Leicester City

Local Housing Needs Assessment: Update 2021

Report of Findings

February 2022

The information in this document has been used to support the preparation of the Local Plan. If you need assistance reading this document, or require it in a different format, please contact us via email planning.policy@leicester.gov.uk or call on 0116 454 0085.

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Executive Summary

Introduction

Opinion Research Services (ORS) was commissioned by Leicester City Council to prepare a Local Housing Needs Assessment (LHNA) in 2019 for the period 2019-2036 to identify the minimum Local Housing Need (LHN) using the standard method set out in Planning Practice Guidance (PPG). The study also considers the type and tenure of dwellings required in Leicester.

Since this time, new data has been released which underpins the overall housing needs figures and also new guidance has been released for policy issues such as First Homes. This update considers the impact of a change to the government's standard method for housing needs from 1,734 dwellings per annum in the 2019 study to the current figure of 2,291 dwellings per annum. This large change is due to the government changing the method used to calculate the figure to include a 35% uplift for large urban areas.

This current study has a high degree of overlap with the previous LHNA. Therefore, the report structure is very similar, but the majority of the numbers are changed between the two reports. This LHNA Update adheres to the requirements of the new National Planning Policy Framework (NPPF) published in July 2021 and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment.

Government Policy

A revised version of the National Planning Policy Framework was published in July 2018. This was then updated in February 2019 to incorporate a number of detailed changes following a technical consultation and these changes were retained in a further update of the NPPF in 2021. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs.

Under the Revised NPPF, local planning authorities are 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 from the pre 2018 NPPF, 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 requirement continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

Paragraph 62 of the NPPF 2021 states that 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.

Establishing Current Unmet Need for Affordable Housing

To assess the current need for affordable housing, we calculated the number of households in Leicester 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 the social or private rented sector, and people

otherwise not counted who are in a reasonable preference category on the housing register. Figure 1 sets out the assessment of current affordable housing need for Leicester.

Figure 1: Assessing current unmet gross need for affordable housing - households (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

Affordable Housing	Gross Need	Supply	Net Need	Not part of the household projections
Homeless households in priority need [Source: CLG P1E returns]	-	-	-	-
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	425	-	425	425
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	65		65	-
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	-
Households accepted as homeless but without temporary accommodation provided	0	-	0	0
Concealed households [Source: Census 2001 and 2011]	-	-	-	-
Growth in concealed families with family representatives aged under 55	1,187		1,187	1,187
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]	-	-	-	-
Households living in overcrowded private rented housing	2,061	-	2,061	-
Households living in overcrowded affordable rented housing	3,288	3,288	0	-
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]	-	-	-	-
People (within a household) who need to move on medical or welfare grounds, including grounds relating to a disability	43	4	39	-
People (within a household) who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	0	0	0	-
TOTAL	**7,069**	**3,292**	**3,777**	**1,612**

Our analysis has concluded that **7,069 households are currently living in unsuitable housing in Leicester and unable to afford their own housing**. This number includes 1,612 households who need affordable housing that would not be counted by the household projections because of their being homeless or concealed households and these are counted separately in the 'Not part of the household projections ' column.

Of the 7,069 households in current need, 3,292 currently occupy affordable housing that does not meet the households' current needs. 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 3,777 households** (7,069 less 3,292 = 3,777) **who currently need affordable housing and do not currently occupy affordable housing in Leicester.**

Overall Need for Affordable Housing

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 also those who can afford market rents, but aspire to home ownership. The figures should count all households likely to need affordable housing, but also include all likely supply of affordable housing from within the existing stock.

It is important that Right to Buy Sales in Leicester are likely to amount to amount to around 400 per annum for the foreseeable future and for every property sold under Right to Buy a replacement affordable dwelling will be required to be added to the affordable housing stock. If that rate were applied for 16 years, then this adds 6,400 dwellings to the need for affordable housing for those who cannot afford to rent.

Figure 2 shows the overall housing need for Leicester, including allowing for the impact of allowing for Right to Buy sales. We have assumed that the sales occur proportionately to the size of the existing affordable housing stock in Leicester. Any Right to Buy sales effectively deliver market housing for the those making the purchase, but require to be replaced in the affordable housing sector.

The market housing figure contains both market rent and owned occupied dwellings. If there is not an improvement in affordability, market rent will grow by over 10,000 dwellings for those who aspire to own, plus further potential growth from student households and also from households receiving housing benefit in the private rented sector, if insufficient affordable to rent is supplied. The number of owner occupiers in Leicester fell between 2001 and 2011 and unless affordability improves this trend will continue. Therefore the expectation is that much, if not all, of the market need is for private rent. While new build dwellings may be occupied as owner occupied, it is often the case that the second hand homes left behind by those moving to new estates will become private rented properties.

Figure 2: Overall Net Need for Market and Affordable Dwellings including impact of Right to Buy Sales (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Number of bedrooms	Unable to afford market rents	Able to afford 50% First Homes, but not 70% First Homes	Able to afford 70% First Homes	Total Affordable Housing	Total Market Housing	Total Housing
1 bedroom	1,597	457	145	2,199	1,765	**3,964**
2 bedrooms	4,188	606	163	4,957	4,150	**9,107**
3 bedrooms	7,244	675	167	8,086	11,659	**19,745**
4+ bedrooms	2,448	75	8	2,531	993	**3,524**
DWELLINGS	**15,476**	**1,813**	**483**	**17,772**	**18,568**	**36,340**
C2 Dwellings	-	-	-	-	316	**316**
LHN	**15,476**	**1,813**	**483**	**17,772**	**18,884**	**36,656**

Therefore, on the basis of the current backlog of need, trend based growth in housing needs and recent trends in Right to Buy sales, there is a need for around an extra 15,500 affordable properties in Leicester over the period 2020-36 for those who cannot around to rent plus 2,300 for those who aspire to own.

Housing for Older People

The table below identifies the potential requirement for new specialist older person housing.

Figure 3: Modelled Demand for Older Person Housing in Leicester based on Housing LIN Toolkit

LEICESTER	Tenure type	Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-36	Overall need
Sheltered Housing	Owned	120	2,272	140	+2,132	+1,212	**+3,344**
Sheltered Housing	Rented	60	1,136	1,124	+12	+606	**+618**
Extra Care	Owned	40	757	0	+757	+404	**+1,161**
Extra Care	Rented	31	587	248	+339	+313	**+652**
TOTAL	**Both**	**251**	**4,752**	**1,512**	**+3,240**	**+2,535**	**+5,775**

The analysis of the need for specialist older person housing identifies a backlog of 3,240 dwellings at the start of the Plan period in 2019. Over the 16-year Plan period 2020-36, this analysis identifies an increase in need of around 2,535 additional homes; yielding a total need of around 5,775 dwellings to be provided, which would account for most of the need for small dwellings in Leicester. However, these figures are based upon idealised outcomes for Leicester. If current rates of provision were to continue a further 800 specialist older person dwellings would be required.

Housing for People with Disabilities

The data shows that around 13,073 households living in Leicester in 2020 had a health problem that already affected their housing requirement, including 1,254 who had unmet needs and require to move to an adapted home. By 2036, there will be an additional 19,399 households either already experiencing health problems or likely to develop health problems within 10 years.

To deliver adapted housing to M4(2) standard for all of the identified need would require housing for up to 20,653 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. Based on the housing mix in Leicester, it is likely that around 53% will live in dwellings that could be converted, implying at least 10,330 additional adapted homes will be required. This is a minimum figure for adapted homes to at least M4(2) standard. This figure includes a minimum figures of around 1,270 dwellings which will be required to be adapted to the needs of wheelchair users and hence built to M4(3) standard.

Figure 4: Households with a long-term illness or disability in Leicester in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

LEICESTER	TOTAL	% of LHN
Existing need in 2020	-	-
Households where an existing illness or disability affects their housing need and need to move in 2020	1,254	-
Projected future need 2020-36	-	-
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	19,399	-
Maximum need for adapted housing 2020-36 (households)	**20,653**	**58%**
Less households living in dwellings adaptable to M4(1) standard	10,323	-
Minimum need for adapted housing 2020-36 (households)	**10,330**	**29%**

Introducing the Study

Introduction

Opinion Research Services (ORS) was commissioned by Leicester City Council to prepare a Local Housing Needs Assessment (LHNA) in 2019 for the period 2019-2036 to identify the minimum Local Housing Need (LHN) using the standard method set out in Planning Practice Guidance (PPG). The study also considers the type and tenure of dwellings required in Leicester.

Since this time, new data has been released which underpins the overall housing needs figures and also new guidance has been released for policy issues such as First Homes. This update considers the impact of a change to the government's standard method for housing needs from 1,734 dwellings per annum in the 2019 study to the current figure of 2,291 dwellings per annum. This large change is due to the government changing the method used to calculate the figure to include a 35% uplift for large urban areas.

This current study has a high degree of overlap with the previous LHNA. Therefore, the report structure is very similar, but the majority of the numbers are changed between the two reports. This LHNA Update adheres to the requirements of the new National Planning Policy Framework (NPPF) published in July 2021 and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment.

Government Policy

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.

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".*

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 changes were retained in a further update of the NPPF in 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".

Under the Revised NPPF, 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 from the pre 2018 NPPF,

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 requirement continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

Local planning authorities no longer have to prepare a Strategic Housing Market Assessment (SHMA) for the Housing Market Area (HMA), but paragraph 62 of the NPPF 2021 states that 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.

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 60 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 61-017-20190315 and 61-018-20190315]. This issue is clearly important for Leicester given its constrained land supply situation.

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.

Under the Original NPPF, 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 homeownership. 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 homeownership must now be counted.

