

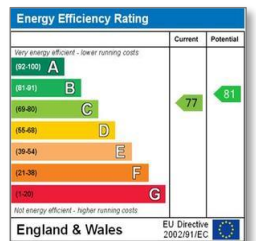


## South Somerset and Somerset West & Taunton Councils:

## Local Housing Needs Assessment 2020

Report of Findings

August 2021





Opinion Research Services | The Strand, Swansea SA1 1AF  
Jonathan Lee | Trevor Baker | Belinda Herbert  
Nigel Moore | Scott Lawrence | Hugo Marchant  
enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

© Copyright August 2021

The below copyrights acknowledge the open source data that is provided by the respective bodies, and is used throughout this document

Contains Ordnance Survey data © Crown copyright and database right 2021

Contains Royal Mail data © Royal Mail copyright and database right 2021

Contains National Statistics data © Crown copyright and database right 2021

Contains public sector information licensed under the Open Government Licence v3.0

# Contents

<b>Executive Summary.....</b>	<b>6</b>
Summary of Key Findings and Conclusions	
Introduction.....	6
Government Policy .....	6
Establishing Current Unmet Need for Affordable Housing.....	6
Future Need for Affordable Housing.....	7
Needs of Households Aspiring to Homeownership.....	8
Local Housing Need .....	9
Jobs and Workers .....	11
Housing for Older People .....	12
Housing for People with Disabilities.....	13
<b>1. Introducing the Study .....</b>	<b>14</b>
Background to the project and wider policy context	
Introduction.....	14
Government Policy .....	15
Government Policy for National Parks .....	15
Government Policy for Housing Needs .....	16
The Standard Method for Local Housing Need Assessment .....	17
Introduction.....	17
The Standard Method for Local Housing Need Assessment.....	18
Changes to the Standard Method .....	19
Assessing Housing Needs .....	21
Assessing Housing Needs.....	21
Duty to Co-operate .....	22
<b>2. Demographic Projections .....</b>	<b>25</b>
The starting point for establishing Local Housing Need	
Official Projections .....	25
Projected Household Size.....	26
<b>3. Jobs and Workers .....</b>	<b>28</b>
Alignment of Future Jobs Growth with Resident Workers	
Considering the basis for Adjusting the Local Housing Need.....	28
Future Jobs Growth .....	29
<b>4. Household Growth .....</b>	<b>33</b>
The starting point for establishing Housing Tenure and Size	
Projected Population Age Profile .....	33

South Somerset.....	33
Somerset West & Taunton.....	34
Household Projections by Age .....	36
South Somerset.....	37
Somerset West & Taunton.....	37
Projected Household Types.....	38
<b>5. Local Housing Market .....</b>	<b>41</b>
Housing options and cost of housing in Somerset West & Taunton and South Somerset	
Housing Tenure Trends .....	41
Housing Stock by Size .....	43
Cost of Home Ownership .....	44
Income Needed for Home Ownership.....	46
Cost of Renting .....	47
Income Needed to Rent Housing.....	49
Identifying the Gap for Affordable Home Ownership.....	51
<b>6. Affordable Housing Need .....</b>	<b>53</b>
Identifying households who cannot afford market housing	
Introduction.....	53
Establishing the Need for Affordable Housing to Rent and to Own .....	54
Home Ownership Trends .....	54
Affordable Housing Need: Households Unable to Afford .....	55
Current Unmet Need for Affordable Housing.....	56
Projected Future Affordable Housing Need .....	59
Establishing the Future Affordable Housing Need for Households Unable to Afford .....	60
Overall Affordable Housing Need for Households Unable to Afford.....	65
Affordable Housing Tenure.....	66
Future Policy on Housing Benefit in the Private Rented Sector .....	68
Summary for Households Unable to Afford Market Housing.....	70
Affordable Housing Need: Households Aspiring to Home ownership.....	71
Additional Need for Affordable Home ownership.....	72
Identifying the Overall Affordable Housing Need.....	73
Affordable Rent.....	79
Essential Local Workers.....	80
<b>7. Overall Housing Need .....</b>	<b>81</b>
Local Housing Need based on the Standard Method	
Introduction.....	81
Establishing the Housing Target.....	82
Disaggregating the minimum Local Housing Need figure .....	82
Exmoor National Park in Somerset West & Taunton .....	89

<b>8. Needs of Different Groups.....</b>	<b>92</b>
Identifying the need for different types of housing	
Introduction.....	92
The Private Rented Sector.....	92
The Future Role of the Private Rented Sector .....	94
Student Housing.....	94
Service Families .....	95
People Wishing to Build their Own Homes.....	95
February 2021 Policy Update .....	97
April 2021 Self and Custom Build Action Plan.....	99
Housing for Older People .....	100
Housing for People with Disabilities.....	105
Housing for Wheelchair Users .....	112
Hinkley Point C .....	115
Gypsies and Travellers.....	116
<b>Appendix A.....</b>	<b>118</b>
Table of Figures	
<b>Appendix B.....</b>	<b>122</b>
Glossary of Terms	
Definitions .....	122
Acronyms and Initials .....	125

# Executive Summary

## Summary of Key Findings and Conclusions

### Introduction

1. Opinion Research Services (ORS) was commissioned by Somerset West & Taunton and South Somerset Council to prepare a Local Housing Needs Assessment (LHNA) for the period 2020-2040 to identify the size, type and tenure of homes that will be needed in the future, and the housing needs of different groups, including affordable housing. This is within the context of minimum number of homes required under the standard method for calculating local housing need. (LHN) using the standard method set out in Planning Practice Guidance (PPG).

### Government Policy

2. The Government published the original National Planning Policy Framework (the Original NPPF) in 2012. A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018 and was updated in February 2019 to incorporate a number of detailed changes and further updated in July 2021. The Revised NPPF introduced a new definition for affordable housing. Whilst the Original NPPF identified that affordable housing should be provided for households “*whose needs are not met by the market*”, the Revised NPPF adds that this includes “*housing that provides a subsidised route to home ownership and/or is for essential local workers*”. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.
3. The 2021 NPPF requires local planning authorities to inform strategic policy making with a local housing needs assessment. The Local Housing Needs Assessment (LHNA) must now be prepared which will establish a minimum Local Housing Need (LHN) figure, which in turn is set by a Standard Method formula issued by MHCLG. As of April 2020, the minimum Local Housing Need figure for South Somerset is 685 dwellings per annum, with 691 dwellings per annum as the LHN for Somerset West & Taunton. This translates to 13,700 and 13,820 dwellings (685 x 20 and 691 x 20 respectively) across the twenty-year period.

### Establishing Current Unmet Need for Affordable Housing

4. To assess the current need for affordable housing, we initially calculated the number of households in the two local authorities who are not suitably housed and who are unable to afford market housing. These include; all households that are currently homeless, those who currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in social or private rent, and people otherwise not counted who are in a reasonable preference category on the housing register.
5. Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that **1,941 households in South Somerset**, and a further **1,725 in Somerset West & Taunton are currently living in unsuitable housing and are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

6. Of these households, 1,053 (South Somerset) and 967 (Somerset West & Taunton) currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 888 households in South Somerset (1,941 less 1,053 = 888) and 758 households in Somerset West & Taunton (1,725 less 967 = 758) that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

## Future Need for Affordable Housing

7. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future; and households that can afford market rents but aspire to home ownership.
8. The following tables (Figure 1 and Figure 2) summarises the overall impact of those who cannot afford market rents of:
- » new households adding to housing need,
  - » the households no longer present reducing housing need and
  - » the changes in circumstances impacting existing households.

Figure 1: Summary annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model)

South Somerset	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	4,844	3851	992
All households no longer present	4,389	3,537	852
Change in existing households	-	+16	-16
<b>Future affordable housing need 2020-40 (Annual average)</b>	<b>+454</b>	<b>+331</b>	<b>+124</b>

Figure 2: Summary annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model)

Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	4,998	4,007	991
All households no longer present	-4,452	-3,547	-905
Change in existing households	-	-34	+34
<b>Future affordable housing need 2020-40 (Annual average)</b>	<b>+546</b>	<b>+426</b>	<b>+120</b>

9. Overall reviewing the contribution of each element amounts **to an additional 124 households needing affordable housing in South Somerset, and 120 in Somerset West & Taunton, annually over the 20-year period 2020-40.**

## Needs of Households Aspiring to Homeownership

10. The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
11. Based on this analysis, it can be estimated that around 4,720 households currently resident in South Somerset cannot afford to own their own home but would aspire to do so, and around 4,890 in Somerset West & Taunton. Almost half of these households are aged 25-34 with the substantial majority (>75%) aged under 45.
12. In addition to the current need, it is also important to consider the 2014-based household projections for the period 2020-2040. Through combining this data with the aspiration data from the EHS 2013-14, we can conclude that it is likely that there would be a further 3,556 and 4,000 additional households that form in South Somerset and Somerset West & Taunton respectively over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration.
13. Figure 3 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2020-40. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

**Figure 3: Assessing total need for affordable housing 2020-2040 (Source: ORS Housing Model)**

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
<b>SOUTH SOMERSET</b>			
Current housing need in 2020	888	4,718	5,606
Future housing need 2020-40	2,474	3,556	6,030
<b>TOTAL HOUSING NEED</b>	<b>3,362</b>	<b>8,274</b>	<b>11,636</b>
<b>SOMERSET WEST &amp; TAUNTON</b>			
Current housing need in 2020	758	4,886	5,645
Future housing need 2020-40	2397	4,000	6,397
<b>TOTAL HOUSING NEED</b>	<b>3,156</b>	<b>8,886</b>	<b>12,042</b>

14. Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products.
15. Given this context, we assessed affordability for households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent, those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. After all these households have been discounted from the 8,274 in South Somerset and 8,886 in Somerset West & Taunton previously identified there are only 1,082 households in South Somerset and 1,262 households in Somerset West & Taunton who:



- » Aspire to homeownership but cannot afford to purchase on the open market;
- » Have incomes sufficient to afford a property at 50% of market value;
- » Have at least £5,000 in savings.

16. Figure 4 provides a breakdown of the total affordable housing on this basis.

**Figure 4: Overall need for Affordable Housing 2020-40, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

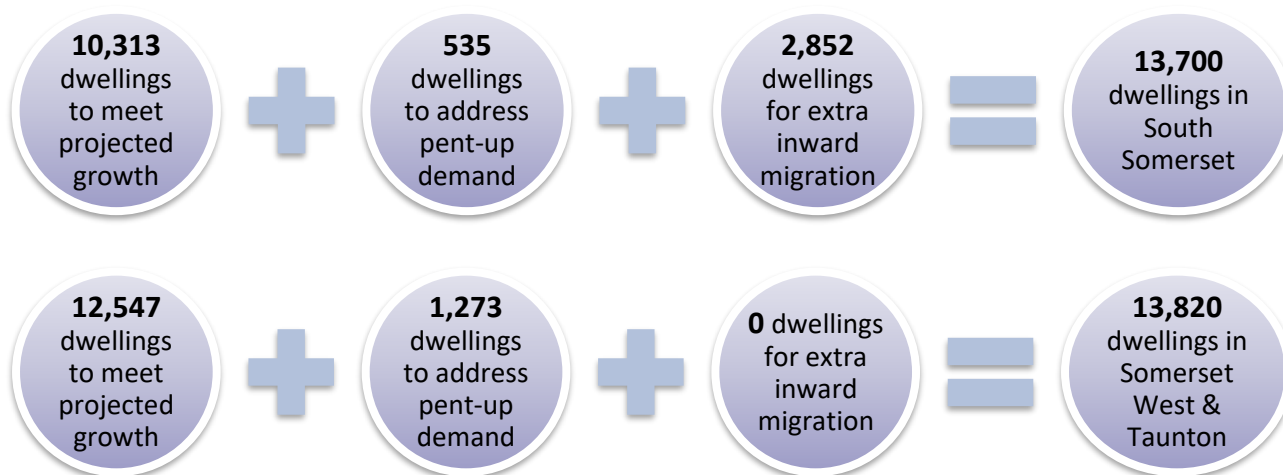
	Affordable Housing Need		Planned Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
<b>South Somerset</b>			
1 bedroom	787	120	907
2 bedrooms	1,692	539	2,231
3 bedrooms	600	372	972
4+ bedrooms	283	51	334
<b>TOTAL HOUSING NEED</b>	<b>3,362</b>	<b>1,082</b>	<b>4,444</b>
<b>Somerset West and Taunton</b>			
1 bedroom	1,015	302	1,317
2 bedrooms	1,242	473	1,716
3 bedrooms	623	413	1,036
4+ bedrooms	275	74	350
<b>TOTAL HOUSING NEED</b>	<b>3,156</b>	<b>1,262</b>	<b>4,419</b>

17. The LHNA identifies an overall affordable housing need from 4,444 households in South Somerset, and a further 4,419 in Somerset West & Taunton, over the 20-year period 2020-40 (222 and 221 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provide for those first-time buyer households who aspire to home ownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable home ownership product.
18. However, it is important to recognise that there are many more households who aspire to home ownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

## Local Housing Need

19. Using the process set out in the Planning Practice Guidance "Housing and economic needs assessment" (MHCLG) the minimum Local Housing Need figure for South Somerset is 685 dwellings per annum, with 691 dwellings per annum as the LHN for Somerset West & Taunton.
20. At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

21. The number of dwellings needed to deal with the projected household and institutional population growth is 9,764 in South Somerset, and 11,815 in Somerset West & Taunton. However, if we assume that just under 5.32% and 5.83%<sup>1</sup> of dwellings will be unoccupied at any one time this means that a total of 10,313 and 12,547 dwellings are required.
22. The local housing need has already been identified as 685 (South Somerset) and 691 (Somerset West & Taunton) dwellings per annum, which translates to 13,700 and 13,820 dwellings across the twenty-year period. This leaves a difference between these housing need figures and the population projected need of 10,313 and 12,547 dwellings.
23. This additional need is made up from two elements:
- » Enabling more households to form<sup>2</sup> (from the pent-up housing demand) = 535 and 1,273 dwellings
  - » Enabling more net inward migration<sup>3</sup> = 2,852 and 0 dwellings



24. These overall dwellings can be separated into market and affordable housing. Figure 5 shows the result of applying the vacancy rate. Note that Class C2 dwellings are part of the LHN, so of the total housing that the LHN implies for the plan period, the projections imply a need for 706 and 959 units of this total to be Class C2. The need for 706 and 959 C2 dwellings in the table is the result of applying the market vacancy rate the modelled growth in institutional households within the population projections. There is no assumption that this need must be provided as Class C2 dwellings, but any provision of Class C2 bedspaces can be counted as part of the overall supply of dwellings.
25. Figure 5 also includes a split in the households aspiring to home ownership between those who can afford the new First Homes product at 70% of market prices and those who able to afford at 50%, but not 70% of market prices. This latter group will therefore require the provision of a more accessible product than 70% First Homes (e.g., a form of shared ownership, First Homes with a larger discount, or similar).

<sup>1</sup> Based on 2011 Census data at a local authority level

<sup>2</sup> Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001.

<sup>3</sup> Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration.

**Figure 5: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size**  
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents	Unable to afford market ownership				
		Unable to afford 70% First Homes	Able to afford 70% First Homes			
<b>South Somerset</b>						
1 bedroom	795	56	69	920	297	<b>1,217</b>
2 bedrooms	1709	172	394	2275	1,196	<b>3,471</b>
3 bedrooms	606	148	242	996	5,237	<b>6,233</b>
4+ bedrooms	287	23	30	340	1,733	<b>2,073</b>
<b>DWELLINGS</b>	<b>3,397</b>	<b>400</b>	<b>735</b>	<b>4,531</b>	<b>8,463</b>	<b>12,994</b>
C2 Dwellings	-			-	706	706
<b>LHN</b>	<b>3,397</b>	<b>400</b>	<b>735</b>	<b>4,531</b>	<b>9,169</b>	<b>13,700</b>
<b>Somerset West and Taunton</b>						
1 bedroom	1,147	190	125	1,462	-111	1,351
2 bedrooms	1,467	139	355	1,961	960	2,921
3 bedrooms	806	110	322	1,238	4,820	6,058
4+ bedrooms	301	15	63	379	2,152	2,531
<b>DWELLINGS</b>	<b>3,721</b>	<b>454</b>	<b>864</b>	<b>5,040</b>	<b>7,821</b>	<b>12,861</b>
C2 Dwellings	-			-	959	959
<b>LHN</b>	<b>3,721</b>	<b>454</b>	<b>864</b>	<b>5,040</b>	<b>8,780</b>	<b>13,820</b>

## Jobs and Workers

26. Whilst the PPG sets out a standard approach for establishing local housing need, this is a minimum figure and the PPG also provides examples of a number of circumstances where it may be more appropriate to use a higher figure for plan-making [ID 2a-010-20190220]. One of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends.
27. To inform the alignment of future jobs and workers, Somerset West & Taunton Council and South Somerset Council commissioned an Economic Development Needs Assessment (EDNA) from Hardisty Jones Associates. They in turn commissioned two economic forecasts from Oxford Economic and Experian. Following the outputs of that study, for this study we have undertaken the analysis on the basis of a jobs growth forecast for Somerset West & Taunton of 8,600 jobs over the period 2020-40 with the equivalent figure in South Somerset being 1,900 additional jobs.
28. Overall, the model shows a shortfall of nearly 3,000 workers in Somerset West & Taunton which is almost exactly offset by a surplus in South Somerset. Therefore, between the two local authorities there are sufficient workers to accommodate the projected jobs growth, but the balance would see additional net in-commuting into Somerset West & Taunton. This would not necessarily all be from South Somerset, with Sedgemoor, East Devon and Devon all seeing significant commuting flows with Somerset West & Taunton currently. Given the desire to avoid unsustainable commuting flows it may also be appropriate to consider increasing provision above the LHN in Somerset West & Taunton.

## Housing for Older People

29. The population projections linked to the LHN of 685 and 691 dpa identify that the population of South Somerset is likely to increase from 169,496 persons to 187,292 persons over the 20-year period 2020-40; an increase of 17,795 persons. The population of Somerset West & Taunton is similarly likely to increase from 155,780 to 171,435, an increase of 15,655 persons. All of the net population growth is projected to be in the 65 years and older age categories, with four fifths (80% and 82%) are projected to be 75+ years (14,656 and 14,762 persons).
30. The tables below identify the potential requirement for new specialist housing, taking account of the current population and existing stock together with the additional demand for the period 2020-2040 based on the projected change in population aged 75+. The Housing LIN SHOP Resource Packs indicate that as many as 6,708 and 6,111 dwellings (South Somerset and Somerset West & Taunton respectively) may be required over the 20 years.

Figure 6: Modelled Demand for Older Person Housing in South Somerset based on Current Provision and Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Backlog at start of period	Gross need 2040	New need 2020-40	Overall need
<b>SHOP Resource Pack</b>								
Sheltered Housing	Owned	120	2,467	402	2,065	4,226	+1,759	+3,824
	Rented	60	1,234	1,415	-181	2,113	+879	+698
Extra Care	Owned	40	822	10	812	1,409	+586	+1,399
	Rented	31	637	304	333	1,092	+454	+788
<b>TOTAL</b>		<b>251</b>	<b>5,160</b>	<b>2,131</b>	<b>3,029</b>	<b>8,839</b>	<b>+3,679</b>	<b>+6,708</b>

Figure 7: Modelled Demand for Older Person Housing in Somerset West & Taunton based on Current Provision and Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Backlog at start of period	Gross need 2040	New need 2020-40	Overall need
<b>SHOP Resource Pack</b>								
Sheltered Housing	Owned	120	2,362	761	1,601	4,133	+1,771	+3,372
	Rented	60	1,181	1,476	-295	2,067	+886	+591
Extra Care	Owned	40	787	65	722	1,378	+590	+1,313
	Rented	31	610	233	377	1,068	+458	+835
<b>TOTAL</b>		<b>251</b>	<b>4,940</b>	<b>2,535</b>	<b>2,405</b>	<b>8,646</b>	<b>+3,705</b>	<b>+6,111</b>

31. Of course, it is important that the delivery of specific schemes for specialist older person housing are considered in partnership with other agencies, in particular those responsible for older person support needs. In particular it is important to consider that the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs. On this basis it is likely that the Housing LIN model will overstate the levels of need and will result in too many people being projected to require too high a level of care.

## Housing for People with Disabilities

32. The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings. Three standards are covered:
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
  - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
  - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
33. Based on current need and the household projections, we can establish the future need for adapted housing (M4[2] and M4[3]) based on the projected household growth and the changing demographics of the area. There will be a total of 12,284 households in South Somerset and 12,336 households in Somerset West and Taunton either needing adaptations to their existing housing or suitable new housing to be provided by 2040.
34. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock. Based on the housing mix, it is likely that around 60% will live in dwellings that could be converted to meet the M4(1) standard. On this basis, we could assume that at least 40% of the need for adapted housing could not be met by adaptation of existing homes; a total of 5,177 households in South Somerset and 5,184 households in Somerset West and Taunton. This includes the 580 and 578 households (respectively) identified as needing to move at the start of the Plan period. This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section.

**Figure 8: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	South Somerset	Somerset West & Taunton
<b>Existing need in 2020</b>		
Households where an existing illness or disability affects their housing need, and need to move in 2020	580	578
<b>Projected future need 2020-40</b>		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years	12,262	11,758
<b>Maximum need for adapted housing 2020-40 (households)</b>	<b>12,842</b>	<b>12,336</b>
Less households living in dwellings adaptable to M4(1) standard	7,665	7,152
<b>Minimum need for adapted housing 2020-40 (households)</b>	<b>5,177</b>	<b>5,184</b>

35. The evidence supports the need for a target of 10% of all housing to meet M4(3) Category 3 requirements. The evidence also supports the need for a target of over 25% of all housing to meet M4(2) Category 2 requirements. The evidence supports the need for a target of at least 25% and ideally 50% or more of specialist housing for older people to meet M4(3) Category 3 requirements; and all specialist housing for older people should meet M4(2) Category 2 requirements.

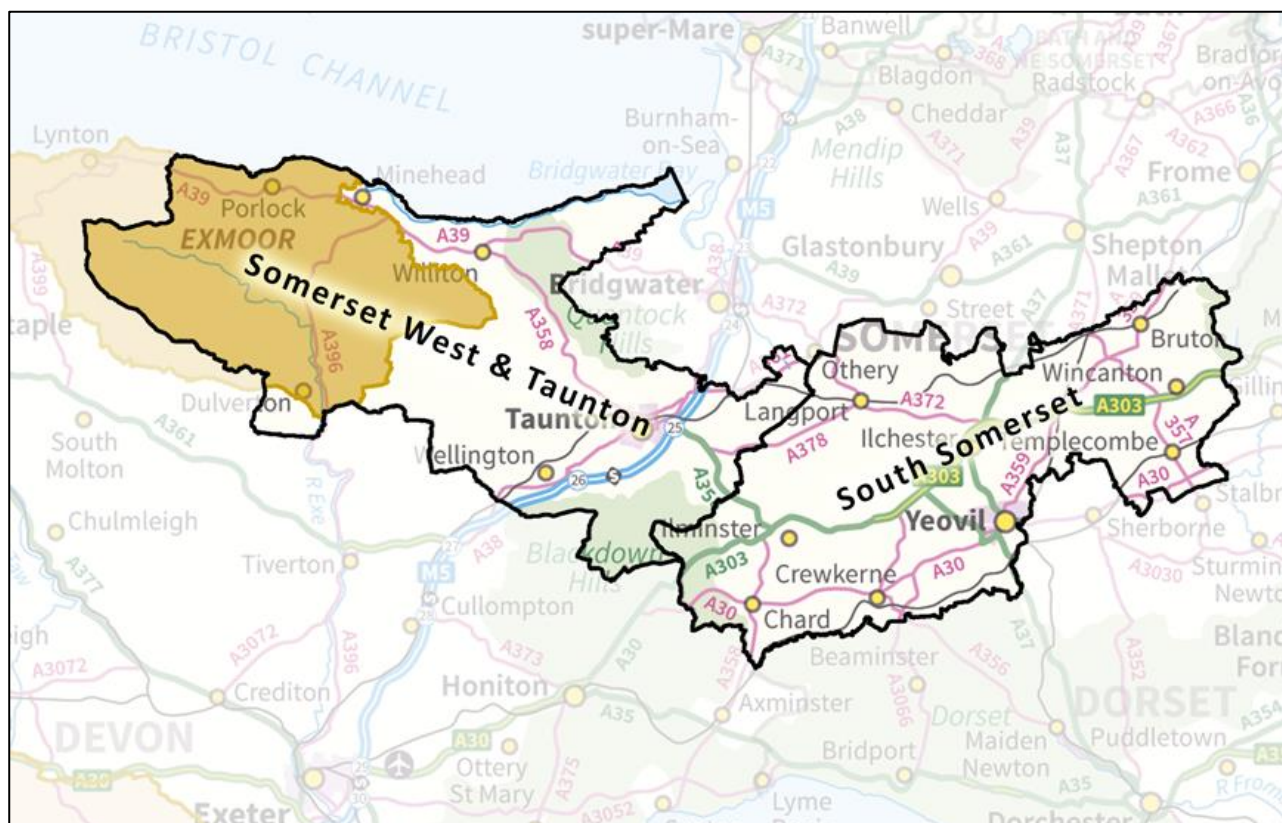
# 1. Introducing the Study

## Background to the project and wider policy context

### Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by Somerset West & Taunton and South Somerset Council to prepare a Local Housing Needs Assessment (LHNA) for the period 2020-2040 to identify the size, type and tenure of homes that will be needed in the future, and the housing needs of different groups, including affordable housing. This is within the context of minimum number of homes required under the standard method for calculating local housing need. (LHN) using the standard method set out in Planning Practice Guidance (PPG). This LHNA adheres to the requirements of the new National Planning Policy Framework (NPPF) published in July 2018 (last updated in July 2021) and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment (last updated 20<sup>th</sup> February 2019).
- 1.2 The study was commissioned in early 2020, but placed on hold while the government consulted on the future of the planning system. Therefore, much of the report relates to 2020, but where possible we have updated elements to be in line with newer elements of planning policy from 2021 such as First Homes and Self and Custom Housebuilding.
- 1.3 Figure 9 is a map of the study area. It shows both local authorities along with the portion of Somerset West & Taunton that is within the Exmoor National Park.

Figure 9: Map of study area



## Government Policy

- <sup>1.4</sup> The Government published the original National Policy Planning Framework in 2012. This set out the planning policies for England and how these were expected to be applied.
- <sup>1.5</sup> The NPPF 2012 had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *“should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- <sup>1.6</sup> A revised version of the National Policy Planning Framework was published in July 2018. Whilst the NPPF 2018 maintained the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The NPPF was further updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*. Further updates were made to the NPPF in July 2021, largely reflecting issues not directly impacting upon housing needs.
- <sup>1.7</sup> Under the NPPF 2021, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 61 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government, unless exceptional circumstances justify an alternative approach.

## Government Policy for National Parks

- <sup>1.8</sup> Somerset West and Taunton Council’s administrative area contains part of Exmoor National Park. Exmoor National Park is its own Local Planning Authority. The Government’s policy approach to planning for housing need in National Parks is different to that of other Local Planning Authorities.
- <sup>1.9</sup> The area’s status as a National Park has implications for new housing. National Parks have two statutory purposes which relate to conservation/enhancement of the area and public understanding and enjoyment of the National Park’s special qualities.<sup>4</sup> In pursuing these purposes, the Act places a duty on National Park Authorities (NPAs) to seek to foster the economic and social well-being of local communities within their National Park. They should also co-operate with local authorities and public bodies whose functions include the economic or social development within the National Park.<sup>5</sup> Legislation places a general duty on all relevant authorities, including NPAs and other public bodies, to have regard to National Park purposes. The

---

<sup>4</sup> Environment Act 1995. The two purposes are 1. To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park; and 2. Promote opportunities for the understanding and enjoyment of its special qualities by the public.

<sup>5</sup> Section 62 of the Environment Act

NPPF says that great weight should be given to conserving landscape and scenic beauty in National Parks which have the highest status of protection in relation to these issues.<sup>6</sup>

- 1.10 National policy on plan-making is that strategic policies should provide for objectively assessed needs and any needs that cannot be met in other areas unless the protection of areas or assets of particular importance (including National Parks) provides a strong reason for restricting the overall scale, type or distribution of development in the plan area.<sup>7</sup> Joint working between strategic policy-making authorities should help determine whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.<sup>8</sup> This would be applicable to the development needs of a National Park.
- 1.11 The National Park Circular<sup>9</sup> says plan policies should respond to local housing needs. The Government recognises that the 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 upon meeting affordable housing requirements, supporting local employment opportunities and key services.

## Government Policy for Housing Needs

- 1.12 Local planning authorities no longer have to prepare a Strategic Housing Market Assessment (SHMA) for the Housing Market Area (HMA), but they are now expected to produce a Local Housing Need Assessment (LHNA) for their local area in order to assess the size, type and tenure of housing needed for different groups in the community.
- 1.13 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the NPPF 2021, Paragraph 61 identifies that *“any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].
- 1.14 The NPPF 2019 has also introduced a new definition for affordable housing which has been carried over in the NPPF 2021. Whilst the NPPF 2012 identified in the Glossary at Annex 2 that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- 1.15 Under the NPPF 2012, the need for affordable housing was based on those who could not afford to either buy or rent in the market – so households able to afford market rent would not be counted as part of the affordable housing need, even if they could not afford home ownership. However, the latest PPG states that assessments must now include the needs of *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [ID 2a-020-20190220]. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford home ownership must now be counted.

---

6 NNP (2021) paragraph 172

7 NPPF (2021) paragraph 11

8 NPPF (2021) paragraph 26

9 English National Parks and the Broads UK Government Vision and Circular 2010 - provides policy guidance specifically for the English National Parks for all those whose decisions or actions might affect them.



## The Standard Method for Local Housing Need Assessment

### Introduction

- <sup>1.16</sup> The Government published the National Planning Policy Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- <sup>1.17</sup> The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *“should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- <sup>1.18</sup> A revised version of the National Planning Policy Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation and these were carried over into the NPPF 2021. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- <sup>1.19</sup> Under the Revised NPPF (2021), local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 61 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.
- <sup>1.20</sup> This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 61 identifies that *“any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].
- <sup>1.21</sup> The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *“whose needs are not met by the market”*, the Revised NPPF adds that this includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- <sup>1.22</sup> Under the Original NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *“those that cannot afford their own homes, either to rent, or to*

own, where that is their aspiration" [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

## The Standard Method for Local Housing Need Assessment

- <sup>1.23</sup> The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*, but allowed for adjustment based on local factors: *"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends."* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.
- <sup>1.24</sup> On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:

- » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
- » While, deviation from this starting point can be considered, the consultation proposals note that; There should be very limited grounds for adopting an alternative method which results in a lower need; and
- » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

- <sup>1.25</sup> CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.
- <sup>1.26</sup> The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

***When might it be appropriate to plan for a higher housing need figure than the standard method?***

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

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:*

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

*There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*

PPG Reference ID: 2a-010-20201216

- <sup>1.27</sup> PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. This assessment is produced in line with this approach. The housing need figure may change as the inputs are variable, it may therefore be prudent to consider a number that is higher than the minimum LHN to provide a buffer against possible future changes while reviewing local plans.

## Changes to the Standard Method

- <sup>1.28</sup> Since the publication of the figures in September 2017 a range of new data has been released which allows for the calculation to be updated. This includes:
- » New affordability data released each year;
  - » New 2016-based and 2018 based sub-national population projections (SNPP); and
  - » New 2016-based and 2018 based household projections.

- <sup>1.29</sup> The national housing need produced using these new data is lower than previous estimates, falling short of the Governments stated 300,000 dwelling per year target. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published "Technical consultation on updates to national planning policy and guidance October 2018".

