar, it is not considered that the new definition of affordable housing (introduced in the 2019 NPPF) is of any great relevance to Copeland – i.e. it seems unlikely that there will be many (if any) households caught in the gap between renting any buying due to the cost of housing.

42. Hence, whilst the draft NPPF suggests a clear policy direction to provide 10% of all new housing as affordable home ownership, it is not clear that this is the best solution in the Borough. If possible, it would be more appropriate for the Council to seek 10% of housing to be made available with some initial upfront capital payment (such as a deposit contribution), rather than as a discount to Open Market Value (OMV). Such a payment could cover the deposit and other initial costs and would potentially need to be protected in some way so that the money is not lost if a household chooses to sell their property. Schemes such as Help-to-Buy could form part of such a package. This would still be targeted at the same group of households (likely to mainly be those currently privately renting but who would like to buy).

43. If the Council is required to provide 10% of housing as affordable home ownership, then the analysis would suggest that shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised). The evidence shows that there is not any basis (in affordability terms) to increase the provision of affordable home ownership above the 10% figure currently suggested in the draft NPPF.

44. Subject to viability, in addition to 10% of affordable home ownership (or some alternative measure such as capital payments), the Council should be seeking to provide additional rented housing (i.e. additional to that in the current stock). Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). The analysis did not suggest that there would be much of a difference between the cost to the occupant of either social or affordable rented housing. Hence the actual tenure choice could be determined by the potential availability of funding.

Market Signals

45. Analysis of a range of market signals has been undertaken to consider if any adjustments should be made to the demographic-based assessment of housing need. The market signals studied are consistent with those in the PPG and included; house prices, rents, affordability ratios, land values, rates of development and overcrowding/concealed households.

46. The market signals do not generally point towards any need to increase housing provision; house prices, rent and land values are generally low and the affordability (price:income) ratio is one of the lowest in the country. Housing delivery has been below targets (which could be an indicator to suggest increasing provision), however, it is not clear if this is an under-supply of housing against need or simply an under-supply compared with the target. It is quite possible that the level of delivery since 2003 simply reflects the demand for housing in that period.

47. The market signals did however identify an increase in the number of concealed households in the Borough. These households are not captured by demographic projections and do not currently have housing. It is therefore reasonable to increase the level of need by the increase in concealed households seen in the 2001-11 period – this increases need by some 150 dwellings (about 8 per annum over the 2017-35 period. On the basis of 15-year migration trends (+UPC) (the highest of the demographic projections developed), this would mean that the objectively assessed housing need in Copeland is for 2,630 dwellings (146 per annum); with a higher figure (of 207 dwellings per annum) if the concealed households are added to the highest jobs-led projection.

48. It should be remembered that these figures are for the whole of the Borough (including those areas within the National Park). Using an OAN estimate for the National Park of 7 dwellings per annum (based on affordable housing need) it can be concluded that the OAN for the planning authority area of Copeland lies in the range of 140 to 200 dwellings per annum.

Figure 9: Annual housing need (2017-35) – including uplift for concealed households

	15-year migration (+UPC)	Job forecast
Copeland	146	207
Excluding National Park	139	200

Source: Demographic modelling and Census (2001 and 2011)

Family Households and Housing Mix

49. The proportion of households with dependent children is lower in Copeland than other areas (regionally and nationally). There was no growth in the number of 'family' households from 2001 to 2011 (decreasing by 6%) although there has been some growth in the number of households with non-dependent children (likely in many cases to be grown-up children living with parents). Projecting forward, there is expected to be some increase in the number of households with dependent children when linking to higher demographic projections.

50. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (18-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Figure 10: Suggested Mix of Housing by Size and Tenure

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-5%	25-30%	50-55%	15-20%
Affordable home ownership	10-15%	40-45%	35-40%	5-10%
Affordable housing (rented)	20-25%	40-45%	25-30%	5-10%

Source: Housing Market Model

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

52. The mix identified above could inform strategic policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

53. Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

54. The Council should also consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

55. The analysis of an appropriate mix of dwellings could also inform the 'portfolio' of sites which are considered by the local authority through its local plan process. Equally it will be of relevance to affordable housing negotiations.

Housing Technical Standards (Older Persons' Needs)

56. Planning Practice Guidance section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards, water efficiency standards and internal space standards). This study considered the first two of these (i.e. accessibility and wheelchair housing) as well as considering the specific needs of older people. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN). This is to consider the need for Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings). The Technical Standards are also noted in the draft PPG under the heading of *'How can the housing requirements of particular groups of people be addressed in plans?'*.

57. The data shows in general, that Copeland has slightly higher levels of disability compared with other areas, and that an ageing population means that the number of people with disabilities is expected to increase substantially in the future. Key findings include:

- 31-36% increase in the population aged 65+ over 2017-2035 (accounting for over 100% of total population growth);
- 19% of household growth identified as being households requiring specialist housing for older persons;
- Up to 52% increase in the number of older people with mobility problems (representing about 34% of all population growth);
- Up to 16% increase in the number of people with a long-term health problem or disability (LTHPD) (representing about 60% of all population growth);
- concentrations of LTHPD in the social rented sector; and
- a need for around 200 dwellings (6% of the projected overall increase in dwellings) to be for wheelchair users (meeting technical standard M4(3)).

58. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. Given the evidence, the Council could consider (as a start point) requiring all dwellings to meet the M4(2) standards (which are similar to the Lifetime Homes Standards). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

59. In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.

60. The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.

61. In June 2019, MHCLG published new guidance on 'housing for older and disables people'. It is not considered that this PPG requires any further changes to the analysis in this report although further consideration could be given to the guidance in any future selected update of the information in this report.

The Private Rented Sector

62. The private rented sector (PRS) accounts for around 9% of all households in Copeland (as of 2011) – a smaller proportion to that seen in many other areas. The number of households in this sector has however grown substantially (increasing by 35% in the 2001-11 period); although the level of change is also notably lower than observed in other locations.

63. The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (compared with other tenure groups) – levels of overcrowding are relativity high (although again low in a national context). In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted and terraced accommodation when compared with the owner-occupied sector. That said, around nearly half of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements.

64. Additional analysis suggests that rent levels have not changed significantly over time (when looking at the 2011-17 period) – this would suggest that despite the large increase in the size of the sector, there is no obvious lack of supply of private rented homes.

65. There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). However, given the current Government push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).

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

Other Groups

67. Analysis has been carried out to understand and quantify the need/demand for non 'bricks and mortar' housing – specifically caravans (such as Park Homes) and Houseboats. This analysis is separate from any analysis to look at the needs of Gypsy and Traveller households. The study has looked at a range of data (e.g. from the Census and Council Tax data).

68. To try to quantify the potential need/demand for caravans an analysis was developed that looked at the current occupancy patterns (by age) and projected this forward on the basis of expected age structure changes. This suggested that there would be a need for up to 27 additional mobile homes over the 18-year period to 2035 (less than 2 a year).

69. This analysis did not therefore identify a significant need; in planning policy terms it is not considered that there is sufficient evidence such that the Council should allocate a site (or sites) for this type of housing. However, it is clear from the analysis that there is some additional demand for caravans and therefore any planning application for additional plots or berths should be considered on its own merits (e.g. in terms of scale, location and environmental/landscape impacts).

70. Analysis was also carried out to consider student needs and the needs of armed forces personnel. In both cases the number of people/households in the relevant target group is very low and there is no evidence for any specific policies in relation to such groups.

71. Data about self- and custom-build identified low levels of demand and plot availability. However, past schemes in Copeland appear to have been popular with local people and so the Council should continue to support self- and custom-build developments where opportunities arise.

72. Finally, the analysis looked at Black and Minority Ethnic (BME) households. The analysis identified a small but growing BME community and one which appears disadvantaged when compared with the White (British/Irish) population. However, the implications of the analysis of BME groups are more for housing strategy than planning; suggesting a need to consider how the needs of different groups are met within the local housing market, and to explore the reasons for higher levels of overcrowding in BME communities and how this can be addressed. It will also be important to consider the role which the Private Rented Sector plays in meeting needs of new migrant communities and the standards of housing in this sector.

Overall Conclusions

73. The main overall conclusion is around the objective assessment of housing need (OAN). On the basis of the analysis carried out, this is concluded (annually over the 2017-35 period) to be for up to 146 dwellings per annum when looking at demographic trends. This figure is based on analysis of the whole Borough, for the National Park areas (and based on analysis of affordable housing need) it is concluded that there is an annual need for 7 dwellings. Hence the need in the Copeland planning authority area is for up to 140 dwellings per annum (rounded).

74. The 140 dwellings per annum figure is based on demographic trends; with a similar analysis linking to economic growth it is concluded that the OAN is for up to 207 dwellings per annum (200 excluding the National Park) – this is based on the highest of the economic forecasts provided by the County Council. Hence, to support the growth aspirations of the Borough, including development of Moorside, the Council would need to plan for up to 200 dwellings per annum.

75. Overall, it is concluded that the OAN (just for the planning authority area) sits in the range from 140 to 200 dwellings per annum. Both of these figures are substantially above the proposed MHCLG standard method, which suggests a need for around 32 dwellings per annum (including the National Park).

76. Any figure within this range would be reasonable and justified, although a figure at the top end is likely to be the maximum required, as it relies on achieving the highest of the economic forecasts and there is clear uncertainty about future economic growth. Evidence of past delivery would also suggest that a housing requirement at the top end of the range might be difficult to achieve.

77. To be clear, it can be concluded that the OAN (for the planning authority area) to support demographic change, the general economy and affordable housing provision is for 140 dwellings per annum. It is suggested that the Council consider allocating enough land for a higher figure, which could be up to 200 dwellings per annum, to provide range and choice in the market and to support the growth associated with major projects. This would mean that the Local Plan would include a requirement that can meet the lower end of the range, but still be aspirational enough should economic growth mean there is a need to provide additional dwellings over and above this baseline position.

78. Turning to affordable housing, it is clear that there is a need to provide additional affordable homes in all parts of the Borough. Strictly speaking, the bulk of the need is likely to be best met through provision of rented options (social/affordable rented), however it is recognised that there is a clear desire from Central Government to provide more 'affordable' home ownership options and so some discounted market/shared ownership could be considered as part of any mix.

79. Finally, in terms of housing mix, the analysis broadly suggests a need for 70% of market homes to have 3 or more bedrooms (and 30% 1-2 bedrooms); a need for 45% of low-cost market home ownership properties to have 3 or more bedrooms (55% 1-2 bedrooms) and a need for 35% of rented homes (social/affordable) to have 3 or more bedrooms (65% 1-2 bedrooms). Whilst the analysis in the report has looked at individual size requirements (i.e. 1, 2, 3 and 4+ bedrooms separately) it may be better in policy terms to use a broad 1-2 and 3+ bedroom category. This would assist in negotiations in areas where provision of 1-bedroom homes might not be considered appropriate (likely to be in terms of affordable housing in more rural locations with fewer facilities).

1. Introduction

Introduction

1.1 Justin Gardner Consulting (JGC) have been commissioned by Copeland Borough Council to develop a Strategic Housing Market Assessment (SHMA) and an assessment of Objectively Assessed Housing Need (OAN). The purpose of the study is to develop a robust understanding of housing market dynamics, and to provide an assessment of future needs for both market and affordable housing and the housing needs of different groups within the population for the 2017-35 period.

1.2 The SHMA does not set housing targets. It provides an assessment of the need for housing, making no judgements regarding future policy decisions which the Council may take; housing targets will be set in the Local Plan.

1.3 The SHMA responds to and is compliant with the requirements of the National Planning Policy Framework (the NPPF) of March 2012 and is informed by the relevant Planning Practice Guidance (PPG). It provides an assessment of the future need for housing, with the intention that this will inform future development of planning policies. According to the PPG, housing need:

"refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand."

1.4 This report, in discussing housing need, is thus referring to both the need for market and affordable housing, taking account of both local need and that associated with net migration. This is required by national policy.

1.5 Since this report was drafted, the Ministry of Housing, Communities and Local Government (MHCLG) has published a new draft NPPF and PPG. These documents were finalised during 2019 (February 2019 in terms of the NPPF). Where appropriate, comments are made in relation to this emerging policy landscape – this includes the confirmation of a Standard Method for assessing housing need (to set a 'minimum' level of provision to be achieved).

Background to the Study

1.6 The commentary below seeks to set out a broad overview of the requirements of this study. The text has largely been taken from the original specification for the project. A key overarching requirement is for the study to provide part of the evidence base for a new Local Plan.

1.7 Copeland Council adopted its Core Strategy in December 2013. It has since been preparing its Site Allocations and Policies Plan which underwent consultation of the Preferred Options in January – February 2015. In preparing for an additional period of consultation on a revised version of the Preferred Options report due to the extent of potential change, it became evident that the Council could not demonstrate a five-year supply of housing land with the allocations proposed against the housing requirements as set out in the adopted Core Strategy.

1.8 The decision was therefore made (in May 2017) to suspend the progression of the Site Allocations and Policies Plan and focus upon a new all-encompassing Local Plan and update / produce the necessary evidence base in support of its adoption.

1.9 Copeland is unique in its setting. Much of the Borough sits within the Lake District National Park boundary and it benefits from stunning coastline and historic towns which provide extra quality and character. The Borough stretches from Whitehaven in the north to Millom in the south, and contains a range of towns and villages with a wide cross section of housing provision in terms of age, type and tenure.

1.10 Housing completions in the borough have not met the adopted year on year requirements as set out in the adopted Core Strategy in recent years. However, with major infrastructure and investment in the nuclear sector in the Borough, there remains a commitment to growth and the attraction and retention of the necessary wide-ranging workforce for a new nuclear power station, the long-term decommissioning programme at Sellafield and their supply chain together with new opportunities that might arise.

National Planning Policy Framework and Guidance

1.11 The former Coalition Government reformed the policy framework for planning for housing. Regional strategies were revoked and responsibility for planning on cross-boundary issues was returned to local authorities.

1.12 The primary legislation to support this is the 2011 Localism Act which now imposes a 'duty to cooperate' on local authorities, requiring them to "engage constructively, actively and on an on-going basis" with the other authorities and relevant bodies. The Duty to Cooperate is applied as both a legal and soundness test to which development plans must comply. Housing provision is an issue of cross-boundary relevance which local authorities both within and beyond a Housing Market Area (HMA) will need to engage with each other on.

1.13 National policies for plan-making are set out within the NPPF. This sets out key policies against which development plans will be assessed at examination and to which they must comply.

National Planning Policy Framework (NPPF)

1.14 The National Planning Policy Framework (NPPF) was published in March 2012. The Framework sets a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework (including policies relating to Green Belt and other nationally and internationally significant landscapes and environmental designations) indicate that development should be restricted.

1.15 The NPPF highlights a Strategic Housing Market Assessment (SHMA) as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

1.16 This is reaffirmed in the NPPF in Paragraph 50. The SHMA is intended to be prepared for the housing market area, and include work and dialogue with neighbouring authorities where the HMA crosses administrative boundaries.

1.17 Paragraph 181 sets out that Local Planning Authorities (LPAs) will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examining. This highlights the importance of collaborative working and engaging constructively with neighbouring authorities, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act, and ensuring that there is a robust audit trail showing joint working to meet the requirements of paragraph 181 of the NPPF.

1.18 Paragraph 158 of the NPPF also emphasises the alignment of the housing and economic evidence base and policy. Paragraph 17 in the NPPF reaffirms this, and outlines that planning should also take account of market signals, such as land prices and housing affordability.

1.19 In regard to housing mix, the NPPF sets out that authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site.

1.20 The NPPF states that to ensure a Local Plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes. To address this, affordable housing policies would need to be considered alongside other factors including infrastructure contributions – a 'whole plan' approach to viability. Where possible the NPPF encourages local authorities to work up Community Infrastructure Levy (CIL) charges alongside their local plan.

Planning Practice Guidance

1.21 Planning Practice Guidance (PPG) was issued by Government in March 2014 on 'Assessment of Housing and Economic Development Needs' and is maintained online and updated periodically. The PPG is relevant to this SHMA in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing. The approach in this report takes account of this Guidance.

1.22 The Guidance defines "need" as referring to 'the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need'. It sets out that the assessment of need should be realistic in taking account of the particular nature of that area (for example the nature of the market area), and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints. Specifically, the Guidance sets out that:

"plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historical under performance, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans."

1.23 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). At the time of preparation of this report the latest projections are the 2014-based Household Projections. It also outlines that the latest population projections and mid-year population estimates should be considered. The latest projections are the 2014 Sub-National Population Projections published by ONS in May 2016 and 2016 mid-year population estimates (published in June 2017).

1.24 It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. This is considered in the subsequent chapters. Guidance indicates that proportional adjustments should be made (increasing the assessed housing need relative to demographic led projections) where the market signals point to supply being constrained relative to long-term trends or to other areas in order to improve affordability.

1.25 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. It indicates that this may provide a case for increasing the level of overall housing provision – in order to increase the delivery of affordable housing.

1.26 In regard to employment trends, the Guidance indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.

Draft NPPF and PPG (March 2018)

1.27 Since this report was drafted, the newly named Ministry of Housing, Communities and Local Government (MHCLG) has published a new draft NPPF (5th March 2018) and draft PPG (10th March 2018). The text below provides a brief review of these documents (as relevant to this report).

1.28 The draft NPPF reaffirms the Government's objective to significantly boost the supply of housing and that the needs of groups with specific housing requirements are addressed. The document also confirms the introduction of a standardised methodology to determine overall housing need, using a method based on demographic trends and market signals (essentially the affordability of market housing measured through a price:income ratio).

1.29 The NPPF sets out that the standardised methodology should be used in determining the *minimum* number of homes needed, although an alternative approach can be used where there are *exceptional circumstances*.

1.30 In relation to particular groups, the draft NPPF states that policies should identify the size, type and tenure of homes needed. The document also confirms the intention for at least 10% of homes to be available for affordable home ownership on larger sites (although some 'exemptions' are suggested in certain circumstances).

1.31 On affordable housing, the draft NPPF updates Annex 2 to reflect a wider definition of affordable housing. The list of different tenures set out is virtually identical to the list previously suggested in the Housing White Paper (HWP) of February 2017 (albeit that there has been some merging of specific tenures into broader tenure categories). Analysis in this report looks at the wider definition of affordable housing (i.e. to include affordable home ownership options).

1.32 The draft PPG provides more detail on how aspects of the NPPF should be interpreted, including setting out the standardised methodology for assessing housing need and providing more information about specific groups. The overall methodology for assessing need confirms the methodology previously set out in the Planning for the right homes in the right places consultation (September 2017).

1.33 Of relevance to Copeland, the draft PPG notes that the standard methodology does not work for National Park areas and that such authorities may continue to identify a housing need figure locally. The document also sets out that there may be circumstances where it is justifiable to identify need above the need figure shown in the standard method.

1.34 Overall, the draft NPPF and PPG largely confirm the direction of travel previously indicated in earlier MHCLG/CLG publications. On this basis, and whilst these are only consultation documents, it seems likely that the changes proposed will ultimately be enshrined in national policy. This report, having been mindful of the earlier publications is likely therefore to be providing analysis which is consistent with a changing planning policy landscape.

1.35 It is additionally worth noting that the finalised NPPF (February 2019) has not changed significantly from the draft version and so the comments in this section and analysis to follow remains valid and up to date. Additionally, new PPGs (various dates up to July 2019) do not include any substantial changes that impact on the analysis and conclusions of the report.

Stakeholder Consultation

1.36 As well as being a technical study of housing need (including specific needs such as affordable housing and the needs of older people) the study has been framed by a programme of stakeholder consultation. Consultation was undertaken with local estate/letting agents and developers, with key findings presented in Section 3 of this report.

1.37 In addition, once a draft had been produced (April 2018) the full report was sent out to neighbouring authorities plus the National Park Authority and the County Council for any comments (report sent to Allerdale, Barrow, South Lakeland, Lake District National Park and Cumbria County Council). Of these only the National Park and the County Council responded with the National Park's comments being limited to noting the estimated housing need in their area.

1.38 The County Council meanwhile did provide a detailed response. In this it was noted that there were 'no fundamental issues with the methodology used' and it was noted that the conclusions of the report were a need for between 140 and 200 dwellings per annum in the Planning Authority area. It was 'welcomed' that the analysis was suggesting a higher level of need than set out in the Government's Standard Method.

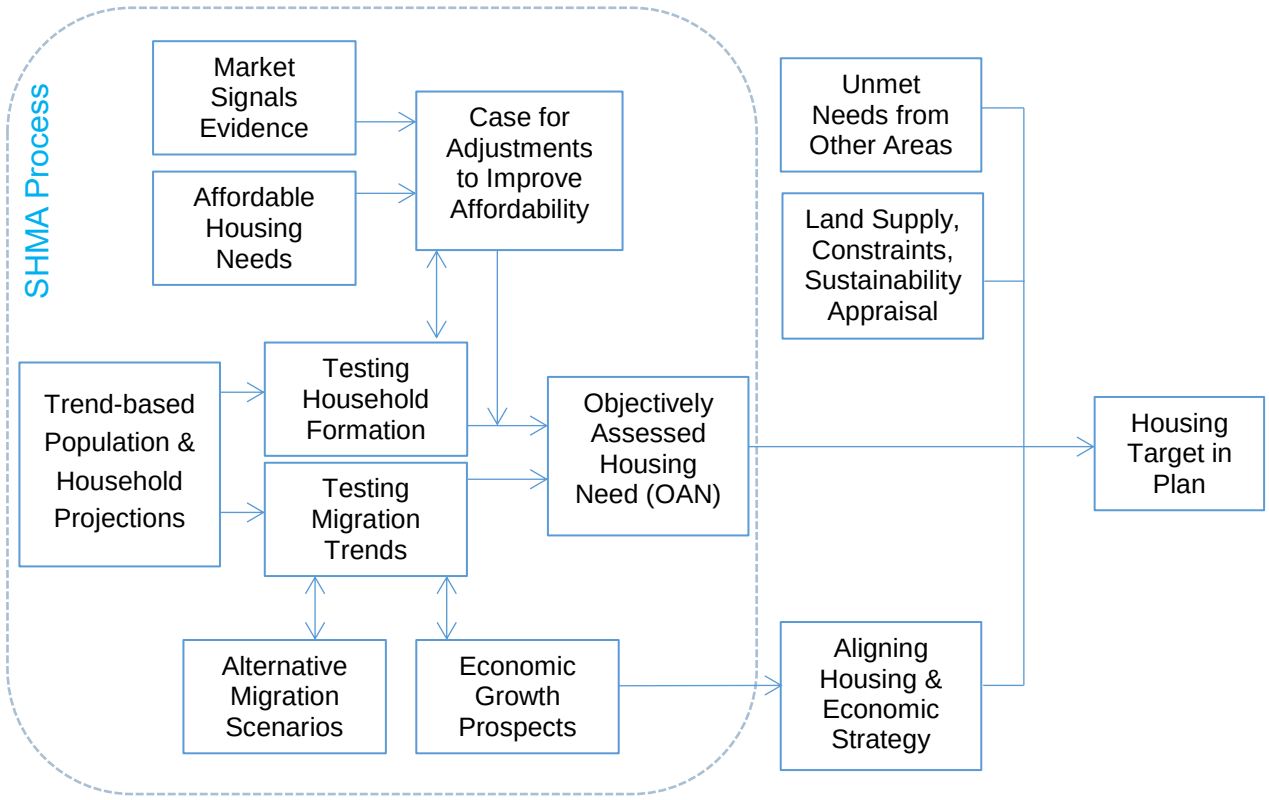
1.39 The County Council did however go on to suggest that the Council should be setting a policy aiming for 170 dwellings per annum as a minimum – this figure being chosen to reflect the opportunities and potential within Copeland, in particular in relation to economic growth. Finally, the County Council also highlighted the analysis of needs for specialist accommodation for older people and noted the work that they have been carrying out on this topic across the County.

1.40 Overall, the comments received from the County Council were useful and have been noted. It is not considered that these comments require any further changes to the analysis in this report, but it is recommended that Copeland Council continue to work closely with the County to ensure a consistency of research outputs and potential policy responses.

Overview of the Approach to Deriving Objectively Assessed Need (OAN)

1.41 Although the draft NPPF and PPG are proposing a standard methodology for assessing OAN, this study has largely followed the approach in the previous published versions of those documents. The diagram below summarises the approach used to derive conclusions regarding the Objectively-Assessed Need (OAN) for Housing. This is driven by the approach in the Planning Practice Guidance (PPG).

Figure 1.1: Overview of Approach to Generating a Housing Target



Introduction: Key Messages

- National planning policies require a SHMA to define the 'full objectively assessed need for market and affordable housing.' This provides a starting point for considering policies for housing provision. The assessment must 'leave aside' constraint factors (such as land availability), however these are relevant in drawing together evidence and testing options in the development of local plans. The SHMA does not set targets for housing provision.

- Government's Planning Practice Guidance sets out how the objectively assessed need for housing should be defined. It sets out that the starting point should be demographic projections, with appropriate assumptions regarding household formation rates. Consideration then needs to be given to economic growth, market signals and affordable housing need. The SHMA follows this approach to identifying objectively assessed housing need (OAN).

- In March 2018, MHCLG published a new draft NPPF and PPG. The key implication of these documents is a proposal to introduce a standard methodology for assessing housing need. Whilst this report is based on current guidance (as at the time of writing), it is mindful of potential changes in the future.

2. Housing Market Geographies

Introduction

2.1 The purpose of this section is to assess the extent of the Housing Market Area(s) (HMA) relevant to Copeland Borough. Neither the draft NPPF or PPG discuss HMAs and it seems that Government focus may well be moving away from HMAs towards analysis more closely focussed on local authorities (although there is still a clear focus on cross-boundary cooperation). The current PPG says that:

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

2.2 Housing market areas can be broadly defined by using three different sources of information as follows:

- House prices and rates of change in house prices;
- Household migration and search patterns; and
- Data about travel to work area boundaries, retail and school catchment areas.

2.3 The majority of studies looking at HMA boundaries focus on migration and travel to work data and it is generally considered that a self-containment rate of around 70% provides evidence for defining a HMA. Self-containment in the context of this means that 70% of people both live and work in an area (i.e. less than 30% commute out or less than 30% of local workers commute in) or in the case of migration an area where 70% of movers remain (excluding long distance moves such as due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.

Current National Research on HMAs

2.4 The most recent national analysis of HMAs is contained in 2010 CLG research (The Geography of Housing Market Areas in England). This research places Copeland as part of a 'strategic' HMA with Allerdale and as well as being alone as part of a 'single tier' HMA (i.e. the HMA is defined as Copeland only). The research also identifies 'local' HMAs which for Copeland shows a HMA centred on Whitehaven and including the whole of the Borough – this local HMA does not include any areas outside of the Borough. Overall, the evidence from the CLG research is that Copeland is a fairly self-contained Housing Market Area, but with links predominantly with Allerdale.

2011 Census data

2.5 Analysis of 2011 Census data confirms that Copeland has relatively high levels of self-containment when looking at either migration or travel to work; and again confirms the strongest links to be with Allerdale (see analysis below).

2.6 The table below shows that around 65%-66% of people with a different address at the time of the Census compared to one year earlier had previously lived in Copeland. These figures rise to 77%-78% if long-distance moves are excluded (taken in this analysis to exclude moves originating or finishing outside of the North West region). This analysis is slightly imperfect due to the lack of specific data for international out-migrants but does clearly identify that migration excluding long-distance moves is well in excess of 70%.

Figure 2.1: Copeland – Migration self-containment (2011)	
	Number of people
Moves within Copeland	3,742
Moves from North West (excluding Copeland)	1,038
Moves to North West (excluding Copeland)	1,131
Moves from elsewhere (UK & abroad, excluding NW and Copeland)	997
Moves to elsewhere (UK, excluding NW and Copeland)	824
Inward migration self-containment (including long distance moves)	65%
Inward migration self-containment (excluding long distance moves)	78%
Outward migration self-containment (including long distance moves)	66%
Outward migration self-containment (excluding long distance moves)	77%

Source: 2011 Census

2.7 The Census data can also be used to look at the locations people have moved from and to. The table below shows that the main destination is Allerdale. For most areas studied in the table below there was a net out-migration of people from Copeland (the North West excluding Cumbria being the exception). Overall, the data shows 165 people (net) moved from Copeland to other parts of the UK. The Census source does not allow an estimate of net international migration to be undertaken although this is considered when looking at demographic projections later in this report.

Figure 2.2: Locations of migrants moving to and from Copeland			
	Moved from Copeland to…	Moved to Copeland from…	Net migration to Copeland
Copeland	3,742	3,742	0
Allerdale	409	313	-96
Carlisle	120	71	-49
South Lakeland	100	64	-36
Barrow-in-Furness	58	55	-3
Eden	49	35	-14
Rest North West	395	500	105
Rest UK	824	752	-72
Total UK moves	5,697	5,532	-165
Moved from abroad	NA	245	NA

Source: 2011 Census

2.8 The figure below shows analysis of commuting patterns. The data shows that there is a net in-commuting to work of about 2,000 people. In terms of self-containment the commuting data suggests something in the region of 77%-81% depending on whether or not inward or outward commuting is considered. As with the migration data this suggests a high level of self-containment.

Figure 2.3: Travel to work patterns in Copeland (2011)	
	Number of workers
Live and work in Borough	22,371
Home workers	2,850
No fixed workplace	1,683
Out-commute	6,057
In-commute	8,022
Work offshore or abroad	112
Inward commuting self-containment	77.0%
Outward commuting self-containment	81.3%

Source: 2011 Census

2.9 Analysis has also been carried out to look at the locations where people live and work. The table below shows (as with migration data) that the key link for Copeland is with Allerdale. Other than Allerdale, levels of commuting are quite modest. The net in-commuting, and the strong link with Allerdale will be due to the nuclear sector at Sellafield, additional comments are made about this when looking at economic forecasts later in this report.

Figure 2.4: Commuting patterns to and from Copeland			
	Work in Copeland, live in…	Live in Copeland, work in…	Net commute to Copeland
Copeland	22,371	22,371	0
Allerdale	5,468	3,473	1,995
Carlisle	365	544	-179
South Lakeland	347	409	-62
Barrow-in-Furness	705	526	179
Eden	172	389	-217
Rest North West	405	195	210
Rest UK	560	521	39
Mainly work at or from home	2,850	-	-
No fixed place	1,683	-	-
Offshore installation	68	-	-
Outside UK	44	-	-

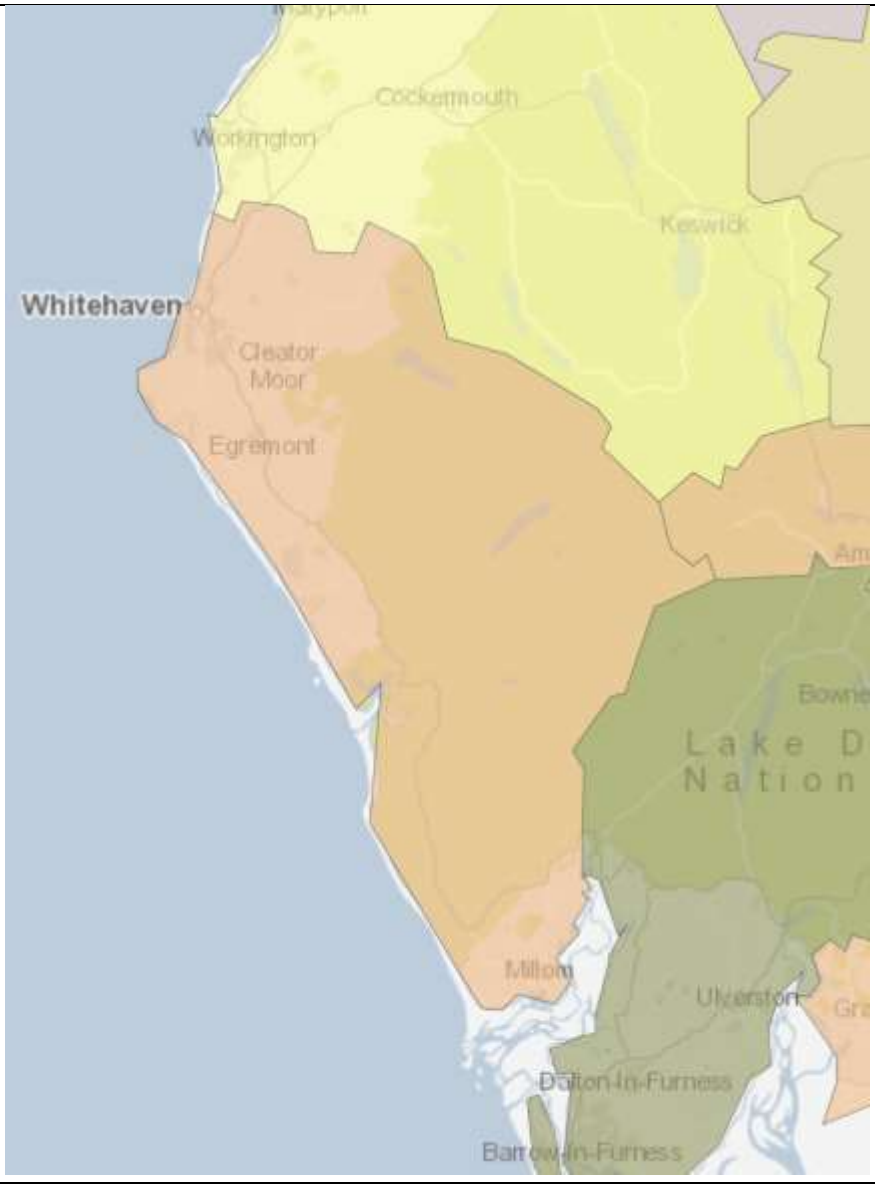
Source: 2011 Census

2.10 Using the 2011 Census data, ONS has undertaken its own analysis of travel to work areas (TTWA). The official TTWAs aim to identify self-contained labour market areas, i.e. areas in which the majority of commuting occurs within the boundary of the area.

2.11 The TTWAs have been developed as approximations of self-contained labour markets, as such they are based on a statistical analysis rather than administrative boundaries. There are two types of self-containment that are analysed: the resident self-containment which is the percentage of employed residents who work locally and; jobs self-containment which is the percentage of local jobs taken by local residents.

2.12 The criteria for defining TTWAs were that at least 75% of the area's resident workforce works in the area and at least 75% of people who work in the area also live in the area in most instances. The area must also have had a working population of at least 3,500 people. However, for areas where the working population is in excess of 25,000 people, self-containment rates as low as 67% were accepted. As illustrated in the figure below, Copeland falls within the Whitehaven TTWA, with the area appearing to exactly follow the Borough boundary.

Figure 2.5: ONS Travel to Work Areas 2011



Source: ONS 2015

2.13 On the basis of the high levels of migration self-containment and commuting patterns identified, supported by the Practice Guidance's definition, it is considered that Copeland can be seen as a self-contained HMA. However, the data does support there being links with Allerdale in particular and it will be important for the Council to fully engage with this areas (and indeed other neighbouring authorities) in line with the Duty to Cooperate – this is likely to have a particular focus on housing numbers.

Housing Sub-Markets

2.14 The PPG also suggests that *'the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need'*. In this report key outputs have additionally been provided for three more localised HMAs (as originally defined by Cumbria County Council) and also within the Whitehaven HMA, by a further four sub-areas. The table below sets out the areas used in analysis.

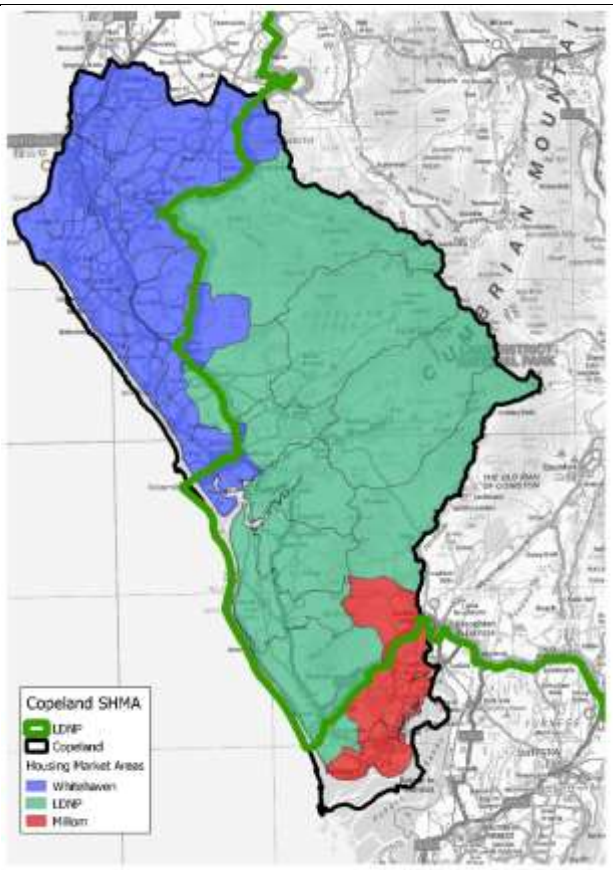
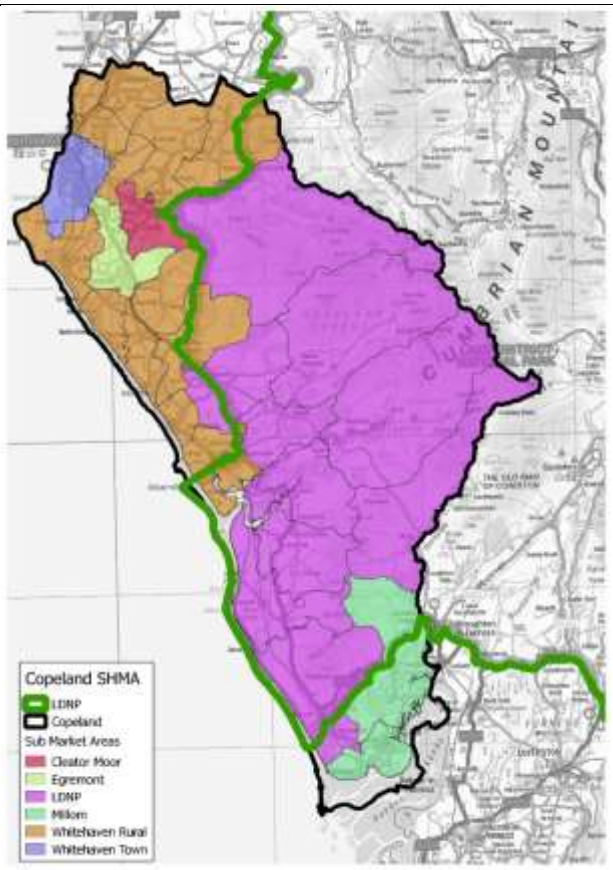
Figure 2.6: Local Housing Markets and Sub-Areas	
Housing Market Area	Sub-areas
Whitehaven	Whitehaven, Egremont, Cleator Moor, Whitehaven Rural
National Park	-
Millom	-

2.15 It should be noted that the boundaries used for these sub-areas differs very slightly in this report from those used in the last SHMA (of 2011). This is due to defining a sub-area as the National Park, whereas the boundaries of the HMAs do not exactly fit with the National Park. It is however considered to be important to recognise the National Park boundary as part of this study, this is mainly because when looking at overall housing need, the Lake District National Park would be responsible for their own housing numbers and Copeland Borough would only be planning for housing within the plan area (which excludes the National Park).

2.16 It does however need to be recognised that the Borough Council is the housing authority for the entire administrative area and so certain outputs from this study (e.g. around affordable housing need) should be provided for the whole Borough. By separating out the National Park as a separate sub-area, the overall OAN can be disaggregated to the Council's "plan area" recognising that parts of the Borough fall within the jurisdiction of the Lake District National Park Authority.

2.17 The maps below show the HMAs and sub-areas used in this report. The maps show the actual boundaries and it should be remembered that those parts of an HMA with the National Park are actually included in the National Park sub-area for analytical purposes. This does not have any significant impact on the analysis as for the most part, those areas affected do not contain large population or household numbers.

Figure 2.7: Housing Market Areas and Sub-Areas of Copeland

Housing Market Areas	Sub-Areas
	

Source: Maps provided by GL Hearn

HMA Conclusion

2.18 According to PPG the HMA is "*a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate."*

2.19 In drawing the analysis together there is clear evidence to suggest that Copeland is a Housing Market Area in its own right. The analysis of the 2011 Census migration data highlights high levels of self-containment; in particular, when long-distance moves are excluded self-containment reaches nearly 80%. This is considered significant and exceeds the 70% threshold set out in the PPG. The gross flows between adjacent authorities in the case of Copeland are considered modest with a notable link only being seen with Allerdale.

2.20 Another important source of information that was analysed are commuting patterns. Again, the job self-containment rates suggest that Copeland is a HMA in its own rights. With 77% of Copeland's workforce also residing in the area and 81% of the resident working population also working in the area. ONS analysis confirms Copeland as being a self-contained travel-to-work area.

2.21 To summarise there is a high level of self-containment in both migration and commuting flows. **The triangulation of this data strongly supports Copeland being a Housing Market Area in its own right.**

Housing Market Geographies: Key Messages

- The NPPF states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their housing market area (HMA). It is therefore important for the SHMA to identify the extent of the HMA.
- In simple terms, the HMA is a geographical area in which the majority of people, who move, will move within. It also reflects functional relationships between where people live and work. However, defining housing market areas is an inexact science and there is no single source of information that will clearly identify housing market areas.
- In drawing the analysis together there is clear evidence to suggest that Copeland is a Housing Market Area in its own right – the analysis of the 2011 Census migration data highlights high levels of self-containment. In particular, when long-distance moves are excluded self-containment reaches nearly 80%. This is considered significant and also exceeds the 70% threshold set out in the PPG. Analysis of commuting patterns and job self-containment also confirm that Copeland is an HMA in its own right.
- The analysis does however identify that the strongest links outside of the Borough are with Allerdale, and this will need to be considered under the Duty-to-Cooperate as the Council moves towards a new Local Plan.
- At a local level, the three local Housing Market Areas previously identified are considered suitable geographies to assess the local housing issues. Additionally, the analysis recognises the special designation of the National Park areas and the need for some analysis to be undertaken for this specific geography.
- Overall, the analysis of HMAs suggests that Copeland (the Borough) can be considered as a HMA for the purposes of analysis and to be consistent with the requirements of the NPPF. Furthermore, there is merit in looking at specific data for smaller sub-areas and also the National Park – the analysis in this report provides information for these different geographies as appropriate.

3. Copeland Borough Profile

Introduction

3.1 This section provides some background analysis about population and housing in Copeland (along with summary information for each market area and the National Park (where this falls within the Borough boundary). Data is compared with local, regional and national data as appropriate. Much of the analysis draws on 2011 Census information and can be summarised as covering four main topic headings:

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

3.2 The section also provides detail from the programme of stakeholder consultation with local estate/letting agents and developers.

Population

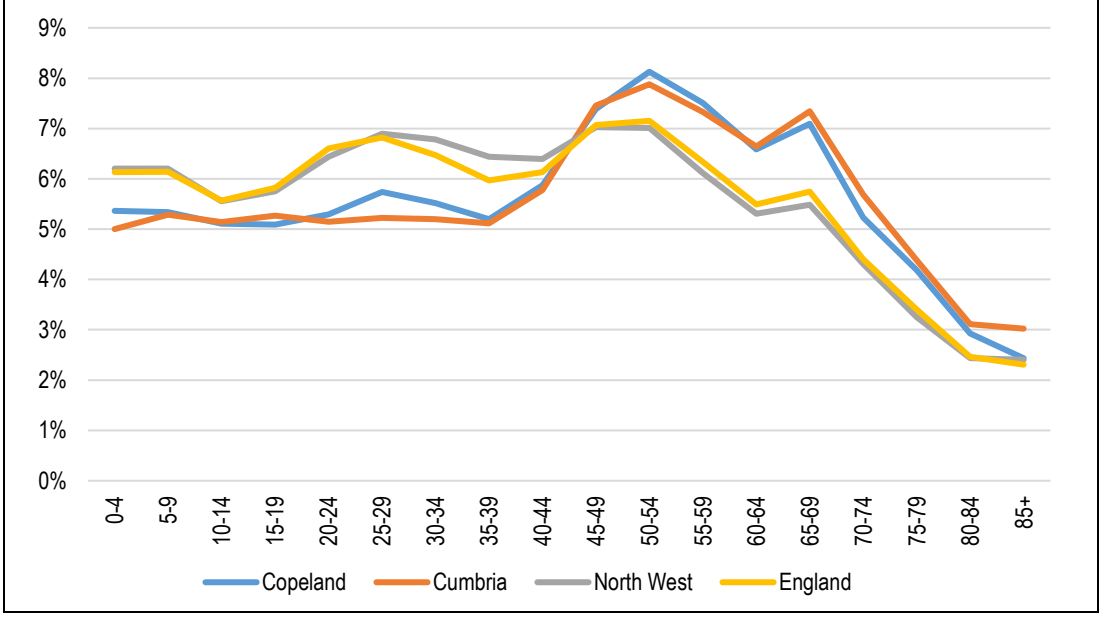
3.3 The table below shows the population profile of Copeland in five-year age bands compared with a range of other areas. The data shows a relatively old age structure with particularly notable differences from ages 45 onwards.

Figure 3.1: Population profile (2016)					
	Copeland		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
0-4	3,716	5.4%	5.0%	6.2%	6.1%
5-9	3,699	5.3%	5.3%	6.2%	6.1%
10-14	3,541	5.1%	5.1%	5.6%	5.6%
15-19	3,527	5.1%	5.3%	5.8%	5.8%
20-24	3,670	5.3%	5.1%	6.4%	6.6%
25-29	3,976	5.7%	5.2%	6.9%	6.8%
30-34	3,823	5.5%	5.2%	6.8%	6.5%
35-39	3,604	5.2%	5.1%	6.4%	6.0%
40-44	4,071	5.9%	5.8%	6.4%	6.1%
45-49	5,118	7.4%	7.5%	7.0%	7.1%
50-54	5,633	8.1%	7.9%	7.0%	7.2%
55-59	5,203	7.5%	7.3%	6.1%	6.3%
60-64	4,565	6.6%	6.6%	5.3%	5.5%
65-69	4,918	7.1%	7.3%	5.5%	5.7%
70-74	3,626	5.2%	5.7%	4.3%	4.4%
75-79	2,901	4.2%	4.4%	3.2%	3.4%
80-84	2,029	2.9%	3.1%	2.4%	2.5%
85+	1,687	2.4%	3.0%	2.4%	2.3%
All Ages	69,307	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

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

Figure 3.2: Population profile (2016)



Source: ONS mid-year population estimates

3.5 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age. This analysis shows that, compared with the region and national position, Copeland has a relatively high proportion of people aged 65 and over (22%) and consequently lower proportions of both children and people of working-age.

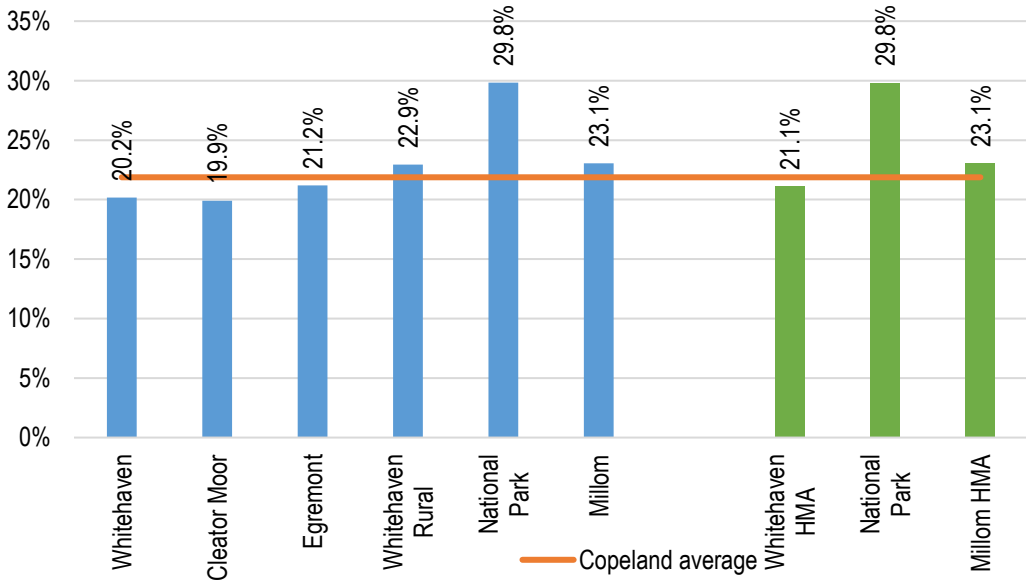
Figure 3.3: Population profile (2016) – summary age bands

	Copeland		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
Under 16	11,642	16.8%	16.5%	19.1%	18.9%
16-64	42,504	61.3%	60.0%	63.1%	62.8%
65+	15,161	21.9%	23.5%	17.9%	18.3%
All Ages	69,307	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

3.6 The figure below takes this data forward to look at some differences by sub-area and HMA. This focusses on the population aged 65 and over. The analysis identifies quite a variation in the proportion of people in this age group in different locations. The proportion aged 65+ varies from 20% in Cleator Moor up to 30% in the National Park area.

Figure 3.4: Proportion of population aged 65 and over by market area (2016)



Source: ONS mid-year population estimates

3.7 As well as looking at the population profile, analysis has been carried out (below) to look at overall population change over the 10-year period to 2016 (a 10-year period being chosen as this is a fairly standard period over which to look at population change). The analysis shows over the period that the population of Copeland decreased by 1.5%; this compares with a more modest decrease across Cumbria (0.2%) and increases in the North West (4.6%) and England (8.4%).

Figure 3.5: Population change (2006-16)				
	Population (2006)	Population (2016)	Change	% change
Copeland	70,329	69,307	-1,022	-1.5%
Cumbria	498,813	497,906	-907	-0.2%
North West	6,901,585	7,219,623	318,038	4.6%
England	50,965,186	55,268,067	4,302,881	8.4%

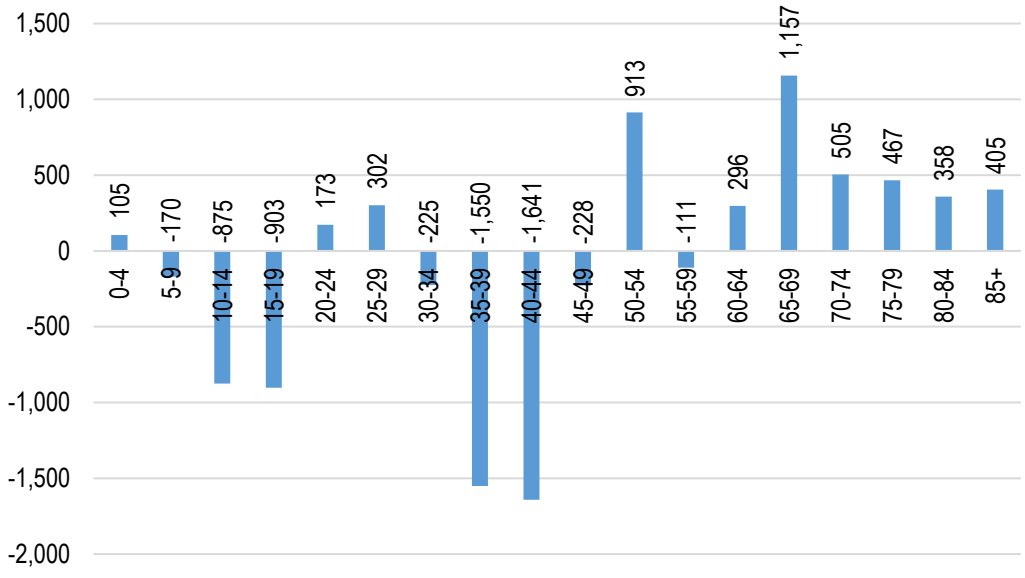
Source: ONS mid-year population estimates

3.8 The table and figure below show population change by age (again for the 2006-16 period). This generally identifies the greatest increases to be in older age groups (aged 65 and over) along with some notable population declines (particularly in the 30-44 age group).