Assessing Housing Needs

The Revised NPPF no longer requires local planning authorities to produce a SHMA to establish housing need for HMAs, but instead requires local planning authorities to produce a Local Housing Needs Assessment:

> *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 2019 (NPPF), paragraph 60-62**

Therefore, the new NPPF 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-004-20201216]. 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 Original NPPF identified. These figures will then have to be considered against the viability of the area to assess their deliverability.

Summary of the ORS Approach to Modelling Housing Need

As noted above, the government have stipulated that all local authorities should follow the standard method for assessing LHN, unless exceptional circumstances require an alternative figure to be calculated. This represents the total number of dwellings required in the area.

However, the standard method is underwritten by the 2014 based household projections and a significant amount of more up to date demographic information is now available. While the final outputs of this study are based upon the standard method based LHN, we achieve these outputs through a series of stages.

In Chapter 2, we consider the level of affordable housing based upon the demographic profile of the population and households. The demographic projections for this LHNA are based on the latest official projections and cover the 16-year period 2020-2036. They are informed by the latest ONS mid-year estimates,[1] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. In particular, we focus upon the 2018 based 10-year migration trends variant population and household projections. The data within these projections is then adjusted in light of the mid-year population estimates 2019 and 2020. The reason for choosing this set of projections is that they represent the best and most up to date information available for population and household growth trends currently published.

The estimates for affordable housing need in Chapter 2 are therefore based upon adjusted 2018 based population and household projections. The figures contained within this chapter therefore reflect the need for affordable housing based upon much more recent trends than the data underwriting the LHN.

However, delivering the number of dwellings required by the standard method will require a different population and household growth than the trend-based population and household growth. This issue is reconciled in Chapter 3. To move from the household growth in Chapter 2 to the total need for dwellings in Chapter 3 requires a series of additional elements. These include:

- The need to include the impact of vacant and second homes to uplift the household projection to become the need for dwellings;

[1] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

- The need to include an allowance for additional Use Class C2 bedspaces such as nursing homes to ensure that persons otherwise not included in the population and household projections are included within the overall LHN;
- The standard method seeks to address housing market pressures, so the ORS model adjusts household formation rates for younger households 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.

When all relevant factors have been added, the outputs produced in Chapter 2 are consistent with the LHN in Chapter 3. Therefore, the figures produced in Chapter 3 are the overall conclusions for housing need based upon the standard method LHN.

Affordable Housing Need

Introduction

The definition of affordable housing was changed by the NPPF, with a specific emphasis now placed on affordable home ownership and this change has been continued into 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**

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[1], which covered:

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

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 2a-020-20190220**
>
> Emphasis added shows change introduced in September 2018

[1] https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing

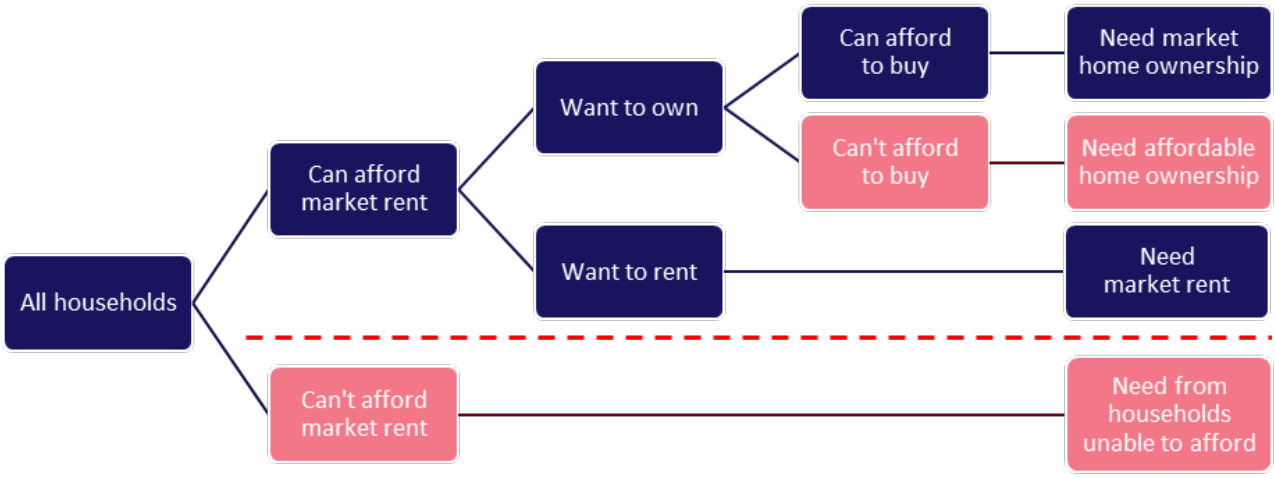
On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

Establishing the Need for Affordable Housing to Rent and to Own

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.

Figure 5 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. The need from households unable to afford to rent includes all households who cannot afford market rents and need Social Rent or other affordable rented products.

Figure 5: Establishing the need for market and affordable housing



Affordable Housing Need: Households Unable to Afford

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 <u>or</u> renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.

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

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, 2a-020-20190220

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

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.

Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of 2020. This includes anyone who needs to move for medical reasons and also anyone who wishes to downsize to a smaller affordable home.

Figure 6 sets out the assessment of current affordable housing need for Leicester.

Figure 6: Assessing current unmet gross need for affordable housing - households (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

	Gross Need	Supply	Net Need	Not part of the household projections
Homeless households in priority need [Source: CLG P1E returns]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	425		425	425
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	65		65	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	1,187		1,187	1,187
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	2,061		2,061	
Households living in overcrowded affordable rented housing	3,288	3,288	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]				
People (within a household) who need to move on medical or welfare grounds, including grounds relating to a disability	43	4	39	
People (within a household) who need to move to a particular locality in the borough of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**7,069**	**3,292**	**3,777**	**1,612**

The analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing. This could marginally overstate the affordable housing need. It does not count the needs of owner occupiers living in overcrowded housing, and this can be offset against any over-counting arising from the rented housing. 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 Leicester.

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.

The Census 2011 defines a concealed family:

> *A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents.*

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).

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**.**

If the 3,288 households living in overcrowded affordable rented housing were to move, they would require other affordable rented housing and therefore they form part of the gross need for affordable rented housing. At the same time, each of these households who moved would vacate an affordable rented property which would be available for another household and so they also form part of the supply of affordable rented housing. Because of this one to one correlation, these households do not contribute to the net need. The same approach is taken with households likely to move from under-occupied affordable rented housing; they contribute an equal number to the gross need and the supply and therefore net zero need. The third element of supply is from other households living in unsuitable housing that cannot afford their own home. A proportion of the gross need from these households will come from housing association stock where the same condition applies; each household would vacant an affordable dwelling which would be available for another household. The proportion of housing association stock is based off census 2011 data.

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 **7,069 households are currently living in unsuitable housing in Leicester and 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).

Of these households, 3,293 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 3,777 households** (7,069 less 3,293 = 3,777) **who currently need affordable housing and do not currently occupy affordable housing in Leicester** (although a higher number of new homes may be needed to resolve all the identified overcrowding). The figure of 3,777 households represents all households who are not currently housed in affordable housing, but who require to move to an affordable property to meet their needs.

This number includes 1,612 households that would not be counted by the household projections because of their being homeless or concealed households and these are counted separately in the 'Not Part of the Household Projections' column of Figure 6. This column relates only to households who would not be counted in the household projections. For example, a concealed couple living as part of another households won't be counted in the household projections, but do often want their own property. Similarly, those living in hostels or bed and breakfast should have their own property, but will not release a property when they move. These households would not be counted in the household projections and will not release a property if they are housed in affordable housing.

Providing the total 3,777 net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of **2,165 households** (3,777 less 1,612

concealed households) that are currently need affordable housing who are unable to afford. Therefore, the total net need is for 3,777 households, but 1,612 of these do not occupy any separate property of their own, and they will not release a private sector property if housed in affordable housing. The 2,165 households include those who are overcrowded or who are in temporary accommodation in the private rented sector, and those who need to move for medical or other reasons. They would all release properties when they move, so will not add to the overall need for homes, but will instead all release a private rented property and occupy an affordable unit.

Projected Future Affordable Housing Need

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**

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 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. 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.

In terms of calculating the affordable housing need, the ORS Housing Mix Model does not jump straight to the Local Housing Need figure for Leicester of 2,291 dwellings per annum. Instead the model builds through a series of stages. For this study, we have taken the 2018 based ONS household projections 10 year migration variant as the basis for the initial analysis and we have then updated this to take account of the 2019 and 2020 Mid-year Population estimate. The reason for using this data is that is represents the most up to date trend based information for Leicester, with the data superseding that used in the Local Housing Needs figure of 2,291 dwellings per annum. The current trend based data for Leicester is then reconciled with the overall Local Housing Needs figures for Leicester in Chapter 3 of this report to consider overall housing needs.

The ORS Housing Mix model works by calculating the net additional need for affordable housing, so it considers all needs for affordable housing and sets this against all potential supply from within the existing stock. This assumes that the existing stock is not lost through Right to Buy sales or demolition. However, the impact of these issues is then considered when the net need for affordable housing has been calculated.

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.

