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Economic Growth Scrutiny Panel

Agenda Item:

A.2

Meeting Date: 5 September 2019
Portfolio: Economic Development
Key Decision: No
Within Policy and Budget Framework: Yes
Public / Private: Public

Title: Housing Need, Delivery & Strategy Update
Report of: Corporate Director of Economic Development
Report Number: ED.25/19

Purpose / Summary:

This report provides an update on the key findings of the following housing-related evidence bases:-

- Updated Strategic Housing Market Assessment (SHMA) for Carlisle;
- 2018/19 Housing Completions and Activity Monitoring;
- Carlisle "Movers' Survey" 2018/19.

The report also identifies whether the key findings support that existing strategies remain on track to achieve their intended objectives, in addition to setting out the emerging direction of travel for future Housing and Economic Strategy.

Recommendations:

The Panel are requested to note the key findings and therefore updated evidence on housing need and delivery, and consequently scrutinise the effectiveness of existing strategies including the Carlisle District Local Plan as well as highlighting any perceived issues for future housing and economic strategy.

Tracking

Executive:	
Scrutiny:	
Council:	

1. BACKGROUND

- 1.1** The revised Strategic Housing Market Assessment (SHMA) updates a previous (2014) assessment with both compiled by the same consultant, JG Consulting. The SHMA provides an analysis of housing need relating to: the market sector; affordable housing; specialist housing (including for the elderly); private rented sector and St Cuthbert's Garden Village (SCGV). The key findings from the revised SHMA are summarised in Section 2 of this report. A more detailed Executive Summary has been included as *Appendix 1*, as the full SHMA report is 143 pages.
- 1.2** The opportunity is also being taken to report on key findings from completions and activity monitoring across 2018/19, with key headlines detailed in Section 3 of the report.
- 1.3** Finally, the findings of a Movers' Survey across 2018/19, which enables the Council to gain a better understanding of the people and their reasons for moving to new homes in Carlisle, are detailed in Section 4 of this report.
- 1.4** The above sources all provide valuable evidence to help inform future decisions on both housing and economic strategy.

2. ANALYSIS OF THE SHMA KEY FINDINGS

- 2.1** The SHMA primarily covers the period 2018-30; although some of the analysis relating to SCGV goes up to 2050, as this is a long-term development. It is acknowledged, however, that the affordable housing element of the SHMA will need to be refreshed after five years, to ensure the evidence base remains up to date.

2.2 Carlisle District Profile

The SHMA provides a useful headline summary of the District's housing profile, identifying:-

- a relatively old population age structure across the District, albeit a younger profile when compared with Cumbria as a whole.
- a comparatively larger proportion of outright home owners (which will to some extent be linked to the age structure) and a smaller private rented sector than regional and national comparatives.

- balanced stock in terms of the proportion of larger and smaller homes, although the stock in the urban area is notably smaller than seen in rural areas.
- relatively typical economic profile in terms of the proportion of people in work; although levels of unemployment are lower than seen regionally or nationally.
- different characteristics between urban and rural areas – with a younger age structure, greater proportions of households in rented housing, smaller dwelling sizes, greater levels of overcrowding and higher unemployment in the urban area, with more “prosperous” characteristics observed in rural areas.

2.3 Demographic Trends and Housing Need Projections

The assessment considers a number of sources of information and trends to arrive at housing-based projections covering the SHMA study period and the extended period for SCGV. It concludes that:-

- in keeping with previous and separate studies it is necessary to plan for higher levels of growth to address a reduction in the local labour supply and hence to support job growth and the economy, with the Local Plan housing target which averages 565 new home per annum remaining appropriate.
- a need to sustain current levels of planned housing growth beyond the end of the current Local Plan period (2030) in response to economic growth forecasts, acting to emphasise the importance of St Cuthbert’s Garden Village in providing certainty and continuity with regards to longer term housing delivery.
- SCGV, given the nature and scale of the opportunity, should provide greater opportunities for working-age households to move to the area, enabling them to take up the forecast local jobs.
- In the absence of SCGV, and ultimately a proactive plan for longer term managed growth, it is projected that there would be a sustained ageing of the population, with only modest increases in the population of children and those of ‘working-age’.

2.4 Affordable Housing Need

2.4.1 Affordable Need by Housing Market Area

The SHMA shows a net annualised need for 158 affordable homes across the District. Carlisle has three established Housing Market Areas – Carlisle City; Rural East (most of Carlisle’s rural area); and Rural West (Dalston & Burgh ward). Figure 1 sets out the annualised affordable housing requirements for each Housing Market Area.

The analysis identifies a need for additional affordable housing across all three Housing Market Areas, with the highest figure being seen in Carlisle City (which would be expected as approximately 68% of residents within the District live in the City).

Figure 1: Estimated Need for Affordable Housing by Sub-Area (per annum)

Housing Market Area	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Re-let Supply	Net Need
Rural West	3	28	5	37	13	24
Rural East	13	85	33	130	72	58
Carlisle City	42	293	197	532	455	77
All households	58	406	234	699	540	158

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

2.4.2 Comparison of Affordable Housing Need with Previous SHMA

The previous SHMA, covering the period 2014-19, identified a need for 295 affordable dwellings per annum, compared to 158 in the updated assessment. The revised SHMA identifies that whilst the number of households falling into affordable housing need has remained relatively consistent over the last five years, the net housing need has reduced, due to an increase in supply. Increased supply reflects an increase in Housing Association led schemes following the reintroduction of grant for affordable and social rented housing, and the increase in delivery of affordable homes through Section 106 planning gain schemes, linked to increased levels of development over recent years, in conjunction with higher turnover rates of existing social housing stock.

Importantly the SHMA concludes at paragraph 4.45 that:

“Regardless of the difference in the overall numbers, both studies clearly demonstrate a need to provide additional affordable housing in Carlisle where opportunities arise.”

2.4.3 Affordable Need by Tenure

The SHMA has assessed the affordable need by tenure as follows:-

- 60% affordable or social rent (usually through a Housing Association);
- 40% 'intermediate' low cost home ownership (such as discounted sale or shared ownership).

The formal definition of Affordable Housing is set out in Annex 2 of the National Planning Policy Framework.

2.4.4 Affordable Need by Property Size

Figure 2 identifies housing need by property size for social/ affordable rental and intermediate housing.