Figure 3.6: Population change by age (2006-16) – 5-year age bands (Copeland)				
	Population (2006)	Population (2016)	Change	% change
0-4	3,611	3,716	105	2.9%
5-9	3,869	3,699	-170	-4.4%
10-14	4,416	3,541	-875	-19.8%
15-19	4,430	3,527	-903	-20.4%
20-24	3,497	3,670	173	4.9%
25-29	3,674	3,976	302	8.2%
30-34	4,048	3,823	-225	-5.6%
35-39	5,154	3,604	-1,550	-30.1%
40-44	5,712	4,071	-1,641	-28.7%
45-49	5,346	5,118	-228	-4.3%
50-54	4,720	5,633	913	19.3%
55-59	5,314	5,203	-111	-2.1%
60-64	4,269	4,565	296	6.9%
65-69	3,761	4,918	1,157	30.8%
70-74	3,121	3,626	505	16.2%
75-79	2,434	2,901	467	19.2%
80-84	1,671	2,029	358	21.4%
85+	1,282	1,687	405	31.6%
All Ages	70,329	69,307	-1,022	-1.5%

Source: ONS mid-year population estimates

Figure 3.7: Population change by age (2006-16) – 5-year age bands (Copeland)



Source: ONS mid-year population estimates

3.9 This information has been summarised into three broad age bands to ease comparison. The table below shows a decrease in the number of children living in the Borough (reducing by about 9%) along with a decrease in the 'working-age' population. The key driver of population growth has therefore been in the 65 and over age group, which between 2006 and 2016 saw a population increase of about 2,900 people; this age group increasing in size by 24% over the decade.

Figure 3.8: Change in population by broad age group (2006-16) – Copeland

	2006	2016	Change	% change
Under 16	12,838	11,642	-1,196	-9.3%
16-64	45,222	42,504	-2,718	-6.0%
65+	12,269	15,161	2,892	23.6%
TOTAL	70,329	69,307	-1,022	-1.5%

Source: ONS mid-year population estimates

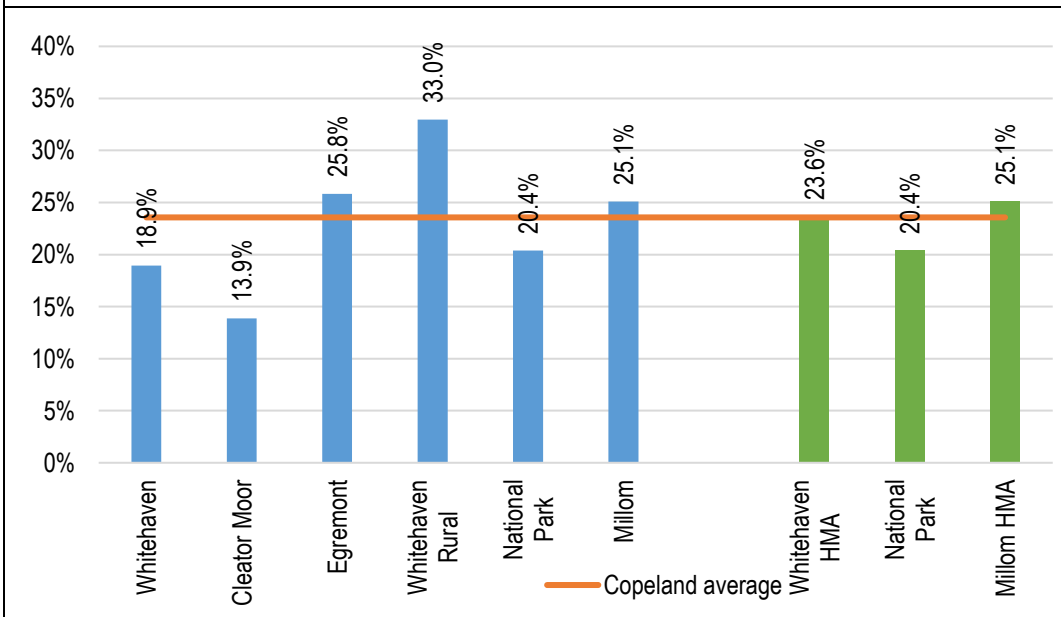
3.10 Additional analysis is provided below to look at the sub-areas and HMAs. The analysis shows a falling population in five of the six sub-areas, with a notable decline of 6.4% in the National Park area in just a decade. All of the HMAs see a fall in population, Whitehaven being the most modest (a 1% decrease in population over the 10-year period). Levels of population growth/decline may to some degree to be driven by the locations of new housing development over this period.

Figure 3.9: Change in population (2006-16) by sub-area				
	2006	2016	Change	% change
Whitehaven	24,930	24,551	-379	-1.5%
Cleator Moor	6,965	6,760	-205	-2.9%
Egremont	7,929	7,901	-28	-0.4%
Whitehaven Rural	17,560	17,606	46	0.3%
National Park	4,263	3,989	-274	-6.4%
Millom	8,682	8,501	-182	-2.1%
Whitehaven HMA	57,384	56,818	-566	-1.0%
National Park	4,263	3,989	-274	-6.4%
Millom HMA	8,682	8,501	-182	-2.1%
Copeland	70,329	69,307	-1,022	-1.5%

Source: ONS mid-year population estimates

3.11 The figure below shows the change in the proportion of the population aged 65 and over in each sub-area and HMA. All areas have seen an increase in the proportion of older people with the increase in the population in this age group ranging from 14% in Cleator Moor up to 33% in Whitehaven Rural. The three HMAs tend to show less variation, although it is notable that the lowest proportionate rise in the population aged 65 and over is seen in the National Park area; this finding will be driven by the fact that this area already had a large proportion of its population aged 65 and over in 2006, as well as being reflective of a notable level of population decline over the 2006-16 period.

Figure 3.10: Change in population aged 65 and over by sub-area (2006-16)



Source: ONS mid-year population estimates

3.12 The table below shows the ethnic group of the population (as of 2011) and compares this with a range of other areas. It can be seen that the Black and Minority Ethnic (BME) population of Copeland is very low when compared with other areas; only 2.5% of people are from a BME group, compared with 12% in the North West and 19% nationally. The main BME group in Copeland is White (Other) which makes up 0.9% of all people – this group is likely to contain a number of Eastern European migrants.

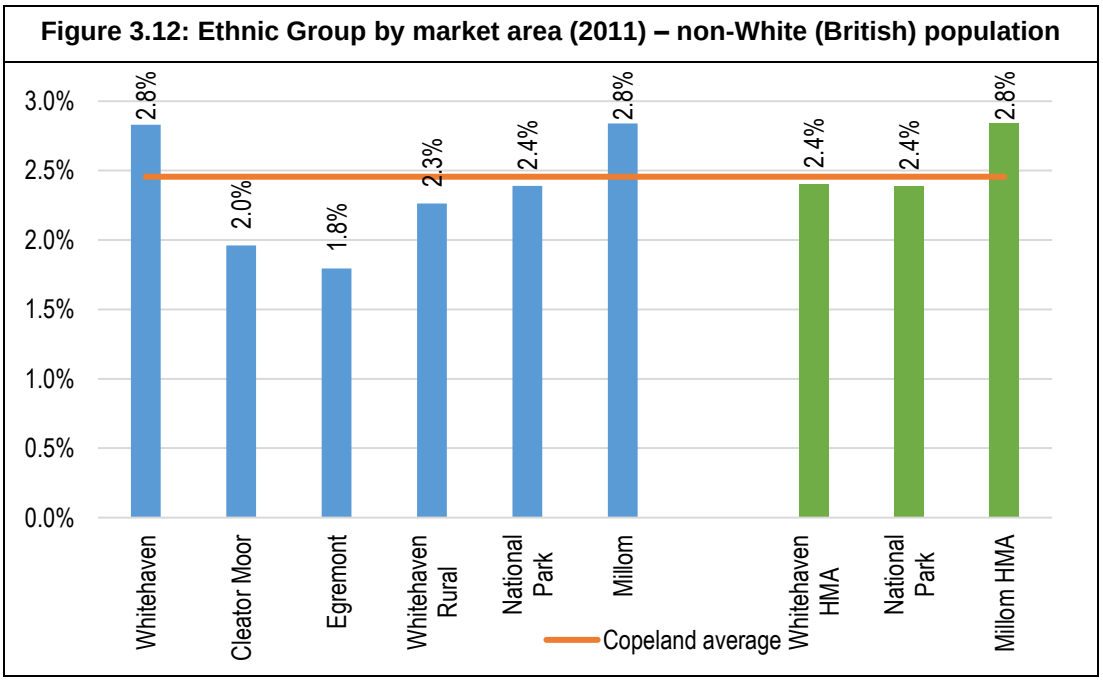
Figure 3.11: Ethnic Group (2011)

	Copeland		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
White (British/Irish)	68,869	97.5%	96.8%	88.0%	80.7%
White (Other)	622	0.9%	1.7%	2.2%	4.7%
Mixed	339	0.5%	0.5%	1.6%	2.3%
Asian	629	0.9%	0.8%	6.2%	7.8%
Black	84	0.1%	0.1%	1.4%	3.5%
Other	60	0.1%	0.1%	0.6%	1.0%
TOTAL	70,603	100.0%	100.0%	100.0%	100.0%
Non-White (British/Irish)	1,734	2.5%	3.2%	12.0%	19.3%

Source: 2011 Census

3.13 The figure below shows the proportion of the population who are from a non-White (British) ethnic group by sub-area and HMA. This identifies that all areas have relatively low BME populations, with the range of figures being from 1.8% in Egremont, up to 2.8% in Whitehaven and Millom.

Figure 3.12: Ethnic Group by market area (2011) – non-White (British) population



Source: 2011 Census

Household Characteristics

3.14 The table below shows household types (in 2011) in Copeland and compared with other areas. Compared with the regional and national position, this analysis shows a relatively high proportion of households with people aged 65 and over (particularly couple households) and relatively low levels of lone parent households. The analysis also shows a higher than average proportion of couples with no children. In comparison with Cumbria, many of these findings are in the opposite direction (i.e. fewer older person households and more lone parents).

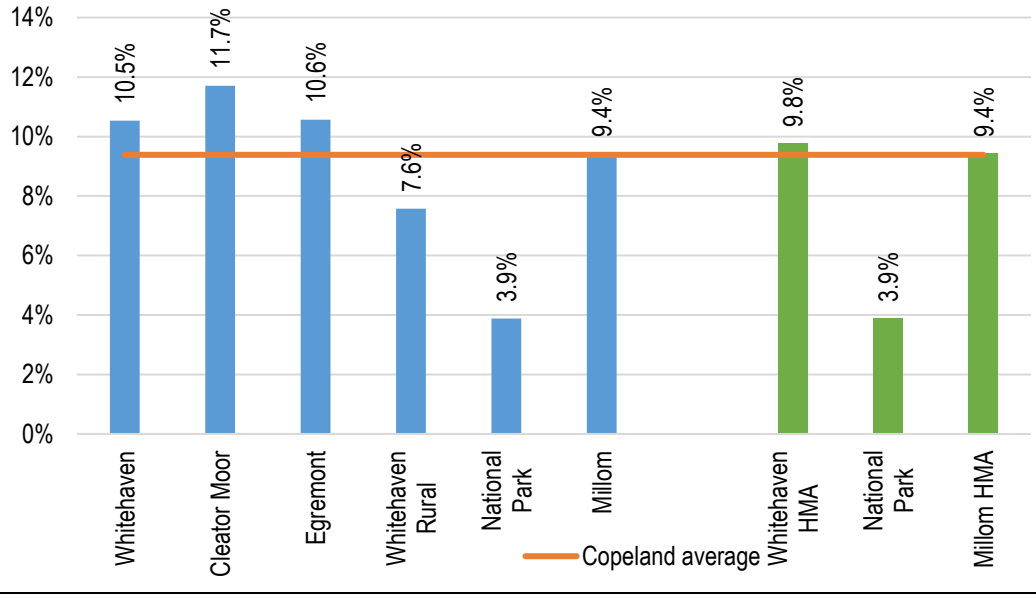
Figure 3.13: Household Types (2011)

	Copeland		Cumbria	North West	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
One person 65 and over	4,023	13.2%	14.6%	12.8%	12.4%
Couple 65 and over	2,838	9.3%	10.1%	7.8%	8.1%
One person (under 65)	5,285	17.3%	17.7%	19.4%	17.9%
Couple (no children)	6,049	19.8%	19.8%	16.5%	17.6%
Couple (dependent children)	5,754	18.8%	17.9%	18.4%	19.3%
Couple (non-dependent children only)	2,263	7.4%	6.4%	6.5%	6.1%
Lone parent (dependent children)	1,803	5.9%	5.7%	8.1%	7.1%
Lone parent (non-dependent children only)	1,063	3.5%	3.2%	3.9%	3.5%
Other households	1,458	4.8%	4.6%	6.6%	8.0%
TOTAL	30,536	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.15 The figure below focuses on the proportion of lone parent households by sub-area (the figures are for lone parent households with both dependent and non-dependent children combined). This shows a notable range with the proportion of lone parent households going from 3.9% in the National Park area, up to 11.7% in Cleator Moor. Generally, the lowest proportion of lone parent households are found in more rural areas.

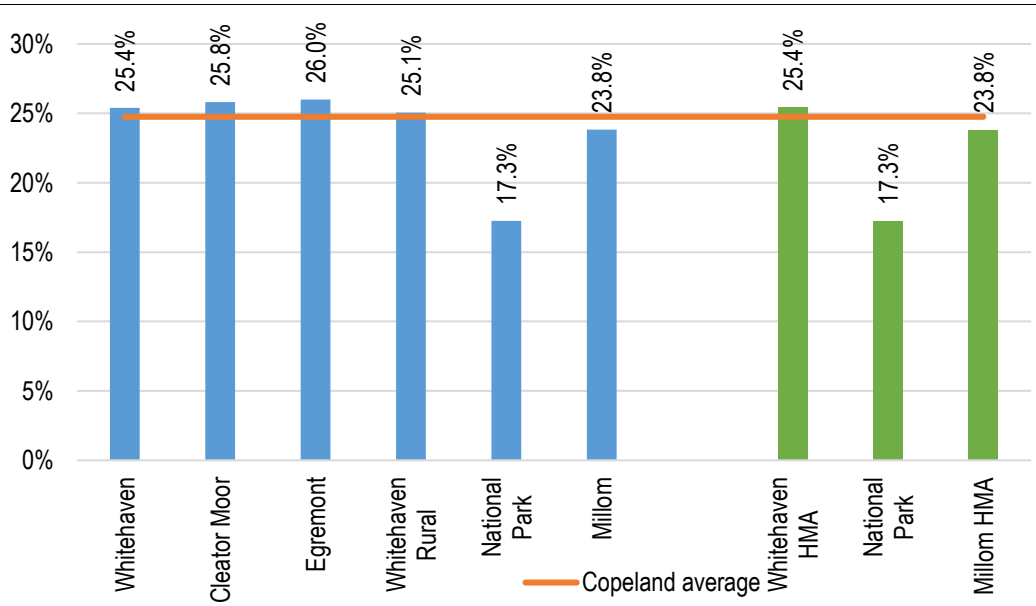
Figure 3.14: Lone parent households by sub-area (2011)



Source: 2011 Census

3.16 A similar analysis has been undertaken below focussing on all households with dependent children. This again shows variation across areas, with the range of proportions of such households going from 17.3% in the National Park up to 26% in Egremont. The four sub-areas in the Whitehaven HMA are also the four areas with the highest proportions of households with dependent children.

Figure 3.15: Households with dependent children by sub-area (2011)



Source: 2011 Census

3.17 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers and particularly outright owners. The proportion of households living in the social rented sector is relatively high (particularly when compared with the average figure for Cumbria) whilst the proportion living in private rented accommodation is notably lower than is observed in other areas.

Figure 3.16: Tenure (2011)

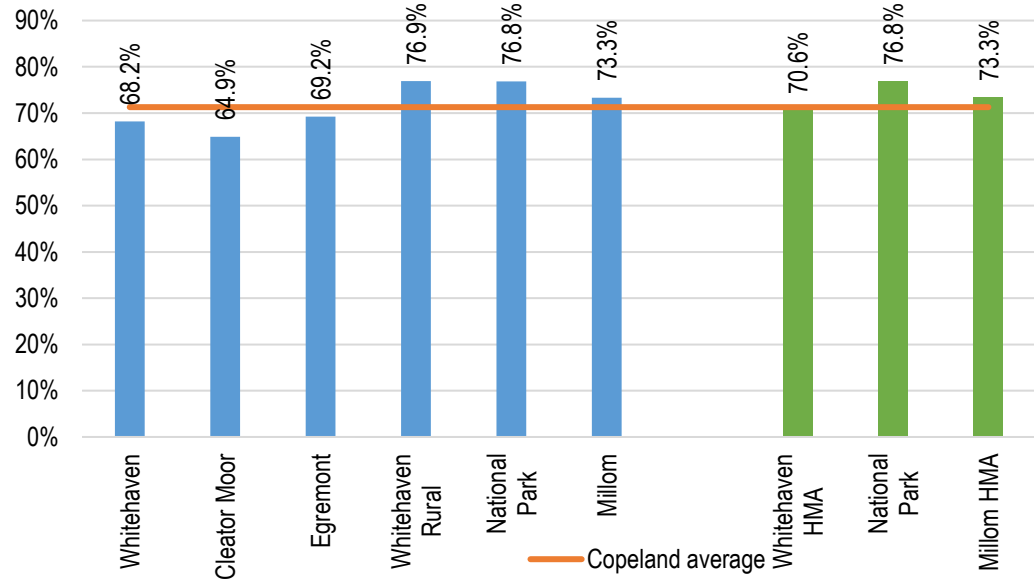
	Copeland		Cumbria	North West	England
	Households	% of households	% of households	% of households	% of households
Owns outright	11,315	37.1%	39.2%	31.0%	30.6%
Owns with mortgage/loan	10,452	34.2%	32.0%	34.0%	33.6%
Social rented	5,668	18.6%	14.3%	18.3%	17.7%
Private rented	2,665	8.7%	12.8%	15.4%	16.8%
Other	436	1.4%	1.6%	1.3%	1.3%
TOTAL	30,536	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.18 The three figures below show market and National Park area level data for three key tenure groups: a) owner-occupied (combining those with and without a mortgage/loan), b) social rent and c) private rent. Data for the 'other' tenure group is not shown below; the proportion of households in the other category is relatively small in all areas with the highest proportion being in the National Park area (2.8%).

3.19 When looking at owner-occupation the analysis shows a range from about 65% of households in Cleator Moor up to 77% in Whitehaven Rural and the National Park area. Generally, households in more rural areas are more likely to be owner-occupiers, although the proportion of owners is higher than the Borough average in Millom. The level of outright ownership in the National Park area is notably above that for the whole Borough (52% of all households in the National Park area are outright owners); the number of owners with a mortgage is therefore low in the National Park area (25% of all households, compared with 34% for the Borough as a whole).Th

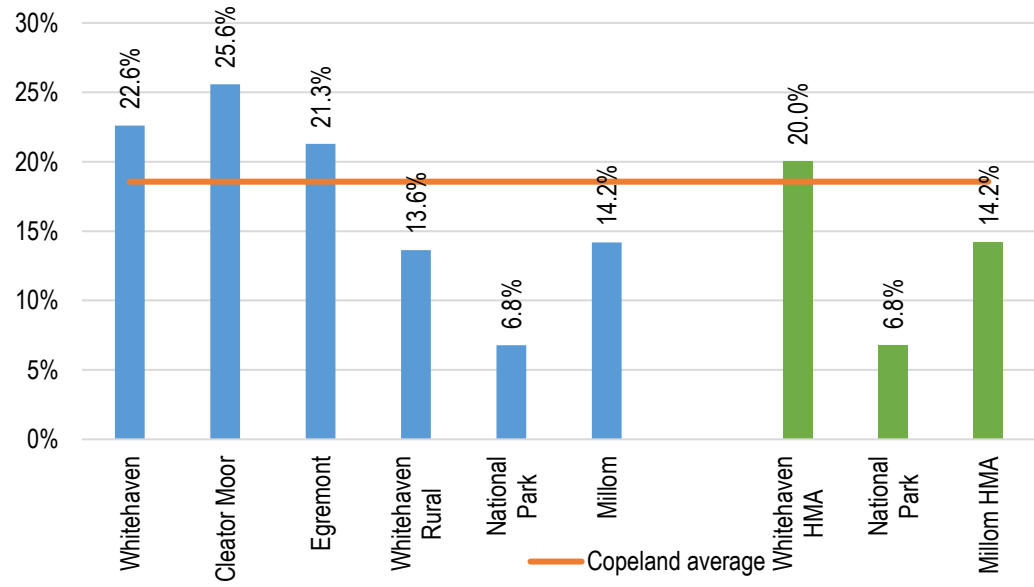
Figure 3.17: Proportion of owner-occupiers by market area (2011)



Source: 2011 Census

3.20 The proportion of households living in social rented housing (figure below) shows some significant variation by area with proportions varying from around 7% in the National Park up to 26% in Cleator Moor. Overall, the proportion of households living in social rented accommodation is notably higher in the Whitehaven HMA than other locations.

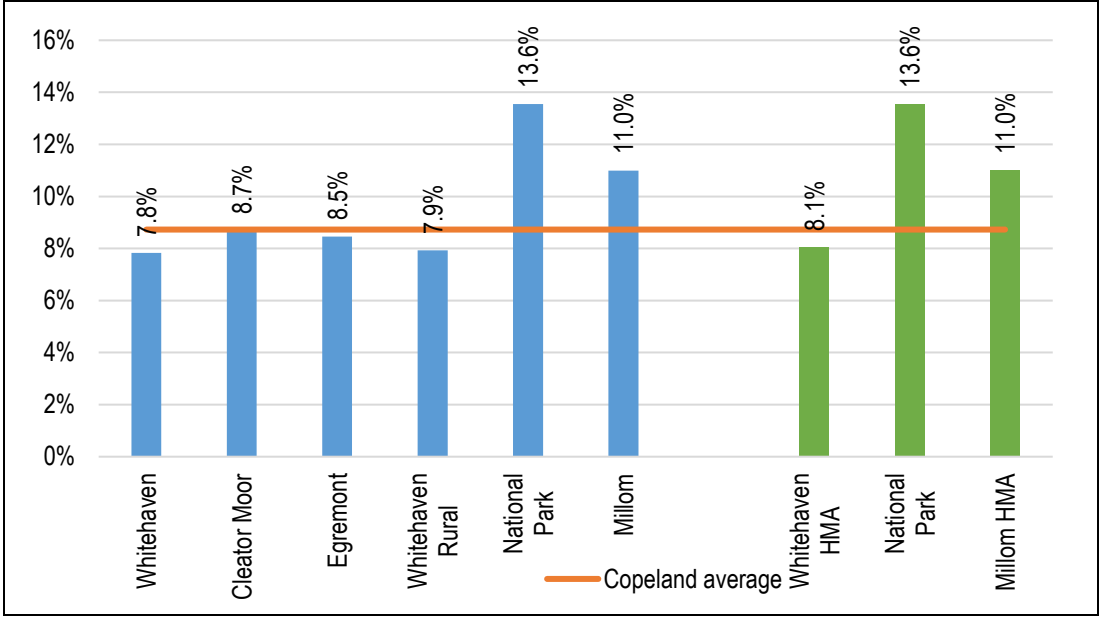
Figure 3.18: Proportion of social renting by market area (2011)



Source: 2011 Census

3.21 The final tenure analysis below focusses on the private rented sector; as with other tenures there is some variation between areas with the proportion of households living in this sector varying from 8% in Whitehaven (both the town and across the HMA) up to 14% in the National Park area; Millom sees a higher than average proportion of households living in private rented accommodation.

Figure 3.19: Proportion of private renting by sub-area (2011)



Source: 2011 Census

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

Figure 3.20: Change in tenure (2001-11) – Copeland

	2001 households	2011 households	Change	% change
Owns outright	8,822	11,315	2,493	28.3%
Owns with mortgage/loan	11,173	10,452	-721	-6.5%
Social rented	6,796	5,668	-1,128	-16.6%
Private rented	1,980	2,665	685	34.6%
Living rent free	715	436	-279	-39.0%
TOTAL	29,486	30,536	1,050	3.6%

Source: 2001 and 2011 Census

Housing Profile

3.23 The analysis below shows the number of bedrooms available to households as of the 2011 Census. Generally, the size profile in Copeland is one of larger homes with an average of 2.88 bedrooms compared with 2.81 across Cumbria, 2.72 in the North West and 2.72 nationally. The analysis shows that the dwelling stock of Copeland is dominated by 3-bedroom homes, making up over half of all stock. The proportion of homes with 4 or more bedrooms is slightly lower than seen across Cumbria and nationally, as is the proportion of homes with two or fewer bedrooms.

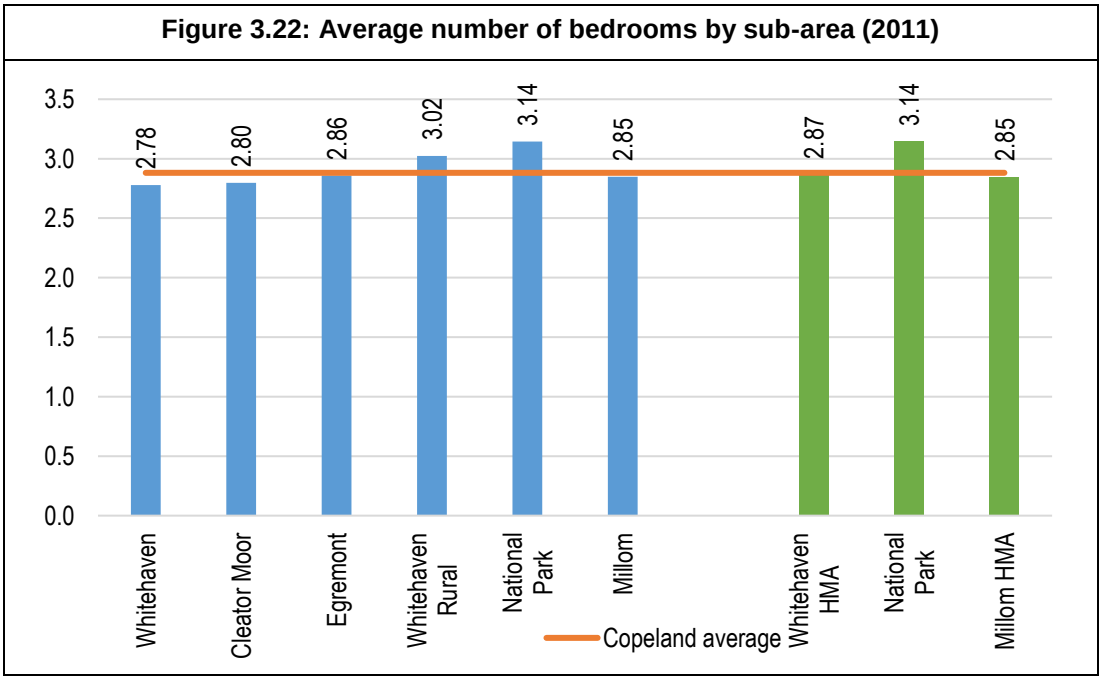
Figure 3.21: Number of bedrooms (2011)

	Copeland		Cumbria	North West	England
	Households	% of households	% of households	% of households	% of households
1-bedroom	1,250	4.1%	6.5%	9.7%	12.0%
2-bedrooms	7,952	26.0%	29.3%	28.5%	27.9%
3-bedrooms	15,809	51.8%	45.4%	45.0%	41.2%
4-bedrooms	4,214	13.8%	14.2%	13.1%	14.4%
5+-bedrooms	1,311	4.3%	4.6%	3.7%	4.6%
TOTAL	30,536	100.0%	100.0%	100.0%	100.0%
Average bedrooms	2.88		2.81	2.72	2.72

Source: 2011 Census

3.24 There is some variation in the average number of bedrooms across different locations (as shown in the figure below) – the average number of bedrooms varies from 2.78 in Whitehaven, up to 3.14 in the National Park area. Overall, households living in more rural areas have a higher average number of bedrooms than households living in other locations.

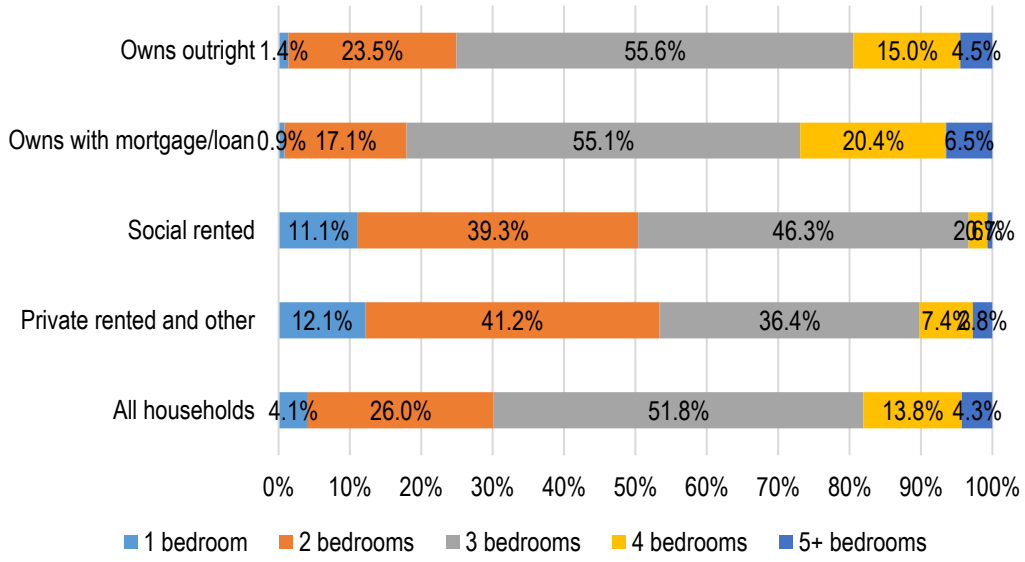
Figure 3.22: Average number of bedrooms by sub-area (2011)



Source: 2011 Census

3.25 The figure below shows how the size of homes varies by tenure (for the whole of Copeland). From this it is clear that homes in the owner-occupied sector are significantly larger than either the private or social rented sectors. Some 78% of all owner-occupied homes have at least three bedrooms with 23% having four or more bedrooms. In the social rented sector, only 3% of homes have four or more bedrooms, along with 10% of private rented accommodation.

Figure 3.23: Tenure by number of bedrooms (2011)



Source: 2011 Census

3.26 Leading on from the analysis of dwelling sizes, the analysis below looks at accommodation types. This identifies that Copeland has a particularly high proportion of semi-detached homes and relatively few flats – some 38% of homes are semi-detached, compared with 33% across Cumbria, 36% for the North West and 31% nationally; only 8% of homes are flats, compared with 22% nationally, 16 regionally, and 11% across the County.

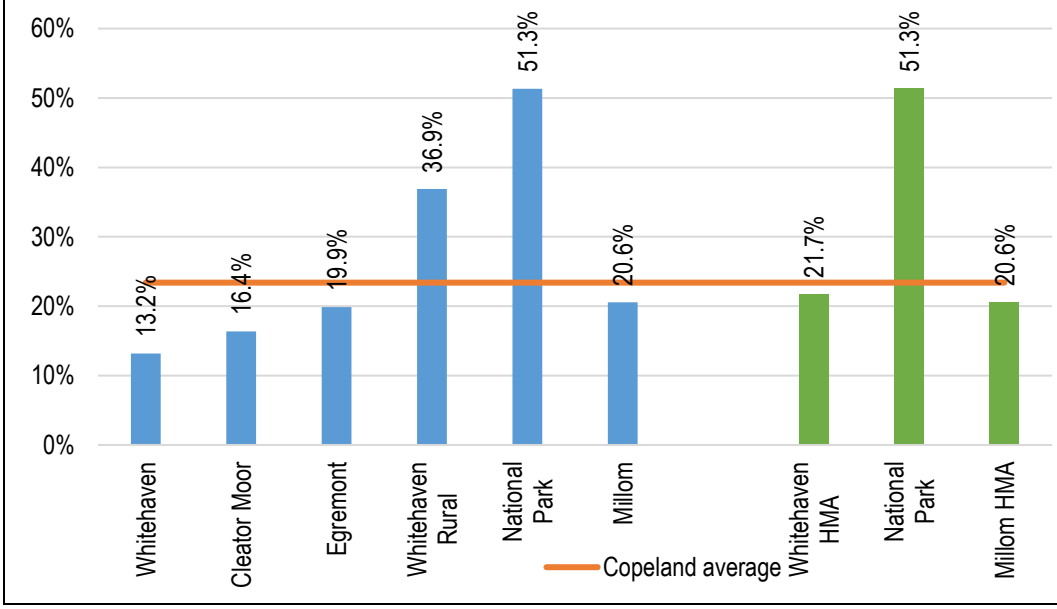
Figure 3.24: Accommodation type (2011)

	Copeland		Cumbria	North West	England
	Households	% of households	% of households	% of households	% of households
Detached	7,143	23.4%	25.7%	18.0%	22.4%
Semi-detached	11,738	38.4%	33.1%	36.4%	31.2%
Terraced	9,271	30.4%	30.2%	29.8%	24.5%
Flat/other	2,384	7.8%	11.0%	15.9%	21.9%
TOTAL	30,536	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.27 The figure below shows the proportion of detached homes in each market and National Park area. There is a notable variation with figures ranging from 13% in Whitehaven, up to 51% in the National Park area. Once the data for Whitehaven Rural is included, the Whitehaven HMA shows a proportion of detached homes that is only slightly below the Borough average.

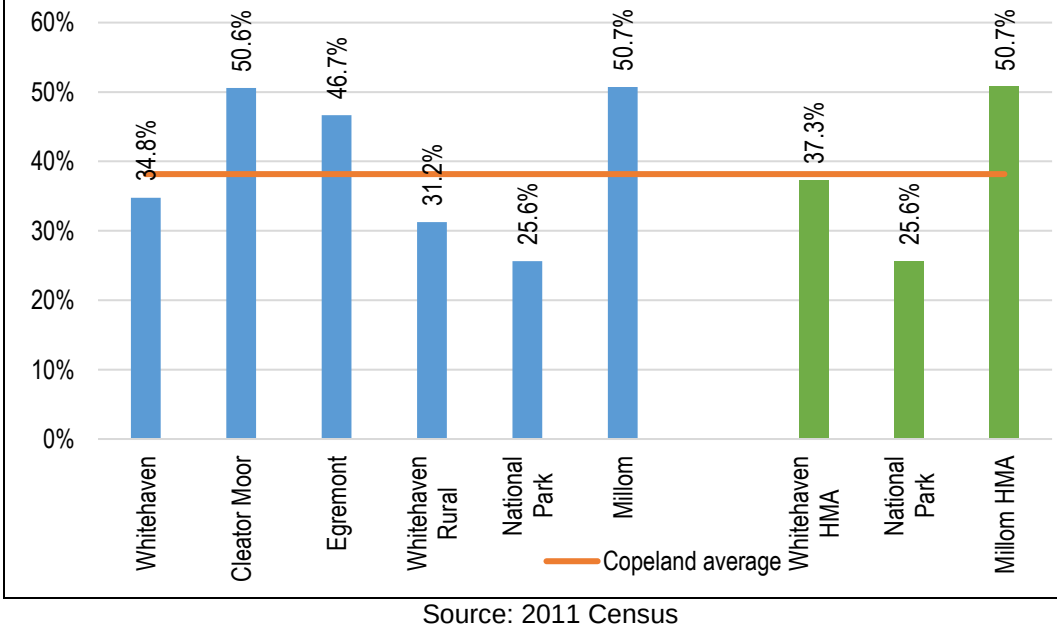
Figure 3.25: Proportion of detached homes by sub-area (2011)



Source: 2011 Census

3.28 A similar analysis (below) focuses on the proportion of terrace homes and flats. This typically shows the opposite pattern to that for detached homes with the proportion of households living in terraces/flats ranging from 26% in the National Park, up to 51% in Millom and Cleator Moor. Additionally, the data shows that 52% of households in the Whitehaven (Town) sub-area live in semi-detached accommodation, substantially higher than is seen in any other sub-area (next highest is 33% in Egremont).

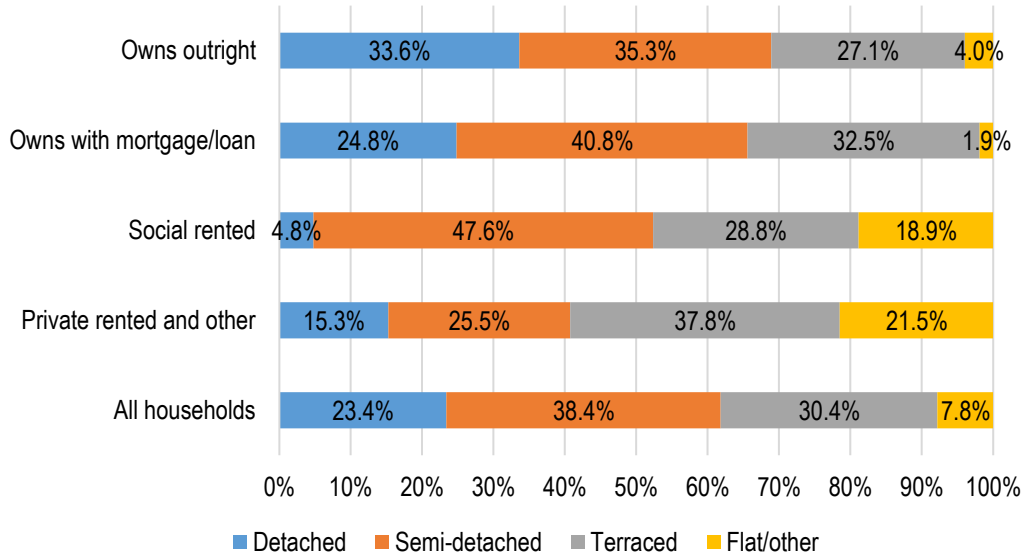
Figure 3.26: Proportion of terraces/flats by sub-area (2011)



Source: 2011 Census

3.29 The figure below shows how accommodation type varies by tenure (for the whole of Copeland Borough). From this it is clear that homes in the owner-occupied sector are more likely to be detached with relatively few terraced homes or flats. The private rented sector has the highest proportions of both terraced homes and flats, whilst the social rented sector is focussed on semi-detached accommodation (making up 48% of all households living in this sector).

Figure 3.27: Tenure by accommodation type (2011)



Source: 2011 Census

3.30 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2011 Census (further analysis of overcrowding by tenure is provided in Section 11 of this report). The box below shows how the standard is calculated and this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

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

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

3.31 The analysis shows that levels of overcrowding in Copeland are low with only 2.0% of households being overcrowded in 2011 (compared with 1.8% across Cumbria, 3.6% in the North West and 4.6% nationally). Levels of under-occupation are however high with around 42% of households having a rating of +2 or more – this is notably higher than seen in any of the comparator areas.

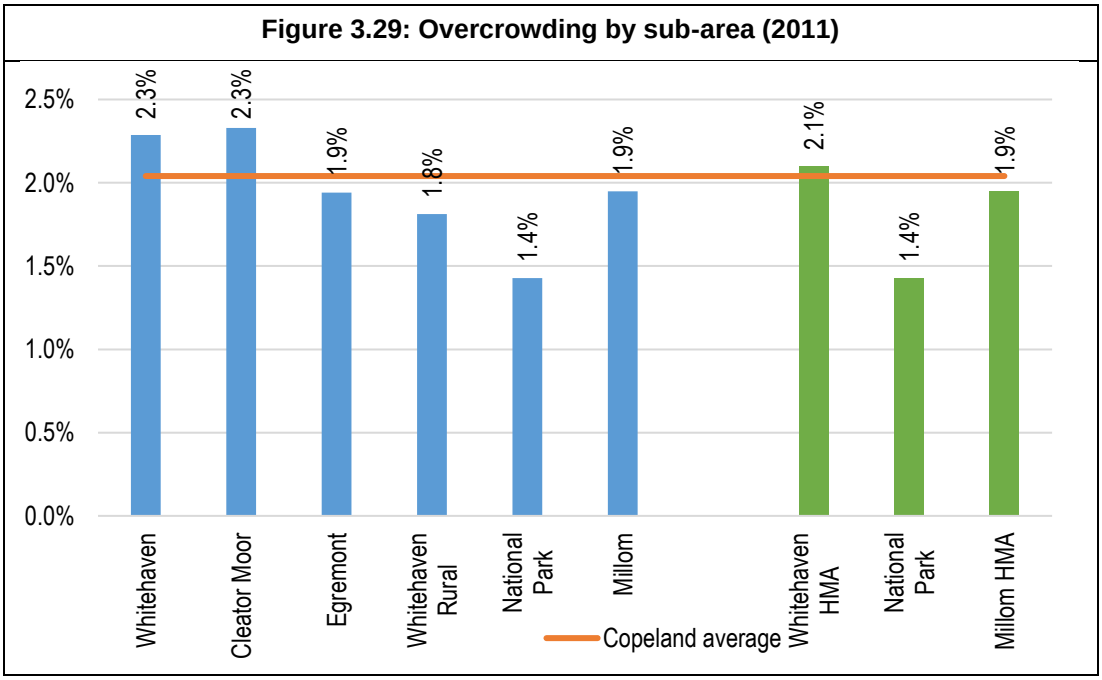
Figure 3.28: Overcrowding and under-occupation (2011) – bedroom standard

	Copeland		Cumbria	North West	England
	Number of households	% of households	% of households	% of households	% of households
+2 or more	12,934	42.4%	40.6%	34.5%	34.3%
+1 or more	11,962	39.2%	38.7%	37.1%	34.4%
0	5,017	16.4%	18.9%	24.8%	26.7%
-1 or less	623	2.0%	1.8%	3.6%	4.6%
TOTAL	30,536	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.32 The figure below shows levels of overcrowding by sub-area. This identifies a range of overcrowding from 1.4% in the National Park, up to 2.3% in Whitehaven and Cleator Moor. Level of overcrowding in the more rural areas are generally lower than more urban locations.

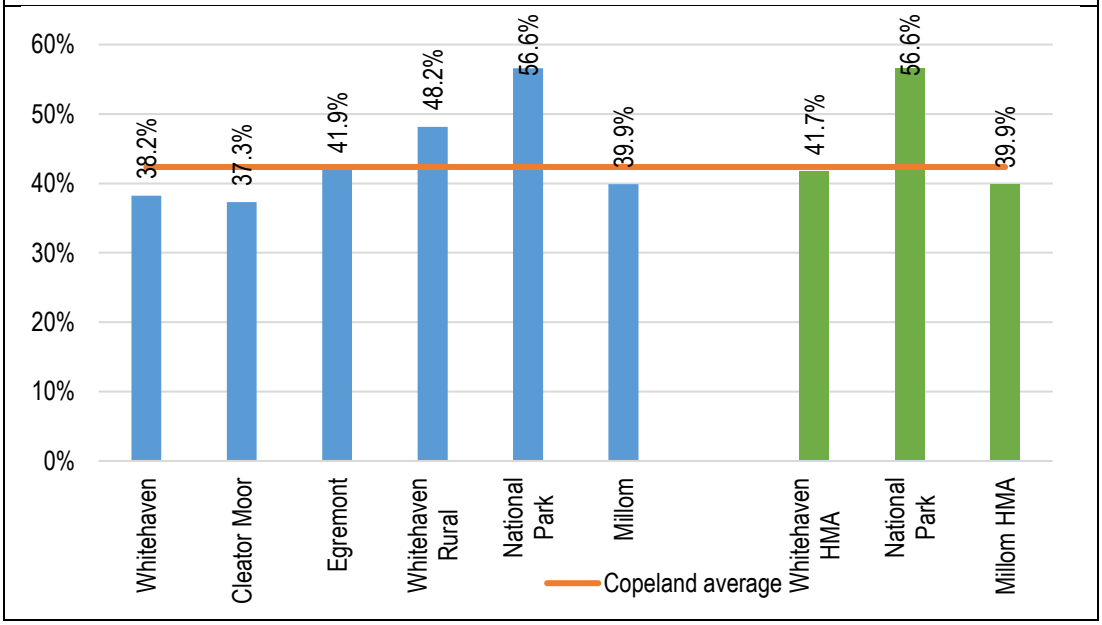
Figure 3.29: Overcrowding by sub-area (2011)



Source: 2011 Census

3.33 A similar analysis (below) focuses on under-occupancy (using figures for the proportion of households with an occupancy rate of +2 or more). This shows the highest level of under-occupancy to be in the National Park area and the lowest in Cleator Moor – in the National Park area, some 57% of households have at least two spare bedrooms.

Figure 3.30: Under-occupancy by sub-area (2011)



Source: 2011 Census

Economic Profile

3.34 The series of analysis below looks at a range of economic issues (economic activity, qualifications and occupation profiles). The table below shows in comparison with other areas that Copeland has a low proportion of people who are self-employed; unemployment is also fairly low (albeit higher than seen across Cumbria). The proportion of people who are retired is higher than seen regionally and nationally. Overall, the proportion of people (aged 16 and over) who are working is similar to other areas – 56% compared with 57%-59% - this is despite Copeland having a relatively old population age structure.

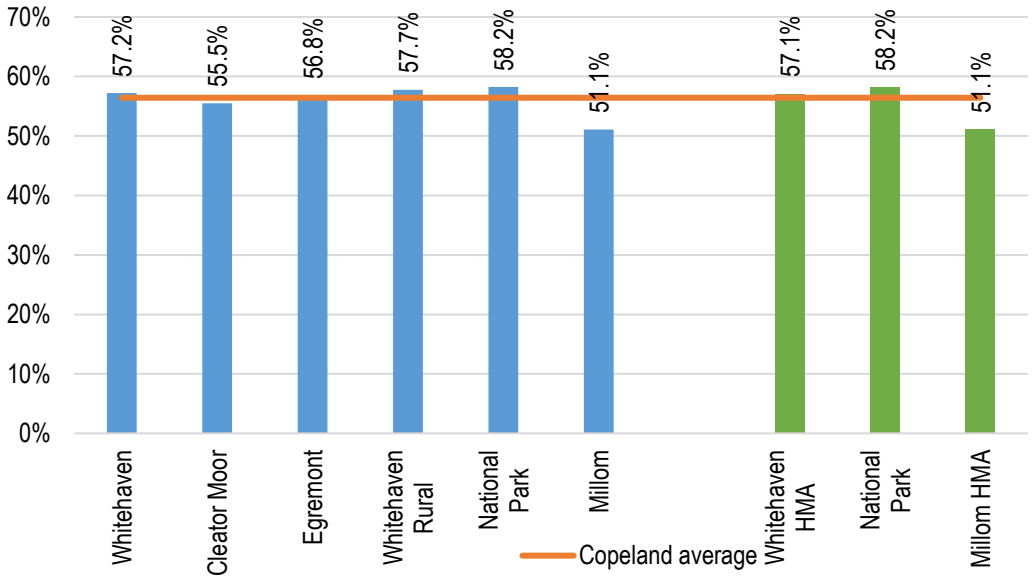
Figure 3.31: Economic Activity (2011) – population aged 16 and over

	Copeland		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
In employment (part-time)	8,547	14.6%	15.9%	14.7%	14.4%
In employment (full-time)	20,735	35.4%	33.2%	34.4%	35.4%
Self-employed	3,791	6.5%	9.7%	7.6%	9.1%
Unemployed	2,447	4.2%	3.4%	5.0%	4.7%
Retired	15,139	25.8%	26.6%	22.2%	21.2%
Other	7,954	13.6%	11.2%	16.2%	15.2%
TOTAL	58,613	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.35 The figure below shows the proportion of people (aged 16+) who are working by market and National Park area. Although there are some variations, it is the case that all areas see between 51% (Millom) and 58% (National Park and Whitehaven Rural) of people with a job (including self-employed). The high figures for the National Park and Whitehaven Rural are interesting given that these areas also have a higher proportion of older people. This would suggest that a greater proportion of people in these areas have continued working beyond retirement age

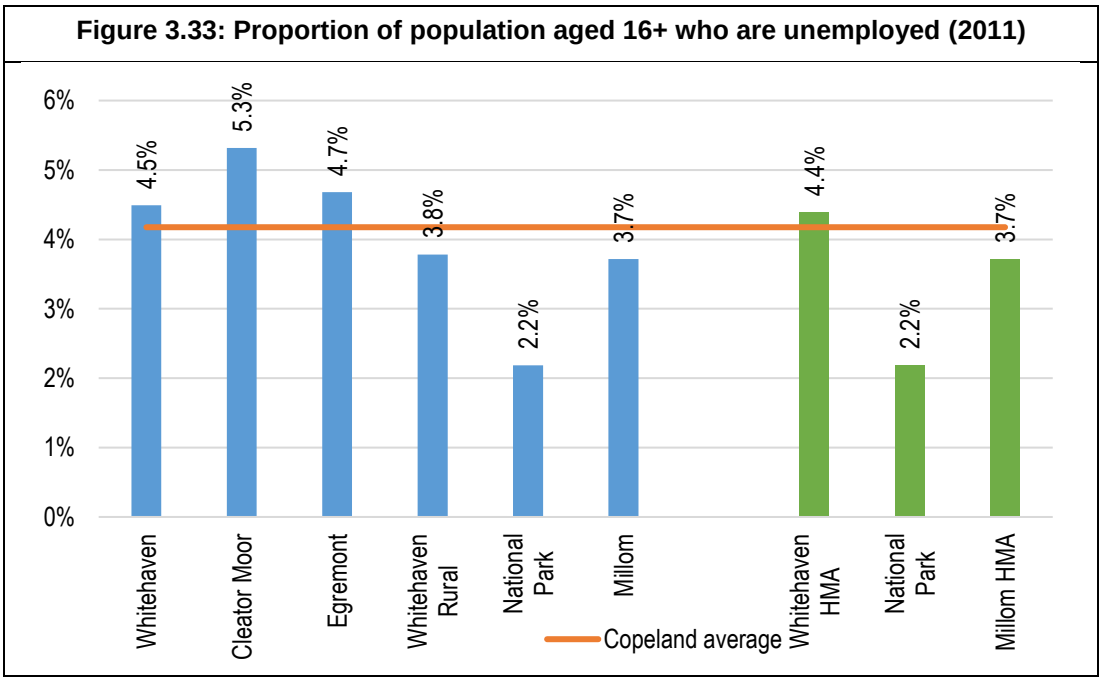
Figure 3.32: Proportion of population aged 16+ who are working (2011)



Source: 2011 Census

3.36 A similar analysis (below) focuses on the proportion of the population who are unemployed. In this case, the range of unemployment is from 2.2% in the National Park, up to 5.3% in Cleator Moor. Millom also shows a proportion of unemployed that is below the Borough average (as well as having the lowest proportions who are working).