The affordability percentages in Figure 7 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 of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 7: Assessing affordability by household type and age (Source: Census 2011 and DWP)

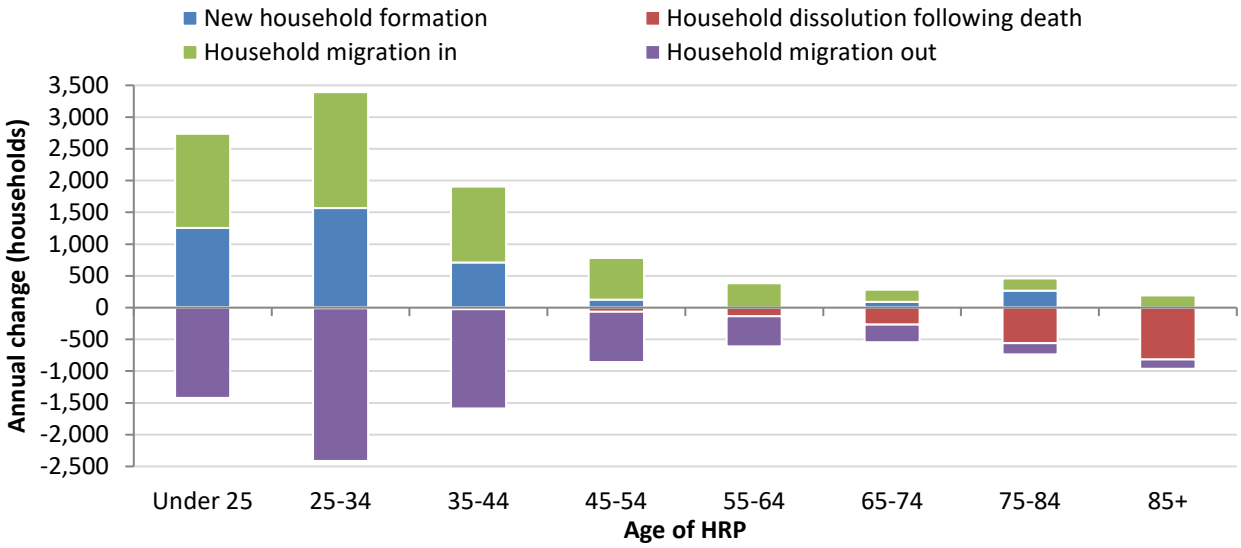
Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	32%	28%	43%	53%	51%	45%
Couple family with no dependent children	11%	8%	16%	17%	15%	24%
Couple family with 1 or more dependent children	50%	43%	36%	30%	32%	39%
Lone parent family with 1 or more dependent children	98%	89%	73%	63%	69%	68%
Other household type	11%	24%	38%	35%	27%	23%

Establishing the Future Affordable Housing Need for Households Unable to Afford

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].

Figure 8 shows the age structure of each of the components of household change. 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 8: Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)



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, identified in Figure 7.

The Model identifies an average of 4,019 new households projected to form in Leicester each year, and of these, 33% are unable to afford their housing costs which represents 1,345 households each year. The Model separately considers new households migrating to the area and identifies that a similar proportion of these households are unable to afford (34%); although this represents 2,073 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support**. Together, there are 3,418 new households each year who are unable to afford their housing costs.**

PPG also identifies that in addition to the needs of new households, it is also important to estimate *"the number of existing households falling into need"* [ID 2a-021-20190220]. Whilst established households that continue to live in Leicester 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 an average of **937 established households fall into need each year** in Leicester.

Whilst the PPG recognises that established households' circumstances can deteriorate such that they fall into need, it is also important to recognise that established households' circumstances can 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.

These improved circumstances can therefore reduce the need for affordable housing over time. The Model identifies that the circumstances of 832 households improve each year such that they become able to afford their housing costs despite previously being unable to afford. Therefore, considering the changing needs of existing households overall, **there is a net increase of 104 existing households** (937 minus 832 = 104 rounded) **needing affordable housing each year**.

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 affordable housing need*" [ID 67-007-20190722]. It is also important to recognise that not all households that are unable to afford housing are allocated affordable housing immediately and some of these households will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections.

The Model identifies 1,874 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright; however, 622 are unable to afford market housing: most living in affordable rented housing. The Model separately identifies that an average of 7,266 households will leave the area each year, including 2,536 unable to afford their housing costs. Some will vacate affordable rented 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 (although some might prefer to stay if housing costs were cheaper or more affordable housing was available). **Together, there are 3,198 households each year who will vacate affordable dwellings or will no longer be waiting for a home.**

Figure 9 summarises each of the components that contribute to future affordable housing need. Again, we reiterate that at this stage, the underlying data is the 2018 based ONS household projections 10 year migration trends model update to 2020 Mid-Year population estimates to reflect the best available current data for Leicester. This is then reconciled with the standard method for Local Housing Need in Chapter 3.

Figure 9: Components of average annual household growth 2020-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	4,019	2,673	1,345	33%
Households migrating in to the area	6,117	4,044	2,073	34%
All new households	**10,136**	**6,717**	**3,418**	**34%**
Household dissolutions following death	1,874	1,212	662	35%
Households migrating out of the area	7,266	4,731	2,536	35%
All households no longer present	**9,140**	**5,943**	**3,198**	**35%**
Household growth	**+955**	**+774**	**+221**	**22.2%**
Existing households falling into need	-	-937	+937	100%
Existing households climbing out of need	-	+832	-832	0%
Change in existing households	**-**	**-104**	**+104**	**-**
Average annual future need for market and affordable housing 2020-36	**+995**	**+670**	**+325**	**32.7%**

Overall Affordable Housing Need for Households Unable to Afford

Figure 10 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for market and affordable housing arising over the 16-year period 2020-36. This takes the backlog of affordable need of 3,777 households in Figure 6 and adds to this the future need for affordable housing of 325 households per annum (5,205 over 16 years rounded) set out in Figure 9 to give

a total need for affordable housing in Leicester over the period 2020-36 of 8,982 households, or an annual average of 561 per annum. This is 51% of the net overall underlying household growth for Leicester.

Figure 10: Assessing total net need for market and affordable housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Market housing	Affordable housing	Overall Housing Need
Unmet need for affordable housing in 2020 (see Figure 6)			
Total unmet need for affordable housing (a)	-	7,069	7,069
Supply of housing vacated (b)	2,165	3,292	5,457
Current housing need (c) = (a) - (b)	**-2,165**	**+3,777**	**+1,612**
Projected future housing need 2020-36 (see Figure 9)			
Average annual housing need (d)	670	325	995
Future housing need (e) = (d) x 16	**10,719**	**5,205**	**15,924**
Total need for market and affordable housing (f) = (c) + (e)	**+8,554**	**+8,982**	**+17,536**
Average annual household growth (g) = (f) / 16	+535	+561	+1,096
Proportion of overall need for market and affordable housing	48.8%	51.2%	100%

Any 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. ORS do not include the impact of Right to Buy as standard in the Housing Mix Model because the model is identifying a net additional need for affordable housing. This measures how many more units of affordable housing will be required at the end of the plan period (2036) compared to the number which exist at the beginning (2020). Right to Buy sales represent an growth of market housing occupied by the purchaser and the loss of affordable housing which must be replaced on a one for one basis. They also represent a national policy choice which may be withdrawn in the future, with the Scottish and Welsh Governments having already removed the Right to Buy for tenants. Therefore, we do not automatically factor in Right to Buy sales for the plan period, but every sales does require a replacement until to be delivered as affordable housing.

For the majority of local authorities the impact of Right to Buy sales is fairly small. However, Right to Buy sales in Leicester have typically been over 400 units per annum since 2016, as shown in Figure 11. While the number of Right to Buy sales in 2020/21 was lower this was related to the pandemic and the Council is currently seeing an average of 62 applications for Right to Buy each month, which is in line with the period before 2020.

On this basis, that around 400 homes per annual re being sold under Right to Buy, the total need for affordable housing can be viewed as being closer to 1,000+ households per annum, rather than the 561 households. This is a point we will return to in Chapter 3, Figure 29 where we explicitly include the Right to Buy sales in the need for affordable housing.

Figure 11: Right to buy sales in Leicester 2016-2021 (Source: Council Records)

Year	Right to buy sales
2016/17	444
2017/18	409
2018/19	424
2019/20	409
2020/21	204

Figure 12 sets out the housing mix in terms of property type and size. The model shows a surplus of 1 bedroom flats. This is driven by households currently being overcrowded in these flats and being assumed to move to a larger property. However, once Right to Buy sales are factored in to the model in Figure 29, this surplus disappears, so little weight should be attached to this figure.

Figure 12: Assessing affordable housing mix (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Property type	Number of bedrooms	Current Gross Need	Current Supply	Current Net Need	Future Housing Need 2020-2036	Overall Housing Need Number	Overall Housing Need %
Flat	1 bedroom	63	1,033	-970	191	-780	-9%
Flat	2+ bedrooms	644	346	298	543	841	9%
House	1-2 bedrooms	1,625	981	644	1299	1,943	22%
House	3 bedrooms	2,865	827	2,038	2872	4,910	55%
House	4+ bedrooms	1,872	105	1,767	301	2,068	23%
Total Households		**7,069**	**3,292**	**3,777**	**5,205**	**8,982**	**100%**

Affordable Housing Tenure

Within the overall need of 8,982 affordable homes 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.