Figure 2: Suggested Mix of Affordable Housing by Property Size		
Tenure	1-/2 bedrooms	3+ bedrooms
Affordable home ownership	60-70%	30-40%
Affordable housing (rented)	65-75%	25-35%

The percentages in the above table are based on minimum household bedroom requirements, and do not factor in demand. Indeed, the SHMA recognises the limited flexibility which 1-bed properties offer to changing household circumstances, which can often lead to higher turnover and management issues. There appears to be limited demand from local housing associations to deliver 1-bedroom accommodation in any real numbers (despite the 'Bedroom Tax' still being in place), as there remains a significant supply of 1-bed social housing in many areas of Carlisle, as the majority of properties sold through the Right to Buy scheme were family houses. Also acknowledged is the role which delivery of larger family homes in the affordable sector can play in releasing a supply of smaller properties for other households; including older persons households looking to downsize.

2.5 **Family Household and Housing Mix**

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. From a demographic perspective there is projecting forward expected to be an increase in the number of households with dependent children – increasing by 17% over the

2018-30 period having regard to the levels of housing delivery enabled by the Carlisle District Local Plan. The analysis linked to long-term (12-year) demographic change therefore concludes that the following represents an appropriate mix of market homes - this takes account of both household changes and the ageing population:-

- 1 – 2 bedrooms: 30-40%
- 3/ 3+ bedrooms: 60-70%.

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

The analysis suggested slightly larger homes being required in rural areas although it is considered that the mix on any specific site could be influenced by site characteristics.

Finally, the analysis considered the potential mix of housing in St Cuthbert's Garden Village. Overall, a slightly larger mix of housing might be appropriate (providing more of a family offer). However, overall differences from District-wide needs were not substantial.

2.5 Older People and People with Disabilities

The data shows that in general, Carlisle has similar levels of disability compared with other areas, however an ageing population means that the number of people with disabilities is likely to increase substantially in the future. This inevitably has implications for both the type of housing we need going forward and providing care to people in their existing homes. Key findings include:-

- up to 30% increase in the population aged 65+ over 2018-2030 (potentially accounting for at least half of total population growth);
- a future need for all types of specialist housing for older people including additional care beds;
- a current need for sheltered and Extra Care housing in both the rented and leasehold sectors – 32 per annum in the period to 2030 over half of which is estimated to be required in the rented (affordable) sector; and
- a need for up to 390 dwellings to be for wheelchair users (meeting Building Regulations technical standard M4(3)) over the period 2018-30.

The analysis has also considered the potential need for specialist housing at St Cuthbert's Garden Village. Given that this is a new site, and previous analysis has suggested that it may attract a higher proportion of families it is suggested that needs might be lower than within other housing developments. However, it is also the case that a supply of specialist housing (of which there is currently relatively little across the Council area) could stimulate demand. Taking account of a range of factors, it is concluded that SCGV should be providing around 10% of housing as specialist accommodation, in both the market and affordable sectors.

The Council adopted an Affordable and Specialist Housing Supplementary Planning Document (SPD) in 2018. The 'Specialist' element is partly in recognition of the projected changing demographics around the ageing population and includes measures such as encouraging the development of more bungalows and other property types suitable for older and disabled people.

All six Cumbrian District Councils and Cumbria County Council signed up to an Extra Care Housing Joint Working Protocol earlier this year to facilitate more effective collaboration.

2.7 Private Rented Sector

The SHMA has not attempted to assess the need for additional private rented housing but provides a summary of the sector in Carlisle. Key headlines include:

- The private rented sector (PRS) increased by 89% in Carlisle between the 2001 and 2011 Censuses, accounting for around 14% of all households across the District by 2011 – a higher proportion to that seen across Cumbria, but below equivalent figures for the North West and England (17%).
- Since 2011, the English Housing Survey data shows that the PRS has risen by a further 26% and if Carlisle has seen a similar level of increase then this would equate to approximately 1,800 additional households in the sector – bringing the total up to around 8,700 households – about 18% of all households in the Council area.
- The PRS has some distinct characteristics, including:-
 - a much younger demographic profile and a high proportion of households with dependent children (notably lone parents);
 - relatively higher levels of overcrowding;
 - generally smaller, flatted/terraced accommodation when compared with the owner-occupied sector but an estimated 38% of the stock in Carlisle

has three or more bedrooms, demonstrating the sector's wide role in providing housing for a range of groups, and others who might be described as 'would be owners' – in some cases these people can be prevented from accessing owner-occupation due to deposit requirements.

- rent levels have increased very slightly over time with these lower than seen regionally and nationally suggest no particular lack of supply of private rented homes.

3. HOUSING COMPLETIONS AND ACTIVITY MONITORING

3.1 It is an obligation of the Carlisle District Local Plan to monitor housing completions on an annual basis. This section presents the findings from the latest 2018/19 monitoring period.