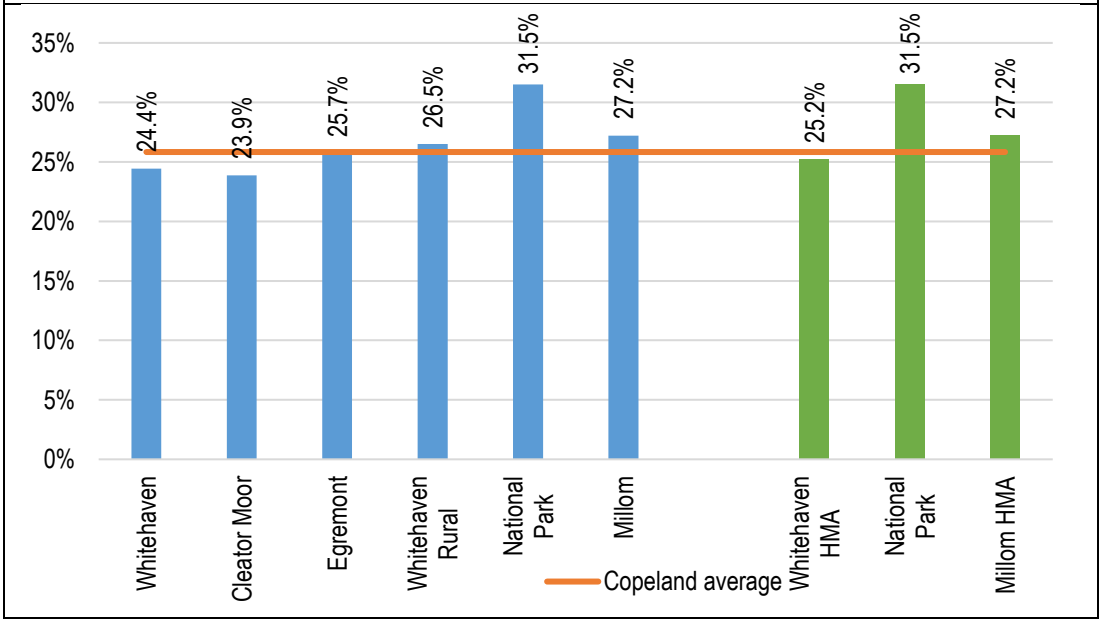
Figure 3.33: Proportion of population aged 16+ who are unemployed (2011)



Source: 2011 Census

3.37 A similar analysis (below) focuses on the proportion of the population who are retired. The analysis shows that 32% of people aged 16 and over in the National Park are retired, with the lowest proportion being in Cleator Moor (at 24%); the proportion of people retired in Millom is also above the Borough average.

Figure 3.34: Proportion of population aged 16+ who are retired (2011)



Source: 2011 Census

3.38 The table below shows how economic activity has changed between 2001 and 2011. The analysis is based on slightly different categories to that above (mainly in being restricted to the population aged 16-74 and with a slightly different treatment of students). However, the categories used in each of 2001 and 2011 are the same, and comparison can therefore be made.

3.39 The analysis shows a notable increase in the number of people who were economically active, increasing by around 3,500 people over the 10-year period. This increase was driven by increases in full- and part-time employees, as well as an increase in self-employment. The number of people who were economically inactive decreased by around 1,500 over the 10-years, this is despite an increase of 1,200 people who were retired. The decrease in those economically inactive was driven by notable reductions in people who were *Looking after family or home* or *Long-term sick or disabled*.

3.40 In interpreting this data, the trend period of 2001-11 should be noted as this was a period in which Copeland did see modest population growth (of around 1,400 people). This compares with a population decline of around 1,000 people in the 2006-16 period – therefore if the data below were available for a more recent period, it is possible that different trends would be shown.

Figure 3.35: Economic Activity (2001 and 2011) – population aged 16-74 – Copeland residents

	2001	2011	Change
Employee: Part-time	6,490	7,984	1,494
Employee: Full-time	18,886	20,525	1,639
Self-employed	3,242	3,675	433
Unemployed	2,543	2,235	-308
Economically active students	706	916	210
Total economically active	*31,867*	*35,335*	*3,468*
Retired	8,436	9,657	1,221
Economically inactive students	1,409	1,596	187
Looking after family or home	3,412	1,922	-1,490
Long-term sick or disabled	3,616	2,872	-744
Other	1,947	1,320	-627
Total economically Inactive	*18,820*	*17,367*	*-1,453*
Total	50,687	52,702	2,015

Source: 2001 and 2011 Census

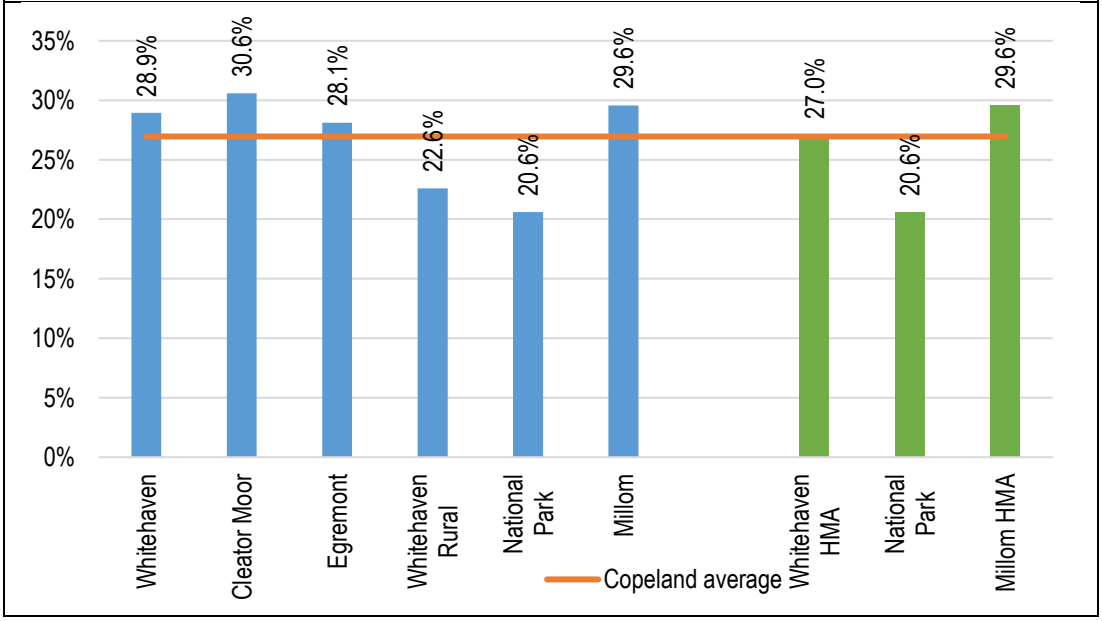
3.41 The table below shows the level of qualifications in the population aged 16 and over. Generally, this suggests that Copeland has a less well qualified population with a high proportion with no qualifications and a relatively low proportion at Level 4 and above (degree level).

Figure 3.36: Qualifications (2011) – population aged 16 and over					
	Copeland		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
No qualifications	15,800	27.0%	24.2%	24.8%	22.5%
Level 1 qualifications	8,335	14.2%	13.6%	13.6%	13.3%
Level 2 qualifications	9,178	15.7%	15.9%	15.8%	15.2%
Apprenticeship	3,439	5.9%	5.4%	3.9%	3.6%
Level 3 qualifications	7,289	12.4%	12.3%	12.9%	12.4%
Level 4 qualifications and above	12,307	21.0%	24.6%	24.4%	27.4%
Other qualifications	2,265	3.9%	4.0%	4.5%	5.7%
TOTAL	58,613	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.42 The figure below shows the proportion of people (aged 16+) who have no qualifications by sub-area. The highest proportions with no qualifications are seen in Cleator Moor and Millom (and the lowest in the National Park).

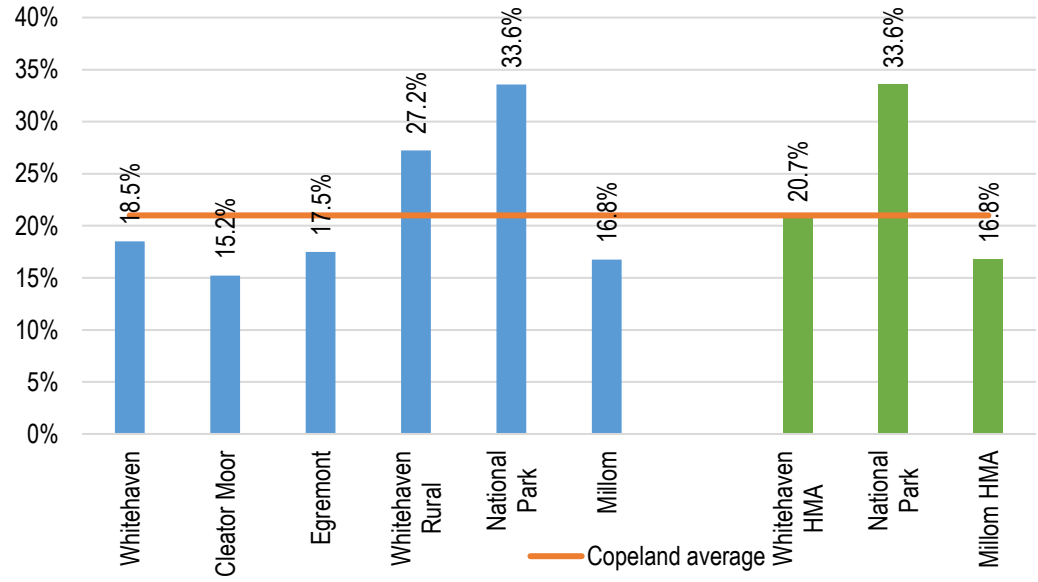
Figure 3.37: Proportion of population aged 16+ who have no qualifications (2011)



Source: 2011 Census

3.43 A similar analysis (below) focuses on the proportion of the population who are qualified to Level 4 and above (degree level). This typically shows the opposite pattern to that found for no qualifications with higher proportions being seen in the National Parks and the lowest in Cleator Moor. Overall, there is a more notable difference between areas when looking at the proportion with a degree, than the proportions with no qualifications.

Figure 3.38: Proportion of population aged 16+ who are qualified to Level 4+ (2011)



Source: 2011 Census

3.44 The final analysis under the economic activity heading looks at the types of occupations undertaken by people who are working – this analysis uses a slightly different base to those above in that it only uses data from people in employment (including self-employed). This analysis suggests that the occupation profile in the Borough does not vary notably from other comparator areas; the main differences are the higher proportions in process, plant and machine operatives, and relatively fewer in sales and customer service occupations. In the context of Copeland, it should be noted that jobs in 'Process, plant and machine operatives' and 'Elementary occupations' could be relatively well paid if people are working at Sellafield.

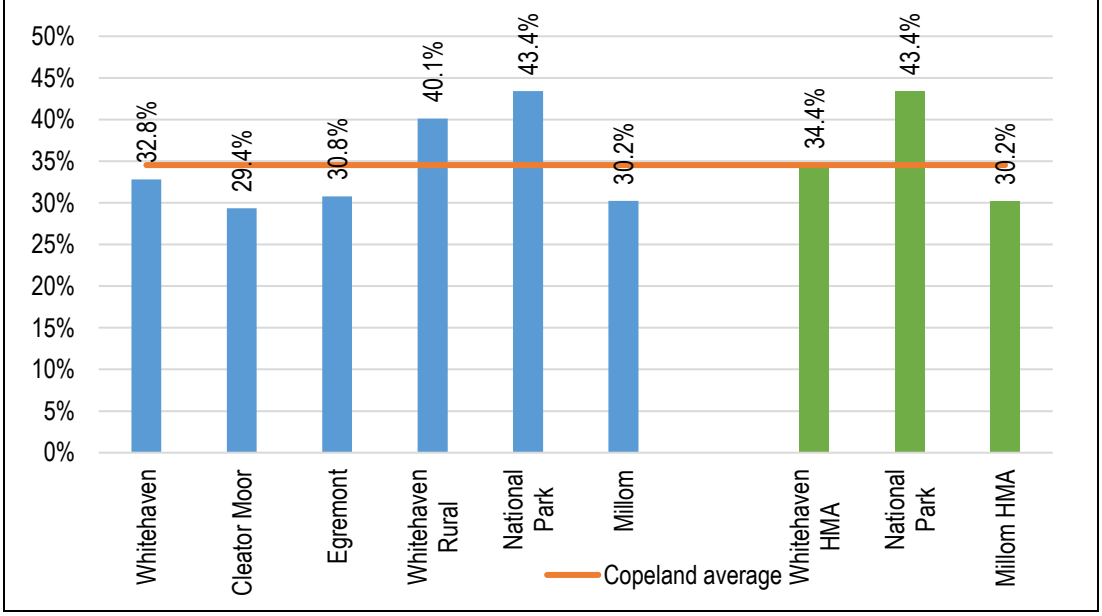
Figure 3.39: Occupation group (2011) – working population aged 16 and over

	Copeland		Cumbria	North West	England
	Popul-ation	% of popul-ation	% of popul-ation	% of popul-ation	% of popul-ation
1: Managers, directors and senior officials	2,890	8.7%	10.3%	9.9%	10.9%
2: Professional occupations	4,825	14.6%	14.0%	16.3%	17.5%
3: Associate professional and technical occupations	3,707	11.2%	9.7%	11.5%	12.8%
4: Administrative and secretarial occupations	3,088	9.3%	9.7%	11.7%	11.5%
5: Skilled trades occupations	5,227	15.8%	16.3%	11.3%	11.4%
6: Caring, leisure and other service occupations	3,127	9.5%	9.7%	10.1%	9.3%
7: Sales and customer service occupations	2,445	7.4%	8.6%	9.4%	8.4%
8: Process, plant and machine operatives	3,692	11.2%	9.4%	8.1%	7.2%
9: Elementary occupations	4,072	12.3%	12.4%	11.7%	11.1%
TOTAL	33,073	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

3.45 The figure below shows the proportion of workers (aged 16+) who are in the three highest classification bands by sub-area. The analysis shows that 43% of people who live in the National Park are classified as working in bands 1 to 3, compared with 29% in Cleator Moor. The Whitehaven Rural area also shows a high proportion in bands 1 to 3.

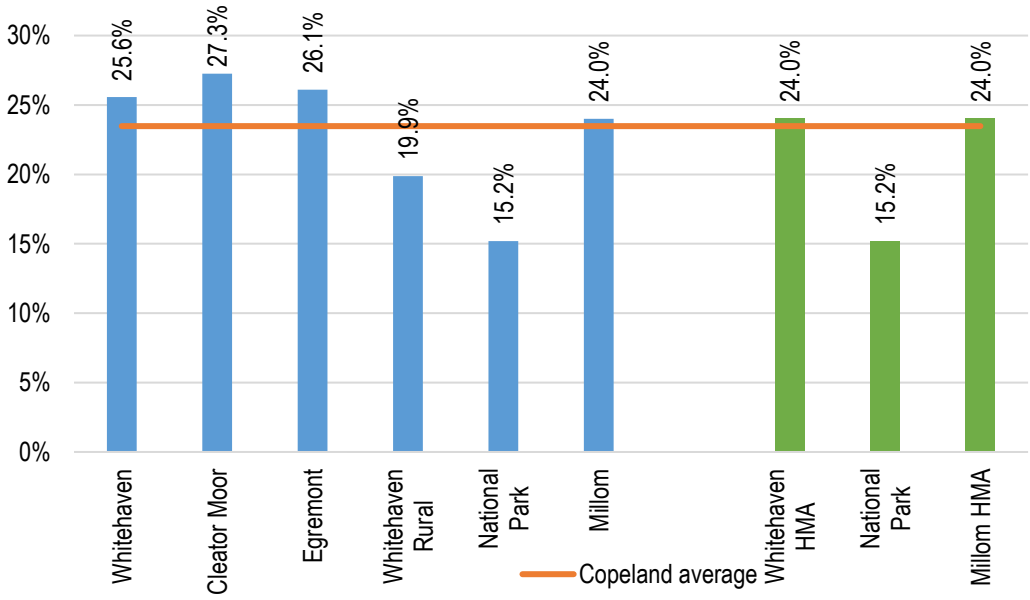
Figure 3.40: Proportion of working population in Classifications 1,2 and 3 (2011)



Source: 2011 Census

3.46 A similar analysis (below) focuses on the proportion of the working population who are in the two lowest classifications (8 and 9). This typically shows the opposite pattern that found above with lower proportions being seen in the National Park and Whitehaven Rural. The proportion of working people in classifications 8 and 9 varies from 15% (National Park), up to 27% in Cleator Moor.

Figure 3.41: Proportion of working population in Classifications 8 and 9 (2011)



Source: 2011 Census

Stakeholder Consultation

3.47 As part of the study, all of the main towns in the Borough (Millom, Egremont, Seascale, Cleator Moor and Whitehaven) were visited, and where possible interviews were conducted with estate/letting agents – interviews were only achieved in Millom and Whitehaven as on a 'drive-through' agents were not detected in other locations. The drive-through did however provide the opportunity to understand the character of different areas. At the time of the consultation, no housing developments with on-site sales agents were identified.

3.48 From the visit, it was clear that mineral mining and related industries had led the growth of some settlements whilst other smaller settlements were rural in nature in the role of local service centres for their surrounding area. The towns and villages are linked by the Cumbrian Coast line railway (Barrow in Furness to Carlisle) and the A595. Stakeholders noted that neither route was particularly fast and that this influences household decisions regarding location.

Whitehaven

3.49 Whitehaven, at the north of the borough is the largest town by some margin. Re-sale estate agents at Whitehaven said that a high proportion of housing re-sales across the borough were to in-migrants. Agents on average thought that around 40% of all resale transactions were made by incomers. A specialist rental agent stated that the proportion of renters that were in-migrants was significantly higher.

3.50 There were several reasons given for high proportions of in-migrants. Firstly, housing is more affordable than other parts of Cumbria and the National Park is easily accessible; this attracts both newly forming households and those seeking a retirement destination close to the sea and the National Park. The second reason was employees of and contractors to the Sellafield complex seeking temporary or permanent accommodation.

3.51 Agents suggested that the town of Whitehaven has a distinctive local housing market. It operates as a local housing market which has a cross section of tenures and with close to borough averages of market and affordable housing and higher than average levels of shared ownership housing. It also supports its older persons housing with C2 and C3 housing; C3 housing in the form of age restricted apartments was amongst some of the cheapest on the market with prices from £44,000 on a shared ownership basis. It was also noteworthy that around a third of all housing for sale (2, 3 and 4-bedroom housing) could be purchased for under £100,000. Agents suggested that average prices were in the region of £125,000.

3.52 Given these price levels, agents were asked if investors were active in the market. They indicated that local investors would buy occasionally but activity had declined since 2016 due to the government changed tax rules and introduction of stamp duty on second homes.

3.53 Agents felt that there was no significant gap in Whitehaven's local housing market. One agent stated they were in the process of trying to attract major city investors (London, Liverpool, Manchester) into the area to respond to the need for accommodation for Sellafield construction workers in the near future.

Millom and other areas

3.54 Millom is situated in the south of the borough near to Barrow in Furness. At Millom, agents described the market as slow with relatively few homes for sale and some of which could be slow to sell. Around 60% of homes on sale were 2- and 3-bedroom terraced homes and it was estimated that median price of homes on-sale at the time of visiting was under £100,000.

3.55 Agents stated that many newly forming households could afford to buy at these prices, but the terraced houses were small and low value. Owners could not generate significant equity to enable them to move up the market. The local first-time mover would often seek ex local authority housing which tended to be more spacious and have a garden.

3.56 One agent suggested that the main gap in the market was for older people. There was very little choice in the local market and again, low house prices did not give them the headroom in terms of equity to purchase more suitable housing. The agent cited examples of older people who had decided to sell up and rent housing that was better suited to their needs but well short of what they might regard as ideal. The agent said that this was becoming a significant problem as a cohort of ex mine and foundry workers were becoming frail and in need of more suitable housing.

3.57 A similar situation was observed in Cleator Moor, but it was not possible to get a local perspective as there was no local estate agent. When describing the housing market at both Millom and Cleator Moor, agents said that the local investors had scaled back the rate of investment.

Sellafield/BAE

3.58 Information about the impact of the Sellafield complex and the BAE Successor programme on Copeland's local housing market was sought. The Sellafield complex is a major employer and Sellafield is in the process of procuring major project management and construction.

3.59 Millom agents suggested that due to low house prices there was a significant market in second homes for BAE employees and long-term contractors. The same agent said that the Sellafield effect was less prominent because of the distance involved. Whitehaven agents said that the settlements adjacent to Sellafield had high proportions of Sellafield workers, citing Seascale and Egremont in particular. Agents thought that Cleator Moor would be popular with construction workers and it was noted in Cleator Moor that redundant public houses were in the process of conversion into apartments.

3.60 A specialist letting agent in Whitehaven said that contractors and their managers were a prominent feature of the local lettings market; they accounted for most of the transactions in the villages. The agent noted that contractors were given accommodation allowances and many negotiated lower rents than the asking price. It was however also noted that some local landlords do not engage with contractors, preferring longer term lettings of local households.

3.61 Sellafield and BAE have significant but different impacts on different parts of the local housing market. The local housing market in Millom is unbalanced and may not prove sustainable if it were not for BAE contractors. House prices are such that most local households can become homeowners if they want to and as a result there is less pressure on the private rented sector than would be apparent in high price areas. The main role of the private rented sector would appear to be to support the short-term contractors needed to sustain and develop the Sellafield Complex. The Moorside nuclear power station could also have an impact on this market, although at present the future of Moorside is uncertain.

Developer interviews

3.62 Interviews were achieved with Story homes, Gleeson Homes and a representative of the self-build consortium that has developed the former Whites School in Kells.

3.63 Story Homes said that its current development had experienced difficult ground conditions on the site at Edgehill due to unrecorded mine workings. This development had been of great interest to Sellafield Workers. The representative described the market for such workers as a market in its own right quite distinct from other markets in other parts of Cumbria. The company generally aimed to build high quality homes for aspirational buyers and as such it was unlikely that sites in regeneration areas such as south Copeland and Barrow in Furness would be of interest. That said the representative stated a willingness to have a closer working relationship with the council. For example, they would be willing to discuss introducing bungalows on future sites and possibly some age restricted housing. They were not enthusiastic about becoming directly involved with self- and custom- builders.

3.64 Gleeson Homes said they had just set up an office in Carlisle and were keen to have a dialogue with the council; they specialise in developing brownfield and regeneration sites. The representative said that their offer would be of particular interest to local people and to first-time buyers rather than aspirational incomers. They would work with the council to meet specific local needs at prices affordable to local people.

3.65 Kells Development Group in association with Two Castles Housing Association is nearing completion of a development on the White School site at Kells, Whitehaven. This 74-unit development includes 14 self-build serviced plots and 16 affordable homes. The remainder are built in accordance with a design statement that has resulted in a distinctive development aimed at local households. The representative said that the development was aimed at delivering good value homes for local people by ensuring that homes were as spacious as possible. The scheme was based on extensive market research by the development group which is a partnership of 3 local people. The self-build plots were 50% self and 50% custom build and had proved very popular with local people.

Copeland Borough Profile: Key Messages

- A range of variables have been considered to look at the profile of the population and housing in the Borough (and for the three local housing market areas (including the National Park)). Key variables have looked at population, household characteristics, housing profile and the economic profile of residents.

- The analysis identifies a relatively old population age structure (notably in the National Park) and a population decline in the 2006-16 period. There has however been growth in the population aged 65 and over – increasing by 24% in the decade to 2016. Due to the population profile, household types are concentrated in older age groups; as of 2011, 22% of all households in the Borough were entirely composed of people aged 65 and over. Households with dependent children and lone parent households are concentrated in the Whitehaven and Millom local market areas (although numbers of such households are low when put in a regional or national context).

- The tenure profile of the Borough sees a relatively large proportion of outright owners (which will to some extent be linked to the age structure) and a small private rented sector. Between 2001 and 2011, the number of owners with a mortgage declined by 6%, whilst the private rented sector increased by 35%; this may reflect the difficulties faced by younger households in accessing market housing to buy.

- The dwelling stock in the Borough is predominantly of larger homes, with a greater average number of bedrooms and a high proportion of detached and semi-detached homes. The National Park area sees a particularly large proportion of detached homes (51%) with Millom having the largest proportions of terraces and flatted accommodation.

- Overcrowding in the Borough (and across sub-markets) is low, and there is a significant level of under-occupation (42% of all households have at least two spare bedrooms). Under-occupancy is particularly great in the National Park. The economic profile of the Borough looks to be fairly average in terms of unemployment and the proportion of people in work. However, the data suggests that the population is poorly qualified (in academic terms) and are less likely than other areas to be working in more senior positions.

- Interviews with local estate/letting agents identified the area as being one of generally low prices, with housing costs not seen as a barrier to home ownership; as a result of prices, there was little pressure on the private rented sector. There was a clear impact of Sellafield and BAE on different parts of the local housing market and it was suggested that Millom might not be 'sustainable' if it were not for BAE contractors. There was limited evidence of newbuild housing, which (along with the price information) suggests an area with relatively low housing demand.

- Overall, the analysis identifies Copeland as having less 'prosperous' characteristics in terms of some variables studied and in terms of interviews with agents. Within the Borough there are also differences, with the National Park and rural areas being different to the main towns (Whitehaven, Millom, Egremont and Cleator Moor) for many of the variable studied. The analysis suggests that there might be reasons to suggest different policy responses in different locations, although this is far from clear cut. Analysis to follow considers a range of outputs at a smaller area level.

4. Trend-based Demographic Projections

Introduction

4.1 In this section consideration is given to demographic evidence of housing need and trend-based projections. Such projections are critical to the SHMA process and this is emphasised in the NPPF (para 158) which states that local planning authorities should prepare a SHMA to identify the scale of housing which *'meets household and population projections, taking account of migration and demographic change'*.

4.2 The draft NPPF and PPG (of March 2018) retain the importance of such projections but move away from expecting local authorities to undertake a detailed analysis (as suggested in the original PPG). The draft PPG sets out a standard methodology for assessing housing need that links to official projections with adjustments to take account of market signals (essentially looking at a price:income ratio). The implications of the standard methodology for Copeland is discussed later in this section, with the bulk of the section working through what might be regarded as a typical (pre-draft PPG) analysis.

4.3 The projections developed for Copeland cover the period from 2017 to 2035. At the time of writing, ONS population data was available up to mid-2016 and so to get to a 2017 base, modelling has been undertaken to estimate how the population might have changed given the level of development in the 2016-17 period (which is taken to be 120 net completions). The core modelling in this section covers the whole of Copeland (i.e. including the National Park areas); this is largely due to the Borough being the main building block for which reasonable data is available (e.g. population and household projections).

4.4 Since drafting this report, the number of completions in 2016-17 has been confirmed to actually be 154, with a figure of 132 in 2017-18 (a net figure affected slightly by the demolition of 10 homes in Whitehaven). These figures will not have any notable impact on the analysis.

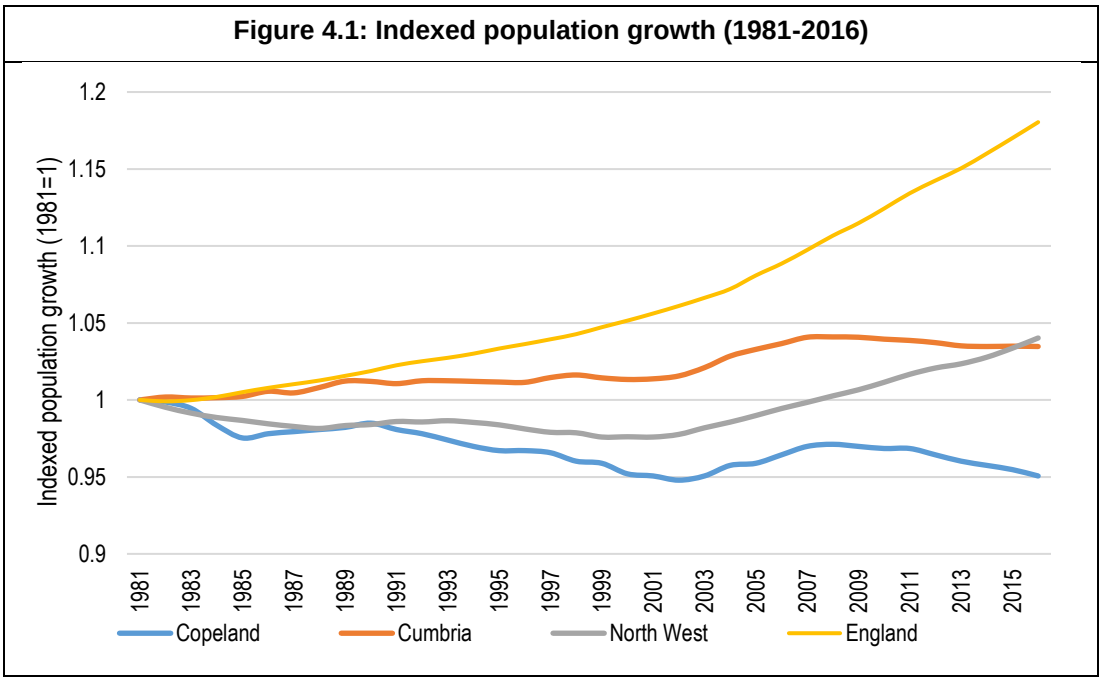
Demographic Profile of Copeland

4.5 The analysis below provides an overview of demographic trends in Copeland, including providing information on overall population growth and the components of change (e.g. births, deaths and migration). For much of the analysis, 2016 is used as a base date, due to this being the date for which the most recent information was available at the time of writing (from ONS mid-year population estimates) although (as noted previously) the projections developed cover the 2017-35 period.

Overall population levels and changes

4.6 The figure below considers long-term trends in population trends with data being available back to 1981. Overall, from 1981 to 2016 the population of Copeland fell by 5%; this compares with 3% growth in Cumbria, 4% in the North West region and 18% nationally.

Figure 4.1: Indexed population growth (1981-2016)



Source: ONS (mid-year population estimates)

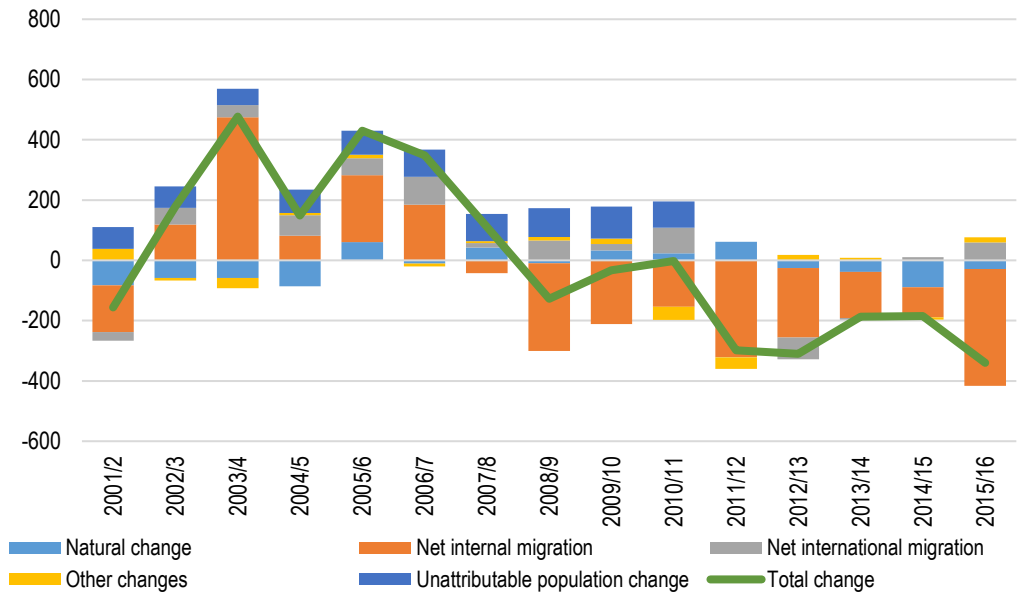
Components of past population change

4.7 The figure and table below consider the drivers of population change in Copeland from 2001 to 2016. Population change is largely driven by natural change (births minus deaths) and migration although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an unattributable population change (UPC) – this is an adjustment made by ONS to mid-year population estimates where Census data has suggested that population growth had either been over- or under-estimated in the inter-Census years. Because UPC links back to Census data a figure is only provided for years up to 2011.

4.8 The figure shows a highly mixed picture of change over the period studied, with some years seeing notable levels of net in-migration and other years a large net out-migration. The data is relatively consistent in showing that neither international migration or natural change are significant drivers of population change. Over the full 2001-16 period, the number of births was (on average) 18 lower than the number of deaths each year. When looking at migration, the data shows an average level of net (out-) migration of about 33 people per annum (with about 64 of this being internal migration (i.e. net moves to another part of the Country). Levels of migration have generally been lower since the onset of recession in 2008. In the 2001-8 period net migration averaged 169 people per annum and this has fallen to an average of -210 (i.e. net out-migration) in the 2008-16 period.

4.9 Other changes are quite small, and the data also shows a small (but fairly significant) positive level of UPC. This latter finding would suggest that ONS may have previously under-estimated migration and population growth in Copeland – this could potentially have an impact on forward projections. The implication of UPC for housing need is discussed later in this section.

Figure 4.2: Components of population change, mid-2001 to mid-2016 – Copeland



Source: ONS

Figure 4.3: Components of population change, mid-2001 to mid-2016 – Copeland

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-83	-155	-29	38	73	-156
2002/3	-58	119	55	-9	71	178
2003/4	-58	475	40	-34	54	477
2004/5	-86	82	68	7	78	149
2005/6	61	222	56	12	79	430
2006/7	-11	185	92	-9	91	348
2007/8	42	-42	15	7	90	112
2008/9	-9	-291	66	12	95	-127
2009/10	33	-211	21	18	106	-33
2010/11	23	-154	85	-43	87	-2
2011/12	62	-321	-1	-38	0	-298
2012/13	-25	-231	-72	18	0	-310
2013/14	-38	-153	-5	9	0	-187
2014/15	-89	-100	11	-7	0	-185
2015/16	-29	-387	60	16	0	-340

Source: ONS

4.10 The analysis above only shows net figures for migration and it is of interest to also see the gross flows involved – this is shown in the table below and clearly identifies that internal (domestic) moves are far more significant than international migration. Over the full period studied an average of 1,846 people moved into the Borough each year and 1,910 moved out; the equivalent figures for international migration are just 115 and 84 respectively.

Figure 4.4: In- and out-migration by source, mid-2001 to mid-2016 – Copeland						
Year	Internal in-migration	Internal out-migration	Net internal migration	International in-migration	International out-migration	Net international migration
2001/2	1,806	1,961	-155	53	82	-29
2002/3	2,017	1,898	119	100	45	55
2003/4	2,387	1,912	475	88	48	40
2004/5	1,969	1,887	82	145	77	68
2005/6	2,046	1,824	222	166	110	56
2006/7	2,059	1,874	185	217	125	92
2007/8	1,901	1,943	-42	107	92	15
2008/9	1,574	1,865	-291	140	74	66
2009/10	1,633	1,844	-211	80	59	21
2010/11	1,706	1,860	-154	162	77	85
2011/12	1,626	1,947	-321	95	96	-1
2012/13	1,683	1,914	-231	87	159	-72
2013/14	1,789	1,942	-153	92	97	-5
2014/15	1,792	1,892	-100	100	89	11
2015/16	1,696	2,083	-387	92	32	60

Source: ONS

4.11 Since the data for 2016 was published, there have been further releases of mid-year population estimates (MYE) for 2017 and 2018. This data continues the recent trend of a falling population, reducing by around 620 people in the 2016-17 period and a further 265 people from 2017 to 2018.

Demographic Evidence of Housing Need – Start Point

4.12 The PPG [2a-015] states that *'household projections published by the Department for Communities and Local* Government *should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. Projected household representative rates are based on trends observed in Census and Labour Force Survey data'.* These projections are also the start point in the standard method set out in the draft PPG.

4.13 At the time of writing, the most up-to-date projections were the 2014-based CLG household projections published in July 2016. An updated (2016-based) set were published in September 2018 but have not been analysed in detail in this report (some brief comments are provided). In part the 2016-based projections have not been used as MHCLG is clear (as part of its Standard Method) that the 2014-based figures should be used to inform housing need. The 2014-based household projections were underpinned by ONS (2014-based) subnational population projections (SNPP) – published in May 2016. The table below sets out levels of household growth expected by the CLG household projections in the 2017-35 period. Data is also provided for Cumbria, the North West region and England for comparative purposes.

4.14 Across the Borough, the CLG household projections show household growth of about 160 – this is a 0.5% increase; below the equivalent figure for Cumbria (3%) and more notably lower than equivalent figures for both the North West Region (9%) and England (16%).

Figure 4.5: Household change 2017 to 2035 (2014-based CLG household projections)

	Households 2017	Households 2035	Change in households	% change
Copeland	30,684	30,848	164	0.5%
Cumbria	225,068	232,101	7,033	3.1%
North West	1,168,406	1,270,116	101,710	8.7%
England	23,464,256	27,274,946	3,810,690	16.2%

Source: CLG household projections

4.15 For information, the 2016-based subnational household projections (SNHP) show a negative level of household growth for Copeland – the total number of households reducing by around 1,500 from 2017 to 2035.

4.16 Whilst the 2014-based data is the latest 'official' population projection and therefore forms the start point for analysis in line with the PPG, it is worth testing the assumptions underpinning the projection to see if it broadly reasonable in the local context – this involves considering both the population projections (the SNPP from ONS) and also the way CLG have converted this data into households. The analysis below initially considers the validity of the population projections and their consistency with past trends, before moving on to consider past trend data in more detail, and also data released since the population projections were published (in particular, ONS has subsequently published new mid-year population estimates for 2015 and 2016).

2014-based Subnational Population Projections (SNPP)

4.17 The latest SNPP were published by ONS on the 25th May 2016. They replaced the 2012-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2014-based national population projections. The new SNPP are largely based on trends in the 2009-14 period (2008-14 for international migration trends).

4.18 They are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

Overall Population Change

4.19 The table below shows projected population change from 2017 to 2035 in Copeland and a range of comparator areas. The data shows that the population of the Borough is projected to fall by around 2,900 people; this is a 4.2% decrease – Cumbria is also projected to see population decline (of 1.2%) whilst both the North West region (6%) and England (12%) are projected to see increases in the population.

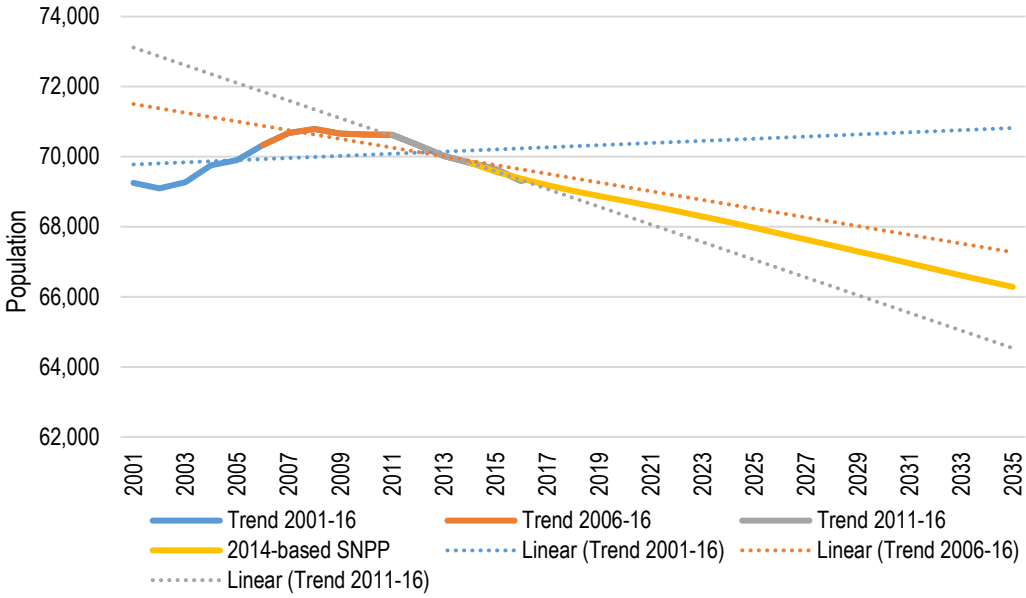
Figure 4.6: Projected population change (2017-2035) – 2014-based SNPP				
	Population 2017	Population 2035	Change in population	% change
Copeland	69,189	66,282	-2,907	-4.2%
Cumbria	496,138	490,327	-5,811	-1.2%
North West	7,219,032	7,648,573	429,541	6.0%
England	55,640,415	62,104,338	6,463,923	11.6%

Source: ONS

4.20 For information, the 2016-based subnational population projections show greater population loss for Copeland – the total number of people reducing by around 5,200 from 2017 to 2035.

4.21 The figure below shows past and projected population change in the period 2001 to 2035. The data also plots a linear trend line for the last five years for which data is available (2011-16) and also longer-term periods from 2006 to 2016 (a 10-year trend) and 2001-16 (15-years). The data shows that the population is projected to change at a rate somewhere between the trends seen over the past 5- and 10-years – this is an important finding given that ONS typically consider short-term trends when developing the SNPP (looking at the last 5-years for internal migration and the last 6-years for international migration). Even when looking at a 15-year trend, there is only limited population growth when drawing a linear trend line through the data. Overall, this analysis would suggest that the SNPP is not underestimating future population growth (once account is taken of past trend data and the time periods used by ONS).

Figure 4.7: Past and projected population change – 2014-based SNPP – Copeland



Source: ONS

4.22 One final point with regard to the SNPP, is to bring this together with the components of change data discussed earlier in this section – in particular the latest (2015 and 2016) ONS mid-year population estimates (MYE). Whilst the view is that the SNPP looks to be a sound projection in terms of future population growth, there is inevitably some uncertainty. The 2015 MYE shows that the 2014-based SNPP under-estimated future population for Copeland, whereas the opposite situation is seen when looking at the 2016 MYE – this is shown in the table below. Overall, in the two-year period from 2014 to 2016, the SNPP projected that the population would fall by 461 people, whereas the MYE shows a population decline of 525; this is a difference of 64 people. Given that the total population of the Borough is around 70,000, a difference of 64 is not considered to be particularly significant; the MYE analysis tends to support the view that the SNPP is a sound population projection.

Figure 4.8: Projected and estimated level of population change 2014-16

	MYE	2014-based SNPP	Difference
2014-15	-185	-256	+71
2015-16	-340	-205	-135
Total (2014-16)	-525	-461	-64

Source: ONS

Migration levels in the SNPP

4.23 The table below brings together a series of average net migration levels in both past trends and the projection (a range of different time periods are analysed). Taken in the round, this shows a reasonable fit between past trends and the projection and again suggests that the SNPP is a sound starting point for calculating future population growth in the Borough (and unlikely to be underestimating future population growth). The average level of net in-migration in the 2017-35 period is very similar to that seen in the 2001-16 period (which is the period showing the lowest level of net out-migration). Because the projections in this report run from 2017, this is taken as the base date for analysis of future figures.

Figure 4.9: Average net migration in a range of past and projected time periods (annual averages)

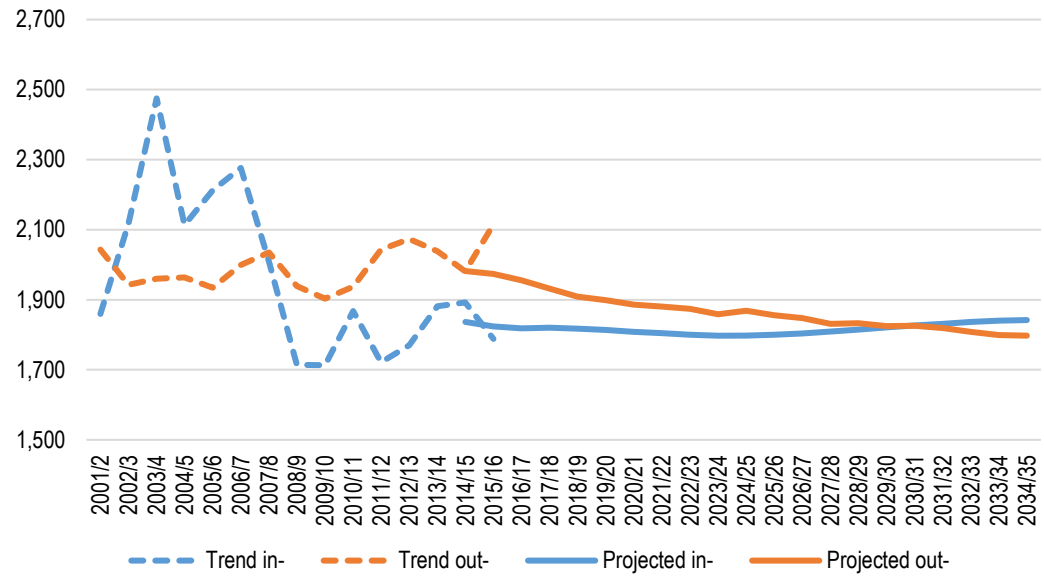
	Average net migration		
	Internal net-	International net-	Total net-
Past 15-years (2001-16)	-64	31	-33
Past 10-years (2006-16)	-171	27	-143
Past 5-years (2011-16)	-238	-1	-240
Next 5-years (2017-22)	-109	21	-88
Next 10-years (2017-27)	-94	19	-75
Next 15-years (2017-32)	-70	19	-52
Next 18-years (2017-35)	-55	18	-37

Source: ONS

4.24 Some caution should however be exercised when comparing past trend levels of net migration with a future projection. The main reason for this is that ONS, in constructing the SNPP, do not just look at the level of migration, but consider the age/sex profile of migrants and the locations from which people are likely to move to- and from- (they also look separately at in- and out-migration, rather than net migration). This methodology (which is considered to be sound) means that net migration levels can go up or down as the age structure of areas changes. Generally, due to older age profiles, it is observed that rural areas are more likely to see net migration increase moving forward; this is likely to also be applicable to some extent in Copeland.

4.25 For information, the figure below shows in- and out-migration in the past and projected forward in the SNPP. This shows that net migration is projected to increase (shown initially by the closing gap between in- and out-migration and then a reversal of the net position from about 2031). The change in net migration is largely driven by a projected decrease in the level of out-migration (and some modest increase in in-migration). The in-migration increase is likely to be driven by population growth in areas outside Copeland (i.e. a greater pool of people who will potentially move to the Borough), whilst the decrease in out-migration will be linked to the older person population (who tend to be less migrant). This analysis would continue to support the SNPP as being a sound demographic projection.

Figure 4.10: Past trends and projected in- and out-migration – Copeland



Source: ONS

Age Structure Changes

4.26 With growth in the population will also come age structure changes. The table below summarise the findings for key (15-year) age groups in the 2014-based SNPP. The data shows that the largest growth will be in the number of people aged 60 and over; it is estimated that there will be 24,500 people aged 60 and over in 2035 – this is an increase of 4,400 from 2017, representing growth of 22%. The population aged 75 and over is projected to increase by an even greater proportion, 54%. Looking at the other end of the age spectrum the data shows that there is projected to be decreases in all age groups up to age 59, with a particularly notable decline for those aged 45-59 – this decline seems to be driven by this age group being a particularly large cohort in 2017, with smaller cohorts (those aged 30-44 in 2017) contributing to an overall reduction in the number of people in this age band.

Figure 4.11: Population change 2017 to 2035 by fifteen-year age bands (2014-based SNPP) – Copeland

Age group	Population 2017	Population 2035	Change in population	% change from 2017
Under 15	10,849	9,702	-1,148	-10.6%
15-29	11,016	9,697	-1,318	-12.0%
30-44	11,383	10,860	-524	-4.6%
45-59	15,883	11,548	-4,335	-27.3%
60-74	13,277	14,046	769	5.8%
75+	6,781	10,430	3,649	53.8%
Total	69,189	66,282	-2,907	-4.2%

Source: ONS

Alternative Demographic Scenarios

4.27 As noted above, the SNPP looks to be a sound starting point with regards to population growth in the Borough. However, it is noted that levels of migration and population growth have been variable over time, and typically lower in more recent years. On this basis it would be reasonable to consider alternative (sensitivity) scenarios – such an approach is set out in para 2a-017 of the PPG which states *'plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections…'.*

4.28 The sensitivity scenarios take account of longer-term migration trends and also the 'unattributable' component of population change within ONS population data for the 2001-11 period. Additionally, data from the ONS 2015 and 2016 mid-year population estimates (MYE) is considered. The analysis below therefore considers four potential sensitivities to the figures. These can be described as:

- Implications 2015 and 2016 mid-year population data – 2014-based SNPP (+MYE)
- Implications of 10-year migration trends – 10-year migration
- Implications of 15-year migration trends – 15-year migration
- Implications of Unattributable Population Change (UPC) and 15-year migration trends – 15-year migration (+UPC)

2014-based SNPP (+MYE)

4.29 This projection takes assumptions from the 2014-based SNPP, but overwrites the population projection figures for 2015 and 2016 by those in the ONS MYE (by age and sex). Moving forward from 2016, this sensitivity uses the same birth and death rates as contained in the 2014-based SNPP and the actual projected migration figures (by age and sex). Due to age structure differences in the MYE compared to the projection, this does mean that population growth from 2016 onwards does not exactly match that in the actual projections as published.

4.30 Additionally, a further step has been undertaken to provide a consistent 2017 base. For this the modelling has included an assumption about net completions and modelled (just for 2016/17) what level of migration this might imply. A total of 120 net completions has been assumed and this gives rise to a net out-migration of 39 people (based on the same age/sex structure of in- and out-migration as underpins the 2014-based SNPP). Since drafting this report, the Council has confirmed the number of completions as having been 154 – this difference will not have any notable impact on the modelling.

4.31 Hence this sensitivity essentially updates the base position using more recent data. It should be noted that the 2017 baseline established in this sensitivity has been consistently used for all of the other sensitivity scenarios.

10-year migration/15-year migration

4.32 This projection uses information about migration levels in the 10-year period (2006-16) and also a 15-year period (2001-16); the scenario therefore includes the most up to date MYE figures (for 2016). The projection does not just look at the migration figures and roll these forward but recognises that migration can be variable over time as the age structure changes. With international migration, this projection also takes account of the fact that ONS are projecting for international net migration to decrease in the longer-term.

4.33 To overcome the issue of variable migration, the methodology employed looks at the share of migration in the Borough compared to the share in the period feeding into the 2014-based SNPP (which is 2009-14 for internal migration and 2008-14 for international migration). Where the share of migration is higher in the 10-/15-year period, the projection applies an upward adjustment to migration, and vice versa.

15-year migration (+UPC)

4.34 As noted earlier there is a notable level of Unattributable Population Change (UPC) in the ONS data for 2001-11 in Copeland. In this instance UPC is positive, this suggests that the components of change feeding into the SNPP may under-estimate migration and population growth.

4.35 It is generally accepted that UPC arises due to two main reasons; a) the misrecording of population in the 2001 and/or 2011 Census or b) the misrecording of migration in the 2001-11 period. It is unknown to what extent each of these is influencing the levels of UPC shown in Copeland, however the size of the UPC adjustment made by ONS should not be ignored.

4.36 The PAS Technical Advice Note makes a number of comments about UPC, and their consideration in demographic projections, the core conclusions can be found in paragraphs 6.34 and 6.35 (quoted below). Given the scale of UPC in the area, it is considered prudent to look at demographic scenarios with a specific adjustment.

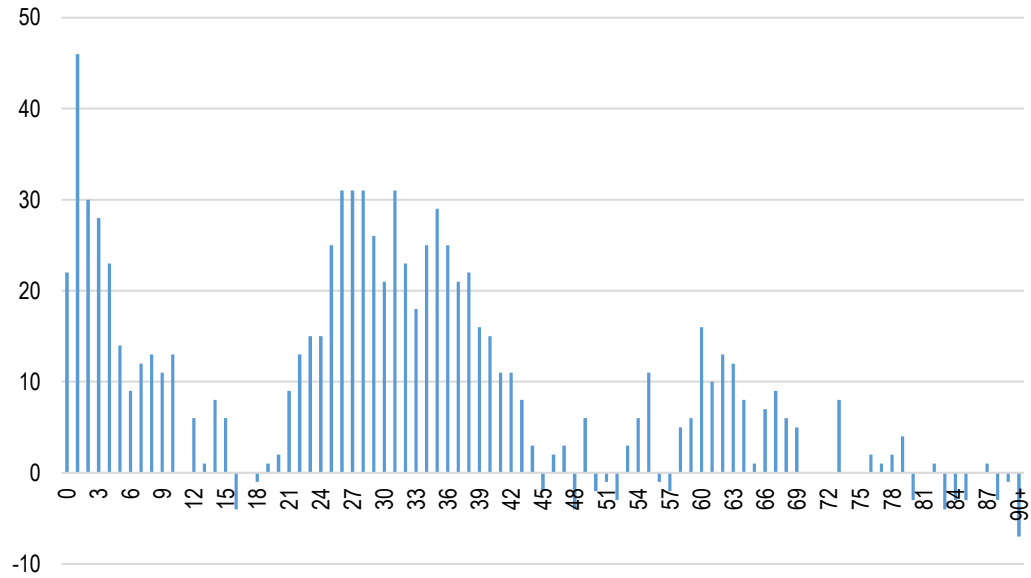
'In local authorities where the UPC is large, we would suggest that housing needs assessments sensitivity-test the impact of including the UPC in past migration flows, and also that they interrogate the data closely for any local evidence of the causes of UPC… In the light of this analysis plan-makers may take a view that the UPC, or part of it, should be included in the base period as past migration'.