- 1.30 At paragraph 19 of the document, MHCLG set out their planned changes to the standard method, explicitly stating that the lower housing numbers that are derived from application of the standard method to the ONS produced 2016-based household projections should not be used, and that these do not qualify as an exceptional circumstance to warrant deviation from the standard method outputs using the CLG 2014-based projections:

*19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:*

- » *1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.*
- » *2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and*
- » *3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.*

- 1.31 The “**Government response to the technical consultation on updates to national planning policy and guidance**” was published on 19 February 2019. Despite a majority of consultees disagreeing with the proposal at Question 1, the Government still considers that its proposed approach is the most appropriate in the short-term.

- 1.32 On this basis, it would appear that any deviation from the standard methodology should only be considered if exceptional circumstances can be demonstrated. Nevertheless, the revisions to PPG [ID 2a-015-20190220] clarify that an alternative approach that identifies a need higher than using the standard method will be considered sound, providing that it adequately reflects current and future demographic trends and market signals, given that it will have exceeded the minimum starting point. Any figure lower than that identified using the standard method will need to be justified through exceptional local circumstances.

- 1.33 The Government’s response goes on to say:

*Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government’s aspirations for the housing market.*

*A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.*

- 1.34 The end of the 18-month period was August 2020 and at this point the Government consulted on a new standard method for LHN, but decided to leave the existing method in place.

- 1.35 The Government has made it clear that it does not doubt the accuracy of the ONS 2016-based and 2018-based projections, as stated in the consultation. However, the Government has also made it clear that the existence of the lower 2016-based and now 2018-based projections is not a justification for a lower local housing need assessment, despite further disagreement from respondents to the consultation.

- 1.36 It seems likely that the concerns about not using the latest evidence will ultimately be tested in the courts. Whilst there are some uncertainties about the new method for calculating household formation that ONS has introduced for the 2016-based household projections and continued in the 2018-based projections, the 2016-based and 2018-based sub national population projections are based on a method that is largely consistent with that used for the 2014-based population projection but using more up-to-date data and based on improved mid-year population estimates. As part of the 2016-based household projections publication, the ONS included an output which applied the previous CLG 2014-based household formation rates to the new 2016-based population projection (variant output 2) which provides up-to-date figures using the previous method.
- 1.37 This report therefore follows the standard method, using 2014-based household projections as the minimum LHN, before exploring the size, type and tenure of housing needed for the community.

## Assessing Housing Needs

- 1.38 The Revised NPPF (2021) no longer requires local planning authorities to produce an SHMA to establish housing need for HMAs, but instead requires local planning authorities:

*61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*

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

*63. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:*

- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- b) the agreed approach contributes to the objective of creating mixed and balanced communities*

**National Planning Policy Framework, July 2021**

## Assessing Housing Needs

- 1.39 The NPPF 2021 no longer requires local planning authorities to produce an SHMA to establish housing need for HMAs, but instead requires local planning authorities:

*61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*

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

63. *Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:*

*a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*

*b) the agreed approach contributes to the objective of creating mixed and balanced communities*

**National Planning Policy Framework 2021 (NPPF), paragraph 61-63**

<sup>1.40</sup> Therefore, the NPPF 2021 does not contain any explicit reference to SHMAs and housing needs are to be established at a local authority level. However, a Local Housing Needs Assessment (LHNA) must now be prepared which will establish a minimum Local Housing Need (LHN) figure using the standard method set out in PPG [ID 2a-004-20190220]. In addition, the LHNA will need to identify the size, type and tenure of housing needed for a range of different groups in the community, which is largely consistent with the scope for SHMAs that the NPPF 2012 identified.

<sup>1.41</sup> However, whilst the NPPF 2012 expected SHMAs to be undertaken to assess needs across Housing Market Areas (HMAs), the focus of the NPPF 2021 is on the needs of individual Local Planning Authorities without any mention of HMAs. Nevertheless, in terms of plan-making, PPG has retained the concept of the HMA [ID 61-010-20180913] within the Duty to Co-operate context, where joint working continues to be required.

## Duty to Co-operate

<sup>1.42</sup> The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

<sup>1.43</sup> The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *“the homes and jobs needed in the area”*.

### ***Maintaining effective cooperation***

*24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.*

*25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).*

*26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.*

*27. In order to demonstrate effective and on-going joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance, and be made publicly available throughout the plan-making process to provide transparency.*

**National Planning Policy Framework (NPPF 2021), paragraphs 24-27**

- 1.44 The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).
- 1.45 The PPG elaborates further on the requirement for a statement of common ground (in the section on Plan-Making, updated 23 July 2019):

### **Maintaining effective cooperation**

*How are plan-making bodies expected to cooperate?*

*Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.*

*The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to cooperate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.*

**Reference ID: 61-009-20190315**

- 1.46 In paragraph 61-017 entitled “Which geographical area does a statement of common ground need to cover?”, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: “For example, housing market and travel to work areas, river catchments, or landscape areas may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas”. It goes on to define housing market areas:

### **How can housing market areas be defined?**

*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. These can be broadly defined by analysing:*

*The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*

*Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*

*Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*

*Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.*

Reference ID: 61-018-20190315

<sup>1.47</sup> This definition of a Housing Market Area (HMA) is almost identical to that in the original PPG relating to housing need. The Housing Market Areas and Functional Economic Areas (FEMAs) of the county of Somerset (Mendip, Sedgemoor, South Somerset, Taunton Deane and West Somerset) were most recently identified in the September 2015 document "Housing Market Areas and Functional Economic Market Areas in Somerset"<sup>10</sup>.

<sup>10</sup> <https://www.southsomerset.gov.uk/media/1317/housing-market-areas-functional-economic-market-areas-sep-15.pdf>



## 2. Demographic Projections

### The starting point for establishing Local Housing Need

#### Official Projections

- <sup>2.1</sup> Planning Practice Guidance revised in February 2019 identifies that **Household Projections** provide the baseline for determining the minimum Local Housing Needs figure.

***Why are 2014-based household projections used as the baseline for the standard method?***

*The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.*

Planning Practice Guidance, ID 2a-005-20190220

- <sup>2.2</sup> Given this context, Figure 10 sets out the 2014-based household projections over the period 2020-30, which is the period covered by the Standard Method and therefore allows for sensitivity testing. However, household projections can vary considerably at a local level which introduces a risk to the LHN figure. Therefore, Figure 10 also sets out the previous household projections that CLG produced for the area together with the 2016-based ONS household projections, including the associated outputs from the sensitivity analysis undertaken.
- <sup>2.3</sup> The two population projections (2014-based and 2016 based) are produced by projecting forward trends derived from the annually released Mid-Year Estimates of Population (MYEs). The MYEs enumerate the annual change in population based on a range of data concerning changes due to births, deaths, inward and outward migration since the previous year's estimate. The 2014 projections were produced based on the trends inherent in the MYEs of population 2009-14.
- <sup>2.4</sup> In March 2018, the ONS revised the Mid-Year Estimates for England and Wales and reissued data for the period 2012-2016 as a result of the implementation of methodological improvements. On May 24th the 2016-based Sub-National Population Projections were released, with a projection based on these newly revised Mid-Year Estimates, incorporating data from 2011-16. The 2016-based population projection for 2020-30 was lower than the equivalent years in the 2014-based projections for South Somerset; and was higher for Somerset West & Taunton.

**Figure 10: Household projections 2020-30 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)**

	Migration Trend	10-year Change in Households 2020-2030	
		South Somerset	Somerset West & Taunton
<b>CLG Household Projections</b>			
2014-based projection: 2014-based population and CLG 2014-based HH formation <sup>11</sup>	2009-14	+5,604	+5,552
<b>ONS 2016-based Projections</b>			
Principal projection: 2016-based population and ONS 2016-based HH formation <sup>12</sup>	2011-16	+4,940	+5,925
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+5,477	+5,408
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+5,130	+6,080

- <sup>2.5</sup> For South Somerset, the CLG 2014-based household projections identify a growth of 5,604 households over the 10-year period 2020-2030; notably higher than the ONS 2016-based projections which identified the growth of 4,940 households. This is a reduction of approximately 700 households. However, if we use analysis 2 (using 2016-based population, but 2014-based HH), this shows that the latest population figures yield 5,130 households (based on 2014 formation rates), a decrease of 470. Sensitivity analysis 1 however (using 2014-based population, but 2016-based HH), shows a decrease of approximately 130 households, which demonstrates the impact of the change in household formation rates. This analysis shows that the majority of the change in South Somerset's household figures between the 2014 and 2016 iterations of the household projections are as a result of the different migration trend period used in the projections, as the changes due to household formation rates alone are smaller in magnitude.
- <sup>2.6</sup> For Somerset West & Taunton, the CLG 2014-based household projections identify a growth of 5,552 households over the 10-year period 2020-2030; notably lower than the ONS 2016-based projections which identified the growth of 5,925 households. This is an increase of approximately 400 households. However, if we use analysis 2 (using 2016-based population, but 2014-based HH), this shows that the latest population figures yield 6,080 households (based on 2014 formation rates), an increase of approximately 530. Sensitivity analysis 1 however (using 2014-based population, but 2016-based HH), shows a decrease of approximately 140 households, which demonstrates the impact of the change in household formation rates. This analysis shows that the net increase in Somerset West & Taunton's household figures between the 2014 and 2016 iterations of the household projections is as a result of the different migration trend period used in the projections.

## Projected Household Size

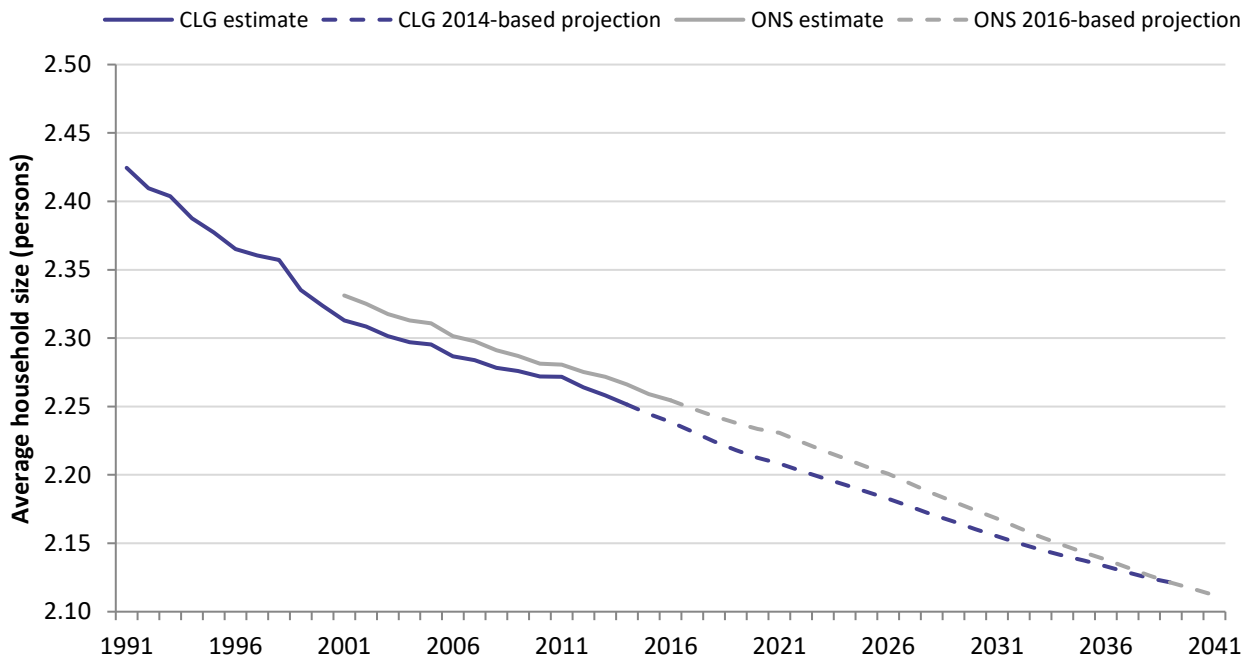
- <sup>2.7</sup> When considering household projections, it is often helpful to review changes to the average household size. Household size is a product of the population and household projections and not a variable used to create them. The data set out in Figure 11 and Figure 12 divides the household populations in Somerset West & Taunton and South Somerset by the associated household projection.

<sup>11</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/550803/Household\\_Projections\\_Data\\_-\\_Stage\\_1\\_-\\_Households.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/550803/Household_Projections_Data_-_Stage_1_-_Households.xlsx)

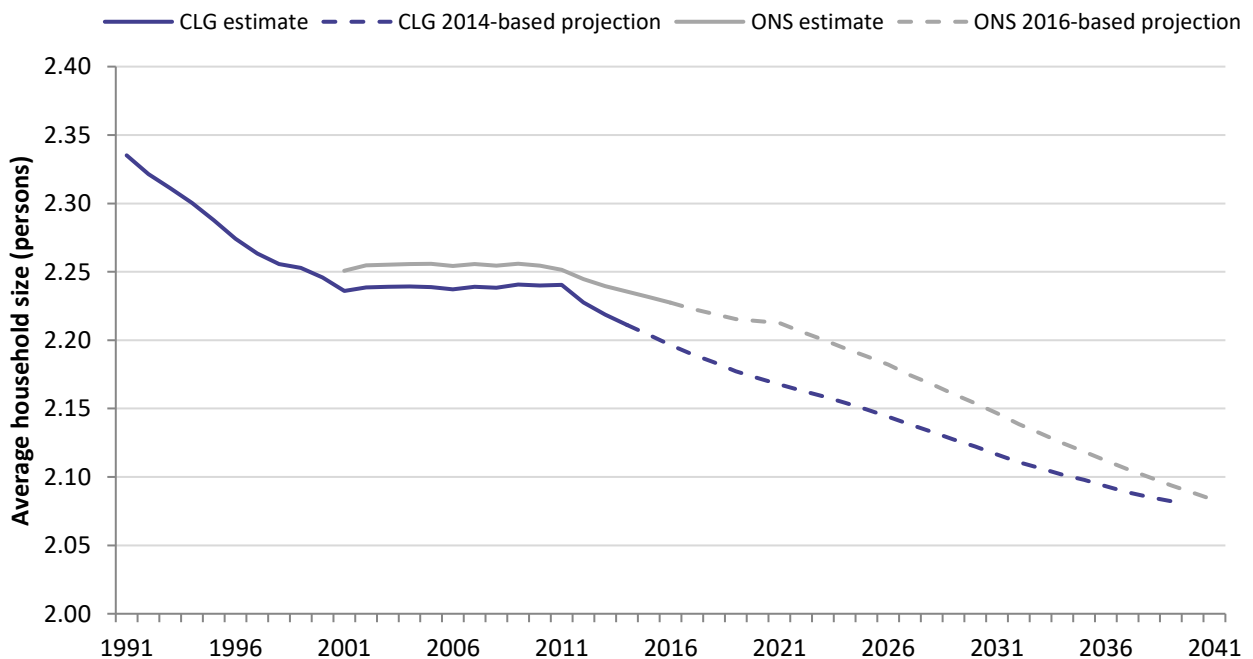
<sup>12</sup> <https://www.ons.gov.uk/file?uri=%2fpeoplepopulationandcommunity%2fpopulationandmigration%2fpopulationprojections%2fdatasets%2fhouseholdprojectionsforengland%2f2016based/maintablesupdatedniupdated.xlsx> - Table 406

2.8 As can be seen average household sizes steadily declined in Somerset West & Taunton and South Somerset until 2011 and are projected to continue falling in future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children living in the household). If there was a high degree of suppressed household formation in the area, then this would typically show up as a growing average household size, although other factors such as more families moving into the areas could also generate the same outcome. While the household size for Somerset West & Taunton stopped decreasing in the years between 2001-11, there is no indication that this stalling in household formation between these census years has been projected forward.

**Figure 11: Average household size estimates and projections for South Somerset for the period 1991-2041 (Source: CLG estimates 1991-2011; ONS 2016)**



**Figure 12: Average household size estimates and projections for Somerset West & Taunton the period 1991-2041 (Source: CLG estimates 1991-2011; ONS 2016)**



# 3. Jobs and Workers

## Alignment of Future Jobs Growth with Resident Workers

### Considering the basis for Adjusting the Local Housing Need

- 3.1 Whilst the PPG sets out a standard approach for establishing local housing need [ID 2a-004-20190220], this is a minimum figure and the PPG also provides examples of a number of circumstances where it may be more appropriate to use a higher figure for plan-making [ID 2a-010-20190220].

***When might it be appropriate to plan for a higher housing need figure than the standard method indicates?***

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

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

**Planning Practice Guidance, ID 2a-010-20190220**

- 3.2 The PPG is clear that only in exceptional circumstances should an alternative to the standard method that results in a lower figure should be used [ID 2a-015-20190220]; therefore, preparing plans that have the flexibility within the land supply to deliver a greater number of new homes than the current LHN will help to ensure that fluctuations in the LHN in future years are more likely to be accommodated without changes being needed, given that the housing requirement is only fixed for 2 years from the point at which plans are submitted.
- 3.3 Also when considering the factors that could justify an uplift to the LHN, one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends. This section therefore looks at whether a housing number that is higher than the LHN may to be considered, and what alternative figure may be justified for the next steps of plan preparation. Ultimately, it will be for Somerset West & Taunton and South Somerset Councils to determine the extent of any increase when establishing the housing requirement. This will involve evidence-based judgements over a range of different factors.

## Future Jobs Growth

- 3.4 To inform the alignment of future jobs and workers, Somerset West & Taunton Council and South Somerset Council commissioned an Economic Development Needs Assessment (EDNA) from Hardisty Jones Associates. They in turn commissioned two economic forecasts from Oxford Economic and Experian.
- 3.5 The Oxford Economics forecast shows a significant fall in employment in the South Somerset, primarily as a result of very large declines in the manufacturing sector that were not offset by growth in other activities. The Oxford Economics model assumed a substantial change in the balance of commuting, with more net out commuting from South Somerset to other areas. Considering the Oxford Economics data for Somerset West & Taunton the model shows a growth of 6,600 jobs, but this is supported by higher net in-commuting. Overall the model shows a net increase in 1,650 additional out commuters from South Somerset and 1,550 additional net in commuters to Somerset West & Taunton.
- 3.6 Meanwhile, the Experian forecast shows a forecast of 10,800 net additional jobs in Somerset West & Taunton. A midpoint scenario would therefore provide a growth of 8,700 jobs 2020-40 which represents and central recommendation of the EDNA.
- 3.7 For South Somerset there is a huge discrepancy between the Oxford Economic and Experian forecasts. The central forecast from Oxford Economics shows a net loss of 5,200 jobs, while the Experian Central forecast shows a growth of 6,600 jobs. The EDNA argues that the Experian forecast is unlikely to be achieved in South Somerset and would require a very high growth in economic activity among those aged 65 years and over, but also that the Oxford Economics forecast may be too pessimistic. The study recommends considering a range between 700 and 1,900 net additional jobs for South Somerset.
- 3.8 For this study we have undertaken the analysis on the basis of a jobs growth forecast for Somerset West & Taunton of 8,600 jobs over the period 2020-40 with the equivalent figure in South Somerset being 1,900 additional jobs. We have also made the following assumptions:
- » We have modelled future economic activity rates based upon localising the rates used nationally by the Office for Budget Responsibility. These take account of the projected growth in older persons in the labour market as pension ages change and also growing rates of women in the labour market;
  - » We have assumed that for both local authorities that 4.5% of workers hold more than one job. The Experian jobs forecasts indicating a growing gap between the number of jobs and the number of full-time equivalent jobs, indicating a growing number of part-time workers, but we have taken a conservative assumption on double jobbing;
  - » No change in the number of people who are unemployed because the rates are already low by national standards;
  - » For South Somerset we assumed that 19.4% of resident workers will out-commute to jobs elsewhere. For Somerset West & Taunton we assumed that 15.6% of residents will commute to jobs outside the local authority; and
  - » For South Somerset we assumed that 16.4% of workers will commute in from elsewhere. For Somerset West & Taunton we assumed that 15.6% of jobs will be filled by people in-commuting from elsewhere.
- 3.9 The commuting assumptions are based upon the rates observed in the 2011 Census. A summary of the outcomes is shown in Figure 13. These show that for South Somerset, a jobs growth of 1,900 would require 1,462 local workers, while the population projections show a growth of around 4,623 locally available

workers, so there is surplus of over 3,000 workers. However, in Somerset West & Taunton the number of local available workers is nearly 3,000 short of the number needed to meet a jobs growth of 8,600 additional jobs.

**Figure 13: Summary of Jobs and Workers Balance 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	South Somerset	Somerset West & Taunton
All workers residing in the area	79,424	70,176
All workers employed in the area	78,438	75,457
Number who live and work in the area	63,210	59,209
<b>Change in economically active persons</b>	<b>5,529</b>	<b>4,243</b>
Change in unemployment	0	0
Change in out-commuting	907	663
<b>Economically active persons available locally</b>	<b>4,623</b>	<b>3,580</b>
Impact of double jobbing	85	381
Change in in-commuting	352	1,789
<b>Economically active persons needed in the area</b>	<b>1,462</b>	<b>6,519</b>
<b>Overall Surplus of workers locally</b>	<b>3,160</b>	<b>-2,940</b>

- 3.10 Overall, the model shows a shortfall of workers in Somerset West & Taunton which is almost exactly offset by the surplus in South Somerset. In general we would recommend seeking to balance jobs and workers at a Housing Market Areas level and this was the approach adopted in the NPPF 2012. However, South Somerset and Somerset West & Taunton are in separate Housing Market Areas. While there is currently some commuting between the two areas, this is quite limited. While it is likely that if both job forecasts prove to be accurate, then the level of commuting from South Somerset to Somerset West & Taunton will rise, it is also necessary to consider other means by which the worker shortfall in Somerset West & Taunton could be addressed.
- 3.11 When considering the NPPF 2012, it is important to recognise that the PPG was primarily concerned with avoiding “*unsustainable commuting patterns*” and notes that “*plan makers will need to consider how the location of new housing or infrastructure development could help address these problems*” (ID 2a-018). The current PPG doesn’t explicitly mention the balance between jobs and workers, but does suggest that growth strategies funded by housing deals may be important. However, any planning should not result in unsustainable commuting patterns developing as a result of it.
- 3.12 Given this context, it would seem appropriate for the local authorities to consider the existing commuting patterns involving South Somerset and Somerset West & Taunton. The purpose of this exercise is to consider where additional workers may commute to Somerset West & Taunton from and also to consider where additional workers in South Somerset may commute to.

Figure 14: Place of work and place of residence for workers by area of residence (Source: 2011 Census)

Live in...	Work in...							
	South Somerset	Somerset West & Taunton	Sedgemoor	Mendip	East Devon	Mid Devon	Dorset UA	Elsewhere
South Somerset	63,210	3,192	814	2,038	627	69	5,055	4,419
Somerset West & Taunton	2,033	59,209	2,972	328	466	769	120	4,279
Sedgemoor	1,020	5,936	-	-	-	-	-	-
Mendip	2,252	545	-	-	-	-	-	-
East Devon	767	700	-	-	-	-	-	-
Mid Devon	142	1,916	-	-	-	-	-	-
Dorset UA	5,395	178	-	-	-	-	-	-
Elsewhere	3,619	3,781	-	-	-	-	-	-

- 3.13 It is evident that over 5,000 workers travel from South Somerset to work in the new Dorset unitary authority and over 2,000 travel to Mendip. Therefore, there are well-established commuting patterns between these areas alongside those travelling to work in Somerset West & Taunton. On this basis, it is reasonable to suggest that many of the surplus 3,000 extra workers identified for South Somerset could realistically work in Dorset UA, Somerset West & Taunton and Mendip. This would enable some of the shortfall in workers in Somerset West & Taunton to be addressed with only very marginal changes to commuting.
- 3.14 Nevertheless, this will not lead to a balance of jobs or workers in Somerset West & Taunton without an assumption that the number of people who travel from South Somerset to Somerset West & Taunton doubling, which would be difficult to do sustainably. It is also the case that currently around 2,000 people commute from Somerset West & Taunton to South Somerset and if the economy of Somerset West & Taunton is more successful then this figure may reduce as more workers are retained locally. However, again this is unlikely to close all of the gap between jobs and workers in Somerset West & Taunton.
- 3.15 The commuting patterns for Somerset West & Taunton are much stronger with Sedgemoor than South Somerset, but the impact of Hinkley Point C may impact on the housing market of Sedgemoor in the foreseeable future to leave little spare capacity. Another important source of workers in Somerset West & Taunton are Mid Devon and East Devon. They already provide a net inflow of over 1,000 workers per day to Somerset West & Taunton. Again, while not wishing to create unsustainable flows, this figure may increase to help accommodate more workers in Somerset West & Taunton. East Devon and Mid Devon are undertaking an LHNA at the current time, so there will be greater clarity on their jobs and workers balance soon.
- 3.16 Given that the impact of the Covid 19 pandemic has seen increased working from home, this may help relieve the pressure to provide homes in the same location as jobs are being created, which in turn will prevent unsustainable commuting patterns. However, it may also be appropriate to consider increasing provision above the LHN in Somerset West & Taunton. However, under current PPG there is no provision for South Somerset providing a lower number of homes to offset this. Therefore, the surplus in South Somerset would still exist.
- 3.17 Therefore in summary:
- » The modelling shows a potential shortfall of workers in Somerset West & Taunton and a surplus of workers in South Somerset;

- » The Somerset West & Taunton jobs figure may be optimistic and relies upon a very large increase in economic activity rates. If these occur, then the shortfall of workers will disappear;
- » While commuting out from Somerset West & Taunton may fall and commuting out from South Somerset may rise, it is not possible to simply assume that these two figures offset each other;
- » Somerset West & Taunton may be able to increase net in-commuting from Mid Devon and East Devon in a sustainable manner; and
- » Somerset West & Taunton may consider putting forward a two part policy of meeting the LHN as a minimum, but having flexibility built into their plan to allow for higher growth if job targets are being met without further increases in economic activity rates. Similar policies have been put forward by Darlington and Greater Norwich in their on-going submitted plans.

<sup>3.18</sup> We would also note that both South Somerset and Somerset West & Taunton Councils have a particular issue with high levels of phosphates impacting on the Somerset Levels and Moors Ramsar Site, which is causing delays with the determination of current planning applications<sup>13,14</sup>. Until solutions are found to this issue, housing delivery may be held up as applications in the catchment area cannot be determined. While the Councils are currently seeking to resolve the issue, they will need to both clear the current backlog of planning permissions and also find a longer-term solution to address the existing and future growth commitments. A delay in determining applications could mean that the imbalance of worker availability and housing availability maybe exacerbated in Somerset West & Taunton and reduced in South Somerset.

---

<sup>13</sup> [Phosphates on the Somerset levels and moors \(somersetwestandtaunton.gov.uk\)](https://www.somersetwestandtaunton.gov.uk)

<sup>14</sup> <https://www.southsomerset.gov.uk/services/planning/somerset-levels-and-phosphates/>



## 4. Household Growth

### The starting point for establishing Housing Tenure and Size

#### Projected Population Age Profile

- 4.1 The 2016-based ONS household projections represent the most up-to-date household projections at the time of writing, however since their publication two sets of Mid-Year Estimates (MYEs) of population have been released. By applying the 2016 household formation rates to these population estimates, a more up-to-date estimate of household numbers for 2017 and 2018 can be derived. The projections presented below take account of these newly released figures by replacing the 2017 and 2018 data in the household projections with these newly derived household numbers. The projection is then run based on this updated data to derive projected household change 2020-40 in South Somerset and Somerset West & Taunton.
- 4.2 It can be noted that for purposes of identifying the Local Housing Need through the standard method (see Section 7), the Government currently favours the continued use of the 2014-based household projections, until such time as the method can be reviewed and updated (see para 7.4). However, for purposes of the most accurate and robust determination of projected population and household change (without the contribution of the uplift to dwellings inherent in the standard method), it is best practice to use the most recent available official figures, in the absence of a compelling reason to do otherwise. As previously stated, (paragraph 1.35) the Government do not doubt the methodological basis of the 2016 household projections.

#### South Somerset

- 4.3 Figure 15 shows the projected change in South Somerset population by 5-year age band for the 20-year period 2020-40. This period has been chosen to be consistent with the local plan.
- 4.4 Overall for South Somerset, the growth in the older population is 146% of the overall population growth; 16,830 persons (offset by a reduction of 5,271 younger persons) from a total growth of 11,559 persons are projected to be aged 65 or over, including an increase of 6,242 persons aged 85 or over. This is particularly important when establishing the types of housing required and the need for housing specifically for older people (Figure 16).
- 4.5 There are decreases in most age groups under 65, particularly for adults aged 50-59 years, but these have considerably less effect on the net population growth of 11,559 persons than the increase in over 65s.

Figure 15: Population projections 2020-40 by 5-year age cohort for South Somerset (Source: ONS 2016 based sub-national projections)

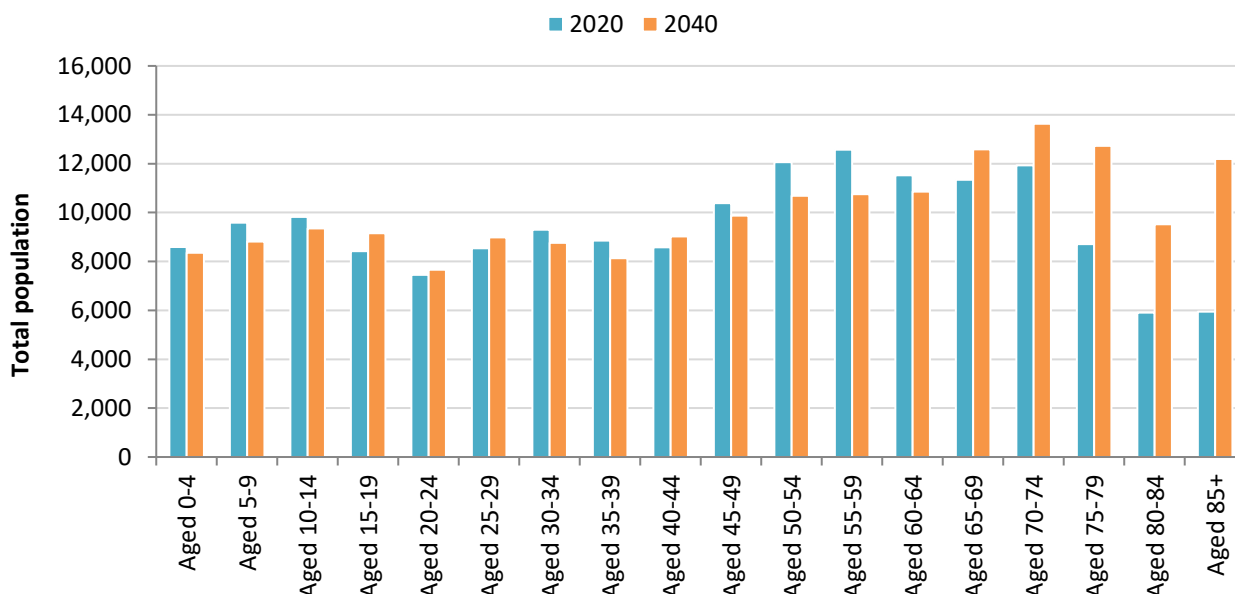
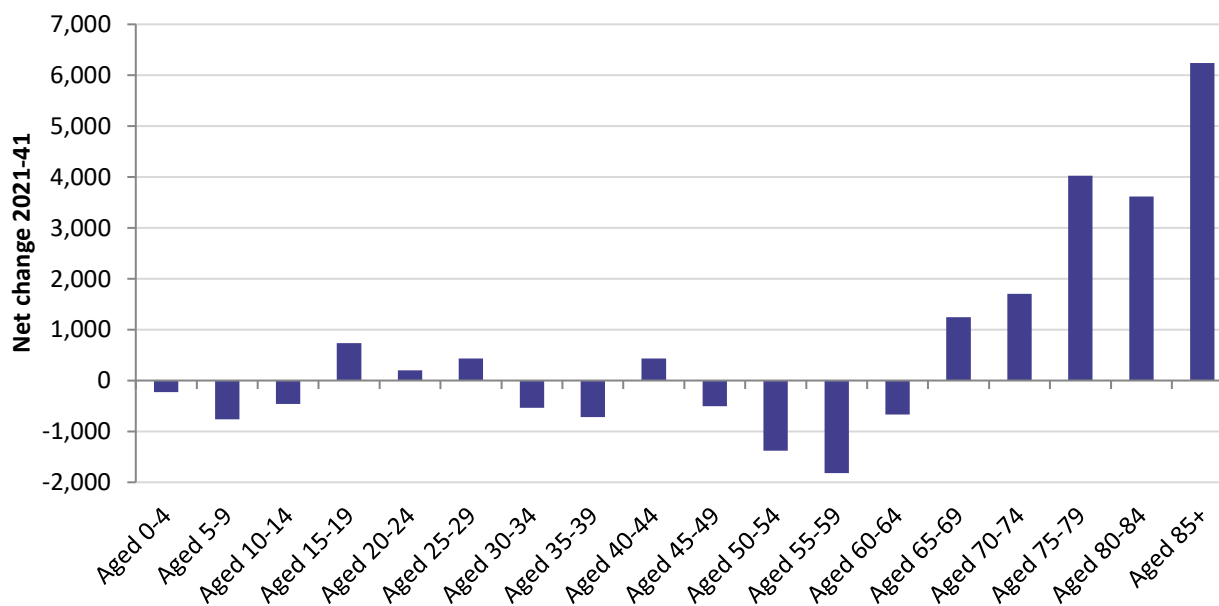


Figure 16: Change in population projections 2020-40 by 5-year age cohort for South Somerset (Source: ONS 2016 based sub-national projections)



### Somerset West & Taunton

- 4.6 Figure 17 shows the projected change in Somerset West & Taunton’s population by 5-year age band for the 20-year period 2020-40. This period has been chosen to be consistent with the local plan.
- 4.7 Overall for Somerset West & Taunton, the growth in the older population is 115% of the overall population growth; 18,043 persons (offset by a reduction of 2,388 younger persons) from a total growth of 15,655 persons are projected to be aged 65 or over, including an increase of 6,699 persons aged 85 or over. This is particularly important when establishing the types of housing required and the need for housing specifically for older people (Figure 18).