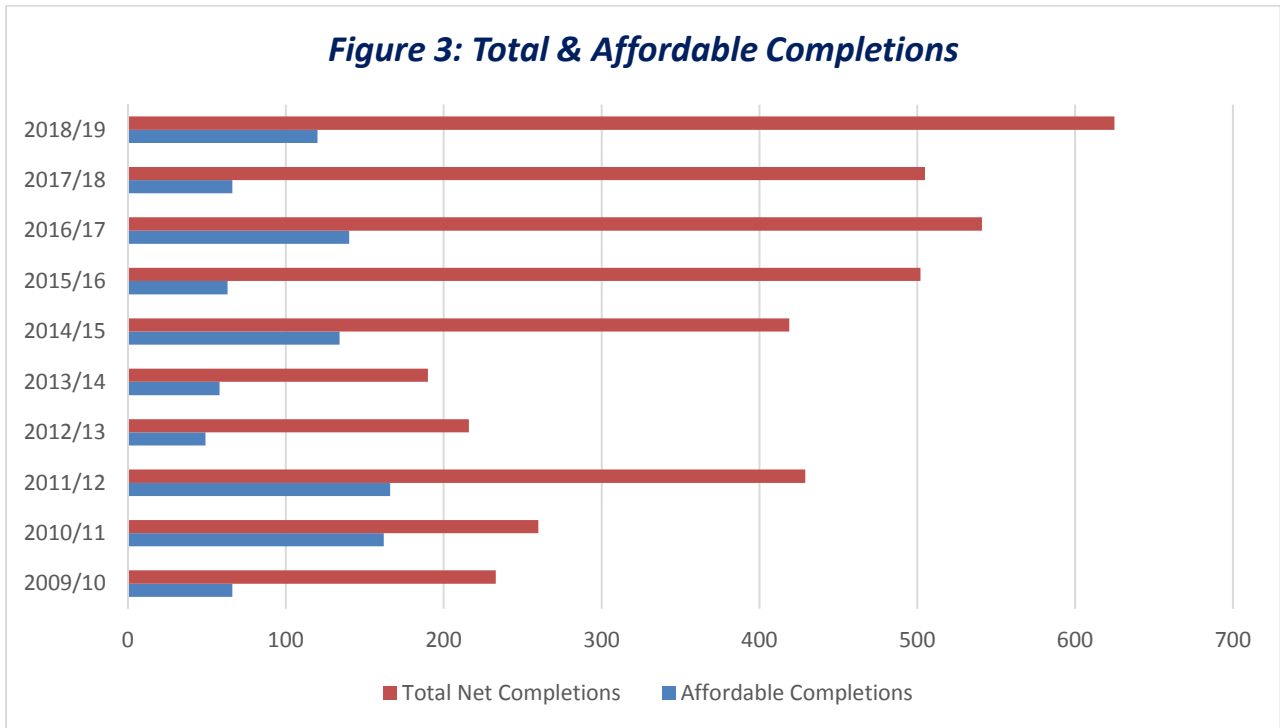
3.2 Total and Affordable Completions

625 net completions were recorded across 2018/19 of which 473 (76%) were in the Urban Area and 152 (24%) in the Rural Area. This represents a record year for housing completions with delivery, including the urban/rural split, broadly aligned with the objectives of the Carlisle District Local Plan. The vast majority (581) of these completions were new build, with the remaining 44 properties relating to conversions of existing buildings.

Affordable home completions across this same period totalled 120 (19.2% of overall completions) of which 66 were for social/ affordable rent and 54 intermediate low-cost home ownership. In all, 85 of these affordable homes were delivered through the planning system, along with 35 additional properties provided through the 'Heylo' shared ownership scheme, supported by Homes England.

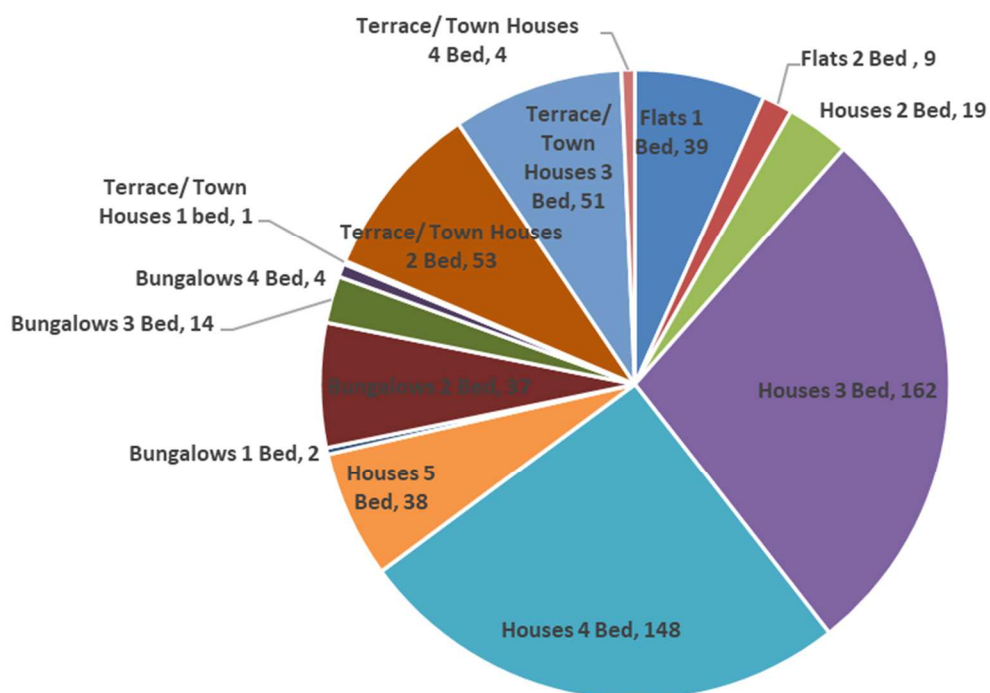
Figure 3, overleaf, provides a breakdown of total and affordable completions over the last ten years. It clearly demonstrates the significant increase in overall completions since the low of the recession, with higher delivery rates also reflecting the success of the Carlisle District Local Plan. Affordable completions show more of a fluctuation, linked to variations in the annualised level of grant funded completions.

Figure 3: Total & Affordable Completions



3.3 Housing Completions by Property Type

Figure 4 provides a breakdown of the total completions for 2018-19 by dwelling type. It demonstrates that a varied range of dwelling types were built during the year; although the most popular were three and four-bedroom detached and semi-detached houses, accounting for approximately half of all completions during 2018-19



3.4 Sites under Construction

549 dwellings were observed as under construction at the time of completions monitoring which bodes well for future completion rates. In total there are 4,661 homes with an outstanding planning permission: 3,475 in the Urban Area and 1,186 in the Rural Area. Most of these are on active sites and hence there is no overwhelming evidence of land banking in Carlisle.

4. CARLISLE DISTRICT MOVERS' SURVEY 2018-19

4.1 The Movers' Survey was initiated from the beginning of the financial year 2018-19 and has been continued into 2019-20. The survey is an attempt to gain a better understanding of people's reasons for moving to new homes in Carlisle District to help inform wider strategies. Forms are sent to occupiers of new build homes by the Council Tax section – these are not sent where the developer is still liable at the date the new property record is created, which means the sample is smaller than originally anticipated but 55 forms were returned, and the intelligence gathered has still proved useful.

4.2 A summary of the key findings from the 2018-19 Movers' Survey is provided below:-

i) Where have you moved from?

The 54 responses to this question are summarised below:-

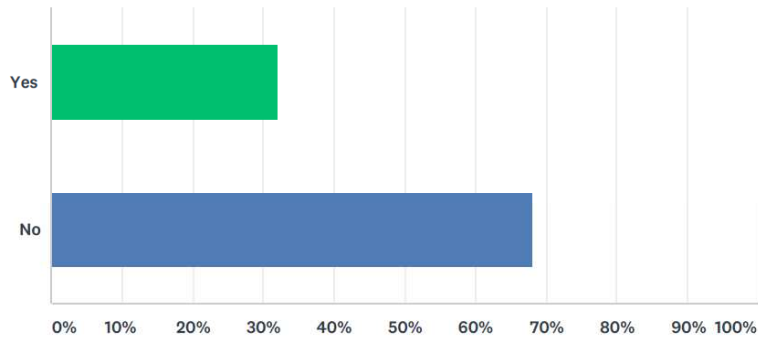
- 41 – Carlisle District – existing residents
- 4 – Cumbria (other Districts)
- 8 – Elsewhere in UK
- 1 – Outside UK

This equates to 76% of movers already resident in Carlisle and 24% moving into the District.

ii) Is this your first independent home?

