



Castle Point Local Housing Needs Assessment:

**Report of Findings for Castle
Point**

December 2023



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Table of Contents

Executive Summary	6
Introduction.....	6
Objectively Assessed Housing Need.....	6
Establishing Current Unmet Need for Affordable Housing.....	7
Future Need for Affordable Housing.....	8
Needs of Households Aspiring to Homeownership	8
Sensitivity Testing.....	12
Housing for older people.....	12
Housing for people with disabilities.....	13
The Canvey Island Haredi community.....	14
Household survey.....	14
1. Introducing the Study	15
Introduction.....	15
2. Government Policy	17
Introduction.....	17
The Standard Method for Local Housing Need Assessment.....	18
Assessing Housing Needs	20
Duty to Co-operate.....	20
Summary of the ORS Approach to Modelling Housing Need.....	23
3. Local Housing Market	24
Introduction.....	24
Housing Tenure Trends	24
Cost of Renting.....	27
Income Needed to Rent Housing	28
Cost of Home Ownership	31
Income Needed for Home Ownership	32
Income Needed for Other Types of Housing.....	34
Summary of Housing Costs.....	37
4. Demographic Projections	39
Introduction.....	39
Official Household Projections.....	39
Underlying Trends	40
Objectively Assessed Need (OAN).....	42
Projected Population Age Profile	44
20 Year Household Projections by Age	45
Projected Household Types.....	46

5. Affordable Housing Need	47
Introduction.....	47
Assessing Affordable Housing Needs	48
Current Unmet Needs of Households Unable to Afford	49
Projected Future Need of Households Unable to Afford	52
Needs of Households Aspiring to Homeownership	56
Establishing the number of households aspiring to home ownership.....	57
Additional Need for Affordable Homeownership	59
Identifying the Overall Affordable Housing Need	59
Affordable Rent	64
Future Policy on Housing Benefit in the Private Rented Sector.....	67
Sensitivity Testing.....	68
Comparison with the South Essex Housing Needs Assessment 2022.....	69
6. Housing to Support Economic Development	71
Background.....	71
Transport.....	72
Skills.....	73
Housing tenure and development	73
Economic development strategy.....	74
7. Needs of Different Groups.....	75
Introduction.....	75
Housing for Older People	75
Housing for People with Disabilities.....	78
Assessing need for M4(2) Category 2: Accessible and adaptable dwellings.....	80
Housing for Wheelchair Users.....	84
Student Housing	87
Service Families	87
People Wishing to Build their Own Homes	88
February 2021 Policy Update	89
April 2021 Self and Custom Build Action Plan.....	92
Evidence for Castle Point	92
Future Need for Self-build and Custom Housebuilding	93
Essential Local Workers.....	94
8. Canvey Island Haredi Community	95
Introduction.....	95
Background.....	95
History and expansion of the Canvey Island Haredi community	95
Characteristics of a Haredi home	97
Indication of the level of future housing needs	99
Developing a community.....	101
Work and transport.....	102
Conclusion	102

Appendix A: Reviewing the Standard Method	103
Population growth.....	105
Migration trends.....	106
Total Population	107
Conclusions.....	109
Appendix B: Jobs and Workers.....	110
Considering the basis for Adjusting the Local Housing Need.....	110
Appendix C: Household Survey	112
Background.....	112
Representativeness	112
Profile of Housing Type and Tenure	113
Current Home.....	115
Overall Satisfaction	115
Moving behaviour and aspirations.....	117
Moving to current property	117
Likelihood of moving in the next 5-years.....	118
Type of property people want to move to.....	121
Separate Homes for new households	123
Home Adaptations.....	124
Care needs.....	125
Adaptation needs.....	126
Household Demographics	127
Universal Credit.....	128
Working status	128
Appendix D: Household Survey Questionnaire	129
Castle Point – Resident Survey	130
INTRO:.....	130
A: Your Home / Your household	131
B: Moving Home	134
C: Separate Homes for New Household.....	137
D: Home Adaptations.....	139
E: Demographics.....	140
Appendix E	144
Acronyms and Initials	148
Table of Figures.....	149

Executive Summary

Summary of key findings and conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by Castle Point Borough Council to prepare a Local Housing Needs Assessment (LHNA). This considers the needs of the Authority for the period 2023-2043 to identify the size, type and tenure of homes that would be needed in the future, and the housing needs of different groups, including affordable housing. The study seeks to underwrite a new Plan 2023-2043 which will replace the existing Local Plan.