4.8 There are decreases in most age groups under 65, particularly for adults aged 55-59 years. This reduction is largely offset by an increase in 15-19-year olds, and consequently has considerably less effect on the net population growth of 11,559 persons than the over 65s.

Figure 17: Population projections 2020-40 by 5-year age cohort for Somerset West & Taunton (Source: ONS 2016 based sub-national projections)

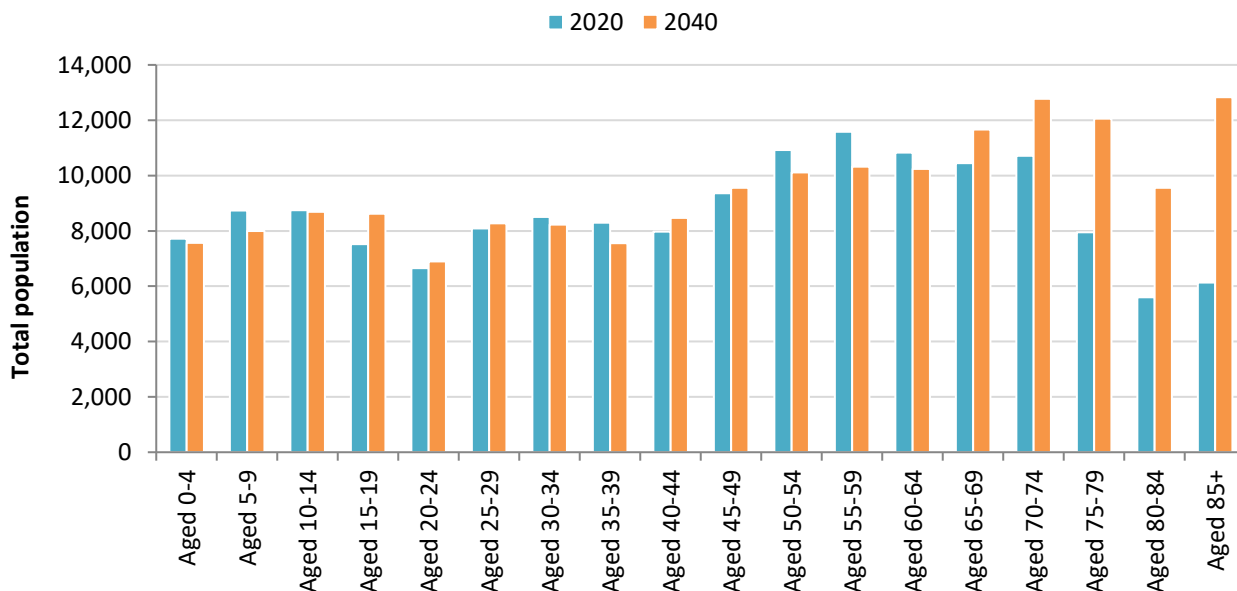
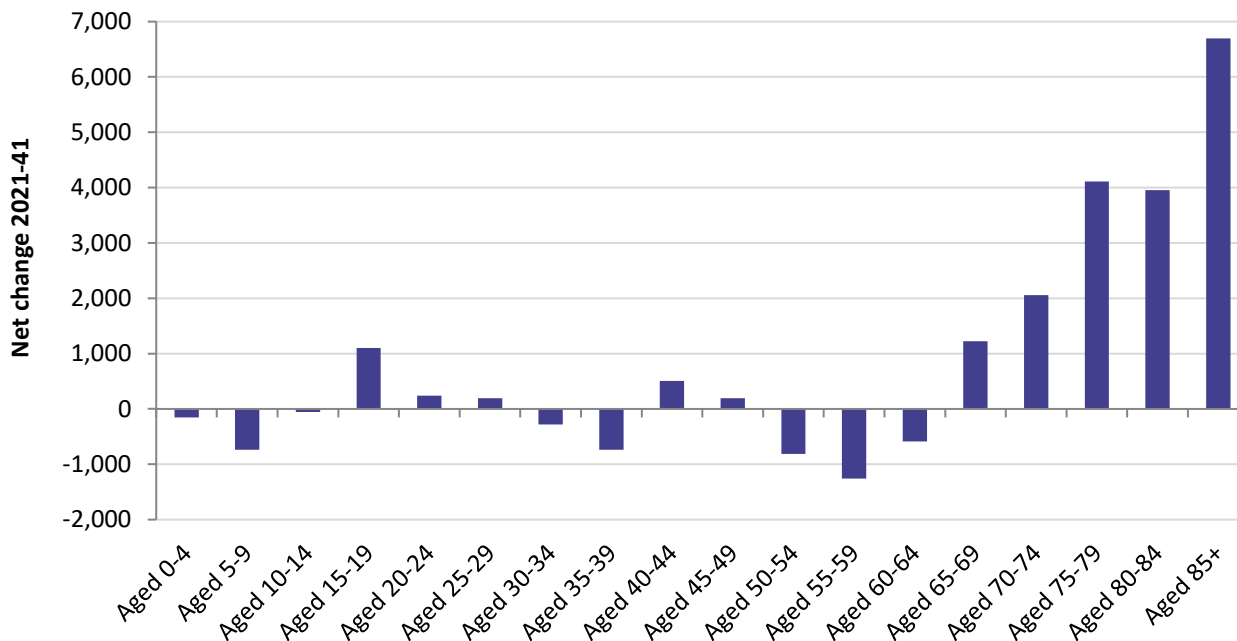


Figure 18: Change in population projections 2020-40 by 5-year age cohort for Somerset West & Taunton (Source: ONS 2016 based sub-national projections)



## Household Projections by Age

- 4.9 Figure 19 summarises the total number of households in South Somerset and Somerset West & Taunton in 2020 and 2040 in terms of the age of household representatives, together with the change in the number of households in each category over the period 2020-40 using 5-year age bands. A household representative is the eldest economically active person in the household.

Figure 19: Total projected households in Somerset West & Taunton and South Somerset for 2020 and 2040 and summary of 20-year change by age of household representative (Note: Figures may not sum due to rounding. Source: ORS Model)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
<b>South Somerset</b>									
2020	1,590	7,450	9,540	13,320	13,950	13,380	10,530	4,440	74,210
2040	1,640	7,370	9,460	12,220	12,360	14,880	16,140	9,220	83,300
<b>TOTAL CHANGE 2020-2040</b>	<b>+50</b>	<b>-80</b>	<b>-80</b>	<b>-1,100</b>	<b>-1,580</b>	<b>+1,500</b>	<b>+5,610</b>	<b>+4,790</b>	<b>+9,100</b>
<b>Somerset West &amp; Taunton</b>									
2020	1,240	6,710	8,560	11,960	13,330	12,290	9,580	4,400	68,070
2040	1,280	6,660	8,510	11,570	12,130	14,120	15,400	9,310	78,990
<b>TOTAL CHANGE 2020-2040</b>	<b>+40</b>	<b>-60</b>	<b>-50</b>	<b>-390</b>	<b>-1,200</b>	<b>+1,830</b>	<b>+5,830</b>	<b>+4,910</b>	<b>+10,910</b>

- 4.10 Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. The increase in households aged 65+ represents more than 100% of the total household growth, offset by reductions in younger age groups. Many of these older households will already be established and living in existing homes; they will simply get older during the 20-year period. It is therefore also important to consider household growth in relation to age cohorts.
- 4.11 Figure 20 shows the projected number of households in each cohort, showing their age in both 2020 and 2040.

Figure 20: Total projected households for 2020 and 2040 and summary of 20-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: ORS Model)

	Age of Household Representative								TOTAL	
	Age in 2020	<5	5-14	15-24	25-34	35-44	45-54	55-64		65+
	Age in 2040	15-24	25-34	35-44	45-54	55-64	65-74	75-84		85+
<b>South Somerset</b>										
2020	-	-	1,590	7,450	9,540	13,320	13,950	28,350	74,210	
2040	1,640	7,370	9,460	12,220	12,360	14,880	16,140	9,220	83,300	
<b>TOTAL CHANGE 2020-2040</b>	<b>+1,640</b>	<b>+7,370</b>	<b>+7,860</b>	<b>+4,770</b>	<b>+2,820</b>	<b>+1,560</b>	<b>+2,200</b>	<b>-19,130</b>	<b>+9,100</b>	
<b>Somerset West &amp; Taunton</b>										
2020	-	-	1,240	6,710	8,560	11,960	13,330	26,270	68,070	
2040	1,280	6,660	8,510	11,570	12,130	14,120	15,400	9,310	78,990	
<b>TOTAL CHANGE 2020-2040</b>	<b>+1,280</b>	<b>+6,660</b>	<b>+7,270</b>	<b>+4,860</b>	<b>+3,570</b>	<b>+2,160</b>	<b>+2,080</b>	<b>-16,960</b>	<b>+10,910</b>	

## South Somerset

- 4.12 The data in Figure 20 shows 7,450 households aged 25-34 in 2020 in South Somerset. The same households would be aged 45-54 by 2040. The trend-based projection identified that total number of households aged 45-54 in 2040 would be 12,220; therefore, an extra 4,770 households: partly due to new household formations and partly due to net migration.
- 4.13 Based on the cohort analysis, it is apparent that a total of around 28,220 extra households aged under 85 (in 2040) will be likely to form in South Somerset over the 20-year period 2020-40 against a total growth of 9,100 households. The 28,220 extra households aged under 85 are offset against a reduction of 19,130 households aged 85 or over (in 2040). Most of this reduction is due to household dissolution following death (although some may be due to net migration):
- » Approximately 28,350 households in South Somerset were aged 65+ in 2020, who would be aged 85+ in 2040 if they had survived;
  - » The projected number of households aged 85+ in 2040 is approximately 9,200 in South Somerset, which represents a reduction of 19,130 households whose existing homes would be vacated.

## Somerset West & Taunton

- 4.14 The data in Figure 20 shows 6,710 households aged 25-34 in 2020 in Somerset West & Taunton. The same households would be aged 45-54 by 2040. The trend-based projection identified that total number of households aged 45-54 in 2040 would be 11,570; therefore, an extra 4,860 households: partly due to new household formations and partly due to net migration.
- 4.15 Based on the cohort analysis, it is apparent that a total of around 27,880 extra households aged under 85 (in 2040) will be likely to form in Somerset West & Taunton over the 20-year period 2020-40 against a total growth of 10,910 households. The 27,990 extra households aged under 85 are offset against a reduction of 16,960 households aged 85 or over (in 2040). Most of this reduction is due to household dissolution following death (although some may be due to net migration):
- » Approximately 26,270 households in Somerset West & Taunton were aged 65+ in 2020, who would be aged 85+ in 2040 if they had survived;
  - » The projected number of households aged 85+ in 2040 is approximately 9,310 in Somerset West & Taunton, which represents a reduction of 16,960 households whose existing homes would be vacated.
- 4.16 Whilst the increase in overall households across both authorities is largely amongst those aged 65+, most of the new households seeking housing will be in their twenties and thirties at the time that they form. However, the total number of new households is likely to be nearly treble the overall household growth; so, it is also important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

## Projected Household Types

- 4.17 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.
- 4.18 Figure 21 and Figure 22 show the household numbers for South Somerset and Somerset West & Taunton for 2020 and 2040 based on the trend-based projections by household type and age; together with the net change for each group. This is based on the number in each age category rather than the number in each age cohort, as it is assumed that housing needs are more likely to be influenced by the actual age rather than the year of birth.

**Figure 21: Total projected households for 2020 and 2040 and summary of 20-year change by household type and age of household representative for South Somerset (Note: Figures may not sum due to rounding. Source: ORS Model)**

Household Type	Age of Household Representative								TOTAL	%age of Total
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+		
<b>Total Households 2020</b>										
Single person	500	1,730	1,780	2,620	3,400	3,530	5,960	3,230	22,760	31%
Couple without children	250	1,650	1,110	4,820	9,180	8,850	3,590	1,020	30,460	41%
Families with child(ren)	710	3,700	6,430	5,320	980	60	70	10	17,280	23%
Other households	140	370	220	560	390	940	910	180	3,710	5%
<b>TOTAL</b>	<b>1,590</b>	<b>7,450</b>	<b>9,540</b>	<b>13,320</b>	<b>13,950</b>	<b>13,380</b>	<b>10,530</b>	<b>4,440</b>	<b>74,210</b>	<b>100%</b>
<b>%age of Total</b>	<b>2%</b>	<b>10%</b>	<b>13%</b>	<b>18%</b>	<b>19%</b>	<b>18%</b>	<b>14%</b>	<b>6%</b>	<b>100%</b>	
<b>Total Households 2040</b>										
Single person	440	1,700	1,830	2,470	3,050	3,110	7,750	6,830	27,190	33%
Couple without children	130	1,270	720	2,970	7,870	10,220	6,400	2,190	31,770	38%
Families with child(ren)	970	3,930	6,720	6,390	1,300	100	200	50	19,670	24%
Other households	100	460	180	390	140	1,450	1,800	150	4,670	6%
<b>TOTAL</b>	<b>1,640</b>	<b>7,370</b>	<b>9,460</b>	<b>12,220</b>	<b>12,360</b>	<b>14,880</b>	<b>16,140</b>	<b>9,220</b>	<b>83,300</b>	<b>100%</b>
<b>%age of Total</b>	<b>2%</b>	<b>9%</b>	<b>11%</b>	<b>15%</b>	<b>15%</b>	<b>18%</b>	<b>19%</b>	<b>11%</b>	<b>100%</b>	
<b>Total Change 2020-2040</b>										
Single person	-60	-30	50	-150	-350	-420	1,790	3,600	4,430	49%
Couple without children	-120	-370	-390	-1,850	-1,300	1,360	2,810	1,170	1,310	14%
Families with child(ren)	260	230	290	1,080	320	40	130	40	2,390	26%
Other households	-40	80	-40	-180	-250	510	890	-20	960	11%
<b>TOTAL CHANGE</b>	<b>50</b>	<b>-80</b>	<b>-80</b>	<b>-1,100</b>	<b>-1,580</b>	<b>1,500</b>	<b>5,610</b>	<b>4,790</b>	<b>9,100</b>	<b>100%</b>
<b>%age of Total Change</b>	<b>1%</b>	<b>-1%</b>	<b>-1%</b>	<b>-12%</b>	<b>-17%</b>	<b>16%</b>	<b>62%</b>	<b>53%</b>	<b>100%</b>	

**Figure 22: Total projected households for 2020 and 2040 and summary of 20-year change by household type and age of household representative for Somerset West & Taunton (Note: Figures may not sum due to rounding. Source: ORS Model)**

Household Type	Age of Household Representative								TOTAL	%age of Total
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+		
<b>Total Households 2020</b>										
Single person	320	1,290	1,400	2,370	3,480	3,500	6,220	3,200	21,780	32%
Couple without children	230	1,760	940	3,790	8,290	7,800	2,690	920	26,420	39%
Families with child(ren)	350	2,830	6,060	5,260	1,030	120	110	60	15,810	23%
Other households	340	830	160	550	530	870	560	230	4,070	6%
<b>TOTAL</b>	<b>1,240</b>	<b>6,710</b>	<b>8,560</b>	<b>11,960</b>	<b>13,330</b>	<b>12,290</b>	<b>9,580</b>	<b>4,400</b>	<b>68,070</b>	<b>100%</b>
<b>%age of Total</b>	<b>2%</b>	<b>10%</b>	<b>13%</b>	<b>18%</b>	<b>20%</b>	<b>18%</b>	<b>14%</b>	<b>6%</b>	<b>100%</b>	
<b>Total Households 2040</b>										
Single person	250	990	980	2,070	2,940	3,140	9,130	6,830	26,330	33%
Couple without children	120	1,640	520	2,360	7,470	9,480	4,870	1,850	28,300	36%
Families with child(ren)	390	2,700	6,960	6,810	1,330	170	330	250	18,940	24%
Other households	520	1,330	50	330	380	1,330	1,070	390	5,410	7%
<b>TOTAL</b>	<b>1,280</b>	<b>6,660</b>	<b>8,510</b>	<b>11,570</b>	<b>12,130</b>	<b>14,120</b>	<b>15,400</b>	<b>9,310</b>	<b>78,990</b>	<b>100%</b>
<b>%age of Total</b>	<b>2%</b>	<b>8%</b>	<b>11%</b>	<b>15%</b>	<b>15%</b>	<b>18%</b>	<b>19%</b>	<b>12%</b>	<b>100%</b>	
<b>Total Change 2020-2040</b>										
Single person	-70	-310	-420	-300	-540	-360	2,910	3,630	4,550	42%
Couple without children	-100	-120	-410	-1,430	-820	1,670	2,180	920	1,880	17%
Families with child(ren)	40	-130	900	1,550	310	50	220	190	3,130	29%
Other households	180	500	-110	-210	-150	460	510	160	1,350	12%
<b>TOTAL CHANGE</b>	<b>40</b>	<b>-60</b>	<b>-50</b>	<b>-390</b>	<b>-1,200</b>	<b>1,830</b>	<b>5,830</b>	<b>4,910</b>	<b>10,910</b>	<b>100%</b>
<b>%age of Total Change</b>	<b>0%</b>	<b>-1%</b>	<b>0%</b>	<b>-4%</b>	<b>-11%</b>	<b>17%</b>	<b>53%</b>	<b>45%</b>	<b>100%</b>	

#### 4.19 In summary:

- » Families with dependent children<sup>15</sup> represent over a quarter of the overall household growth in both local authorities: an increase of 2,390 (South Somerset) and 3,130 (Somerset West & Taunton) households over the 20-year period;
- » Single person households represent 41% of the overall 2020-40 household growth in South Somerset, and 49% of the overall growth in Somerset West & Taunton. Of these, around 80% are aged 85 and over in both authorities;

<sup>15</sup> Counterintuitively, it is often the case that a small number of families with dependent children have household representatives that are over 65. This can be due to a number of reasons, e.g. children being cared for by their grandparents, or multi-generational households with an economically active household representative over 65.

- » Couples without dependent children represent 14% (South Somerset) and 17% (Somerset West & Taunton) of the household growth. In South Somerset, this is an increase of 1,310 households; formed of 5,340 households aged 65+ offset against a reduction of 4,030 younger couples without children. In Somerset West & Taunton this is an increase of 1,880 households; formed of 4,770 aged 65+, offset against a reduction of 2,880 younger couples without children;
- » The increase in “Other” households represents 11% (South Somerset) and 12% (Somerset West & Taunton) of the growth. Other households include multi-generation living, student households and Houses in Multiple Occupation (HMOs).

<sup>4.20</sup> Therefore, 55% (South Somerset) and 66% (Somerset West & Taunton) of the household growth is associated with households who require smaller (1 and 2-bedroom) dwellings.



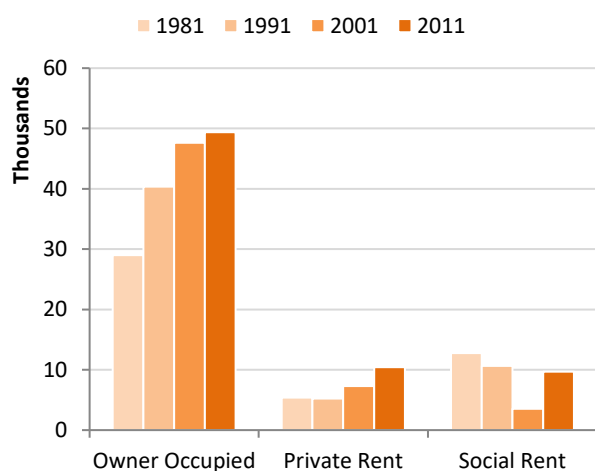
# 5. Local Housing Market

## Housing options and cost of housing in Somerset West & Taunton and South Somerset

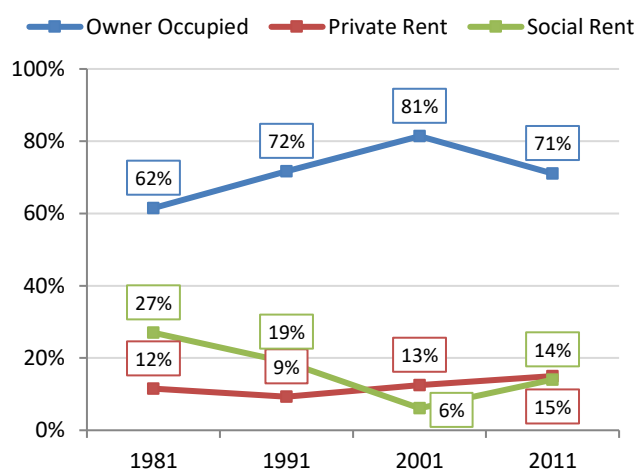
### Housing Tenure Trends

5.1 Clear trends are evident in the local data for South Somerset, even while recognising that the 2011 Census is now nearly 9 years old. Figure 23 to Figure 25 show that there has been a steady increase in the overall number of owner occupiers since 1981, with a proportional reduction in owner occupation between 2001 and 2011. The proportional and absolute numbers of social renters decreased 1981-2001 (likely in part as a result of the introduction of the Right-to-Buy in 1980), offset by a relatively large increase 2001-11. More recent products such as Affordable Rent had not been introduced in 2011. In comparison, the proportion of private renters has remained relatively constant, however in absolute terms there was a large increase between 2001 and 11.

**Figure 23: Number of Households by Tenure in South Somerset 1981-2011 (Source: UK Census of Population)**



**Figure 24: Percentage of Households by Tenure in South Somerset 1981-2011 (Source: UK Census of Population)**

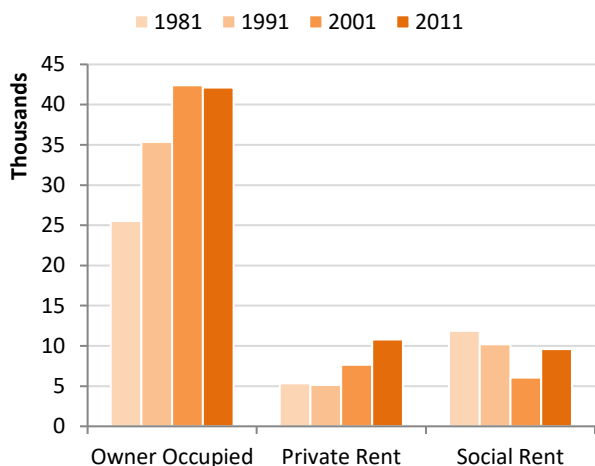


**Figure 25: Households by Tenure for South Somerset 1981-2011 (Source: UK Census of Population)**

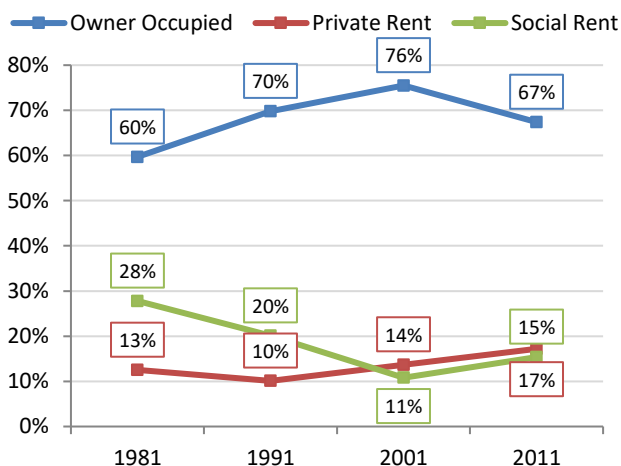
Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	29,025	40,355	47,608	49,397	+11,330	+7,253	+1,789
Private rent	5,403	5,256	7,308	10,407	-147	+2,052	+3,099
Social rent	12,746	10,646	3,558	9,697	-2,100	-7,088	+6,139
<b>TOTAL</b>	<b>47,174</b>	<b>56,257</b>	<b>58,474</b>	<b>69,501</b>	<b>+9,083</b>	<b>+2,217</b>	<b>+11,027</b>
Owner occupied	61.5%	71.7%	81.4%	71.1%	+10.2%	+9.7%	-10.3%
Private rent	11.5%	9.3%	12.5%	15.0%	-2.1%	+3.2%	+2.5%
Social rent	27.0%	18.9%	6.1%	14.0%	-8.1%	-12.8%	+7.9%

5.2 Similar trends are evident in the local data for Somerset West & Taunton as shown in Figure 26 to Figure 28. One notable difference is the slight reduction in the number of owner occupiers 2001-11.

**Figure 26: Number of Households by Tenure in Somerset West & Taunton 1981-2011 (Source: UK Census of Population)**



**Figure 27: Percentage of Households by Tenure in Somerset West & Taunton 1981-2011 (Source: UK Census of Population)**



**Figure 28: Households by Tenure for Somerset West & Taunton 1981-2011 (Source: UK Census of Population)**

Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	25,513	35,360	42,392	42,137	+9,847	+7,032	-255
Private rent	5,338	5,132	7,664	10,784	-206	+2,532	+3,120
Social rent	11,873	10,199	6,065	9,609	-1,674	-4,134	+3,544
<b>TOTAL</b>	<b>42,724</b>	<b>50,691</b>	<b>56,121</b>	<b>62,530</b>	<b>+7,967</b>	<b>+5,430</b>	<b>+6,409</b>
Owner occupied	59.7%	69.8%	75.5%	67.4%	+10.0%	+5.8%	-8.1%
Private rent	12.5%	10.1%	13.7%	17.2%	-2.4%	+3.5%	+3.6%
Social rent	27.8%	20.1%	10.8%	15.4%	-7.7%	-9.3%	+4.6%

## Housing Stock by Size

- <sup>5.3</sup> Figure 29 shows the housing stock of South Somerset and Somerset West & Taunton by tenure and number of bedrooms. In general, the owner-occupied stock is dominated by 3-bedroom properties (46.9% and 45.9% respectively).
- <sup>5.4</sup> In general, 2 bedrooms are the most common private rented property size followed by 3-bedroom then 1 bedroom. In social rent there is a broadly three-way split between 1, 2 and 3-bedroom properties, with slightly more 2-bedroom properties than other sizes.