Q2 Is this your first independent home?

Answered: 53 Skipped: 2

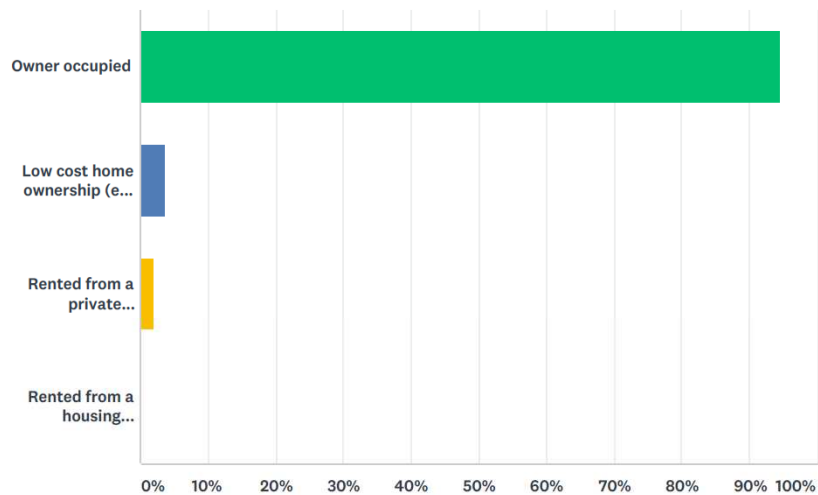


ANSWER CHOICES	RESPONSES	
Yes	32.08%	17
No	67.92%	36
TOTAL		53

iii) Tenure of new home?

Q3 Is your new home?

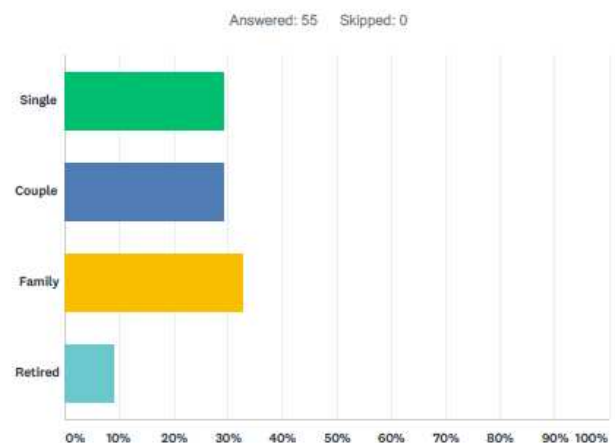
Answered: 55 Skipped: 0



ANSWER CHOICES	RESPONSES	
Owner occupied	94.55%	52
Low cost home ownership (e.g. shared ownership or discounted sale)	3.64%	2
Rented from a private landlord	1.82%	1
Rented from a housing association	0.00%	0
TOTAL		55

iv) Household Composition

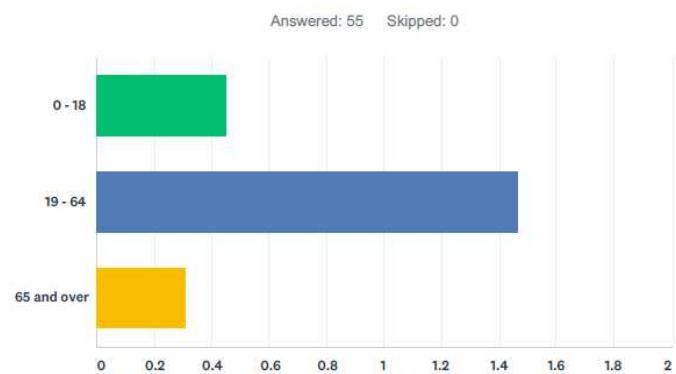
Q4 Which of the following best describes your household?



ANSWER CHOICES	RESPONSES	
Single	29.09%	16
Couple	29.09%	16
Family	32.73%	18
Retired	9.09%	5
TOTAL		55

v) Household Demographics

Q5 How many people are there in your household from each of the following age bands?

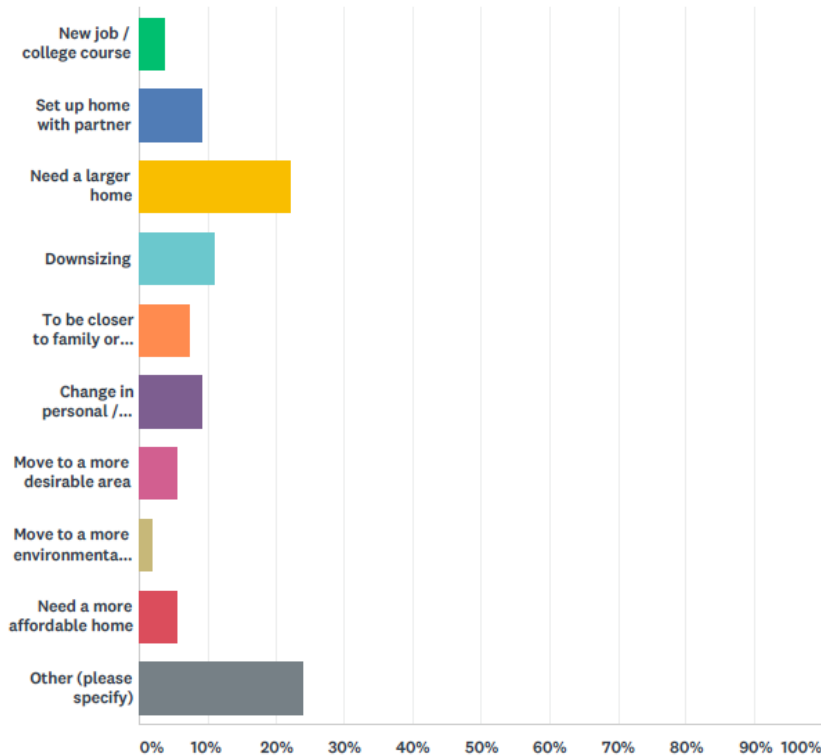


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
0 - 18	0.4	24	53
19 - 64	1.4	79	54
65 and over	0.3	16	52
Total Respondents: 55			

vi) Reason for moving to new address?

Q6 What is your main reason for moving?