Objectively Assessed Housing Need

2. For almost all local authorities in England the key starting point for understanding housing needs is the Standard Method for Local Housing Needs. The current Standard Method for Castle Point is 351 dwellings per annum, comprising a projected household growth from 2023-2033 of 251 per annum from the 2014 based household projections and a 40% capped affordability uplift.
3. However, this study establishes that there are exceptional circumstances in Castle Point to justify deviating from the Standard Method. The key issue is how to replace the standard method. PPG states that:

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

PPG Reference ID: 2a-015-20190220

4. Office for National Statistics 2018 based household projections for 2023-33 show an annual average growth of 184 households per annum. This is then adjusted to take account of 2021 Census and mid-year population estimates. The resulting figure therefore provides us with a 20-year model for demographic growth based upon 10-year migration trends which more accurately address the demographic growth in Castle Point.
5. The second stage of the Standard Method is the affordability uplift. This effectively includes a wide range of issues including:
 - » An allowance for vacant and second homes;
 - » Use Class C2 – population projections for an area including all persons. However, when household projections are estimated, anyone not in a household is removed. For the care home population, the assumption used in national population projections is that the percentage of the population aged 75+ years in care homes will remain constant. This is just the extra population, so existing supply is already offset in the model, but any additional persons in Class C2 will require to be added back into the OAN figure;

- » Concealed families – Over the past 20 years there has been a growth in couples or lone parents living with other households who we would expect to lead their own households. We count any growth in this figure as an additional need in the OAN; and
 - » Suppressed household formation – households have been forming at a lower rate among younger people, so they form a separate household at a later age. This is an argument for increasing provision to allow them to form at younger ages. 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, a point when housing market pressures were less prominent.
6. The resulting figures are set out below and show a final demographic growth per annum of 196 households and a net additional dwelling need from other sources of 59 dwellings, to give a total need for 255 dwellings per annum, or 5,100 dwellings over the period 2023-43. This represents a 30% uplift on the household projections.

Figure 1: Objectively Assessed Need for Castle Point 2023-43 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

CASTLE POINT	Annual Need
ONS 2018 based household projections: 10-year migration trend	197
Adjustment for Census and Mid-year population estimates 2021	-1
Vacancy rate Applied	+7
C2 Dwelling equivalent	+5
Concealed families	+13
Suppressed household formation/Pent-up demand	+34
TOTAL	255

7. We will now proceed to use the 255 dwellings per annum as the basis for the analysis in the remainder of this report. We would note that for the remainder of this section we work with households, not dwellings. This implies that we exclude vacant dwellings and any impact from Class C2 use bedspaces from the analysis, before adding these back into the calculation at the end.

Establishing Current Unmet Need for Affordable Housing

8. To assess the current need for affordable housing, we initially calculated the number of households in Castle Point who are not suitably housed and who are unable to afford market housing. These include: all households that are currently homeless, those who are currently housed in temporary accommodation, concealed families living as part of another household, households overcrowded in social or private rent, and people otherwise not counted who are in a reasonable preference category on the housing register.

9. 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 an estimated 818 households in Castle Point are currently living in unsuitable housing and are unable to afford their own housing. Of these households, 175 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 643 households in Castle Point (818 less 175 = 643) that currently need affordable housing and do not currently occupy affordable housing (although a higher number of new homes may be needed to resolve all the identified overcrowding).

Future Need for Affordable Housing

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

Figure 2: Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model)

CASTLE POINT 2023-2043		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		2,545	2,214	331
All households no longer present		2,306	2,026	280
Change in existing households		-	26	-26
Future affordable housing need 2023-2043	Annual average	+239	+215	+25
	20-year Total	+4,785	+4,294	+490

11. Overall, reviewing the contribution of each element amounts to an additional 490 households needing affordable housing in Castle Point annually over the 20-year period 2023-43.

Needs of Households Aspiring to Homeownership

12. The Government have placed an emphasis on households that cannot afford to own their home reflecting concerns that the proportion of owner occupiers has reduced nationally over the last 20 years. One unexpected consequence of current policy is that households in the Private Rented Sector (PRS) who aspire to home ownership and can afford affordable home ownership are designated as being in housing need of affordable home ownership. At the same time, households in the PRS who can afford private sector rent but cannot afford affordable home ownership are designated as being adequately housed.