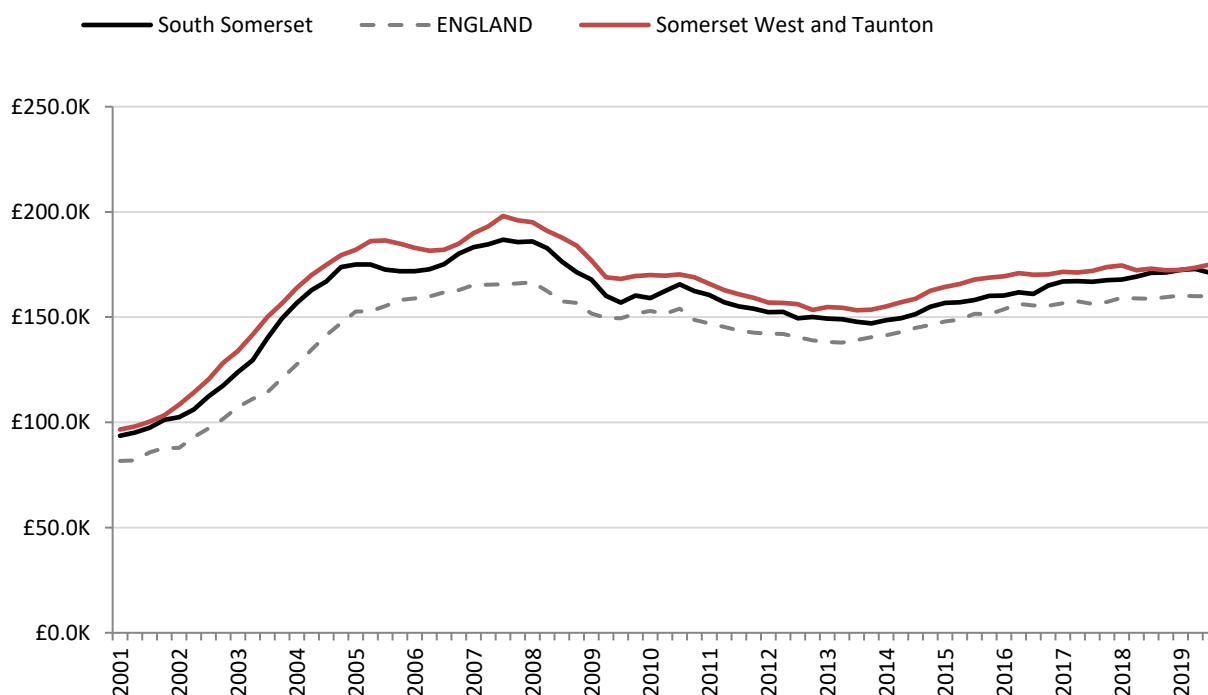
Figure 29: Dwelling stock by tenure and number of bedrooms by area (Source: UK Census of Population 2011)

Property Type	Owner Occupied	Private Rent	Social Rent	TOTAL
<b>South Somerset</b>				
1 bedroom	3.1%	18.8%	26.1%	8.6%
2 bedrooms	21.4%	36.0%	37.0%	25.7%
3 bedrooms	46.9%	34.5%	33.5%	43.2%
4 bedrooms	21.9%	7.9%	2.6%	17.1%
5+bedrooms	6.7%	2.8%	0.8%	5.3%
<b>Somerset West &amp; Taunton</b>				
1 bedroom	3.1%	19.4%	28.4%	9.8%
2 bedrooms	21.5%	38.4%	37.1%	26.8%
3 bedrooms	45.9%	31.0%	30.3%	41.0%
4 bedrooms	22.1%	7.7%	3.3%	16.8%
5+bedrooms	7.3%	3.4%	0.9%	5.7%

## Cost of Home Ownership

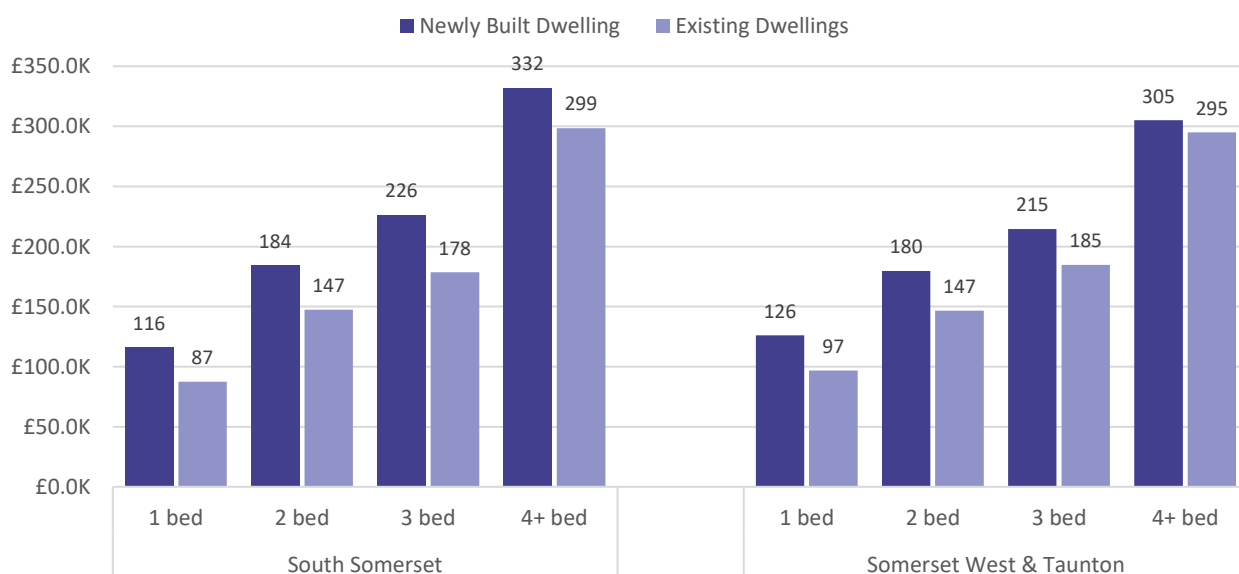
- <sup>5.5</sup> House price trends (2001-2018) are shown in Figure 30 based on lower quartile house prices. Lower quartile prices are used to consider the entry level price for home ownership. Of course, the value of money has also changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in house prices since 2001.
- <sup>5.6</sup> It is evident that real house prices in South Somerset increased substantially in the period 2001-2008 (from £93,600 to £186,000 at 2018 values, a real increase of 100%). Values reduced during the economic downturn to around £157,000 by mid-2009 and continued to decline over the period to 2013 reaching a low point of £147,100; but have since increased to a value of £171,000 by mid-2019.
- <sup>5.7</sup> In Somerset West & Taunton, real house prices also increased substantially in the period 2001-2007 (from £96,600 to £198,100 at 2018 values, a real increase of 105%). Values reduced during the economic downturn to around £168,100 by mid-2009 and continued to decline over the period to 2013 reaching a low point of £153,300; but have since increased to a value of £175,000 by mid-2019.

**Figure 30: Real House Price Trends: Lower Quartile Prices adjusted to 2018 values using CPI (Source: ONS; Bank of England)**



- 5.8 Figure 31 shows the lower quartile house prices by bedroom size. The data shows both the lower quartile price for existing properties and new build dwellings, with prices taken from the Land Registry records for the sales prices of individual properties. When considering first-time buyers in particular, many of the purchasers are likely to be newly forming households seeking one and two bed properties. As discussed below, schemes such as the new First Homes product (which will see the sale of new homes with at least a 30% discount compared to market prices to local first-time buyers) may make home ownership more accessible for this group.
- 5.9 The degree to which new build properties are more expensive than existing homes varies considerably by size of dwelling. This is likely to be down to a range of factors which include the location of new build housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character. In general, new build properties are more expensive than existing dwellings, with the uplift ranging from 11%/3% (South Somerset and Somerset West & Taunton respectively) for larger dwellings to 33%/29% for 1- bedroom properties. Given the price of new build properties, a higher level of delivery will make affordability worse in the short-term by increasing median property prices, thus leading to a higher uplift in the Standard Method.

**Figure 31: Lower quartile prices (adjusted to 2019 values using CPI) for existing dwellings and newly built dwellings (2016-19) by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)**



## Income Needed for Home Ownership

- 5.10 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 5.11 To give an illustrative example (not based on Somerset West & Taunton and South Somerset prices), taking an existing 1-bedroom property:
- » The lower quartile price recorded was £70,000;
  - » Based on a 90% loan-to-value mortgage, a deposit of £7,000 would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £63,000;
  - » Using a mortgage income multiplier of 3.5x would therefore need an annual income of £18,000.
- 5.12 To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £3,500 (equivalent to 5% of the overall price) but the income required would increase to £19,000 per year. Borrowing at a 4.0x income multiplier would reduce the income needed; but households would still need an income of between £15,750 and £16,625 based on a 5-10% deposit. Therefore, to purchase an existing 1-bedroom property at an overall cost of £70,000 is likely to require an annual income of at least £15,750 (assuming a 10% deposit and a 4.0x multiplier); but with less deposit and a lower income multiplier an income of up to £19,000 per year could be needed.
- 5.13 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership.
- 5.14 Based on these assumptions, Figure 32 shows the household income levels needed to buy 1 and 2-bedrooms properties in terms of both existing dwellings and newly built dwellings in the local authority areas. When purchasing larger homes, households will typically have larger deposits available which often include equity from the sale of a smaller property. On this basis, it is relatively artificial to consider incomes in isolation.

**Figure 32: Annual income required to afford properties based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)**

Property Type	Household Annual Income Needed to Own at Lower Quartile Prices: South Somerset	Household Annual Income Needed to Own at Lower Quartile Prices: Somerset West & Taunton
<b>NEWLY BUILT DWELLINGS</b>		
1 bedroom	£29,800	£32,400
2 bedrooms	£47,400	£46,200
<b>EXISTING DWELLINGS</b>		
1 bedroom	£22,500	£24,900
2 bedrooms	£37,900	£37,700

## Cost of Renting

- 5.15 Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). The LHA was previously based on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 Budget.
- 5.16 Whilst BRMAs do not align with local authority boundaries, the Yeovil BRMA covers almost all of South Somerset, and the remainder is covered by the Taunton & West Somerset BRMA. Somerset West & Taunton is virtually completely covered by the Taunton & West Somerset BRMA<sup>16</sup>.
- 5.17 Figure 33 sets out the maximum weekly local housing allowance by size of property in each of these BRMAs:

**Figure 33: Maximum Weekly Local Housing Allowance 2019 (Source: Valuation Office Agency)**

Maximum Weekly Local Housing Allowance £	Broad Rental Market Area	
	Yeovil BRMA	Taunton & West Somerset BRMA
<b>LOCAL HOUSING ALLOWANCE</b>		
Room only	£77.00	£84.50
1 bedroom	£101.26	£103.56
2 bedrooms	£132.33	£136.93
3 bedrooms	£166.85	£164.55
4+ bedrooms	£212.88	£207.12

- 5.18 Figure 34 sets out the weekly rents for different property sizes. This includes:

- » Median and lower quartile private rent;
- » Affordable rent; and
- » Social rent based on existing average rents.

**Figure 34: Weekly rent thresholds 2019 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing. Note: Private rent data excludes housing benefit funded tenancies)**

Weekly Rent £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
<b>SOUTH SOMERSET</b>				
1 bedroom	£103.49	£97.74	£86.88	£76.92
2 bedrooms	£143.74	£131.09	£108.86	£89.57
3 bedrooms	£172.48	£159.84	£131.43	£98.91
4+ bedrooms	£252.98	£206.98	£161.18	£112.97
<b>SOMERSET WEST &amp; TAUNTON</b>				
1 bedroom	£112.13	£103.49	£90.98	£77.91
2 bedrooms	£142.30	£130.80	£108.53	£93.01
3 bedrooms	£171.65	£157.80	£126.79	£104.34
4+ bedrooms	£245.92	£211.69	£142.73	£119.04

<sup>16</sup> A very small part of the Exmoor National Park in Somerset West & Taunton is covered by the North Devon BRMA.

- <sup>5.19</sup> It is evident that for all property sizes, the median private rent is the highest followed in turn by the lower quartile private rent, affordable rent and target social rent. Where the LHA rates are higher than the equivalent lower quartile private rents, it is important to note that the private rent figures exclude housing benefit funded tenancies. Therefore, there would appear to be only limited opportunity for an increase in the number of households in receipt of housing benefit given that lower quartile rents are already above or close to the maximum housing benefit.
- <sup>5.20</sup> Affordable Rents (rates taken from local authority statistical data returns 2019) are currently below the maximum LHA rate for a minority of property sizes in the areas, but this relationship could change in future. The Welfare Bill required social landlords to reduce their rents by 1% every year for four years (from 2016/17), whilst LHA rates generally increase in line with CPI (although they were updated by a fixed 1% in 2014/15 and 2015/16); so together these changes typically increased the “gap” for existing Affordable Rent properties. As of 2020/21, registered providers must not increase rents for properties let on affordable rent terms by more than CPI + 1 percentage point each year. However, the rent for new properties is based on market rents; so if market rents increase faster than the maximum LHA, it is possible that new Affordable Rent properties could have rents that are higher than the LHA.
- <sup>5.21</sup> The Local Housing Allowance Guidance Manual (April 2014)<sup>17</sup> confirms that “the LHA arrangements apply to HB customers in the deregulated private sector only”; where HB refers to Housing Benefit, so the LHA rate does not apply to Affordable Rent, and households are currently able to claim housing benefit to cover the full cost of Affordable Rent (where they were entitled to do so based on their circumstances). However, whilst housing associations could set rents above the maximum LHA, many operate a rent policy where rent levels must be within the LHA for the area concerned – partly due to perceived risks of future welfare reforms (which could change the rules) but also to keep properties as affordable as possible.
- <sup>5.22</sup> This is particularly relevant as all households claiming out-of-work benefits are subject to a cap of £384 per week (for lone parents and couples living outside of London) or £257 per week (for single people living outside of London), which could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

---

<sup>17</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/324708/lha-guidance-manual.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/324708/lha-guidance-manual.pdf) (para 1.070)



## Income Needed to Rent Housing

5.23 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)<sup>18</sup> stated:

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

5.24 However, this previous Guidance was rescinded in March 2014 following the publication of the Original NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that *“care should be taken ... to include **only those households who cannot afford** to access suitable housing in the market”* [ID 2a-020-20190220] (emphasis added).

5.25 Results from the English Housing Survey (EHS) 2015-16<sup>19</sup> provides information about the percentage of gross household income that households currently spend on their housing costs<sup>20</sup>:

- » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and
- » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

5.26 The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.

5.27 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately currently spend 41% of their gross income on average, there must be many households currently spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions).

5.28 On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

<sup>18</sup> <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

<sup>19</sup> <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

<sup>20</sup> “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16”

5.29 As an illustrative example, we can establish the income needed to rent a 1-bedroom property in South Somerset based on a 35% income multiplier:

- » The lower quartile weekly rent recorded was £97.74;
- » Based on a 35% income multiplier, a weekly income of £279.26 would be needed which equates to a gross annual income of £14,571.

5.30 To rent the same property based on a 25% income multiplier would increase the gross income required to £20,400 per year whereas households with an annual income of £11,333 per year could afford the rent if 45% of their income was allocated to housing costs. Therefore, to rent a self-contained 1-bedroom property in South Somerset, at a median rent overall cost of £97.74 per week is likely to require an annual income of at least £14,571 (assuming a 35% multiplier); although it is evident that the required income is very sensitive to the multiplier used.

5.31 Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental income needed. Based on this assumption, Figure 35 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent.

**Figure 35: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2018 to March 2019)**

Annual Income £	Median Private Rent	Lower Quartile Private Rent	Affordable Rent	Social Rent
<b>SOUTH SOMERSET</b>				
1 bedroom	£15,429	£14,571	£12,952	£11,467
2 bedrooms	£21,429	£19,543	£16,229	£13,353
3 bedrooms	£25,714	£23,829	£19,594	£14,746
4+ bedrooms	£37,714	£30,857	£24,029	£16,842
<b>SOMERSET WEST &amp; TAUNTON</b>				
1 bedroom	£16,717	£15,429	£13,564	£11,616
2 bedrooms	£21,214	£19,500	£16,180	£13,866
3 bedrooms	£25,590	£23,525	£18,903	£15,556
4+ bedrooms	£36,662	£31,558	£21,278	£17,747

5.32 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.

5.33 Considering some examples of disposable income:

- » A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 41.4% of their net income, which would leave £9,880 (£189 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24; so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income;

- » A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income, which would leave £12,559 (£241 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income.

<sup>5.34</sup> When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take account of different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for different types of household on different incomes, based on the rents for suitable housing in terms of the number of bedrooms needed.

<sup>5.35</sup> Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 36 sets out the incomes for housing benefit eligibility for different types of households.

**Figure 36: Maximum annual income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)**

Maximum Annual Income for HB support		South Somerset	Somerset West & Taunton
<b>ROOM ONLY</b>	Single person aged 16-24	£9,202	£9,804
	Single person aged 25-34	£9,995	£10,597
<b>1 BEDROOM PROPERTIES</b>	Single person aged 35+	£11,943	£12,128
	Couple (both aged under 18)	£12,694	£12,879
	Couple (one or both aged 18 or over)	£14,121	£14,306
<b>2 BEDROOM PROPERTIES</b>	Lone parent (aged 18 or over) with 1 child	£17,928	£18,297
	Lone parent (aged 18 or over) with 2 children	£21,419	£21,788
	Couple (aged 18 or over) with 1 child	£20,106	£20,475
	Couple (aged 18 or over) with 2 children	£23,597	£23,966

## Identifying the Gap for Affordable Home Ownership

<sup>5.36</sup> When identifying the need for Affordable Home Ownership (AHO) and in particular for the new scheme entitled First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products, and the associated purchase costs. Figure 37 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents across Somerset West & Taunton and South Somerset.

**Figure 37: Annual income thresholds for different housing options in single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)**

Annual Income Needed to Own or Rent at Lower Quartile Prices		South Somerset Somerset	Somerset West & Taunton and
<b>SINGLE BEDROOM PROPERTIES</b>			
Minimum income to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£29,800	£32,400
	Existing dwelling	£22,500	£24,900
Minimum income needed for rent to be less than 35%	Median private rent	£15,400	£16,700
	LQ private rent	£14,600	£15,400
	Affordable rent	£13,000	£13,600
	Social rent	£11,500	£11,600
Maximum income for HB support	Upper end of range	£14,100	£14,300
	Lower end of range	£11,900	£12,100
<b>TWO BEDROOM PROPERTIES</b>			
Minimum income to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£47,400	£46,200
	Existing dwelling	£37,900	£37,700
Minimum income needed for rent to be less than 35%	Median private rent	£21,400	£21,200
	LQ private rent	£19,500	£19,500
	Affordable rent	£16,200	£16,200
	Social rent	£13,400	£13,900
Maximum income for HB support	Upper end of range	£23,600	£24,000
	Lower end of range	£17,900	£18,300

- 5.37 There is a clear income gap between being able to afford market rent and being able to afford home ownership in every dwelling size, though this is particularly the case when considering 2-bed housing. On this basis, there is a wide income range that could benefit from AHO products if these could be provided at an appropriate price. The First Homes scheme targets local households who can currently afford to rent, but cannot afford to own, with properties which are sold with at least 30% discounts in perpetuity.
- 5.38 The cost of AHO products would need to be less than the purchase cost for market housing; however, the income needed to buy an AHO product may be higher than the income needed for market rent. This recognises that some households who could afford market rent would prefer to own their own home, and the NPPF 2021 encourages local authorities to widen opportunities for home ownership.

## Rent to Buy

- 5.39 Further affordable options for consideration include rent to buy schemes. Rent to buy is part of a wider suite of products available to meet identified affordable housing need. Those that qualify for the scheme can take advantage of subsidised rent on a qualifying property for a set period, after which there is the option of either buying the property outright or entering into a shared ownership arrangement. These schemes typically fall within the affordability range of those that need affordable housing; and whether someone will choose to access rent to buy as opposed to other schemes such as shared ownership or discount market housing will depend upon their individual circumstances and the availability of schemes in their chosen location.

# 6. Affordable Housing Need

## Identifying households who cannot afford market housing

### Introduction

- 6.1 The definition of affordable housing was changed by the NPPF 2019, with a specific emphasis now placed on affordable home ownership and this was also included in the NPPF 2021. Annex 2 of the Revised NPPF now defines affordable housing as being:

#### **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)*

Revised NPPF 2021, Annex 2

- 6.2 To reflect this change, relevant paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on “Housing needs of different groups” published on 22nd July 2019<sup>21</sup>, which covered:

- » Addressing the need for different types of housing
- » Affordable housing
- » Rural Housing

- 6.3 The changes between the archived PPG and the current revision are highlighted below:

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

*Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.*

*The unmet (gross) need for affordable housing by assessing (sic) past trends and current estimates of:*

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, **either to rent, or to own, where that is their aspiration.***

Planning Practice Guidance, ID 67-006-20190722

Emphasis added shows change introduced in September 2018

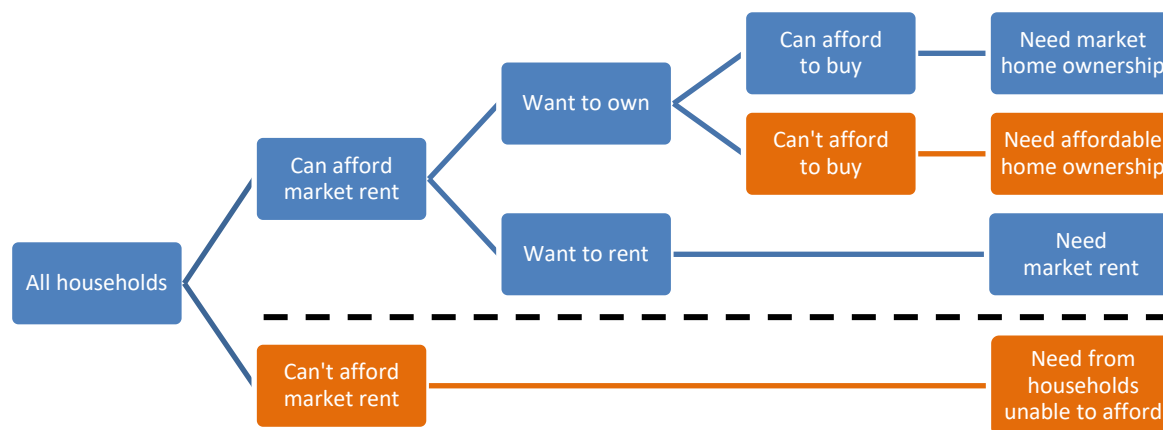
<sup>21</sup> <https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing>

- 6.4 On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

## Establishing the Need for Affordable Housing to Rent and to Own

- 6.5 Demographic projections provide the basis for identifying the LHN for all types of housing, including both market housing and affordable housing. There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing; however, when considering the needs of households who can afford to rent but would prefer to own, it is necessary to further develop the existing methods given that PPG provides no additional guidance on how this need should be assessed.
- 6.6 Figure 38 illustrates the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that can't afford market rent need to be added to the needs of those that can afford market rent but who want to own but can't afford to buy.

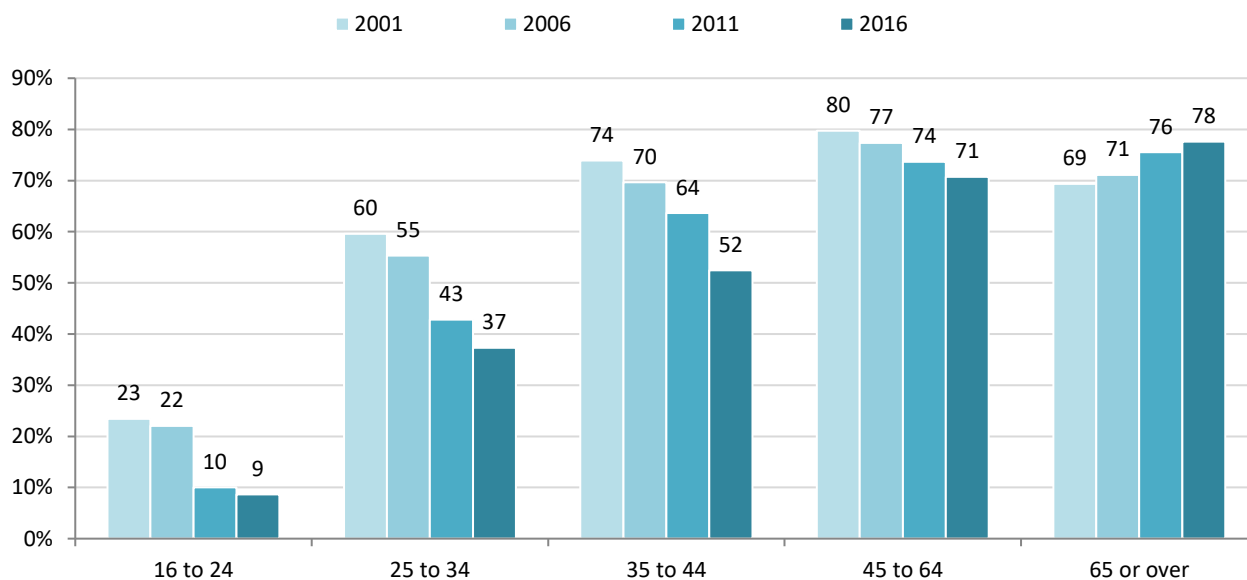
Figure 38: Establishing the need for market and affordable housing



## Home Ownership Trends

- 6.7 The emphasis on households that cannot afford to own their home reflects the Government's concerns about the proportion of owner occupiers having reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 68.7% in 2006 to 65.3% in 2011 and reduced yet further to 62.6% by 2016. Over the same period 2006-2016, the proportion of households renting from a social landlord also reduced from 19.0% to 17.1% whilst the proportion renting privately increased from 12.3% to 20.3%. This in part is likely to be due to people becoming accidental landlords when they are unable to sell a property they own and instead rent it out privately. In terms of tenancies, it also reflects the historical increase in the number of housing benefit claimants, an increase itself partly a result of past shortages in affordable housing.
- 6.8 The proportion of owner occupiers also varies notably by age. Younger age groups have typically been less likely to own their home than older households; however, the proportions of younger households owning their homes has reduced at a faster pace. The most likely explanations for this are the impact of affordability pressures and greater restrictions on borrowing following the financial crash of 2008. In contrast, the proportion of older households (aged 65 or over) owning their home has been increasing (Figure 39).

Figure 39: Percentage of Owner Occupiers by Age Group (England) 2001-2016 (Source: English Housing Survey)



## Affordable Housing Need: Households Unable to Afford

- <sup>6.9</sup> PPG notes that affordable housing need is based on households “*who lack their own housing or who cannot afford to meet their housing needs in the market*” [ID 67-006-20190722]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but can’t afford to buy. Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying or renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.
- <sup>6.10</sup> PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

### ***How is the total annual need for affordable housing calculated?***

*The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.*

Planning Practice Guidance, ID 67-008-20190722

## Current Unmet Need for Affordable Housing

6.11 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

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

*Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.*

*The unmet (gross) need for affordable housing by assessing (sic) past trends and current estimates of:*

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in over-crowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
- » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*

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

**Planning Practice Guidance, ID 67-006-20190722**

## Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

6.12 Households assumed to be unable to afford housing include:

- » All households that are currently **homeless**;
- » All those currently housed in **temporary accommodation**; and
- » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

6.13 Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of 2018.

6.14 The analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in South Somerset and Somerset West & Taunton.

6.15 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household; and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by



improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.

- 6.16 When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 6.17 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). The needs of these households are counted when establishing the need for affordable housing.
- 6.18 Figure 40 sets out the assessment of current affordable housing need for Somerset West & Taunton and South Somerset.

**Figure 40: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)**

SOUTH SOMERSET	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
<b>Homeless households in priority need [Source: CLG P1E returns]</b>				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	17		17	17
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	17		17	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	20	20	0	
Households accepted as homeless but without temporary accommodation provided	38		38	38
<b>Concealed households [Source: Census 2001 and 2011]</b>				
Growth in concealed families with family representatives aged under 55	203		203	203
<b>Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]</b>				
Households living in overcrowded private rented housing	250		250	
Households living in overcrowded social rented housing	426	426	0	
<b>Reduction in spare rooms [Source: DWP Housing Benefit]</b>				
Households likely to move from under-occupied social rented housing	565	565	0	
<b>Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]</b>				
People who need to move on medical or welfare grounds, including grounds relating to a disability	374	39	335	
People who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	31	3	28	
<b>TOTAL</b>	<b>1,941</b>	<b>1,053</b>	<b>888</b>	<b>258</b>

**Figure 41: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)**

SOMERSET WEST & TAUNTON	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
<b>Homeless households in priority need [Source: CLG P1E returns]</b>				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	17		17	17
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	15		15	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	16	16	0	
Households accepted as homeless but without temporary accommodation provided	31		31	31
<b>Concealed households [Source: Census 2001 and 2011]</b>				
Growth in concealed families with family representatives aged under 55	164		164	164
<b>Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]</b>				
Households living in overcrowded private rented housing	279		279	
Households living in overcrowded social rented housing	395	395	0	
<b>Reduction in spare rooms [Source: DWP Housing Benefit]</b>				
Households likely to move from under-occupied social rented housing	530	530	0	
<b>Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]</b>				
People who need to move on medical or welfare grounds, including grounds relating to a disability	265	25	240	
People who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	14	1	13	
<b>TOTAL</b>	<b>1,725</b>	<b>967</b>	<b>758</b>	<b>212</b>

<sup>6.19</sup> Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that **1,941 households in South Somerset**, and a further **1,725 in Somerset West & Taunton are currently living in unsuitable housing and are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

<sup>6.20</sup> Of these households, 1,053 (South Somerset) and 967 (Somerset West & Taunton) currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 888 households in South Somerset (1,941 less 1,053 = 888) and 758 households in Somerset West & Taunton (1,725 less 967 = 758) that currently need affordable housing and do not currently occupy affordable housing** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

- 6.21 These numbers include a total of 258 and 212 households (South Somerset and Somerset West & Taunton respectively) that would not be counted by the household projections because of their being homeless or concealed households. There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households.
- 6.22 Providing the net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of **630 households in South Somerset** (888 less 258) and **546 households in Somerset West & Taunton** (758 less 212) that currently need affordable housing and are unable to afford.

## Projected Future Affordable Housing Need

- 6.23 In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

### *How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?*

*Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.*

Planning Practice Guidance, ID 2a-021-20190220

- 6.24 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Local Housing Need (LHN). The Model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.<sup>22</sup> The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 6.25 Whilst PPG identifies that “*Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need.*” [ID: 2a-021-20190220], **the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 6.26 The affordability percentages in Figure 42 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion

<sup>22</sup> Detailed data from CLG 2014-based household projections and sources identified in Figure 34, Figure 40 and Figure 42

of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 42: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
<b>SOUTH SOMERSET</b>						
Single person household	23%	13%	27%	27%	24%	24%
Couple family with no dependent children	17%	9%	13%	10%	8%	13%
Couple family with 1 or more dependent children	43%	33%	21%	16%	9%	35%
Lone parent family with 1 or more dependent children	52%	67%	66%	40%	24%	46%
Other household type	10%	13%	29%	19%	20%	14%
<b>SOMERSET WEST &amp; TAUNTON</b>						
Single person household	28%	13%	26%	25%	23%	26%
Couple family with no dependent children	11%	4%	11%	10%	9%	12%
Couple family with 1 or more dependent children	41%	23%	13%	10%	11%	16%
Lone parent family with 1 or more dependent children	56%	61%	47%	33%	30%	32%
Other household type	14%	13%	23%	22%	19%	12%

## Establishing the Future Affordable Housing Need for Households Unable to Afford

- <sup>6.27</sup> When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “*gross annual estimate*” [ID 2a-021-20190220] suggesting that “*the total need for affordable housing should be converted into annual flows*” [ID 2a-024-20190220].
- <sup>6.28</sup> Figure 43 and Figure 44 show the age structure of each of the components of household change based on the migration rates in the ONS’ 2016 projections applied to the most up-to-date Mid-Year-Estimates of population at the time of writing (see para 4.1). Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 43: Annual change in South Somerset household numbers in each age cohort by age of HRP (Source: ORS Housing Model)

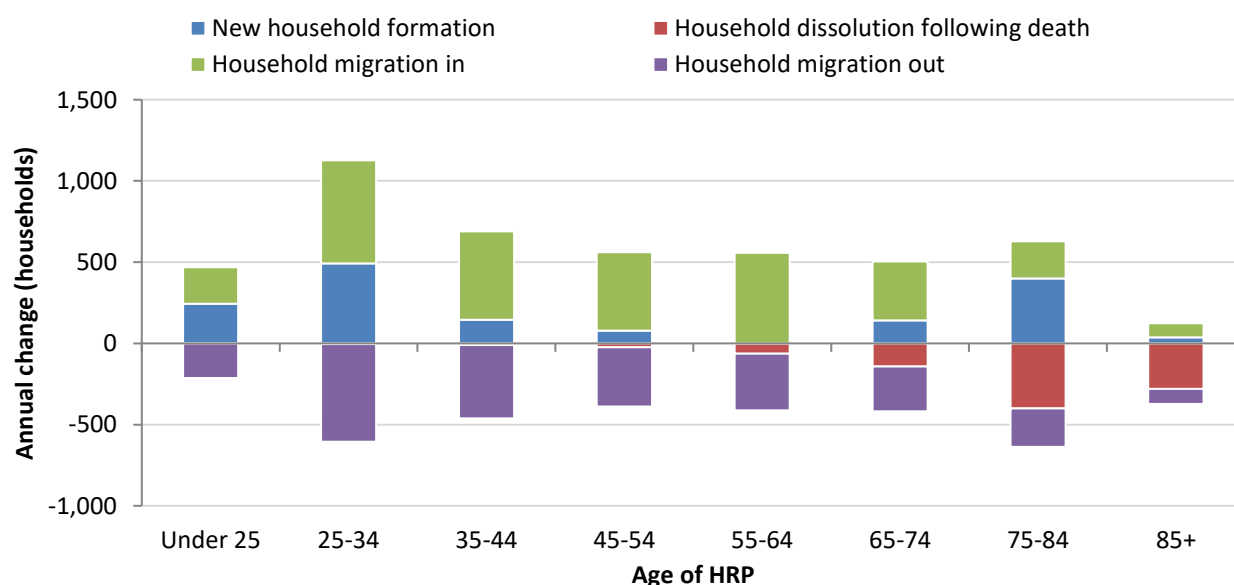
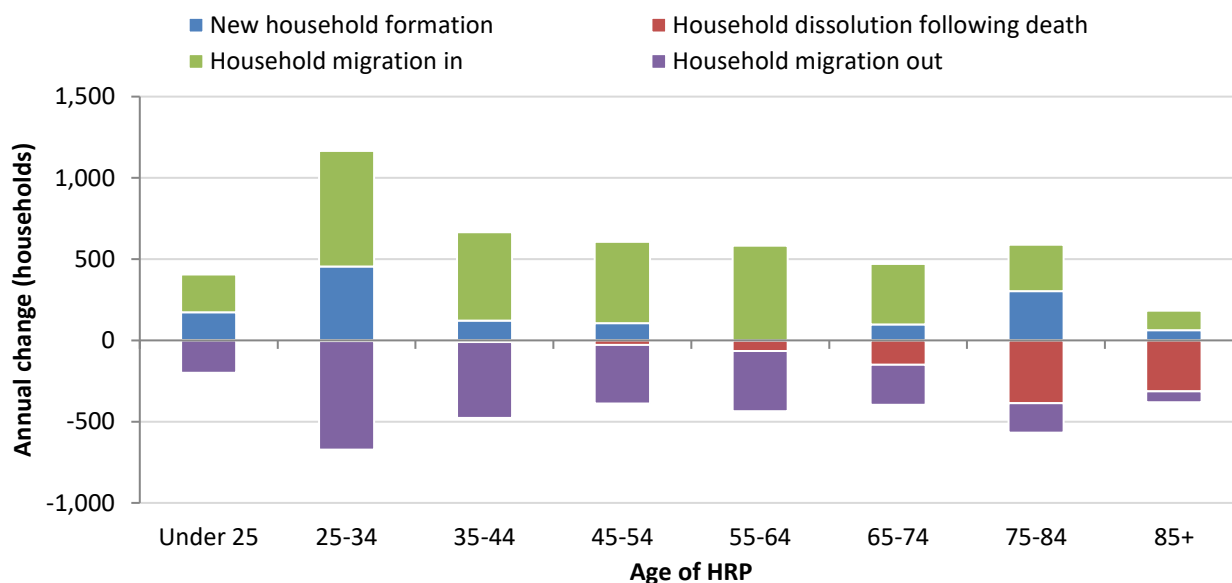


Figure 44: Annual change in Somerset West & Taunton household numbers in each age cohort by age of HRP (Source: ORS Housing Model)



6.29 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables look at the impact of different types of household.