Figure 13 illustrates 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 13: Affordability of households needing affordable housing by property size 2020

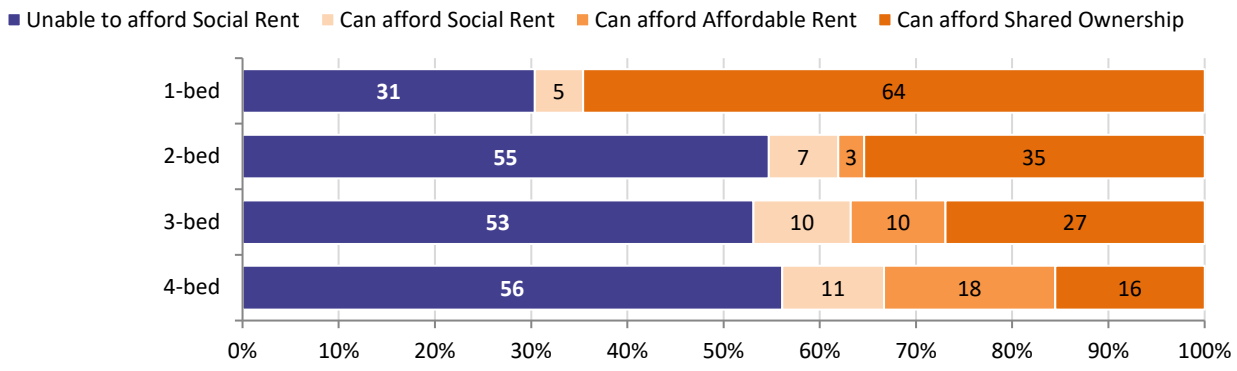


Figure 14 sets out the affordable housing mix, which identifies that over a half of households unable to afford and in need of affordable housing would not be able to afford the relevant Social Rent for a property of the size needed: 4,986 households (56%) based on up to 35% of income being spent on housing costs.

Providing new affordable rented housing based on Social Rents would enable around 879 households (10%) 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.

Around 954 households (11%) in need of affordable housing could afford Affordable Rent (without housing benefit support) and a further 2,164 households (24%) could afford some form of affordable home ownership.

Figure 14: Affordable housing mix by household affordability to 2020-2036 (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 Affordable Homes Ownership	TOTAL
1 bedroom	-166	-27	15	-352	**-531**
2 bedrooms	1,258	166	62	814	**2,301**
3 bedrooms	2,708	516	501	1,374	**5,098**
4+ bedrooms	1,185	224	376	328	**2,114**
TOTAL	**4,986**	**879**	**954**	**2,164**	**8,982**
Overall percentage	56%	10%	11%	24%	***100%***

Future Policy on Housing Benefit in the Private Rented Sector

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 the Councils.

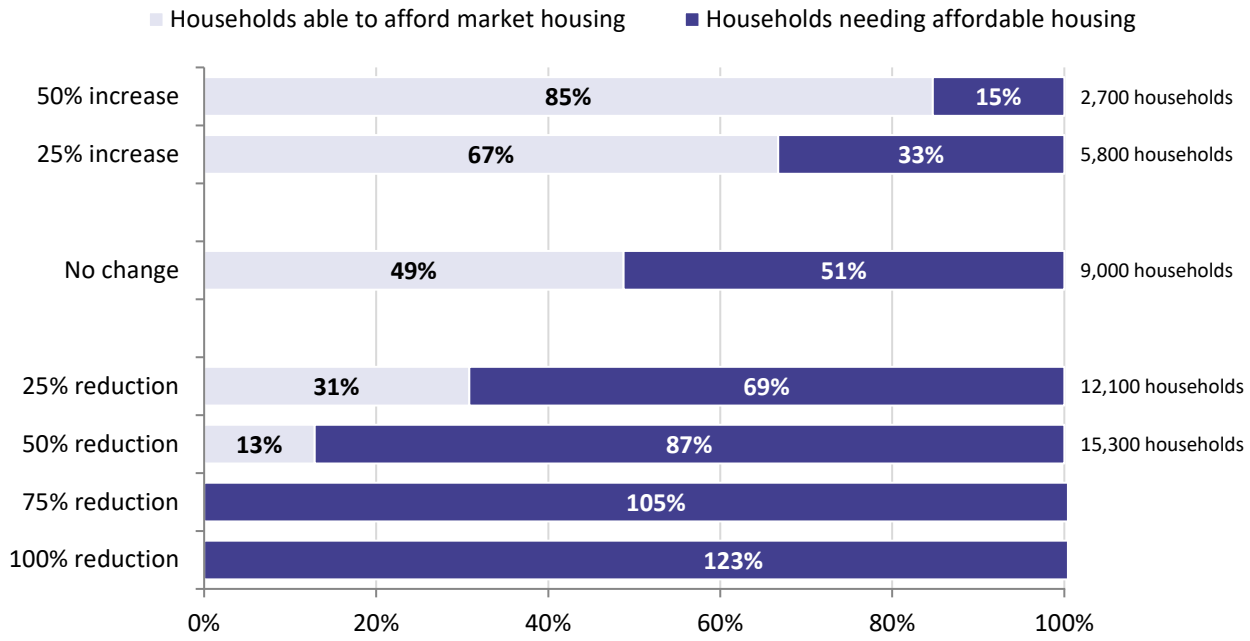
It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards 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.

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.

To sensitivity test this position, Figure 15 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector. In 2020, around 12,600 households received financial help through housing benefit or Universal Credit to reside in the private rented sector in Leicester. If no households were to receive housing benefit support in the private rented

sector, over 100% of the growth in household numbers 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 15: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2020-36 and associated number of affordable dwellings



Summary for Households Unable to Afford Market Housing

The housing mix analysis identified a need to provide an net additional affordable housing for 8,982 households over the 16-year period 2020-36. This yields a total affordable housing need of 9,076 dwellings, equivalent to 567 dwellings per year when allowance is made for a vacancy rate on dwellings. This 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. In the last three years, right to buy sales have been over 400 dwellings per annum in Leicester. **Therefore, the total need for affordable housing for those unable to affordable market housing could be as high as 15,500 dwellings.**

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.**

The analysis also identifies that a number of households unable to afford their housing costs are likely to move away from the area, and some might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available.

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.

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 that Local Housing Allowance limits mean that even the maximum housing benefit award may be below the private rent levels. Ongoing 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.

Providing sufficient affordable housing for all of households in receipt of housing benefit in the private rented sector would increase the need to around 28,000 affordable homes over the 16-year period if Right to Buy sales are also included; 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.

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 unmet need from 3,777 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.

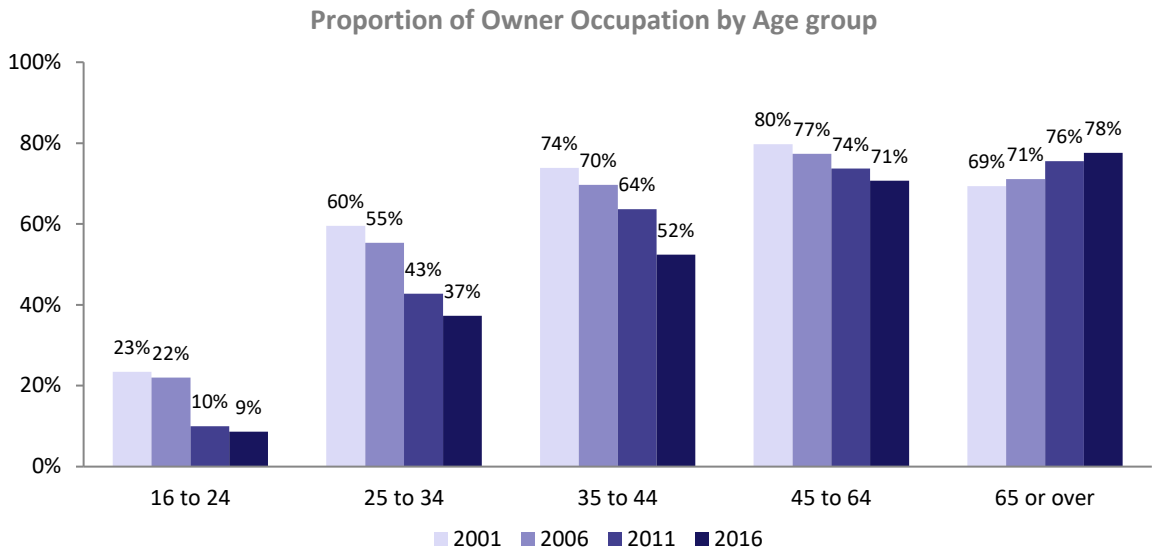
Needs of Households Aspiring to Homeownership

Home Ownership Trends

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%.

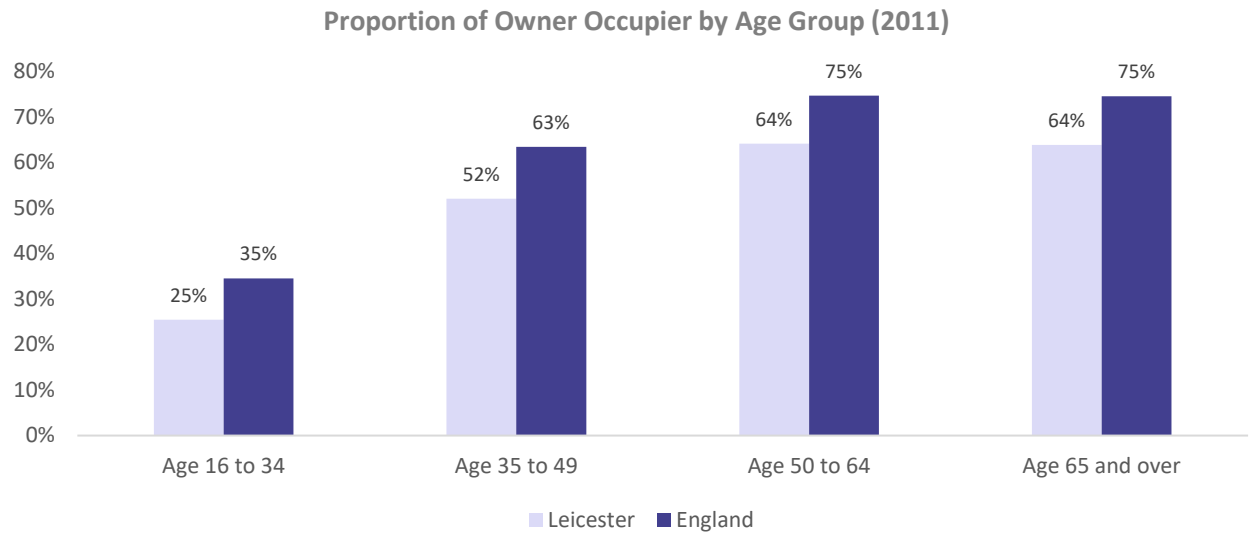
The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 16).