13. Figure 4 works through the numbers to separate these two groups out of the total numbers of households aspiring to own whether they be in the PRS or not. Overall, there are likely to be up to **3,075** households who cannot afford to buy their own home on the open market and aspire to homeownership in Castle Point over the period 2023-43. These are the upper limit figures and are adjusted as part of the assessment to take account of any households that can afford market ownership. The vast majority of this group of private renters can be assumed to be potential first-time buyers.
14. The Government have recently introduced a new housing product entitled First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the figure of up to 3,075 aspirational homeowners in Castle Point 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.
15. Below, Figure 3 brings together the information on assessing the unmet need for affordable housing in 2023 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2023-43. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options; some may be able to afford home ownership but have not found a suitable property yet.

Figure 3: Assessing total need for affordable housing in Castle Point 2023-2043 (Source: ORS Housing Model)

CASTLE POINT 2023-2043	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2023	643	1,579	2,222
Future housing need 2023-2043	490	1,495	1,985
TOTAL AFFORDABLE HOUSING NEED	1,133	3,075	4,208

16. 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 afford homeownership products if they were provided.
17. Figure 4 identifies those households with income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It is important to recognise that no 3 or more-bedroom properties are taken forward because they sit over the affordability cap for First Homes.

Figure 4: Aspiring affordable homeownership housing mix by household affordability 2023-2043 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households ineligible for affordable market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of new build LQ	Households able to afford 50% of new build LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of new build LQ and have savings of £5,000 or more
1-bedroom	428	35	394	181	212	119	93
2-bedrooms	1,130	72	1,058	588	471	317	154
3-bedrooms	1,086	1,086	0	0	0	0	0
4+ bedrooms	431	431	0	0	0	0	0
TOTAL	3,075	1,623	1,452	769	683	436	247

18. On this basis, 247 dwellings are needed for First Homes for households that aspire to homeownership but cannot afford it in Castle Point. As previously noted, it is likely that the vast majority of these households would be first-time buyers. However, we would note that the households who have been excluded from this calculation because they do not have sufficient savings or who cannot afford the mortgage on a First Home do still have a potential affordable housing need. It is just the case that they will not be able to access First Homes.
19. We consider that it is appropriate to exclude the households who can afford to buy or are in 3 or more-bedroom properties where these cannot be delivered within the First Homes cap, but for those who lack income (households unable to afford 50% of newbuild LQ) or savings (households with savings less than £5,000) for a First Homes, alternative housing products may be more suitable. In Castle Point, this amounts to 1,205 households (769 + 436=1,205). Instead, if a suitably priced Rent to Buy, or Shared Ownership product can be developed then they may move from a market need for private rent to an affordable housing need.
20. Whilst it is a policy decision as to how much additional housing in the form of affordable homeownership can be provided for households able to afford market rents but not market ownership, the needs of the 247 households in Castle Point likely to form an effective demand for First Homes can be considered a minimum. The overall need for affordable housing comprises the needs of this group combined with the needs of the 1,133 households unable to afford to rent or own market housing. These figures exclude the 1,205 households who are in private rented housing and may aspire to own but cannot afford to, and many of these households will be claiming housing benefits to top up their income to afford their rent.

22. Figure 5 provides a breakdown of the overall need for affordable housing on this basis:

Figure 5: Overall need for Affordable Housing 2023-2043, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1-bedroom	201	93	294
2-bedrooms	315	154	469
3-bedrooms	453	0	453
4+ bedrooms	164	0	164
TOTAL HOUSING NEED	1,133	247	1,380

23. For Castle Point this study identifies an overall affordable housing need from 1,380 households over the 20-year period 2023-43 (69 per annum).
24. At this point we add the allowance for vacant homes, taking the overall need for affordable dwellings to 1,387. Within the overall need of households requiring affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing. This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford Affordable Rents. The household aspiring to own figure is based upon those who can access a First Homes property at 30% and 50% discounts.
25. Figure 6 includes the need from those modelled to require Class C2 and also an allowance for vacant homes, so the total number of dwellings required equals 5,100 over the period 2023-43. The figure also contains market needs which represent the need for Use Class C2 bedspaces, such as care homes, converted to dwellings. The Class C2 figure 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 107 dwellings in Castle Point are delivered as Class C2 bedspaces. Instead, the population and household projections assume that the equivalent of 107 dwellings will be vacated by those moving to Class C2. If these moves do not occur because Class C2 bedspaces are not delivered, then 107 more Class C3 dwellings will be required. If Class C2 bedspaces are delivered, they can be counted at a ratio of 1.80 bedspaces equals 1 dwelling in the LHN figures.