Figure 45: Newly forming and in-migration: Annual components of Household Growth 2020-40 in South Somerset (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

South Somerset	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	+1,541	+1,176	+365	24%
Households migrating into the area	+3,302	+2,676	+627	19%
<b>All new households</b>	<b>+4,844</b>	<b>+3,851</b>	<b>+992</b>	<b>20%</b>

6.30 The ORS Model identifies 1,541 new households projected to form in South Somerset each year, of which 24% will be unable to afford their housing costs. This amounts to 365 households each year.

6.31 The model also considers new households migrating to the area. The projection is for 3,302 households per annum of which 19% (627 households) will be unable to afford their housing costs.

6.32 **This results in a total of 992 new households in need of affordable housing.** (Figure 45)

Figure 46: Newly forming and in-migration: Annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	+1,389	+1,092	+297	21%
Households migrating into the area	+3,608	+2,915	+693	19%
<b>All new households</b>	<b>+4,998</b>	<b>+4,007</b>	<b>+991</b>	<b>20%</b>

- 6.33 The ORS Model identifies 1,389 new households projected to form in Somerset West & Taunton each year, of which 21% will be unable to afford their housing costs. This amounts to 297 households each year.
- 6.34 The model also considers new households migrating to the area. The projection is for 3,608 households per annum of which 19% (693 households) will be unable to afford their housing costs.
- 6.35 **This results in a total of 991 new households in need of affordable housing.** (Figure 46)
- 6.36 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

**Figure 47: Dissolution and out-migration: Annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

South Somerset	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	-1,636	-1,329	-307	19%
Households migrating <u>out</u> of the area	-2,753	-2,208	-546	20%
<b>All households no longer present</b>	<b>-4,389</b>	<b>-3,537</b>	<b>-852</b>	<b>19%</b>

- 6.37 In South Somerset, the model identifies 1,636 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 307 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.
- 6.38 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 2,753 households will migrate out of the area each year, including 546 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 6.39 **Altogether, there are 852 households annually who will vacate affordable dwellings or will no longer be waiting for a home in South Somerset.** (Figure 47)

**Figure 48: Dissolution and out-migration: Annual components of Household Growth 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	-1,752	-1,377	-375	21%
Households migrating <u>out</u> of the area	-2,700	-2,170	-530	20%
<b>All households no longer present</b>	<b>-4,452</b>	<b>-3,547</b>	<b>-905</b>	<b>20%</b>

- 6.40 In Somerset West & Taunton, the model identifies 1,752 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 375 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.

- 6.41 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 2,700 households will migrate out of the area each year, including 530 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 6.42 **Altogether, there are 905 households annually who will vacate affordable dwellings or will no longer be waiting for a home in Somerset West & Taunton.** (Figure 48)
- 6.43 PPG also identifies that it is important to estimate “*the number of existing households falling into need*” (ID 2a-021). Whilst established households that continue to live in the local authorities will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 217 established households in South Somerset, and a further 269 in Somerset West & Taunton will fall into need each year.
- 6.44 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
  - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 6.45 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 233 and 235 households in South Somerset and Somerset & Taunton respectively will improve such that they become able to afford their housing costs having previously being unable to afford.
- 6.46 **Therefore, considering the changing needs of existing households overall, there is a net decrease of 16 existing households needing affordable housing each year in South Somerset** (Figure 49); and **a net increase of 34 existing households needing affordable housing each year in Somerset West & Taunton** (Figure 50).

Figure 49: Existing households: Annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

South Somerset	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-217	+217	100%
Existing households climbing out of need	-	+233	-233	0%
<b>Change in existing households</b>	-	<b>+16</b>	<b>-16</b>	-

Figure 50: Existing households: Annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-269	+269	100%
Existing households climbing out of need	-	+235	-235	0%
<b>Change in existing households</b>	<b>-</b>	<b>-34</b>	<b>+34</b>	<b>-</b>

6.47 The following tables (Figure 51 and Figure 52) summarise the overall impact of:

- » new households adding to housing need,
- » the households no longer present reducing housing need and
- » the changes in circumstances impacting existing households.

Figure 51: Summary annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model)

South Somerset	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	4,844	3,851	992
All households no longer present	4,389	3,537	852
Change in existing households	-	+16	-16
<b>Future affordable housing need 2020-40 (Annual average)</b>	<b>+454</b>	<b>+331</b>	<b>+124</b>

Figure 52: Summary annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model)

Somerset West & Taunton	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	4,998	4,007	991
All households no longer present	-4,452	-3,547	-905
Change in existing households	-	-34	+34
<b>Future affordable housing need 2020-40 (Annual average)</b>	<b>+546</b>	<b>+426</b>	<b>+120</b>

6.48 Overall reviewing the contribution of each element amounts to an additional 124 households needing affordable housing in South Somerset, and 120 in Somerset West & Taunton, annually over the 20-year period 2020-40.



## Overall Affordable Housing Need for Households Unable to Afford

<sup>6.49</sup> **Figure 53** brings together the information on assessing the unmet need for affordable housing in 2018 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 20-year period 2020-40.

**Figure 53: Assessing total need for market and affordable housing for South Somerset (Source: ORS Housing Model)**

South Somerset	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
<b>Unmet need for affordable housing in 2020</b> (see Figure 40)			
Total unmet need for affordable housing (a)	-	1,941	1,941
Supply of housing vacated (b)	630	1,053	1,683
<b>Current housing need (c) = (a) - (b)</b>	<b>-630</b>	<b>+888</b>	<b>+258</b>
<b>Projected future housing need 2020-40</b> (see Figure 51)			
Average annual housing need (d)	+331	+124	+454
<b>Future housing need (e) = (d) x 20</b>	<b>+6,612</b>	<b>+2,474</b>	<b>+9,086</b>
<b>Total need for market and affordable housing (f) = (c) + (e)</b>	<b>+5,982</b>	<b>+3,362</b>	<b>+9,344</b>
Average annual household growth (g) = (f) / 20	+299	+168	+467
Proportion of overall need for market and affordable housing	64%	36%	100%

<sup>6.50</sup> **Overall**, in South Somerset, there is a need to provide affordable housing for 3,362 households (36% of the projected total need for market and affordable housing) unable to afford to rent or buy over the Plan period 2020-40 which equates to **168 households per year**.

**Figure 54: Assessing total need for market and affordable housing for Somerset West & Taunton (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
<b>Unmet need for affordable housing in 2020</b> (see Figure 41)			
Total unmet need for affordable housing (a)	-	1,725	1,725
Supply of housing vacated (b)	547	967	1,514
<b>Current housing need (c) = (a) - (b)</b>	<b>-547</b>	<b>+758</b>	<b>+212</b>
<b>Projected future housing need 2020-40</b> (see Figure 52)			
Average annual housing need (d)	426	120	546
<b>Future housing need (e) = (d) x 20</b>	<b>8,518</b>	<b>2,397</b>	<b>10,914</b>
<b>Total need for market and affordable housing (f) = (c) + (e)</b>	<b>7,971</b>	<b>3,156</b>	<b>11,126</b>
Average annual household growth (g) = (f) / 20	399	158	556
Proportion of overall need for market and affordable housing	72%	28%	100%

<sup>6.51</sup> **Overall**, in Somerset West & Taunton, there is a need to provide affordable housing for 3,156 households unable to afford to rent or buy over the Plan period 2020-40 (28% of the projected total need for market and affordable housing) which equates to **158 households per year**.

<sup>6.52</sup> Figure 55 sets out the housing mix in terms of property type and size for South Somerset. Half of the affordable housing need (50%) is for 2-bedrooms houses and a further 23% is for 1-bedroom properties.

Whilst the need for affordable housing with four or more bedrooms is 8% of the overall need, this still represents a need for 282 large affordable homes that need to be provided over the 20-year period 2020-40. Much of this need will be from existing households living in overcrowded accommodation.

Figure 55: Assessing affordable housing mix South Somerset (Source: ORS Housing Model)

	Current Housing Need			Future Housing Need 2020-2040	Overall Housing Need	
	Gross Need	Supply	Net Need		N	%
1 bedroom	579	143	436	351	787	23%
2 bedrooms	856	423	433	1,259	1,692	50%
3 bedrooms	271	453	-182	782	600	18%
4+ bedrooms	235	34	201	82	283	8%
<b>Total Households</b>	<b>1,941</b>	<b>1,053</b>	<b>888</b>	<b>2,474</b>	<b>3,362</b>	<b>100%</b>

<sup>6.53</sup> Figure 56 sets out the housing mix in terms of property type and size for Somerset West & Taunton. A third of the affordable housing need (39%) is for 2-bedroom houses and a further 32% is for 1 bedroom properties. Whilst the need for affordable housing with four or more bedrooms is 9% of the overall need, this still represents a need for 272 large affordable homes that need to be provided over the 20-year period 2020-40. Much of this need will be from existing households living in overcrowded accommodation.

Figure 56: Assessing affordable housing mix Somerset West & Taunton (Source: ORS Housing Model)

	Current Housing Need			Future Housing Need 2020-2040	Overall Housing Need	
	Gross Need	Supply	Net Need		N	%
1 bedroom	598	134	464	551	1,015	32%
2 bedrooms	658	379	280	963	1,242	39%
3 bedrooms	247	406	-159	782	623	20%
4+ bedrooms	223	49	174	101	275	9%
<b>Total Households</b>	<b>1,726</b>	<b>967</b>	<b>759</b>	<b>2,397</b>	<b>3,156</b>	<b>100%</b>

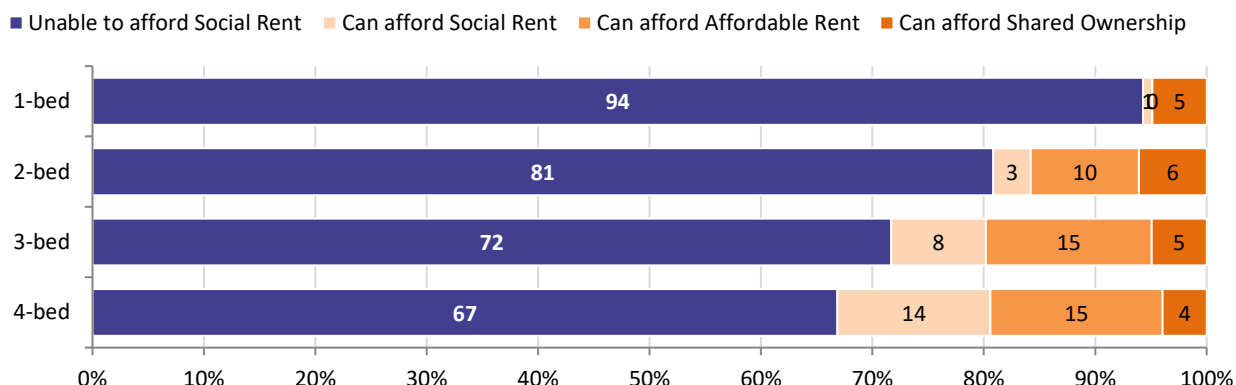
<sup>6.54</sup> In **both** local authorities there is a large need for smaller affordable dwellings. This will contain a considerable overlap with the need for older persons accommodation set out in the next chapter.

## Affordable Housing Tenure

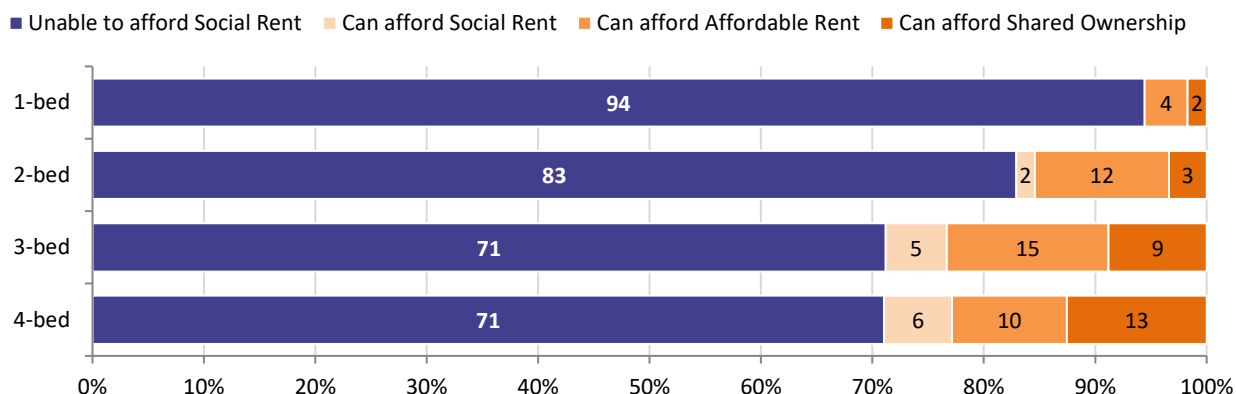
<sup>6.55</sup> Within the **overall** totals of households in affordable need identified, it is possible to consider the mix of different affordable housing products that would be appropriate based on the mix of households needing affordable housing. In order to profile affordability, income data from the English Housing Survey and ONS Survey of Personal Incomes has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

<sup>6.56</sup> **Figure 57** and **Figure 58** illustrate the affordability of households needing affordable housing by property size based on the assumption that up to 35% of gross household income (excluding housing benefit) is available for housing costs. This identifies those able to afford shared ownership, affordable rent and social rent (all without housing benefit subsidy) and those that would need financial support to afford social rent.

**Figure 57: Affordability of households needing affordable housing by property size 2019 South Somerset (Note: Weekly costs based on data in Figure 34)**



**Figure 58: Affordability of households needing affordable housing by property size 2019 Somerset West & Taunton (Note: Weekly costs based on data in Figure 34)**



<sup>6.57</sup> Figure 59 sets out the affordable housing mix for South Somerset, which identifies that over four fifths of households unable to afford and in need of affordable housing would not be able to afford the relevant Social Rent for a property of the size needed: 2,729 households (81%) based on up to 35% of income being spent on housing costs.

<sup>6.58</sup> Providing new affordable rented housing based on Social Rents would enable around 153 households (5%) to pay their rent without housing benefit support that could not afford to do so if new housing was provided as Affordable Rent. If new affordable rented housing was provided with Affordable Rents, these households would continue to depend on housing benefit.

<sup>6.59</sup> Around 297 households (9%) in need of affordable housing could afford Affordable Rent (without housing benefit support) and a further 182 households (5%) could afford the weekly costs of Shared Ownership (based on a 40% equity share).

**Figure 59: Affordable housing mix by household affordability to 2020-2040 South Somerset (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Unable to afford Social Rent	Can afford Social Rent	Can afford Affordable Rent	Can afford Shared Ownership	TOTAL
1 bedroom	742	7	0	38	<b>787</b>
2 bedrooms	1,368	57	164	103	<b>1,692</b>
3 bedrooms	430	51	89	30	<b>600</b>
4+ bedrooms	189	39	44	11	<b>283</b>
<b>TOTAL</b>	<b>2,729</b>	<b>153</b>	<b>297</b>	<b>182</b>	<b>3,362</b>
<i>Overall percentage</i>	81%	5%	9%	5%	<b>100%</b>

- <sup>6.60</sup> Figure 60 sets out the affordable housing mix for Somerset West & Taunton, which again identifies that more than four fifths of households unable to afford and in need of affordable housing would not be able to afford the relevant Social Rent for a property of the size needed: 2,628 households (83%) based on up to 35% of income being spent on housing costs.
- <sup>6.61</sup> Providing new affordable rented housing based on Social Rents would enable around 71 households (2%) to pay their rent without housing benefit support that could not afford to do so if new housing was provided as Affordable Rent. If new affordable rented housing was provided with Affordable Rents, these households would continue to depend on housing benefit.
- <sup>6.62</sup> Around 308 households (10%) in need of affordable housing could afford Affordable Rent (without housing benefit support) and a further 149 households (5%) could afford the weekly costs of Shared Ownership (based on a 40% equity share).

**Figure 60: Affordable housing mix by household affordability to 2020-2040 Somerset West & Taunton (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Unable to afford Social Rent	Can afford Social Rent	Can afford Affordable Rent	Can afford Shared Ownership	TOTAL
1 bedroom	959	0	39	18	<b>1,015</b>
2 bedrooms	1,030	20	150	42	<b>1,242</b>
3 bedrooms	444	34	91	55	<b>623</b>
4+ bedrooms	196	17	28	35	<b>275</b>
<b>TOTAL</b>	<b>2,628</b>	<b>71</b>	<b>308</b>	<b>149</b>	<b>3,156</b>
<i>Overall percentage</i>	83%	2%	10%	5%	<b>100%</b>

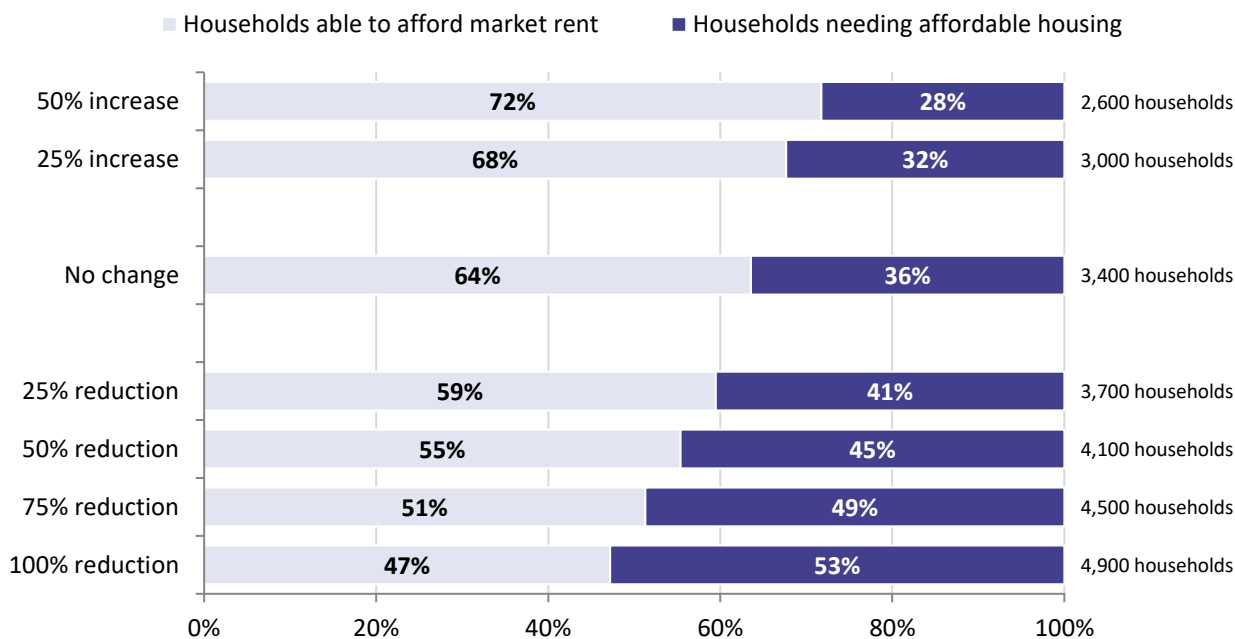
## Future Policy on Housing Benefit in the Private Rented Sector

- <sup>6.63</sup> The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not in the control of local authorities.
- <sup>6.64</sup> It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

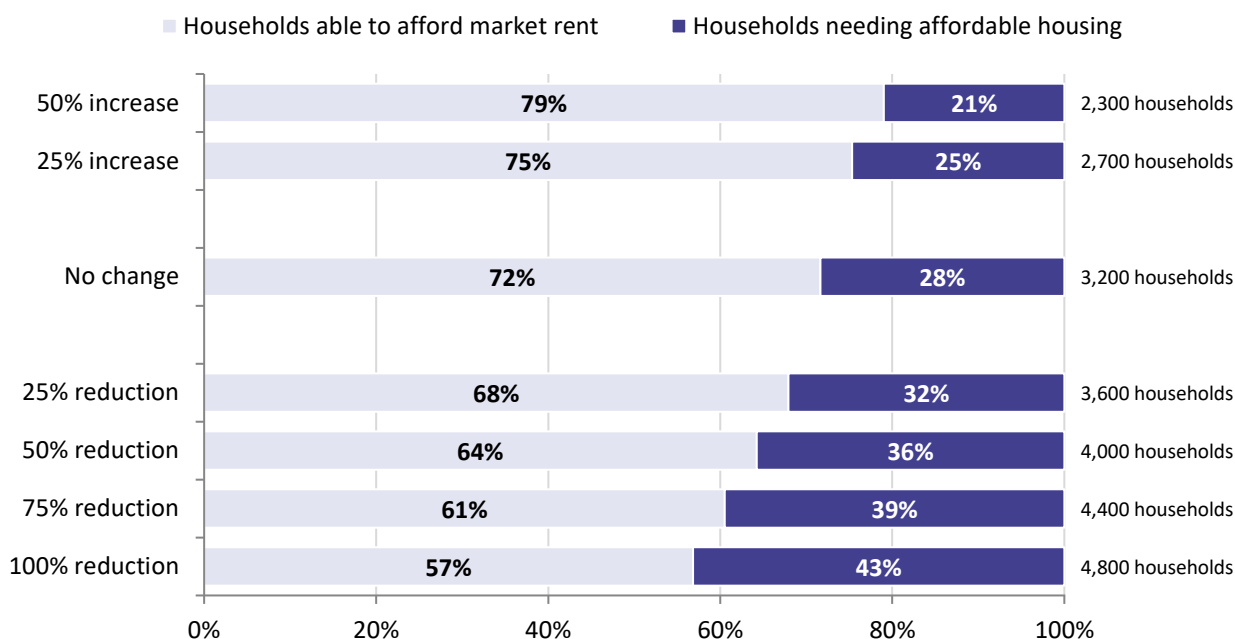
<sup>6.65</sup> The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

<sup>6.66</sup> To sensitivity test this position, Figure 61 and Figure 62 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector. If no households were to receive housing benefit support in the private rented sector, more than half (53%) of the growth in South Somerset's household numbers and more than two fifths (43%) of Somerset West & Taunton's would need affordable housing. In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.

**Figure 61: Theoretical impact of reducing or increasing Housing Benefit support for households in South Somerset living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2020-40 and associated number of affordable dwellings**



**Figure 62: Theoretical impact of reducing or increasing Housing Benefit support for households living in Somerset West & Taunton in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2020-40 and associated number of affordable dwellings**



### Summary for Households Unable to Afford Market Housing

- <sup>6.67</sup> In South Somerset, the housing mix analysis identified a need to provide additional affordable housing for 3,362 households over the 20-year period 2020-40. **This is equivalent to 168 households per year.**
- <sup>6.68</sup> In Somerset West & Taunton, the housing mix analysis identified a need to provide additional affordable housing for 3,156 households over the 20-year period 2020-40. **This is equivalent to 158 households per year.**
- <sup>6.69</sup> These levels would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but any future losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.
- <sup>6.70</sup> However, it is important to recognise that this need is based on a relatively stringent assessment of affordability insofar as it is predominantly households that would be eligible for welfare support that are counted within the identified affordable housing need. There are likely to be other households who are spending a high proportion of their gross income on housing costs but who are not eligible for welfare support (in terms of their housing) and are therefore not counted. **Given that the assessment focusses on only those households with the most acute housing needs, the affordable housing need identified should be considered as a minimum.**
- <sup>6.71</sup> The analysis also identifies that 546 households in South Somerset unable to afford their housing costs are likely to move away from the area, and a further 530 in Somerset West & Taunton. Some might prefer to stay in the areas if housing costs were less expensive or if more affordable housing was available. However, the model also assumes that 627 and 693 households each year who cannot afford market housing move to South Somerset and Somerset West & Taunton respectively.

- 6.72 Furthermore, the analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however households in receipt of housing benefit are assumed be able to afford their housing costs, so they are not counted towards the need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 6.73 Many households who do not qualify for housing benefit will be required to stretch their incomes to be able to maintain their tenancies. It is also the case in areas of expensive housing such as Somerset West & Taunton and South Somerset that Local Housing Allowance limits mean that even the maximum housing benefit award may be below the private rent levels. On-going welfare benefit changes such as benefit caps, Universal Credit and reclaimed over-payments may reduce the amount of housing benefit that an applicant can receive.
- 6.74 Providing sufficient affordable housing for all of households in receipt of housing benefit in the private rented sector would increase the need to around 4,900 in South Somerset and 4,800 Somerset West & Taunton over the 20-year period (245 and 240 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.
- 6.75 As policy decisions about housing benefit support provided to households living in the private rented sector are determined by the Government, it will be necessary for the local planning authorities to consider the possible impact of any changes when determining the most appropriate affordable housing targets for the area. This will also need to take account of the latest information from the local authority housing registers. Furthermore, given the net unmet need from 888 and 758 (South Somerset and Somerset West & Taunton respectively) households needing affordable housing at the start of the Plan period, it will be appropriate to maximise affordable housing delivery in the early years of the Plan, providing that this does not unduly compromise overall levels of housing delivery in the area.

## Affordable Housing Need: Households Aspiring to Home ownership

- 6.76 Considering aspirations for home ownership, English Housing Survey data identifies that just over a quarter (28.8%) of those currently renting privately plan to stay in that tenure in the long-term, compared to over three quarters (77.0%) of those households in social rent. Over half (53.5%) of all households who rent privately and almost a fifth (18.1%) of those in social rented housing aspire to home ownership.

Figure 63: Long-term Tenure Plan by Current Tenure (Source: English Housing Survey 2013-14)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

- 6.77 Considering the long-term expectations of the different types of households who currently live in the private rented sector, Figure 64 compares the expectations of those who are currently in receipt of housing benefit with those who are paying their own rent.

- 6.78 For those households paying their own rents, 65% expected to become owner occupiers, 24% expected to remain in the private rented sector and only 6% expected to move to the social rented sector. Therefore, there is a much higher expectation of moving to owner occupation and a much lower expectation of moving to social rent, particularly for couples aged under 60. Tenants aged 60 years or over who are paying their own rent are more likely to expect to move to social rent, but they do represent a relatively small number of households.
- 6.79 For those in receipt of housing benefit, a total of 28% of households had a long-term expectation that they would be owner occupiers, 42% expected to remain in the private rented sector and 25% expected to move to social rent. Therefore, a significant number of the households in receipt of housing benefit expected to move to social rent.

**Figure 64: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support**  
(Source: English Housing Survey 2013-14. Note: Own includes shared ownership)

Household type	PRS tenants without HB				PRS tenants in receipt of HB			
	Own	Private rent	Social rent	Other	Own	Private rent	Social rent	Other
One person aged 60+	16.2%	38.1%	16.7%	29.1%	4.8%	66.3%	24.2%	4.7%
Couple, no dependent child(ren) aged 60+	13.9%	54.2%	18.2%	13.6%	0.0%	70.8%	29.2%	0.0%
<b>Sub-total</b>	<b>15.4%</b>	<b>43.9%</b>	<b>17.3%</b>	<b>15.7%</b>	<b>3.5%</b>	<b>67.5%</b>	<b>25.5%</b>	<b>3.4%</b>
One person under 60	56.7%	34.1%	5.1%	4.2%	13.5%	47.7%	30.3%	8.5%
Couple, no dependent child(ren) under 60	76.9%	17.1%	4.0%	1.8%	26.0%	58.8%	10.5%	4.7%
Couple with dependent child(ren)	71.7%	19.6%	6.4%	2.3%	53.3%	28.5%	15.9%	2.3%
Lone parent with dependent child(ren)	59.6%	19.8%	8.8%	12.0%	33.1%	31.9%	31.6%	3.4%
Other multi-person households	66.7%	24.8%	2.4%	6.2%	21.3%	44.8%	26.0%	7.9%
<b>Sub-total</b>	<b>65.2%</b>	<b>23.2%</b>	<b>4.7%</b>	<b>3.8%</b>	<b>32.7%</b>	<b>37.1%</b>	<b>25.5%</b>	<b>4.7%</b>
<b>Total</b>	<b>64.8%</b>	<b>24.5%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>27.9%</b>	<b>42.1%</b>	<b>25.5%</b>	<b>4.4%</b>

## Additional Need for Affordable Home ownership

- 6.80 Figure 25 identified that the number of households living in private rented housing in South Somerset increased by 42.4% from 7,308 households in 2001 to 10,407 households in 2011; an increase of 3,099 households. In Somerset West & Taunton, the number of households living in private rented housing increased by 41.1% from 7,644 households in 2001 to 10,784 households in 2011; an increase of 3,140 households (Figure 28). Many in younger age groups would have previously been owner occupiers when home ownership was more affordable.
- 6.81 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 65 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.



**Figure 65: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership**  
(Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
<b>South Somerset</b>							
Single person	150	470	320	180	130	80	1,330
Couple without children	140	640	150	210	180	70	1,400
Families with child(ren)	120	760	610	250	0	0	1,730
Other households	70	110	40	30	10	0	260
<b>Total</b>	<b>470</b>	<b>1,980</b>	<b>1,120</b>	<b>670</b>	<b>320</b>	<b>150</b>	<b>4,720</b>
<b>Percentage of households</b>	<b>10%</b>	<b>42%</b>	<b>24%</b>	<b>14%</b>	<b>7%</b>	<b>3%</b>	<b>10%</b>
<b>Somerset West and Taunton</b>							
Single person	110	400	270	170	150	90	1,170
Couple without children	140	790	140	210	180	80	1,530
Families with child(ren)	40	650	650	290	0	0	1,630
Other households	170	290	30	40	30	0	560
<b>Total</b>	<b>450</b>	<b>2,130</b>	<b>1,090</b>	<b>710</b>	<b>350</b>	<b>160</b>	<b>4,890</b>
<b>Percentage of households</b>	<b>9%</b>	<b>44%</b>	<b>22%</b>	<b>14%</b>	<b>7%</b>	<b>3%</b>	<b>100%</b>

- 6.82 Based on this analysis, we can estimate that there is a total of around 4,720 households currently resident in South Somerset who cannot afford to own their own home but would aspire to do so. Just over half of these households (52%) are aged 15-34 with the substantial majority (76%) aged under 45. In Somerset West & Taunton a total of 4,890 households aspire to home ownership, with 53% aged 15-34 years and 75% aged under 45 years.
- 6.83 In addition to the current need, it is also important to consider new households that are projected to form over the period 2020-2040. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 3,556 households in South Somerset and 4,000 households in Somerset West & Taunton that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, in South Somerset there are likely to be 8,274 households who aspire to homeownership but who cannot afford to buy their own home over the period 2020-40, a net annual need of 414 per year. In Somerset West & Taunton a total of 8,886 households will aspire to own, a net annual need of 444** The vast majority of this group of renters can be assumed to be potential first-time buyers, as it is far more common for a renter to become a homeowner (i.e. as a first-time buyer) than the reverse (i.e. entering the rental market having previously owned a home).
- 6.84 As noted earlier in Chapter 4, the government have recently introduced a new housing product entitled First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the figure of 8,274 households who aspire to homeownership in South Somerset and 8,886 who aspire to own in Somerset West & Taunton sets an upper threshold for the number who could seek to access First Homes, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.