Figure 16: Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)



The English Housing Survey does not contain robust data on owner occupation by age group at the local level, however an indication of the comparison between owner occupation levels by age in Leicester versus the national average can be gathered from the 2011 Census (Figure 17).

Figure 17: Proportion of Owner Occupation by age group 2011 (Source: Census 2011)



It can be seen from Figure 17 that there are lower rates of owner occupation in Leicester than the national average in all age groups reported on by the Census 2011.

Establishing the number of households aspiring to home ownership

English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 18: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	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%

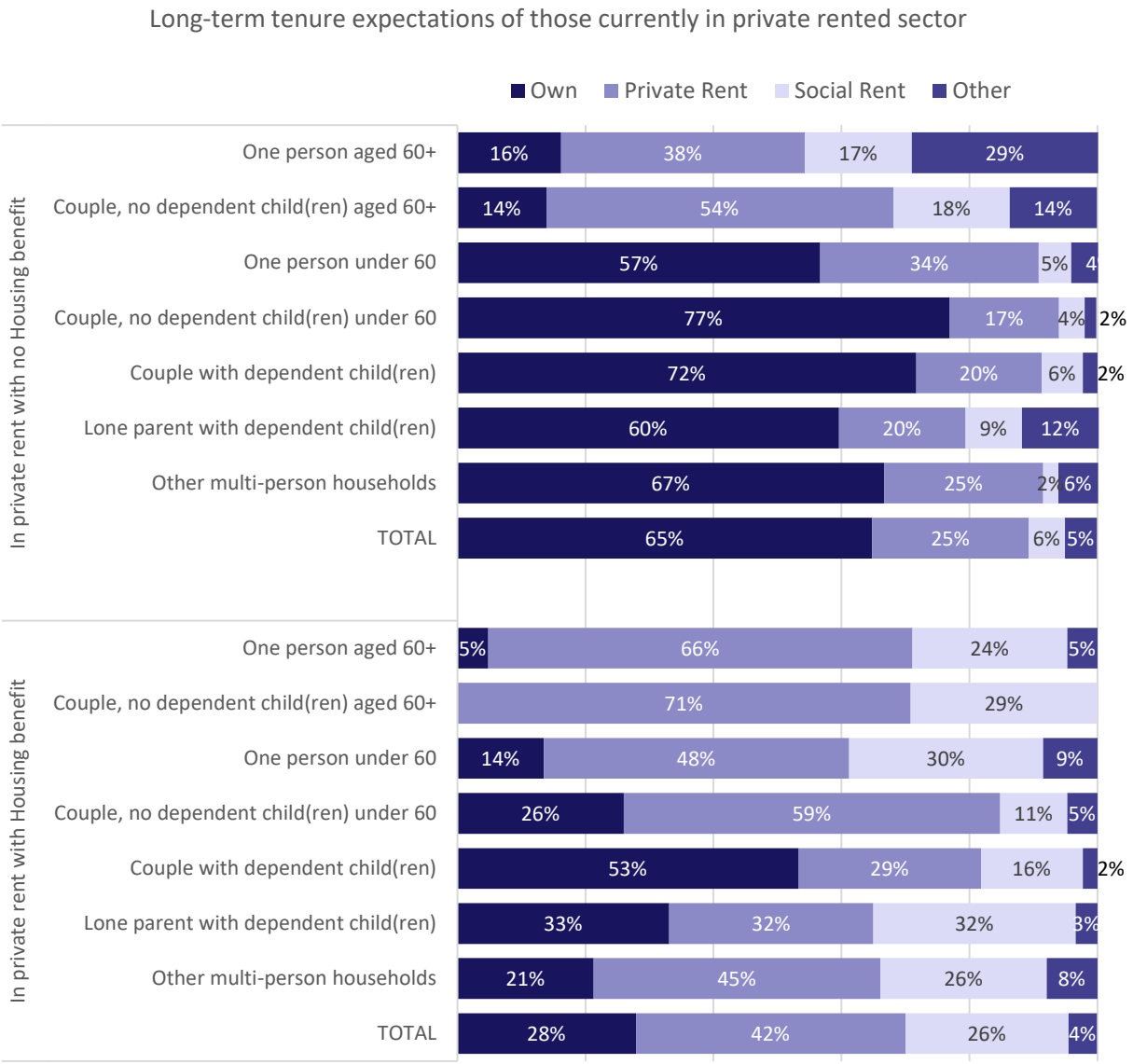
These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

The following chart (Figure 19) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 19: 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)



Additional Need for Affordable Homeownership

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 20 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 20: 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	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Single person	238	1214	572	54	56	1	2137
Couple without children	341	1174	308	202	143	0	2169
Families with child(ren)	101	333	327	0	0	0	762
Other households	850	577	1	1	1	0	1430
Total	**1,531**	**3,299**	**1,209**	**257**	**200**	**2**	**6,497**
Percentage of households	24%	51%	19%	4%	3%	0%	*100%*

Based on this analysis, we can estimate that there is a total of around 6,497 households currently resident in Leicester who cannot afford to own their own home but would aspire to do so. Three quarters of these households are aged 15-34 years.

In addition to the current need, it is also important to consider new households that are projected to form over the period 2020-2036. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 5,776 households that form over the 16-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 12,273 households who aspire to homeownership but who cannot afford to buy their own home over the period 2020-36, a net annual need of 767 per year.** 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).

The government have recently completed a consultation on 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 12,273 households who aspire to homeownership in Leicester 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

Figure 21 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 16-year period 2020-36. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 21: Assessing total need for affordable housing 2020-2036 (Source: ORS Housing Model)

	Households unable to afford	Households aspiring to home ownership	Overall Affordable Housing Need
Current housing need in 2020	3,777	6,497	10,274
Future housing need 2020-36	5,205	5,776	10,981
TOTAL HOUSING NEED	**8,982**	**12,273**	**21,255**

On this basis, we can conclude that the overall need for affordable housing would comprise a total of 21,255 households over the 16-year period 2020-2036, equivalent to an average of 1,328 per annum.

This represents more than the annual growth of households per annum identified by the household projections for the LHN period 2020-2036. 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**

Given that the potential 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.

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.

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, 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

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

The current lower quartile newbuild prices for a 4-bedroom property in Leicester is over £300,000, so 70% of this price would be inside the cap limit. Therefore, we have not applied any caps on the discount applied to First Homes based upon the maximum £250,000 value. That fact that a 4 bedroom market property does

have an entry level price of over £300,000 implies that there is also little benefit in capping the price of a First Home below £250,000 to reflect local affordability.

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.

Given this context, Figure 22 identifies all those who aspire to won, but then removes any household who are not likely to be able to achieve this through a First Home including

Those who have incomes over £80,000 or who could afford to purchase on the open market, but who have so far chosen not to do;

Those who would be unable to afford a mortgage on a First Homes with a 50% discount; and

Those households with savings of less than £5,000.

This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately, but who 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 income (GHDI) tables.

Of the 12,273 households who can afford to rent but who aspire to homeownership, there would be 1,493 who have incomes over £80,000 or who would be able to afford market home ownership or but choose not to (but aspire to do so at some point in the future). There would be a further 5,142 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values (Figure 22). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 4,012 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.

Figure 22: Affordable homeownership housing mix by household affordability 2020-2036 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership or who are over the income cap	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
1 bedroom	**2,666**	498	**2,168**	917	**1,251**	825	**426**
2 bedrooms	**4,693**	745	**3,948**	1,761	**2,187**	1,642	**545**
3 bedrooms	**4,416**	251	**4,165**	2,119	**2,047**	1,451	**596**
4+ bedrooms	**498**	0	**498**	345	**153**	94	**59**
TOTAL	**12,273**	**1,493**	**10,780**	**5,142**	**5,638**	**4,012**	**1,625**

On this basis, 1,625 dwellings are needed 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 seventh

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.

The figures do not include the impact of any other considerations which may apply for First Homes, such as whether the households is an essentially local worker or meet local connection tests, but the 1,625 households are all private renters who aspire to own in Leicester who can afford a First Home, but who cannot afford full home ownership

Whilst it will be a 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 1,625 households likely to form an effective demand (i.e., those able to afford the various products that will potentially be available) in addition to the 8,982 households unable to afford to rent or own market housing. Figure 23 provides a breakdown of the planned affordable housing on this basis.

Figure 23: Overall need for Affordable Housing 2020-36, 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 Households unable to afford	Households aspiring to home ownership	Planned Affordable Housing (Households)
1 bedroom	-531	426	-105
2 bedrooms	2,301	545	2,846
3 bedrooms	5,098	596	5,694
4+ bedrooms	2,114	59	2,173
TOTAL HOUSING NEED	**8,982**	**1,625**	**10,608**

Excluding the impact of Right to Buy sales, the LHNA identifies a net overall affordable housing need from 10,682 households over the 16-year period 2020-36 (668 per annum). If Right to Buy sales are factored in to the calculation, the need rises to over 17,000 households. 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. These figures are for different households to those set out in Figure 14 which considers those who cannot afford market rents through a combination of affordability and trend data. The 1,625 households set out in Figure 23 are all drawn from the private rent sector, so there is no double counting between these households.