Answered: 54 Skipped: 1



ANSWER CHOICES	RESPONSES	
New job / college course	3.70%	2
Set up home with partner	9.26%	5
Need a larger home	22.22%	12
Downsizing	11.11%	6
To be closer to family or friends	7.41%	4
Change in personal / household circumstances	9.26%	5
Move to a more desirable area	5.56%	3
Move to a more environmentally friendly home	1.85%	1
Need a more affordable home	5.56%	3
Other (please specify)	24.07%	13
TOTAL		54

The most popular individual reason for people moving was people needing a larger home. A summary of the reasons for moving identified by the 13 respondents who selected “Other” is set out below – this includes a number of people who indicated they were first-time buyers or moving to their first home:-

- 1 Retirement
- 2 Relocation from overseas New job /
- 3 Moving out of parents' house into first home
- 4 First time buyer
- 5 first time buyer
- 6 First home
- 7 To escape the overcrowded & congested South
- 8 To be near work
- 9 Moving out of parents' house
- 10 Move to a more desirable area / move to a more environmentally friendly home / out of flood zone
- 11 Buying own home
- 12 Purchased our own home left private rented
- 13 Moved from a flat to a house.

4.3 The Movers' Survey, although based on a limited sample, has still established some clear trends:-

- i) The majority of respondents previously lived within the District, but approximately a quarter (24%) had moved to Carlisle, which is relevant to the need to attract more people to take up jobs, recognising the projected increase in the level of older/ retired people.
- ii) Almost a third of people indicated this was their first independent home.
- iii) Nearly all respondents were owner-occupiers; although this reflects the types of household the forms would typically be sent to (total and affordable completions are already monitored).
- iv) The largest household group was 'family' at almost 33%; although this was only slightly ahead of 'single' and 'couple' both on just over 29%, with retired some way behind at just over 9%.
- v) There were significantly more people in the 19-64 age band at almost 1.5 per household, than in the 0-19 or 65 and over bands. This is an important factor in respect of the economic benefits of maintaining Carlisle's working age population.
- vi) People indicated a wide range of reasons for moving home; however, the two most popular reasons were setting up home for the first time and needing a larger home.

5. IMPLICATIONS OF THE FINDINGS ON HOUSING AND ECONOMIC STRATEGY

5.1 The updated SHMA; Housing Completions and Activity Monitoring; and Movers' Survey provide valuable evidence to help assess the effectiveness of existing plans and policies as well as informing future strategies.

5.2 A summary of the headline finding from these work streams is as follows:-

SHMA

- Supportive of Local Plan development targets;
- There is still a significant need for affordable housing (158 dwellings per annum) – both for rent and low-cost home ownership;
- Significant need for Extra Care housing (32 per annum up to 2030) – both for rent and leasehold, due to projected increase in older persons' population;
- Need for increased levels of accessible and adaptable homes, including wheelchair standard dwellings, to meet the needs of older and disabled people;
- St Cuthbert's Garden Village will play a key role up to 2050 in delivering a range of new homes for families, older people, and crucially homes for working age people to support the local economy.

Completions and Activity Monitoring

- Record completions in 2018-19 – 625 dwellings;
- Affordable delivery during the year was 120 – a significant increase on the previous year, but still below the SHMA target of 158;
- Although half of all completions were 3 and 4 bedroomed detached and semi-detached houses there was still a broad overall mix of development;
- Significant pipeline of outstanding planning permissions.

Movers' Survey

- Approximately three-quarters of movers previously resident in Carlisle and around a quarter moving from outside the District;
- Strong level of working age people in respondents' households – important for the economy
- Main reasons for moving were setting up first home or needing a larger property.

- 5.3** In general terms the latest findings act to affirm that the Carlisle District Local Plan is on course with respect to its intended objectives. Key objectives include boosting significantly the supply of new homes within Carlisle, as well as securing an appropriate mix of home types and tenures, to sustain and support the growth of the economy. These objectives are also central to wider economic strategies including Cumbria Local Enterprise Partnership's Local Industrial Strategy and are equally one of a number of key drivers at the heart of the Borderlands Inclusive Growth Deal.
- 5.4** Looking to the future the key findings will also support the development of the Council's Housing Strategy and Economic Strategy. Whilst previously, it had been envisaged that a 'stand-alone' Housing Strategy would be prepared (including private sector housing as well as hostels and homelessness) emerging thinking is that the strategic direction for Housing might be better represented as a key element of a wider Economic Strategy for Carlisle. This approach would reflect the fact that other important housing-related areas are already covered by their own strategies, such as the Interagency Homelessness Strategy for Carlisle, and also importantly that housing and the demographic change it needs to support are absolutely central to a thriving and prosperous economy. It equally reflects that there are likely to be many synergies between the actions needed to support inward investment and sustained housing growth, through for example the effective promotion of Carlisle as a great place to live, work and to do business.

6. RISKS

- 6.1** The SHMA; Completions and Activity Monitoring; and Movers' Survey provide important and valuable evidence, which will help to inform the Council's decision-making in respect of strategic housing and economic matters. Updating this research provides the Council with a fit for purpose evidence base, which will mitigate against the risk of working with outdated information and data, ensuring that future strategies are relevant and clear in their intended objectives.

7. CONSULTATION

- 7.1** The findings of the SHMA and interrogation of key issues arising will be subject to consultation and scrutiny, as a key element of progressing the Council's Economic / Housing Strategy, as well as the Local planning process.

8. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 8.1** This report provides Members of the Panel with updated evidence on housing need and delivery to enable them to scrutinise the effectiveness of existing strategies and

initiatives, and to enable them to help inform the development of future housing and economic strategy.

9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

9.1 “Address current and future housing needs to protect and improve residents’ quality of life.”

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Appendices ***Appendix 1: Executive Summary to the Strategic Housing***
attached to report: ***Market Assessment for Carlisle update July 2019***

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- **None**

CORPORATE IMPLICATIONS:

LEGAL - This report follows on from the Housing Strategy Update report to the Economic Growth Scrutiny Panel of 30 August 2018 (ED/27/18) and serves as an update to the draft housing strategy for information. In due course, as it forms part of the Council's Policy Framework, the Strategy will need to follow the formal route of Executive, Scrutiny, Executive and Council.

FINANCE – The Council provides base budget provision in the Housing function to undertake the reviews and analysis included in this report.

EQUALITY – An equality impact assessment will be prepared and published alongside the draft Strategy.

INFORMATION GOVERNANCE – No implications.