## Identifying the Overall Affordable Housing Need

- 6.85 Figure 66 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the

20-year period 2020-40. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 66: Total need for affordable housing 2020-2040 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
<b>South Somerset</b>			
Current housing need in 2020	888	4,718	5,606
Future housing need 2020-40	2,474	3,556	6,030
<b>TOTAL HOUSING NEED</b>	<b>3,362</b>	<b>8,274</b>	<b>11,636</b>
<b>Somerset West and Taunton</b>			
Current housing need in 2020	758	4,886	5,645
Future housing need 2020-40	2397	4,000	6,397
<b>TOTAL HOUSING NEED</b>	<b>3,156</b>	<b>8,886</b>	<b>12,042</b>

- 6.86 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 11,636 households in South Somerset and 12,402 households in Somerset West & Taunton over the 20-year period 2020-2040, equivalent to an average of 582 and 602 per annum.
- 6.87 This represents more than the annual growth of households per annum identified by the household projections for the LHN period 2020-2030 (Figure 10). This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

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

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

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

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

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

Planning Practice Guidance, ID 67-001-20190722

- 6.88 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

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

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

Planning Practice Guidance, ID 2a-017-20190220

- 6.89 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.
- 6.90 It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 3,362 households in South Somerset and 3,156 households in Somerset West and Taunton.
- 6.91 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 6.92 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, such as Shared Ownership, Rent to Buy, Discount Market Sale and the newly introduced First Homes each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

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

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

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

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

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

Planning Practice Guidance, ID: 70-002-20210524

6.93 It goes on at paragraph 4 to outline that:

***Can the required minimum discount be changed?***

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

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

*In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home. Developers who are able to offer higher discounts within their contributions should be free to do so but the local authority cannot require this. In such cases, whatever discount (as a percentage of market value) is given at the first disposal should be the same at each subsequent sale. These minimum discounts should apply to the entire local plan area (except if Neighbourhood Plans are in place in certain areas) and should not be changed on a site-by-site basis.*

*If local authorities or neighbourhood planning groups choose to revise their required minimum discounts in any future alterations to their plans, this should not affect the minimum discounts required for previously sold First Homes when they come to be resold, as these will be bound by the section 106 agreements entered into at the time of their first sale.*

Planning Practice Guidance, ID: 70-004-20210524

6.94 Further, at paragraph 7 it defines the eligibility criteria for First Homes.

***Who is eligible to purchase a First Home?***

*A purchaser (or, if a joint purchase, all the purchasers) of a First Home should be a first-time buyer as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief for first-time buyers.*

*Purchasers of First Homes, whether individuals, couples or group purchasers, should have a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) in the tax year immediately preceding the year of purchase.*

*A purchaser of a First Home should have a mortgage or home purchase plan (if required to comply with Islamic law) to fund a minimum of 50% of the discounted purchase price.*

*These national standard criteria should also apply at all future sales of a First Home.*

Planning Practice Guidance, ID: 70-007-20210524

6.95 It is also important to recognise that First Homes are not an applicable policy in national parks.

***Where can First Home exception sites come forward?***

*First Homes exception sites can come forward on unallocated land outside of a development plan. They cannot come forward in areas designated as Green Belt, or designated rural areas as defined in Annex 2 of the National Planning Policy Framework. In these areas rural exception sites are the sole permissible type of exception site.*

Planning Practice Guidance, ID: 70-025-20210524

- <sup>6.96</sup> Figure 31 shows that the current lower quartile newbuild prices for a 4-bedroom property in South Somerset is around £332,000, with a lower price in Somerset West and Taunton, so 70% of this price would be inside the cap limit of £250,000. Therefore, new-build prices in Somerset West and Taunton and South Somerset would be below the threshold when the discount is applied, so there was no need to apply any caps.
- <sup>6.97</sup> However, it is still the case that a property discounted by 50% will be much more affordable than one discounted by 30%. Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme. However, we then assess how many of these households can also afford at a 30% discount.
- <sup>6.98</sup> Given this context, Figure 67 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- <sup>6.99</sup> Of the 8,274 households in South Somerset who can afford to rent but who aspire to homeownership, there would be 1,372 that would be able to afford market home ownership but choose not to (but aspire to do so at some point in the future). There would be a further 1,984 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 3,836 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area.
- <sup>6.100</sup> In Somerset West & Taunton of the 8,886 households who aspire to own, 1,571 can already afford to buy, 2,013 would have insufficient income and 4,039 would have insufficient savings.

Figure 67: Affordable homeownership housing mix by household affordability 2020-2040 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
<b>South Somerset</b>							
1 bedroom	1,173	319	854	201	652	533	120
2 bedrooms	4,187	750	3,437	929	2,508	1,969	539
3 bedrooms	2,638	291	2,346	721	1,626	1,254	372
4+ bedrooms	277	12	264	133	132	81	51
<b>TOTAL</b>	<b>8,274</b>	<b>1,372</b>	<b>6,902</b>	<b>1,984</b>	<b>4,918</b>	<b>3,836</b>	<b>1,082</b>
<b>Somerset West and Taunton</b>							
1 bedroom	2,043	503	1,540	396	1,144	842	302
2 bedrooms	3,540	651	2,889	762	2,127	1,654	473
3 bedrooms	2,921	386	2,535	693	1,842	1,428	413
4+ bedrooms	382	31	351	162	189	115	74
<b>TOTAL</b>	<b>8,886</b>	<b>1,571</b>	<b>7,315</b>	<b>2,013</b>	<b>5,302</b>	<b>4,039</b>	<b>1,262</b>

- <sup>6.101</sup> On this basis, 1,082 dwellings are needed in South Somerset and 1,262 dwellings are needed in Somerset West & Taunton for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This is less than a fifth of the total that was originally identified. As previously noted, it is likely that the vast majority of these households would be first-time buyers.
- <sup>6.102</sup> The national policy position is for a requirement of at least 25% of affordable housing provision is to be for First Homes, and in the NPPF there is also 10% requirement for affordable home ownership on major housing sites (10 or more dwellings). South Somerset have already provided a local policy statement with worked examples for First Home<sup>23</sup>.
- <sup>6.103</sup> Whilst it will be a local policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 1,082 households in South Somerset and 1,262 households in Somerset West & Taunton likely to form an effective demand (i.e., those able to afford the various products that will potentially be available) in addition to the households unable to afford to rent or own market housing. Figure 68 provides a breakdown of the affordable housing on this basis.

<sup>23</sup> <https://www.southsomerset.gov.uk/media/4653/policy-hg3-first-homes-position-statement-july-2021.pdf>

**Figure 68: Overall need for Affordable Housing 2020-40, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need		Planned Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
<b>South Somerset</b>			
1 bedroom	787	120	907
2 bedrooms	1,692	539	2,231
3 bedrooms	600	372	972
4+ bedrooms	283	51	334
<b>TOTAL HOUSING NEED</b>	<b>3,362</b>	<b>1,082</b>	<b>4,444</b>
<b>Somerset West and Taunton</b>			
1 bedroom	1,015	302	1,317
2 bedrooms	1,242	473	1,716
3 bedrooms	623	413	1,036
4+ bedrooms	275	74	350
<b>TOTAL HOUSING NEED</b>	<b>3,156</b>	<b>1,262</b>	<b>4,419</b>

<sup>6.104</sup>The LHNA identifies an overall affordable housing need from 4,444 households in South Somerset over the 20-year period 2020-40 (222 per annum). Similarly there is an affordable housing need of 4,419 in Somerset West & Taunton, at a rate of 421 per annum. This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access an affordable homeownership product.

<sup>6.105</sup>However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

## Affordable Rent

<sup>6.106</sup>Within the overall need of 4,444 in South Somerset and 4,419 in Somerset West & Taunton affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing<sup>24</sup>. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

<sup>6.107</sup>As discussed in Chapter 5, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 35 identified the minimum annual income needed to afford Affordable Rents by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be

<sup>24</sup> While this section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

disaggregated into those who can, and those that cannot afford Affordable Rents. Figure 69 presents the same data as Figure 68 but with those unable to afford disaggregated in this manner.

**Figure 69: Overall need for Affordable Housing 2020-40 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need			Affordable Housing (Households)
	Unable to Afford Market Rent		Households aspiring to home ownership	
	Unable to afford affordable rent	Able to afford affordable rent		
South Somerset				
1 bedroom	749	38	120	907
2 bedrooms	1,589	103	539	2,231
3 bedrooms	570	30	372	972
4+ bedrooms	272	11	51	334
<b>TOTAL HOUSING NEED</b>	<b>3,180</b>	<b>182</b>	<b>1,082</b>	<b>4,444</b>
<b>Overall Percentage</b>	<b>71%</b>	<b>4%</b>	<b>24%</b>	<b>100.0%</b>
Somerset West and Taunton				
1 bedroom	959	57	302	1,317
2 bedrooms	1,051	192	473	1,716
3 bedrooms	478	145	413	1,036
4+ bedrooms	213	63	74	350
<b>TOTAL HOUSING NEED</b>	<b>2,700</b>	<b>457</b>	<b>1,262</b>	<b>4,419</b>
<b>Overall Percentage</b>	<b>61%</b>	<b>10%</b>	<b>29%</b>	<b>100.0%</b>

## Essential Local Workers

<sup>6.108</sup>Annex 2 of the Revised NPPF also includes the needs of essential local workers.

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

<sup>6.109</sup>This definition is very close to the definition of Key Workers which was used prior to the Original NPPF. Importantly, it is not going to be possible to be considered as an essential local worker in need without also being considered as being in need because you can't afford to own your own property.

<sup>6.110</sup>Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.

<sup>6.111</sup>In Somerset West & Taunton and South Somerset, the difference in housing costs between the affordable and private sector is very large and the cost of renting a one-bedroom property is above the typical incomes of care workers and would represent a substantial share of a newly qualified nurse, police officer or fire officer's salary. Therefore, there is a potentially large need for housing for Essential Local Workers to ensure that they have the opportunity to reside, as well as work, in Somerset West & Taunton and South Somerset.



# 7. Overall Housing Need

## Local Housing Need based on the Standard Method

### Introduction

- 7.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20201216] the minimum annual Local Housing Need figure for 2019 can be established as follows:

**Figure 70: Establishing the minimum LHN figure for South Somerset and Somerset West & Taunton (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)**

	South Somerset	Somerset West & Taunton
<b>Step 1: Setting the baseline</b>		
Total households 2020	75,160	67,764
Total households 2030	80,765	73,316
10-year change 2020-2030	5,605	5,552
Annual average	561	555
<b>Step 2: An adjustment to take account of affordability</b>		
Median workplace-based affordability ratio	7.54	7.92
Adjustment factor	22.1%	24.5%
Affordability uplift	124	136
Uncapped housing need	685	691
<b>Step 3: Capping the increase</b>		
Adoption date of most recent Local Plan	05/03/2015	11/09/2012
Annual requirement	725	995
Annual requirement with 40% uplift applied (Cap A)	1,015	1,393
Household projection with 40% uplift applied (Cap B)	785	777
<b>Local Housing Need</b>	<b>685</b>	<b>691</b>

- 7.2 Based on these calculations, the minimum Local Housing Need figure for South Somerset is 685 dwellings per annum, with 691 dwellings per annum as the LHN for Somerset West & Taunton. This translates to 13,700 and 13,820 dwellings (685 x 20 and 691 x 20 respectively) across the twenty-year period.
- 7.3 Since the uncapped housing need figure is lower than both Cap A and Cap B the capping policy will have no influence in South Somerset or Somerset West & Taunton at this stage.

- 7.4 It is important to recognise that the Government has confirmed that it intends to comprehensively review the standard method over the 18 months following February 2019<sup>25</sup>. It may therefore be necessary to update the LHNA if the Government chooses to adopt a different methodology following the proposed review of the formula.

## Establishing the Housing Target

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

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

Planning Practice Guidance, ID 2a-001-20190220

- 7.6 In determining the local plan housing target, it will be necessary for the local authorities to consider whether, or not, the LHN could be met within their area, taking account of any constraints on land availability. In particular, it will be important to balance the need for housing against policies intended to restrict development in Areas of Outstanding Natural Beauty and any other areas with similar restrictions.
- 7.7 Where local authorities are unable to meet their LHN in full, it will be necessary for them to engage with neighbouring authorities through the Duty to Cooperate discussion. This should establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas.

## Disaggregating the minimum Local Housing Need figure

- 7.8 Although the LHN figures are informed by the trend-based household projections, the affordability adjustments (22.1% and 24.5%) mean that the LHN figures are higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.
- 7.9 Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected using past trends alone. In assessing the appropriate mix of housing, it is necessary to establish demographic projections to align with the number of homes identified by the standard method.
- 7.10 The demographic projections for the LHNAs are based on the latest official projections and cover the 20-year period 2020-2040. They are informed by the latest ONS mid-year estimates,<sup>26</sup> and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:

<sup>25</sup> "Government response to the technical consultation on updates to national planning policy and guidance", published 19th February 2019

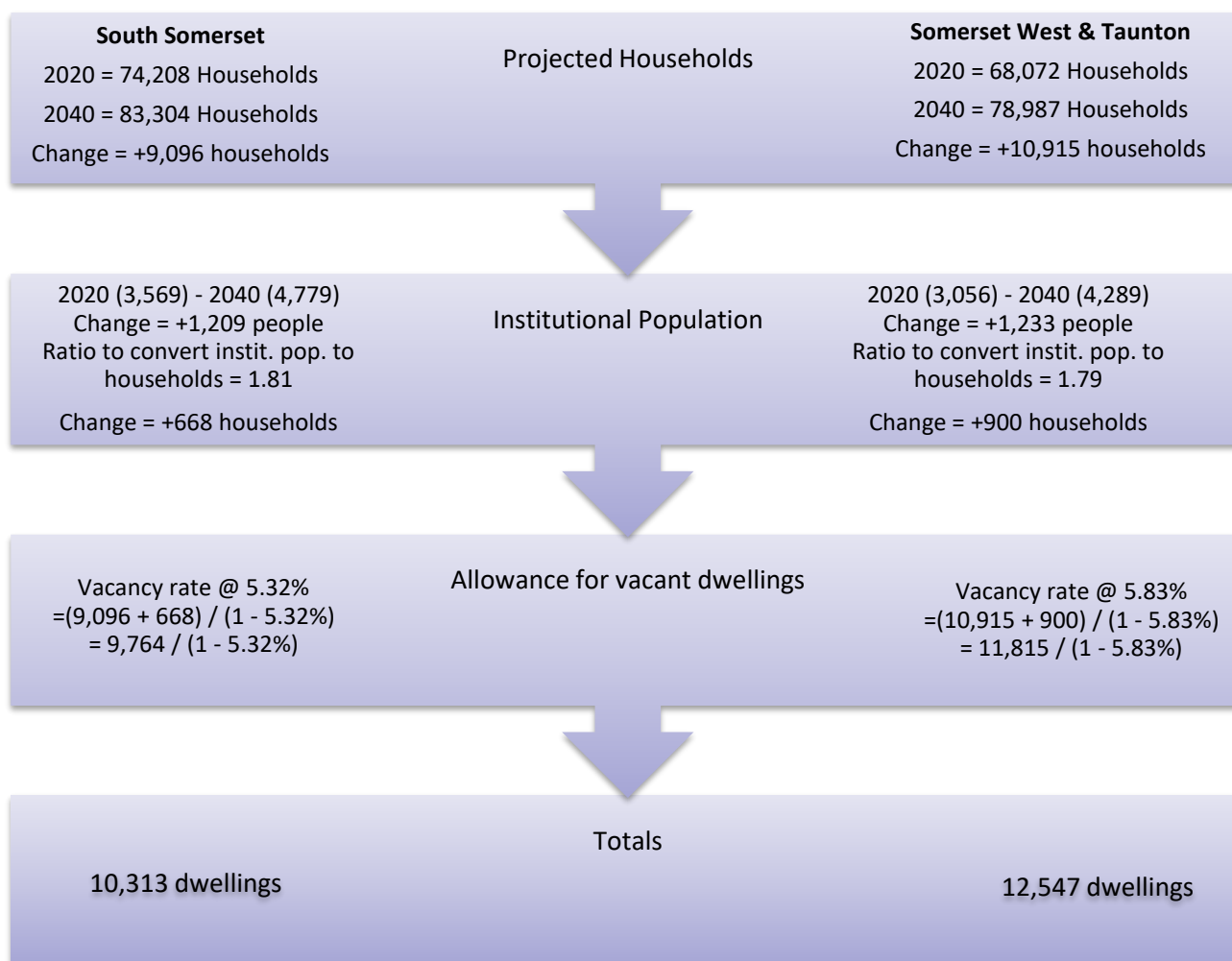
<sup>26</sup> The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

- » Household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
- » Where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration is increased to align the overall household growth with the number of dwellings identified by the LHN target.

7.11 Figure 71 sets out the separate elements that will contribute to the LHN. These include:

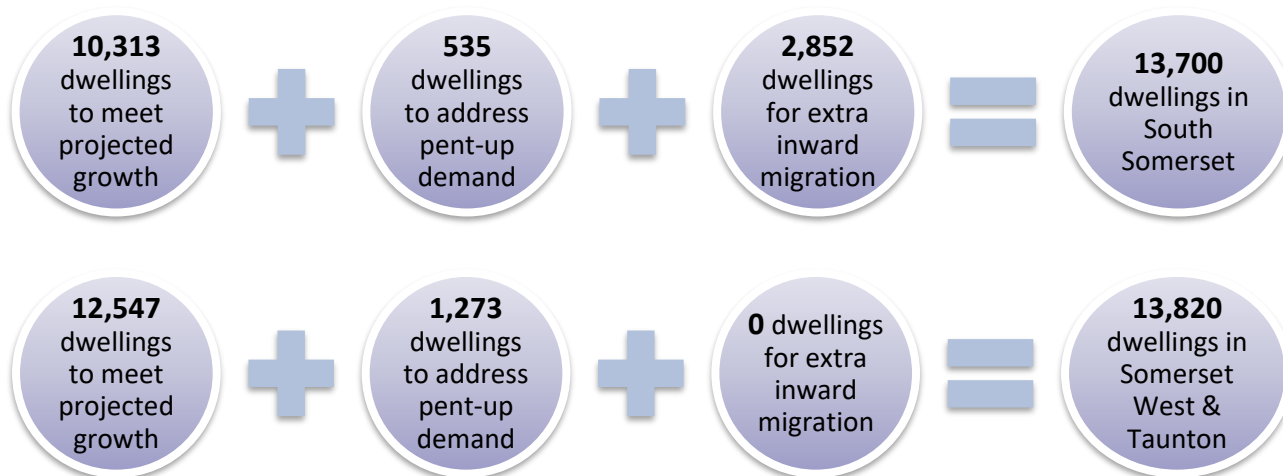
- » Household growth over the 20-year plan period calculated on trend-based projections;
- » Institutional population growth over the 20-year plan period needing communal accommodation;
- » Dwellings without a usually resident household (either vacant homes or second homes);
- » Additional dwellings to respond to pent-up housing market pressure.

**Figure 71: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)**



7.12 At this point in our reporting we are referring to dwellings rather than households. A dwelling is usually occupied by a single household although in some cases two households may share a dwelling (see glossary). Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

- 7.13 Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 9,764 in South Somerset, and 11,815 in Somerset West & Taunton. However, if we assume that just under 5.32% and 5.83%<sup>27</sup> of dwellings will be unoccupied at any one time this means that a total of 10,313 and 12,547 dwellings are required.
- 7.14 The local housing need has already been identified as 685 (South Somerset) and 691 (Somerset West & Taunton) dwellings per annum, which translates to 13,700 and 13,820 dwellings across the twenty-year period. This leaves a difference between these housing need figures and the population projected need of 10,313 and 12,547 dwellings.
- 7.15 This additional need is made up from two elements:
- » Enabling more households to form<sup>28</sup> (from the pent-up housing demand) = 506 dwellings
  - » Enabling more net inward migration<sup>29</sup> = 4,680 dwellings



- 7.16 The projected household growth for South Somerset generates a need for 10,313 dwellings over the period 2020-40, but the LHN is 13,700 dwellings. The additional 3,387 dwellings will help to accommodate households who have been unable to form in South Somerset and also additional migrant households. The equivalent figure for Somerset West and Taunton is an additional 1,273 extra dwellings for households who will form beyond those already included in the household projections as part of the total LHN of 13,820 dwellings. These 13,700 and 13,800 overall dwellings can be separated into market and affordable housing. A component of affordable housing as outlined in Chapter 6 is affordable home ownership for those that aspire to own. Some of the 4,660 (3,387 + 1,273) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership, and the impact of this group on the affordable housing numbers calculated in Chapter 5 is calculated below.

<sup>27</sup> Based on 2011 Census data at a local authority level

<sup>28</sup> Based on the assumption that household formation rates for all age groups under 45 are currently constrained and allowing them to return to the equivalent rates recorded in 2001.

<sup>29</sup> Once household formation rates reach the 2001 level any additional uplift is assumed to provide housing for an additional population based on increased net migration.

**Figure 72: Extra households beyond projected (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2040 (Source: ORS Housing Model)**

	All households aspiring to home ownership	MINUS households able to afford market ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
<b>South Somerset</b>							
1 bedroom	47	13	34	8	26	21	5
2 bedrooms	168	30	138	37	101	79	22
3 bedrooms	106	12	94	29	65	50	15
4+ bedrooms	11	0	11	5	5	3	2
<b>TOTAL</b>	<b>332</b>	<b>55</b>	<b>277</b>	<b>80</b>	<b>197</b>	<b>154</b>	<b>43</b>
<b>Somerset West and Taunton</b>							
1 bedroom	77	19	58	15	43	32	11
2 bedrooms	134	25	109	29	81	63	18
3 bedrooms	111	15	96	26	70	54	16
4+ bedrooms	14	1	13	6	7	4	3
<b>TOTAL</b>	<b>336</b>	<b>59</b>	<b>277</b>	<b>76</b>	<b>201</b>	<b>153</b>	<b>48</b>

<sup>7.17</sup> Figure 72 applies the same calculation to the extra residents as was presented in Figure 67 for households that formed projected growth. Dwellings suitable for 43 extra households in South Somerset and 48 extra households in Somerset West & Taunton are needed to accommodate those that aspire to homeownership that have at least £5,000 in savings and have incomes above the relevant threshold.

<sup>7.18</sup> The previous analysis (Figure 68) identified 1,062 households in South Somerset and 1,262 households in Somerset West & Taunton that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 43 extra households in South Somerset and 48 extra households in Somerset West & Taunton identified, this totals 1,125 households in South Somerset and 1,310 households in Somerset West & Taunton that will aspire to homeownership and have the financial means. Application of the affordable vacancy rate (under 1%)<sup>30</sup> yields 1,135 affordable homeownership dwellings in South Somerset and 1,319 dwellings in Somerset West & Taunton (Figure 73).

<sup>30</sup> Affordable vacancy rate data from Regulator of Social Housing - Statistical Data Return 2019

**Figure 73: Summary of households likely to be able to access affordable home ownership in LHN scenario (Source ORS Housing Model, Census)**

	Households able to afford and have savings of £5,000 or more (Base Scenario)	Households able to afford and have savings of £5,000 or more (Uplift for LHN)	Total	Dwellings
<b>South Somerset</b>				
1 bedroom	120	5	124	126
2 bedrooms	539	22	561	566
3 bedrooms	372	15	387	390
4+ bedrooms	51	2	53	53
<b>TOTAL</b>	<b>1,082</b>	<b>43</b>	<b>1,125</b>	<b>1,135</b>
<b>Somerset West and Taunton</b>				
1 bedroom	302	11	313	315
2 bedrooms	473	18	491	495
3 bedrooms	413	16	429	432
4+ bedrooms	74	3	77	77
<b>TOTAL</b>	<b>1,262</b>	<b>48</b>	<b>1,310</b>	<b>1,319</b>

- <sup>7.19</sup> Figure 74 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 69, and further disaggregating aspire to homeownership into those that can afford 70% of open market values, and those that cannot. This latter group will therefore require the provision of a more accessible product than 70% First Homes (e.g., a form of shared ownership, first homes with a larger discount, or similar). These affordable homes are subtracted from the overall dwelling need calculated above, disaggregating the number of market homes implied by the LHN.
- <sup>7.20</sup> Note that Class C2 dwellings are part of the LHN, so of the total housing that the LHN implies for the plan period, the projections imply a need for 706 and 959 units of this total to be Class C2. The need for 706 and 959 C2 dwellings in the table is the result of applying the market vacancy rate the modelled growth in institutional households within the population projections. The Class C2 figure is outlined in Figure 71 which considers the projected growth in those in Class C2 in the population and household projections. It is important to note that we are not assuming that the equivalent of 706 dwellings in South Somerset or 959 dwellings in Somerset West & Taunton are delivered as Class C2 bedspaces. Instead, the population and household projections assume that the equivalent of 706 and 959 dwellings will be vacated by those moving to Class C2. If these moves do not occur because Class C2 bedspaces are not delivered, then 706 and 959 more Class C3 dwellings will be required. If Class C2 bedspaces are delivered they can be counted at a ratio of 1.8 bedspaces equals 1 dwelling in the LHN figures.

**Figure 74: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size**  
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents	Unable to afford market ownership				
		Unable to afford 70% First Homes	Able to afford 70% First Homes			
<b>South Somerset</b>						
1 bedroom	795	56	69	920	297	<b>1,217</b>
2 bedrooms	1,709	172	394	2,275	1,196	<b>3,471</b>
3 bedrooms	606	148	242	996	5,237	<b>6,233</b>
4+ bedrooms	287	23	30	340	1,733	<b>2,073</b>
<b>DWELLINGS</b>	<b>3,397</b>	<b>400</b>	<b>735</b>	<b>4,531</b>	<b>8,463</b>	<b>12,994</b>
C2 Dwellings	-			-	706	706
<b>LHN</b>	<b>3,397</b>	<b>400</b>	<b>735</b>	<b>4,531</b>	<b>9,169</b>	<b>13,700</b>
<b>Somerset West and Taunton</b>						
1 bedroom	1,147	190	125	1,462	-111	1,351
2 bedrooms	1,467	139	355	1,961	960	2,921
3 bedrooms	806	110	322	1,238	4,820	6,058
4+ bedrooms	301	15	63	379	2,152	2,531
<b>DWELLINGS</b>	<b>3,721</b>	<b>454</b>	<b>864</b>	<b>5,040</b>	<b>7,821</b>	<b>12,861</b>
C2 Dwellings	-			-	959	959
<b>LHN</b>	<b>3,721</b>	<b>454</b>	<b>864</b>	<b>5,040</b>	<b>8,780</b>	<b>13,820</b>

7.21 Figure 75 shows the components of housing need presented in Figure 74 as percentages of the overall dwelling need calculated with the proposed standard method in Figure 70.

**Figure 75: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents	Unable to afford market ownership				
		Unable to afford 70% First Homes	Able to afford 70% First Homes			
<b>South Somerset</b>						
1 bedroom	5.8%	0.4%	0.5%	6.7%	2.2%	8.9%
2 bedrooms	12.5%	1.3%	2.9%	16.6%	8.7%	25.3%
3 bedrooms	4.4%	1.1%	1.8%	7.3%	38.2%	45.5%
4+ bedrooms	2.1%	0.2%	0.2%	2.5%	12.6%	15.1%
<b>DWELLINGS</b>	<b>24.8%</b>	<b>2.9%</b>	<b>5.4%</b>	<b>33.1%</b>	<b>61.8%</b>	<b>94.8%</b>
C2 Dwellings	-	-	-	-	5.2%	5.2%
<b>LHN</b>	<b>24.8%</b>	<b>2.9%</b>	<b>5.4%</b>	<b>33.1%</b>	<b>66.9%</b>	<b>100.0%</b>
<b>Somerset West and Taunton</b>						
1 bedroom	8.3%	1.4%	0.9%	10.6%	-0.8%	9.8%
2 bedrooms	10.6%	1.0%	2.6%	14.2%	6.9%	21.1%
3 bedrooms	5.8%	0.8%	2.3%	9.0%	34.9%	43.8%
4+ bedrooms	2.2%	0.1%	0.5%	2.7%	15.6%	18.3%
<b>DWELLINGS</b>	<b>26.9%</b>	<b>3.3%</b>	<b>6.3%</b>	<b>36.5%</b>	<b>56.6%</b>	<b>93.1%</b>
C2 Dwellings	-	-	-	-	6.9%	6.9%
<b>LHN</b>	<b>26.9%</b>	<b>3.3%</b>	<b>6.3%</b>	<b>36.5%</b>	<b>63.5%</b>	<b>100.0%</b>



## Exmoor National Park in Somerset West & Taunton

- 7.22 To this point the figures for the portion of the Exmoor National Park Authority (NPA) within Somerset West & Taunton have been subsumed as part of the Somerset West & Taunton figures. However, it is possible to provide an abbreviated housing model for this portion of the Exmoor NPA based on available evidence. This is in accordance with PPG which at paragraph 14 states:

***Where strategic policy-making authority boundaries do not align with local authority boundaries, or data is not available, should the standard method be used to assess local housing need?***

*Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.*

Planning Practice Guidance, ID: 2a-014-20190220

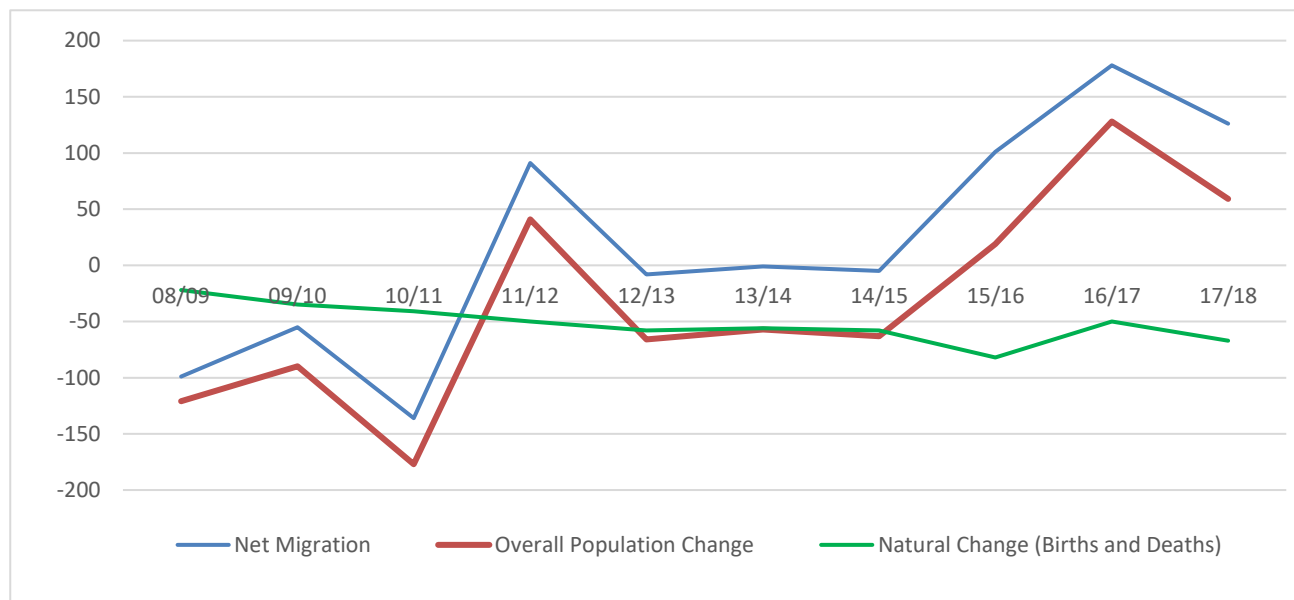
- 7.23 In practice most new homes provided in Exmoor NPA are developed to support local households and the local economy. The most recent work on the OAN for Exmoor NPA was carried out in 2016 for the Exmoor National Park Local Plan Examination based on the 2014 based household projections<sup>31</sup>. This gave an overall housing need 2011-31 of 406 dwellings. With uplifts this rose to 541 (market and affordable housing) across both the West Somerset and North Devon parts of Exmoor NPA.
- 7.24 In practice the Exmoor National Park Local Plan is only providing for the affordable housing element arising in the (then) West Somerset part of Exmoor NPA and this amounts to 238 dwellings over 20 years, or 12 per annum. The North Devon element of the figure is included in the North Devon & Torridge Local Plan housing requirement.
- 7.25 To undertake an assessment of the needs for Exmoor NPA within Somerset West & Taunton as part of this study, we have used mid-year population estimates for the Lower Super Output Areas which cover the Exmoor NPA within Somerset West and Taunton. Therefore, we have applied a best fit process to the boundaries of the NPA and the rest of Somerset West and Taunton to identify a specific population just for Exmoor NPA. The population identified for the Exmoor NPA is typically older and with fewer children than is the case for Somerset West & Taunton as a whole.
- 7.26 Given the demographic structure of Exmoor NPA, a straightforward apportioning of need from the figures for Somerset West & Taunton would likely over-estimate the need for the area. We have included the outputs from this exercise below, but we do not recommend that it is utilised for policy purposes because the population of Exmoor NPA is different in structure from that of Somerset West & Taunton as a whole.
- 7.27 The data from the bespoke population estimate for Exmoor NPA shows that according to the Mid-Year Estimates, natural change in the portion of the Exmoor NPA within Somerset West & Taunton has been steadily negative over the last decade, whereas inward migration has varied considerably, being negative in

---

<sup>31</sup> [https://www.exmoor-nationalpark.gov.uk/\\_data/assets/pdf\\_file/0020/229043/ENPA-Written-Statement-Invitation-to-Comment-on-the-implications-of-the-2014-household-projections\\_final-version.pdf](https://www.exmoor-nationalpark.gov.uk/_data/assets/pdf_file/0020/229043/ENPA-Written-Statement-Invitation-to-Comment-on-the-implications-of-the-2014-household-projections_final-version.pdf)

six out of the ten years 2008-18. The net impact of these changes are that the resident population of Exmoor NPA is estimated to be lower now than it was a decade earlier. However, the migration data from 2008-2010 is particularly low, so we would suggest that those figures should also be excluded.