Figure 6: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings				Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents		Unable to afford market ownership				
	Social Rent	Affordable Rent	Unable to afford 70% First Homes	Able to afford 70% First Homes			
1-bedroom	180	22	42	52	296	203	499
2-bedrooms	263	53	93	61	471	650	1,121
3-bedrooms	392	63	0	0	455	1,508	1,963
4+ bed	165	0	0	0	165	1,245	1,410
DWELLINGS	1,000	138	135	113	1,387	3,606	4,993
C2 Dwellings	-	-	-	-	-	107	107
LHN	1,000	138	135	113	1,387	3,713	5,100

Sensitivity Testing

26. All the figures set out above are for net changes in the housing stock. Factors which can cause the net outputs to vary from the gross need include:
- » Right to buy sales which must be added to the net affordable housing needs figures on a one for one basis. This current averages around 7 households per annum, which would represent around 140 dwellings over the 20-year plan period;
 - » Housing benefit in the private rented sector. As noted above, the ORS Model assumes that the number of households in receipt of housing benefit in the private rented sector remains constant. As noted in Chapter 3, relatively recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1-bedroom Social Rented or Affordable Rented property. In 2022 the figure for households in receipt of housing benefit was 2,154 households in Castle Point. Given sufficient viability then these figures can be reduced in an area; and
 - » Households who can afford to rent, but who aspire to own, but who cannot access First Homes. In Castle Point they amount to 1,205 households. For clarity, this is the most extreme case scenario. In practice, not only does First Homes not meet the needs of many of the households who aspire to own, there is not alternative product currently in Castle Point which would do so either. Therefore, many of the households are likely to remain in private rent. This however does not rule out Shared Ownership or rent to buy schemes from meeting the needs of some households and therefore, is likely to be a role for these housing products in Castle Point.
27. The figures set out above show a very large potential need for affordable housing to rent, with the vast majority of this required for households who will require support with their housing costs in the form of housing benefit. Social Rent has lower weekly rents than Affordable Rent, but for most households the cost of either will be supported by housing benefit and the delivery of Social Rent compared to Affordable Rent has adverse impacts upon viability. While on a single site it should be the case that only Social Rent or Affordable Rent are provided, across the entire housing mix both could have a role to play because their funding streams do tend to be different.
28. More generally, First Homes are shown to make up around 5% of total need, with additional support for home ownership coming from Shared Ownership and Rent to Buy schemes.

Housing for older people

29. Between 2023 and 2043 the older person population of Castle Point is projected to grow by 3,527 persons aged 75 years or more. As of 2023, there were around 46 units of older person housing for every 1,000 older persons in Castle Point aged over 75 years, almost all being sheltered housing.
30. Applying a rate of 45 per 1,000 persons to a growth in the population of 3,527 generates a need of 162 over the 20-year period. However, we would suggest that a higher figure is sought because the current provision of 46 per thousand is low compared to the national average of 120 units per 1,000 persons aged 75 years or older. Applying a rate of 120 per 1,000 to 3,527 persons yields a need of 423 units of dedicated older persons accommodation, which represents a more realistic target for Castle Point.

Housing for people with disabilities

31. The need for adapted housing 2023-2043 can be expressed as a range between 1,437 and 4,018 dwellings as shown below. 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 the evidence indicates that it would be appropriate to plan for a minimum of 29% of housing to M4(2) Category 2 or M4(3) Category 3.

Figure 7: Households with a long-term illness or disability in Castle Point by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT	Affordable	Market	TOTAL	% of LHN
Existing need in 2023				
Households where an existing illness or disability affects their housing need and need to move in 2023	181	93	274	-
Projected future need 2023-2043				
Additional households in 2043 where illness or disability affects their housing need or will develop within 10 years	3,048	696	3,744	-
Maximum need for adapted housing 2023-2043 (households)	3,229	789	4,018	82%
Less households living in dwellings adaptable to M4(1) standard	2,102	480	2,582	-
Minimum need for adapted housing 2023-2043 (households)	1,128	309	1,437	29%

32. The minimum and maximum shown in Figure 7 represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. The modelled need for M4(3) wheelchair adapted housing is shown below.
33. 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; some of these people may also be identified in the specialist older people housing above. The evidence supports a target of at least 10% of affordable homes to be wheelchair adapted and possibly a higher target of 15% subject to viability. The evidence also suggests that it would be reasonable to plan for 10% of market homes to be wheelchair adapted, again subject to viability.