4.37 Whilst making an adjustment for UPC could be an alternative scenario, it is not considered, on its own, to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate. On this basis, whilst it is not considered that UPC should be included on its own as a projection to take forward into the modelling of objectively assessed need it is considered that there is merit in looking at UPC when also considering longer-term trends.

4.38 Hence, this sensitivity projection takes the outputs from the long-term (15-year) migration scenario and makes a further additional adjustment for UPC. For the purposes of analysis, it has been assumed that UPC is a one-off adjustment and takes account of the age structure as shown by ONS.

4.39 For information, the age structure of UPC is shown in the figure below (this is the total for the 2001-11 period). The analysis shows that much of the UPC is concentrated in younger age groups; in housing need terms this means that UPC might have a fairly limited impact, this is due to household representative rates (discussed later in this section) in these age groups being lower than for older age cohorts. The overall positive level of UPC will however have an upward impact on household growth when modelled.

Figure 4.12: Total Unattributable Population Change by age (2001-11) – Copeland



Source: ONS

Migration Assumptions in the Alternative Demographic Projections

4.40 The table below sets out the assumptions modelled (shown as average figures for the 2017-35 projection period). These figures are presented as net migration although the modelling itself looks separately at in- and out-migration (for each of internal and international migration). The estimate of net migration linked to long-term (15-year) trends is higher than a similar projection using 10-year trends, which in turn is higher than in the 2014-based SNPP. With 15-year trends, it is projected that the average level of net migration would be 129 people per annum, this is more than 160 people higher than the actual net level seen in the 15-year trend period (2001-16) and can be explained by the variable level of migration within the SNPP, which has also been modelled in the sensitivity scenarios. It should be noted that migration figures are not available for the UPC adjusted projections as these scenarios are based on a specific (one-off) adjustment rather than being a modelled flow.

Figure 4.13: Average net migration assumptions used in demographic modelling (per annum 2017-35)			
	2014-based SNPP (+MYE)	10-year migration	15-year migration
Internal migration	-55	-8	102
International migration	18	23	27
Total net migration	-37	14	129

Source: Demographic analysis based on ONS data

Outputs from different demographic projections

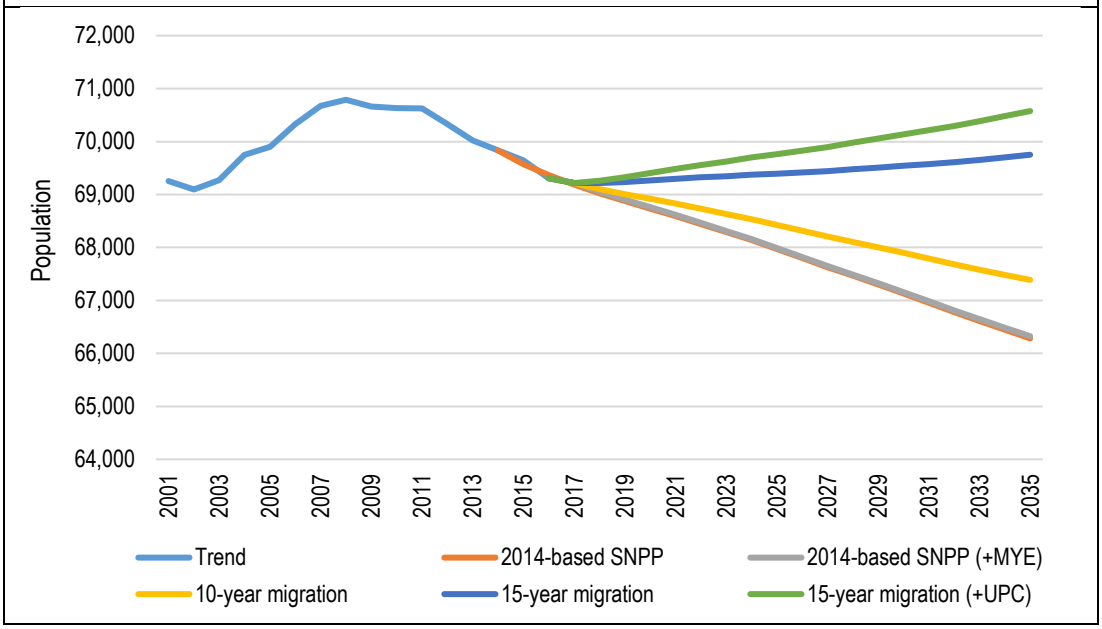
4.41 The table below shows the estimated level of population growth in the SNPP and the alternative projections developed. Across the Borough, the SNPP shows population decline (2017-35) of 4.2% - this figure remains unchanged when more recent population and migration data is included in the modelling (i.e. to include 2015/16 MYE data and a rebasing to 2017). When looking at 10-year trends the projected population reduction reduces and if a longer (15-year) base period is used the population shows a small degree of growth (increasing by 0.8%). When the data is overlaid with an adjustment for UPC the figure increase, to show population growth of 2.0%.

Figure 4.14: Projected population growth (2017-2035) – alternative scenarios – Copeland				
	Population 2017	Population 2035	Change in population	% change
2014-based SNPP	69,189	66,282	-2,907	-4.2%
2014-based SNPP (+MYE)	69,217	66,326	-2,891	-4.2%
10-year migration	69,217	67,388	-1,829	-2.6%
15-year migration	69,217	69,752	534	0.8%
15-year migration (+UPC)	69,217	70,576	1,358	2.0%

Source: Demographic projections

4.42 The figure below plots the projected population growth in each of these scenarios along with past trend data. This shows that the highest of the projections (15-year migration (+UPC)) has population growth that is some way above the trend seen over the previous 15 years – this is likely in part to be due to the variable migration (which typically sees net migration increase over time). The 15-year migration (+UPC) projection shows an average level of population growth of 71 people per annum, compared with population growth in the 2001-16 period of just 4 people per annum.

Figure 4.15: Past and projected population growth – range of demographic scenarios – Copeland



Source: ONS and demographic projections

Appropriateness of alternative scenarios

4.43 Having developed a range of scenarios, it is worth briefly considering which are the most appropriate to use when taking the data forward into estimates of housing need. The 2014-based SNPP is the only projection that is directly linked to official projections and should therefore be given some credence. It is also the projection which is identified in the PPG as the start point for the analysis of housing need.

4.44 The projection linked to 10-year migration trends should be given some weight. As the analysis of housing need has developed over time, it has become common practice to consider 10-year trends as well as the most recent official projections. Given that in Copeland there does appear to have been some short-term reduction in migration it is considered that this projection is a useful scenario to use when looking at housing need.

4.45 However, it is the case that the past 10-years shows relatively modest population growth and migration in the Borough and so looking further back in time should also be considered. The 15-year trend projection covers a longer period of time and also includes a similar amount of data from pre- and post-recession (i.e. the 7-year period prior to 2008, and 8-years from 2008 to 2016). This longer period might be described as being more 'stable'. It should however be noted that there is little precedent in the use of a 15-year migration-based scenario.

4.46 Additionally, it is notable that the 15-year based scenario which includes a UPC adjustment sits at the top end of the range of projections developed and can therefore be given some consideration. However, it is noted that including UPC within projections is not an approach universally supported by planning inspectors. The level of UPC in Copeland is however notable and this point should not be entirely ignored, particularly if looking back to 2001, and therefore including a base period where UPC is more likely to be influenced by the poor recording of migration data.

4.47 Hence, overall, whilst the modelling to follow continues to look at the full range of scenarios developed it is considered in drawing conclusions about a reasonable level of population growth to plan for that both the official (2014-based) and the 15-year trends (+UPC) should be the main ones used to understand potential housing need. These two projections essentially set out a range of population growth (and hence housing need) although there is clearly merit in considering other scenarios within this range.

Migration Profiles

4.48 One difficulty in developing projections using a different base period to the SNPP is that it is possible for the base period to have a different profile of migration (e.g. a different age structure). It is difficult to fully reflect any differences in age structure given that to do this would require understanding a full matrix of where population moves to- and from- (by age and sex) – such data is not readily available. Some analysts have attempted to develop their own migration profiles by looking at the proportions of migrants in a national context; it is not considered that this is a robust approach as it fails to reflect the linkages between areas. For example, such an approach would essentially give equal weight to the population profile in Barrow-in-Furness as it would to Cornwall. Clearly demographics in Copeland are more influenced by dynamics in Barrow than an area many hundreds of miles away.

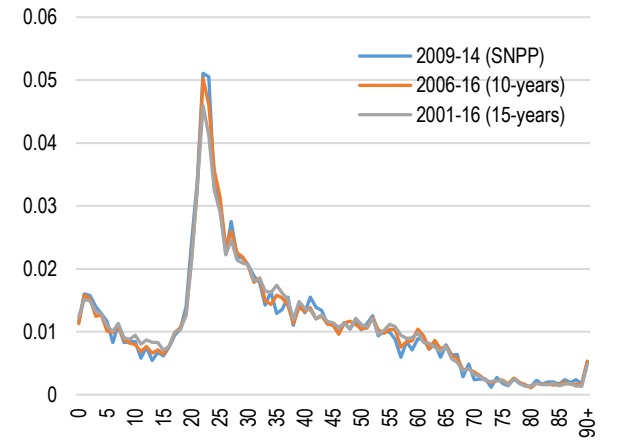
4.49 Therefore, the analysis for different base periods assumes a migration profile that is the same as assumed in the SNPP, with adjustments made equally to all age and sex groups depending on the scale of moves shown in the SNPP. It is worth briefly checking if this analysis is appropriate; i.e. to see if longer-term migration profiles differ significantly from those which would have informed the 2014-based SNPP.

4.50 The series of figures below look at standardised migration rates by age. The figures are standardised to reflect that it is the profile which is of interest, whilst different assumptions are made about actual levels of migration, these would just see the lines go up or down, the shape of curves would remain the same. The figures look at standardised rates over the past 10-years (2006-16), 15-years (2001-16) and also the periods feeding into the SNPP; for internal migration this will be 2009-14 and for international migration 2008-14.

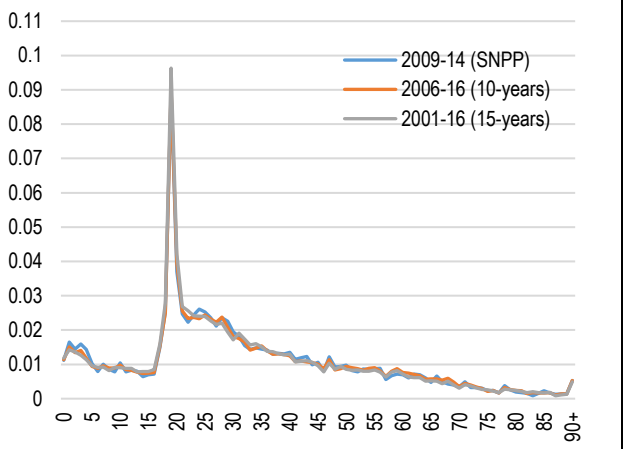
4.51 In Copeland, there are some minor differences between the SNPP and the 10-/15-year period. When looking first at internal in-migration it can be seen that any differences are really quite modest, the same is the case when looking at internal out-migrants. With international migration, any differences are slightly more notable, although there is no clear trend and it needs to be noted that international migration is a very small component of population change in Copeland; over the 2001-16 period international migration made up just 6% of all in-migration and 4% of out-migration (these percentages remain largely unchanged if the SNPP trend period to 2014 were considered). Hence, overall, it seems unlikely that using the SNPP migration profile will have any notable impact on assessed levels of population growth (or the age structure).

Figure 4.16: Comparison of 10-/15-year and SNPP Migration Profiles – Copeland

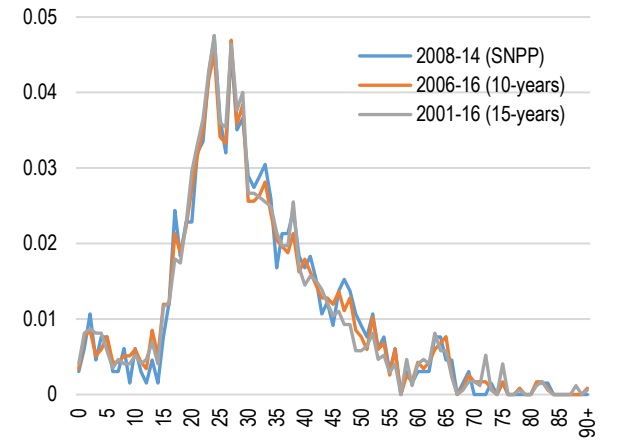
Internal migration in



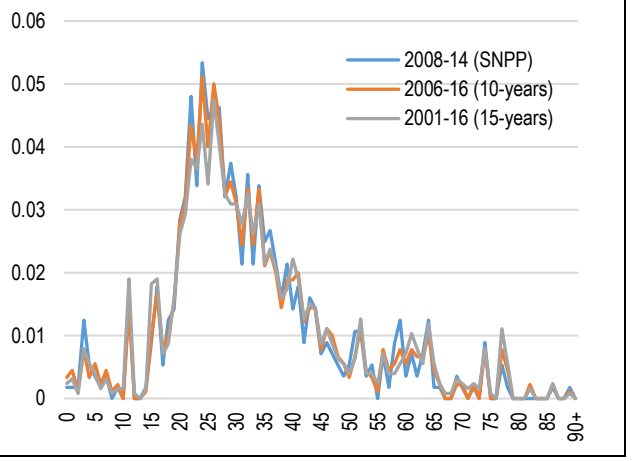
Internal migration out



International migration in



International migration out



Source: ONS

Age Structure Changes

4.52 Analysis has previously shown changes in the age structure when using the 2014-based SNPP and below a similar analysis has been carried out with the 15-year migration trend (+UPC) projection (which is the highest alternative scenario suggested as being reasonable to use in the modelling). As with the SNPP, there is projected to be a notable ageing of the population; however, it is also noteworthy that the higher population growth in this scenario is concentrated in younger age groups – this reflects the fact that younger people (particularly of working-age) are more migrant than the older population.

Figure 4.17: Population change 2017 to 2035 by fifteen-year age bands (15-year migration trends (+UPC)) – Copeland				
Age group	Population 2017	Population 2035	Change in population	% change from 2017
Under 15	10,970	10,690	-281	-2.6%
15-29	11,024	10,637	-388	-3.5%
30-44	11,374	12,162	788	6.9%
45-59	15,828	12,067	-3,760	-23.8%
60-74	13,244	14,456	1,212	9.2%
75+	6,777	10,564	3,787	55.9%
Total	69,217	70,576	1,358	2.0%

Source: ONS and demographic projections

Taking Account of the latest National Population Projections

4.53 In October 2017, ONS published a new set of (2016-based) National Population Projections (NPP). These project notably lower population growth than in the previous (2014-based) set, with the UK population projected to be 2 million fewer in mid-2041. This is driven by lower assumptions about future birth rates and international migration, and an assumption of a slower rate of increase in life expectancy. The key differences are:

- ONS' long-term international migration assumptions have been revised downwards to 165,000 pa (beyond mid 2022) compared to 185,000 in the 2014-based Projections. This is based on a 25-year average;
- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.84 compared to 1.89 in the 2014-based Projections; and
- ONS is no longer assuming a faster rate of increase in life expectancy of those born between 1923 – 1938, based essentially on more recent evidence. Life expectancy still increases, just not as fast as previously projected.

4.54 In due course, the key assumptions at a national level will be translated into the next SNPP. For Copeland it is likely that the next set of projections (due May/June 2018) will show lower population growth than the current 2014-based version. This will mainly be due to the changes in fertility/mortality rates with the assumptions about international migration being likely to have only a modest impact. Also, with net migration being slightly lower in the 2016 base period (when compared with the period feeding into the 2014-based projections), there are further reasons to expect future projections to be lower.

4.55 In this report, no attempt has been made to second-guess the next set of projections, but in interpreting the findings in this section it should be recognised that new projections are likely to show a lower level of population growth (or a greater level of decline).

4.56 Since this report was drafted, ONS has published a new set of (2016-based) SNPP. Key outputs from these projections (in terms of overall population change) have been highlighted earlier in this section and it is indeed the case that they do show a lower level of population growth (in fact a higher level of population decline than the previous projections).

Household Growth (Household Representative Rates (HRRs))

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

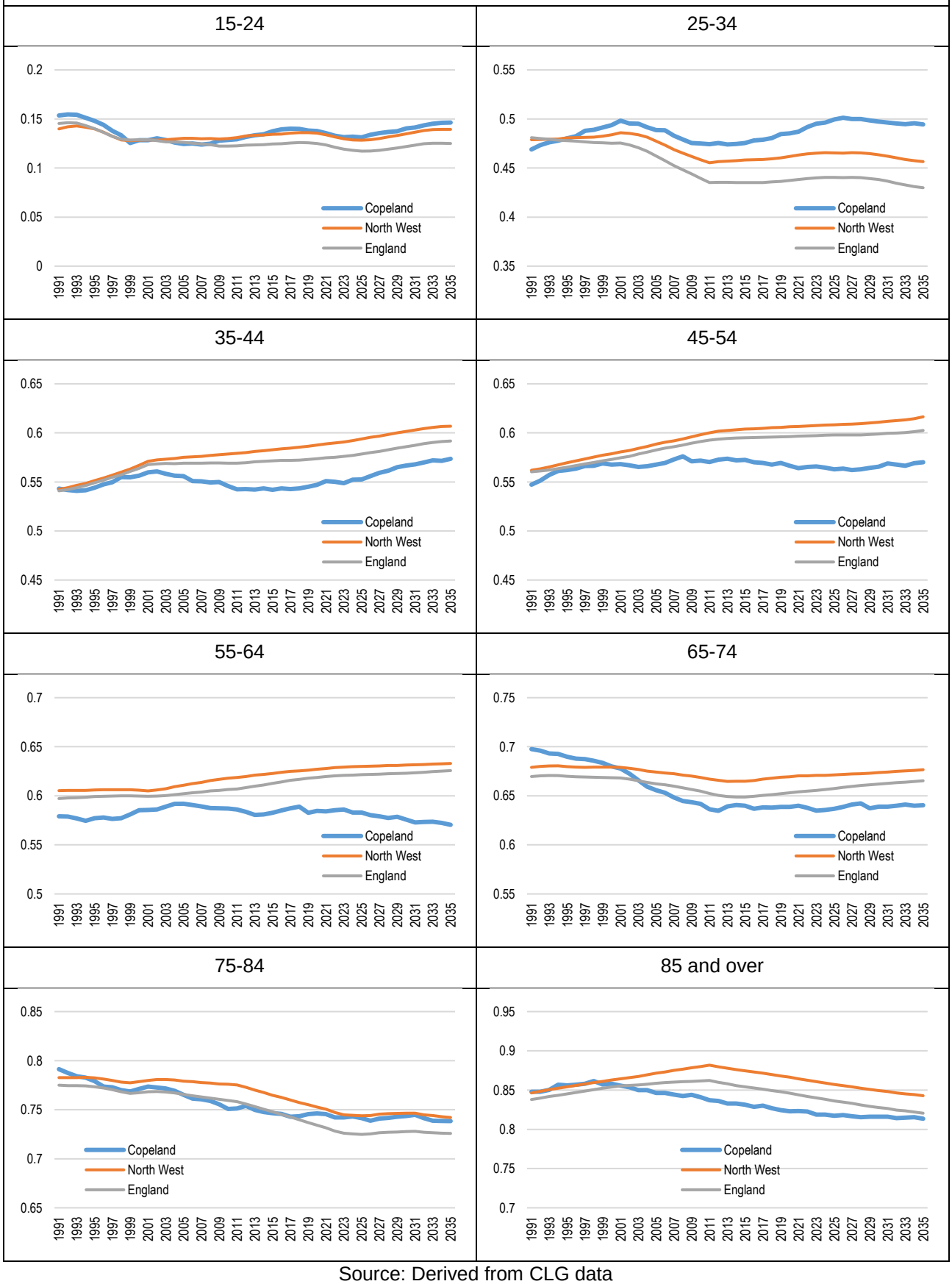
4.58 On the 12th June 2016, CLG published a new set of (2014-based) household projections – the projections contain two core analyses. The Stage 1 household projections project HRRs based on data from the 1971, 1981, 1991, 2001 and 2011 Censuses with outputs for age, sex and marital status. For younger age groups greater weight was given in the CLG projections methodology to the dampened logistical trend than the simple logistics trend; the effect of which is to give greater weight to the shorter-term trends.

4.59 The Stage 2 household projections consider household types and the methodology report accompanying the projections is clear that these projections are based on just two data points – from the 2001 and 2011 Census. Overall outputs on total household growth are constrained to the totals from the Stage 1 Projections. This means that both sets of projections show the same level of overall household growth (when set against the last set of SNPP) but some of the age specific assumptions differ. Differences can however occur between the Stage 1 and 2 HRRs when modelled against different population projections (due to differences in the age structure).

4.60 Overall, it is considered that the Stage 1 projections should be favoured over the Stage 2 figures for the purposes of considering overall household growth; this is for two key reasons: a) the Stage 1 figures are based on a long-term time series (dating back to 1971 and using 5 Census data points) whereas the Stage 2 figures only look at two data points (2001 and 2011) and b) the Stage 2 figures are constrained back to Stage 1 values, essentially meaning that it is the Stage 1 figures that drive overall estimates of household growth in the CLG household projections themselves. The analysis to follow therefore focuses on Stage 1 figures.

4.61 The figure below shows how Stage 1 figures differ for different age groups (and provides a comparison with data for the North West and England). It is evident from the analysis that HRRs amongst households in their late 20s and early 30s fell slightly over the 2001-11 decade – the projections are however suggesting that this trend will stop and the HRR will begin to rise, at a rate notably above the comparator areas. The 2014-based household projections also expect HRRs amongst older age groups to fall over time. Given improving life expectancy this 'trend' looks to be reasonable (as it would be expected that more people would remain living as couples).

Figure 4.18: Household Representative Rates by age – Copeland



Source: Derived from CLG data

Sensitivity Testing Household Representative Rates

4.62 The PPG in Para 2a-017 states that it may be sensible to undertake sensitivity testing around household representative rates; and sets out that the household formation rates may in some circumstances have been suppressed historically by an under-supply of housing and worsening affordability (Para 2a-015). Against this context, trends in household formation in the 2014-based projections have been considered. As the data shows, in Copeland, household formation rates for younger households has fallen (at least in the 25-34 and 35-44 age groups). Research by the late Alan Holmans[1] has suggested that this is likely in part due to increasing international migration and in part due to economic factors and affordability. His research identified that:

'The working assumption in this study is that a considerable part but not all of the 375,000 shortfall of households relative to trend was due to the state of the economy and the housing market. 200,000 is attributed to over-projection of households due to the much larger proportion of recent immigrants in the population, whose household formation rates are lower than for the population as a whole. This effect will not be reversed. The other 175,000 is attributed to the economy and the state of the housing market and is assumed to gradually reverse'.

4.63 Broadly what Dr Holmans was saying is that about half of changes to household formation seen nationally are due to market factors and about half due to international migration. International migration is not a notable component of demographic trends in Copeland, as the components of change analysis in shows, and international migration is therefore likely to have made less of a contribution to the fall in household formation amongst younger households than market factors (which might include access to mortgage finance).

4.64 Research by Neil McDonald and Christine Whitehead[2] has taken forward the Holmans' research to consider the 2012-based Household Projections. The assumptions on household formation in the 2014-based Household Projections are very similar to these.

4.65 Their research identified that changes in household formation amongst younger households are not just related to the recession and housing market factors, but to levels of student debt, impacts of welfare reform, changes in types of employment, and higher numbers of couple households than previously projected, as well as the impacts of international migration on changing household structures.

4.66 The implication of all of this is that the household formation assumptions in the 2008-based Household Projections, which pre-dated the 2011 Census, should be considered too high and it is unrealistic to assume a 'full return' to these.

4.67 Nonetheless, as the analysis above shows some reduction in the HRRs for the population aged 25-34 and 35-44 a sensitivity test has been developed to look at an alternative approach to HRRs. In this sensitivity, a 'part-return-to-trend' analysis has been developed, where the rate of household formation sits somewhere between figures in the 2014-based projections and those in an older 2008-based version.

[1] Holmans, A. (2013) *New estimates of housing demand and need in England, 2011-31, TCPA, London.*

[2] McDonald, N. and Whitehead, C. (Nov 2015) *New estimates of housing requirements in England, 2012 to 2037*.

Housing Need

4.68 The analysis below brings together outputs in terms of household growth and housing need using the 2014-based headship rates and the full range of scenarios developed. To convert households into dwellings the data includes an uplift to take account of vacant homes. This has been based on 2016 Council Tax data with a summary of the key statistics shown below (and compared with data for England). This shows that the total number of dwellings is some 6.6% higher than the number of occupied homes (which is taken as a proxy for households) and hence household growth figures are uplifted by 6.6% to provide an estimate of housing need. It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes.

Figure 4.19: Vacant homes (Council Tax data)

	Copeland	England
Dwellings	33,438	23,862,835
Second Homes	924	246,540
Other vacant homes	1,149	442,846
Total vacant	2,073	689,386
Total occupied	31,365	23,173,449
Vacancy allowance	6.6%	3.0%

Source: CLG

4.69 It is notable that vacancy rate (excluding second homes) in Copeland is above the national average (Copeland – 3.7%, England – 1.9%). Arguably, it could be assumed that vacancy might reduce over time (e.g. to return to the national average), and this would reduce assessed levels of need. This report does not model any improvement to vacancy rates although this point should be noted when interpreting the figures.

4.70 The analysis shows an overall housing need for 10 dwellings per annum across Copeland when using the 2014-based SNPP as the underlying population projection. This figure increases slightly (to 14) when the assumptions include MYE data for 2016 and a rebasing to 2017. With long-term (10-year) migration assumptions the housing need is shown to be for 40 dwellings per annum, and this figure rises further (to 97) if the trend period is increased to 15-years. With a UPC adjustment the figures are increased by 23, to reach 120 dwellings per annum.

4.71 On the basis of the information below it is concluded that the demographic need for housing falls in the range of 10-120 dwellings per annum. The bottom end of the range being the ‘start point’ as defined in the PPG and the upper end being informed by longer-term trend data and an understanding of how trends have changed and the components of population growth.

Figure 4.20: Projected housing need – range of demographic based scenarios and 2014-based HRRs – Copeland					
	Households 2017	Households 2035	Change in households	Per annum	Dwellings (per annum)
2014-based SNPP	30,683	30,846	163	9	10
2014-based SNPP (+MYE)	30,615	30,858	244	14	14
10-year migration	30,615	31,291	677	38	40
15-year migration	30,615	32,250	1,636	91	97
15-year migration (+UPC)	30,615	32,646	2,032	113	120

Source: Demographic projections

4.72 If an uplift is applied to the HRRs (a part-return to 2008-based trends for the population aged 25-44) then the assessed level of need increases slightly (by about 15-18 dwellings per annum). The highest of the scenarios developed (15-year migration (+UPC)) shows a need for 138 dwellings per annum in the 2017-35 period.

Figure 4.21: Projected housing need – range of demographic based scenarios and part-return to trend HRRs – Copeland					
	Households 2017	Households 2035	Change in households	Per annum	Dwellings (per annum)
2014-based SNPP	30,683	31,107	424	24	25
2014-based SNPP (+MYE)	30,615	31,121	506	28	30
10-year migration	30,615	31,562	947	53	56
15-year migration	30,615	32,538	1,923	107	114
15-year migration (+UPC)	30,615	32,941	2,327	129	138

Source: Demographic projections

The Impact of Brexit for Population and Household Projections

4.73 One key question for this assessment is whether or not the United Kingdom leaving the European Union ('Brexit') will have any impact on future migration and population growth, and hence housing need, over the period to 2036. As a preamble, it should be stressed that the impact of Brexit is clearly unknown and so the analysis to follow is mainly discursive, highlighting a series of issues.

4.74 Initially, it is observed that one of the key parts of the Brexit 'pledge' is to reduce levels of immigration to the UK. Given that Brexit will impact on EU migration, an initial analysis considers trends in migration from EU countries. The table below shows net migration to the UK from 2010 to 2016 (figures are all for the year to December). This shows an average net migration of about 250,000 people, with this figure having been rising since 2012 (but reducing in 2016); the data also shows that an average of 40% of net migrants are from EU countries, and the remaining 60% from the rest of the World – the proportion of migrants from the EU has however generally been rising over time (albeit with a reduction in 2016).

4.75 This analysis would suggest that any reductions to EU migration will only impact on about two-fifths of the migrants seen to the UK in a typical year.

Figure 4.22: Net migration to the United Kingdom by broad location (2010-2015)					
	British	EU (not-British)	All other	Total	% EU (excluding British)
2010	-43,000	77,000	217,000	256,000	26%
2011	-70,000	82,000	204,000	205,000	29%
2012	-63,000	82,000	157,000	177,000	34%
2013	-57,000	123,000	142,000	209,000	46%
2014	-55,000	174,000	194,000	313,000	47%
2015	-40,000	184,000	189,000	332,000	49%
2016	-60,000	133,000	175,000	248,000	43%
Average	-55,000	122,000	183,000	249,000	40%

Source: ONS

4.76 To look at international migration at a local authority level, data has been taken from the Census about migrants in the year to 2011 – these figures only cover in-migration and not net flows (as in the table above). This shows that relative to other areas, the Borough sees a similar proportion of EU in-migrants, totalling 39% compared with 42% nationally. This would suggest that the migration impact of Brexit might be similar in the Borough as other locations (although it should be remembered that this data is only based on one year of information, and should therefore be treated with some caution). However, it should also be noted that international migration generally in the Borough is quite low. Using the ONS components of change data, it is calculated that international migration accounted for only 6% of in-migrants and 4% of out-migrants (over the 10-year period to 2016).

Figure 4.23: International in-migration (2011) – Census data				
		EU in-migration	Non-EU in-migration	Total in-migration
Copeland	Population	96	149	245
	% of population	39%	61%	100%
North West	% of population	42%	58%	100%
England	% of population	42%	58%	100%

Source: Census 2011

Projections Developed by Cumbria County Council

4.77 The analysis in this section has developed a number of different projection scenarios drawing on data published by ONS and CLG. Separately from this assessment, Cumbria County Council (CCC) regularly develop their own projections using the software package PopGroup. The latest CCC figures were published in December 2016 and are titled as a 2016 refresh.

4.78 Rather than studying the detail sitting behind the CCC projections, this section simply provides a brief commentary where comparable scenarios can potentially be seen. In this instance, CCC have run a scenario linking to the latest SNPP and also one based on 10-year trends. With the SNPP, CCC suggest an annual housing need of 10 dwellings (2017-35) compared with 10 in this report (or 14 when more up-to-date information about population growth and completions is included).

4.79 With 10-year trends, there is also agreement between the sources; CCC put the need at 49 dwellings per annum, compared with 40 in this report. Although the figures are similar, it should be noted that there are some differences between the way in which the figures are calculated. Firstly, in this report, migration is treated as being variable and can change year-on-year as the age structure changes; it is understood that CCC treat migration as being fixed (based on the actual levels observed over the 10-year period). Secondly, the 10-year period used is slightly different, CC using data for 2005-15 and this report looking at 2006-16. The broad agreement in the outputs is however worth noting.

4.80 CCC also developed some projections linked to past and future dwelling growth, these do not feature in this report and so no comparison is made. Additionally, CCC have developed economic-led projections; these are commented on in the next section of this report.

Proposed Standardised Methodology

4.81 As noted previously, the draft PPG of March 2018 sets out a standard methodology for the assessment of housing need. This is the same as the method consulted on from September 2017 (in Planning for the right homes in the right places). The MHCLGs proposed methodology takes the official projections as the starting point. This is adjusted on the basis of market signals. However, that adjustment is then potentially capped to 40% depending on the status of the local authority's local plan.

4.82 Paragraph 17 of the "Right Homes in the Right Places" consultation document proposes "that projections of household growth should be the demographic baseline for every local authority". Having previously stated at paragraph 16 that "The Office for National Statistics' projections for numbers of households in each local authority are the most robust estimates of future growth".

4.83 As noted, the most up-to-date projections are the 2014-based CLG household projections published in July 2016. The consultation document proposes "that the demographic baseline should be the annual average household growth over a 10-year period" – the table accompanying the consultation uses data for the 2016-26 period. Across the Borough, the 2014-based projections show household growth of 315 for the 2016-26 period (32 households per annum). It should be noted that the proposed methodology does not make any adjustment to translate household growth to dwellings.

4.84 The proposed methodology seeks to adjust the demographic baseline on the basis of market signals. The adjustment increases the housing need where house prices are high relative to workplace incomes. This uses the published median affordability ratios from the Office for National Statistics based on workplace-based median house price to median earnings ratio for the most recent year for which data is available which is 2016.

4.85 Specifically, the adjustment increases the housing need derived from the household projections by 0.25% for every point the affordability ratio is above four (4.0). This is justified on the basis that four is the typical multiple used by mortgage providers to gauge affordability. The equation is as follows:

Adjustment factor = (Local affordability ratio – 4)/4 × 0.25

4.86 In 2016 the workplace affordability ratio in Copeland was 2.79; i.e. median house prices were 2.79 times the median earnings of those working in the Borough. This means that the adjustment factor for Copeland is 0 or 0%. Given that the figure is less than 40%, the issue of capping any increase is not relevant. Hence the **housing need in Copeland equates to 32 dwellings per annum**.

Trend-Based Demographic Projections: Key Messages

- The start point for assessing housing need in line with the PPG is the most recent official household projections; these are the 2014-based CLG projections which suggest a need for around 10 dwellings per annum to be provided (2017-35). These projections were underpinned by the most recent ONS subnational population projections (SNPP – also 2014-based) available at the time of drafting this report.

- Alternative projections based on long-term (up to 15-year) trends were developed (including more up-to-date information from ONS mid-year population estimates to 2016). The housing need linked to 15-year migration trends (with a further adjustment to take account of unattributable population change (UPC) - this is an adjustment made by ONS to reflect population growth as informed by the Census and may be related to the misrecording of migration) is for 120 dwellings per annum (2017-35); if account is taken for a possible suppression of household formation of younger people (those aged 25-44) this figure would rise to 138 dwellings per annum. Whilst this projection is considered sound (in technical terms) it should be considered to be at the top end of what is reasonable, for example, population growth in this scenario is over 4,000 more than the figure in the most recent 'official' population projections, and higher again if the population growth in the 2016-based SNPP is considered.

- As part of the draft NPPF and PPG, the MHCLG has set out a proposed standard method for the assessment of housing need. This is based just on official household projections with an adjustment based on the local affordability ratio (a house price to income ratio). Using the standard methodology with the most recent data available suggests a need to provide 32 dwellings per annum. This is above the figure from the latest official projections (10 dpa) but is some way below the highest scenario developed in this report (138 dpa).

- Overall, the analysis identifies a demographic based need for up to 138 dwellings per annum; this figure being based on long-term (15-year) migration trends and a further adjustment to take account of UPC.

5. Future Employment and the Link to Housing

Introduction

5.1 The PPG sets out that consideration should be given to future economic performance in drawing conclusions on the overall need for housing. Where the evidence suggests that a different level of migration might be needed than seen in past trends in order to support economic growth, consideration should be given to adjusting the spatial distribution of housing (more generally interpreted to suggest an uplift to housing numbers where a local authority forms its own HMA).

5.2 With the development of a standard methodology to assess housing need the link between jobs and housing takes on a lesser focus. However, the draft NPPF/PPG are clear that the standard method should be seen as a minimum and that higher numbers can be included in plans where this is justified. In Copeland, it is considered appropriate to look at economic growth, this is for two reasons: a) the standard methodology shows a very low level of need and b) due to potential job increases in relation to Sellafield (and other locally specific projects). Indeed, the Standard Method (which shows a need for just 32 dwellings per annum) provides a figure that is well below typical historical levels of delivery in the Borough.

5.3 In looking at the link between jobs and population/housing it should be noted that this is complicated by the number of assumptions that need to be made. This will include the assumptions to be made about commuting and double jobbing (the proportion of people with more than one job). However, this biggest issue is about assumptions with regard to how employment or economic activity rates might change in the future. A range of different assumptions are available, and these can show radically different outputs (these approaches are discussed in more detail later in this section). This section does not seek to provide all possible scenarios and focusses on what are considered to be the most robust assumptions, along with comments about alternative approaches that could be used.

Economic Forecasts

5.4 A series of forecasts about future employment growth have been provided by Cumbria County Council (CCC)– the forecasts initially took an 'out of the box' forecast from Cambridge Economics (CE) Local Economy Forecasting Model (LEFM) with adjustments made to reflect local knowledge. The forecasts have a 2016 base and were provided in March 2018. For the purposes of analysis, and to be consistent with other aspects of the SHMA, job growth in the 2017-35 period has been studied.

5.5 A total of four scenarios were provided, all based on adjustments from the original CE forecast. Below is a brief description of the forecasts, the wording having been provided by CCC:

- Baseline – CE's standard baseline assumptions for Cumbria have been adjusted to take account of workforce data received from major local companies, including Sellafield and BAE Systems, the details of which are confidential;
- Scenario 1 – this utilises nuclear new build employment estimates (constructed as part of the Socio-Economic Impact Assessment) supplied to Cumbria County Council in September 2016. The timing of the impact has been adjusted to reflect the delay in project commencement. West Cumbria Mining employment estimates were supplied by the company on 18th August 2017;
- Scenario 2 – scenarios in the LEFM model are constructed at Cumbria level and impacts distributed spatially according to the district share of existing employment by sector. However, this may not reflect the anticipated spatial distribution of impact and therefore the Moorside[3]/WCM scenario has been adjusted to allocate 100% of the direct impact to Copeland and to distribute indirect benefit on the basis of 85% to Copeland, 10% to Allerdale, 4% to Carlisle and 1% to Barrow; and
- Scenario 3 – this includes an uplift to reflect information received from Sellafield Ltd indicating that some of the anticipated workforce decline due to Thorp/Magnox projects coming to a close will be mitigated by workforce redeployment due to increased decommissioning activity.

5.6 The table and figure below show how the number of jobs is forecast to change in Copeland from 2017 to 2035. The analysis shows the number of jobs decreasing in most of the scenarios, with Scenario 3 (which includes workforce redeployment) being the only scenario with positive growth – jobs increasing by 1,100 over the 18-year period (a 3% increase from 2017 levels).

Figure 5.1: Forecast job growth in Copeland (2017 and 2035)

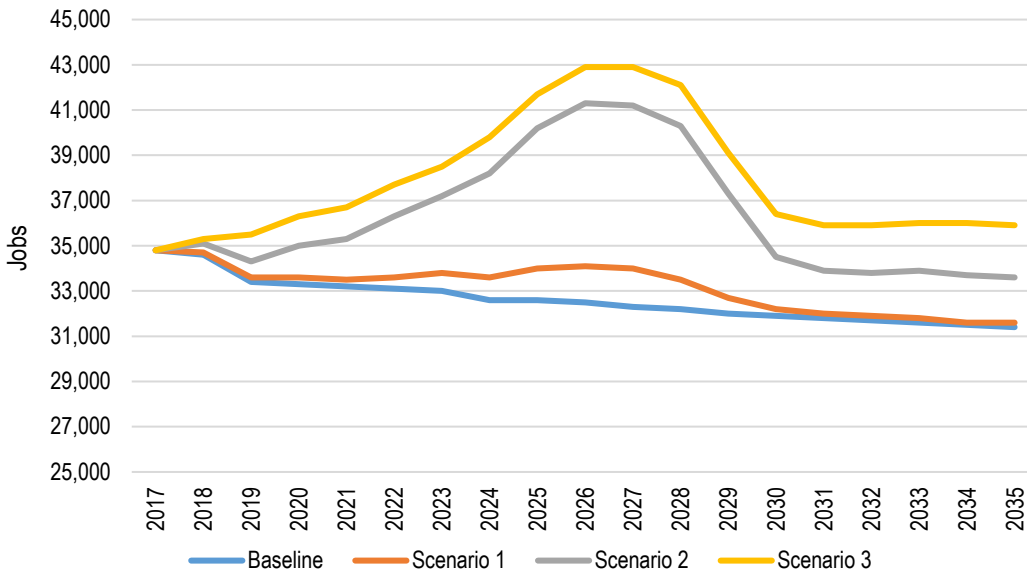
	Jobs (2017)	Jobs (2035)	Change in jobs	% change
Baseline	34,800	31,400	-3,400	-9.8%
Scenario 1	34,800	31,600	-3,200	-9.2%
Scenario 2	34,800	33,600	-1,200	-3.4%
Scenario 3	34,800	35,900	1,100	3.2%

Source: Cumbria County Council

5.7 When looking at the time series of employment, it can be seen that for Scenarios 2 and 3 there is a large increase in jobs until about 2027 followed by reductions thereafter. This 'bulge' is created by assumptions about construction jobs, with the additional workers largely not expected to remain in the Borough one their work is complete. The potential need to provide housing in the short-term for these workers is an issue that needs to be considered and this is discussed later in this section. For the purposes of modelling housing need, only the overall growth from 2017 to 2035 is considered.

[3] It should be noted that Moorside has paused and there is currently no active developer. However, it remains in National Policy to encourage large scale nuclear power and so this still may have an impact on the local economy during the Plan period.

Figure 5.2: Forecast job growth in Copeland (2017-35)



Source: Cumbria County Council

Growth in the Resident Labour Force

5.8 Having studied the likely level of job growth, the next stage is to estimate the change in the resident labour supply (to allow for a comparison between jobs and workforce growth). Making the link between population and the resident workforce is a very thorny issue with no set methodology and a range of different data sources being used. It is considered difficult to robustly project how economic activity or employment rates will change in the future and hence any approach must be treated with some degree of caution.

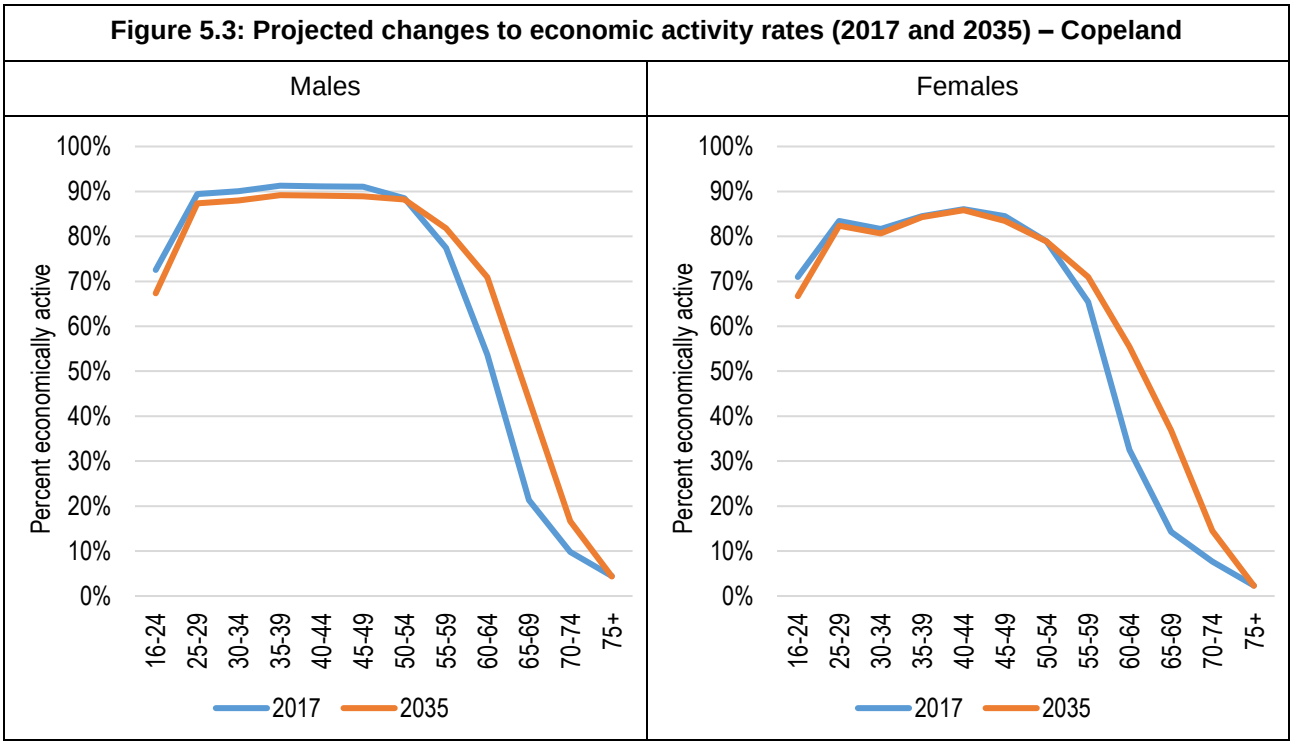
5.9 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach although there are no set figures to be used when looking at how activity rates might change over time. Of the main forecasting houses (Experian, OE and CE) only Experian publish age and sex specific data about how economic activity rates might change (this data is available directly from Experian and underpins the document *'Comparison between Experian and OBR Participation Rate Projections'* (February 2016)). The main alternative source of economic activity rate data is as published by the Office for Budget Responsibility (OBR).

5.10 Neither of these sources can be considered as definitive and it is generally viewed that the Experian rates are at the top end of a reasonable range, with OBR figures being at the bottom end of this range. This conclusion is drawn because Experian (at least at a national level) typically forecast the highest levels of job growth (and hence the highest levels of economic activity such that there is a sufficient workforce) whilst the OBR figures typically show a potential workforce growth that would not support job growth even at the bottom end of a typical range (i.e. the range forecast by the main forecasting houses). Some discussion of different job and economic activity assumptions can be found in a paper by Neil McDonald as part of the East of England Forecasting Model (EEFM)[4].

5.11 If the analysis is based on an Experian forecast, then it would be reasonable to use the Experian rates, however, where this is not the case (as in Copeland where the base information comes from CE) it is necessary to develop a more bespoke set of rates. Fortunately, as part of this study, access has been provided to 'off the shelf' forecasts from both Experian and CE (with the same base date) and it has been possible to use the information about job growth along with the Experian rates to develop a bespoke set of rates for Copeland – this is essentially developing a set of rates so that population change is exactly the same regardless of the forecast used. The rates are based on a downward adjustment to the national level figures from Experian.

5.12 The figure and table below show the assumptions made. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision). Intuitively the figures look to be reasonable.

Figure 5.3: Projected changes to economic activity rates (2017 and 2035) – Copeland



Source: Based on Experian/CE and Census (2011) data

[4] http://atlas.cambridgeshire.gov.uk/EEFM/EEFM_OAN-Note_13-04-2017.pdf

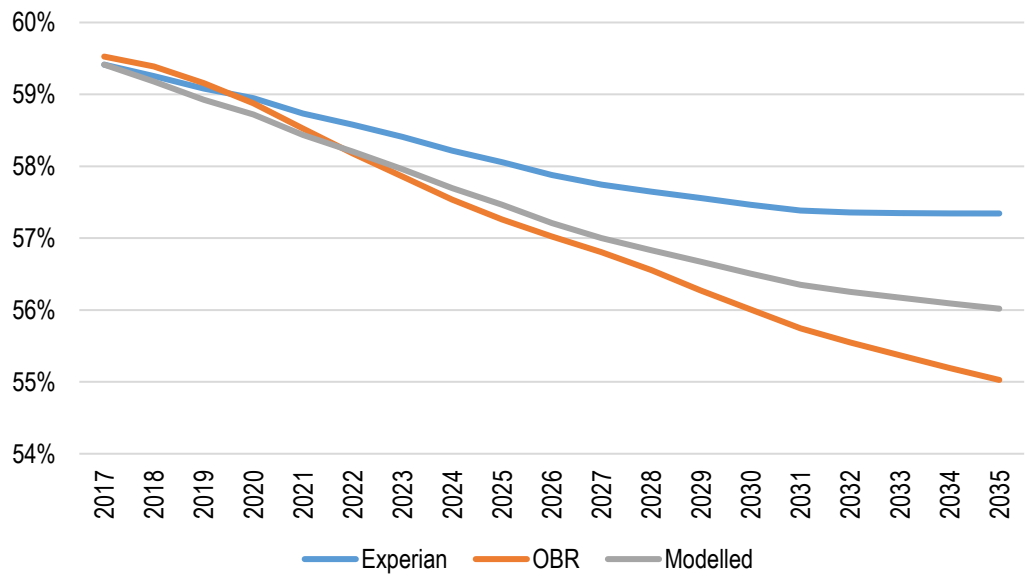
Figure 5.4: Projected changes to economic activity rates (2017 and 2035) – Copeland						
	Males			Females		
	2017	2035	Change	2017	2035	Change
16-24	72.5%	67.3%	-5.2%	71.0%	66.7%	-4.3%
25-29	89.4%	87.4%	-2.1%	83.4%	82.4%	-1.0%
30-34	90.1%	88.0%	-2.1%	81.7%	80.7%	-1.0%
35-39	91.3%	89.2%	-2.1%	84.5%	84.3%	-0.2%
40-44	91.1%	89.0%	-2.1%	86.1%	85.8%	-0.2%
45-49	91.0%	88.9%	-2.1%	84.5%	83.5%	-1.1%
50-54	88.5%	88.2%	-0.3%	78.9%	78.8%	-0.1%
55-59	77.4%	81.8%	4.4%	65.4%	71.0%	5.5%
60-64	53.7%	70.9%	17.2%	32.5%	55.5%	23.0%
65-69	21.3%	43.7%	22.4%	14.3%	36.8%	22.5%
70-74	9.8%	16.6%	6.8%	7.7%	14.5%	6.9%
75+	4.4%	4.3%	-0.1%	2.3%	2.3%	-0.1%

Source: Based on Experian/CE and Census (2011) data

5.13 To finally test if the rates developed are reasonable, analysis has been undertaken to compare the global economic activity rate (based on the proportion of the population aged 16 and over) from each of Experian and OBR, with that developed for this report. This shows that the overall rate sits somewhere in between the Experian and OBR figures and again this would suggest that the figures are reasonable.

5.14 Interestingly, despite the data forecasting increases in activity rates for many age/sex groups; it is the case that the overall economic activity rate in Copeland would be expected to fall. This will be due to the ageing population and the fact that older age groups have lower levels of economic activity. The figures below are based on modelling linked to the latest official population projections (2014-based SNPP) and whilst other scenarios would show different patterns, the relationship between the three sets of activity rates would not be expected to change.

Figure 5.5: Economic activity rate (population aged 16+) – Copeland



Source: Based on Experian/CE and Census (2011) data

What is the change to the economically-active population?

5.15 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the Borough – this is set out in the table below. The analysis shows that there would be a decrease in the economically active population for all of the demographic scenarios. The highest of the demographic projections (linked to 15-year migration trends (+UPC)) would provide a decline in the workforce of about 500 people.