**Figure 76: Net migration levels to the portion of Exmoor National Park Authority within Somerset West & Taunton 2008/09 to 2017/18 (Source: ONS Mid-Year Estimates)**



- 7.28 As a result of this variability in migration levels, population projections are very sensitive to the time period which informs the trend being projected forward. Utilising a ten-year trend (2008-18) yields a negative change in households 2020-40, whereas utilising a five-year trend (2013-18) yields a positive change. The resultant housing need that each of these three options yields (simple proportioning, 5-year trend, 10-year trend) are represented in Figure 77.
- 7.29 The affordable housing needs set out in Figure 77 are derived following the same process set out in Chapter 6 in that they consider the backlog of need in 2020, the likely newly arising need in the period 2020-40 and then consider the level of affordable likely to become available from out-migration and dissolutions of households in the period 2020-40. Exmoor NPA is not a housing authority and therefore the estimate of the backlog of current need is based upon an apportionment of the backlog of need in Somerset West & Taunton. However, future affordability and turnover of the supply of affordable housing is based upon the bespoke population projections estimated for Exmoor NPA. Therefore, both the overall housing need and the level of affordable housing need for Exmoor NPA in the 5-year trend and 10-year trend migration models are based upon data specifically relating to Exmoor NPA.
- 7.30 We would also note that we have calculated the need for affordable to own housing in Exmoor NPA. As noted earlier in the report at paragraph 6.95, national parks are excluded from the First Homes policy in the NPPF, but the same level of affordability would support other forms of affordable to own products such as Discount Market Sale or Shared Ownership. We have therefore retained the affordable to own figure in the tables to highlight the potential need for these products in Exmoor NPA.
- 7.31 Overall, we would propose that the 5-year migration trend model which shows a need for 196 dwellings over the 20 year period, or 10 dwellings per annum is the best model for Exmoor NPA. This is the total need for housing, with the affordable housing need being 109 dwellings over the 20 year period, or 5.5 dwellings per annum. This figure is consistent with the 5 year migration trends used in the standard method for Local

Housing Need for Somerset West & Taunton, but allows for the differences in population structure between Exmoor NPA and the wider local authority. We have retained the simple proportion of Somerset West and Taunton LHN and also the 10 year migration model for transparency, but we would recommend focusing upon the 5 year migration trend model.

**Figure 77: Household need 2020-40 for Exmoor National Park Authority within Somerset West & Taunton based on three alternative assumptions (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Dwellings			Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford		Affordable Home Ownership			
	Social rent	Affordable Rent				
<b>EXMOOR WITHIN SOMERSET WEST &amp; TAUNTON 2020-40 – SIMPLE PROPORTION OF LA LHN</b>						
1 bedroom	62	4	37	103	-25	<b>78</b>
2 bedrooms	72	13	54	138	30	<b>169</b>
3 bedrooms	36	11	37	83	266	<b>350</b>
4+ bedrooms	12	5	4	22	125	<b>146</b>
<b>DWELLINGS</b>	<b>182</b>	<b>33</b>	<b>132</b>	<b>347</b>	<b>395</b>	<b>742</b>
<b>EXMOOR WITHIN SOMERSET WEST &amp; TAUNTON 2020-40 – 5 YEAR BASED MIGRATION PROJECTION</b>						
1 bedroom	17	1	10	28	-7	<b>21</b>
2 bedrooms	30	5	23	58	13	<b>71</b>
3 bedrooms	9	3	9	20	64	<b>83</b>
4+ bedrooms	2	1	1	3	17	<b>20</b>
<b>DWELLINGS</b>	<b>57</b>	<b>10</b>	<b>42</b>	<b>109</b>	<b>87</b>	<b>196</b>
<b>EXMOOR WITHIN SOMERSET WEST &amp; TAUNTON 2020-40 – 10 YEAR BASED NET MIGRATION PROJECTION</b>						
1 bedroom	1	0	1	2	-1	<b>2</b>
2 bedrooms	-11	-2	-9	-22	-5	<b>-27</b>
3 bedrooms	-10	-3	-11	-24	-77	<b>-101</b>
4+ bedrooms	-4	-2	-1	-7	-43	<b>-50</b>
<b>DWELLINGS</b>	<b>-25</b>	<b>-7</b>	<b>-20</b>	<b>-51</b>	<b>-125</b>	<b>-176</b>

# 8. Needs of Different Groups

## Identifying the need for different types of housing

### Introduction

- 8.1 Paragraph 62 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers each group in turn.

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

Revised NPPF, paragraph 62

### The Private Rented Sector

- 8.2 The growth in the private rented sector in Somerset West & Taunton and South Somerset has been considered as part of the housing trends section (Figure 23 to Figure 28) which showed the sharp growth in the sector over recent years. This is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting. Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

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

Planning Practice Guidance, ID 67-002-20190722

- 8.3 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
  - » Recent reductions in incomes (in real terms);
  - » Affordability of owner occupation reducing;
  - » Changing Bank lending practices;
  - » The impact of inheritance and the difficulties involved in selling properties;
  - » Pensions reform: pension drawdowns invested in BTL property.

- 8.4 The growth of the Sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032.<sup>32</sup> On this basis, the number of households renting privately could double again over the next twenty years.
- 8.5 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.
- 8.6 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)<sup>33</sup>:

*"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. ... We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating."* (paragraphs 4.152-154)

- 8.7 Importantly, the Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 8.8 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply<sup>34</sup> (including the Build to Rent investment scheme<sup>35</sup>). The Government published "Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities" in March 2015<sup>36</sup>, and the Foreword by the Minister stated:

*"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

- 8.9 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

<sup>32</sup> <http://news.rla.org.uk/rpi-rent-revolution/>

<sup>33</sup> <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

<sup>34</sup> <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

<sup>35</sup> <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

<sup>36</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/412921/Improving\\_private\\_rented\\_sector.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf)

## The Future Role of the Private Rented Sector

- 8.10 PRS is an important tenure that has grown since 1991 to house a significant proportion of households in the area. At the same time, young households have been less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.
- 8.11 Further, there have been other changes announced (Right to Buy for housing association tenants and the new First Homes scheme) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first-time buyers. This duty has been updated to support the new First Homes scheme. The national policy position is for a requirement of at least 25% of affordable housing provision is to be for First Homes, and the NPPF also includes a 10% requirement for affordable home ownership on major housing sites (10 or more dwellings). This policy is therefore also likely to reduce the volume of Shared Ownership properties which will be delivered as they will be displaced by First Homes.
- 8.12 As is shown in Figure 74 there are many households residing in the private rented sector in Somerset West & Taunton and South Somerset who aspire to home ownership. If affordable to own homes could be provided for this group, it would help to reduce the size of the private rented sector.
- 8.13 However, if the new supply of affordable homes changes to include a large proportion of First Homes or other affordable to own properties, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under RTB), then demand for PRS stock may continue or increase further. This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.
- 8.14 In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

## Student Housing

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

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

**Planning Practice Guidance, ID 67-004-20190722**

- 8.16 The University Centre Somerset and Yeovil College University Centre lie within Somerset West & Taunton and South Somerset. At the time of the 2011 Census there were 34 all-student households in the private rented sector in Somerset West & Taunton and 5 all-student households in the private rented sector in South Somerset. Unless there is a major expansion of a higher education body into Somerset, students will continue to play a minimal role in the housing market.

## Service Families

- 8.17 The Ministry of Defence publish quarterly location statistics of service personnel, and the most recent iteration is dated February 2018. This precedes the merging of Somerset West with Taunton Deane, and therefore information for these two areas are presented separately.
- 8.18 According to the Ministry of Defence quarterly location statistics<sup>37</sup>, the numbers of armed forces personnel in South Somerset and Taunton Deane has remained relatively constant over the last few years. No personnel are recorded as being located in West Somerset (Figure 78).

Figure 78: Service personnel in South Somerset, Taunton Deane and West Somerset 2012-17 (Source: Ministry of Defence)

		01/10/2012	01/10/2013	01/10/2014	01/10/2015	01/10/2016	01/10/2017
<b>South Somerset</b>							
<b>Military</b>	<b>Total</b>	<b>2590</b>	<b>2360</b>	<b>2110</b>	<b>2360</b>	<b>2530</b>	<b>2630</b>
<b>Civilians</b>	<b>Total</b>	<b>660</b>	<b>590</b>	<b>560</b>	<b>550</b>	<b>520</b>	<b>520</b>
<b>Taunton Deane</b>							
<b>Military</b>	<b>Total</b>	<b>810</b>	<b>650</b>	<b>710</b>	<b>680</b>	<b>670</b>	<b>630</b>
<b>Civilians</b>	<b>Total</b>	<b>1040</b>	<b>1060</b>	<b>990</b>	<b>940</b>	<b>890</b>	<b>890</b>
<b>West Somerset</b>							
<b>Military</b>	<b>Total</b>	-	-	-	-	-	-
<b>Civilians</b>	<b>Total</b>	-	-	-	-	-	-

- 8.19 Given that the numbers of MOD personnel deployed in Somerset West & Taunton and South Somerset has remained relatively constant over time, there is no identifiable housing need for service families.

## People Wishing to Build their Own Homes

- 8.20 Planning practice guidance requires that people wishing to build their own homes are considered and states:

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

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

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

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

<sup>37</sup> <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-quarterly-statistics-2017>

- 8.21 Over half of the population (53%) say that they would consider building their own home<sup>38</sup> (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK<sup>39</sup>, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 8.22 The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.
- 8.23 "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)<sup>40</sup> redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "Build-it-yourself? Understanding the changing landscape of the UK self-build market" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' in 2014 to test how the 'Right to Build' could work in practice in a range of different circumstances. Individual local authorities produced their own reviews of their experiences<sup>41</sup>, but no detailed review of all 11 Vanguards was produced.
- 8.24 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act<sup>42</sup> 2015 places a duty on local planning authorities to:
- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
  - » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
  - » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.
- 8.25 The 2015 Act was amended by the Housing and Planning Act 2016<sup>43</sup> which placed a duty on local planning authorities to provide serviced sites which have planning permission that allows for self-build or custom housebuilding:

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

**Housing and Planning Act 2016 Section 2(a)(2)**

<sup>38</sup> Building Societies Association Survey of 2,051 UK consumers 2011

<sup>39</sup> Self-build and custom build housing (England) House of Commons Brief Paper March 2017

<sup>40</sup> <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

<sup>41</sup> [Right to Build Vanguard.pdf](#) and [Version-02-APPG-Enquiry-SCDC-response-to-circ.pdf](#) ([cambridgeshireinsight.org.uk](http://cambridgeshireinsight.org.uk))

<sup>42</sup> <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

<sup>43</sup> <http://services.parliament.uk/bills/2015-16/housingandplanning.html>



## February 2021 Policy Update

- 8.26 In February 2021 the Government updated Planning Practice Guidance in the form of - Self-build and custom housebuilding<sup>44</sup>. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

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

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

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

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

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

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

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

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

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

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 016 Reference ID: 57-016-20210208**

- 8.27 Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.
- 8.28 Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and is unlikely to fully reflect the demand for self-build and custom housebuilding.

<sup>44</sup> [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/self-build-and-custom-housebuilding)

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

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

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 028 Reference ID: 57-028-20210208**

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

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

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

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

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 023 Reference ID: 57-023-20210208**

- 8.30 Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register with a 3-year time lag. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31st of October until 30th of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.

- 8.31 The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. This is recognised in the guidance which states that:

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

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

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

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

**Self-build and Custom Housebuilding Guidance**

**Paragraph: 011 Reference ID: 57-011-20210208**

- 8.32 The guidance is clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

## April 2021 Self and Custom Build Action Plan

- 8.33 In April 2021, MHCLG produced a new action plan to further support the development of the self-build and custom housebuilding sector.<sup>45</sup> This focused upon four key areas:

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

<sup>45</sup> [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92422/self-and-custom-build-action-plan)

government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

- 8.34 The Councils have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including a self-build and custom housing register. At the time of writing, South Somerset has had 126 requests for serviced plots of land on its register, and Somerset West & Taunton a further 75 requests. The register will help inform the extent to which policy will need to be in place to reflect that demand and consideration will need to be given to schemes to determine the extent to which they contribute to affordable housing.

## Housing for Older People

- 8.35 Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.<sup>46</sup>
- 8.36 Given this context, the PPG recognises the importance of providing housing for older people. Given this context, the PPG recognises the importance of providing housing for older people. An additional PPG section on "Housing for older and disabled people" was published on 26<sup>th</sup> June 2019, which states:

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

Planning Practice Guidance, ID 63-004-20190626

- 8.37 The population projections linked to the LHN of 685 and 691 dpa identify that the population of South Somerset is likely to increase from 169,496 persons to 187,292 persons over the 20-year period 2020-40; an increase of 17,795 persons. The population of Somerset West & Taunton is similarly likely to increase from 155,780 to 171,435, an increase of 15,655 persons. The population projections used in this section are the 2016 based SNPP adjusted for the total dwelling delivery.
- 8.38 The population in older age groups is projected to increase substantially during this period, with an increase in the population aged 65 or over of 18,353 in South Somerset and 18,043 in Somerset West & Taunton, compared to a decrease of -558 and -2,388 persons respectively amongst under 65s. Of the growth in the 65 or over population, four fifths (80% and 82%) are projected to be 75+ (14,656 and 14,762 persons). This is particularly important when establishing the types of housing required and the need for housing specifically for older people. Whilst most of these older people will already live in the area and many will not move from their current homes; those that do move home are likely to be looking for suitable housing (Figure 79 and Figure 80).

<sup>46</sup> ONS 2016-based sub-national population projections

**Figure 79: Resident population for 2020 and 2040 and summary of 20-year change by age for South Somerset (Note: Figures may not sum due to rounding. Source: Dwelling-led population projections based on the identified Local Housing Need)**

	Age					TOTAL
	0-15	16-64	65-74	75-84	85+	
<b>RESIDENT POPULATION</b>						
2020	29,872	95,799	23,267	14,612	5,947	169,496
2040	29,678	95,435	26,963	22,785	12,430	187,292
<b>TOTAL CHANGE 2020-2040</b>	<b>-194</b>	<b>-364</b>	<b>+3,697</b>	<b>+8,173</b>	<b>+6,483</b>	<b>+17,795</b>

**Figure 80: Resident population for 2020 and 2040 and summary of 20-year change by age for Somerset West & Taunton (Note: Figures may not sum due to rounding. Source: Dwelling-led population projections based on the identified Local Housing Need)**

	Age					TOTAL
	0-15	16-64	65-74	75-84	85+	
<b>RESIDENT POPULATION</b>						
2020	26,822	88,114	21,161	13,547	6,136	155,780
2040	26,087	86,461	24,442	21,611	12,834	171,435
<b>TOTAL CHANGE 2020-2040</b>	<b>-735</b>	<b>-1,653</b>	<b>+3,281</b>	<b>+8,063</b>	<b>+6,699</b>	<b>+15,655</b>

8.39 Figure 81 and Figure 82 identify the existing stock of specialist Older Person housing based on data published in 2015 by the Elderly Accommodation Counsel (EAC).<sup>47</sup> This identifies a total of 2,131 specialist Older Person dwellings in South Somerset and a further 2,535 in Somerset West & Taunton, with a small number of further units having been delivered since 2015.

**Figure 81: Existing Stock of Specialist Older Person Housing in South Somerset (Source: EAC 2015)**

Property Type		Number of Units (2015)	Rate Per 1,000 persons aged 75+ years (2015)
Housing with support	Owned	402	28
	Rented	1415	97
Housing with care	Owned	10	0.7
	Rented	304	21
<b>TOTAL</b>		<b>2,131</b>	<b>147</b>

**Figure 82: Existing Stock of Specialist Older Person Housing in Somerset West & Taunton (Source: EAC 2015)**

Property Type		Number of Units (2015)	Rate Per 1,000 persons aged 75+ years (2015)
Housing with support	Owned	761	53
	Rented	1476	102
Housing with care	Owned	65	5
	Rented	233	16
<b>TOTAL</b>		<b>2,535</b>	<b>176</b>

<sup>47</sup> <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: "a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group". It is important to note that a considerable proportion of housing intended for older people falls outside this definition; and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' are included.

- 8.40 The Housing Learning and Improvement Network (LIN) published “More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people”<sup>48</sup> in February 2008; and subsequently published the “Strategic Housing for Older People (SHOP)”<sup>49</sup> resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for a range of specialist older person housing products, based on the population aged 75 or over, and these have informed the evidence base for many adopted Local Plans. We would note that the figures generated by these toolkits are modelled outputs based upon standardised rates of access to older person accommodation. While the existing rate in South Somerset is currently around 147 units per 1,000 persons aged 75+ years and 176 units per 1000 persons in Somerset West & Taunton, they assume much higher rates. The impact of changing rates of access to older persons accommodation is considered later in this section.

Figure 83: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit	SHOP resource pack
	TOTAL	TOTAL
<b>Demand per 1,000 persons aged 75+</b>		
Leasehold Schemes for the Elderly (LSE)	75	120
Conventional Sheltered Housing	50	60
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	20	20
Extra care	25	45
Dementia	10	6
<b>TOTAL</b>	<b>180</b>	<b>251</b>

- 8.41 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. The More Choice, Greater Voice toolkit recognises that the suggested framework simply:

*“...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.”* (page 44)

- 8.42 Similarly, the SHOP resource pack acknowledges that the framework simply provides a baseline, which extrapolates “...crude estimates of future demand from existing data” (page 36). There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.
- 8.43 We would also note that accommodation for people with Dementia could be in their own home or in a residential or extra care scheme. The important issue for people is to ensure that they receive the necessary care for their condition, rather than the exact form of accommodation they occupy.
- 8.44 The Older People housing options considered in this section follow the definitions in the 2012 Housing Our Ageing Population report (HAPPI2).<sup>50</sup> This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes). The specialist housing requirements here were modelled using the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack

<sup>48</sup> [http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Reports/MCGVdocument.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf)

<sup>49</sup> <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

<sup>50</sup> [http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Other\\_reports\\_and\\_guidance/Housing\\_our\\_Ageing\\_Population\\_Plan\\_for\\_Implementation.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf)

methodology (2012) and also on a continuation of existing patterns of delivery in South Somerset and Somerset West & Taunton.<sup>51</sup> This forecasts future population and then applies a benchmark need for particular housing types per thousand people aged 75+.

- 8.45 Based on the projected growth in population aged 75+ identified, the table below identifies the potential additional requirement for new specialist housing (using a continuation of current provision patterns and also the Housing LIN Older People Resource Pack 2012) for the period 2020-2040. As can be seen, the Housing LIN approach shows a significant need for owned schemes (e.g. LSE, Extra care, Sheltered 'plus') in Somerset West & Taunton and South Somerset, but a continuation of the current pattern of provision would see a much more limited need for dedicated older person housing.
- 8.46 In addition to these figures we would also note that there is a modelled need for 706 Class C2 bedspaces in South Somerset and 959 in Somerset West & Taunton, as set out in Figure 74.

**Figure 84: Modelled Demand for Additional Specialist Older Person Housing South Somerset 2020-40 (Source: EAC 2015 and Housing LIN Toolkit)**

Property Type		Local Authority	
		SOUTH SOMERSET	SOMERSET WEST & TAUNTON
<b>Population aged 75+</b>			
	2020	20,559	19,683
	2040	35,215	34,445
<b>TOTAL CHANGE 2020-2040</b>		<b>14,656</b>	<b>14,762</b>
<b>Modelled Demand</b>			
Traditional sheltered		879	886
Extra care	Owned	440	443
	Rented	220	221
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	147	148
	Rented	147	148
Dementia		88	89
Leasehold Schemes for the Elderly (LSE)		1,759	1,771
<b>TOTAL</b>		<b>3,679</b>	<b>3,705</b>

- 8.47 While the Housing LIN model identifies future need, this is on the basis of existing types of provision (sheltered, extra care etc). It is unclear, at the present time, if Older People will aspire to these types of specialist housing in the future; indeed, some types are already currently experiencing low demand (notably rented sheltered housing – see Figure 85 and Figure 86), and other, newer types of provision may appear to meet changing aspirations in the market. Further, the policy aim of supporting people at home for longer could mean, for example, that floating support services, home care services and assistive technologies to older people, in their own homes, could sustain people there longer.

<sup>51</sup> [www.housinglin.org.uk/housinginlaterlife\\_planningtool](http://www.housinglin.org.uk/housinginlaterlife_planningtool)

8.48 The tables below (Figure 85 and Figure 86) identify the potential requirement for new specialist housing, taking account of the current population and existing stock together with the additional demand for the period 2020-2040 based on the projected change in population aged 75+. If current patterns of provision were to continue then a total of 3,679 additional units would be required in South Somerset, and a further 3,705 in Somerset West & Taunton. However, the Housing LIN SHOP Resource Packs indicate that as many as 3,029 and 2,405 units (South Somerset and Somerset West & Taunton respectively) may be required to bring provision in the areas up to their benchmark levels.

Figure 85: Modelled Demand for Older Person Housing in South Somerset based on Current Provision and Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Backlog at start of period	Gross need 2040	New need 2020-40	Overall need
<b>SHOP Resource Pack</b>								
Sheltered Housing	Owned	120	2,467	402	2,065	4,226	+1,759	+3,824
	Rented	60	1,234	1,415	-181	2,113	+879	+698
Extra Care	Owned	40	822	10	812	1,409	+586	+1,399
	Rented	31	637	304	333	1,092	+454	+788
<b>TOTAL</b>		<b>251</b>	<b>5,160</b>	<b>2,131</b>	<b>3,029</b>	<b>8,839</b>	<b>+3,679</b>	<b>+6,708</b>

Figure 86: Modelled Demand for Older Person Housing in Somerset West & Taunton based on Current Provision and Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Backlog at start of period	Gross need 2040	New need 2020-40	Overall need
<b>SHOP Resource Pack</b>								
Sheltered Housing	Owned	120	2,362	761	1,601	4,133	+1,771	+3,372
	Rented	60	1,181	1,476	-295	2,067	+886	+591
Extra Care	Owned	40	787	65	722	1,378	+590	+1,313
	Rented	31	610	233	377	1,068	+458	+835
<b>TOTAL</b>		<b>251</b>	<b>4,940</b>	<b>2,535</b>	<b>2,405</b>	<b>8,646</b>	<b>+3,705</b>	<b>+6,111</b>

8.49 Of course, it is important that the delivery of specific schemes for specialist older person housing are considered in partnership with other agencies, in particular those responsible for older person support needs. It will also be important to consider other factors and constraints in the market:

- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs. On this basis it is likely that the Housing LIN model will overstate the levels of need and will result in too many people being projected to require too high a level of care;
- » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Councils and its partners to determine the most appropriate types of specialist older person housing to be provided in the area. In particular, it can be the case that Class C2 care home bedspaces are developed when in practice these are not required by households, who would be better suited to Extra Care schemes. Similarly, those in Extra Care schemes may be better suited to less intensive forms of care;



- » **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households, may already be approaching the end of its life, or otherwise be undesirable (e.g. due to location). Nevertheless, other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
- » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service. The ability to maintain households in their own homes will be a key objective, and this can release the pressure to deliver further dedicated older person care units;
- » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision (such as through continued delivery of new housing meeting M4(2) and M4(3) standards – see para 8.55 onwards), so future need may, again, be overstated.

8.50 In conclusion, population projections show a large increase in older people between 2020 and 2040, an increase of 14,656 persons aged 75+ in South Somerset, and 14,762 persons aged 75+ in Somerset West & Taunton. There is a corresponding need for dedicated housing options.

## Housing for People with Disabilities

8.51 Paragraph 62 of the Revised NPPF identifies that local planning authorities should plan households with specific needs, and PPG states:

### ***What evidence can plan-makers consider when identifying the housing needs of people with disabilities?***

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

*Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.*

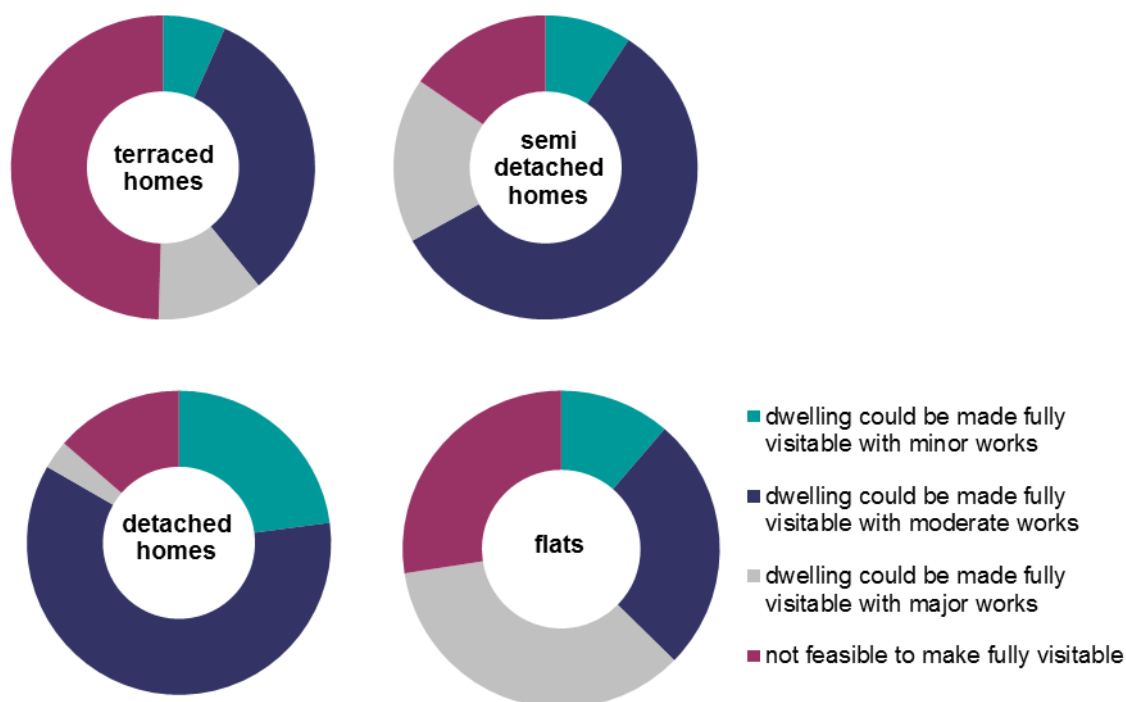
Planning Practice Guidance, ID 63-005-20190626

- 8.52 Personal Independence Payments started to replace the Disability Living Allowance from April 2013, and these are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions). Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. Nevertheless, PPG recognises that neither of these sources provides information about the need for adapted homes as *“not all of the people included within these counts will require adaptations in the home”*.
- 8.53 Disabled Facilities Grants (DFGs) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations.
- 8.54 However, PPG notes that whilst patterns of DFG applications *“provide an indication of levels of expressed need”* it cautions that this could *“underestimate total need”*. Of course, it is also important to recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.
- 8.55 The Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).<sup>52</sup>
- 8.56 Three standards are covered:
- » M4(1) Category 1: VISIBLE dwellings – Mandatory, broadly about accessibility to ALL properties
  - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
  - » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- 8.57 Given that the existing stock is considerably larger than projected new build, adapting existing stock through DFGs is likely to form part of the solution. However, the English Housing Survey identifies that approaching half of all existing dwellings could not be adapted or would require major works in order for them to be made fully visible. On this basis, adapting existing stock alone is unlikely to provide sufficient properties to meet the needs of a growing older population and those with disabilities that require adaptations to improve the accessibility of their homes.

---

<sup>52</sup> <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

Figure 87: Level of work required to create full visitability (Source: EHS 2014-15 Annex Figure 2.5)



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

8.59 Planning Practice Guidance for Housing optional technical standards states (the data sheet mentioned forms the basis of the data used in this report):

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

::

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

Planning Practice Guidance, ID 56-007-20150327

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

*“The provision made must be sufficient to-*

*(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*

*(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.” (Page 10)*

- 8.61 On this basis, in establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.
- 8.62 When considering the housing mix, the analysis above identified that many households moving into new housing are likely to be younger at the time that they form. However, these will include some households with mobility problems. Furthermore, it is likely that the needs of these households will change over time – partly through progressive change as health deteriorates with households get older, but also immediate change following an accident or health condition impacting mobility. Some households may also gain additional members with existing conditions, including children born with disabilities.
- 8.63 Our analysis also identified a substantial growth in older households, although many of these will not move from their current home and will make adaptations as required to meet their needs. However, a large number of older households will still choose to move to an accessible home and others may have to move where it is not viable for their current home to be adapted. Not all of these households want to live in specialist older person housing, so it is important to ensure that accessible general needs housing that is suitable for older people is also provided. This will often free up family housing occupied by older households.
- 8.64 Not all health problems will affect households’ housing needs. Data from the English Housing Survey identifies that 70.9% of households have no limiting long-term illness (LLTI) or disability with a further 20.3% where there is a household member with an illness or disability but this does not affect their housing need. Nevertheless, around 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. The proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively).
- 8.65 Within this group, the substantial majority of households (82.6%) live in a home that is suitable for their needs (either having already moved or adapted their existing home). Nevertheless, just over 17% of households with a disability that affects their housing need either require adaptations or need to move to a more suitable home, which equates to 1.5% of all households.