Appendix 1 – Strategic Housing Market Assessment for Carlisle – Introduction/ Executive Summary

Summary

1. This report provides an updated Strategic Housing Market assessment (SHMA) for Carlisle Council. The methodology used in this report responds to the revised National Planning Policy Framework (NPPF) of 2018 and 2019. This continues to set out the Government's objective to significantly boost housing supply. The analysis is also mindful of revised Planning Practice Guidance (PPG) on housing need assessment (February 2019).
2. A key part of the revised NPPF/PPG is the introduction of a Standard Method for the assessment of housing need. Housing need in the context of current and emerging guidance (and as used in this report) therefore refers *"the number of homes identified as being needed through the application of the standard method set out in national planning guidance, or a justified alternative approach."*
3. The analysis is also mindful of Key Policies in the Carlisle Local Plan (adopted in November 2016). Important policies can be summarised as SP2 (Strategic Growth and Distribution) which sets out an overall housing target; HO4 (Affordable Housing) which includes affordable housing policies and the areas to which they should be applied and HO10 (Housing to Meet Specific Needs) which amongst other things includes noting a need for accommodation for older persons.
4. The future impact of St Cuthbert's Garden Village (SCGV) will also be a key consideration for the Council. The Garden Village being expected to deliver around 10,000 new homes up to 2050. Beyond 2030 (the end of the current Local Plan period) the vast majority of housing delivered in Carlisle is expected to be on the SCGV site. Thus, an understanding of the appropriate mix of housing is an important part of this report.
5. The SHMA update focusses mainly on needs in the 2018-30 period (i.e. the remainder of the Local Plan). However, key analysis is also provided looking forward to 2050, and in particular in relation to SCGV. To provide an evidence base, this report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:

- Section 2 – Carlisle – Area Profile;
 - Section 3 – Demographic Trends and Housing Need Projections;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Family Households and Housing Mix;
 - Section 6 – Older People and People with Disabilities; and
 - Section 7 – Private Rented Sector (PRS)
6. Whilst much of the report focusses on the 2018-30 period, it is the case that some analysis (particularly in relation to affordable housing) should be reviewed and updated periodically (probably at least every five years). This would capture any changes in the housing market as well as enabling changes to planning policy and guidance to be reflected in the analysis.

Carlisle District Profile

7. A range of variables have been considered to look at the profile of the population and housing in the District (and for the three sub-areas). Key variables have looked at population, household characteristics, housing profile and the economic profile of residents.
8. The analysis identifies a relatively old population age structure across the District, albeit a younger profile when compared with Cumbria as a whole. The age structure in the urban part of the District is somewhat younger than seen in rural areas. Analysis shows a modest population increase over the 2007-17 period. There has however been a fall in the number of people aged under 65 and a notable growth in the population aged 65 and over – increasing by 22% in the decade to 2017. Due to the population profile, household types are to some extent concentrated in older age groups; as of 2011, 22% of all households in the District were entirely composed of people aged 65 and over. The urban area has a notably higher proportion of lone parent households than more rural parts of the District.
9. The tenure profile of the District sees a relatively large proportion of outright owners (which will to some extent be linked to the age structure) and a small private rented sector when compared with the regional and national position. Again, there are notable differences between urban and rural areas, with Carlisle Urban seeing a low level of owner-occupation and higher numbers in both the social and private rented sector. Between 2001 and 2011, the number of owners with a mortgage declined by 7%, whilst the private rented sector increased by 89%; this may reflect the difficulties faced by younger households in accessing market housing to buy.

10. The dwelling stock in the District is fairly balanced in terms of the proportion of larger and smaller homes although the stock in the urban area is notably smaller than seen in rural areas. Overcrowding in the District (and across sub-areas) is low, and there is a notable level of under-occupation (37% of all households have at least two spare bedrooms). Under-occupancy is notably lower in the urban part of the District.
11. The economic profile of the District looks to be fairly average in terms of the proportion of people in work, although levels of unemployment are lower than seen regionally or nationally. The data also suggests that the population is slightly less well qualified (in academic terms) and are less likely than other areas to be working in more senior positions.
12. The analysis identifies that there are greater differences within the Council area than when comparing the area with other locations. In particular the urban area of Carlisle has very different characteristics to the rural areas – this includes a younger age structure, greater proportions of households in rented housing, smaller dwelling sizes, lower levels of under-occupation and higher unemployment. The urban area also saw a small decline in population from 2007 to 2017, compared with a modest increase across the rural areas.
13. Overall, the analysis identifies Carlisle as having more ‘prosperous’ characteristics in rural areas in terms of the variables studied (when compared with other local, regional and national areas) and less ‘prosperous’ in the urban area. The analysis may therefore imply that there may be reasons to suggest different policy responses in different locations, or at least to recognise that the District as a whole is not homogeneous. Differences across the area should be noted when considering key outputs from the analysis to follow in this report.

Demographic Trends and Housing Need Projections

14. Over the past five or more years, assessing the level of housing need has been for individual local authorities (or groups of local authorities) to prepare by following advice in Planning Practice Guidance (PPG). However, the new National Planning Policy Framework (NPPF) of February 2019 has introduced a Standard Method, based on looking at projected household growth and adjustments based on the level of affordability in an area. Local authorities are encouraged to plan for more housing than the Standard Method suggests, for example where there are growth strategies in place.

15. The Standard Method calculation for Carlisle suggests household growth of about 185 per annum, plus an uplift of around 8% for market signals (affordability). Therefore, the objectively assessed housing need (OAN) for the District as a whole is for 200 dwellings per annum. This is some way below the housing requirement in the current Local Plan (a residual need for around 620 homes per annum in the 2018-30 period).
16. Further analysis looking at economic growth suggested that planning for the Standard Method (200 dwellings per annum) would see a reduction in the local labour supply (the economically active population) and would not support any job growth in the Council area. Therefore, whilst the Standard Method does show population and household growth that is consistent with recent demographic trends, it would not support economic growth and would potentially leave the local authority with a labour supply shortage and therefore an inability for local businesses to be competitive and viable.
17. Analysis was carried out to consider the likely level of housing delivery required to meet economic growth forecasts (in this case taken from a Lambert Smith Hampton report of October 2018). From this it was clear that the Council would need to plan for more homes than prescribed by the Standard Method and that a higher level of delivery would be needed post 2030 (i.e. after the end of the current Local Plan period).
18. Whilst a report such as this should not be entirely prescriptive about housing numbers due to some uncertainties in the assumptions used (particularly if projecting forward to 2050) it does seem clear that the development of St Cuthbert's Garden Village would provide opportunities for households to move to the area (and take up the forecast local jobs).
19. A final analysis carried out has been to project how the population of Carlisle might develop if housing is provided in-line with the current housing trajectory. This shows that without SCGV there would be projected to be an ageing of the population, along with modest increases in the population of children and those of 'working-age'. With the inclusion of SCGV it is projected that there would be a greater increase in people of 'working-age', and thus able to support the forecast economic growth.