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.

Overall Housing Need

Introduction

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 2021 can be established as follows:

Figure 24: Establishing the minimum LHN figure for Leicester (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)

	Leicester
Step 1: Setting the baseline	
Total households 2021	137,767
Total households 2031	152,549
10-year change 2021-2031	14,782
Annual average	1,478
Step 2: An adjustment to take account of affordability	
Median workplace-based affordability ratio	6.37
Adjustment factor	14.8%
Affordability uplift	219
Uncapped housing need	1,697
Step 3: Capping the increase	
Adoption date of most recent Local Plan	July-2014
Annual requirement	1,280
[A] Annual requirement with 40% uplift applied	1,792
Household projection with 40% uplift applied	2,069
Strategic policies for housing up to date	No
Step 4: Cities and Urban Centre Uplift	
Local Housing Need	1,697
Local Housing Need uplifted by 35%	2,291
Final Local Housing Need	**2,291**

Based on these calculations, the minimum Local Housing Need figure is 2,291 dwellings per annum. This translates to 36,656 dwellings (2,291 x 16) across the 16-year period.

Disaggregating the Minimum Local Housing Need figure

Although the LHN figures are informed by the trend-based household projections, the uplift adjustments (14.8% for affordability and a further 35% for large urban areas) 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.

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.

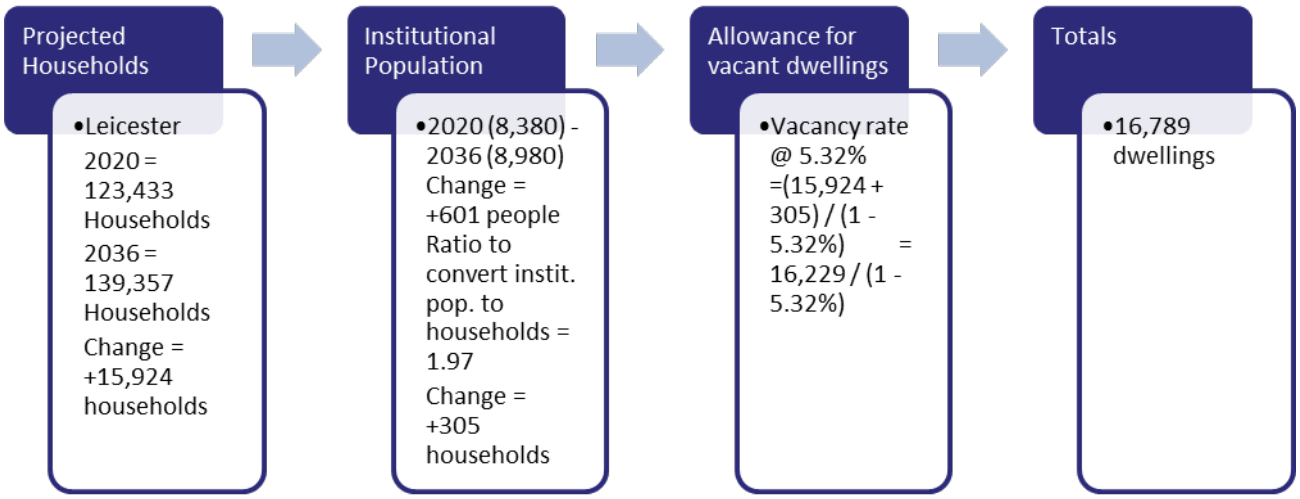
The demographic projections for the LHNAs are based on the latest official projections and cover the 16-year period 2020-2036. They are informed by the latest ONS mid-year estimates,[2] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:

- 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.

Figure 25 sets out the separate elements that will contribute to the LHN. These include:

- Households growth over the 16-year plan period calculated on trend-based projections;
- Institutional population growth over the 16-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 25: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)



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. Importantly, we need to make an allowance for an inevitable base level of vacant properties and the word household becomes misleading.

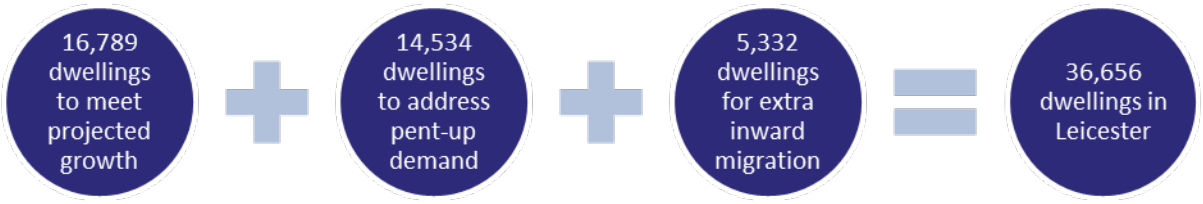
[2] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

Thus, the number of dwellings needed to deal with the projected household and institutional population growth is 16,229 in Leicester. However, if we assume that 5.32%[3] of dwellings will be unoccupied at any one time this means that a total of 16,789 dwellings are required.

The local housing need has already been identified as 2,291 dwellings per annum, which translates to 36,656 dwellings across the 16-year period. This leaves a difference between these housing need figures and the population projected need of 16,789 dwellings.

This additional need is made up from two elements:

- Enabling more households to form[4] (from the pent-up housing demand) = 14,534 dwellings
- Enabling more net inward migration[5] = 5,332 dwellings.



These 36,656 overall dwellings can be separated into market and affordable housing. While any current residents of Leicester could appear in the backlog of need set out in Figure 6 and therefore do not require to be counted again, and any newly arising need in the base household projections have already been counted, a component of affordable housing as outlined in Chapter 2 is affordable home ownership for those that aspire to own. Any new households from pent-up demand or in-migration who aspire to own will not have been counted in Figure 22 and so will required to be added to the total need. Some of the 19,866 (14,534+ 5,332) extra dwellings to meet the LHN beyond projected growth will inevitably be occupied by residents that aspire to home ownership.

[3] Based on 2011 Census data at a local authority level

[4] 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.

[5] 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 26: Extra households beyond projected (LHN scenario): Affordable homeownership housing mix by household affordability 2020-2036 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households able to afford market home ownership or who are over the income cap	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
1 bedroom	**1,061**	198	**863**	365	**498**	328	**170**
2 bedrooms	**1,868**	296	**1,572**	701	**871**	654	**217**
3 bedrooms	**1,758**	100	**1,658**	843	**815**	578	**237**
4+ bedrooms	**198**	0	**198**	137	**61**	37	**23**
TOTAL	4,886	594	4,291	2,047	2,244	1,597	647

Figure 26 applies the same calculation to the extra residents as was presented in Figure 22 for households that formed projected growth. Dwellings suitable for 647 extra households are needed to accommodate those that aspire to homeownership that have at least £5,000 in savings and can afford a mortgage. The previous analysis (Figure 22) identified 1,625 households that could afford an affordable homeownership option and had savings of £5,000 or more. Combining this with the 647 extra households identified, this totals 2,272 households that will aspire to homeownership and have the financial means. Application of the affordable vacancy rate (under 1%)[6] yields 2,296 affordable homeownership dwellings (Figure 27).

Figure 27: 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
1 bedroom	426	170	596	**602**
2 bedrooms	545	217	762	**770**
3 bedrooms	596	237	833	**841**
4+ bedrooms	59	23	82	**83**
TOTAL	1,625	647	2,272	2,296

Figure 28 shows the result of applying the vacancy rate for affordable homes to the summary of households in Figure 23 and further disaggregating aspire to homeownership into those that can afford 70% First Homes, 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.

The data shows a need for a net 9,076 dwellings for those who cannot market rents, but this includes a surplus of 536 1-bed dwellings. Therefore, there is a need for a total of 9,612 affordable dwellings of 2 or

[6] Affordable vacancy rate data from Regulator of Social Housing - Statistical Data Return 2019

more bedrooms. There is also a need for 2,296 dwellings for those who aspire to own. This is a total net affordable housing need of 11,372 dwellings over the 16 years.

The figures also contain market needs which represents the need for Class C2 bedspaces converted to dwellings. The Class C2 figure is outlined in Figure 25 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 316 dwellings in Leicester are delivered as Class C2 bedspaces. Instead, the population and household projections assume that the equivalent of 316 dwellings will be vacated by those moving to Class C2. If these moves do not occur because Class C2 bedspaces are not delivered, then 316 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 28: Overall need for Market and Affordable Dwellings excluding impact of Right to Buy Sales (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Number of bedrooms	Affordable Dwellings Unable to afford market rents	Able to afford 50% First Homes, but not 70% First Homes	Able to afford 70% First Homes	Total Affordable Housing	Total Market Housing	Total Housing
1 bedroom	-536	457	145	66	3,898	**3,964**
2 bedrooms	2,325	606	163	3,094	6,012	**9,107**
3 bedrooms	5,152	675	167	5,993	13,752	**19,745**
4+ bedrooms	2,136	75	8	2,219	1,305	**3,524**
DWELLINGS	**9,076**	**1,813**	**483**	**11,372**	**24,968**	**36,340**
C2 Dwellings	-	-	-	-	316	**316**
LHN	**9,076**	**1,813**	**483**	**11,372**	**25,284**	**36,656**

As also noted in Figure 11, Right to Buy Sales in Leicester are likely to amount to amount to around 400 per annum for the foreseeable future. If that rate were applied for 16 years, then this would add a further 6,400 dwellings to the need for affordable housing for those who cannot afford to rent.