Figure 5.6: Estimated change to the economically active population (2017-35) – Copeland

	Economically active (2017)	Economically active (2035)	Total change in economically active
2014-based SNPP	34,266	31,317	-2,949
2014-based SNPP (+MYE)	34,216	31,388	-2,828
10-year migration	34,216	31,977	-2,238
15-year migration	34,216	33,280	-936
15-year migration (+UPC)	34,216	33,754	-461

Source: Derived from demographic projections

Linking Job Growth and Changes to Resident Labour Force

5.16 The analysis above has set out a potential scenario for the change in the number of jobs in the Borough. However, for the purposes of analysis linked to demographic data it is necessary to convert this into estimates of the required change to the economically active population. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs;
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting patterns

5.17 The table below shows summary data about commuting to and from Copeland from the 2011 Census. Overall the data shows that the Borough sees a small level of net in-commuting for work with the number of people resident in the area who are working being about 5% lower than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

Figure 5.7: Commuting patterns in Copeland (2011)	
	Number of workers
Live and work in Local Authority (LA)	22,371
Home workers	2,850
No fixed workplace	1,683
In-commute	8,022
Out-commute	6,169
Total working in LA	34,926
Total living in LA (and working)	33,073
Commuting ratio	0.947

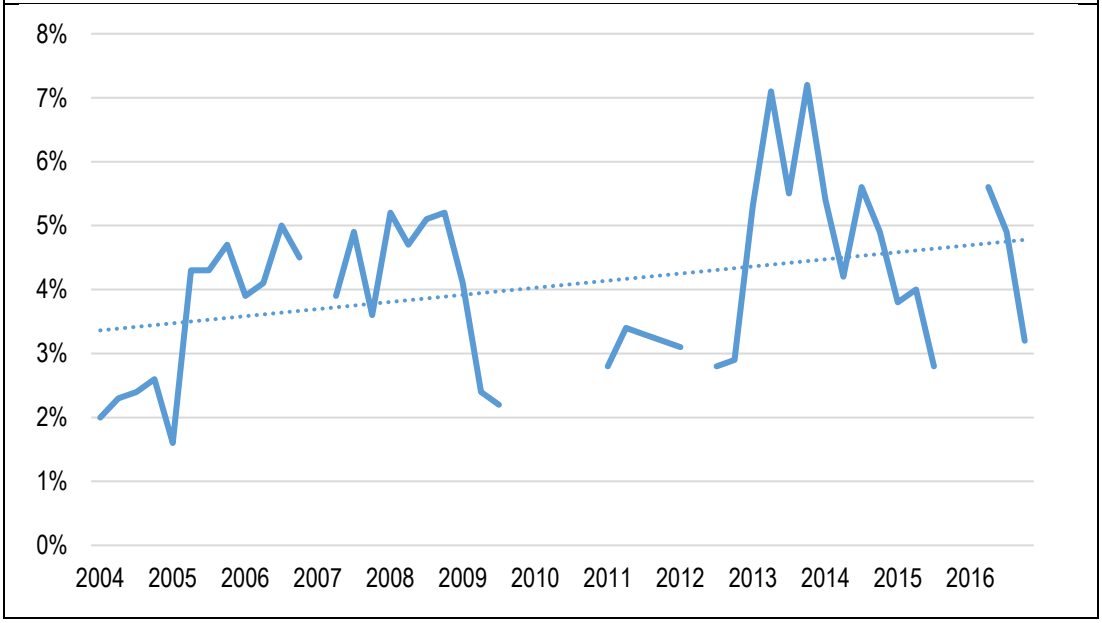
Source: 2011 Census

5.18 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census (i.e. it is assumed that the number of jobs potentially supported will be 5% higher than the change in the number of working residents. It is arguable that some changes to the commuting ratio could be modelled, for example the net in-commuting to the Borough is largely driven by people working at Sellafield but living elsewhere; hence any baseline forecast that does not include additional growth at Sellafield would arguably not see the pattern of net in-commuting. On the other hand, additional jobs at Sellafield could see more people commuting into the Borough from elsewhere (and hence the ratio would drop further). Overall, keeping the ratio constant is considered to be a reasonably balanced approach to use.

Double jobbing

5.19 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests across the Borough that typically between about 4% of workers have a second job – levels of double jobbing have been variable over time (mainly due to the accuracy of data at a local level) and appears to have generally been increasing.

Figure 5.8: Percentage of all people in employment who have a second job (2004-2016)



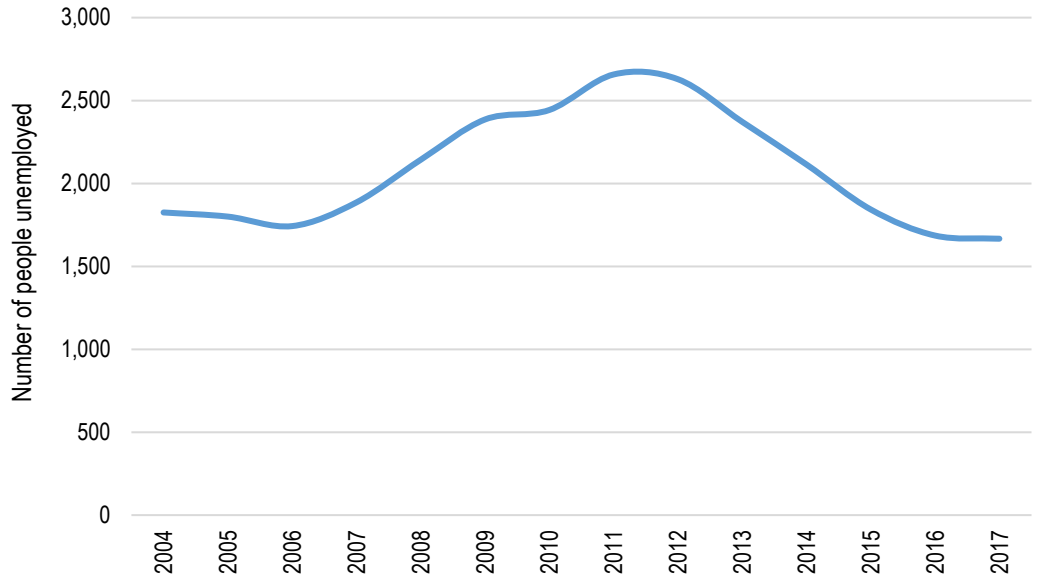
Source: Annual Population Survey (from NOMIS)

5.20 For the purposes of this assessment it has been assumed that around 4% of people will have more than one job moving forward, this is roughly the average shown for all data points back to 2004. A double jobbing figure of 4% gives rise to a ratio of 0.960 (i.e. the number of jobs supported by the workforce will be 4% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

5.21 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. The figure below shows the number of people who are unemployed and how this has changed back to 2004. The analysis shows a clear increase in unemployment from 2004 to 2011/12 and that since 2011/12, the number of people unemployed has dropped notably – by 2017, the number of unemployed people in Copeland was at roughly the same level as observed in 2004. This would indicate that there may be limited scope for further improvements and for the purposes of analysis in this report it has been assumed that there are no changes to the number of people who are unemployed moving forward from 2017 to 2035.

Figure 5.9: Number of people unemployed (2004-2017) – Copeland



Source: Annual Population Survey (modelled unemployment data)

Jobs supported by growth in the resident labour force

5.22 The table below shows how many additional jobs might be supported by population growth under each of the core demographic scenarios. The figures are all negative with even the highest projection showing that the change in the labour supply could support a loss of about 420 jobs. A loss of jobs is consistent with most of the economic forecasts, although Scenario 3 does show a potential job growth of 1,100 over the 2017-35 period and at least for this scenario there would be a mismatch between growth in the labour supply and the growth needed for jobs to be filled.

Figure 5.10: Estimated change to the economically active population (2017-35) – Copeland			
	Total change in economically active	Allowance for net out-commuting	Allowance for double jobbing (= jobs supported)
2014-based SNPP	-2,949	-2,829	-2,679
2014-based SNPP (+MYE)	-2,828	-2,713	-2,569
10-year migration	-2,238	-2,148	-2,034
15-year migration	-936	-898	-850
15-year migration (+UPC)	-461	-443	-419

Source: Derived from a range of sources as described

Housing Need linked to job growth forecasts

5.23 As well as looking at the growth in the economically active population linked to a range of demographic projections, it is of use to consider what level of housing might be required for forecasts to be met.

5.24 Within the modelling, migration assumptions have been changed so that across the local authority the increase in the economically active population matches the increase in the resident workforce required. The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).Once the level of economically active population matches the job growth forecast, the population (and its age structure) is modelled against CLG HRRs (and with a part-return to trend scenario) to see what level of housing provision that might imply.

5.25 The first part of the analysis is to estimate what level of growth in the labour supply would be needed for the job growth forecast to be met. This is essentially the same as the analysis above, but working in reverse order. This calculation is shown below and shows that to meet 1,100 jobs (the highest of the forecasts), there would need to be an increase in the economically active population of about 999 (assuming a constant commuting ratio and levels of double jobbing) – this figure, along with other scenarios, is fed through into the modelling which is again set against the economic activity rates discussed previously.

Figure 5.11: Forecast job growth and change in resident workforce with double jobbing and commuting allowance (2017-35)				
	Baseline	Scenario 1	Scenario 2	Scenario 3
Number of jobs (2017-35)	-3,400	-3,200	-1,200	1,100
Double jobbing allowance	0.960	0.960	0.960	0.960
Number of workers required	-3,262	-3,071	-1,151	1,055
Commuting ratio	0.947	0.947	0.947	0.947
Change in resident workforce	-3,089	-2,908	-1,090	999

Source: Derived from a range of sources as described

5.26 The table below shows estimates of housing need set against the job growth scenarios. The analysis shows that to support the baseline growth (loss) in jobs would really not require any increase in dwelling provision, the same is true for Scenario 1. When looking at the upper end of the scenarios, it can be seen that to meet Scenario 3 (the only one showing positive job growth) there would need to be provision of around 180 homes each year from 2017.

Figure 5.12: Projected housing need – job-led scenarios and 2014-based HRRs – Copeland

	Households 2017	Households 2035	Change in households	Per annum	Dwellings (per annum)
Baseline	30,615	30,668	53	3	3
Scenario 1	30,615	30,800	185	10	11
Scenario 2	30,615	32,127	1,512	84	90
Scenario 3	30,615	33,651	3,037	169	180

Source: Demographic projections

5.27 If an uplift is applied to the HRRs (a part-return to 2008-based trends for the population aged 25-44) then the assessed level of need increases slightly (by about 15-18 dwellings per annum). The highest of the scenarios developed (Scenario 3) shows a need for 198 dwellings per annum in the 2017-35 period.

Figure 5.13: Projected housing need – job-led scenarios and part-return to trend HRRs – Copeland

	Households 2017	Households 2035	Change in households	Per annum	Dwellings (per annum)
Baseline	30,615	30,927	312	17	18
Scenario 1	30,615	31,061	446	25	26
Scenario 2	30,615	32,413	1,798	100	106
Scenario 3	30,615	33,965	3,350	186	198

Source: Demographic projections

Projections Developed by Cumbria County Council

5.28 In the previous section a comparison was made between demographic trend-based projections developed by Cumbria County Council (CCC) and those within this report. It is also worth briefly reflecting on outputs from CCC linking jobs to population growth and housing need. The main projection developed by CCC on this topic is titled 'average jobs growth scenario', which is a scenario that looks at average past job growth across Cumbria and models this at a local authority level. The modelling assumes a 0.9% per annum increase in jobs; this is substantially higher than the forecasts used in this report (which are generally showing modest growth at best (0.2% per annum).

5.29 Partly as a result of assuming higher job growth, the estimated housing need in the CCC work is substantially higher (an estimated need for 538 dwellings per annum). This figure is also inflated by CCC making an assumption that economic activity rates will not change from the position shown in the 2011 Census (although they do acknowledge that there are a range of factors (such as retirement age changes) that mean activity rates could increase).

5.30 Overall, it is considered that the approach used in this report, linked to economic forecasts, is robust. Firstly, the job growth data applies to Copeland and is based on up-to-date forecasts. Additionally, the method used to look at changes to economic activity builds in uplifts for some older age groups (a feature seen in all activity projections). The County Council projections are useful to note for reference, but are based on a very different methodology and data sources.

Short-term accommodation needs

5.31 When looking at the job growth forecasts it was clear that Scenarios 2 and 3 included a notable short-term uplift for construction workers. Indeed, whilst exact numbers are not known NuGen estimates that 6,500 workers will be needed at peak construction[5]. Furthermore, NuGen estimates that it will need to provide temporary bedspaces for around 4,000 workers, with the remainder being local workers or those using existing accommodation.

5.32 Given the need for some temporary bedspaces, NuGen has identified three sites where accommodation can be provided along with a potential contingency should additional spaces be required. Below is a description of the three sites taken directly from information posted online by NuGen.

- **Mirehouse Site** – could provide construction worker accommodation and facilities linked to rail connections, for an estimated 2,500 workers (with reserve capacity to increase the number of bed spaces by 1,000 to an estimated 3,500 workers).
- **Corkickle Site** – could provide construction worker accommodation and facilities, linked to rail connections for an estimated 1,000 workers (with reserve capacity to increase the number of bed spaces by 500 to an estimated 1,500).
- **Egremont Site** – could provide construction worker accommodation and facilities for an estimated 500 workers (with reserve capacity to increase the number of bed spaces by 500 to an estimated 1,000). Linked to the Moorside Site by coach shuttle.

5.33 The figures from these three sites do indeed total 4,000 bedspaces with a contingency that could add a further 2,000. Given that some workers are likely to be local it seems reasonable to suggest that these sites (if developed as described) would provide sufficient accommodation to mitigate any notable impacts on the local housing market.

5.34 However, it is recommended that the Council monitors the situation moving forward to ensure that there are no adverse impacts on the local population. This monitoring could include checking increases in private sector rents and also prices in the owner-occupied sector. It is possible given the cost of housing in many parts of the Borough that some workers would seek to buy a home (and possibly rent out spare rooms) for the duration of their placement in the area. This could restrict supply for local households.

5.35 At this stage, and with the information available it is difficult to say what impact developments at Sellafield and Moorside will have on the housing market. The information from NuGen does however suggest that this may be minimal and for the purposes of this study, no additional uplift to housing need figures is required to take account of the construction workforce.

[5] https://nugenconsultation.com/consultations/stage-two-consultation/themes/worker-accommodation/

5.36 There is also the issue of the legacy of the NuGen accommodation that needs to be considered and it is noted that NuGen is investigating the possibility that some of the accommodation will remain as permanent structures once Moorside Power Station is operational. These buildings could potentially provide some benefit to local communities in the future and this might include some units being able to be turned into permanent accommodation. Given that the construction workforce is likely to be in the area until at least around 2029 it is premature to make any assumptions about if and how many units might be provided, however, this will need to be a consideration for the Council towards the back-end of the next plan period.

Future Employment and the Link to Housing: Key Messages

- Analysis has sought to estimate the likely level of housing needed to be delivered if the resident workforce is to increase sufficiently to meet job-growth forecasts. In line with the PPG, the main purpose should be to establish if there are any clear spatial imbalances between where population growth is projected to occur and where the jobs might be provided. In the case of Copeland (due to the Borough being defined as a single housing market area) this is less relevant, although any changes to housing need could have an impact on other areas that may need to be dealt with through the Duty-to-Cooperate.

- Economic forecasts were provided by Cumbria County Council (CCC) and included a number of different scenarios, from a baseline position through to job estimates linked to Sellafield and West Cumbria Mining. For the period from 2017 to 2035, the forecasts showed a range of job changes from a loss of 3,400 to growth of 1,100 jobs.

- The analysis took account of both commuting patterns and double jobbing, as well as making a series of assumptions about how economic activity rates might change in the future. This latter point is a key difficulty in matching job-growth to population growth – a range of potential sources are available to undertake this step, and the SHMA used an approach that linked as closely as possible to economic forecasts.

- In running the modelling, it is estimated that to meet job growth forecast there would need to be provision of up to 198 dwellings per annum across the Borough (2017-35); this figure being based on the most optimistic of the forecasts provided by CCC.

- The forecasts also highlighted the issue of construction workers, with a notable uplift in jobs in the period to 2027. This study has not modelled housing needs arising from construction workers and it has been assumed that the three accommodation sites identified by NuGen will be sufficient to meet and needs arising. This should however be monitored as construction develops to ensure that there are no adverse impacts on the local housing market.

- Overall, it is concluded that it would be reasonable to conclude that an economic-based OAN for Copeland would be for up to 198 dwellings per annum. However, as this is substantially more than the level suggested by 'official' projections and also higher than even the highest of the demographic-based scenarios; some caution should be exercised, in particular in terms of the impact this may have on other locations (particularly neighbouring authorities). It should also be noted that this figure includes needs arising in the National Park.

6. Affordable Housing Need

Introduction

6.1 This section discusses the level of affordable housing need in Copeland. The analysis follows the methodology set out in the draft Planning Practice Guidance (PPG) of March 2018 – which is largely unchanged in a further PPG of July 2019. Under the heading of *'What types of households are considered to be in affordable housing need?'* the draft PPG provides the following definition.

All households whose needs are not met by the market can be considered in affordable housing need. Overall affordable housing need should be separated into two categories to recognise the distinct characteristics of the differing need:

- *households that do not have their basic housing needs met and which cannot afford to meet these needs in the market; and*
- *households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home.*

6.2 The first of the bullet points above would describe what might be understood as a 'traditional' (or narrower) view of affordable housing need, and much of the methodology in the draft PPG can be seen to focus on this group. This section also focusses on those unable to meet their needs in the market (either to rent or buy) with the following section looking more widely at the number of households who sit in the 'gap' between renting and ownership.

6.3 The draft PPG sets out a model for assessing affordable housing need – this model largely replicates the model set out in the previous PPG and also previous SHMA guidance (of 2007). The 2007 guide contained more detail about specific aspects of the analysis and so is referred to in this section as appropriate. The analysis is based on secondary data sources. It draws on a number of sources of information including the Copeland Housing Register, 2011 Census data, demographic projections, house prices/rents and income information.

6.4 The affordable housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet the need. The base date for analysis is 2017 (e.g. data about housing costs and incomes is for 2017). It is recognised that the analysis should align with other research and hence estimates of affordable housing need are provided in this section on an annual basis for the 18-year period between 2017 and 2035 (to be consistent with the demographic projections described in previous sections).

Current affordable housing policies

6.5 Policy SS3 (Housing Needs, Mix and Affordability) of the adopted Local Plan (2013-28) includes policies in relation to affordable housing. In particular the Plan notes *'Applications for housing development should demonstrate how the proposal helps to deliver a range and choice of good quality and affordable homes for everyone. A Development proposals will be assessed according to how well they meet the identified needs and aspirations of the Borough's individual Housing Market Areas as set out in the Strategic Housing Market Assessment, by… including a proportion of affordable housing which makes the maximum contribution (consistent with maintaining the viability of the development) to meeting identified needs in that market area'*.

6.6 Supporting text notes that *'Viability evidence indicates that at least twenty per cent should be achievable in higher value areas (mostly in rural Mid and South Copeland); thus the Council will seek provision at the higher end of the recommended range in rural areas identified by the viability study as high value, and on green field sites. In urban areas and on brownfield sites, lower levels of provision are more likely to be accepted'*. A guide to the types of affordable housing is also provided (suggesting 60% housing for rent and 40% as shared equity).

6.7 Affordable housing policies in the Lake District National Park are also relevant, in this case taken from the Core Strategy (adopted in October 2010). There is repeated reference to affordable housing throughout the Core strategy, with a *'lack of affordable housing'* being the first issue set out in paragraph 2.4 (Complex challenges and issues).

6.8 Policy CS18 (Housing Provision) is the main policy in the Core Strategy dealing with housing (including affordable housing), with the supporting text (para 4.29.5) stating *'any housing developed must be of an appropriate scale and type to fulfil our strict requirements for meeting the identified local, and local affordable, needs'.* The relevant wording of Policy CS18 is as follows:

We will permit new dwellings where they contribute towards meeting an identified local need or local affordable need with priority given to the delivery of affordable housing, and where they:

- *help to redress the imbalances in the local housing market; and*
- *are secured in perpetuity for the purpose it was originally intended through the use of appropriate planning controls.*

We will achieve this by:

- *allocating sites for 100 per cent affordable housing with the exception of sites in the West Distinctive Area (Policy CS06) where an appropriate mix of local need and local affordable need housing is acceptable;*
- *using exception sites for affordable housing; and*
- *maximising the potential from individual development opportunities.*

Key Definitions

6.9 The analysis begins by setting out key definitions relating to affordable housing need, affordability and affordable housing.

Current Affordable Housing Need

6.10 Current affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Newly-Arising Need

6.11 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment trend data from CoRe has been used along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

6.12 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

6.13 Affordability is assessed by comparing household incomes against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting and are summarised below:

a. *Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs up to 4 times the gross household income (and assuming a 10% deposit) – this is at the upper end of typical ratios used in analysis of this nature and ensures that affordable housing need figures are not over-estimated. In practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to have less stringent income requirements for households to be able to afford access to market housing;*

b. *Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross household income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics). Consideration of a reasonable proportion of income to use in analysis can be found later in this section.*

6.14 It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing, particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited.

Local Prices and Rents

6.15 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'.

6.16 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes). The following section expands on this information in more detail to present a consideration of the types of affordable housing that might meet local needs. This section focuses on establishing, in numerical terms, the overall need for affordable housing.

6.17 Analysis below considers the entry-level costs of housing to both buy and rent across the Council area. The approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents – using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market.

6.18 Data from the Land Registry for the year to September 2017 (i.e. Q2-Q4 of 2016 and Q1 of 2017) shows estimated lower quartile property prices in the Borough by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £65,100 for a terraced house and rising to approaching £190,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of £80,800.

6.19 When looking at the individual sub-areas it can be seen that the lowest prices are in Cleator Moor and Egremont (followed by Millom). With the highest prices seen in the National Park area, and to a lesser extent Whitehaven Rural. In interpreting the data, come caution should be exercised due to small numbers of sales in some categories (notably flats) and it should also be noted that the all dwellings average will be influenced by the profile of homes sold in the period (e.g. a higher proportion of detached homes in Whitehaven Rural).

Figure 6.1: Lower quartile cost of housing to buy – year to September 2017 – Copeland							
	White-haven	Cleator Moor	Egremont	White-haven rural	National Park	Millom	Copeland
Flat/maisonette	£64,700	-	£50,900	£112,500	£70,000	-	£66,600
Terraced	£69,000	£53,600	£61,000	£67,500	£81,800	£64,700	£65,100
Semi-detached	£102,100	£73,900	£89,000	£99,000	£109,800	£101,500	£97,400
Detached	£195,000	£178,000	£165,300	£194,200	£194,300	£184,000	£189,300
All dwellings	£83,400	£72,300	£72,500	£92,300	£138,000	£75,700	£80,800

Source: Land Registry

6.20 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this also covers a 12-month period to September 2017. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £400 per month.

6.21 To provide sub-area detail, an additional analysis has been carried out through an internet search of properties available in different locations. Given the data availability, it has not been possible to robustly provide figures for individual dwelling sizes and so just an overall lower quartile figure for each area is provided. This shows a limited variation in rents across different parts of the Borough, rent being slightly higher in the National Park and to a lesser extent the Whitehaven Rural area, with all other areas showing rents close to the Borough average.

Figure 6.2: Lower quartile market rents – year to September 2017 – Copeland							
	White-haven	Cleator Moor	Egremont	White-haven rural	National Park	Millom	Copeland
Room only	-	-	-	-	-	-	£347
Studio	-	-	-	-	-	-	£282
1-bedroom	-	-	-	-	-	-	£350
2-bedrooms	-	-	-	-	-	-	£400
3-bedrooms	-	-	-	-	-	-	£450
4-bedrooms	-	-	-	-	-	-	£600
All properties	£400	£400	£400	£450	£500	£400	£400

Source: Valuation Office Agency and internet property search

What is an Appropriate Threshold for Rental Affordability?

6.22 Having undertaken an analysis of the cost of housing, it is useful to think about what might be a reasonable figure to use as an affordability threshold (in terms of the amount of income that could be spent on housing costs). As noted previously there is no guidance on this topic within the PPG (or draft PPG) and an earlier discussion shows that analysis based upon a figure in the range of 25% to 40% could be considered a reasonable starting point.

6.23 The threshold of percentage of income to be spent on housing should be set by asking the question *'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?'* The choice of an appropriate threshold will to some degree be arbitrary and will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold, but are simply being used to assess how many can or can't afford market housing.

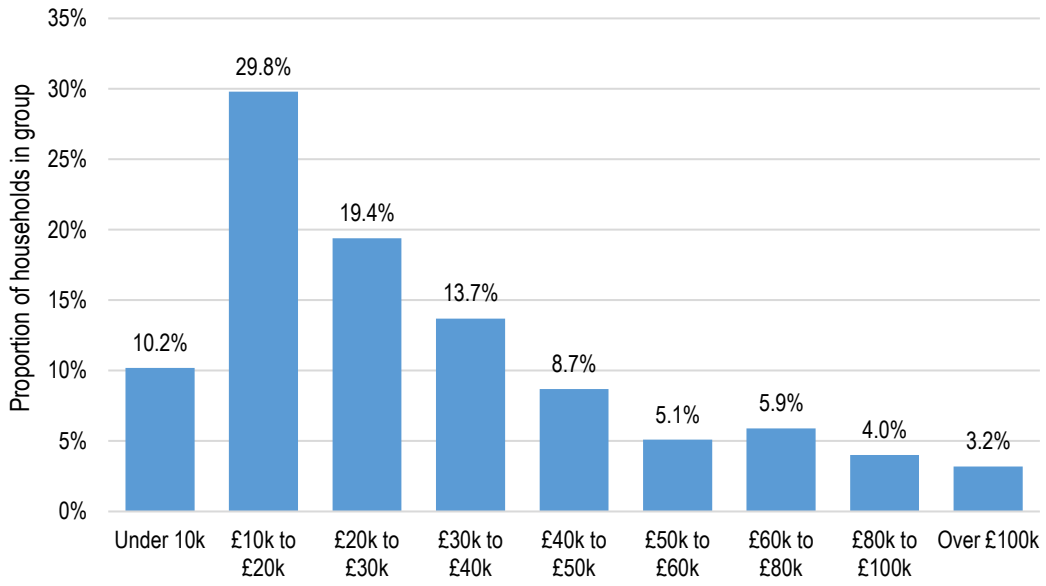
6.24 To look at a reasonable threshold in Copeland a national benchmarking exercise has initially been carried out. Across the country, evidence (from VOA) points to the cheapest areas having lower quartile rents of around £350 per month (Liverpool). It is assumed that these areas would have a 25% affordability threshold (i.e. the bottom end of the threshold range reflects the bottom end of the housing cost range). In Copeland, rents are not much higher than the lower end of the range and it is not therefore considered appropriate to move away from a 25% threshold.

Income Levels and Affordability

6.25 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of information provided by the Council from CACI. The CACI source includes estimates of the mean, median and lower quartile household income. To provide a more fine-grained income distribution, additional information has been drawn from the English Housing Survey (EHS).

6.26 Drawing all of this data together we have therefore been able to construct an income distribution for the whole Council area for 2017. The figure below shows that around two-fifths (40%) of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in the Council area was estimated to be around £24,700 with a mean income of £32,700. The lower quartile income (i.e. the income below which 25% of households are thought to fall) was £14,300.

Figure 6.3: Distribution of Household Income in Copeland (2017 estimate)



Source: Derived from CACI and EHS data

6.27 Using the CACI source, estimates of income in each of the six sub-areas were developed, with key outputs shown in the table below. This shows the lowest incomes to be in Millom and Cleator Moor, closely followed by Egremont and Whitehaven. Incomes in Whitehaven Rural, and the National Park area in particular are somewhat higher.

Figure 6.4: Estimated average incomes by sub-area – Copeland (2017)

	Mean	Median	Lower quartile
Whitehaven	£31,400	£23,900	£13,800
Cleator Moor	£28,800	£21,900	£12,700
Egremont	£30,200	£23,000	£13,300
Whitehaven Rural	£37,300	£28,400	£16,400
National Park	£41,600	£31,600	£18,300
Millom	£28,000	£21,300	£12,300
Whitehaven HMA	£32,700	£24,700	£14,300
National Park	£41,600	£31,600	£18,300
Millom HMA	£28,000	£21,300	£12,300
Copeland	£32,700	£24,700	£14,300

Source: Derived from CACI and EHS data

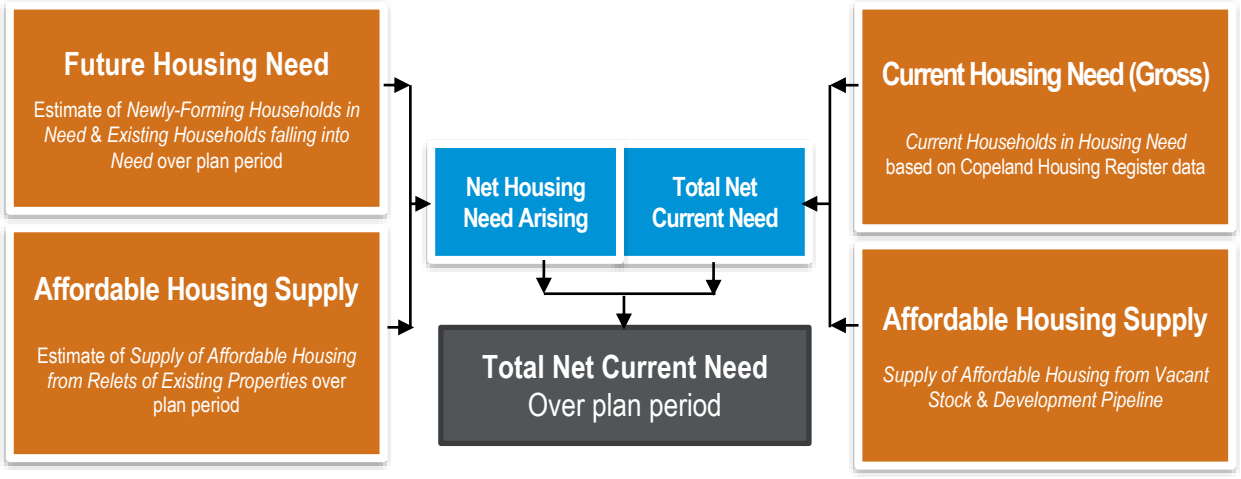
6.28 To assess affordability, the analysis has looked at households' ability to afford private rented housing. Whilst the incomes likely to be needed to afford to buy and private rent are not likely to be much different based on this analysis, it is the case that lower deposit requirements for private rented housing may make it more accessible for households with lower incomes. A more detailed discussion of the incomes required to access different housing products is providing in the next section of this report.

6.29 The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. Different affordability tests are applied to different parts of the analysis depending on the group being studied, e.g. recognising that newly forming households are likely on average to have lower incomes than existing households (this has consistently been shown to be the case in the English Housing Survey and the Survey of English Housing). Assumptions about income levels for specific elements of the modelling are discussed where relevant in the analysis that follows.

Affordable Housing Needs Assessment

6.30 Affordable housing need has been assessed using the Affordable Needs Assessment Model as set out in the PPG (2a-023 to 2a-029) which is virtually identical to models set out in previous guidance (such as the 2007 CLG SHMA guide). This model is summarised in the chart below.

Figure 6.5: Overview of Affordable Needs Assessment Model



Source: Derived from CLG Planning Practice Guidance

Further Methodological Issues

6.31 Due to the analysis being based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include understanding the likely income levels of different groups of the population (such as newly forming households), recognising that such households' incomes may differ from those in the general population.

6.32 To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by JGC over the past five years or so. These surveys (which cover a range of areas and time periods) allow the assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for Copeland (e.g. about income levels) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in Copeland. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).

Current Affordable Housing Need

6.33 In line with the PPG the current need for affordable housing is assessed through analysis of Housing Register information. As part of this project a download of the whole register was provided (as of August 2017) which has been interrogated to estimate the number of households with an affordable housing need.

6.34 As of August 2017 there were 1,477 households on the Register. Not all of the households registered for housing will have significant housing needs and the analysis below shows the banding of need as assessed on the Register (along with descriptions of the banding). For the purposes of this report, it has been assumed that those households in bands A to C can be considered as in housing need (although there is arguably a case to consider band E – households in this band may be in a reasonable preference category, but have reduced priority for other reasons (such as rent arrears)). Across Copeland some 382 households fall into the bands from A to C and would be considered as having an assessed housing need (and not just an expressed need) – this is 26% of all households on the register).

Figure 6.6: Number of households on Copeland Housing Register by housing need banding (August 2017)

Band	Description	Number of households	% of households
A	Urgent Need for Housing due to Reasonable preference plus additional priority	14	0.9%
B	High Need for Housing due to Reasonable Preference	44	3.0%
C	Medium Need for Housing due to Reasonable Preference	324	21.9%
D	Low Need for Housing due to No Reasonable Preference	866	58.6%
E	Reduced Priority	229	15.5%
Total		1,477	100.0%

Source: Copeland Housing Register

6.35 This data has also been split down by sub-areas and HMAs with the table below showing the appropriate figures for the number of households in Bands A-C. The number of households on the Register varies between 7 in the National Park, up to 167 in Whitehaven. The differences between areas are to a significant degree driven by different levels of population and households in each location.

Figure 6.7: Number of households on Copeland Housing Register by housing need banding and sub-area (August 2017) – bands A to C only				
	A	B	C	Total
Whitehaven	3	25	139	167
Cleator Moor	2	6	45	53
Egremont	3	4	41	48
Whitehaven Rural	4	7	64	75
National Park	1	0	6	7
Millom	1	2	29	32
Whitehaven HMA	12	42	289	343
National Park	1	0	6	7
Millom HMA	1	2	29	32
Copeland	14	44	324	382

Source: Copeland Housing Register

6.36 As well as looking at the level of need of households on the register, it is important to understand the living circumstances of those households. In particular, this focusses on current tenure, recognising that households already living in affordable housing would release a home for use by another household if they were to move and hence there is no additional need for housing to be provided (although there may be a mismatch between the homes needed and those released, both in terms of size and location). The table below shows that around 202 households are currently living in affordable housing leaving 180 within private sector housing or without accommodation (e.g. concealed households).

Figure 6.8: Current tenure of households on Housing Register and in need		
	Number of households	% of households
LA/RP housing	202	52.9%
No housing (e.g. concealed/homeless)	99	25.9%
Private sector	81	21.2%
Total	382	100.0%

Source: Copeland Housing Register

6.37 The table below shows the same information for each market and National Park area. There are some differences in patterns between locations with Millom seeing a higher proportion of households registered from the private sector and other areas a higher proportion of households already living in affordable housing. The final column shows the total who are not currently living in affordable housing, these figures are taken forward into the needs modelling.

Figure 6.9: Current tenure of households on Housing Register and in need – by sub-area					
	LA/RP housing	No housing (e.g. concealed/ homeless)	Private sector	Total	Total in need (for model)
Whitehaven	93	40	34	167	74
Cleator Moor	26	15	12	53	27
Egremont	27	12	9	48	21
Whitehaven Rural	38	22	15	75	37
National Park	4	2	1	7	3
Millom	14	8	10	32	18
Whitehaven HMA	184	89	70	343	159
National Park	4	2	1	7	3
Millom HMA	14	8	10	32	18
Copeland	202	99	81	382	180

Source: Copeland Housing Register

Newly-Arising Need

6.38 To estimate newly-arising (projected future) need two key groups of households based on the PPG (and draft PPG) have been studied. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

6.39 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of gross household formation. This differs from numbers presented in the demographic projections which are for net household growth. The numbers of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

6.40 The estimates of gross new household formation have been based on outputs from the 2014-based CLG household projections to allow for a consistent approach across areas. In looking at the likely affordability of newly-forming households, data has been drawn from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

6.41 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). The assessment suggests that overall around 40% of newly-forming households will be unable to afford market housing (in the private rented sector which typically has a lower income threshold) and that a total of 194 new households will have a need on average in each year to 2035.

Figure 6.10: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

	Number of new households	% unable to afford	Total in need
Whitehaven	158	47.7%	75
Cleator Moor	43	52.2%	23
Egremont	50	49.8%	25
Whitehaven Rural	93	45.1%	42
National Park	16	45.0%	7
Millom	41	53.7%	22
Whitehaven HMA	344	47.8%	165
National Park	16	45.0%	7
Millom HMA	41	53.7%	22
Copeland	401	48.3%	194

Source: Projection Modelling/affordability analysis

Existing Households falling into Affordable Housing Need

6.42 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. This looked at households who have been housed over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.

6.43 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'*.

6.44 Following the analysis through suggests a need arising from 184 existing households each year from 2017 to 2035 – the vast majority of these households are currently living in the Whitehaven HMA.

Figure 6.11: Estimated Level of Affordable Housing Need from Existing Households Falling into Need (per annum)		
	Total in need	% of total
Whitehaven	79	43.0%
Cleator Moor	26	14.2%
Egremont	25	13.7%
Whitehaven Rural	33	17.9%
National Park	4	2.1%
Millom	17	9.2%
Whitehaven HMA	163	88.7%
National Park	4	2.1%
Millom HMA	17	9.2%
Copeland	184	100.0%

Source: CoRe/affordability analysis

Supply of Affordable Housing

6.45 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.

6.46 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from the Continuous Recording system (CoRe) has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

6.47 On the basis of past trend data is has been estimated that 364 units of social/affordable rented housing are likely to become available each year moving forward.

Figure 6.12: Analysis of past social/affordable rented housing supply (per annum – based on data for 2014-17 period)			
	General needs	Supported housing	Total
Total lettings	556	66	623
% as non-new build	97.8%	99.0%	97.9%
Lettings in existing stock	544	66	610
% non-transfers	59.7%	59.8%	59.7%
Total lettings to new tenants	325	39	364

Source: CoRe

6.48 The table below shows total lettings and an estimate of how this is expected to vary by sub-area (based on data from the Council about past lettings and also total stock information drawn from the 2011 Census).

Figure 6.13: Estimated Future Supply of Affordable Housing – per annum – by sub-area		
	Supply of relets	% of total
Whitehaven	148	40.6%
Cleator Moor	56	15.2%
Egremont	53	14.5%
Whitehaven Rural	67	18.3%
National Park	6	1.7%
Millom	35	9.6%
Whitehaven HMA	323	88.7%
National Park	6	1.7%
Millom HMA	35	9.6%
Copeland	364	100.0%

Source: CoRe/Census (2011)/Copeland Council

6.49 The analysis of future supply is based on past trends; the Council should monitor the number of relets moving forward, noting that there are a range of policies which might impact on future relets – this will include the sale of higher value Council owned homes, potential disposals of Housing Association properties and the extension of the Right to Buy to RP tenants; losses may however be offset over time through relets of new homes.

Net Affordable Housing Need

6.50 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis shows that there is a need for 23 dwellings per annum to be provided – a total of 418 over the 18-year period (2017-35).

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Figure 6.14: Estimated Need for Affordable Housing – Copeland		
	Per annum	2017-35
Current need	10	180
Newly forming households	194	3,486
Existing households falling into need	184	3,308
Total Gross Need	387	6,975
Relet Supply	364	6,556
Net Need	23	418

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

6.51 As well as looking at the need over the full 18-year plan period (2017-35), it is useful to consider the numbers if need were to be met over the next five years (2017-22). Looking at a 5-year period was standard practice in SHMA research as informed by older guidance (first introduced in 2000). The difference for this analysis is that the total current need (of 180 households) is divided by five rather than 18 when looking at the 2017-35 period. The analysis shows an annual need to provide 49 affordable homes; just under 250 in total over the 5-year period.

Figure 6.15: Estimated Need for Affordable Housing (2017-22)

	Per annum	2017-22
Current need	36	180
Newly forming households	194	968
Existing households falling into need	184	919
Total Gross Need	413	2,067
Relet Supply	364	1,821
Net Need	49	246

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

6.52 The 23 (or 49 if looking over 5-years) dwelling per annum need for affordable housing is in the context of modelling based on official population and household projections (from ONS/CLG). If the Council were to increase their housing requirement (e.g. to meet the highest figure suggested by the demographic modelling in this report), it is possible that the affordable housing need would also rise, essentially due to higher levels of new household formation.

6.53 If the level of housing delivery was increased to 198 dwellings per annum (based on the highest job-based forecast with an uplift to household formation of those aged 25-44) rather than a baseline figure of 10 from CLG projections, then the net affordable need would increase by more than three times to 83 dwellings per annum (this is under the assumption that other parts of the model (e.g. incomes and housing costs) remain the same). Hence the increase in affordable need is about a third of the increase in overall delivery.

6.54 These indicative figures are shown in the table below. It can be seen that the only change is made to the number of newly forming households, which are projected to increase with higher levels of population/household growth. For the purposes of modelling, the current need and existing households falling into need have been assumed to be constant. In reality the needs from these groups could also go up (due to there being more households). However, the modelling also keeps the relet supply constant; with higher housing delivery, it could be expected that the affordable stock would increase, and over time the number of relets would also increase. For the purposes of modelling it is essentially assumed, that any changes in need from existing households would be balanced out against changes to the relet supply.

Figure 6.16: Indicative Estimated Need for Affordable Housing with different levels of housing delivery		
	Main modelling (10 dpa)	198 dwellings per annum
Current need	10	10
Newly forming households	194	254
Existing households falling into need	184	184
Total Gross Need	387	448
Relet Supply	364	364
Net Need	23	83

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

6.55 Looking at the estimated changes to affordable housing need in more detail, the analysis suggests that the affordable need will increase by about 32% for every additional dwelling provided (e.g. increasing delivery by 100 units would see the affordable need increase by 32). The reason for the change in affordable need being lower than the overall change in dwellings/households is due to only a fraction of additional households being unable to afford housing; many of the additional households in the modelling will be existing households of working-age and in employment. The bulk of the increase in additional affordable need is projected to come from other households forming from these additional 'existing' households (e.g. children growing up over time and needing independent accommodation). In other words, a greater increase in the number of households overall, would be projected over time to also generate some increase in the number of new households seeking their own home – this is what drives the changes in estimated levels of affordable housing need.

Affordable Housing Need by Sub-Area

6.56 The tables below show the estimated level of affordable housing need by sub-area and HMA. Two tables are provided; one linked to the analysis of dwelling growth in-line with official household projections and the second modelled against an uplift to provision based on providing 198 dwellings per annum. Both of the tables look at meeting need over the full plan period to 2035.

6.57 The first table shows that there is a need for affordable housing in most locations, although Cleator Moor and Egremont do come out as having a small surplus of affordable housing. When increasing housing provision, the analysis shows a need in all locations all locations although the figures for Cleator Moor and a lesser extent Egremont are very low. It is also worth focussing on the National Park area as it is likely in terms of housing delivery that these locations would predominantly seek to meet affordable needs (rather than market demand). In total, the analysis suggests a need for 5-7 affordable homes per annum within the Lake District National Park.

Figure 6.17: Estimated Need for Affordable Housing (per annum) – by sub-area (linked to total provision of 10 dwellings per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Whitehaven	4	75	79	158	148	10
Cleator Moor	2	23	26	50	56	-5
Egremont	1	25	25	51	53	-2
Whitehaven Rural	2	42	33	77	67	10
National Park	0	7	4	11	6	5
Millom	1	22	17	40	35	5
Whitehaven HMA	9	165	163	336	323	13
National Park	0	7	4	11	6	5
Millom HMA	1	22	17	40	35	5
Copeland	10	194	184	387	364	23

Source: Projection Modelling/affordability analysis

Figure 6.18: Estimated Need for Affordable Housing (per annum) – by sub-area (linked to total provision of 198 dwellings per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Whitehaven	4	99	79	182	148	34
Cleator Moor	2	29	26	57	56	1
Egremont	1	32	25	58	53	5
Whitehaven Rural	2	54	33	88	67	22
National Park	0	9	4	14	6	7
Millom	1	31	17	49	35	14
Whitehaven HMA	9	213	163	385	323	62
National Park	0	9	4	14	6	7
Millom HMA	1	31	17	49	35	14
Copeland	10	254	184	448	364	83

Source: Projection Modelling/affordability analysis

6.58 A final table below provides the same information, but linking to delivery of 138 dwellings per annum (which was the highest of the demographic based projections developed). Overall this suggests a need for around 66 affordable homes each year.

Figure 6.19: Estimated Need for Affordable Housing (per annum) – by sub-area (linked to total provision of 138 dwellings per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Whitehaven	4	92	79	175	148	27
Cleator Moor	2	27	26	55	56	-1
Egremont	1	30	25	56	53	3
Whitehaven Rural	2	50	33	85	67	18
National Park	0	9	4	13	6	7
Millom	1	29	17	47	35	11
Whitehaven HMA	9	199	163	370	323	47
National Park	0	9	4	13	6	7
Millom HMA	1	29	17	47	35	11
Copeland	10	236	184	430	364	66

Source: Projection Modelling/affordability analysis

Housing Need and the National Park areas

6.59 As well as looking at housing need across the whole Borough, it is important to consider the needs arising in the National Park. This is because Copeland Council is only the planning authority for that area sitting outside of the National Park, hence any housing targets (e.g. in the Local Plan) would not apply to the whole Borough.

6.60 The Lake District National Park is the planning authority within the National Park. They have two statutory purposes, these are to:

- Conserve and enhance the natural beauty, wildlife and cultural heritage of the area; and
- Promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public.

6.61 In carrying out these purposes, the two planning authorities have a duty to foster the economic and social well-being of local communities within the National Parks.

6.62 Section 62 of the Environment Act 1995 requires all relevant authorities, including statutory undertakers and other public bodies, to have regard to these purposes. Where there is an irreconcilable conflict between the statutory purposes, the 'Sandford Principle' is statutorily required to be applied and the first Purpose of the National Park will be given priority. The Sandford Principle relates to a statement first made by Lord Sandford in his committee report on possible changes to the management and legislation governing National Parks and now in the Environment Act 1995 which states that: 'if it appears that there is a conflict between those two Purposes, any relevant Authority shall attach greater weight to the first [Purpose]'.

6.63 Paragraph 115 in the NPPF reaffirms this, setting out that "*great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight in National Parks and the Broads*."

6.64 National Park Authorities also need to take into account the 2010 Circular[6] which sets out national policy in respect of National Parks. In this the Government is clear that action by National Park Authorities should include fostering and maintaining thriving rural economies, and supporting the delivery of affordable housing.

6.65 The 2010 Circular recognises that National Parks often have higher house prices than surrounding areas, and can have low paid jobs in their local economies. It clearly sets out that national park authorities have an important role to play in the delivery of affordable housing, setting out that:

"Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.

The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.[7]"

6.66 There is thus a particular emphasis in national policy on meeting affordable housing needs within national parks; and recognition that unrestricted provision of housing is not appropriate.

6.67 As noted above, the analysis suggests a need for 5-7 affordable homes per annum within the National Park area of the Borough. This figure can reasonably be considered as the OAN for the National Park and should be taken off any Borough-wide estimate of need to establish the number of homes to be provided within the Copeland Council planning area.

Comparison with previous SHMA

6.68 It is worthwhile to briefly make a comparison between the findings in this report and the last assessment of affordable housing need. The last full assessment was undertaken in the 2011 SHMA (by ARC4) and this was updated in 2014; a comparison has therefore been made with this more recent assessment, figures being taken from Table A1 in the appendices.

[6] DEFRA (2010) English national parks and the broads: UK government vision and circular 2010
[7] DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

6.69 Whilst, both this study and the previous SHMA both followed the same broad methodology (linked to CLG guidance) there are some differences that need to be noted to allow for a direct comparison to be made. The main difference is that the 2014 study looked at meeting the current need over a 5-year period rather than the 18-years assumed in this assessment. Hence to make comparable figures, the current need in the 2014 study has been divided by 20 to provide an equivalent annual figure.

6.70 The analysis in this report shows a need that is either lower or higher than in the 2014 SHMA – a need for 23-83 dwellings per annum, compared with 30. There are differences with components of the modelled with this study showing both a higher level of gross need and a higher estimated future supply from relets. The supply is likely to be explained by this study including supported lettings as well as general needs whilst the difference in the gross need is likely to be largely methodological (notably that this study draws on secondary data sources, whereas the 2014 SHMA used a household survey in parts of its analysis).

6.71 Overall, it is difficult therefore to say on the basis of the evidence that affordable need has changed. Regardless, both studies show a need for additional affordable housing, and the Council should seek to provide such accommodation where the opportunities arise.

Figure 6.20: Comparison of affordable housing needs assessments (2014 and 2017-based) – all figures per annum

	2017-based (this study)		2014-based SHMA
	Linked to 10 dpa	Linked to 198 dpa	
Current need	10	10	29
Projected need	377	438	292
Gross need	387	448	321
Relet Supply	364	364	291
Net need	23	83	30

Source: This study and 2014 SHMA update

Relating Affordable Need and OAN

6.72 With the likely introduction of a standard method for assessing overall housing need, it is arguable that drawing a link between affordable need and the OAN will take less relevance. However, it is noted that the draft PPG does contain the following text *'The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes'*. This wording is similar to that of the previous PPG, and did create much discussion, not least in the Courts.

6.73 There have been a number of legal judgments that have considered the link between overall housing need and affordable need (including in Warrington, Oadby & Wigston, King's Lynn and Hinckley & Bosworth). Whilst these cases can provide some useful background, there is a concern that none really seek to understand exactly how affordable housing sits within estimates of the overall need for housing. The latest (Hinckley & Bosworth) comes closest to doing this, by making it clear that the OAN is not simply a computed figure comparing the affordable need with likely delivery.

6.74 The Planning Advisory Service (PAS) technical advice note on Objectively Assessed Need and Housing Targets of July 2015 does provide some useful thoughts on affordable housing. The consideration of affordable housing need and its relationship to overall housing need is covered in some detail within Section 9 of the document. PAS set out a suggested approach for looking at the relationship between OAN and affordable housing (which is broadly in line with the approach in this report) before going on to consider their own view about the relationship.

6.75 They initially suggest that affordable housing is "a policy consideration" that bears on housing targets rather than OAN and note that they are not comparable because they relate to different meanings of the term "need." They also highlight that the OAN relates to new dwellings whereas much of the affordable need relates to existing households, who, when moving, would free up dwellings to be occupied by other households. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need before concluding that the affordable need cannot be a component part of the OAN.

6.76 The PAS view looks to be entirely sensible. When the components of need are looked at it is clear that the relationship between affordable housing and overall housing need is complex. Firstly, the modelling contains a category in the projection of *'existing households falling into need'*; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains *'newly forming households'*; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.

6.77 This just leaves the *'current need'*; much of this group will be similar to the existing households already described (in that they are already living in accommodation) although it is possible that a number will be households without housing (mainly concealed households) – these households are not included in the demographic modelling and so are arguably an additional need. An analysis of concealed households (from Census data) is undertaken in the following section of the report.

6.78 The analysis above does however indicate a clear need for affordable housing (albeit quite low when compared with many parts of the Country). The PPG and draft PPG sets out that an increase in overall provision may be 'considered'. This 'consideration' is difficult to quantify – as noted most of the affordable need is not a need for additional dwellings over and above the overall need identified through demographic modelling. If the Council were to consider an uplift then this would mean additional provision of market homes – the demographic modelling itself does not demonstrate a market demand for these additional dwellings. Additionally, if the Council were to increase planned housing figures, then this would generate increased migration and population growth, which would mean a lower level in other areas (and hence other locations would logically be expected to plan for fewer dwellings). The Council will also need to consider if, in reality (due to viability), additional market homes would actually provide any meaningful increase in affordable provision.

6.79 Overall, it is difficult to see a situation where a Council should provide additional homes due to the affordable need, unless this is agreed under the Duty-to-Cooperate, which would then become a policy decision.

6.80 Given the level of affordable housing need, the Council should however seek to maximise delivery where possible and it should be borne in mind that besides delivery of affordable housing on mixed-tenure development schemes, there are a number of other mechanisms which deliver affordable housing. These include:

- National Affordable Housing Programme – this (outside London this is administered by the HCA (now Homes England)) provides funding to support Registered Providers in delivering new housing including on sites owned by RPs;
- Building Council Homes (where there is a stock holding council) – following reform of the HRA funding system, Councils can bring forward affordable housing themselves;
- Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing. These are existing properties, and thus represent a change in tenure within the current housing stock;
- Rural Exception Site Development – where the emphasis is on delivering affordable housing to meet local needs (this could also form part of the three mechanisms above).