Affordable Housing Need

20. Analysis has been undertaken to estimate the need for affordable housing in the 2018-30 period. The analysis is split between a 'traditional' need (which is mainly for social/affordable rented accommodation and is based on households unable to buy or rent in the market) and the 'additional' category of need introduced by the revised NPPF/PPG (which includes housing for those who can afford to rent privately but cannot afford to buy a home).
21. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at traditional needs, consideration is given estimates of the supply of social/affordable rented housing. For the additional definition, consideration is given to the potential supply (from Land Registry data) of cheaper accommodation to buy.
22. Using the traditional method, the analysis suggests a need for 158 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the District.

Figure 1: Estimated Need for Affordable Housing by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Re-let Supply	Net Need
Rural West	3	28	5	37	13	24
Rural East	13	85	33	130	72	58
Carlisle Urban	42	293	197	532	455	77
All households	58	406	234	699	540	158

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

23. It is also suggested that the cost of housing to rent within this group is fixed by reference to local incomes (and the Living Rent methodology) although rents above Local Housing Allowance limits should be avoided (to ensure housing affordable to those needing to claim Housing Benefit).
24. When looking at the need for affordable home ownership products (i.e. the expanded definition of affordable housing in the NPPF) it is clear that there are a number of households likely to be able to afford to rent privately but who cannot

afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. It is therefore difficult to robustly identify an overall need for affordable home ownership products.

25. However, it does seem that there are many households in Carlisle who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
26. If the Council does seek to provide 10% of housing as affordable home ownership, then a range of tenure types are likely to be appropriate. This would include shared ownership, which would typically see lower deposit requirements and lower overall costs (given that the rent would also be subsidised) as well as low-cost home ownership properties. The Council currently operates a low-cost home ownership scheme where discounted sale properties are sold at 70% of OMV in perpetuity. This has been a successful product in helping households to buy their first home and there are now over 400 properties within the portfolio.
27. The evidence does not show any basis in need terms to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF, although a higher proportion might be appropriate in some circumstances (e.g. to help support viability or to assist in diversifying the housing stock).
28. The Council's current affordable housing policy for higher value areas (Zones A & C) includes a target of 30% affordable housing, of which half (15% of all housing) would typically be sought as intermediate housing. Whilst the 15% is higher than the general conclusions of this report, it is not considered to be an unreasonable policy target, particularly as it would be expected that there would be some cases where a lower level of delivery might be provided (e.g. where there are viability issues).
29. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Family Households and Housing Mix

30. The proportion of households with dependent children is slightly lower than the regional and national average. There has been some growth in the number of 'family' households and also modest growth in the number of households with non-dependent children (likely in many cases to be grown-up children living with parents) – growth in these household groups has been below the overall increase in households. Projecting forward, there is expected to be an increase in the number of households with dependent children – increasing by 17% over the 2018-30 period when linking to housing delivery of 620 dwellings per annum (i.e. the residual amount of housing to be provided by 2030 under the adopted Local Plan).
31. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (12-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Figure 2: Suggested Mix of Housing by Size and Tenure		
	1-/2-bedrooms	3+-bedrooms
Market	30-40%	60-70%
Affordable home ownership	60-70%	30-40%
Affordable housing (rented)	65-75%	25-35%

32. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure).
33. The mix identified above could inform strategic policies although a flexible approach should be adopted. In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date

evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

34. Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.
35. Analysis also considered demographic trends and the current mix of housing at a smaller-area level (including for a broad Urban/Rural split). Generally, the analysis suggested slightly larger homes being required in rural areas although it is considered that the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that drawn from the Housing Register.
36. Finally, the analysis considered the potential mix of housing on the SCGV site. Overall, a slightly larger mix of housing might be appropriate (providing more of a family offer). However, overall differences from District-wide needs were not substantial. That said, the scale of potential development in SCGV does provide the opportunity to deliver a wide range of different housing products for different groups of the population.

Older People and People with Disabilities

37. Planning Practice Guidance (PPG) section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards). The PPG (on housing needs assessment) suggests looking at the specific needs of older people and those with disabilities. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN and HOPSR). This is to consider the need for specialist accommodation for older people and also Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings).
38. Planning Practice Guidance (PPG) section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards). The PPG (on housing needs assessment) suggests looking at the specific needs of

older people and those with disabilities. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN and HOPSR). This is to consider the need for specialist accommodation for older people and also Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings).

39. The data shows that in general, Carlisle has similar levels of disability compared with other areas, however an ageing population means that the number of people with disabilities is likely to increase substantially in the future. Key findings include:
- Up to 30% increase in the population aged 65+ over 2018-2030 (potentially accounting for at least half of total population growth);
 - A current need for sheltered and extra-care housing in both the rented and leasehold sectors;
 - A future need for all types of specialist housing for older people;
 - A need for additional care bedspaces; and
 - a need for up to 390 dwellings to be for wheelchair users (meeting technical standard M4(3))
40. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 5% meeting M4(3). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
41. The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
42. In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
43. The analysis is not definitive about the quantities of different types of specialist housing (or its tenure) due to a range of views about prevalence rates; the need for

housing with care (Extra-care/Enhanced sheltered) is estimated to be for around 380 dwellings in the period to 2030 (32 per annum); over half of these are estimated to be required in the rented (affordable) sector – it is considered that these will be in a C3 use class.

Figure 3: Older Persons' Dwelling Requirements 2018 to 2030 – Carlisle (linked to dwelling provision of 620 per annum)

		Housing demand per 1,000 75+	Current supply	2018 demand	Current shortfall/ (surplus)	Addition al demand to 2030	Shortfall / (surplus) by 2030
Housing with support	Rented	84	241	900	659	377	1,036
	Leasehold	46	150	495	345	207	552
Housing with care	Rented	21	104	222	118	93	211
	Leasehold	11	0	119	119	50	168
Total		162	495	1,736	1,241	727	1,967
Care home bedspaces		99	961	1,062	101	445	546

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

44. The analysis has also considered the potential need for specialist housing on the St Cuthbert's Garden Village site. Given that this is a new site, and previous analysis has suggested that it may attract a higher proportion of families. It is suggested that needs might be lower than within other housing developments. However, it is also the case that a supply of specialist housing (of which there is currently relatively little across the Council area) could stimulate demand. Taking account of a range of factors, it is concluded that SCGV should be providing around 10% of housing as specialist accommodation, in both the market and affordable sectors.