Figure 29 shows the impact of allowing for Right to Buy sales on the need for new affordable homes in Leicester. We have assumed that the sales occur proportionately to the size of the existing affordable housing stock in Leicester. Any Right to Buy sales effectively deliver market housing, but require to be replaced in the affordable housing sector.

Figure 29: Overall Net Need for Market and Affordable Dwellings including impact of Right to Buy Sales (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Number of bedrooms	Affordable Dwellings Unable to afford market rents	Able to afford 50% First Homes, but not 70% First Homes	Able to afford 70% First Homes	Total Affordable Housing	Total Market Housing	Total Housing
1 bedroom	1,597	457	145	2,199	1,765	**3,964**
2 bedrooms	4,188	606	163	4,957	4,150	**9,107**
3 bedrooms	7,244	675	167	8,086	11,659	**19,745**
4+ bedrooms	2,448	75	8	2,531	993	**3,524**
DWELLINGS	**15,476**	**1,813**	**483**	**17,772**	**18,568**	**36,340**
C2 Dwellings	-	-	-	-	316	**316**
LHN	**15,476**	**1,813**	**483**	**17,772**	**18,884**	**36,656**

Therefore, on the basis of the current backlog of need, trend based growth in housing needs and recent trends in Right to Buy sales, there is a need for around an extra 15,500 affordable properties in Leicester over the period 2020-36 for those who cannot around to rent plus at least 2,300 for those who aspire to own.

Comparisons with the Leicester LHNA 2019

The equivalent outputs to those shown in Figure 28 were set out in the Figure 46 of the Leicester 2019. These have been reproduced below as Figure 30 and cover the period 2019-36, so they cover 17 years, not the 16-years of the current study. The Leicester LHNA 2019 did not include an equivalent table to that produced in Figure 29 in this report, with the impact of Right to Buy sales not being explicitly included in any table.

It should be remember than since that time not only has the Local Housing Needs figure for Leicester been updated, but all of the key underlying data around demographic growth and affordability have also changed. In particular, data around fertility, mortality and migration has been updated and this does provide for a different projected household mix for Leicester. This includes a slightly higher net need for those who cannot afford market rent (9,076 dwellings in the current study compared with 8,730 dwellings in the 2019 LHNA) and a slightly lower need for affordable home ownership for those in private rent (2,272 dwellings in the current study compared with 3,576 dwellings in the 2019 study). The changes in the need for affordable to own are driven by a change in affordability since 2019, but also the First Homes policy is now finalised while the 2019 study used an early consultation for First Homes. The final version of the First Homes more heavily restricts the affordability of households for the scheme than was modelled in 2019.

The data also shows a much higher need for market housing due to the rise in the overall LHN. This means that the need for affordable housing drops from 41% of the total in 2019 to 31% of the total in 2021, but the total net need for affordable housing has only dropped from 12,208 dwellings (718 dwellings per annum) to 11,372 dwellings (710 dwellings per annum).

Figure 30: Overall need for Market and Affordable Dwellings in LHNA 2019 (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Number of bedrooms	Unable to afford social rent	Unable to afford affordable rent	Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
1 bedroom	78	6	1,224	1,308	1,502	**2,810**
2 bedrooms	2,181	726	1,919	4,827	3,022	**7,849**
3 bedrooms	2,756	1,066	408	4,230	11,235	**15,465**
4+ bedrooms	1,373	442	26	1,841	1,032	**2,874**
DWELLINGS	**6,389**	**2,241**	**3,576**	**12,206**	**16,791**	**28,997**
C2 Dwellings	-	-	-	-	481	**481**
LHN	**6,389**	**2,241**	**3,576**	**12,206**	**17,272**	**29,478**

Housing for Older People

The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow by 3.8 million 2020-40 for the over 65s, and from 5.8m (2020) to 8.1m by 2040 for the over 75s.[7]

Based on the dwelling-led Local Housing Need projection discussed in Chapter 3, the number of over 75s in Leicester is projected to increase by around 10,100 in the period 2020-40; of which approximately 2,600 will be over 85 years old (Figure 32).

Given this context, PPG recognises the importance of providing housing for older people. Additional PPG "*Housing for older and disabled people*" was published on 26th 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**

It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.

This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the 2012 "Housing Our Ageing Population" report (HAPPI2).[8] 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).

[7] ONS 2018-based UK national population projections (principal variant).
[8] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

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"[9] in February 2008; and subsequently published the "Strategic Housing for Older People (SHOP)" [10] resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.

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. 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.

In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012), as this is the most recent iteration of the toolkit.[11] This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+ (Figure 31).

Figure 31: Strategic Housing for Older People (SHOP) Resource pack – benchmark need per thousand persons aged 75+

Provision Type	Owned (per 1000)	Rented (per 1000)	TOTAL (per 1000)
Leasehold scheme for the Elderly (LSE)	120	0	**120**
Conventional Sheltered Housing	0	60	**60**
Sheltered 'plus' or 'Enhanced' sheltered (provision with some care needs)	10	10	**20**
Extra care	30	15	**45**
Dementia	0	6	**6**
TOTAL	**160**	**91**	**251**

The dwelling-led population projections for Leicester show a substantial increase in the older population during the period 2020-2036. The population aged 75+ is likely to increase by around 10,100 persons across Leicester based on providing the number of homes required to meet the local housing need.

[9] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf
[10] http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf
[11] www.housinglin.org.uk/housinginlaterlife_planningtool

Figure 32: Projected population aged 75+ (Source: LHN dwelling-led population projections)

LEICESTER	75-84	85+	TOTAL
2020	13,001	5,930	18,931
2036	20,526	8,506	29,032
CHANGE	+7,525	+2,576	+10,101

The data published by the Elderly Accommodation Counsel (EAC)[12] identifies that there is currently a total of 1,512 specialist Older Person homes across Leicester.

Figure 33: Existing Stock of Specialist Older Person Housing for Leicester (Source: EAC 2015)

LEICESTER: Property Type	Owned	Rented	TOTAL
Housing with support	140	1,124	1,264
Housing with care	0	248	248
TOTAL	140	1,372	1,512

The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 18,931 in the Leicester people aged 75+ requires 4,752 specialist homes whilst data shows that just 1,569 exist, resulting in an unmet need of just under 3,240 homes already in the area. Therefore, existing provision is less than a third of the idealised need, but this is not unusual with ORS not being aware of any local authority in England having an existing provision as high as 251 per 1,000 persons aged 75+ years.

Figure 34: Modelled Existing Demand for Older Person Housing in the Leicester based on the Housing LIN Toolkit (Source: Housing LIN Toolkit, EAC 2015)

LEICESTER		Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020
Sheltered Housing	Owned	120	2,272	140	+2,132
Sheltered Housing	Rented	60	1,136	1,124	+12
Extra Care	Owned	40	757	0	+757
Extra Care	Rented	31	587	248	+339
TOTAL		251	4,752	1,512	+3,240

If we then consider the increase in need by 2036 by applying the SHOP formula (per 1,000) to the additional people aged 75+ that are projected to exist in the Leicester by the end of the projection we can calculate the additional need for elderly housing (Figure 35):

[12] 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.

Figure 35: Modelled Demand for Additional Specialist Older Person Housing Leicester 2020-36 (Source: Housing LIN Toolkit)

LEICESTER	Scheme type	Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	1,212	-	1,212
SHELTERED	Conventional Sheltered housing	-	606	606
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	101	101	202
EXTRA CARE	Extra care	303	152	455
EXTRA CARE	Dementia	-	61	61
Total		**1,616**	**919**	**2,535**

The toolkit identifies future need for 2,535 specialist older person additional housing units over the period 2020-2036. The table below (Figure 36) summarises the potential requirement for new specialist older person housing, taking account of the current stock, unmet demand and population growth for the period.

Figure 36: Modelled Demand for Older Person Housing in the Leicester 2020-36 based on Housing LIN Toolkit

LEICESTER	Tenure type	Rate per 1,000 persons aged 75+	Gross need 2020	Existing supply	Unmet need in 2020	Additional need 2020-36	Overall need
Sheltered Housing	Owned	120	2,272	140	+2,132	+1,212	+3,344
Sheltered Housing	Rented	60	1,136	1,124	+12	+606	+618
Extra Care	Owned	40	757	0	+757	+404	+1,161
Extra Care	Rented	31	587	248	+339	+313	+652
TOTAL		**251**	**4,752**	**1,512**	**+3,240**	**+2,535**	**+5,775**

The model assumes a continuation of current types of housing although it is unclear if Older People will aspire to these types of specialist housing in the future. Some types of housing may experience lower demand than others, and other, newer types of provision may appear to meet changing aspirations. A policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

In practice, the level of delivery identified as being required is likely to be unachievable given that it represents around a third of the overall local housing need based on the standard method. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:

- **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
- **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;

- **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; and
- **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, so future need may, again, be overstated.

Housing for People with Disabilities

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).[13]

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.

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.

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

> *Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.*
>
> *To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*
>
> **Planning Practice Guidance, ID 56-007-20150327**

Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of

[13] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

The PPG states:

> *Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment[14] (replacing Disability Living Allowance) / Attendance Allowance[15] 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[16] (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**

For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.

Given that the numbers of households with a limiting long-term illness or disability affecting housing (both existing and projected) that are likely to need to move comprises a significant proportion when compared to the total LHN (Figure 40), and furthermore given that the rates of limiting long-term illness or disability affecting housing needs are much higher in the affordable tenures (see Figure 37 following, affordable tenures are more than three times more likely to need an adapted home), the evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards where viability allows, perhaps as much as 100%.