6.81 Funding for specialist forms of affordable housing, such as extra care provision, may also be available from other sources; whilst other niche agents, such as Community Land Trusts, may deliver new affordable housing. Net changes in affordable housing stock may also be influenced by estate regeneration schemes, as well as potentially by factors such as the proposed extension of the Right to Buy to housing association properties and increased disposals of vacant dwellings. Affordable housing can be met by changes in the ownership of existing housing stock, not just by new-build development.

6.82 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the increasing role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

6.83 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (or draft NPPF), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.

6.84 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of November 2017 it is estimated that there were around 700 benefit claimants in the private rented sector in Copeland – this serves to illustrate that there is some flexibility within the wider housing market.

6.85 However, national planning policy does not specifically seek to meet the needs identified through the Needs Assessment Model in the Private Rented Sector. Government's benefit caps may reduce the contribution which this sector plays in providing a housing supply which meets the needs of households identified in the affordable housing needs model. In particular future growth in households living within the PRS and claiming LHA cannot be guaranteed.

Affordable Housing Need: Key Messages

- An assessment of affordable housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Copeland. Overall, in the period from 2017 to 2035 a net deficit of up to 83 affordable homes per annum is identified. There is thus a requirement for new affordable housing in the Borough and the Council is justified in seeking to secure additional affordable housing.

- How affordable housing need sits with the overall need for housing needs to be properly understood, it is important to bear in mind that the affordable housing needs model includes existing households who require a different size or tenure of accommodation rather than new accommodation per se. Additionally, the modelling includes newly forming households, who are already part of the demographic projections (i.e. they are already included within the need). Furthermore, many households secure suitable housing within the Private Rented Sector, supported by housing benefit.

- Once account is taken of the range of outputs with the modelling and the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not suggest that there is any strong evidence of a need to consider additional housing to help meet the affordable need. There are however a number of concealed households within the modelling who are not picked up by demographic projections (and are without housing). There is merit in considering these households as an additional need and this is addressed in the market signals section of the report.

- Looking at affordable need in the National Park areas is also important as this typically is the main focus when looking at new housing development. The analysis suggests a need for up to 7 affordable homes per annum within the National Park area of the Borough. This figure can reasonably be considered as the OAN for the National Park and should be taken off any Borough-wide estimate of need to establish the number of homes to be provided within the Copeland Council planning area.

- The estimated need for affordable housing is similar to that shown in previous SHMA research and it is clear that provision of new affordable housing is an important issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

- Finally, it should be noted that the Government intends to revise the definition of affordable housing and affordable housing need through revised NPPF/PPG. This will be to include households who are able to afford a private rent but not afford to buy a home within the definition of need. This is discussed in more detail in the following section.

7. Types of Affordable Housing

Introduction

7.1 This section provides an indication of the range of tenure options that meet the needs of a broad spectrum of households – including those able to access the private rented sector, but not owner-occupation; this is a key additional category of affordable housing need set out in the draft PPG. A particular focus of the analysis is to therefore consider the (wider) proposed definition of affordable housing in the draft NPPF and PPG (and initially set out in the Housing White Paper (HWP) of February 2017).

7.2 The NPPF of 2019 has confirmed the introduction of a new definition of affordable housing; whilst this report was drafted prior to the NPPF, it is considered that the analysis to follow in consistent with this revised definition.

7.3 The analysis in this section therefore looks at the cost of housing of different tenures, and develops this to seek to understand what this might mean in terms of an income required to access such housing. The analysis looks at both market housing and the full range of affordable housing options set out in the draft PPG.

Definitions of Affordable Housing

7.4 Affordable housing is currently defined in national policy (National Planning Policy Framework (NPPF), Annex 2: Glossary) as follows:

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

7.5 The draft NPPF proposes amending the definition of affordable housing to include a wider range of housing options such as Starter Homes and 'affordable private rent'. The proposed new definition of affordable housing in the draft NPPF is as follows (again in Annex 2):

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, 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 at the time of plan-preparation or decision-making. Income restrictions should be used to limit a household's eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London)*

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 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.*

Initial Discussion of Proposed Changes to Definition of Affordable Housing

7.6 The draft NPPF proposals are interesting in that the basic definition of who affordable housing is for does not change (households whose needs are not met by the market) but at the same time a series of additional options for meeting affordable need are suggested. In particular, some of the home ownership options (such as Starter Homes) might arguably be seen as unaffordable when looking at access to the housing market generally (i.e. to include the private rented sector). However, Central Government is clear in its desire to see more home ownership options being made available, stating (paragraph 65, draft NPPF) that *'where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership'*. The figure of 10% is considered to provide a balance between renting and home ownership.

7.7 Whilst home ownership options may not be affordable in the traditional sense of the term (i.e. to only apply to those who cannot afford any form of market housing), it is clear that enabling additional households to access home ownership will release other forms of housing for use by other households – this will particularly be in the private rented sector, and it is noteworthy that the draft NPPF now includes a form of private renting within the affordable definition.

7.8 Looking more closely at some of the individual forms of affordable housing in the draft NPPF, there appears to be some degree of similarity. For example, both affordable rented and affordable private rent are said to be based on a discount from market costs of 20% - hence in cost terms they are arguably identical. However, the difference is that affordable private rent is seen to be a suitable tenure on Build to Rent schemes, whereas affordable rented housing would be let by local authorities or Registered Providers. The difference is therefore partly how housing might be allocated and hence the eligibility criteria; this would make a difference to the size profile of such housing (particularly as affordable private rent would be expected to be *'physically indistinguishable'* from other types of housing in a development).

7.9 This discussion is designed to show that the widening range of affordable options within the draft NPPF would not necessarily lend itself to a straight suggestion of different percentages of delivery of different types of housing. For example, affordable private rent (given that this is seen as most suitable on Build to Rent schemes) might arguably not have any target, but could be provided should an appropriate scheme come forward. Additionally, some home ownership schemes might not be affordable in a traditional sense (depending on the cost of other forms of housing) but might be considered suitable to allow households to move out of private rented accommodation and to meet the 10% provision level suggested in the draft NPPF. All of these issues are discussed in more detail in the analysis to follow.

Housing Costs

7.10 The analysis below looks at the cost of housing of different tenures, and develops this to seek to understand what this might mean in terms of an income required to access such housing. The analysis looks at both market housing and the range of affordable housing options set out in the draft NPPF.

Owner-occupied housing

7.11 Data from the Land Registry for the year to September 2017 (i.e. Q4 of 2016 and Q1-Q3 of 2017) shows that the average (mean) cost of housing in the Borough was £142,700, with a median cost of £124,500. When looking at the bottom end of the market (traditionally viewed by reference to lower quartile house prices) it can be seen that the 'average' cost is £80,800.

Figure 7.1: Cost of housing to buy – year to September 2017 – Copeland

	Lower quartile	Median	Mean
Flat/maisonette	£66,600	£84,000	£104,900
Terraced	£65,100	£84,100	£94,500
Semi-detached	£97,400	£129,700	£131,000
Detached	£189,300	£230,000	£240,500
All dwellings	£80,800	£124,500	£142,700

Source: Land Registry

7.12 To put the data for Copeland into context, it is possible to compare figures with other areas; this is shown in the table below (just for median prices). This shows that prices in the Borough are generally cheaper than seen across other areas, with the most notable difference being in the case of flatted accommodation.

Figure 7.2: Median cost of housing to buy – year to September 2017

	Copeland	Cumbria	North West	England & Wales
Flat/maisonette	£84,000	£115,900	£120,000	£208,000
Terraced	£84,100	£105,400	£104,000	£170,000
Semi-detached	£129,700	£153,200	£155,000	£194,300
Detached	£230,000	£256,700	£260,500	£320,000
All dwellings	£124,500	£155,000	£148,000	£220,000

Source: Land Registry

7.13 The data above is from actual sales and split by the built form of properties, however in analysis of affordability, and to be consistent with analysis for other tenures of housing, it is more useful to consider the cost of housing in terms of the number of bedrooms. The Land Registry analysis has therefore been supplemented by a search of homes for sale in the Council area with the table below showing estimated lower quartile prices by size. In this case it is estimated that housing costs would vary from about £60,000 for a one-bedroom home and up to £200,000 for four bedrooms.

Figure 7.3: Estimated lower quartile property price by dwelling size – Copeland

	Lower quartile
1-bedroom	£60,000
2-bedroom	£76,400
3-bedroom	£92,800
4-bedroom	£201,900

Source: Land Registry and Internet price search (January 2018)

7.14 To complete the initial analysis of owner-occupied housing, it is of interest to look at the cost of new homes compared with second-hand properties. The analysis below is taken from Land Registry (and hence looks at built form) and is for a median property in each case. The analysis shows for all types of dwelling that the cost of a new home is substantially higher than for second-hand properties.

Figure 7.4: Median cost of housing (year to September 2017) by new or resale home – Copeland

	New home	Second-hand	Difference
Flat/maisonette	£128,950	£78,475	£50,475
Terraced	£185,617	£83,375	£102,242
Semi-detached	£164,950	£125,167	£39,783
Detached	£270,950	£226,500	£44,450
All dwellings	£188,950	£117,250	£71,700

Source: Land Registry

7.15 Despite the findings above, it is difficult to draw conclusions about the relative costs of new and second-hand homes. This is mainly because new and second-hand homes will in many cases not be readily comparable (e.g. a newbuild 3-bedroom semi-detached home will be different to a 3-bedroom semi-detached home in the resale market). There will also be differences based on the locations of new homes. Additionally, it should be noted that the number of sales of new homes is only a fraction of the market (about 8% in the year studied) and so variations can occur due to the small sample of properties available for analysis.

7.16 At a national level, it is estimated that newbuild homes are around 15% more expensive than the equivalent all property figure, but this clearly does not look to be relevant in Copeland. For the purposes of analysis it has been assumed that new homes would cost around 40% more than the equivalent second-hand property in the Borough, and this figure has been used in analysis where appropriate.

Private rented Housing

7.17 The table below sets out the cost of renting a property on the open market in Copeland by size of property. Average rents start at around £395 per calendar month for a 1-bedroom property, rising to £750 for a 4-bedroom family sized home. For comparison, lower quartile rents are also presented in the figure below along with the local housing allowance (LHA) available to those receiving housing benefit.

7.18 The LHA rate is based on figures for the West Cumbria Broad Rental Market Area (BRMA). Not all of the Borough is in this BRMA, with southern areas (notably Millom) being part of a Barrow-in-Furness BRMA; additionally, the West Cumbria BRMA extends beyond the Borough boundary, and also includes areas such as Workington and Keswick. The analysis shows that LHA is insufficient to cover the cost of renting a median priced property in the Council area for all dwelling sizes and also for lower quartile prices in some instances. This means that some households are likely to need to 'top up' their rent to be able to access private rented housing. For some households, a benefit cap could also impact on the ability to afford private rented housing; this is likely to particularly affect larger family households.

Figure 7.5: Average (median) and Lower Quartile Market Rents, year to September 2017 – Copeland			
	Rent		Local Housing Allowance by Broad Rental Market Area (as at March 2018)
	Average (median) pcm	Lower Quartile pcm	West Cumbria
Room only	£390	£347	£274
Studio	£310	£282	-
1-bedroom	£395	£350	£343
2-bedrooms	£450	£400	£399
3-bedrooms	£525	£450	£455
4-bedrooms	£750	£600	£581
All properties	£475	£400	-

Source: Valuation Office Agency

7.19 As with prices, the rent levels can be compared with other areas (as in the table below for median rents by property size). This shows that rents are generally below equivalent figures for other areas, with a particularly large difference shown in comparison with England.

Figure 7.6: Average (median) Market Rents, year to September 2017				
	Copeland	Cumbria	North West	England
Room only	£390	£338	£347	£377
Studio	£310	£325	£375	£550
1-bedroom	£395	£400	£450	£595
2-bedrooms	£450	£475	£525	£650
3-bedrooms	£525	£595	£625	£750
4-bedrooms	£750	£795	£899	£1,300
All properties	£475	£495	£550	£675

Source: Valuation Office Agency

Affordable Rents

7.20 The table below sets out what an affordable rent would be if calculated at 80% of average and lower quartile market rents in Copeland. The rents in this case are typically below LHA limits and would suggest that households claiming benefits would in many cases be able to afford an affordable rent, whilst the private rent may put some strains on household finances.

7.21 It should be noted that the private rent data from VOA does not include service charges (whereas an affordable rent cost would do so). If additional service charges were added to the VOA data, then the estimates of the cost of an affordable rent (as in the table below) would increase. It is possible that this would take the cost above LHA limits, and again could cause difficulties for some households in affording rents. It is not however possible from the data available to estimate if and/or how much the private rent costs would increase with the inclusion of service charges.

7.22 The costs below for affordable rented housing are likely to be similar to those for affordable private rent housing (a new tenure being proposed for introduction in the draft NPPF) and so private rent housing has not been separately studied.

Figure 7.7: Estimated Affordable Rent level (2017) - Copeland			
	80% of Average Market Rents pcm	80% of Lower Quartile Market Rents pcm	*LHA limit*
Room only	£312	£278	*£274*
1-bedroom	£316	£280	*£343*
2-bedrooms	£360	£320	*£399*
3-bedrooms	£420	£360	*£455*
4-bedrooms	£600	£480	*£581*

Source: Derived from Valuation Office Agency data

Social Rents

7.23 The final main tenure analysed initially is social rents. The figures provided are an average rent and include service charges. The figures have been derived by looking at rent levels for 2016/17 (as evidenced by CoRe[8] data) and then figures for different sizes established by looking at historical data (to iron out any potential year-on-year anomalies) and also the profile of dwellings let at social rents.

7.24 The analysis shows rent levels starting at £333 per month for a 1-bedroom home and rising to around £462 for four (or more) bedrooms. The figures for the 4-bedroom category should be treated with some caution as there are generally very few lettings of properties of this size in the Borough. For comparison, the Local Housing Allowance limit has also been provided – this shows for all sizes that social rents are less than LHA.

Figure 7.8: Estimated average social rent by dwelling size		
	Average (median) social rent	*LHA limit*
1-bedroom	£333	*£343*
2-bedroom	£373	*£399*
3-bedroom	£411	*£455*
4-bedroom	£462	*£581*

Source: CoRe and VOA data

[8] Continuous Recording of Lettings and Sales in Social Housing in England – a national information source funded by the Department for Communities and Local Government that records information on the characteristics of both Private Registered Providers' and Local Authorities' new social housing tenants and the homes they rent and buy

Income Required to Access Different Tenures of Housing

7.25 Having established the likely cost of housing, the next step is to estimate what level of income might be required to access the different products. Separate tests are applied for home ownership and private renting; home ownership is based on looking at mortgage multiples (mortgage affordability) with accessing private rented housing being based on consideration of the proportion of income that might need to be spent on housing (rental affordability).

7.26 The assumptions used were set out in the previous section of the report and to summarise that the following are considered as reasonable for Copeland:

- Mortgage affordability – a household is considered able to afford to buy a home if it costs less than four times the gross household income; it has also been assumed that a household will have a 10% deposit.
- Rental affordability – a household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

7.27 The table below brings together an analysis of the different tenures discussed so far to consider what level of income would indicatively be required to access a home. Although the measures for mortgage and rental affordability are different; both ultimately lead to an estimate of the income required. Looking at figures for the whole of the Council area it can be seen that it is estimated that an income of around £17,200 would be required for open market purchase of a 2-bedroom property; with a higher figure generally seen for private renting (and even a social rent).

7.28 Other than for 4-bedroom homes, it is the case for all dwelling sizes that private renting would require a higher income than buying, this would suggest that there are not likely to be many households who can afford to rent but not to buy (a new definition of affordable housing need being proposed in the draft PPG).

7.29 The estimated incomes to access social rented housing should also be considered in light of benefit caps; 4-bedroom homes show an income requirement which is higher than the upper end of benefit caps (£20,000 per annum for non-single person households. As of November 2017, data from the Department for Work & Pensions (DWP) shows that 23 households in the Council area were having their benefits capped (and around about half of these by more than £50 a week). Further analysis of DWP data identifies that all of these households have at least two children and that around three-quarters are lone parent households. This confirms that benefit cap issues are likely to disproportionately impact on households needing larger homes.

Figure 7.9: Indicative affordability (income) thresholds for different tenures of housing – by size

	LQ purchase	LQ private rent	Affordable rented (LQ)	Social rented (median)
1-bedroom	£13,500	£16,800	£13,400	£16,000
2-bedrooms	£17,200	£19,200	£15,400	£17,900
3-bedrooms	£20,900	£21,600	£17,300	£19,700
4-bedrooms	£45,400	£28,800	£23,000	£22,200

Source: Derived from a range of sources as described

Affordable Home Ownership

7.30 The analysis above has considered some of the main tenures of housing. There are also a series of other tenures in the NPPF and draft NPPF that can be considered in this report. These are under the banner of affordable home ownership, and in terms of the draft NPPF could include Starter Homes, Discounted market sales housing and intermediate housing (taken in this report to largely be shared ownership).

Intermediate Housing (shared ownership)

7.31 Looking at affordability for shared ownership draws on both a mortgage and rental affordability test and is discussed separately below. Shared ownership starts with an open market value (OMV) and then part of the property is sold and the rest is rented (normally from a Registered Provider). It is difficult to know exactly what the OMV of shared ownership might be (as this will depend on a range of factors such as the location of the dwelling), however, for the purposes of an indicative analysis, it is assumed that the OMV for shared ownership will be approximately lower quartile house price plus 40% (the estimated newbuild premium).

7.32 Taking the example of a 2-bedroom property, it is estimated that the OMV would be about £107,000. If buying a 25% share in the property, the income required for the purchase part of the tenure would be around £6,000 (this assumes a 10% deposit and 4× income multiple). The rental element would be about £2,400 per annum (based on paying a rent of 3% per annum on the unsold equity) and based on 33% of income for this (which seems to be a fairly standard figure for shared ownership) an additional income of about £7,200 would be needed. The overall income required for shared ownership would therefore be around £13,300.

7.33 The table below shows the same calculation (working through to an income requirement) for all dwelling sizes and also considering a 50% share (as well as 25%). This shows that shared ownership is affordable for 1- to 3-bedroom homes for both a 25% and 50% share (this is based on considering if there is an income requirement which is below both the LQ purchase and private rent figure).

7.34 Overall, this would suggest that shared ownership is an affordable product although in interpreting the data below it should also be noted that some of the income levels are quite low (e.g. £10,400 per annum for a 1-bedroom shared ownership with 25% equity share). In reality, it may be the case that this sort of income level would be too low to be able to readily secure mortgage finance and hence this analysis can only provide an indication of what might be affordable.

7.35 Additionally, the calculations below all assume a 10% deposit on the equity part of the home; if a household were to be able to pay a larger deposit, then the mortgage cost (and income requirement) would reduce, and hence the housing would be more affordable. That said, it may be that some shared ownership is available with deposits lower than 10% - this in turn would increase the monthly housing cost. Overall, it should therefore be noted that the analysis below is based on a specific set of circumstances; these would be different for individual households seeking to access shared ownership accommodation and should therefore be seen as indicative (albeit consistent with the analysis carried out when looking at the affordability of other tenures).

Figure 7.10: Indicative affordability (income) thresholds for shared ownership – by size				
	25% equity share	50% equity share	*LQ purchase*	*LQ private rent*
1-bedroom	£10,400	£13,200	*£13,500*	*£16,800*
2-bedrooms	£13,200	£16,800	*£17,200*	*£19,200*
3-bedrooms	£16,100	£20,500	*£20,900*	*£21,600*
4-bedrooms	£35,000	£44,500	*£45,400*	*£28,800*

Source: Derived from a range of sources as described

Starter Homes/discounted market sales housing

7.36 The final tenures to be considered are Starter Homes and discounted market sales housing. These are considered together as in many cases they would be the same product (having a discount of at least 20% from open market value (OMV)). There are some differences in terms of eligibility and the extent to which the discount is held in perpetuity, but for the purposes of this report they are most readily considered as a single tenure.

7.37 Consistent with other analysis, to establish the likely OMV we have looked at lower quartile prices and added 40%. Then a discount of 20% is applied and all of the same assumptions about deposits and income multiples as for full open market purchase. The table below shows a worked example of the income requirement for a 2-bedroom home. This shows an income requirement of £19,300, which is above the income required for open market purchase (£17,200) and also slightly above the equivalent figure for a lower quartile private rented home (£19,200).

Figure 7.11: Income Required for Starter Home/discounted market sales housing – 2-bedroom		
	Assumptions	Value (£)
Overall price of SH/DMS (before discount)	Price is 40% above estimated lower quartile second-hand purchase	£106,960
Price of home after 20% discount	20% discount on market value	£85,568
Deposit	10% required	£8,557
Mortgage required	Minus 20% discount and 10% deposit	£77,011
Income required to afford home	Assuming a mortgage up to 4 times income	£19,253

Source: Derived from a range of sources as described

7.38 The table below shows equivalent income requirement figures for all dwelling sizes. The analysis shows that a discounted market sale home would not be affordable for any size of home, although the potential costs do sit in between the purchase and private rental costs for 1-bedroom homes (although more expensive than and equivalent sized home in the second-hand market).

Figure 7.12: Affordability thresholds for Starter Homes and Discounted Market Sale housing			
	Discounted market sale/Starter Home	*LQ purchase*	*LQ private rent*
1-bedroom	£15,100	*£13,500*	*£16,800*
2-bedrooms	£19,300	*£17,200*	*£19,200*
3-bedrooms	£23,400	*£20,900*	*£21,600*
4-bedrooms	£50,900	*£45,400*	*£28,800*

Source: Derived from a range of sources as described

7.39 An alternative way to look at discounts to make housing affordable is to use the income thresholds for open market purchase/private rented accommodation (whichever the cheaper) and work these back into a house price (again assuming a four times income multiple and a 10% deposit). The table below shows what the sale price would need to be if low-cost home ownership were to essentially be at the access level to the market.

Figure 7.13: Copeland affordable home ownership prices (aligned with cost of accessing current market costs)	
	Affordable Housing Prices (AHP) (initial fixed sale prices)
1-bedroom	£60,000
2-bedrooms	£76,400
3-bedrooms	£92,800
4-bedrooms	£128,000

Source: Derived from a range of sources as described

7.40 One advantage of looking at the cost of housing in this way is that it can readily be updated (every six months by reference to Valuation Office Agency data and more regularly with the Land Registry source). However, it is not entirely clear if setting low-cost home ownership costs at these levels would be a worthwhile exercise.

7.41 Firstly, whilst these costs would theoretically mean that an affordable home ownership unit would meet the current NPPF definition of affordable housing; it would remain the case, that the households who are able to afford such a product, could already afford open market housing without the need for subsidy/discount.

7.42 Secondly, providing larger homes at these costs (e.g. a 3-bedroom home for £92,800) will be less viable than providing the same home at (say) a 20% discount (e.g. in the case of a 3-bedroom home a 20% discount would roughly equate to a property price of £104,000). The larger discount could have a knock-on effect on the ability for other forms of affordable housing to be provided (such as social/affordable rent). As with many aspects of looking at affordable housing provision, there will be a series of choices to be made by the Council which will need to balance up overall delivery, the affordability of housing and the viability of provision.

Types of Affordable Housing: Key Messages

- The cost of housing to buy in Copeland is relatively cheap in comparison with national figures. Additionally, the income levels likely to be required to access owner-occupied housing are often lower than might be needed to rent privately (for smaller homes). This would suggest that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary).

- Hence, whilst the draft NPPF suggests a clear policy direction to provide 10% of all new housing as affordable home ownership, it is not clear that this is the best solution in the Borough. If possible, it would be more appropriate for the Council to seek for 10% of housing to be made available with some initial upfront capital payment (such as a deposit contribution), rather than as a discount to OMV. Such a payment could cover the deposit and other initial costs, and would potentially need to be protected in some way so that the money is not lost if a household chooses to sell their property. Schemes such as Help-to-Buy could form part of such a package. This would still be targeted at the same group of households (likely to mainly be those currently privately renting but who would like to buy).

- If the Council is required to provide 10% of housing as affordable home ownership, then the analysis would suggest that shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised). The evidence shows that there is not any basis (in affordability terms) to increase the provision of affordable home ownership above the 10% figure currently suggested in the draft NPPF.

- Subject to viability, in addition to 10% of affordable home ownership (or some alternative measure such as capital payments), the Council should be seeking to provide additional rented housing. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments). The analysis in this section does not suggest that there would be much of a difference between the cost to the occupant of either social or affordable rented housing. Hence the actual tenure choice could be determined by the potential availability of funding.

8. Market Signals

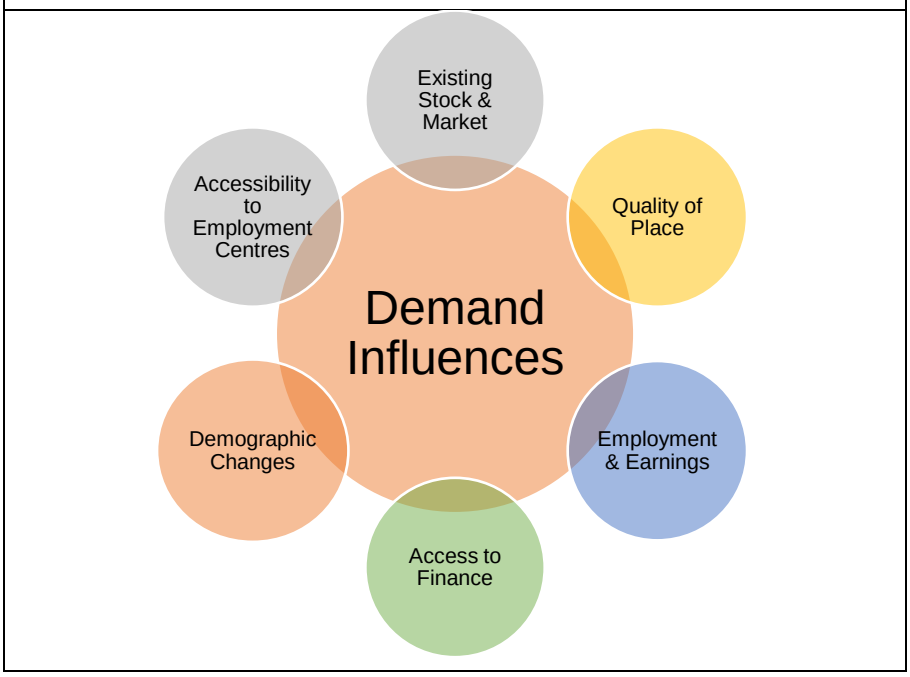
Introduction

8.1 In line with the PPG, this section has sought to analyse in detail the housing market dynamics. This section initially reviews housing market dynamics including national and macro- economic drivers. This is then developed at a more local level with quantitative analysis of local prices, sales volumes and affordability.

Conceptual Framework

8.2 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the diagram below.

Figure 8.1: Understanding Housing Demand Drivers



8.3 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). Economic uncertainty resulting from the Brexit vote appears to be impacting on confidence within the housing market at the time of writing.

8.4 The market is also influenced by the economy at both regional and local levels, recognising that employment trends will influence migration patterns (as people move to and from areas to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

8.5 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products. There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. Local factors include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

8.6 The influence of these factors can be particularly local and thus there is a limit to the extent that they can be covered in a strategic study; however key market characteristics and local trends are picked up through the qualitative research undertaken.

8.7 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforce to some degree the existing stock profile. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

8.8 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

Local Demand Indicators and Market Signals

8.9 The PPG outlines that the housing need suggested by household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between supply and demand for housing. Prices or rents rising faster than the national/ local average may well indicate market undersupply.

8.10 In assessing market signals, the PPG outlines that as individual indicators can be volatile, consideration should be given to longer-term trends (in terms of absolute and relative changes), as well as to similar demographic/ economic areas and nationally.

8.11 It is also considered important to understand how trends relate to different market cycles and thus consider trends over the period to 2007/8; post-2007/8 in the analysis. The analysis considers dynamics within each local authority and compares these to regional and national trends.

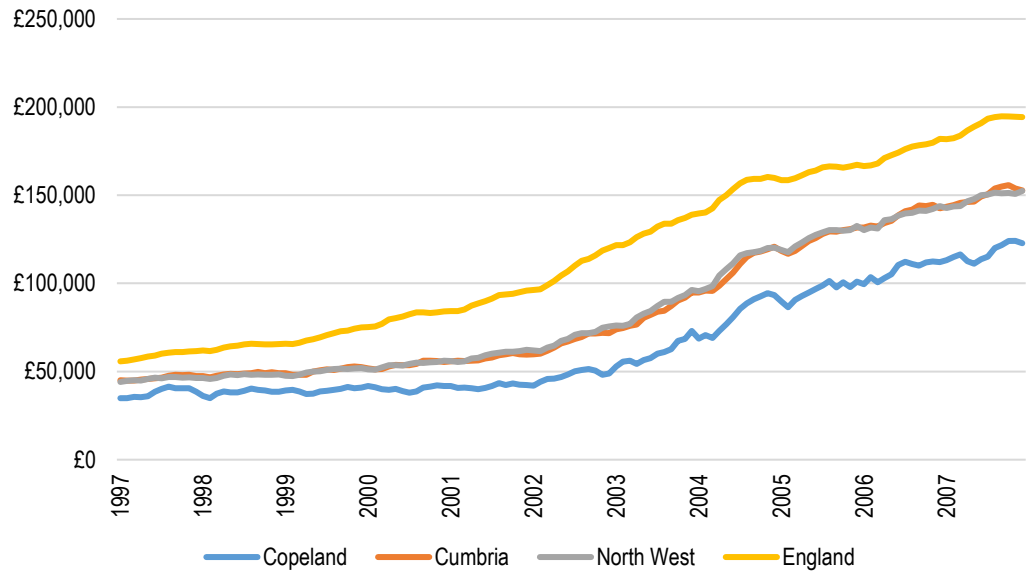
House Prices

8.12 The figure below shows the growth in average house prices over the pre-recession decade 1998 - 2007. Strong, sustained house price growth was seen at both a national and regional level over this period, prices typically increasing by in excess of 200%. As the figure shows, a similar trend was seen across Copeland, although a greater increase in prices since about mid-2003 is notable.

8.13 The analysis largely points to national, macro-economic factors as driving house price growth, rather than a particular acute lack of supply in Copeland (although again the data since mid-2003 should be recognised). However, it does highlight a general supply/demand imbalance over this period which contributed to strong house price growth. The availability of mortgage finance and buy-to-let investment, coupled with the inelasticity of housing supply, contributed to house price growth over this period.

8.14 The data does however also show Copeland as being an area with relatively low prices, figures being consistently below the County, regional and national average for the whole period studied.

Figure 8.2: Average House Price Change, 1997-2007



Source: Land Registry

8.15 In absolute terms, house price growth in Copeland was below the County and regional average, and notably lower than the national position, although in percentage terms, the growth in Copeland was the highest of the areas studied.

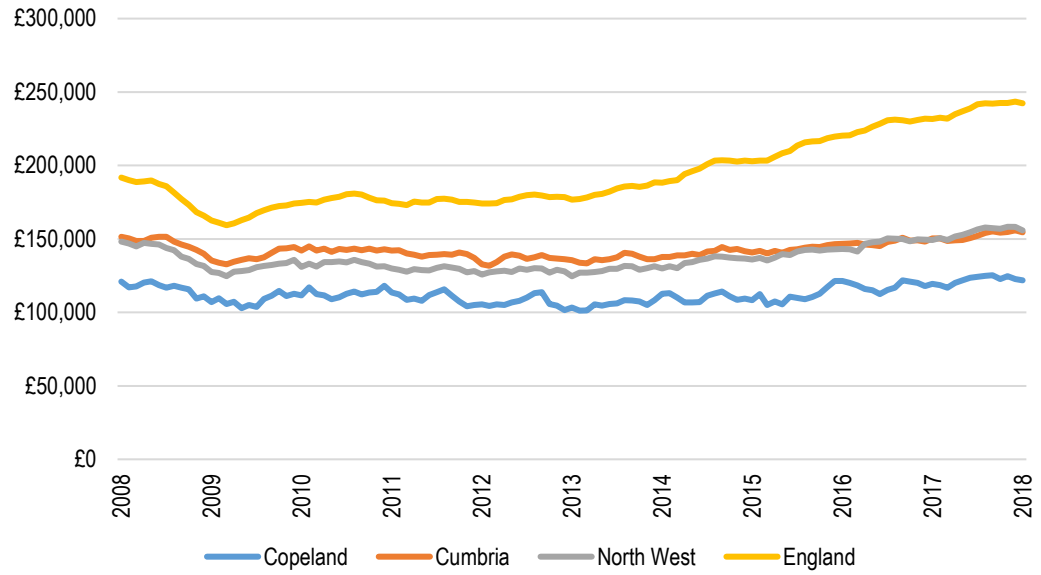
Figure 8.3: Absolute and Relative House Price Changes, 1998-2007

	1998 (Q1)	2007 (Q4)	Price Change	Price Change (%)
Copeland	£36,214	£123,640	£87,426	241%
Cumbria	£47,262	£154,082	£106,819	226%
North West	£46,154	£151,508	£105,354	228%
England	£61,938	£194,525	£132,587	214%

Source: Land Registry

8.16 Housing market conditions in the last economic cycle, since 2008, have been notably different. This period has seen more subdued market demand, associated with weaker economic conditions – particularly in the earlier part of the period – coupled with enhanced mortgage market regulation and more prudent lending attitudes. Using a consistent scale to the previous figure, the different trend seen in house prices is self-evident.

Figure 8.4: Average House Price Change, 2008-2017/8



Source: Land Registry

8.17 Over the market cycle since 2008, virtually no change in house prices has been seen in the Borough or across the County/region. This falls below inflation and indicates that the value of housing in real terms has fallen over the past 8/9 years. In proportional and absolute terms, house price growth over this period has fallen significantly below that seen at a national level.

Figure 8.5: Absolute and Relative House Price Changes, 2008-2017

	2008 (Q1)	2017 (Q4)	Price Change	Price Change (%)
Copeland	£118,554	£123,384	£4,830	4%
Cumbria	£150,115	£155,013	£4,898	3%
North West	£146,694	£157,791	£11,097	8%
England	£190,158	£242,866	£52,709	28%

Source: Land Registry

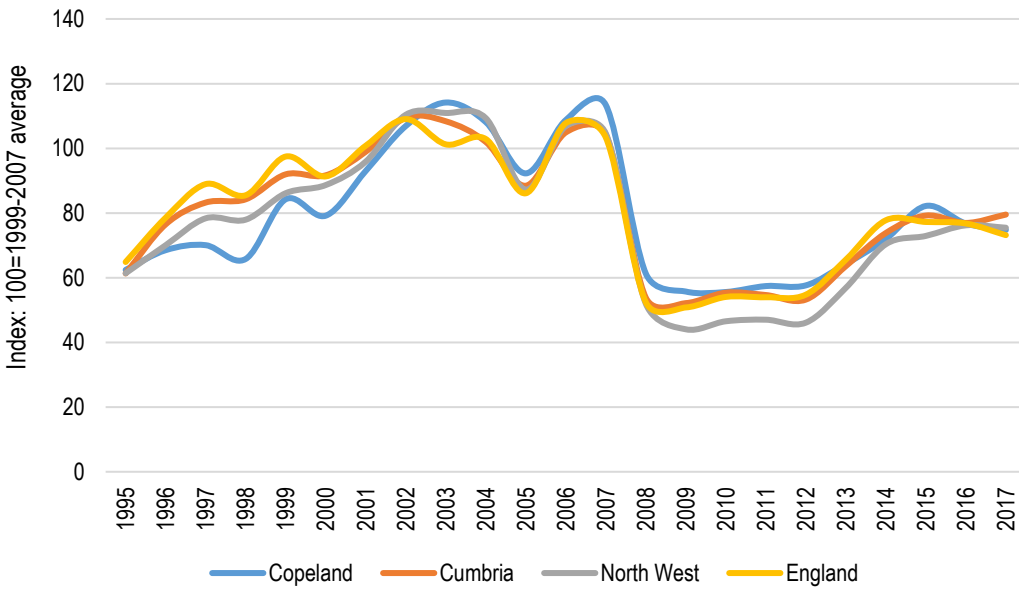
Sales Volumes and Effective Demand

8.18 Sales are an important indicator of effective demand for market housing. Analysis below has benchmarked sales performance against long-term trends to assess relative demand. The figure below benchmarks annual sales over the period of 1995 to 2017. It uses an index where 100 is the average annual sales over the 1999-2007 pre- recession period.

8.19 The analysis points to a significant and sustained impact of the 2008-9 economic recession on the housing market, with a reduction in sales of around 50%. Sales volumes (and thus effectively demand) remained low through the 2010-13 period. Sales volume were improving significantly year-on-year between 2013-15; during 2016-17 this momentum has been lost. What is notable however is that sales volumes in 2016/17 remained generally around 25% down on the averages seen in the pre-recession decade.

8.20 Trends in sales at a local authority level have largely mirrored those seen at a County, regional and national level, highlighting the influence of macro-economic factors on the market.

Figure 8.6: Indexed Analysis of Sales Trends (1995-2017)



Source: Land Registry

Rental Costs

8.21 Median rental costs in Copeland are below all of the County, regional and national average. Indeed, Copeland has some of the lowest median private rents in the Country (the lowest being in £412 per month in Hull).

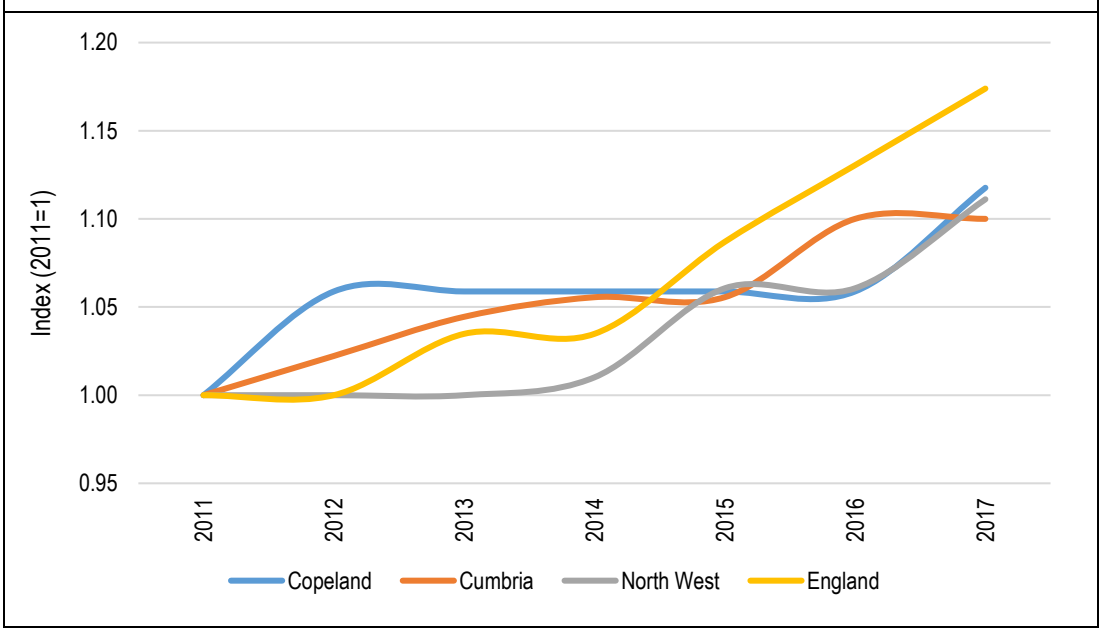
Figure 8.7: Median Private Rents, Year to September 2017

	Median Rent, Year to March 2017	% Difference to England
Copeland	£475	-30%
Cumbria	£495	-27%
North West	£550	-19%
England	£675	-

Source: Analysis of VOA Private Rental Market Statistics

8.22 The figure below shows trends in rents over the period since 2011 (the longest period consistently available from VOA data). Rental growth in Copeland has been below the national average, and broadly in-line with that seen across Cumbria and the North West. From 2011 to 2017, the median rent in Copeland rose by 12%; this compares with a national increase of 17%. It should be noted that all data in the chart below is for the year to September.

Figure 8.8: Benchmarked trend in median private rental values (2011 – 2017)

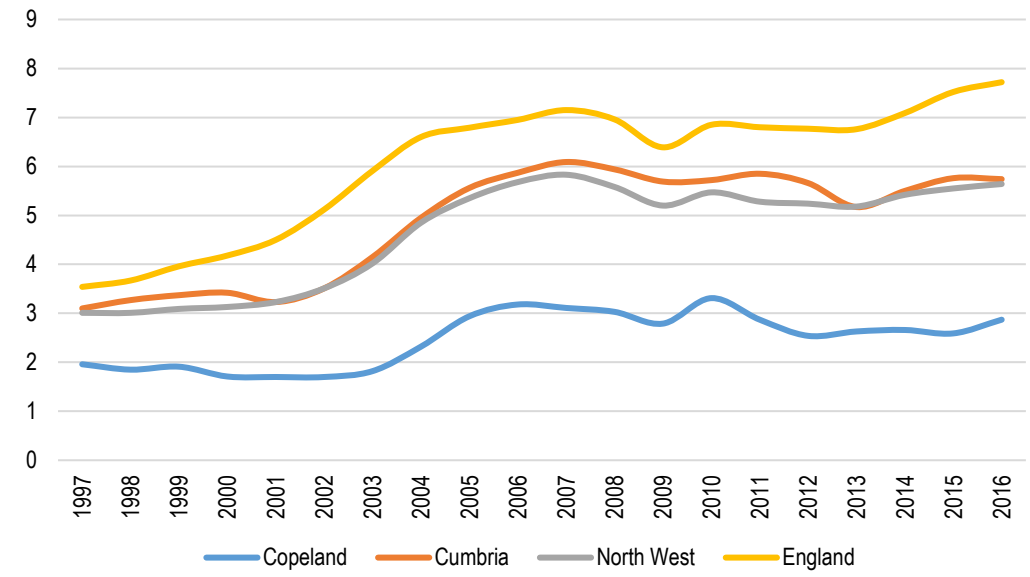


Source: VOA Private Rental Data

Affordability of Market Housing

8.23 Evidence of affordability has been studied by looking specifically at the relationship between median house prices and median earnings (workplace-based). This is the measure proposed to be used when looking at uplifts to housing need in the draft PPG. The data is published back to 1997 and shown in the figure below. This shows that there has been some deterioration of the house price to income ratio. However, in Copeland, this has been very modest in comparison with other areas (particularly in comparisons with data for England as a whole). Additionally, the ratio for Copeland is very low when compared with other areas. As of 2016, the median affordability ratio stood at 2.87, compared with 7.72 nationally.

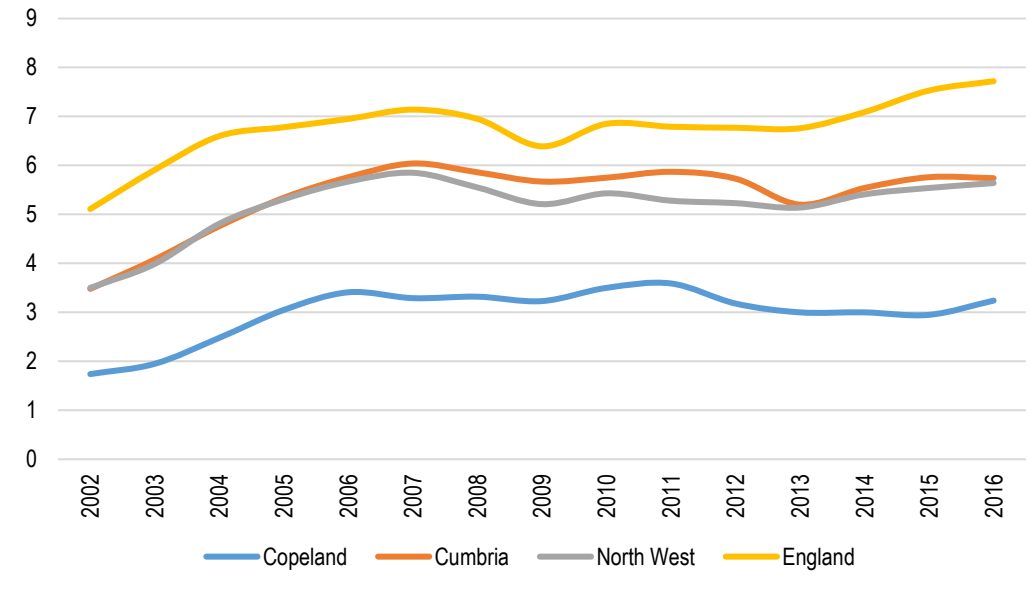
Figure 8.9: Median House Price to Income ratio (1997 – 2016) – workplace-based



Source: ONS affordability data

8.24 It is also worth looking at this information using a residence-based analysis. In Copeland, local incomes are impacted by Sellafield with a number of higher earners living outside the Borough/County (and lower paid jobs outside of the nuclear sector). The analysis below therefore provides the same information using local residents' incomes (note that this data is only available back to 2002). This does show that the affordability ratio with this measure is slightly higher, although the figures for Copeland remain low in comparison with other locations.

Figure 8.10: Median House Price to Income ratio (2002 – 2016) – residence-based



Source: ONS affordability data

Land Values

8.25 As the PPG sets out, residential land values can provide direct information on the shortage of land in any locality for a particular use. Data published by CLG indicates residential land values in Copeland that are significantly below both the national average (excluding London) and the equivalent regional figure. This does not point to any shortage of residential land.

Figure 8.11: Residential Land Values, 2015

	Residential Land Value per Ha	% Difference to England Average
Copeland	£370,000	-82%
North West	£1,400,000	-33%
England (excl. London)	£2,100,000	-

Source: CLG Land Value Estimates for Policy Appraisal, December 2015

Housing Delivery

8.26 The PPG sets out that rates of development should be considered, including the flow of actual completions relative to the planned number. It sets out that if the historic rate of development shows actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.

8.27 The table below shows net completions from 2003/4 compared with the target in the former RSS and the Core Strategy (both an average of 230 dwellings per annum). This analysis clearly indicates a shortfall when compared with targets, even if the shortfall is 'reset' in 2013 to take account of the adoption of the Core Strategy. It should be noted that the figures in the table below are just for the planning authority area of Copeland (i.e. it excludes any data for the National Park areas).

Figure 8.12: Net completions compared with relevant targets					
	Net completions	Cumulative completions	Target	Cumulative target	Balance
2003/4	124	124	230	230	-106
2004/5	268	392	230	460	-68
2005/6	123	515	230	690	-175
2006/7	138	653	230	920	-267
2007/8	104	757	230	1,150	-393
2008/9	48	805	230	1,380	-575
2009/10	84	889	230	1,610	-721
2010/11	93	982	230	1,840	-858
2011/12	51	1,033	230	2,070	-1,037
2012/13	112	1,145	230	2,300	-1,155
2013/14	133	133	230	230	-97
2014/15	134	267	230	460	-193
2015/16	123	390	230	690	-300
2016/17	154	544	230	920	-376

Source: Copeland Borough Council

8.28 Copeland has a housing target for 230 homes per annum from 2013, and by 2017 some 544 had been completed, this is a shortfall of 376 homes in total. Looking further back, the analysis shows a shortfall in provision in the 2003-13 period of over 1,100 homes. However, it is not clear if this is an under-supply of housing against need or simply an under-supply compared with the target. It is quite possible that the level of delivery simply reflects the demand for housing in that period; it should be noted that the delivery of 1,535 homes in the 2003-16 period is notably higher than the level of household growth suggested by the latest CLG projections (1,040 households for the 2003-16 period).

Overcrowding and wider indicators

8.29 The PPG sets out that consideration should be given to long-term increases in overcrowded, concealed and shared households, as well as those in homelessness and temporary accommodation. Long-term increases may point to a need to increase housing provision.

8.30 The analysis below firstly looks at levels of overcrowding in Copeland compared with other areas (based on the bedroom standard) before moving on to consider how overcrowding has changed over time (in this case using the room standard as historical bedroom standard data is not available from the Census source used).

8.31 The table below shows that in 2011 some 2.0% of households in Copeland were overcrowded. This is below the average for the North West region and also below the national average.

Figure 8.13: Overcrowding (2011) – bedroom standard		
	Overcrowded (no.)	Overcrowded (%)
Copeland	623	2.0%
Cumbria	4,053	1.8%
North West	107,256	3.6%
England	1,024,473	4.6%

Source: Census (2011)

8.32 The table below shows overcrowding (as measured through the room standard) in 2001 and 2011. The data confirms that levels of overcrowding in Copeland are lower than regional and national figures. Across the Borough, the number of overcrowded households (measured using the Census occupancy rating) decreased between 2001 and 2011, the opposite trend to that seen regionally and nationally.

Figure 8.14: Change in Overcrowded Households 2001-11						
	Overcrowded, 2001		Overcrowded, 2011		Change: Nos	Change: %
	No.	%	No.	%		
Copeland	1,208	4.1%	1,080	3.5%	-128	-0.6%
Cumbria	7,854	3.8%	8,242	3.7%	388	0.0%
North West	152,248	5.4%	187,816	6.2%	35,568	0.8%
England	1,457,512	7.1%	1,928,596	8.7%	471,084	1.6%

Source: Census data

8.33 As well as studying overcrowding the table below looks at the number of Houses in Multiple Occupation (HMOs). For the purposes of this analysis, data has been taken from the Census about the number of households in the 'Other' household composition category – this category is largely made up of multi-adult households where residents are unrelated. This therefore provides an indication of the number of sharing households.

8.34 The table below shows that the proportion of households sharing accommodation is below regional and national averages. The level of sharing households has increased slightly over the decade to 2011 – although the increases are generally more modest than seen in other areas.

Figure 8.15: Changes in sharing households (2001-2011)			
	2001	2011	Change
Copeland	2.2%	2.4%	0.2%
Cumbria	2.4%	2.6%	0.2%
North West	2.7%	3.4%	0.7%
England	3.7%	4.5%	0.8%

Source: Census (2001 and 2011)

8.35 The final analysis in this section concerns the number of concealed households. A concealed household is defined in the Census as *'a family living in a multi-family household in addition to the primary family, such as a young couple living with parents'*. The concept of concealed households is important in studying objectively assessed need as such households will not be included within demographic projections (as the projections work on the basis of one family per household).

8.36 The table below shows in 2011 that there were 294 concealed families in Copeland; generally, the proportion of concealed families in the Borough is low when compared with regional and national data. However, the number of concealed households has increased over time and in 2011 there were 150 more such households in the Borough than were recorded in 2001.

Figure 8.16: Concealed households and changes (2001-2011)

	Concealed families (2001)	% of all families (2001)	Concealed families (2011)	% of all families (2011)	Change from 2001
Copeland	144	0.7%	294	1.4%	150
Cumbria	1,086	0.8%	1,685	1.1%	599
North West	21,162	1.1%	32,128	1.6%	10,966
England	161,254	1.2%	275,954	1.9%	114,700

Source: Census (2001 and 2011)

8.37 The table below shows the household composition of the 294 concealed households identified by the Census in 2011. This shows that the main group were lone parents with dependent children (40%) and couple households without children (36%). Additional analysis (not detailed below) suggests that around a sixth of the concealed households are headed by someone aged 65 and over, implying that some of the households may be elderly parents living with their grown-up children (possibly for care purposes or cultural reasons).

Figure 8.17: Concealed families – household composition

	Number of households	% of households
Lone parent family: Dependent children	119	40.5%
Lone parent family: All children non-dependent	19	6.5%
Couple family: No children	106	36.1%
Couple family: Dependent children	37	12.6%
Couple family: All children non-dependent	13	4.4%
Total	294	100.0%

Source: Census (2011)

8.38 It should be noted that there will also be additional single adults (e.g. grown up children) within households and these are not accounted for in the figures above. Such households would however be expected to be picked up in the projections developed in in this report as newly forming households and so should not be considered as being additional to the projections. Further information about these households (described as household containing non-dependent children) can be found in the following section of this report.