Figure 8: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2023	2043	Net change 2023-2043	2023	2043	Net change 2023-2043
Market housing	560	590	+40	580	800	+220
Affordable housing	180	230	+50	120	210	+90
Total	740	820	+90	710	1,020	+310

The Canvey Island Haredi community

34. The community of orthodox Haredi Jews on Canvey Island has appeared since 2016 with a planned move out of traditional areas of London where housing costs have become prohibitive, particularly given that many homes are too small for large traditional Haredi families. Canvey Island provides an opportunity for Haredi families to access more affordable homes which are larger, and therefore provide a better quality of life.
35. Currently there are 110 families and around 450 to 600 people. There is likely to be substantial growth in the Haredi community to 2043; in the low hundreds of families looking for existing and new build properties of all tenures. It would be reasonable for the Council to plan for at least 250 families and probably more.
36. There is a need to plan for infrastructure, particularly for synagogues and schools, to manage the development of the community. The Haredi community are keen to develop the community infrastructure they require to follow the tenets of their religious beliefs working with the Council so as to maintain good relations with the wider community.
37. The health needs specific to the growing Haredi community are mainly around maternity care; provision of some services, such as maternity, and possible provision of mother and baby unit.
38. Given the likely growth of the Haredi community and the development of infrastructure related to that community, it could be beneficial to include community development on Canvey Island in the Local Plan.

Household survey

39. A household survey of 501 resident provided data which is used throughout the report and investigated the following topics:
 - » Your Home
 - » Moving Home
 - » Separate Homes for New Households
 - » Home Adaptations
40. The results are shown in Appendix C: Household Survey.

1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by Castle Point Borough Council to prepare a Local Housing Needs Assessment to understand and investigate the nature and make-up of current and future housing needs across the area, providing robust evidence to support future plan-making. At the time of writing, the plan period for the authority's Local Plan is proposed to be 2023-43, so this evidence base uses that timeframe.
- 1.2 The main body of this report is based upon secondary data, but a telephone survey of 501 residents was conducted within Castle Point. Interviews took place in June and July 2023. The findings of this survey are reporting in Appendix C: Household Survey and a copy of the survey is included at Appendix D: Household Survey Questionnaire.
- 1.3 The survey included sections about the following topics and is referenced throughout this report:
 - » Your Home
 - » Moving Home
 - » Separate Homes for New Households
 - » Home Adaptations
- 1.4 This study adheres to the requirements of the most recent National Planning Policy Framework (NPPF) published in September 2023 and the associated Planning Practice Guidance (PPG), in particular the section on housing and economic needs assessment. The Local Housing Need element of this assessment has set aside the Standard Method for estimating housing need due to data issues set out in Appendix A and instead has calculated a genuinely local housing need for Castle Point. Appendix B: Jobs and Workers considers how the alternative housing need figure can accommodate the potential workforce growth in Castle Point.
- 1.5 Castle Point have previously developed a Local Plan for the period 2018-33 based upon a target of 355 dwellings per annum. However, this target would have required considerable release of green belt land. The Council determined that the 355 dwelling per annum figure did not accurately reflect local needs and instead sought to consider the need for housing again. The 2018 – 2033 local plan was withdrawn in June 2022. This current study therefore considers the need for housing in Castle Point from a completely fresh base.
- 1.6 We would note that in June 2022 the first results from the UK Census of Population 2021 were released, with further data being rolled out since this time. The release of data from Census 2021 underscores the fact that new data is constantly being released; and housing and planning policy shifts over time. As a result, a document such as this can rapidly become out of step the absolute latest data. It should be noted that this inevitability does not render any of its overall findings and conclusions wrong or significantly incorrect; and that for plan making purposes a position has to be taken at a point in time, based on the most recent evidence available at that time.

- ^{1.7} This point concerning continuously updated data was echoed by the Inspector at the Luton Local Plan Examination:

“102. Firstly, a local plan inevitably takes some years to prepare and at some stage the evidence must become fixed if conclusions are to be reached and plans adopted. Indeed, the PPG accepts that although, where possible, local needs assessments should be informed by the latest available information, this does not automatically mean that housing assessments are rendered outdated every time new projections are issued. It is also worth noting that the Inspector examining the Central Bedfordshire Development Strategy expressed sympathy with views that ‘at some point, a local planning authority has to climb off the carousel of ever updated demographic data and publish a plan.’”