Private Rented Sector

45. The private rented sector (PRS) accounts for around 14% of all households in Carlisle (as of 2011) – a higher proportion to that seen across Cumbria, but below equivalent figures for the North West and England (17%). The number of households in this sector has grown substantially (increasing by 89% in the 2001-11 period) with further increases likely to have occurred since 2011 (at a national level the English Housing Survey reports a further 26% increase in the size of the sector).

Figure 4: Change in tenure (2001-11) – Carlisle				
	2001 households	2011 households	Change	% change
Owens outright	13,369	16,754	3,385	25.3%
Owens with mortgage/loan	17,777	16,577	-1,200	-6.8%
Social rented	8,055	7,394	-661	-8.2%
Private rented	3,666	6,914	3,248	88.6%
Other	1,096	703	-393	-35.9%
TOTAL	43,963	48,342	4,379	10.0%

Source: 2001 and 2011 Census

46. The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 38% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements.
47. Additional analysis suggests that rent levels have increased very slightly over time (when looking at the 2011-18 period) but that increases in rents fall slightly behind the increase in house prices over the same period – the increase in rents is lower than seen regionally and nationally and does not suggest any particular lack of supply of private rented homes.
48. There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
49. This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and

the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

St Cuthbert's Garden Village (SCGV)

50. St Cuthbert's Garden Village (SCGV) will comprise of up to 10,000 new homes, new employment space, associated community and social infrastructure and a new strategic link road. Throughout the main SHMA update report (and within this summary) a range of analysis has been carried out to consider the overall need for housing and to provide some advice about housing mix. Below are some of the main summary points from the analysis.
51. Analysis was carried out to consider the likely level of housing delivery required to meet economic growth forecasts (in this case taken from a Lambert Smith Hampton report of October 2018). Whilst a report such as this cannot be entirely prescriptive about housing numbers due to some uncertainties in the assumptions used (particularly if projecting forward to 2050) it does seem clear that the development of St Cuthbert's Garden Village would provide opportunities for households to move to the area (and take up the forecast local jobs). Overall, the analysis suggests broad balance between homes and jobs when including the proposed SCGV development.
52. In terms of the demographic impact of SCGV analysis showed that without SCGV there would be projected to be a significant ageing of the population, along with modest increases in the population of children and those of 'working-age'. With the inclusion of SCGV it is projected that there would be a greater increase in people of 'working-age', and thus able to support the forecast economic growth.
53. The report has not specifically looked at the need for affordable housing in relation to SCGV, in part because of the difficulties of projecting this forward to 2050. However, given levels of affordable need in the Council area generally, it is concluded that opportunities to provide affordable housing should be maximised (subject to viability). It is also considered that the opportunity be taken to provide a range of affordable housing to rent and buy, as well as an element of housing specifically for older people (see below).

54. In looking at the overall mix of housing to be provided on SCGV, analysis suggested that this might be generally slightly biased towards a family offer (across all sectors). This is in part due to the modelling suggesting that the development might see a slightly higher proportion of people of working-age relative to the rest of the Borough. That said, the mix suggestions were not substantially different from those suggested across the Council area – provision should be made for a wide range of household groups.
55. Given the scale of development, the Council might also consider if the site should include an element of ‘executive’ homes (likely to be larger 5+ bedroom detached homes). This could help to provide a wider socio-economic mix, particularly where associated with local employment growth. Additionally, the Council could consider including a reasonable proportion of bungalows (maybe up to 10% of homes across all tenures) – the viability assessment suggests that such development is viable on larger schemes.
56. The analysis of needs for Older Persons’ suggests that the Council might seek something in the region of 10% of homes as being suitable for older people (homes being provided in both the market and affordable sectors). Analysis in the report has identified that currently there is a very low level of specialist provision in the Council area, and the scale of development at SCGV would allow for relatively large (and hence viable) schemes to be developed. The Council will also need to consider provision of wheelchair accessible homes, and homes that meet the higher of the Housing Technical Standards (M4(2)).
57. Finally, whilst the report does not highlight any particular need to plan for additional private rented accommodation, or build-to-rent homes, it is again the case given the scale of development that this type of provision might be attractive to particular developers/providers and could be considered as part of the wider mix of types and tenures of housing. This might also include providing opportunities for self- and custom-build housing.
58. Overall, the development of SCGV provides the Council with a significant opportunity to develop the range of homes needed by the future population of the Council area. As a general point it is clear that the development should meet the needs of a wide range of household groups both in the market and affordable sectors and include provision of specialist housing for older people/those with disabilities. Other considerations will include development of bungalows, executive homes, build-to-rent housing and plots for self- and custom-build

Overall Summary

59. Overall, the SHMA identifies that the Government's Standard Method would lead to a housing need for 200 dwellings per annum. Planning at this level would however be likely to see a reduction in the resident labour supply and therefore act as a barrier to economic development in the Council area. To ensure economic growth, the Council should continue to develop in line with the adopted Local Plan (to 2030) and seek to provide strong delivery thereafter – this will include the development of St Cuthbert's Garden Village (SCGV).
60. The affordable needs assessment continues to show a need for affordable housing in the District, and in all sub-areas. The evidence of a need for affordable home ownership products was far from clear-cut, however given the clear steer in the NPPF it is recommended that the Council do consider seeking 10% of housing on larger sites as affordable home ownership; where possible such housing would ideally a mix of tenures such as shared ownership and low-cost home ownership.
61. The analysis also identifies a need for all sizes of housing within all tenure groups. For market housing there is a focus on smaller (2- and 3-bedroom) family units, but also some larger (4+-bedroom) homes. For affordable home ownership the focus should be on 2-bedroom homes (along with 1- and 3-bedroom accommodation) whilst for social/affordable rented housing the need is particularly for 1- and 2-bedroom homes. It is suggested that SCGV could support a slightly larger mix of housing, although differences from the general mix required are not substantial.
62. Finally, the analysis identifies a large and growing older person population. This is likely to drive the need for additional specialist accommodation in both the rented (affordable) and leasehold (market) sectors, as well as a need for additional care home bed spaces. If the Council follows the housing trajectory then potentially around 16% of additional homes should be some sort of specialist housing for older people. On the SCGV site it is suggested at provision of around 10% is investigated.