Drawing the analysis together

8.39 Drawing the analysis together, conclusions can be made on whether an adjustment to overall housing provision should be made for market signals. Current Planning Practice Guidance outlines where the evidence points to a worsening trend, an adjustment should be made to planned housing provision relative to the *'starting point'* demographic projections (2a-019).

8.40 The evidence for Copeland indicates:

- Low house prices and private sector rents with little change over the past few years. House price growth since 2008 represents an inflation adjusted decline in prices;
- Sales trends that have recovered from a 60% reduction in 2008/9, but which are still some way below pre-recession trends;
- A lower quartile affordability ratio of 2.87 which is substantially below the national figure. This ratio has not changed to any notable degree over the last decade;
- A notable under-provision of housing relative to the RSS and Core Strategy target, but a level of delivery above that suggested as needed in the 2014-based CLG household projections;
- Lower land values than seen across the region and nationally;
- Wider indicators point to a reduction in overcrowding and other relevant indicators, and levels are low in comparison with other areas.

8.41 Overall the analysis of market signals points towards no affordability pressures in Copeland and therefore there is no evidence that housing provision should be increased. The only topic where some specific increase might be merited is in relation to concealed households – as noted in the affordable housing section, these households do not form part of the demographic assessment of need.

8.42 The analysis above identifies that the number of concealed households in the Borough increased by 150 from 2001 to 2011 to reach a total of 294. It is not considered that all of this 294 should be added to the need as it would be expected at any point in time that there will be a number of concealed households and some of this will be through choice. However, the increase in the number of such households is likely to reflect some difficulties in the housing market; it is therefore suggested that the housing need figure should be increased by 150 dwellings (8 per annum) to reflect the change in the number of concealed households.

8.43 On the basis of the various analysis carried out (in relation to demographic trends, the economy, affordable housing and market signals) it is concluded that the objectively assessed need for housing in Copeland is up to 3,700 dwellings (2017-35) – 207 dwellings per annum. This figure (and others shown in the table below) include figures for the National Park.

Figure 8.18: Estimated housing need including uplift for concealed households (range of projections developed)				
	Housing need (2017-35)	Additional concealed households	Total need (2017-35)	Per annum
2014-based SNPP	452	150	602	33
2014-based SNPP (+MYE)	540	150	690	38
10-year migration	1,010	150	1,160	64
15-year migration	2,050	150	2,200	122
15-year migration (+UPC)	2,480	150	2,630	146
Economic Baseline	333	150	483	27
Economic Scenario 1	476	150	626	35
Economic Scenario 2	1,917	150	2,067	115
Economic Scenario 3	3,572	150	3,722	207

Source: Demographic projections and Census (2001 and 2011)

Market Signals: Key Messages

- Analysis of a range of market signals has been undertaken to consider if any adjustments should be made to the demographic-based assessment of housing need. The market signals studied are consistent with those in the PPG and included; house prices, rents, affordability ratios, land values, rates of development and overcrowding/concealed households.

- The market signals do not generally point towards any need to increase housing provision; house prices, rent and land values are generally low and the affordability (price:income) ratio is one of the lowest in the country. Housing delivery has been below targets (which could be an indicator to suggest increasing provision), however, it is not clear if this is an under-supply of housing against need or simply an under-supply compared with the target. It is quite possible that the level of delivery since 2003 simply reflects the demand for housing in that period.

- Even if the market signals were to suggest an uplift in provision, then any adjustments would need to be carefully considered. For example, if additional provision were to simply increase migration and population growth then there would be a Duty-to-Cooperate issue impact on other areas (where population growth and housing need would therefore be lower). If, however, an uplift is reasonable due to particularly suppressed household formation, then this could be done without impacting on other locations.

- The market signals did however identify an increase in the number of concealed households in the Borough. These households are not captured by demographic projections and do not currently have housing. It is therefore reasonable to increase the level of need by the increase in concealed households seen in the 2001-11 period – this increases need by some 150 dwellings (about 8 per annum over the 2017-35 period. On the basis of 15-year migration trends (+UPC) (the highest of the demographic projections developed), this would mean that the objectively assessed housing need in Copeland is for 2,630 dwellings (146 per annum); with a higher figure (of 207 dwellings per annum) if the concealed households are added to the highest jobs-led projection.

- It should be remembered that these figures are for the whole of the Borough (including those areas within the National Park). Using an OAN estimate for the National Park of 7 dwellings per annum (based on affordable housing need) it can be concluded that the OAN for the planning authority area of Copeland lies in the range of 140 to 200 dwellings per annum.

9. Family Households and Housing Mix

Introduction

9.1 A further area of analysis is around family housing, with paragraph 2a-021 of the PPG noting that *'plan makers can identify current numbers of families, including those with children, by using the local household projections'*. Beyond this quote, the PPG says relatively little about the analysis to be carried out although the introduction to paragraph 2a-021 does note that overall housing needs should be broken down by a range of groups (including by tenure and household type). The PPG also notes a need to understand age profiles and the size of the housing stock (in terms of bedrooms). The PPG says that *'information should be drawn together to understand how age profile and household mix relate to each other, and how this may change in the future'*.

9.2 The draft PPG also emphasises the need to look at family households and the mix of housing, stating *'Once an overall housing figure has been identified, plan-making authorities will need to break this down by tenure, household type (singles, couples and families) and household size'* and *'Plan-making authorities can identify current numbers of families, including those with children, by using the local household projections'*. Again, the advice about the analysis to be carried out is quite limited.

9.3 This section therefore looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the numbers are projected to change moving forward. The analysis finishes by looking at the mix of housing required (covering all household groups and tenures); this analysis takes account of the way different groups occupy housing and links to projections of changes to household types and ages.

9.4 Where projections are set out in this section, conclusions are manly drawn from outputs linked to dwelling delivery of around 198 per annum – this is the highest of the projections developed (linking to upper end economic growth) but does exclude any additional allowance for concealed households (amounting to around 8 dwellings per annum). With delivery of 198 dwellings per annum, the change in the number of dwellings (2017-35) is projected to be 3,572 and this would see around an additional 3,350 households (a lower figure than the number of dwellings to take account of a small number of vacant homes). Some additional analysis is also provided linking to the lower end of the OAN range (which excluding concealed households is a need for 138 dwellings per annum).

Background Data

9.5 The number of families in the Council area (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 8,100 as of the 2011 Census, accounting for 27% of households. This proportion is slightly higher than seen across the County, but lower than the region and nationally.

Figure 9.1: Households with dependent children (2011)								
		Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Copeland	No.	4,438	1,316	1,803	558	22,421	30,536	8,115
	%	14.5%	4.3%	5.9%	1.8%	73.4%	100.0%	26.6%
Cumbria	%	13.9%	4.0%	5.7%	1.5%	74.9%	100.0%	25.1%
North West	%	14.1%	4.3%	8.1%	2.3%	71.2%	100.0%	28.8%
England	%	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: Census (2011)

9.6 The table below shows how the number of households with dependent children changed from 2001 to 2011. Overall there was a small decline in the number of households with dependent children, decreasing by 500 (a decrease of 6%). Within this, there was an increase in the number of cohabiting couples, which was more than offset by a decrease in married couples; the number of lone parents decreased by 11% whilst 'other' households saw an increase in numbers.

Figure 9.2: Change in households with dependent children (2001-11) – Copeland				
	2001	2011	Change	% change
Married couple	5,259	4,438	-821	-15.6%
Cohabiting couple	903	1,316	413	45.7%
Lone parent	2,023	1,803	-220	-10.9%
Other households	465	558	93	20.0%
All other households	20,836	22,421	1,585	7.6%
Total	29,486	30,536	1,050	3.6%
Total with dependent children	8,650	8,115	-535	-6.2%

Source: Census (2001 and 2011)

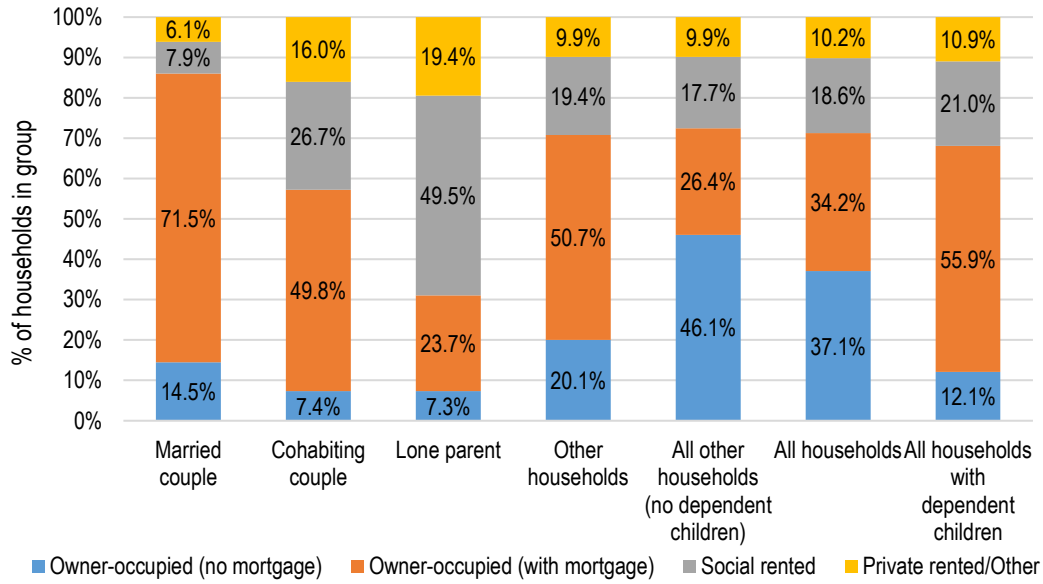
9.7 The table below shows the projected change to the number of children (aged Under 15) from 2017 to 2035. This shows a decrease of about 10% when linking to the official (2014-based) projections and a small increase (of 3.5%) when linked to the highest of the projections developed (198 dwellings per annum); this latter figure compares with total population growth of around 6%.

Figure 9.3: Estimated change in population aged 15 and under (2017-35) – Copeland				
	Population aged 15 and under		Change (2017-35)	% change from 2017
	2017	2035		
2014-based SNPP	11,516	10,377	-1,139	-9.9%
Linked to OAN of 138 dpa	11,638	11,401	-237	-2.0%
Linked to OAN of 198 dpa	11,638	12,042	403	3.5%

Source: Derived from demographic modelling

9.8 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only around a third of lone parent households are owner-occupiers compared with around 86% of married couples with children.

Figure 9.4: Tenure of households with dependent children – Copeland

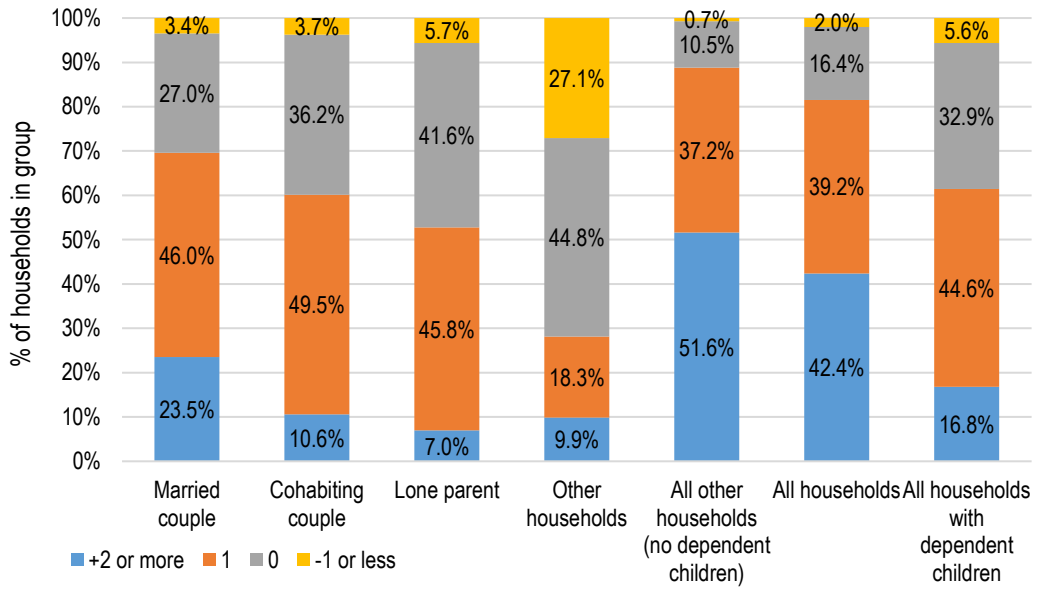


Source: Census (2011)

9.9 Overcrowding is often a key theme when looking at the housing needs of households with children and the figure below shows that households with children are about eight times more likely than other households to be overcrowded (5.6% of households with dependent children are overcrowded, compared with 0.7% of other households). In total, some 6% of all households with dependent children are overcrowded and included within this the data shows 6% of lone parent households are overcrowded along with 27% of 'other' households with dependent children. Levels of under-occupancy amongst households with dependent children are also very low. For clarity, the key in the table below can be summarised as:

- +2 or more – household has at least two spare bedrooms
- 1 – household has one spare bedroom
- 0 – household has no spare bedrooms
- -1 – household has at least one fewer bedroom than is needed for its household structure

Figure 9.5: Occupancy rating and households with dependent children – Copeland



Source: Census (2011)

9.10 As well as households containing dependent children there will be others living as part of another household (typically with parents). The table below shows the number of households in the Council area with non-dependent children. In total, some 11% of households (3,300) contained non-dependent children as of 2011. This may to some degree highlight the difficulties faced by young people in accessing housing. Ineligibility for social housing, lower household incomes and the unaffordability of owner occupation for such age groups all contribute to the current trend for young people moving in with or continuing to live with parents. The proportion of households with non-dependent children in the Council area is slightly higher than the County, regional and national average.

Figure 9.6: Households with non-dependent children (2011)

		Married couple	Cohabiting couple	Lone parent	All other households	Total	Total with non-dependent children
Copeland	No.	2,096	167	1,063	27,210	30,536	3,326
	%	6.9%	0.5%	3.5%	89.1%	100.0%	10.9%
Cumbria	%	6.0%	0.4%	3.2%	90.4%	100.0%	9.6%
North West	%	6.0%	0.5%	3.9%	89.6%	100.0%	10.4%
England	%	5.6%	0.5%	3.5%	90.4%	100.0%	9.6%

Source: Census (2011)

9.11 The table below shows that the number of households with non-dependent children has increased from 2001 to 2011. In total the number of households with non-dependent children increased by around 200 (an 8% increase); this is double the increase in the number of households with no non-dependent children.

Figure 9.7: Change in households with non-dependent children (2001-11) – Copeland				
	2001	2011	Change	% change
Married couple	2,011	2,096	85	4.2%
Cohabiting couple	87	167	80	92.0%
Lone parent	992	1,063	71	7.2%
All other households	26,396	27,210	814	3.1%
Total	29,486	30,536	1,050	3.6%
Total with non-dependent children	3,090	3,326	236	7.6%

Source: Census (2001 and 2011)

Projected Changes to Family Households

9.12 As well as looking at the number of households with dependent children, the characteristics of these households and how numbers have changed over time, it is possible to use household projections to see how the number of households is likely to change moving forward. The CLG household projections use a range of household typologies with three categories for dependent children depending on the number of children. Unfortunately, the CLG projections no longer look at projecting lone parent households separately from couples.

9.13 The first table below looks at change to the number of households based on the CLG household projections. This shows that the number of households with dependent children is projected to decrease by about 500 (6%) – this includes a modest increase in households with one dependent child and reductions in the numbers with two or more children.

Figure 9.8: Change in household types 2017-35 (2014-based CLG household projections) – Copeland				
	2017	2035	Change	% change
One-person household (aged 65 and over)	4,215	4,689	473	11.2%
One-person household (aged under 65)	5,151	4,765	-386	-7.5%
Couple (aged 65 and over)	4,457	6,481	2,024	45.4%
Couple (aged under 65)	4,794	3,583	-1,211	-25.3%
A couple and one or more other adults: No dependent children	2,483	2,180	-303	-12.2%
Households with one dependent child	4,068	4,124	56	1.4%
Households with two dependent children	2,840	2,507	-333	-11.7%
Households with three dependent children	1,004	819	-185	-18.4%
Other households	1,667	1,698	31	1.9%
TOTAL	30,679	30,845	166	0.5%
Total households with dependent children	7,912	7,450	-462	-5.8%

Source: 2014-based CLG household projections

9.14 As well as looking at the latest official projections, analysis has been undertaken to consider what the profile of households might be with dwelling delivery of 198 homes each year – this is shown in the table below. This shows a slightly higher change in the number of households with dependent children, and that households with dependent children make up a greater proportion of the total change (25% of the increase in households). In this instance there is projected to be increases in the number of households with one and two dependent children, and a small decline in larger family households.

Figure 9.9: Change in household types 2017-35 (linked to provision of 198 dwellings per annum) – Copeland

	2017	2035	Change	% change
One-person household (aged 65 and over)	4,204	4,864	660	15.7%
One-person household (aged under 65)	5,146	5,460	314	6.1%
Couple (aged 65 and over)	4,438	6,727	2,289	51.6%
Couple (aged under 65)	4,794	4,030	-764	-15.9%
A couple and one or more other adults: No dependent children	2,477	2,327	-150	-6.1%
Households with one dependent child	4,059	4,791	732	18.0%
Households with two dependent children	2,833	2,949	116	4.1%
Households with three dependent children	1,002	979	-22	-2.2%
Other households	1,664	1,840	176	10.6%
TOTAL	30,616	33,967	3,351	10.9%
Total households with dependent children	7,894	8,720	826	10.5%

Source: Demographic modelling

The Mix of Housing – Introduction

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

9.16 Essentially, both models start with the current profile of housing (as of 2017 to align with the date of projections developed) in terms of size (bedrooms) and tenure (for the second method). Within the data, information is available about the household type or age of households and the typical sizes of homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much. On the assumption that occupancy patterns for each age group (within each tenure where relevant) remain the same, it is therefore possible to work out what the profile of housing should be at a point in time in the future (2035 in terms of this assessment).

9.17 By subtracting the current profile of housing from the projected profile, it is possible to calculate the net change in housing needed (by size). Many of the tables to follow therefore have a '2017' heading and a '2035' one; the difference between the figures in these two columns is the net change in housing over the 18-year period (if the assumptions used play out). Conventionally, the main outputs are presented as a percentage need for each size of home within each tenure category.

Current Stock of Housing by Size and Tenure

9.18 It should be noted that the current stock of housing (by size) can have a notable impact on the outputs of the modelling. The table below shows a comparison of the size profile of accommodation in a range of areas in three broad tenure groups. This shows generally across all tenures that Copeland has a fairly typical size profile although there are some specific features – this includes a relatively high proportion of 3-bedroom homes in all sectors and relatively few 1-bedroom properties. The stock profile is taken into account in drawing conclusions.

Figure 9.10: Number of bedrooms by tenure and a range of areas

		Copeland	Cumbria	North West	England
Owner-occupied	1-bedroom	1%	2%	2%	4%
	2-bedrooms	20%	25%	24%	23%
	3-bedrooms	55%	50%	52%	48%
	4+-bedrooms	23%	23%	22%	25%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	11%	22%	29%	31%
	2-bedrooms	39%	38%	32%	34%
	3-bedrooms	46%	36%	34%	31%
	4+-bedrooms	3%	3%	4%	4%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	12%	14%	18%	23%
	2-bedrooms	41%	43%	43%	39%
	3-bedrooms	36%	31%	30%	28%
	4+-bedrooms	10%	11%	9%	10%
	TOTAL	100%	100%	100%	100%

Source: Census 2011

Method 1 – Household Types

9.19 In Method 1, a combination of the Council area's population and current occupancy patterns is used. By estimating future household growth by type and applying local occupancy patterns it is possible to determine what mix of new housing might be appropriate. By using current occupancy patterns, account can be taken of the relationship between different groups and the housing they occupy (for example, older households who live in accommodation larger than they technically need). The method has been used as it has been observed as the preferred method of the development industry when providing their own evidence about future mix.

9.20 The table below shows the relationship between different household groups and the size of homes they occupy. The data is for all tenures due to availability of data on this topic and is therefore used just to provide an initial overview (further tenure specific analysis is considered under Method 2). The choice of household typologies also differs from other analysis, and has been chosen to represent the largest set of groups that can be consistently assessed from both Census data and household projections.

Figure 9.11: Occupancy Patterns by Household Type (2011) – Copeland

		1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	No.	394	1,583	1,752	294	4,023
	%	10%	39%	44%	7%	100%
One person <65	No.	623	2,233	2,051	378	5,285
	%	12%	42%	39%	7%	100%
Couple 65+	No.	48	804	1,548	438	2,838
	%	2%	28%	55%	15%	100%
Couple <65	No.	89	1,531	3,217	1,212	6,049
	%	1%	25%	53%	20%	100%
Households with dependent children	No.	54	1,140	4,650	2,271	8,115
	%	1%	14%	57%	28%	100%
Other	No.	42	661	2,591	932	4,226
	%	1%	16%	61%	22%	100%
Total	No.	1,250	7,952	15,809	5,525	30,536
	%	4%	26%	52%	18%	100%

Source: Census (2011)

9.21 The two tables below show the size mix needed from applying the occupancy patterns shown above with projected changes to the number of households in each household type group (the figures are for all tenures). When linked to official projections, the main need is shown to be for 2-bedroom homes (40% of the total) followed by 3-bedroom accommodation (36%) – there is an apparent surplus of 4+-bedroom accommodation. With an increased level of household growth (linked to an OAN of 198 dwellings per annum) the mix shifts towards 3-bedroom homes, and there is a positive need for larger (4+-bedroom) properties.

Figure 9.12: Estimated Housing Mix Requirements – Copeland (based on CLG household projections)					
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	46	186	206	35	473
One person <65	-46	-163	-150	-28	-386
Couple 65+	34	573	1,104	312	2,024
Couple <65	-18	-307	-644	-243	-1,211
Households with dependent children	-3	-65	-265	-129	-462
Other	-3	-43	-167	-60	-272
Total	11	183	85	-113	166
	7%	110%	51%	-68%	100%

Source: Derived from Census (2011) and demographic projections

Figure 9.13: Estimated Housing Mix Requirements – Copeland (linked to an OAN of 198 dwellings per annum)					
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	65	260	287	48	660
One person <65	37	133	122	22	314
Couple 65+	39	648	1,249	353	2,289
Couple <65	-11	-193	-406	-153	-764
Households with dependent children	5	116	473	231	826
Other	0	4	16	6	26
Total	135	968	1,741	508	3,351
	4%	29%	52%	15%	100%

Source: Derived from Census (2011) and demographic projections

Method 2 – Age of Household Reference Person

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

Understanding how Households Occupy Homes

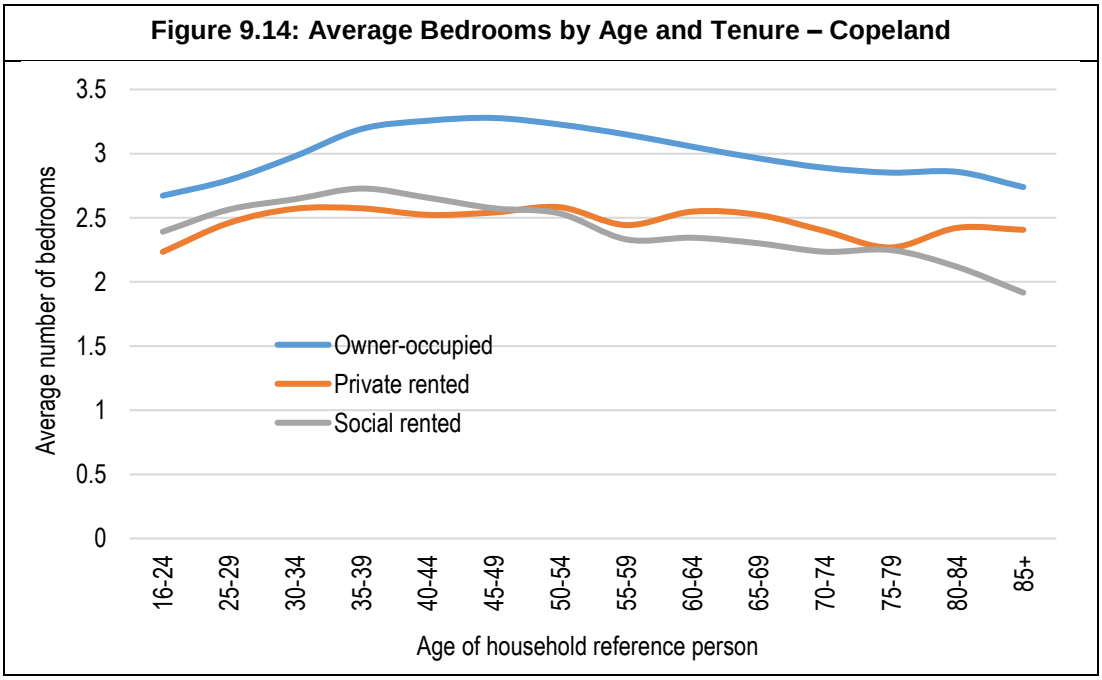
9.23 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

9.24 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units. That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation. The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing.

9.25 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).

9.26 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45-49. In the social and private rented sectors, this peak arguably appears earlier. Some of the data for older age groups in the PRS should be treated with caution due to a low number of households. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 9.14: Average Bedrooms by Age and Tenure – Copeland



Source: Derived from ONS Commissioned Table CT0621

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

Tenure Assumptions

9.28 The housing market model has been used to estimate the future need for different sizes of property over the 18-year period from 2017 to 2035. The model works by looking at the types and sizes of accommodation occupied by different ages of residents and attaching projected changes in the population to this to project need and demand for different sizes of homes. However, the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier).

9.29 It is therefore necessary on this basis to make some judgement for modelling purposes on what proportion of net completions might be of market and affordable housing. For modelling purposes, the analysis assumes that 20% of net completions are either affordable housing (rented) or affordable home ownership and therefore that 80% are market housing (designed to be sold for owner-occupation). Within the 20% affordable housing a split of 50:50 has been used; this means an estimated total of 10% of completions as affordable housing (rented) and 10% as affordable home ownership. A discussion of the need for affordable housing and the different tenures of housing can be found in Sections 6 and 7 of this report.

9.30 It should be stressed that these figures are not policy targets. Policy targets for affordable housing on new development schemes in some cases are above this; but not all sites deliver policy-compliant affordable housing provision, whilst some delivery is on sites below affordable housing policy thresholds. Equally some housing development is brought forward by Registered Providers and local authorities and may deliver higher proportions of affordable housing than in current policy. The figures used are not a policy position and have been applied simply for the purposes of providing outputs from the modelling process. To confirm, it has been assumed that the following proportions of different tenures will be provided moving forward:

- Market housing – 80%;
- Affordable home ownership – 10%; and
- Social/affordable rent – 10%

Projected changes by age of HRP

9.31 The table below shows projected changes by age of HRP under each of the two projections used in this report. In both cases it can be seen that the vast majority of changes are projected to occur in older age groups; it is also notable that some age groups are projected to see a decline or very modest increases in numbers (the 45-59 age groups being most notable in this). These findings are important as this will influence the sizes of homes needed in the future; notably the small changes in HRPs are typically in groups who occupy larger homes and vice versa.

Figure 9.15: Projected change in households by age of household reference person – Copeland								
	2014-based CLG projections				Linked to OAN of 198 dpa			
	Hhs 2017	Hhs 2035	Change in hhs	% change	Hhs 2017	Hhs 2035	Change in hhs	% change
16-24	941	879	-62	-6.6%	945	1,036	91	9.6%
25-29	1,689	1,459	-230	-13.6%	1,684	1,836	152	9.0%
30-34	1,986	1,754	-233	-11.7%	1,983	2,214	231	11.6%
35-39	1,989	1,975	-14	-0.7%	1,977	2,456	479	24.2%
40-44	2,030	2,296	266	13.1%	2,042	2,722	680	33.3%
45-49	2,757	2,195	-563	-20.4%	2,721	2,437	-284	-10.4%
50-54	3,203	2,219	-984	-30.7%	3,196	2,388	-808	-25.3%
55-59	3,080	2,079	-1,001	-32.5%	3,071	2,240	-831	-27.1%
60-64	2,731	2,452	-279	-10.2%	2,745	2,586	-159	-5.8%
65-69	2,888	3,044	156	5.4%	2,873	3,193	320	11.1%
70-74	2,566	3,139	574	22.4%	2,547	3,264	717	28.2%
75-79	2,006	2,711	705	35.2%	2,015	2,802	787	39.1%
80-84	1,591	2,176	585	36.8%	1,580	2,245	665	42.1%
85 & over	1,226	2,469	1,243	101.4%	1,234	2,547	1,313	106.4%
Total	30,683	30,846	163	0.5%	30,615	33,964	3,349	10.9%

Source: Demographic projections

Key Findings: Market Housing

9.32 There are a range of factors which can influence demand for market housing in different locations. The focus of this analysis is on considering long-term needs, where changing demographics are expected to be a key influence. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 18-year period from 2017 to 2035.

9.33 Looking first at projecting on the basis of the 2014-based CLG projections, an increase of 130 additional households in market housing is modelled over the period. The majority of these need two- and three-bed homes and there is an apparent surplus of 4+-bedroom accommodation.

Figure 9.16: Estimated Size of Dwellings Needed 2017 to 2035 – Market Housing – 2014-based CLG projections – Copeland				
	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	252	263	11	8%
2-bedrooms	4,615	4,788	173	133%
3-bedrooms	12,098	12,172	74	57%
4+-bedrooms	4,826	4,698	-128	-99%
Total	21,791	21,921	130	100%

Source: Housing Market Model

9.34 When looking at a demographic projection based on housing delivery of 198 dwellings per annum, it can be seen that the number of households in the market sector would be projected to increase by 2,700. The estimated size profile required is still focused on two- and three-bedroom homes, although a shortfall of larger homes is also shown. The data suggests that housing need can be expected to reinforce the existing profile, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future – particularly as a result of an ageing population living in smaller households.

Figure 9.17: Estimated Size of Dwellings Needed 2017 to 2035 – Market Housing – 198 dwellings per annum – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	252	291	40	1%
2-bedrooms	4,605	5,312	707	26%
3-bedrooms	12,068	13,556	1,488	56%
4+-bedrooms	4,812	5,257	445	17%
Total	21,736	24,416	2,679	100%

Source: Housing Market Model

9.35 The table below repeats the analysis, but for a lower assumption about dwelling delivery (linking to 138 dwellings per annum, which was the highest of the demographic scenarios developed). This shows a broadly similar profile of need to the data linking to 198 dpa.

Figure 9.18: Estimated Size of Dwellings Needed 2017 to 2035 – Market Housing – 138 dwellings per annum – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	252	282	30	2%
2-bedrooms	4,605	5,139	534	29%
3-bedrooms	12,068	13,103	1,035	56%
4+-bedrooms	4,812	5,074	262	14%
Total	21,737	23,598	1,861	100%

Source: Housing Market Model

9.36 The statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.

9.37 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable Home Ownership

9.38 The tables below show estimates of the need for different sizes of affordable home ownership based on the analysis of demographic trends (firstly linked to the 2014-based CLG projections and then to the 198 dwellings per annum scenario). Focussing on the higher of the dwelling provision figures, the data suggests in the period between 2017 and 2035 that the main need is again for homes with two- or three-bedrooms, although the proportions in the 1-bedroom category are significantly higher than for market housing.

Figure 9.19: Estimated Size of Dwellings Needed 2017 to 2035 – Affordable Home Ownership – 2014-based CLG projections – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	382	385	3	17%
2-bedrooms	1,305	1,317	12	76%
3-bedrooms	1,139	1,144	4	26%
4+-bedrooms	308	305	-3	-19%
Total	3,134	3,151	16	100%

Source: Housing Market Model

Figure 9.20: Estimated Size of Dwellings Needed 2017 to 2035 – Affordable Home Ownership – 198 dwellings per annum – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	382	423	41	12%
2-bedrooms	1,303	1,446	143	43%
3-bedrooms	1,137	1,261	124	37%
4+-bedrooms	307	334	27	8%
Total	3,129	3,464	335	100%

Source: Housing Market Model

9.39 There is no notable difference in the profile of housing estimated to be required if the assumed level of delivery is dropped from 198 dwelling per annum to 138 dpa – as shown in the table below.

Figure 9.21: Estimated Size of Dwellings Needed 2017 to 2035 – Affordable Home Ownership – 138 dwellings per annum – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	382	410	28	12%
2-bedrooms	1,303	1,403	100	43%
3-bedrooms	1,137	1,224	87	37%
4+-bedrooms	307	325	18	8%
Total	3,129	3,362	233	100%

Source: Housing Market Model

Key Findings: Affordable Housing (rented)

9.40 The tables below show estimates of the need for different sizes of affordable homes based on the analysis of demographic trends (firstly linked to the 2014-based CLG projections and then to the 198 dwellings per annum scenario). The data suggests in the period between 2017 and 2035 that the main need is for homes with one- or two-bedrooms.

9.41 This analysis provides a longer-term view of the need for different sizes of affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. one-bedroom homes) typically offer limited flexibility in accommodating the changing needs of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties.

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

Figure 9.22: Estimated Size of Dwellings Needed 2017 to 2035 – Affordable Housing (rented) – 2014-based CLG projections – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	661	708	47	290%
2-bedrooms	2,328	2,368	40	244%
3-bedrooms	2,585	2,518	-67	-412%
4+-bedrooms	183	180	-4	-22%
Total	5,758	5,774	16	100%

Source: Housing Market Model

Figure 9.23: Estimated Size of Dwellings Needed 2017 to 2035 – Affordable Housing (rented) – 198 dwellings per annum – Copeland

	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	660	734	74	22%
2-bedrooms	2,325	2,477	153	46%
3-bedrooms	2,580	2,680	101	30%
4+-bedrooms	183	191	8	2%
Total	5,748	6,083	335	100%

Source: Housing Market Model

9.43 Again, if changing the assumed level of delivery to 138 dwellings per annum, the estimated profile of need for rented affordable housing does not change significantly – albeit there is a slightly shift towards a potential need for a greater number of smaller homes.

Figure 9.24: Estimated Size of Dwellings Needed 2017 to 2035 – Affordable Housing (rented) – 138 dwellings per annum – Copeland				
	2017	2035	Additional households 2017-2035	% of additional households
1-bedroom	660	724	63	27%
2-bedrooms	2,325	2,439	114	49%
3-bedrooms	2,580	2,630	50	22%
4+-bedrooms	183	188	5	2%
Total	5,748	5,981	233	100%

Source: Housing Market Model

Comparing Outputs – Method 1 and 2

9.44 Before moving on to draw conclusions from the analysis above, it is worth quickly comparing the headline outputs from the two Methods developed. This can be done for the overall need only (i.e. adding the three tenures together in the case of Method 2) and for both main projection scenarios. The table below shows that overall (focussing on the 198 dwellings per annum scenario) there is little difference between the two methods. On this basis, Method 2 (which also has a tenure distinction) can reasonably be taken forward into conclusions.

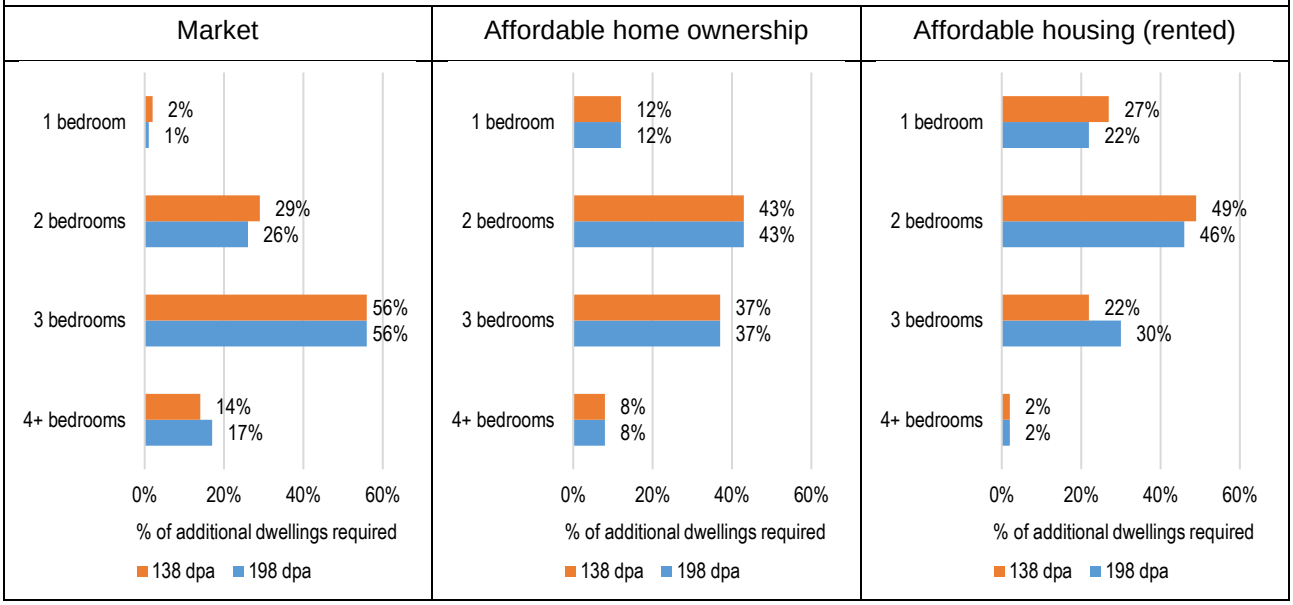
Figure 9.25: Comparing overall need outputs from Methods 1 and 2					
		1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Method 1	CLG projections	7%	110%	51%	-68%
	Linked to OAN of 198 dpa	4%	29%	52%	15%
Method 2	CLG projections	37%	138%	7%	-83%
	Linked to OAN of 198 dpa	5%	30%	51%	14%

Source: Derived from Census (2011) and demographic projections

Indicative Targets by Tenure

9.45 The figure below summarises the above data in both the market and affordable sectors under the modelling exercise. The analysis clearly shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable housing. Data has been provided for the 138 and 198 dwellings per annum scenarios.

Figure 9.26: Size of housing required 2017 to 2035 – Copeland



Source: Housing Market Model

9.46 Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one-bedroom homes (as well as allocations to older person households) – e.g. one bedroom homes provide limited flexibility for households (e.g. a couple household expecting to start a family) and as a result can see relatively high levels of turnover – therefore, it may not be appropriate to provide as much one-bedroom stock as is suggested by the modelling exercise. That said, earlier analysis of the stock profile does show a relatively low level of 1-bedroom homes. At the other end of the scale, conclusions also need to consider that the stock of four-bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for 4+-bedroom homes is typically quite small, the ability for these needs to be met is even more limited.

9.47 For these reasons, it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of 1-bedroom homes broadly follow the modelling outputs, whilst a slight uplift in homes with 4+-bedrooms is suggested (with a commensurate reduction in the numbers with 2- and 3-bedrooms). There are thus a range of factors which are relevant in considering policies for the mix of affordable housing (rented) sought through development schemes. At a Council area-wide level, the analysis would support policies for the mix of affordable housing (rented) of:

- 1-bed properties: 20-25%;
- 2-bed properties: 40-45%;
- 3-bed properties: 25-30%;
- 4+-bed properties: 5-10%

9.48 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

9.49 The need for affordable housing of different sizes will vary by area (at a more localised level) and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.

9.50 In the affordable home ownership sector a profile of housing that more closely matches the outputs of the modelling is suggested. On the basis of these factors it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of affordable home ownership is suggested:

- 1-bed properties: 10-15%;
- 2-bed properties: 40-45%;
- 3-bed properties: 35-40%;
- 4+-bed properties: 5-10%

9.51 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile, this sees a slightly larger recommended profile compared with other tenure groups and the conclusions take account of the earlier observation of a high proportion of 3-bedroom homes in the sector. The following mix of market housing is suggested:

- 1-bed properties: 0-5%;
- 2-bed properties: 25-30%;
- 3-bed properties: 50-55%;
- 4+-bed properties: 15-20%

9.52 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process. The 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply. The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Need/Demand for Bungalows

9.53 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the Council area as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. However, it is typical (where discussions are undertaken with local estate agents) to find that there is a demand for this type of accommodation.

9.54 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available. As a new build option, it is, however, the case that bungalow accommodation is often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

9.55 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

9.56 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

Family Households and Housing Mix: Key Messages

- The proportion of households with dependent children is lower in Copeland than other areas (regionally and nationally). There was no growth in the number of 'family' households from 2001 to 2011 (decreasing by 6%) although there has been some growth in the number of households with non-dependent children (likely in many cases to be grown-up children living with parents). Projecting forward, there is expected to be some increase in the number of households with dependent children when linking to higher demographic projections.

- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (18-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Suggested Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-5%	25-30%	50-55%	15-20%
Affordable home ownership	10-15%	40-45%	35-40%	5-10%
Affordable housing (rented)	20-25%	40-45%	25-30%	5-10%

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

- The mix identified above could inform strategic policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

- Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.

- The Council should also consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

- The analysis of an appropriate mix of dwellings could also inform the 'portfolio' of sites which are considered by the local authority through its local plan process. Equally it will be of relevance to affordable housing negotiations.

10. Housing Technical Standards (Older Persons' Needs)

Introduction

10.1 Planning Practice Guidance section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards, water efficiency standards and internal space standards). This section looks at the first two of these (i.e. accessibility and wheelchair housing) as well as considering the specific needs of older people.

10.2 The draft PPG (under the heading of How can the housing requirements of particular groups of people be addressed in plans?) states that *'Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people. These policies can set out how the plan-making authority will consider proposals for the different types of housing for older people. They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area. To bring forward an adequate supply of accessible housing to meet local need, policies for older and disabled people's housing could be developed using the optional technical housing standards'*.

10.3 The (original) PPG sets out that local authorities should be using their assessment of housing need (and other sources) to consider the need for M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. It sets out that there are a range of published statistics which can be considered, including:

- the likely future need for housing for older and disabled people (including wheelchair user dwellings);
- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
- the accessibility and adaptability of existing housing stock;
- how needs vary across different housing tenures; and
- the overall impact on viability.

10.4 This section of the report draws on a range of statistics, including those suggested in the PPG (for which the Government has provided a summary data sheet 'Guide to available disability data') – termed the Guide in analysis to follow. The discussion below begins by looking at older persons' needs.

10.5 Additionally, for some analysis it is necessary to project the population forward. To do this, reference is made to the 2014-based subnational population projections (SNPP) and also a model developed to provide for 198 dwellings per annum (this being the highest level of population growth suggested by any of the alternative projections developed as part of this report, although some reference is also made to provision of 138 dwellings per annum, the highest of the demographic based projections). To be consistent with other analysis, the projections (where used) cover the 2017-35 period although other data takes a different base date depending on availability (e.g. Census data is 2011).

Current Population of Older People

10.6 The table below provides baseline population data about older persons and compares this with other areas. The data for has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards; the data is for 2016 to reflect the latest published data for local authority areas and above. The data shows, when compared with data for the region and nationally that Copeland has a higher proportion of older persons; in 2016, it is estimated that 22% of the population of the Council area was aged 65 or over.

Figure 10.1: Older Person Population (2016)					
	Copeland		Cumbria	North West	England
	Popn	% of popn	% of popn	% of popn	% of popn
Under 65	54,146	78.1%	76.5%	81.7%	82.1%
65-74	8,542	12.3%	13.0%	10.1%	9.8%
75-84	4,927	7.1%	7.5%	5.9%	5.7%
85+	1,691	2.4%	3.0%	2.3%	2.4%
Total	69,306	100.0%	100.0%	100.0%	100.0%
Total 65+	15,160	21.9%	23.5%	18.3%	17.9%

Source: ONS

Future Change in the Population of Older People

10.7 As well as providing a baseline position for the proportion of older persons in the Council area, population projections can be used to provide an indication of how the numbers might change in the future compared with other areas. The data presented below uses the 2014-based SNPP for consistency across areas and runs from 2017 to 2035 to be consistent with other analysis developed in this report.

10.8 The data shows that the Council area is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to increase by 31% over the 18-years from 2017; this compares with overall population decline of 4% and a decrease in the Under 65 population of 14%. The proportionate increase in the number of older people in the Council area is generally slightly lower than that projected for other areas, although this will to some extent be driven by a lower level of overall population growth (and a relatively high start point in terms of the proportion of older people).

Figure 10.2: Projected Change in Population of Older Persons (2017 to 2035) – 2014-based SNPP						
	Under 65	65-74	75-84	85+	Total	Total 65+
Copeland	-14.3%	12.9%	36.6%	101.8%	-4.2%	30.9%
Cumbria	-11.3%	10.8%	36.9%	102.1%	-1.2%	31.1%
North West	-1.2%	20.8%	41.3%	98.7%	6.0%	37.3%
England	4.5%	26.5%	48.2%	102.3%	11.6%	43.7%

Source: ONS subnational population projections (2014-based)

10.9 In total population terms, the projections show an increase in the population aged 65 and over of 4,800 people, this is against a backdrop of an overall decrease of 2,900 – all population growth is therefore accounted for by people aged 65 and over.

Figure 10.3: Projected Change in Population of Older Persons (2017 to 2035) – Copeland (2014-based SNPP)				
	2017	2035	Change in population	% change
Under 65	53,792	46,123	-7,669	-14.3%
65-74	8,617	9,728	1,111	12.9%
75-84	4,996	6,826	1,830	36.6%
85+	1,785	3,603	1,818	101.8%
Total	69,190	66,280	-2,910	-4.2%
Total 65+	15,398	20,157	4,759	30.9%

Source: ONS subnational population projections (2014-based)

10.10 The figures above are all based on the latest (2014-based) SNPP. It is possible to also show how the outputs would be expected to change under different scenarios. The table below shows a similar analysis when linked to the delivery of 198 homes each year from 2017 to 2035. In this case there is still a significant ageing of the population but the decrease in the population aged under 65 is less notable (with a slightly lower change to the population aged 65 and over). The change in the under 65 age group relative to older groups reflects the migration assumptions, migration being largely concentrated in typical working-age groups (and their associated children).

Figure 10.4: Projected Change in Population of Older Persons (2017 to 2035) – Copeland (linked to 198 dwellings per annum)				
	2017	2035	Change in population	% change
Under 65	53,878	52,440	-1,437	-2.7%
65-74	8,562	10,145	1,583	18.5%
75-84	4,986	7,059	2,073	41.6%
85+	1,791	3,719	1,928	107.6%
Total	69,217	73,363	4,146	6.0%
Total 65+	15,340	20,923	5,583	36.4%

Source: ONS subnational population projections (2014-based)

Older Persons' Housing Needs

10.11 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

10.12 A toolkit has been developed by Housing LIN, in association with the Elderly Accommodation Council and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model future range of housing and care provision. It suggests that there should be around 170 units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years.

10.13 The table below shows the change in the population aged 75 and over and what this would mean in terms of provision at 170 units per 1,000 population. The analysis shows a potential need for around 600-700 units – 34-38 per annum in the 2017-35 period – this is around 19% of the OAN of 198 dwellings per annum.

Figure 10.5: Projected need for Specialist Housing for Older People (2017-35) – Copeland

	2014-based SNPP	Linked to OAN of 198 dpa
Population aged 75+ (2017)	6,781	6,777
Population aged 75+ (2035)	10,430	10,778
Change in population aged 75+	3,649	4,000
Specialist housing need (@ 170 units per 1,000)	620	680
Per annum need (2017-35)	34	38

Source: Derived from demographic projections and Housing LIN

10.14 The Housing LIN source also suggests a broad tenure split of 40% rented housing (affordable housing) and 60% in the market (including shared ownership)[9] - this is likely to be a reasonable tenure split to consider in Copeland. The table below shows that older households are more likely to live in affordable housing than younger households, but within this age group, households are more likely to live in market housing. On this basis, a split biased towards market homes seems reasonable.

Figure 10.6: Current tenure of households aged 75 and over (2011) – Copeland

	Market	Affordable	Total	% in affordable
Age 74 and under	21,500	4,709	26,209	18.0%
Age 75 and over	3,368	959	4,327	22.2%
Total	24,868	5,668	30,536	18.6%
% age 75 and over	13.5%	16.9%	14.2%	-

Source: 2011 Census

[9] See: http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

10.15 Within the 170 units per 1,000 population in the Housing LIN data, an indicative split is provided between sheltered housing, enhanced sheltered and extra-care. In reality, most additional specialist housing can be expected to be within the extra-care category, this is because many areas already have a notable supply of sheltered accommodation; this appears to be the case in Copeland and across Cumbria, with Cumbria County Council (CCC) developing its own projections of the need for specialist (extra-care) housing. The latest CCC projections suggest a need for 289 units of Extra-care housing in Copeland in the 2017-25 period (about 36 per annum) – this is consistent with the analysis above which showed need in the range of 34-38 per annum (through to 2035).

Registered Care Bedspaces (C2 use class)

10.16 As well as the need for specialist housing for older people, the analysis needs to consider Registered Care. As with the analysis of potential need for specialist accommodation, the analysis below considers changes to the number of people aged 75 and over who are expected to be living in some form of institutional housing. This is a direct output of demographic modelling which indicates an increase of around 300-350 people living in institutions over the 2017-35 period (17-19 per annum). These figures are not part of the total housing need previously identified as they are in a different use class.

Figure 10.7: Potential Need for Residential Care Housing – Copeland

	2014-based CLG projections	Linked to OAN of 198 dpa
Institutional population aged 75+ (2017)	463	462
Institutional population aged 75+ (2035)	776	802
Change in institutional population aged 75+	313	340
Per annum 'need' (2017-35)	17	19

Source: Derived from demographic projections

Health-related Population Projections

10.17 In addition to providing projections about how the number and proportion of older people is expected to change in the future the analysis can look at the likely impact on the number of people with specific illnesses or disabilities. For this, data from the Projecting Older People Information System (POPPI) website has been used. The website provides prevalence rates for different disabilities by age and sex. For the purposes of this study, analysis has focussed on estimates of the number of people with dementia and mobility problems.

10.18 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.

10.19 The table below shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular, there is projected to be a large rise in the number of people with dementia (up 61-67%) along with a 47-52% increase in the number with mobility problems.

10.20 When related back to the total projected change to the population, the increase of 1,400 people with a mobility problem represents 34% of the total population growth projected by the scenario with an OAN of 198 dwellings per annum.

Figure 10.8: Estimated Population Change for range of Health Issues (2017 to 2035) – Copeland

	Type of illness/ disability	2017	2035	Change	% increase
2014-based SNPP	Dementia	1,002	1,609	607	60.6%
	Mobility problems	2,693	3,947	1,254	46.6%
Linked to OAN of 198 dpa	Dementia	999	1,665	665	66.6%
	Mobility problems	2,682	4,086	1,404	52.3%

Source: Data from POPPI and demographic projections

People with Disabilities

10.21 The CLG Disability data guide provides data about households with a long-term illness or disability from the English Housing Survey. This is given at a national level, and does not provide more localised data. Hence the analysis below has drawn on the 2011 Census (which has a definition of long-term health problem or disability (LTHPD)).

10.22 The table below shows the proportion of people with LTHPD, and the proportion of households where at least one person has a LTHPD. The data suggests that across the Council area, some 38% of households contain someone with a LTHPD. This figure is higher than that seen across any of the other areas studied. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 21% of the population of Copeland have a LTHPD).