An ongoing policy consultation from MHCLG (now DLUHC): "Raising Accessibility Standards for New Homes" (September 2020)[17] may see this issue become less contested in the future, as it recommends that all homes are built to M4(2) standard and a fixed proportion to M4(3) standard. It also notes that *"Some local authorities already apply the M4(2) standard as a minimum (e.g. the London Plan)"* (para 28), and also notes that *"In terms of benefits, the mandating* [of] *M4(2) may potentially reduce the need for social care"* (para 46).

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

[15] Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

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

[17] https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

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

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

> *"The provision made must be sufficient to-*
>
> *(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*
>
> *(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time."*
>
> **Access to and use of buildings: Approved Document M v1, Page 10**

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

Overall, 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively Figure 37).

Figure 37: 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%
Households with one or more persons with a limiting long-term illness or disability			
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%
Total households where a limiting long-term illness or disability affects their housing need:	**6.5%**	**19.8%**	**8.8%**

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

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

Figure 38: Households with a long-term illness or disability in the Leicester in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

LEICESTER	TOTAL
Households with one or more persons with a limiting long-term illness or disability	41,916
Does not affect their housing need	28,843
Current home suitable for needs	10,631
Current home requires adaptation	1,188
Need to move to a more suitable home	1,254
Total households where a limiting long-term illness or disability affects their housing need:	**13,073**

The model (Figure 38) identifies that there were 41,916 households living in the Leicester as of 2020 with one or more persons with a limiting long-term illness or disability. In 28,843 of these households, this does not affect their housing need, but in 13,073 households an illness or disability does impact on housing need.

Amongst those households where it does affect housing needs 10,631 households are already living in a suitable home (having moved or made adaptations). This leaves 1,188 households needing adaptations to their current home and 1,254 households needing to move to a more suitable home. These households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.

The identified need at the start of the period is based on households' current needs. Even without any growth in the number of households, the proportion with one or more persons with a limiting long-term illness or disability can be expected to increase as the population ages.

Based on household projections and the overall dwelling-led housing need, 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. Figure 39 shows our calculation that there will be an additional 19,399 households either needing adaptations to their existing housing or suitable new housing to be provided by the end of the period in question.

Figure 39: Households with a long-term illness or disability in the Leicester 2020-2036 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

LEICESTER	TOTAL
Existing households in 2020 likely to develop health problems that affect their housing need within 10 years	5,813
Additional households in 2036 projected to experience problems or likely to develop problems within 10 years	13,586
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	**19,399**
Unmet Need in 2020 for an adapted home (from Figure 38)	**1,254**
Total need for adapted housing	**20,653**

To provide M4(2) housing for all of the identified need would require housing for up to 20,653 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.

Although some households would prefer not to move, the EHS identifies that many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in Leicester in combination with this EHS data, a robust estimate of the number of dwellings that could be converted to meet the M4(1) standard can be derived.

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. This in turn helps to provide a minimum estimate of housing requiring to meet the M4(2) standard. On this basis, we can calculate the need for adapted housing that could not be met by adaptation of existing homes; these households should be added to the households identified as needing to move at the start of the period (Figure 40). This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section of this report. Therefore, there is a need for a high number of homes which can be used to accommodate people as their health deteriorates.

Figure 40: Households with a long-term illness or disability in the Leicester by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

LEICESTER	TOTAL	% of LHN
Existing need in 2020		
Households where an existing illness or disability affects their housing need and need to move in 2020	1,254	-
Projected future need 2020-36		
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	19,399	-
Maximum need for adapted housing 2020-36 (households)	**20,653**	**58%**
Less households living in dwellings adaptable to M4(1) standard	10,323	-
Minimum need for adapted housing 2020-36 (households)	**10,330**	**29%**

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. However, an absolute minimum of 10,330 additional households will require homes built to M4(2) standard by 2036 and this figure could be as high as 20,650. From a policy perspective, the data indicates that least 29% of new homes in Leicester should be built to M4(2) standard, but ideally a higher figure should apply because there is no ability to allocate market housing to those who need adaptable housing.

It is important to recognise that these ranges 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

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

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)*

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

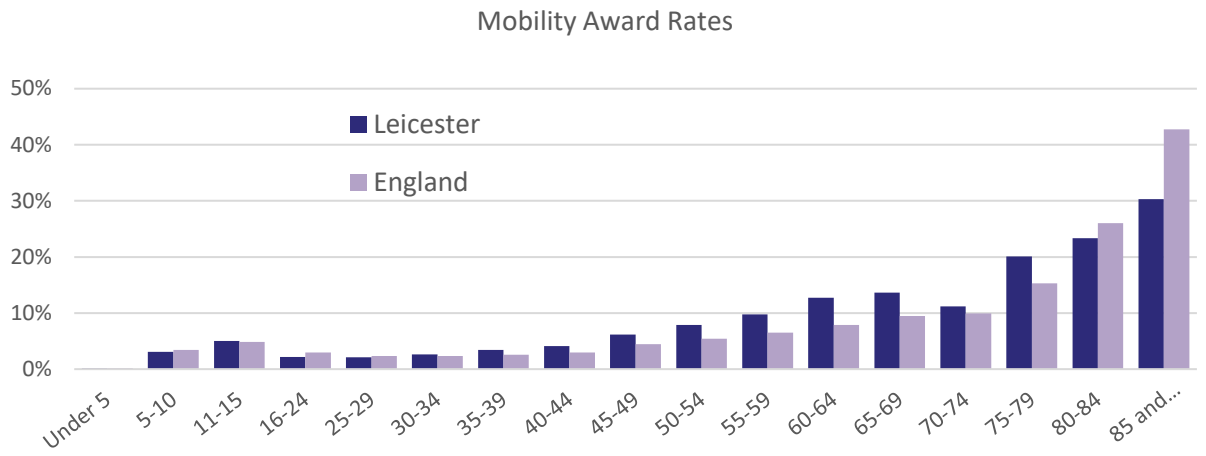
The CLG guide to available disability data[18] referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 41 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 41: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)

Housing type	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
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%

To gain a better understanding of the local data, Figure 42 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Leicester against the figures for England.

Figure 42: Disability benefit claimants in receipt of mobility award by age in the Leicester and England (Source: DWP, May 2020)



Through combining the information on local rates with the national data, we can establish the proportion of households likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 43):

[18] https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data

Figure 43: Percentage of households with a wheelchair user in the Leicester, by type of housing and age of household representative (Source: EHS, DWP)

LEICESTER	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.2%	4.2%	6.3%	7.7%
Affordable housing	0.3%	2.0%	3.0%	6.1%	6.4%	10.7%	13.0%	16.4%

If we apply these proportions to the population and household data for the area, then we can identify the net change in the number of households with a wheelchair user over the period 2020 to 2036. (Figure 44). Using this approach, we can calculate the number of households likely to need wheelchair adapted housing in the Leicester is likely to increase by 1,270 over the 16-year period. Note that these are gross figures, and many of the households identified in 2020 are likely to already live in wheelchair adapted housing.

The Council housing register indicates a need for 158 properties which are wheelchair adapted as of 31st December 2021, and that would be consistent with a need for 1,270 additional properties over the period 2020-36.

Figure 44: Households needing wheelchair adapted housing in the Leicester (Source: ORS Housing Model. Note: Figures may not sum due to rounding. Percentage of tenure in LHN column is calculated by dividing net change for a given tenure by the total identified need for that tenure in the LHN, as indicated by row labels.)

LEICESTER: Gross Modelled Need for Wheelchair Adapted Housing	2020	2036	Net change 2020-36	%age of tenure in LHN
Market housing	1,850	2,250	+400	1.6%
Affordable housing	2,500	3,370	+870	8.3%
Total	**4,350**	**5,620**	**+1,270**	**3.6%**

Importantly, as the model has included household age, it is possible to identify that a significant proportion of this growth comes from households which are aged over 75. This can be seen in Figure 45.

Figure 45: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

LEICESTER : Modelled Need for Wheelchair Adapted Housing	Households aged under 75	Households aged under 75	Households aged under 75	Households aged 75+	Households aged 75+	Households aged 75+
Dates	**2020**	**2036**	**Net change 2020-36**	**2020**	**2036**	**Net change 2020-36**
Market housing	1,290	1,480	+190	560	770	+210
Affordable housing	1,880	2,240	+360	620	1,130	+510
Total	**3,170**	**3,720**	**+550**	**1,180**	**1,900**	**+720**

This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.

Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that at least a tenth of those moving to specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health. Considering that a given older persons residence may house multiple residents in its lifetime, it becomes even more likely that at some stage a resident

requires a wheelchair. Furthermore, it may be noted that where it is possible to retrospectively adapt residences, this may be costly or difficult.

On this basis it may be appropriate to adopt a target of 100% wheelchair accessibility (where viable) for specialist accommodation for older people to avoid potential inequality of provision. This could also reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements. However, it is also the case that not all properties built to M4(3) standard will necessarily be occupied by wheelchair users, so a higher target should be considered.

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Appendix B

Glossary of Terms

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

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

Affordable housing

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

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

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

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

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

National Planning Policy Framework Glossary, February 2019

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

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

Concealed families are defined as; "family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"[19].

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

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

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

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

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household*"[20]

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 body that primarily provides low-cost "social or affordable housing" for people in housing need.

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

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

[19] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf
[20] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

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

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

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

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

Housing 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. shared ownership), other low-cost home ownership products and intermediate rent.

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

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

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

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

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

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

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

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

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

Registered Social Landlord/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).

Shared ownership see Low-Cost Home Ownership.

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

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

Acronyms and Initials

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