Report on the Examination of the Luton Local Plan – August 2017

2. Government Policy

An overview of the National Planning Policy Framework

Introduction

- 2.1 The Government published the National Planning Policy Framework (the 2012 NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 2.2 The 2012 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 2012 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”*.
- 2.3 A revised version of the National Planning Policy Framework was published in July 2018. Whilst the 2018 NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The 2018 NPPF was updated in February 2019 (the 2019 NPPF) to incorporate a number of detailed changes following a technical consultation and was further updated in July 2021. Whilst most of the changes made in 2018 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”*.
- 2.4 Under the 2023 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, as the Standard Method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.
- 2.5 Local planning authorities no longer have to prepare a Strategic Housing Market Assessment (SHMA) for the Housing Market Area (HMA), but they are now expected to produce a Local Housing Need Assessment (LHNA) for their local area in order to assess the size, type and tenure of housing needed for different groups in the community.
- 2.6 The 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 2019 NPPF, paragraph 61 identifies that *“any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [PPG ID 61-010-20180913].

- 2.7 The 2019 NPPF has also introduced a new definition for affordable housing, and this was carried over in to the 2023 NPPF. Whilst the original (2012) 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.
- 2.8 Under the 2012 NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as an affordable housing need, even if they would have preferred to buy and couldn’t afford to do so. However, the latest PPG supporting the 2023 NPPF states that assessments must now include the needs of “*those that cannot afford their own homes, either to rent, or to own, where that is their aspiration*” [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to buy, but are unable to afford homeownership, must now be counted as being in affordable housing need.

The Standard Method for Local Housing Need Assessment

- 2.9 The 2012 NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that “*Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need*” but allowed for adjustment based on local factors: “*The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.*” Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need elements such as market signals uplift and alignment of jobs and workers based on local circumstances.
- 2.10 On 14 September 2017, the Ministry of Housing, Communities and Local Government (MHCLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals:

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

- 2.11 MHCLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014-based household projections.

- 2.12 The Standard Method seeks to identify the minimum number of homes expected to be planned for. It does not produce a housing requirement figure, which will take into account capacity and deliverability. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere.
- 2.13 PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. The housing need figure may change as the inputs are variable, it may therefore be prudent to consider a number that is higher than the minimum LHN to provide a buffer against possible future changes while reviewing local plans.
- 2.14 The appropriate extracts from the PPG that outline the methodology are as follows:

Step 1 - Setting the baseline

Set the baseline using national household growth projections (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period) ...

Step 2 - An adjustment to take account of affordability

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline.

Where an adjustment is to be made, the precise formula is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Step 3 - Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies...

Step 4 - cities and urban centres uplift

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list....

PPG Reference ID: 2a-004-20201216

- 2.15 The current Standard Method Local Housing Need for Castle Point is 351 dwellings per annum. However, as set out in Chapter 4 and Appendix A, the calculation of Local Housing Need in this document does not proceed on the above basis, so the Standard Method is not used from this point onwards.

Assessing Housing Needs

- 2.16 The 2023 NPPF no longer requires local planning authorities to produce a SHMA to establish housing need for HMAs, but instead requires local planning authorities to inform strategic policy making with a Local Housing Needs Assessment (LHNA):

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

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

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

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

National Planning Policy Framework, July 2023

- 2.17 The 2023 NPPF does not contain any explicit reference to SHMAs, and housing needs are to be established at a local authority level. The Local Housing Needs Assessment (LHNA) must now be prepared which will establish a minimum Local Housing Need (LHN) figure. 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 2012 NPPF identified.
- 2.18 Whilst the Original NPPF expected SHMAs to be undertaken to assess needs across Housing Market Areas (HMAs), the focus of the Revised NPPF is on the needs of individual Local Planning Authorities without any mention of HMAs.
- 2.19 In terms of plan-making, PPG has retained the concept of the HMA [ID 61-010-20180913] within the Duty to Co-operate context, where joint working continues to be required.

Duty to Co-operate

- 2.20 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- 2.21 The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *“the homes and jobs needed in the area”*.

Maintaining effective cooperation

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

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

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

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

National Planning Policy Framework, February 2019

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

Maintaining effective cooperation

How are plan-making bodies expected to cooperate?

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

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

PPG Reference ID: 61-009-20190315

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

How can housing market areas be defined?