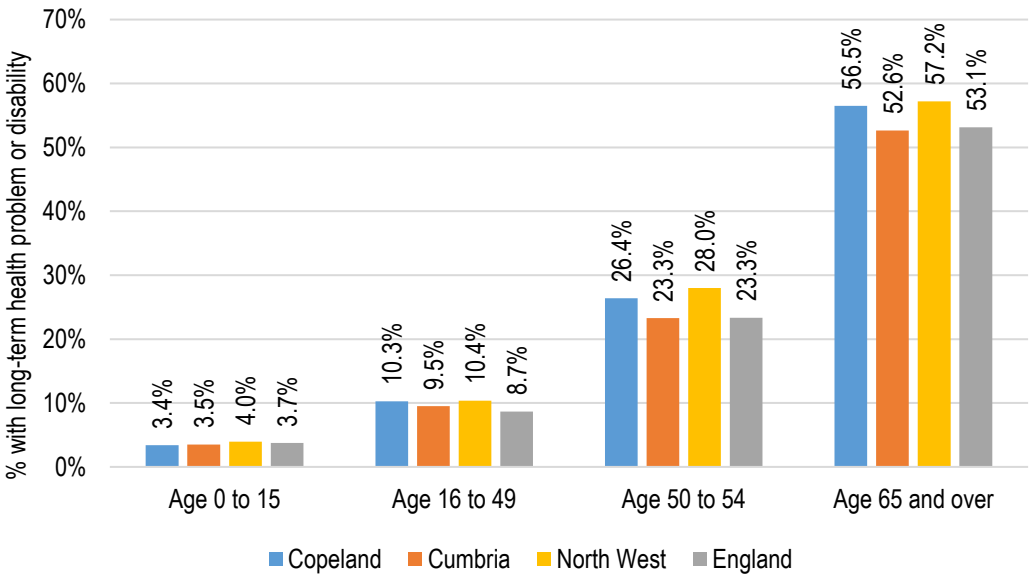
Figure 10.9: Households and people with a Long-Term Health Problem or Disability (2011)

	Households containing someone with a health problem		Population with a health problem	
	Number	%	Number	%
Copeland	11,491	37.6%	15,061	21.3%
Cumbria	78,919	35.5%	101,721	20.3%
North West	1,100,812	36.6%	1,426,805	20.2%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

10.23 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. Therefore, the figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. Additionally, for many age groups, the population of Copeland is more likely to have a health problem than is the case across other areas.

Figure 10.10: Population with Long-Term Health Problem or Disability by Age



Source: 2011 Census

10.24 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to the demographic projections, it is estimated that the number of people with a LTHPD will increase by up to 2,500 (a 16% increase) between 2017 and 2035. This provides some justification for introducing increased technical standards in new homes.

10.25 Based on the higher of the projections, all of this increase is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD represents about 61% of the total increase in the population estimated by the projections.

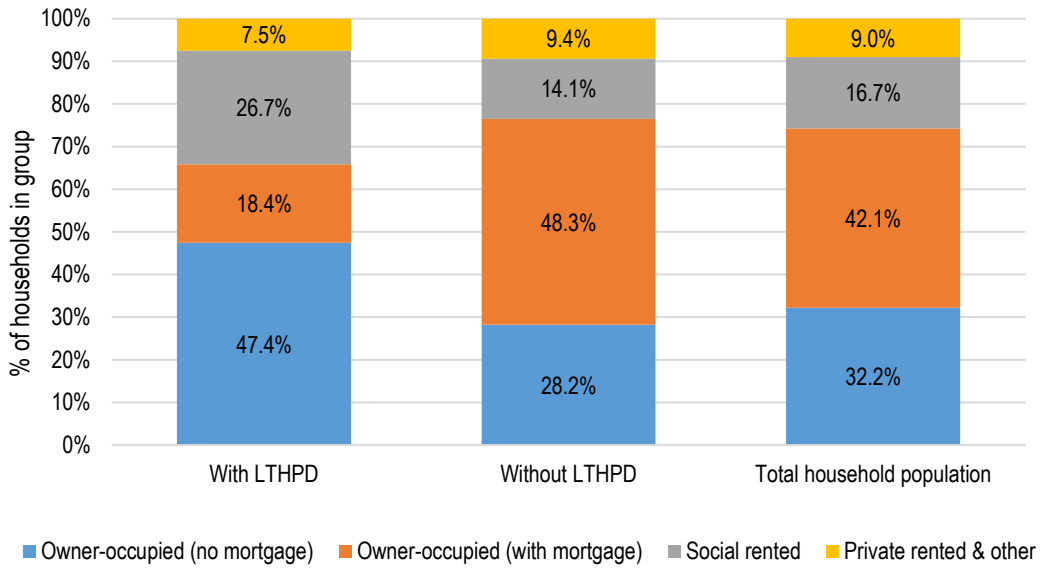
Figure 10.11: Estimated change in population with LTHPD (2017-2035) – Copeland

	Population with LTHPD		Change (2017-35)	% change from 2017
	2017	2035		
2014-based SNPP	15,950	17,341	1,392	8.7%
Linked to OAN of 138 dpa	15,917	17,958	2,041	12.8%
Linked to OAN of 198 dpa	15,917	18,431	2,514	15.8%

Source: Derived from demographic modelling and Census (2011)

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

Figure 10.12: Tenure of people with LTHPD – Copeland



Source: 2011 Census

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

Figure 10.13: Tenure of people with a LTHPD (2011)

	% of social rent with LTHPD	% of other tenures with LTHPD
Copeland	33.1%	18.3%

Source: 2011 Census

Wheelchair User Housing

10.28 Information about the need for housing for wheelchair users is difficult to obtain (particularly at a local level) and so some brief analysis has been carried out based on national data within a research report by Habinteg Housing Association and London South Bank University (Supported by the Homes and Communities Agency) - *Mind the Step: An estimation of housing need among wheelchair users in England*. This report provides information at a national and regional level although there are some doubts about the validity even of the regional figures; hence the focus is on national data.

10.29 The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems (data from the CLG Guide to available disability (taken from the English Housing Survey)) puts the proportion of 'visitable' properties at a slightly higher 5.3%.

10.30 Overall, the report estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households (this is described in the Habinteg report as the *number of wheelchair user households with unmet housing need*). In Copeland, as of 2017, this would represent a current need for about 107 wheelchair user dwellings. Moving forward, the report estimates a wheelchair user need from around 3% of households. If 3% is applied to the household growth in the demographic projections (2017-35) then there would be an additional need for up to 101 adapted homes. If this figure is brought together with the estimated current need then the total wheelchair user need would be for around 208 homes – this is about 6% of the total household growth in the projections.

Figure 10.14: Estimated need for wheelchair user homes (2017-2035) – Copeland

	Current need	Projected need (2017-35)	Total	Total household growth	% wheelchair user
2014-based SNPP	107	5	112	163	69.0%
Linked to OAN of 138 dpa	107	70	177	2,327	7.6%
Linked to OAN of 198 dpa	107	101	208	3,350	6.2%

Source: Derived from demographic projections and Habinteg prevalence rates

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

Housing Technical Standards (Older Persons' Needs): Key Messages

- Planning Practice Guidance section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards, water efficiency standards and internal space standards). This study considered the first two of these (i.e. accessibility and wheelchair housing) as well as considering the specific needs of older people. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN). This is to consider the need for Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings). The Technical Standards are also noted in the draft PPG under the heading of *'How can the housing requirements of particular groups of people be addressed in plans?'*.

- The data shows in general, that Copeland has slightly higher levels of disability compared with other areas, and that an ageing population means that the number of people with disabilities is expected to increase substantially in the future. Key findings include:

  - 31-36% increase in the population aged 65+ over 2017-2035 (accounting for over 100% of total population growth);
  - 19% of household growth identified as being households requiring specialist housing for older persons;
  - Up to 52% increase in the number of older people with mobility problems (representing about 34% of all population growth);
  - Up to 16% increase in the number of people with a long-term health problem or disability (LTHPD) (representing about 60% of all population growth);
  - concentrations of LTHPD in the social rented sector; and
  - a need for around 200 dwellings (6% of the projected overall increase in dwellings) to be for wheelchair users (meeting technical standard M4(3)).

- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. Given the evidence, the Council could consider (as a start point) requiring all dwellings to meet the M4(2) standards (which are similar to the Lifetime Homes Standards). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

- In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.

- The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability

11. The Private Rented Sector

Introduction

11.1 Planning Practice Guidance on housing and economic development needs assessments highlights the Private Rented Sector (PRS) as one of the specific groups that should be analysed and this is confirmed in the draft PPG. However, there is little advice on the analysis expected and the outputs. Specifically, the draft PPG says: *'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. Market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents'*.

11.2 The Housing White Paper (HWP) made a number of comments about the PRS, including recognising growth in the sector (particularly for households with dependent children), issues with rent to income ratios (and Housing Benefit payments), tenancies and housing standards. A key part of the HWP is the encouragement of *'Attracting institutional investment: building more homes for private rent'* (i.e. Build-to-Rent) and this is taken forward in both the draft NPPF and draft PPG.

11.3 This section therefore looks at a range of statistics in relation to the PRS in Copeland. Where reasonable comparisons are made with other tenures (i.e. owner-occupied and social rented) as well as contrasting data with other areas. The aim is to bring together a range of information to inform the need for additional private rented housing in the Council area.

Size of the Private Rented Sector

11.4 The table below shows the tenure split of housing in 2011 in Copeland and a range of other areas. This shows a total of 2,665 households living in private rented housing – 8.7% of all households. This proportion is notably lower than seen across Cumbria, the North West and England. The vast majority of households in the PRS are living in housing rented from a landlord or through a letting agency, although 350 (of the 2,665 in this sector – 1.1% of all households) are recorded as living in 'other' PRS accommodation, this is mostly homes owned by a relative or friend of household member.

Figure 11.1: Tenure (2011)

	Copeland	Cumbria	North West	England
Owns outright	11,315	87,019	934,101	6,745,584
Owns with mortgage/loan	10,452	71,137	1,023,250	7,403,200
Social rented	5,668	31,778	550,481	3,903,550
Private rented	2,665	28,481	462,899	3,715,924
Living rent free	436	3,627	38,818	295,110
Total	30,536	222,042	3,009,549	22,063,368
% private rented	8.7%	12.8%	15.4%	16.8%

Source: Census (2011)

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

Figure 11.2: Change in tenure (2001-11) – Copeland				
	2001 households	2011 households	Change	% change
Owns outright	8,822	11,315	2,493	28.3%
Owns with mortgage/loan	11,173	10,452	-721	-6.5%
Social rented	6,796	5,668	-1,128	-16.6%
Private rented	1,980	2,665	685	34.6%
Other	715	436	-279	-39.0%
TOTAL	29,486	30,536	1,050	3.6%

Source: 2001 and 2011 Census

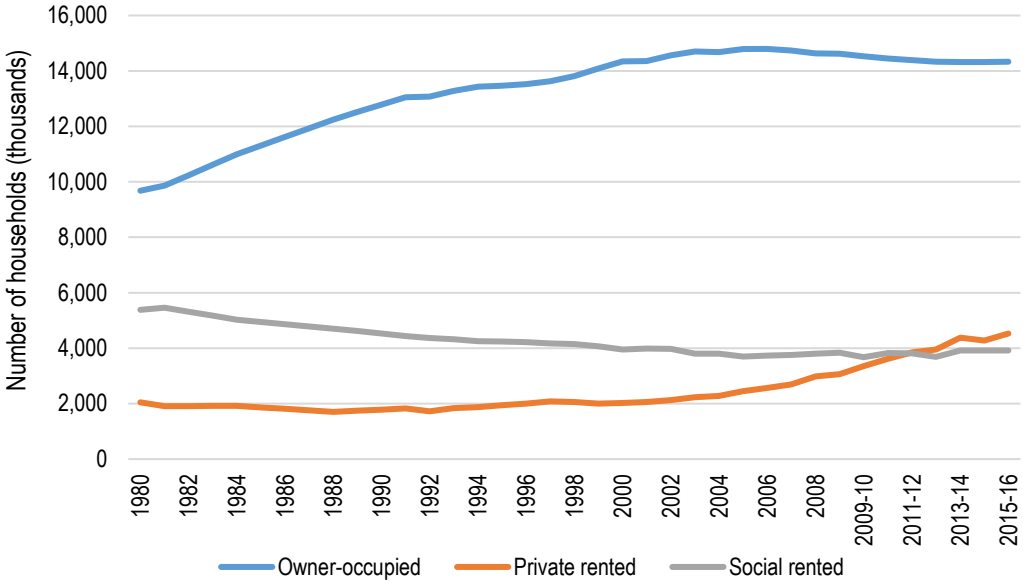
11.6 The tenure changes in Copeland are similar to that seen in other areas (as shown in the table below). All areas have seen an increase in outright owners, a decrease in owners with a mortgage and substantial increases in the private rented sector. That said, the proportionate increase in the number of households in the PRS is less notable in Copeland than other locations.

Figure 11.3: Change in tenure (2001-11)				
	Copeland	Cumbria	North West	England
Owns outright	28.3%	19.3%	11.5%	13.0%
Owns with mortgage/loan	-6.5%	-9.1%	-7.8%	-8.4%
Social rented	-16.6%	-5.1%	-2.5%	-0.9%
Private rented	34.6%	47.9%	92.8%	82.4%
Other	-39.0%	-28.9%	-35.5%	-29.6%
TOTAL	3.6%	6.2%	7.0%	7.9%

Source: 2001 and 2011 Census

11.7 The PRS has clearly been growing rapidly over time, in the Borough and other locations; it is also worth considering what further changes may have occurred since 2011. Unfortunately, robust local data on this topic is not available, however a national perspective can be drawn from the English Housing Survey (EHS) which has data up to 2016. The figure below shows changes in three main tenures back to 1980. This clearly shows the increase in the number of households living in private rented accommodation from about 2001 and also a slight decrease in the number of owners. Since 2011, the EHS data shows that that PRS has risen by a further 25% and if Copeland has seen a similar level of increase then this would imply about 650 additional households in the sector.

Figure 11.4: Trends in tenure, 1980 to 2015-16 – England



Source: English Housing Survey

11.8 The data above shows information for all households and it is of interest to study this information for younger households. Interrogating changes for a full range of age groups is difficult as the two Census (2001 and 2011) use different age bandings. It is however possible to provide an indication of the change in tenure by looking at households aged under 35 and this is shown in the table below.

11.9 For the Under 35 age group the analysis again shows an increase in the number of households living in private rented accommodation. The analysis also highlights a significant decrease in the number of owner occupiers (decreasing by 26% in just 10-years) and also a notable decline in the number of young people in social rented accommodation.

Figure 11.5: Change in tenure 2001-11 (all households aged under 35) – Copeland

	2001	2011	Change	% change
Owned	2,809	2,079	-730	-26.0%
Social rented	1,498	1,032	-466	-31.1%
Private rented	936	1,087	151	16.1%
TOTAL	5,243	4,198	-1,045	-19.9%

Source: Census (2001 and 2011)

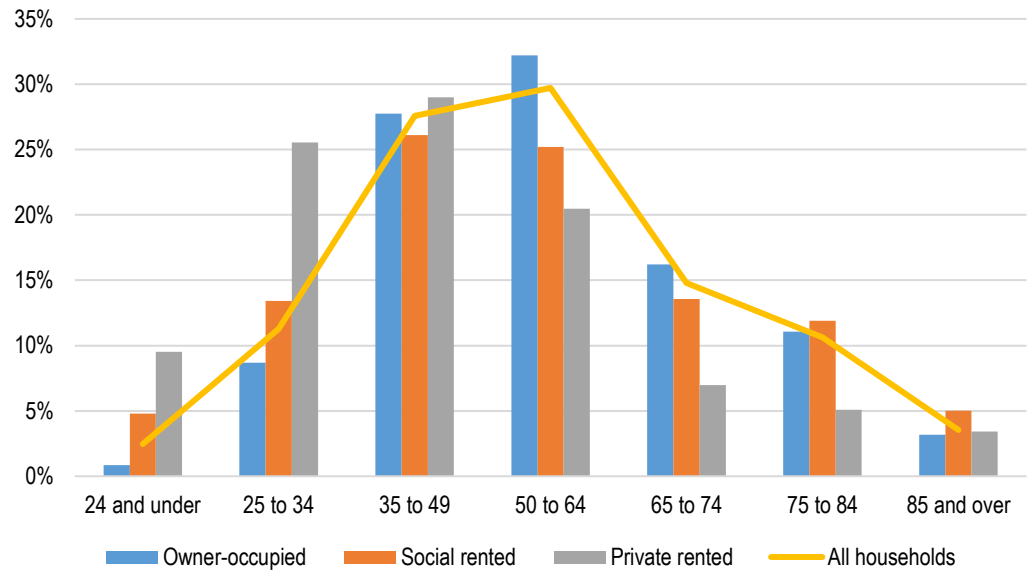
Profile of Private Renters

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

Age

11.11 Private renters are younger than social renters and owner occupiers. In 2011, the average age of household reference persons (HRPs) in the private rented sector was 46 years (compared with 54 years for social renters and 56 years for owner occupiers). About two-thirds (64%) of private rented sector HRPs were aged under 50 compared with 44% of social renters and 37% of owner occupiers.

Figure 11.6: Age of household reference person by tenure (2011) – Copeland



Source: Census (2011)

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

Household type

11.13 The table below shows the composition of households living in the private rented sector in Copeland (and compared with other tenures). This shows a particularly high proportion of households with dependent children, making up 29% of the PRS. The sector also sees a relatively high proportion of households in the 'other' category. Many of these households are likely to be multi-adult households living in shared accommodation (i.e. houses in multiple occupation (HMOs)). Between 2001 and 2011, Census data shows that the number of households with dependent children in the PRS rose from 760 to 888.

Figure 11.7: Household composition by tenure (2011) – Copeland								
	Owner-occupied		Social rented		Private rented		Total	
	Hhs	% of hhs	Hhs	% of hhs	Hhs	% of hhs	Hhs	% of hhs
Single person aged 65+	2,559	11.8%	1,148	20.3%	316	10.2%	4,023	13.2%
Single person aged <65	2,850	13.1%	1,393	24.6%	1,042	33.6%	5,285	17.3%
Couple aged 65+	2,501	11.5%	256	4.5%	81	2.6%	2,838	9.3%
Couple, no children	5,072	23.3%	496	8.8%	481	15.5%	6,049	19.8%
Couple, dependent children	4,570	21.0%	701	12.4%	483	15.6%	5,754	18.8%
Couple, all children non-dependent	1,984	9.1%	217	3.8%	62	2.0%	2,263	7.4%
Lone parent, dependent children	560	2.6%	893	15.8%	350	11.3%	1,803	5.9%
Lone parent, all children non-dependent	663	3.0%	319	5.6%	81	2.6%	1,063	3.5%
Other households with dependent children	395	1.8%	108	1.9%	55	1.8%	558	1.8%
Other households	613	2.8%	137	2.4%	150	4.8%	900	2.9%
Total	21,767	100.0%	5,668	100.0%	3,101	100.0%	30,536	100.0%
Total dependent children	5,525	25.4%	1,702	30.0%	888	28.6%	8,115	26.6%

Source: Census (2011)

Size and type of accommodation

11.14 The tables below show the size and type of accommodation in the PRS compared with other sectors. From this it can be seen that the PRS is dominated by terraced housing and flatted accommodation, making up nearly three-fifths of all homes; therefore, only around 40% of homes in the sector are detached or semi-detached, comparted with 67% of owner-occupied dwellings and 52% of the social rented sector.

11.15 When looking at the size of accommodation, it is clear that the PRS is strongly focussed on 2- and 3-bedroom homes (making up 78% of all households in this tenure). The owner-occupied sector in contrast is dominated by 3+-bedroom homes (73% of the total in this tenure) whilst social renting is also focussed on 2- and 3-bedroom accommodation (86% of the total).

Figure 11.8: Accommodation type by tenure (households) – Copeland				
	Owner-occupied	Social rented	Private rented	Total
Detached	29.4%	4.8%	15.3%	23.4%
Semi-detached	37.9%	47.6%	25.5%	38.4%
Terraced	29.7%	28.8%	37.8%	30.4%
Flat/other	3.0%	18.9%	21.5%	7.8%
Total	100.0%	100.0%	100.0%	100.0%
	21,767	5,668	3,101	30,536

Source: Census (2011)

Figure 11.9: Accommodation size by tenure (households) – Copeland				
	Owner-occupied	Social rented	Private rented	Total
1-bedroom	1.1%	11.1%	12.1%	4.1%
2-bedrooms	20.4%	39.3%	41.2%	26.0%
3-bedrooms	55.4%	46.3%	36.4%	51.8%
4-bedrooms	17.6%	2.6%	7.4%	13.8%
5+-bedrooms	5.4%	0.7%	2.8%	4.3%
Total	100.0%	100.0%	100.0%	100.0%
	21,767	5,668	3,101	30,536

Source: Census (2011)

Overcrowding and under-occupation

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

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

11.17 The analysis shows that levels of overcrowding in the PRS are higher than in the owner-occupied sector, with 3.1% of households being overcrowded in 2011 (compared with 1.5% of owner-occupiers). Levels of under-occupation are also relatively low, with around 25% of households having two or more spare bedrooms – the equivalent figure for owners is 51%.

Figure 11.10: Overcrowding and under-occupation by tenure (households) – Copeland				
	Owner-occupied	Social rented	Private rented	Total
+2 or more	50.8%	19.4%	25.0%	42.4%
+1 or more	36.2%	47.6%	45.0%	39.2%
0	11.6%	29.4%	26.9%	16.4%
-1 or less	1.5%	3.6%	3.1%	2.0%
Total	100.0%	100.0%	100.0%	100.0%
	21,767	5,668	3,101	30,536

Source: Census (2011)

Economic activity

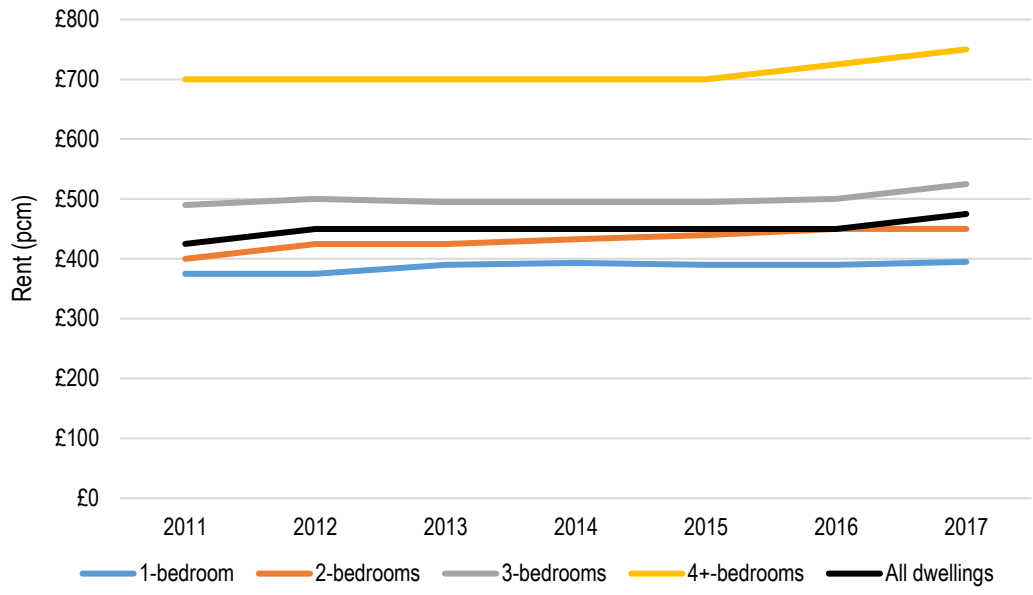
11.18 Data from the 2011 Census shows that 65% of private renters in Copeland were working, this is similar to the proportion of owner occupiers (66%) and notably higher than the proportion of social renters in work (35%). Smaller proportions of private renters were retired (15%) compared with 32% of social renters and 31% in the owner-occupied sector.

Housing Costs

11.19 Sections 6 and 7 of this report describe the current cost of housing in the PRS in Copeland. Below, further analysis is carried out to look at how costs have changed over time. This draws on data from the Valuation Office Agency (VOA) which has a time series back to 2011 – the data provided in this section looks at the year to the end of September (for any given year).

11.20 The figure below shows a time-series of average (median) rents by dwelling size from 2011 to 2017; this shows that there have been only modest increases in rent levels in the Council area, and does not point to any shortage in supply of private rented homes. The table below shows that the overall average rent in Copeland rose by £50 per month from 2011 to 2017 (a 12% increase). In comparison, rents increased 17% nationally.

Figure 11.11: Average (median) private sector rent (per month) 2011-17 – Copeland



Source: Valuation Office Agency

Figure 11.12: Average (median) private sector rent (per month) 2011 and 2017 – Copeland

	2011	2017	Change	% change
1-bedroom	£375	£395	£20	5%
2-bedrooms	£400	£450	£50	13%
3-bedrooms	£490	£525	£35	7%
4+-bedrooms	£700	£750	£50	7%
All dwellings	£425	£475	£50	12%

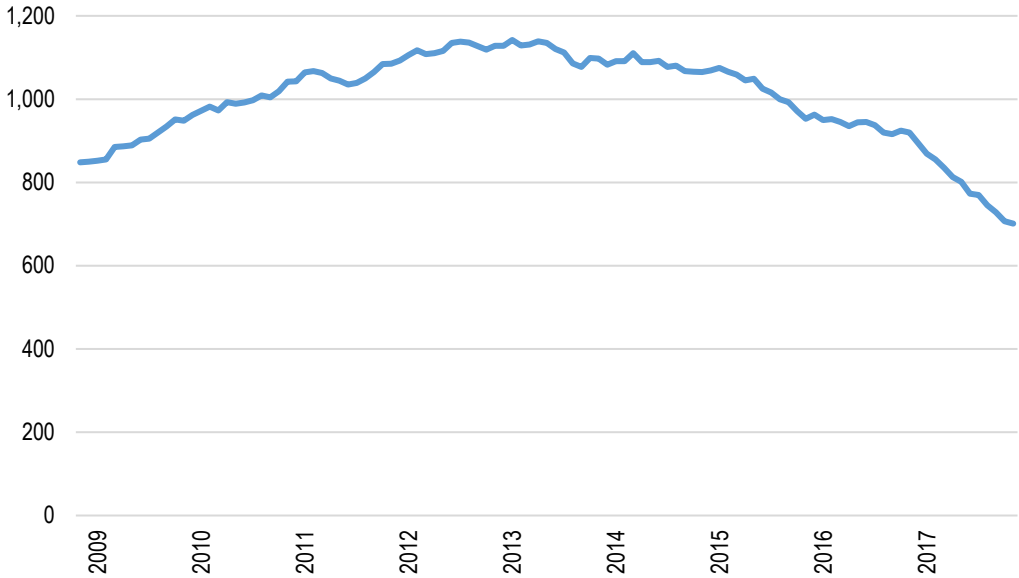
Source: Valuation Office Agency

Housing Benefit Claimants

11.21 A further analysis has been carried out to look at the number of housing benefit claimants in the sector. This provides an indication of the number of people who are using the sector as a form of affordable housing, and in many cases will be living in private rented accommodation due to a lack to affordable housing (e.g. in the social rented sector). It should however be noted that some of these households may also be in the sector through choice, although earlier analysis of rent levels compared to Local Housing Allowance does suggest that some households may see a shortfall in benefits compared to rent.

11.22 The analysis shows that from 2008, the number of claimants in the PRS rose steadily to peak at around 1,100 in 2012/13. Since then the number of claimants has fallen, with the number currently standing at about 700 (November 2017). It is clear that the PRS still has a significant role in proving accommodation for those who cannot afford the market, but that this is reducing over time. The change is likely to be mainly due to economic improvements (e.g. reducing unemployment), although the relative unaffordability of the sector may also be playing a role – with some households seeking to move into the social rented sector.

Figure 11.13: Number of Housing Benefit claimants in the private rented sector – Copeland



Source: Department of Work and Pensions

Build-to-Rent

11.23 As noted, the size of the PRS has grown notably in Copeland since 2011 and this has been the main growth sector in the market. Nationally and regionally there has also been a substantial increase in the size of the PRS, indeed proportional increases in excess of that in Copeland.

11.24 Linked in part to this, there is an increased (national) interest from developers in "Build to Rent" housing, which is specifically built not for open market sale but for the Private Rented Sector. Arguably, the sector provides the opportunity for good quality, well-managed rental accommodation which is purpose-built. Additionally, the sector provides the opportunity to boost overall housing delivery, as it does not compete directly with traditional housing development schemes which are built for sale.

11.25 The Government has been promoting Build-to-Rent housing. It has set up a Private Rented Sector Taskforce; and supported delivery though other measures – including a Build to Rent Fund which provides Government-backed loans to support new development. The sector is currently relatively small, but is one with growth potential.

11.26 The Housing White Paper (HWP) notes the desire to change the NPPF so that local authorities *'should plan proactively for Build to Rent where there is a need, and to make it easier for Build to Rent developers to offer affordable private rental homes instead of other types of affordable housing'*. The draft NPPF and PPG are clear that providing Build-to-Rent housing remains a goal of the Government.

11.27 In Copeland, there is currently no evidence of a need for Build to Rent or any significant activity in the sector. Indeed nationally, Build to Rent schemes are mainly coming forward in major urban areas (notably London) and are focussed on young professionals in locations close to transport hubs. Given private sector rent levels in the Borough, it seems unlikely that there would be any notable investment in this sector at present. However, if schemes were to come forward, the Council should consider them on merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).

The Private Rented Sector: Key Messages

- The private rented sector (PRS) accounts for around 9% of all households in Copeland (as of 2011) – a smaller proportion to that seen in many other areas. The number of households in this sector has however grown substantially (increasing by 35% in the 2001-11 period); although the level of change is also notably lower than observed in other locations.

- The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children – levels of overcrowding are relativity high (although again low in a national context). In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted and terraced accommodation when compared with the owner-occupied sector. That said, around nearly half of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements.

- Additional analysis suggests that rent levels have not changed significantly over time (when looking at the 2011-17 period) – this would suggest that despite the large increase in the size of the sector, there is no obvious lack of supply of private rented homes.

- There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). However, given the current Government push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).

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

12. Other Groups

Introduction

12.1 The final section of this report picks up on some other 'particular' groups that are noted in Guidance. In most cases these groups are not a significant issue for Copeland and so commentary is included for reasons of completeness. The groups studied are:

- Caravan and houseboat dwellers
- Student accommodation
- Armed Forces Personnel
- Self- and custom-build
- Black and Minority Ethnic Groups

Caravan and Houseboat Dwellers

12.2 One form of 'specialist' housing is caravan- and boat-based accommodation. The nature of such accommodation is clearly different from ordinary 'bricks and mortar' housing, and persons occupying caravans and boats can have different needs from occupants of bricks and mortar housing.

12.3 In March 2016, CLG published draft guidance on the need for caravans and houseboats. This is important as it essentially fills the gap in the overall need from Gypsies and Travellers and those that meet the planning definition (i.e. still have a nomadic lifestyle). The draft guide is however considered to go somewhat wider than just looking at Gypsy and Traveller needs, for example including bargees (boat dwellers) who may well not be from a recognised Gypsy and Traveller ethnic group. This study does not contain a Gypsy and Traveller accommodation needs assessment (that having been undertaken separately). This section focusses on the need for houseboats and residential caravans.

12.4 The Census shows there to be 204 dwellings (recorded as 'household spaces) in Copeland that comprised 'caravans or other mobile or temporary structures'; of these some 196 were occupied (i.e. used as a main and permanent residence). Data from the Valuation Office Agency (from 2016) suggests there are 10 houseboats paying Council Tax in the Council area. The bulk of households living in 'caravans or other mobile or temporary structures' are therefore living in caravans – the majority of these will be Park Homes.

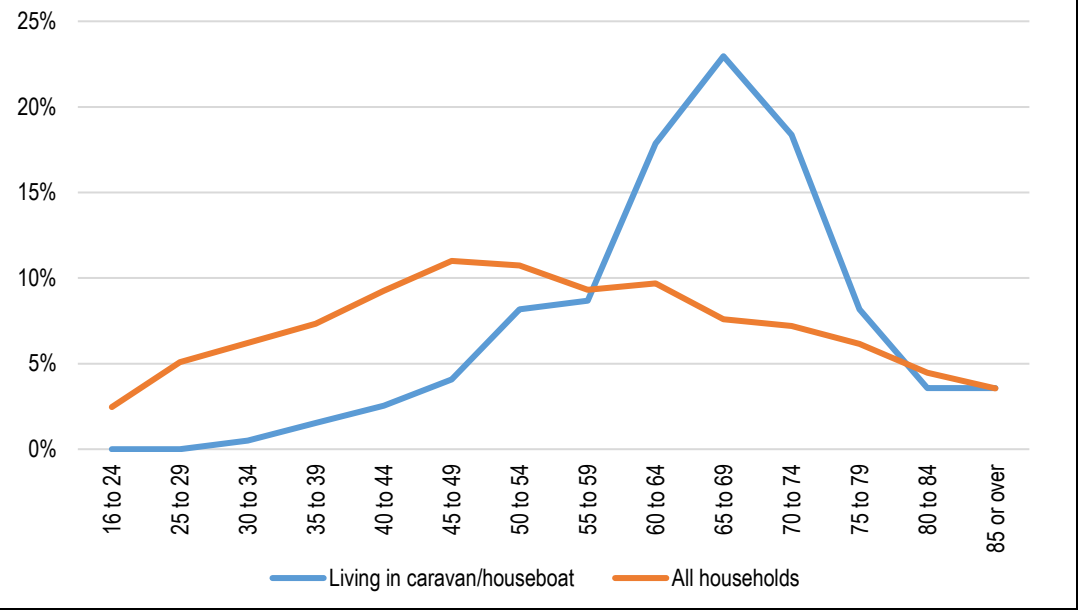
12.5 Through stakeholder consultation a number of unauthorised permanent occupations of holiday lodges and caravans was noted (particularly in the south of the borough) although exact numbers are difficult to establish. It is unclear if these households will have been included within the Census source used in this report and therefore the figures used should be treated with some degree of caution.

12.6 Generally, households living in caravans are smaller than households in bricks and mortar accommodation. The average household size in caravans (as of the 2011 Census) is 1.80 people, compared with a Council area average (for all dwelling types) of 2.27. This is likely to reflect both the size of homes and the age and household structures of residents.

12.7 To project the potential need/demand for caravans and houseboats, the analysis has used Census data. Census table CT0621 identifies the age profile of households living in caravans and other temporary structures; this can be used along with demographic projections to look at how demand might change moving forward.

12.8 The figure below shows the age of the household reference person (HRP) living in a caravan/houseboat compared with the age profile of all HRPs in Copeland. This identifies a clear increase in the number of people in caravans (notably from about age 55); this would suggest that many homes are 'age restricted'.

Figure 12.1: Age of household reference person living in caravan/houseboat – Copeland



Source: Census (2011)

12.9 The methodology used is similar to that when looking at the mix of housing. Firstly, the projected growth by age of household is analysed, and then the propensity for any age group to live in a caravan/temporary structure is applied to the projected change. This then gives the change in the number of households living in such accommodation assuming that occupancy patterns do not change. To be consistent with previous analysis, two models have been developed, the first linking to official (CLG) household projections and the second linking to a model where dwelling growth is set at 198 per annum.

12.10 The analysis below shows a potential need over the 18-year period to 2035 of around 14-27 additional dwellings (1-2 per annum). This analysis does not therefore identify a significant need; in planning policy terms it is not considered that there is sufficient evidence such that the Council should allocate a site (or sites) for this type of housing. However, it is clear from the analysis that there is some additional demand for caravans (and houseboats) and therefore any planning application for additional plots or berths should be considered on its own merits (e.g. in terms of scale, location and environmental/landscape impacts).

Figure 12.2: Estimated need/demand for caravans and other temporary structures (including houseboats) – 2017-35 – Copeland					
	Proportion of age group in caravan/ temporary	2014-based CLG projections		198 dwellings per annum	
		Household growth	Implied need	Household growth	Implied need
16 to 24	0.0%	-62	0	90	0
25 to 29	0.0%	-230	0	152	0
30 to 34	0.1%	-233	0	232	0
35 to 39	0.1%	-14	0	478	1
40 to 44	0.2%	266	0	680	1
45 to 49	0.2%	-563	-1	-285	-1
50 to 54	0.5%	-984	-5	-807	-4
55 to 59	0.6%	-1,001	-6	-832	-5
60 to 64	1.2%	-279	-3	-159	-2
65 to 69	1.9%	156	3	319	6
70 to 74	1.6%	574	9	716	12
75 to 79	0.9%	705	6	787	7
80 to 84	0.5%	585	3	666	3
85 or over	0.6%	1,243	8	1,313	8
TOTAL	-	163	14	3,350	27

Source: Derived from Census 2011 and demographic projections

Student Accommodation

12.11 The Copeland area does not have significant populations of further education students with specific housing requirements. The 2011 Census identified just 5 households made up of 'all students'. However, opportunities may exist in the future to increase education and training (including developments at Westlakes Science Park, University of Cumbria, UCLan and the NHS). Any needs arising from this can be identified outside of the SHMA process.

Armed Forces Personnel

12.12 There are no bases in Copeland and the 2011 Census records just 122 armed forces personnel as living in households (plus 1 in a communal establishment). This data does not suggest that any specific policy in relation to Armed Forces personnel would be justified.

Self- and Custom-build

12.13 *Laying the Foundations – a Housing Strategy for England 2010* sets out that only one in 10 new homes in Britain was self-built in 2010 – a lower level than in other parts of Europe. It identifies barriers to self or custom-build development as including:

- A lack of land;
- Limited finance and mortgage products;
- Restrictive regulation; and
- A lack of impartial information for potential custom home builders.

12.14 Government aspires to make self-build a 'mainstream housing option' and has thus sought to address these issues.

12.15 Paragraph 50 of the NPPF sets out that that local planning authorities should plan for people wishing to build their own homes (bullet point 1), and this is further emphasised in the PPG (paragraph 2a-021): *'The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing'*. There is also a separate PPG dealing with self-build and custom housebuilding registers (ID: 57).

12.16 The Government has a clear commitment to the sector and there is a section in the White Paper: 'Fixing our Broken Housing Market' (2017) paras 3.14-3.16. In preceding paragraphs, the White Paper describes an accelerated building programme centred upon small and medium sized house builders. The section on custom building then features a case study where a small builder was pivotal in a project.

12.17 The draft PPG also includes comments about self-build and custom housebuilding, noting that planning authorities are required to keep a register of those seeking plots of land. The draft PPG also suggests that evidence of need from registers should be supplemented with secondary data sources (including from building plot search websites).

12.18 One of the main self- and custom-build portals is BuildStore. As at March 2018 the portal listed 63 sites with 69 building opportunities across the whole of Cumbria, more specifically in Copeland the site identifies 3 plots in the Whitehaven area, 3 in Millom and two each in Egremont and Cleator Moor. Plot prices started at about £50,000 (in Millom for a plot suitable for a 3/4-bedroom detached home); plot prices were up to £90,000 although a renovation opportunity in Whitehaven had also been posted at £20,000.

12.19 A further self-build portal run by the National Custom and Self-Build Association (NCaSBA) for people looking for plots was accessed and at the time there was limited evidence of activity from groups or individuals looking for land in the Copeland area on the 'Need-a-Plot' section of the portal. Information from the Council suggested at the time of this study that there were just 5 people registered for self- and custom-build housing across the Borough.

12.20 The evidence of the demand for self-build (from both portals and the Council's self-build register) suggest that this is relatively minimal. It is however possible that these sources do not fully capture the extent of the market in the area. The council could consider looking at CIL exemptions on single plot builds to provide an idea of the level of activity that is hidden from the main available sources. It should however be noted that conversations with Kells Development Group (see Section 3) did note that self- and custom-build plots on the White School site had proved popular with local people.

12.21 Overall, it is considered that the self-build sector in Copeland generally looks after itself with a number of self-build sites (e.g. Whites School, Rusper Drive, the Flosh and land adjacent to Casa Mia) as well as a number of individual development plots.

Black and Minority Ethnic (BME) Groups

12.22 Black and Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way. The 2011 Census shows that around 2.5% of the Borough population came from a non-White (British/Irish) background. This figure is significantly below that found across either the region (12%) or England (19%). The key BME group in the Borough is Other-White (which is likely to contain a number of Eastern European migrants) – the Other-White population makes up 0.9% of all people in the Borough, which is significantly higher than any other group.

Figure 12.3: Black and Minority Ethnic Population (2011)

	Copeland	Cumbria	North West	England
White: British	97.3%	96.5%	87.1%	79.8%
White: Irish	0.3%	0.3%	0.9%	1.0%
White: Gypsy or Irish Traveller	0.0%	0.1%	0.1%	0.1%
White: Other White	0.9%	1.7%	2.1%	4.6%
Mixed: White and Black Caribbean	0.2%	0.2%	0.6%	0.8%
Mixed: White and Black African	0.1%	0.1%	0.3%	0.3%
Mixed: White and Asian	0.2%	0.2%	0.4%	0.6%
Mixed: Other Mixed	0.1%	0.1%	0.3%	0.5%
Asian: Indian	0.2%	0.2%	1.5%	2.6%
Asian: Pakistani	0.1%	0.1%	2.7%	2.1%
Asian: Bangladeshi	0.1%	0.1%	0.7%	0.8%
Asian: Chinese	0.2%	0.2%	0.7%	0.7%
Asian: Other Asian	0.3%	0.2%	0.7%	1.5%
Black: African	0.1%	0.1%	0.8%	1.8%
Black: Caribbean	0.0%	0.0%	0.3%	1.1%
Black: Other Black	0.0%	0.0%	0.2%	0.5%
Other ethnic group: Arab	0.0%	0.0%	0.3%	0.4%
Any other ethnic group	0.1%	0.1%	0.3%	0.6%
Total	100.0%	100.0%	100.0%	100.0%
Total population	70,603	499,858	7,052,177	53,012,456
% non-White (British/Irish)	2.5%	3.2%	12.0%	19.3%

Source: ONS (2011 Census)

12.23 Since 2001 the BME population in the Borough can be seen to have increased notably as shown in the figure below. The data shows that the overall population of the area has risen by about 1,300 over the 10-year period with the White: British/Irish population increasing by around 500 people. BME groups have therefore increased by around 800 people (an 84% increase). Looking at particular BME groups we see that the largest rise in terms of population has been for the Asian/Asian British population (which more than trebled in number over the decade).

Figure 12.4: Changes in the BME population 2001 to 2011 – Copeland

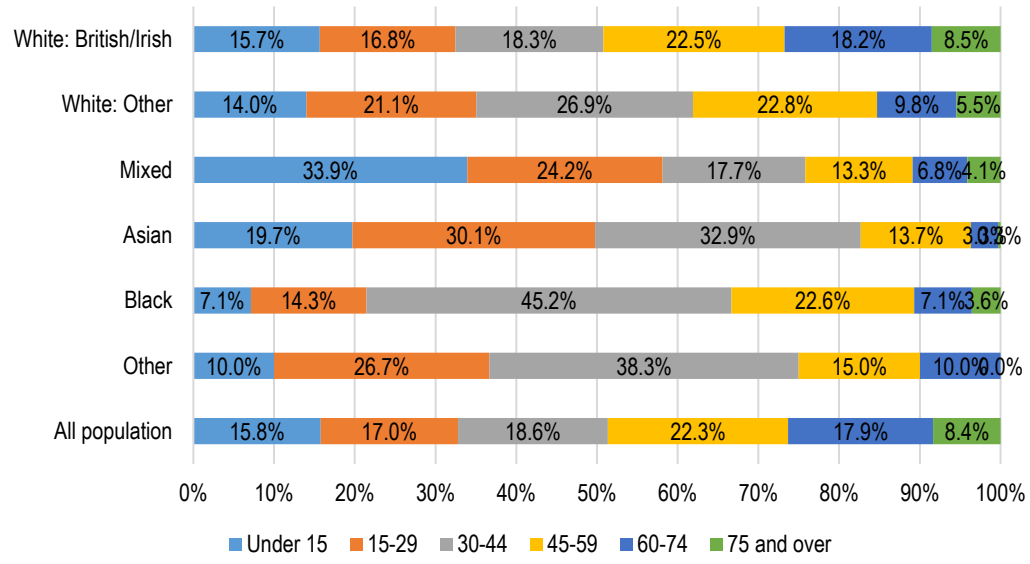
	2001	2011	Change	% change
White (British/Irish)	68,378	68,869	491	0.7%
White - Other	455	622	167	36.7%
Mixed	183	339	156	85.2%
Asian or Asian British	145	465	320	220.7%
Black or Black British	40	84	44	110.0%
Chinese and other	117	224	107	91.5%
Total	69,318	70,603	1,285	1.9%
Non-White (British/Irish)	940	1,734	794	84.5%

Source: Census 2001 and 2011

12.24 Census data can also be used to provide some broad information about the household and housing characteristics of the BME population in the Borough. The figure below looks at the household composition of six broad groups using data from the 2011 Census.

12.25 The age profile of the BME population is striking when compared with White: British/Irish people (as shown in the figure below). All BME groups are considerably younger than the White (British/Irish) group with people from a Mixed background being particularly likely to be aged under 15 when compared with any other group. The proportions of older persons are also notable with 27% of White British/Irish population being aged 60 or over, compared with 10% for all BME groups (combined).

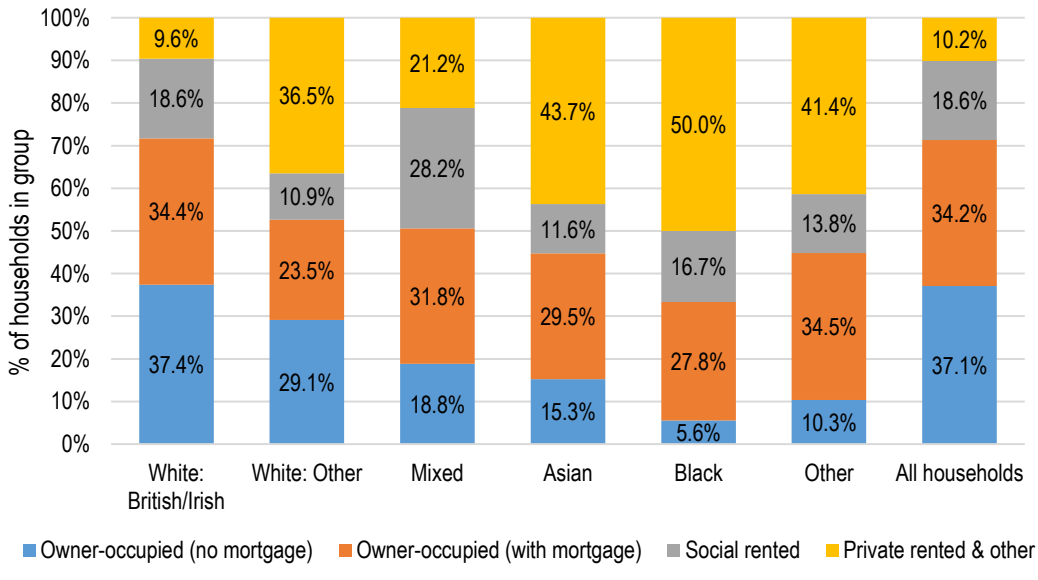
Figure 12.5: Population Age Profile by Ethnic Group (2011) – Copeland



Source: Census (2011)

12.26 The figure below shows the tenure split of households in each of the six broad ethnic groups. The data shows that White (British/Irish) households are the most likely to be owner-occupiers with no mortgage (and owner-occupiers more generally), consistent with their older age structure. Mixed households show high proportions living in social rented housing; whilst all BME groups are more likely than average to live in the private rented sector. Levels of outright ownership amongst BME households are generally low.

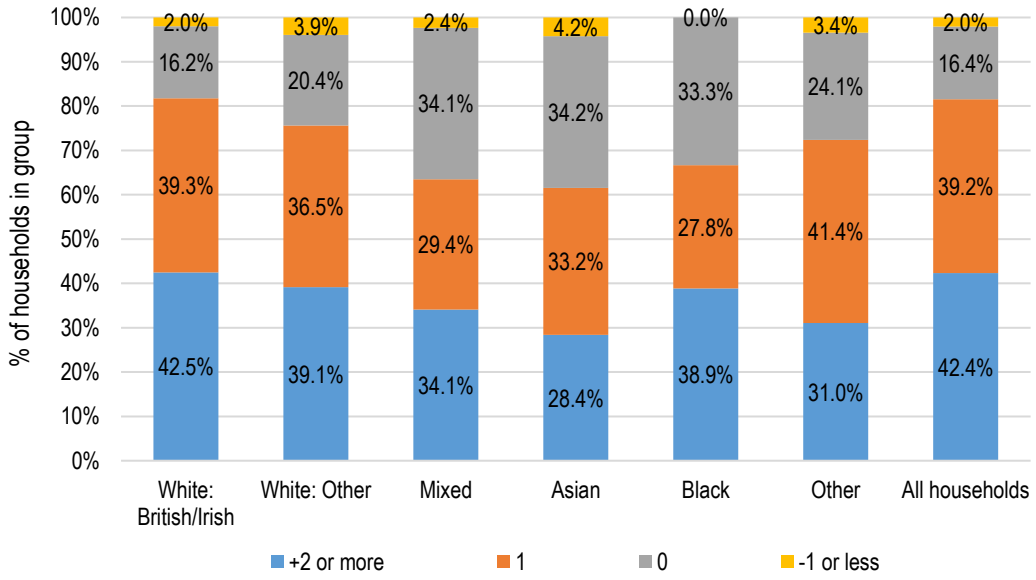
Figure 12.6: Tenure by Ethnic Group – Copeland



Source: 2011 Census

12.27 The figure below shows 'occupancy ratings' by BME group. This is based on the bedroom standard where a positive figure indicates under-occupancy and negative figures suggest some degree of over-crowding. The data shows that most BME groups are more likely to be overcrowded (i.e. have a negative occupancy rating) than White (British/Irish) households, although generally levels of overcrowding are low. Levels of under-occupation are also lower amongst BME groups than for White (British/Irish) households.

Figure 12.7: Occupancy rating by Ethnic Group – Copeland



Source: Census (2011)

12.28 Overall, the analysis of BME groups identifies that they may be disadvantaged when compared with the White (British/Irish) population. Key findings included high proportions in private rented accommodation and relatively high levels of overcrowding.

12.29 The implications of the analysis of BME groups are more for housing strategy than planning, and suggest a need to consider particularly how the needs of different groups are met within the local housing market, to explore the reasons for higher levels of overcrowding in BME communities and how this can be addressed. It will also be important to consider the role which the Private Rented Sector plays in meeting needs of new migrant communities and the standards of housing in this sector. Investigating these issues in greater detail may assist development of strategic housing policies.

Other Groups: Key Messages

- Analysis has been carried out to understand and quantify the need/demand for non 'bricks and mortar' housing – specifically caravans (such as Park Homes) and Houseboats. This analysis is separate from any analysis to look at the needs of Gypsy and Traveller households. The study has looked at a range of data (e.g. from the Census and Council Tax data).

- To try to quantify the potential need/demand for caravans an analysis was developed that looked at the current occupancy patterns (by age) and projected this forward on the basis of expected age structure changes. This suggested that there would be a need for up to 27 additional mobile homes over the 18-year period to 2035 (less than 2 a year).

- This analysis did not therefore identify a significant need; in planning policy terms it is not considered that there is sufficient evidence such that the Council should allocate a site (or sites) for this type of housing. However, it is clear from the analysis that there is some additional demand for caravans and therefore any planning application for additional plots or berths should be considered on its own merits (e.g. in terms of scale, location and environmental/landscape impacts).

- Analysis was also carried out to consider student needs and the needs of armed forces personnel. In both cases the number of people/households in the relevant target group is very low and there is no evidence for any specific policies in relation to such groups.

- Data about self- and custom-build identified low levels of demand and plot availability. However, past schemes in Copeland appear to have been popular with local people and so the Council should continue to support self- and custom-build developments where opportunities arise.

- Finally, the analysis looked at Black and Minority Ethnic (BME) households. The analysis identified a small but growing BME community and one which appears disadvantaged when compared with the White (British/Irish) population. However, the implications of the analysis of BME groups are more for housing strategy than planning; suggesting a need to consider how the needs of different groups are met within the local housing market, and to explore the reasons for higher levels of overcrowding in BME communities and how this can be addressed. It will also be important to consider the role which the Private Rented Sector plays in meeting needs of new migrant communities and the standards of housing in this sector.