**Figure 88: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)**

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
<b>Households with one or more persons with a limiting long-term illness or disability</b>			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
<b>Total households where a limiting long-term illness or disability affects their housing need:</b>	<b>6.5%</b>	<b>19.8%</b>	<b>8.8%</b>
<b>Of those households where a limiting long-term illness or disability affects their housing need:</b>			
Current home suitable for needs	83.1%	81.9%	82.6%
Current home requires adaptation	9.4%	8.1%	8.9%
Need to move to a more suitable home	7.4%	10.0%	8.4%

8.66 Through combining the national data from the English Housing Survey with data about relative levels of limiting long-term illness and disability in South Somerset and Somerset West & Taunton, it is possible to estimate the number of households likely to require adaptations or needing to move to a more suitable home.

8.67 Figure 89 identifies that there are around 22,593 households living in South Somerset, and a further 21,921 in Somerset West & Taunton as of 2020 with one or more persons with a limiting long-term illness or disability. This includes around 7,451 and 7,357 (respectively) households where their health problems affect their housing needs, but the majority of these households (around 6,279 and 6,198 respectively) are already living in a suitable home. However, in 2020, it is estimated that there are around 580 and 578 (respectively) households needing to move to a more suitable home due to a disability or another long-term health problem. These households would represent an existing need for M4(2) housing, however some of these households would be wheelchair users needing M4(3) housing. A further 593 and 581 households (respectively) need adaptations to their current home.

**Figure 89: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

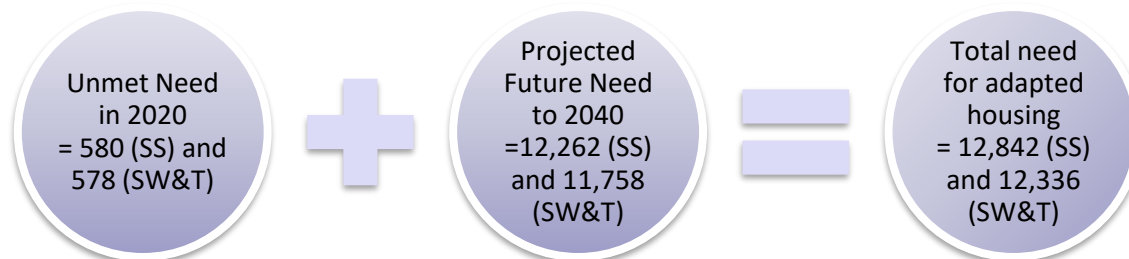
	South Somerset	Somerset West & Taunton
<b>Households with one or more persons with a limiting long-term illness or disability</b>	22,593	21,921
Does not affect their housing need	15,141	14,564
Current home suitable for needs	6,279	6,198
Current home requires adaptation	593	581
Need to move to a more suitable home	580	578
<b>Total households where a limiting long-term illness or disability affects their housing need:</b>	<b>7,451</b>	<b>7,357</b>

- 8.68 The identified need for 580 (South Somerset) and 578 (Somerset West & Taunton) adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires "*the changing needs of occupants over time*" to be considered. Therefore, even without any change to the number of households in South Somerset and Somerset West & Taunton, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.
- 8.69 Whilst around 7,451 households living in South Somerset and 7,357 in Somerset West & Taunton as of 2020 have a health problem that already affected their housing requirement, it is likely that a further 3,312 and 3,078 households respectively would develop health problems within 10 years (Figure 90). These households would also require adaptations to their current home or would need to move to a more suitable home.
- 8.70 Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.
- 8.71 Further modelling of health needs suggests that by 2040 there will be an additional 8,951 households in South Somerset and 8,680 in Somerset West & Taunton either already experiencing health problems or likely to develop health problems within 10 years (Figure 90). Some of these will be new households, but many will be existing households resident in 2020 whose health has deteriorated over the Plan period.
- 8.72 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 12,262 households in South Somerset, and a further 11,758 in Somerset West & Taunton either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 580 and 578 households needing to move and the 593 and 581 households needing adaptations based on their current health at the start of the Plan period (South Somerset and Somerset West & Taunton respectively, see Figure 90).

**Figure 90: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	South Somerset	Somerset West & Taunton
<b>Households where an existing illness or disability affects their housing need in 2020</b>		
Current home suitable for needs	6,279	6,198
Current home requires adaptation	593	581
Need to move to a more suitable home	580	578
<b>Total households where a limiting long-term illness or disability affects their housing need in 2020</b>	<b>7,451</b>	<b>7,357</b>
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	3,312	3,078
Additional households in 2040 projected to experience problems or likely to develop problems within 10 years	8,951	8,680
<b>Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years</b>	<b>12,262</b>	<b>11,758</b>

- 8.73 To provide M4(2) housing for all of the identified need would require housing for up to 12,842 (South Somerset) and 12,336 (Somerset West & Taunton) households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.



- 8.74 Although some households would prefer not to move, Figure 87 identified that many existing homes were not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in Somerset West & Taunton and South Somerset, it is likely that around 60% will live in dwellings that could be converted to meet the M4(1) standard.
- 8.75 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that around 40% of the need for adapted housing would be from households whose homes were not suitable for adaptation. In South Somerset this equates to 5,177 households, and a further 5,184 in Somerset West & Taunton. This includes the 580 and 578 households (respectively) identified as needing to move at the start of the Plan period (Figure 91).

**Figure 91: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	South Somerset	Somerset West & Taunton
<b>Existing need in 2020</b>		
Households where an existing illness or disability affects their housing need, and need to move in 2020	580	578
<b>Projected future need 2020-40</b>		
Additional households in 2040 where illness or disability affects their housing need or will develop within 10 years	12,262	11,758
<b>Maximum need for adapted housing 2020-40 (households)</b>	<b>12,842</b>	<b>12,336</b>
Less households living in dwellings adaptable to M4(1) standard	7,665	7,152
<b>Minimum need for adapted housing 2020-40 (households)</b>	<b>5,177</b>	<b>5,184</b>

- 8.76 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 5,177 households and maximum of 12,842 households in South Somerset, and minimum of 5,184 and maximum of 12,336 in Somerset West & Taunton (identified in Figure 91) provide an appropriate range for the local authority to consider. Even the lower end of this scale represents in excess of 35% of the minimum LHN figure for South Somerset and Somerset West & Taunton.

- 8.77 It is important to recognise that this would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

## Housing for Wheelchair Users

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

*“The provision made must be sufficient to-*

*(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;*

*(b) to meet the needs of occupants who use wheelchairs.” (Page 23)*

- 8.79 On this basis, in establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 8.80 The CLG guide to available disability data<sup>53</sup> referenced by PPG [ID 56-007-20150327] shows that around 1-in-30 households in England (3.3%) currently have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 92 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

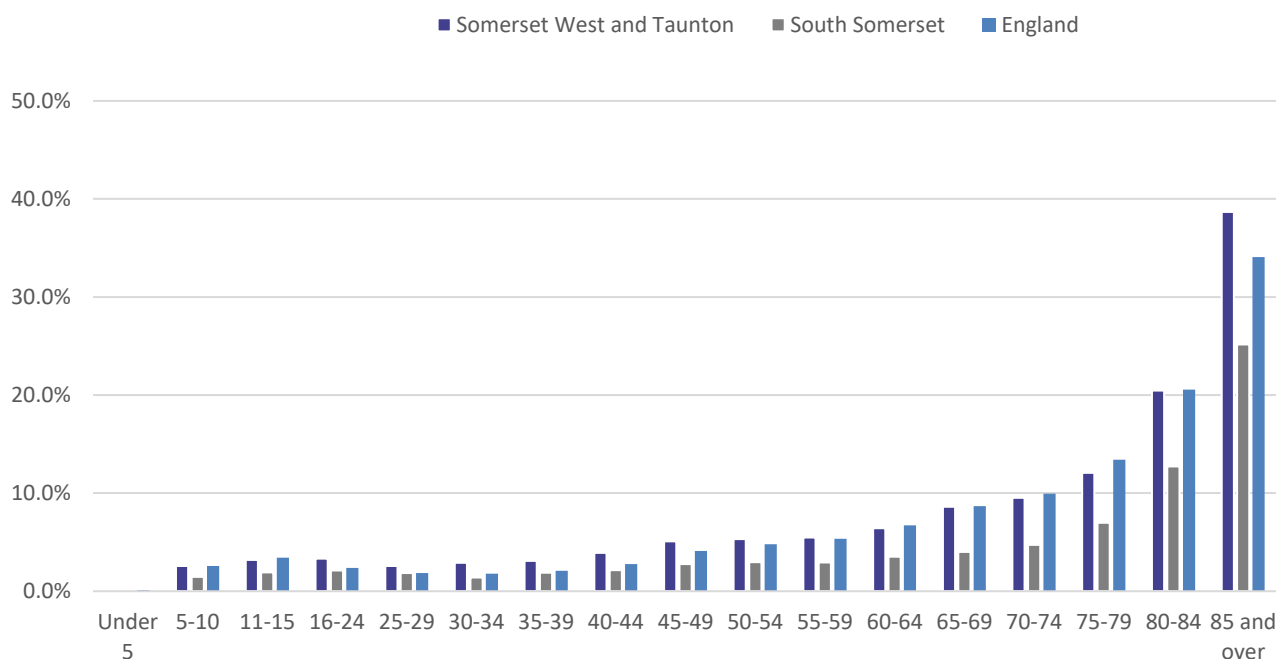
**Figure 92: Percentage of households in England with a wheelchair user by type of housing and age of household representative**  
(Source: English Housing Survey 2013-14)

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

- 8.81 Figure 93 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for South Somerset and Somerset West & Taunton against the figures for England.

<sup>53</sup> <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>



**Figure 93: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2018)**

8.82 Through combining the information on local rates with the national data, we can establish the proportion of households in the authorities likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 94).

**Figure 94: Percentage of households with a wheelchair user by type of housing and age of household representative**

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
<b>South Somerset</b>								
Market housing	< 0.1%	0.4%	1.0%	1.5%	2.8%	3.7%	5.4%	8.0%
Affordable housing	0.3%	2.0%	2.9%	5.8%	5.8%	9.6%	11.5%	17.3%
<b>Somerset West &amp; Taunton</b>								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.0%	10.0%
Affordable housing	0.3%	2.0%	3.0%	6.1%	6.1%	10.3%	12.6%	21.2%

8.83 Figure 95 identifies the net change in the number of households with a wheelchair user over the period 2020 to 2040. It is evident that the number of households likely to need wheelchair adapted housing in South Somerset and Somerset West & Taunton is likely to increase by 941 and 1,137 respectively over the 20-year period, equivalent to around 7.7% and 9.4% of the LHN figure.

Figure 95: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2020-40	% of Housing Need
	2020	2040	Net change 2020-40	2020	2040	Net change 2020-40		
<b>South Somerset</b>								
Market housing	1,037	1,048	+10	776	1,376	+600	+610	6.7%
Affordable housing	485	547	+63	320	588	+268	+331	10.3%
<b>Total</b>	<b>1,522</b>	<b>1,595</b>	<b>+73</b>	<b>1,096</b>	<b>1,964</b>	<b>+868</b>	<b>+941</b>	<b>7.7%</b>
<b>Somerset West &amp; Taunton</b>								
Market housing	995	1,002	+7	823	1,469	+646	+654	7.6%
Affordable housing	540	614	+75	408	817	+409	+483	13.8%
<b>Total</b>	<b>1,535</b>	<b>1,617</b>	<b>+82</b>	<b>1,231</b>	<b>2,286</b>	<b>+1,055</b>	<b>+1,137</b>	<b>9.4%</b>

8.84 **The evidence supports the need for a target of 10% of all housing to meet M4(3) Category 3 requirements.**

Based on the earlier conclusion that over 35% of all new housing should be suitable for the needs of households with health problems or disabilities that affect their housing requirement, we can therefore conclude that **the evidence also supports the need for a target of over 25% of all housing to meet M4(2) Category 2 requirements.**

8.85 However, it is important to recognise that most of the identified growth in households with wheelchair users (868 in South Somerset, 1,055 in Somerset West & Taunton, equivalent to 92% and 93% respectively) are aged 75 or over, and it is likely that many of these households would also be identified as needing specialist housing for older persons. The earlier analysis identified a need for around 6,708 specialist older person housing units for households aged 75 or over in South Somerset and a further 6,111 in Somerset West & Taunton (Figure 85 and Figure 86). Whilst not all households needing wheelchair adapted housing will live in specialist older person housing, at any point in time it is likely that around a quarter of those living in specialist housing will need wheelchair adapted homes, and it is likely that some older households will start using a wheelchair whilst living in specialist housing if their health deteriorates. On this basis, it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the Category 3 requirements. **The evidence supports the need for a target of at least 25% and ideally 50% or more of specialist housing for older people to meet M4(3) Category 3 requirements; and all specialist housing for older people should meet M4(2) Category 2 requirements.**

## Hinkley Point C

- 8.86 In its original proposals for the construction of the Hinkley Point C nuclear reactor inside the Somerset West and Taunton, EDF submission to the Secretary of State in 2012 included plans for 5,600 workers at the peak of construction in 2020. This included 66% non-home based workers (around 3,700 in total), so it was assumed that there would be increased demand on private rented accommodation in the area around the construction site.
- 8.87 In 2020, EDF approached the local authority partners that are signatories to the Development Consent Order (Somerset West and Taunton, Somerset County Council and Sedgemoor District Council), to explain that they would be seeking to increase the peak workforce to 8,600, with a new peak of 2022/23. The main reason for this is to complete the two reactors within a similar timeframe as was originally predicted. The whole project is currently officially delayed by 6 months. The first reactor will be live in June 2026 and the second one a year later.
- 8.88 In 2020, Somerset West & Taunton produced their third assessment of the impact Hinkley Point C on their own local authority area<sup>54 55</sup>. This was in part done to make a case for drawing down the remaining Section 106 funds remaining available to the Council. It also re-assessed the potential impact of the 5,600 workforce. No further assessment has been done yet of the impact of 8,600 workers
- 8.89 Construction began in 2011 when the Site Preparation Works S106 was agreed with partners and signed by the Secretary of State. The Development Consent Order Section 106 was then agreed in 2012 but was not officially enacted until Sep 2016 following a final review by the Prime Minister.
- 8.90 The operational reactor will have a workforce of about 900. The impact of Hinkley Point C on the housing market are very significant, but in a relatively short period from 2016 to 2025. The big pressures will be felt in the private rented sector, and in impacts on low income and vulnerable people.
- 8.91 EDF originally predicted that 750 workers would choose accommodation in the PRS. The last workforce survey in Summer 2021 stated that there were 6,199 workers in total. This included 68% non-home based workers (equivalent to 4,215), and just under 2,000 people in the PRS. Based on 8,600 workers the area could see over 2,700 workers in the PRS.
- 8.92 West Somerset Council received £1.285m (including inflation) in 2012 under the Site Preparation Works Section 106 agreement to help provide additional housing capacity, with a further £0.5m going to West Somerset and £0.66m going to Taunton Deane in 2016. This funding was not all received in 2012 as there was a process of developing two strategies and plans and the money was drawn down over a period of years.
- 8.93 Along with other monies received, the new Somerset West & Taunton Council area has received nearly £4m to assist with providing more accommodation for workers linked to the site construction. The Council estimate that as of 2020, the money has been used to help provide around 800 new bedspaces, including bringing empty homes back in to use, offering grants to help allow lodging space to be developed and unlocking new housing developments. The money has also been used to assist household find and maintain tenancies.
- 8.94 Somerset West & Taunton have reported that they have seen a growing number of Houses in Multiple Occupation in their area and also that the pressure for smaller private rented properties is still very high. The current strategy for addressing the needs of workers at Hinkley Point C focuses upon reducing the number

<sup>54</sup> [Appendix D Hinkley Point C Housing Strategy Phase 3 \(somersetwestandtaunton.gov.uk\)](https://www.somersetwestandtaunton.gov.uk/appendix-d-hinkley-point-c-housing-strategy-phase-3)

<sup>55</sup> [Workforce and Impact Assessment \(somersetwestandtaunton.gov.uk\)](https://www.somersetwestandtaunton.gov.uk/workforce-and-impact-assessment)

of empty homes in the area, unlocking new sources of accommodation and working to improve conditions in Houses in Multiple Occupation.

<sup>8.95</sup> As noted in Chapter 3: Jobs and Workers at paragraph 3.1, planning authorities can consider a higher housing figure for a number of reasons including infrastructure developments:

***When might it be appropriate to plan for a higher housing need figure than the standard method?***

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

*This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:*

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

*There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*

PPG Reference ID: 2a-010-20201216

<sup>8.96</sup> However, given that this current study runs to 2040, the impact of the operational reactor should be fully bedded down in the housing market of Somerset West and Taunton. The impact has also been considered in the jobs forecasts used in Chapter 3 of this report, so they are not an additional need on the area. Therefore, Hinkley Point C is currently causing a high level of pressure in the local housing market, but this will not require additional housing over the period of the new Local Plan to 2040.

## Gypsies and Travellers

<sup>8.97</sup> Planning Policy for Traveller Sites (PPTS) came into force in March 2012 and was updated in August 2015. This document sets out the Government's policy for Gypsies and Travellers and represents the only household group not directly covered by the Revised NPPF. However, PPTS notes at paragraph 1 that:

*This document sets out the Government's planning policy for traveller sites. It should be read in conjunction with the National Planning Policy Framework.*

## Planning Policy for Traveller Sites, paragraph 1

8.98 Paragraph 62 of the Revised NPPF states that:

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

Revised National Planning Policy Framework, paragraph 62

8.99 The footnote to this section states that “*Planning Policy for Traveller Sites sets out how travellers’ housing needs should be assessed for those covered by the definition in Annex 1 of that document.*” This essentially sets out that the needs of Traveller households that meet the planning definition should be addressed under the PPTS, and that the needs of households that are not found to meet the planning definition should be addressed as part of the wider housing needs of an area.

8.100 Following the publication of the Revised NPPF and the Housing Delivery Test Measurement Rule Book in July 2018, the current position is that under the Housing Delivery Test, paragraph 10, the need for Travellers that meet the PPTS planning definition are not now included in the overall 5-year land supply.

*Where applicable, the housing requirement for Gypsies and Travellers under the Planning Policy for Traveller Sites (PPTS) will be added to the housing requirement. Plan-making authorities should inform MHCLG of their housing requirement for Gypsies and Travellers under the PPTS through the annual Housing Delivery Test DELTA data collection.*

Planning Policy for Traveller Sites, paragraph 10

8.101 However, PPG for the Housing needs of different groups (ID 67) states at paragraph 1 that:

*The household projections that form the baseline of the standard method are inclusive of all households including travellers as defined in Planning policy for traveller sites.<sup>56</sup>*

Planning Practice Guidance, ID: 67-001-20190722

8.102 As a result, there therefore appears to be a possible inconsistency between the statement that Gypsies and Travellers who meet the PPTS definition are included in the LHN (which forms the basis of the housing requirement) but that their specific needs should also be added to the housing requirement.

8.103 At the time of writing, a new assessment of need for the whole of Somerset is being carried out by RRR Consultancy Ltd.

<sup>56</sup> <https://www.gov.uk/government/publications/planning-policy-for-traveller-sites>

# Appendix A

## Table of Figures

Figure 1: Summary annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model) .....	7
Figure 2: Summary annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model) .....	7
Figure 3: Assessing total need for affordable housing 2020-2040 (Source: ORS Housing Model).....	8
Figure 4: Overall need for Affordable Housing 2020-40, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	9
Figure 5: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	11
Figure 6: Modelled Demand for Older Person Housing in South Somerset based on Current Provision and Housing LIN Toolkit.....	12
Figure 7: Modelled Demand for Older Person Housing in Somerset West & Taunton based on Current Provision and Housing LIN Toolkit .....	12
Figure 8: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	13
Figure 9: Map of study area.....	14
Figure 10: Household projections 2020-30 (Source: CLG, ONS; Note: All figures presented unrounded for transparency) .....	26
Figure 11: Average household size estimates and projections for South Somerset for the period 1991-2041 (Source: CLG estimates 1991-2011; ONS 2016) .....	27
Figure 12: Average household size estimates and projections for Somerset West & Taunton the period 1991-2041 (Source: CLG estimates 1991-2011; ONS 2016).....	27
Figure 13: Summary of Jobs and Workers Balance 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	30
Figure 14: Place of work and place of residence for workers by area of residence (Source: 2011 Census) .....	31
Figure 15: Population projections 2020-40 by 5-year age cohort for South Somerset (Source: ONS 2016 based sub-national projections).....	34
Figure 16: Change in population projections 2020-40 by 5-year age cohort for South Somerset (Source: ONS 2016 based sub-national projections).....	34
Figure 17: Population projections 2020-40 by 5-year age cohort for Somerset West & Taunton (Source: ONS 2016 based sub-national projections).....	35
Figure 18: Change in population projections 2020-40 by 5-year age cohort for Somerset West & Taunton (Source: ONS 2016 based sub-national projections) .....	35
Figure 19: Total projected households in Somerset West & Taunton and South Somerset for 2020 and 2040 and summary of 20-year change by age of household representative (Note: Figures may not sum due to rounding. Source: ORS Model) .....	36
Figure 20: Total projected households for 2020 and 2040 and summary of 20-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: ORS Model).....	36
Figure 21: Total projected households for 2020 and 2040 and summary of 20-year change by household type and age of household representative for South Somerset (Note: Figures may not sum due to rounding. Source: ORS Model) .....	38
Figure 22: Total projected households for 2020 and 2040 and summary of 20-year change by household type and age of household representative for Somerset West & Taunton (Note: Figures may not sum due to rounding. Source: ORS Model) .....	39
Figure 23: Number of Households by Tenure in South Somerset 1981-2011 (Source: UK Census of Population) .....	41
Figure 24: Percentage of Households by Tenure in South Somerset 1981-2011 (Source: UK Census of Population) .....	41
Figure 25: Households by Tenure for South Somerset 1981-2011 (Source: UK Census of Population).....	41

Figure 26: Number of Households by Tenure in Somerset West & Taunton 1981-2011 (Source: UK Census of Population) .....	42
Figure 27: Percentage of Households by Tenure in Somerset West & Taunton 1981-2011 (Source: UK Census of Population) .....	42
Figure 28: Households by Tenure for Somerset West & Taunton 1981-2011 (Source: UK Census of Population).....	42
Figure 29: Dwelling stock by tenure and number of bedrooms by area (Source: UK Census of Population 2011) .....	43
Figure 30: Real House Price Trends: Lower Quartile Prices adjusted to 2018 values using CPI (Source: ONS; Bank of England) .....	44
Figure 31: Lower quartile prices (adjusted to 2019 values using CPI) for existing dwellings and newly built dwellings (2016-19) by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data) .....	45
Figure 32: Annual income required to afford properties based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data).....	46
Figure 33: Maximum Weekly Local Housing Allowance 2019 (Source: Valuation Office Agency) .....	47
Figure 34: Weekly rent thresholds 2019 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing. Note: Private rent data excludes housing benefit funded tenancies) .....	47
Figure 35: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2018 to March 2019).....	50
Figure 36: Maximum annual income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data) .....	51
Figure 37: Annual income thresholds for different housing options in single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100) .....	52
Figure 38: Establishing the need for market and affordable housing.....	54
Figure 39: Percentage of Owner Occupiers by Age Group (England) 2001-2016 (Source: English Housing Survey) .....	55
Figure 40: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics) .....	57
Figure 41: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics) .....	58
Figure 42: Assessing affordability by household type and age (Source: Census 2011 and DWP) .....	60
Figure 43: Annual change in South Somerset household numbers in each age cohort by age of HRP (Source: ORS Housing Model) .....	60
Figure 44: Annual change in Somerset West & Taunton household numbers in each age cohort by age of HRP (Source: ORS Housing Model) .....	61
Figure 45: Newly forming and in-migration: Annual components of Household Growth 2020-40 in South Somerset (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	61
Figure 46: Newly forming and in-migration: Annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	61
Figure 47: Dissolution and out-migration: Annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	62
Figure 48: Dissolution and out-migration: Annual components of Household Growth 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	62
Figure 49: Existing households: Annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	63
Figure 50: Existing households: Annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	64
Figure 51: Summary annual components of Household Growth in South Somerset 2020-40 (Source: ORS Housing Model) .....	64
Figure 52: Summary annual components of Household Growth in Somerset West & Taunton 2020-40 (Source: ORS Housing Model) .....	64
Figure 53: Assessing total need for market and affordable housing for South Somerset (Source: ORS Housing Model) .....	65

Figure 54: Assessing total need for market and affordable housing for Somerset West & Taunton (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	65
Figure 55: Assessing affordable housing mix South Somerset (Source: ORS Housing Model).....	66
Figure 56: Assessing affordable housing mix Somerset West & Taunton (Source: ORS Housing Model).....	66
Figure 57: Affordability of households needing affordable housing by property size 2019 South Somerset (Note: Weekly costs based on data in Figure 34) .....	67
Figure 58: Affordability of households needing affordable housing by property size 2019 Somerset West & Taunton (Note: Weekly costs based on data in Figure 34) .....	67
Figure 59: Affordable housing mix by household affordability to 2020-2040 South Somerset (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	68
Figure 60: Affordable housing mix by household affordability to 2020-2040 Somerset West & Taunton (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	68
Figure 61: Theoretical impact of reducing or increasing Housing Benefit support for households in South Somerset living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2020-40 and associated number of affordable dwellings .....	69
Figure 62: Theoretical impact of reducing or increasing Housing Benefit support for households living in Somerset West & Taunton in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2020-40 and associated number of affordable dwellings.....	70
Figure 63: Long-term Tenure Plan by Current Tenure (Source: English Housing Survey 2013-14) .....	71
Figure 64: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership) .....	72
Figure 65: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding) .....	73
Figure 66: Total need for affordable housing 2020-2040 (Source: ORS Housing Model) .....	74
Figure 67: Affordable homeownership housing mix by household affordability 2020-2040 (Source: ORS Housing Model) .....	78
Figure 68: Overall need for Affordable Housing 2020-40, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	79
Figure 69: Overall need for Affordable Housing 2020-40 disaggregated based on ability to access affordable rents, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	80
Figure 70: Establishing the minimum LHN figure for South Somerset and Somerset West & Taunton (Source: CLG, ORS; Note: All figures rounded to the nearest whole number) .....	81
Figure 71: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency) .....	83
Figure 72: Extra households beyond projected (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2040 (Source: ORS Housing Model) .....	85
Figure 73: Summary of households likely to be able to access affordable home ownership in LHN scenario (Source ORS Housing Model, Census) .....	86
Figure 74: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	87
Figure 75: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	88
Figure 76: Net migration levels to the portion of Exmoor National Park Authority within Somerset West & Taunton 2008/09 to 2017/18 (Source: ONS Mid-Year Estimates) .....	90
Figure 77: Household need 2020-40 for Exmoor National Park Authority within Somerset West & Taunton based on three alternative assumptions (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	91
Figure 78: Service personnel in South Somerset, Taunton Deane and West Somerset 2012-17 (Source: Ministry of Defence) .....	95
Figure 79: Resident population for 2020 and 2040 and summary of 20-year change by age for South Somerset (Note: Figures may not sum due to rounding. Source: Dwelling-led population projections based on the identified Local Housing Need) .....	101



Figure 80: Resident population for 2020 and 2040 and summary of 20-year change by age for Somerset West & Taunton (Note: Figures may not sum due to rounding. Source: Dwelling-led population projections based on the identified Local Housing Need) .....	101
Figure 81: Existing Stock of Specialist Older Person Housing in South Somerset (Source: EAC 2015) .....	101
Figure 82: Existing Stock of Specialist Older Person Housing in Somerset West & Taunton (Source: EAC 2015) .....	101
Figure 83: Benchmark Figures for Specialist Older Person Housing .....	102
Figure 84: Modelled Demand for Additional Specialist Older Person Housing South Somerset 2020-40 (Source: EAC 2015 and Housing LIN Toolkit) .....	103
Figure 85: Modelled Demand for Older Person Housing in South Somerset based on Current Provision and Housing LIN Toolkit .....	104
Figure 86: Modelled Demand for Older Person Housing in Somerset West & Taunton based on Current Provision and Housing LIN Toolkit .....	104
Figure 87: Level of work required to create full visitability (Source: EHS 2014-15 Annex Figure 2.5) .....	107
Figure 88: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey) .....	109
Figure 89: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	109
Figure 90: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	110
Figure 91: Households with a long-term illness or disability in Somerset West & Taunton and South Somerset in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding) .....	111
Figure 92: Percentage of households in England with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14) .....	112
Figure 93: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2018) .....	113
Figure 94: Percentage of households with a wheelchair user by type of housing and age of household representative .....	113
Figure 95: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding) .....	114

# Appendix B

## Glossary of Terms

### Definitions

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

**Affordable housing** includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the Revised NPPF, which specifies the main categories of affordable housing to be: affordable housing for rent; starter homes; discounted market sales housing (sold at a discount of at least 20% below market value); shared ownership, relevant equity loans, other low cost homes for sale and rent to buy

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

**Census Output Area** is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2011 Census.

**Concealed families** are defined as; *“family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”*<sup>57</sup>.

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

**Headship rates** are defined by CLG as: *“the proportion of people in each age group and household type who are the ‘head’ of a household”*<sup>58</sup>

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

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

**A Housing Association or Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

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

<sup>57</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6338/1776873.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf)

<sup>58</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/182417/MethodologyFinalDraft.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf)

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

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

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

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

**Housing need** is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

**Housing requirements** encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

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

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

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

**Low cost home ownership** or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme a share is purchased in the property with a Housing Association or other organisation. Rent is then paid on the unowned portion. Many schemes allow for the future purchase of further shares until the property is wholly owned.

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

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

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

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

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

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

**Registered Social Landlord/Registered Provider** see Housing Association.

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

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

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

**Vacancy Rate** is the percentage of units that are unoccupied at any given time (e.g. second homes, long term vacants, homes awaiting occupation etc.). Currently, the most accurate local authority level measure of this is the Census. Separate rates for both market and social dwellings are used in this document.

## Acronyms and Initials

<b>BRMA</b>	Broad Rental Market Area
<b>CLG</b>	Department for Communities and Local Government (now MHCLG)
<b>DPA</b>	Dwellings per Annum
<b>DWP</b>	Department of Work and Pensions
<b>HCA</b>	Homes and Communities Agency
<b>LA</b>	Local Authority
<b>LHA</b>	Local Housing Allowance
<b>LHN</b>	Local Housing Need
<b>LHNA</b>	Local Housing Needs Assessment
<b>MHCLG</b>	Ministry for Housing, Communities and Local Government
<b>NPPF</b>	National Planning Policy Framework
<b>ONS</b>	Office for National Statistics
<b>ORS</b>	Opinion Research Services
<b>PPG</b>	Planning Practice Guidance
<b>RP</b>	Registered Provider
<b>SHOP</b>	Strategic Housing for Older People
<b>SHMA</b>	Strategic Housing Market Assessment