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

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

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

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

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

PPG Reference ID: 61-018-20190315

- 2.25 This definition of an HMA is almost identical to that in the original PPG relating to housing need.
- 2.26 It may further be noted that the recent MHCLG white paper “Planning for the Future” (August 2020) proposed the removal of the Duty to Co-operate, however it also stated that it would be replaced with an unspecified alternative, and does not represent guidance in this regard:

“We propose... ...the Duty to Cooperate test would be removed (although further consideration will be given to the way in which strategic cross-boundary issues, such as major infrastructure or strategic sites, can be adequately planned for, including the scale at which plans are best prepared in areas with significant strategic challenges);”

“Planning for the Future” White Paper, MHCLG August 2020 – page 31

Summary of the ORS Approach to Modelling Housing Need

- 2.27 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. However, as set out below in Chapter 4 and in Appendix A, we consider that those exceptional circumstances do exist in Castle Point.
- 2.28 In Chapter 4, we consider the demographic profile of the population and households. The demographic projections for this study are based on the latest official projections and cover the 20-year period 2023-2043. 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, updated to the 2021 mid-year population estimates. 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.
- 2.29 The estimates for affordable housing need in Chapter 5 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 accurate data than the data underwriting the standard method.

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

3. Local Housing Market

Housing trends and cost of housing in Castle Point

Introduction

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

Housing Tenure Trends

- 3.3 When considering the local housing market, it is worth noting the historic changes to tenure in Castle Point, as recorded by past censuses. Figure 9 below provides the detailed census data for Castle Point:

Figure 9: Number of Households in Castle Point by Tenure 1981-2021 (Source: UK Census of Population)

Tenure	Total Households					Net Change			
	1981	1991	2001	2011	2021	1981-1991	1991-2001	2001-2011	2011-2021
Owner occupied	25,293	29,076	31,223	30,204	30,072	+3,783	+2,147	-1,019	-132
Private rent	1,233	1,246	2,081	4,287	5,265	+13	+835	+2,206	+978
Social rent	3,282	2,129	1,975	1,949	2,051	-1,153	-154	-26	+102
TOTAL	29,808	32,451	35,279	36,440	37,388	+2,643	+2,828	+1,161	+948
Owner occupied	84.9%	89.6%	88.5%	82.9%	80.4%	4.7%	-1.1%	-5.6%	-2.5%
Private rent	4.1%	3.8%	5.9%	11.8%	14.1%	-0.3%	2.1%	5.9%	2.3%
Social rent	11.0%	6.6%	5.6%	5.3%	5.5%	-4.4%	-1.0%	-0.2%	0.1%

- 3.4 During the 1981-2021 period the total volume of housing in Castle Point has risen from 29,808 to 37,388 households. Notably, the volume of households in social rent has fallen from 3,282 to 2,051 households whilst other forms of tenure have increased in volume.
- 3.5 The table also shows that the most notable change has been the decline in the proportion of people in social rent, this has reduced by a half during the period 1981 and 2021 (from 11% to 5.5%). In contrast, private rent has grown more recently. Between 1981 and 1991 there was a notable growth in the proportion of owner occupiers, partly as a consequence of the introduction of right to buy policies. This peaked at 89.6% of households and has since fallen to levels closer to those in 1981.

- 3.6 The PPG recognises the importance of understanding the likely future role of the private rented sector:

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

Planning Practice Guidance, ID 67-002-20190722

- 3.7 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:

- » Increasing demand from more households;
- » Recent reductions in incomes (in real terms);
- » Reducing affordability of owner occupation;
- » Changing Bank lending practices;
- » Pension reform: pension drawdowns invested in Buy-to-Let (BTL) property.

- 3.8 The growth of the sector has been acknowledged as both a growing and long-term option for meeting the nation’s housing need. CLG with the Intermediary Mortgage Lenders Association forecast that the private rented sector will increase in size to 35% nationally by 2032². On this basis, the number of households renting privately could double again over the next twenty years.

- 3.9 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the 2008 recession.

- 3.10 The Office for Budget Responsibility analysis of the UK’s public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)³:

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

OBR - Economic and Fiscal Outlook (March 2014) paragraphs 4.152-154

- 3.11 The Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

² <http://news.rla.org.uk/rpi-rent-revolution/>

³ <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

- 3.12 Policy by both Government and Local Authorities is focused on improving management and maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁴ (including the Build to Rent investment scheme⁵). The Government published *“Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities”* in March 2019⁶ and the Foreword by the Minister stated:

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

- 3.13 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1-bedroom social rented or affordable rented property. The private rented sector therefore makes an important contribution towards providing housing options for low-income households, and it is essential for local authorities to understand the full extent of the need for affordable housing in their areas.
- 3.14 The Housing and Planning Act 2016 contained proposals to further the Government’s policy of encouraging home ownership through promoting Starter Homes. Starter Homes were intended to provide affordable housing for first time buyers by selling new build properties at a discount of at least 20% below their market prices. The discount was not in perpetuity, so the buyer of the property stood to gain from buying a home at 80% or less than its market price; but owning 100% of the property.
- 3.15 However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes⁷. The consultation for First Homes ran from February to May 2020, with a government response to the consultation published in April 2021. First Homes will be new build properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher if a local need can be demonstrated. Local authorities will have the ability to prioritise these homes for local people and/or key workers, as required locally. The reduction of at least 30% will remain in perpetuity when the property is sold on the second-hand market, so the buyer will not own more than 70% of the property’s open market value at the time of purchase. When the property is to be sold, the home will be independently valued and sold to eligible purchasers with the discount being applied, to ensure the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.16 There are many households residing in the private rented sector in Castle Point who aspire to home ownership and if affordable First Homes were to be provided for this group it would, potentially, reduce the size of the private rented sector by giving alternative options to renters that aspire to buy, but cannot afford to purchase on the open market. Figure 46 shows over 3,000 households aspiring to home ownership yet only 247 in a position to take up First Homes. However, the funding for First Homes is to be drawn from the

⁴ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

⁵ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

⁷ <https://www.gov.uk/government/consultations/first-homes>

same Section 106 funds which help to provide affordable rented homes. Developers would be expected to provide a proportion of all properties on larger new developments as First Homes (there is a requirement for a minimum of 25% of all affordable housing units on eligible sites secured through developer contributions under section 106 to be First Homes), and thereby sell these at a discount of at least 30%. By taking part of the funding for affordable rented across into the First Homes scheme, this could potentially reduce the supply of social rented or affordable rented homes in areas with a need for less than 25% affordable home ownership properties. If there were such a shortfall, then households in need for whom First Homes remain out of reach will have few other options than entering the private rented sector.

Cost of Renting

3.17 When considering renting in Castle Point it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in the area:

- » Median private rent;
- » Lower quartile private rent;
- » Local Housing Allowance (LHA) in the applicable broad rental market area (BRMA);
- » Affordable rent; based on average rents charged for existing dwellings.

3.18 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30th percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget. The rates were increased back to the 30th percentile in April 2020, and the Government have indicated that they will be frozen at their current level (in cash terms) from 2021/22 onwards⁸.

3.19 Figure 10 sets out the median weekly rents for different property sizes in the local authority together with the local housing allowances and the calculated affordable rent rates. It may be noted that there are local variations in rental costs, and those presented below are representative of the LA as a whole.

Figure 10: Weekly rent thresholds Castle Point (Source: Valuation Office Agency 2022-23; SDR 2022⁹)

CASTLE POINT	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Southend BRMA)	Affordable Rent
1-bedroom	£178.23	£160.99	£138.08	£118.44
2-bedrooms	£218.48	£201.23	£182.96	£156.15
3-bedrooms	£275.98	£252.98	£230.14	£175.39
4+ bedrooms	£344.97	£321.97	£299.18	-

3.20 Across all property sizes, the median and lower quartile private rent is higher than the maximum LHA in Castle Point. This means that those on housing benefit cannot afford properties of lower quartile rents.

⁸ Office of Budgetary Responsibility – Economic and Fiscal Outlook (November 2020) – page 179: http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf

⁹ SDR = Statistical Data Return

- 3.21 Affordable rent is consistently lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of affordable rent (where they were entitled to do so).
- 3.22 Households claiming out-of-work benefits are subject to a cap of £384 per week for lone parents and couples or £257 per week for single people (outside of London). This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

Income Needed to Rent Housing

- 3.23 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)¹⁰ stated:

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

Strategic housing market assessments: practice guidance – CLG 2007, page 42

- 3.24 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that *“care should be taken ... to include only those households who cannot afford to access suitable housing in the market”* (ID: 2a-020-20190220).
- 3.25 The English Housing Survey (EHS) 2015-16¹¹ provides information about the percentage of gross household income that households currently spend on their housing costs¹²:
- » For the total gross income (including housing benefit) of the Household Reference Person and partner, households renting privately spent on average 41% of their income on rent, whilst the average was 31% for households in social rent;
 - » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent;
 - » For the total gross income (including housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 35% of their income on rent, whilst the average was 28% for those in social rent;

¹⁰ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

¹¹ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

¹² “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

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

3.26 The EHS thus demonstrates that many households, in both private and social rented properties, currently pay considerably more than 25% of gross household income on their housing costs. On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs should be at least 25% but no more than 45% of gross income. This leads to our judgement that 35% of income provides a reasonable basis for calculating what households should reasonably expect to pay for their housing costs¹³. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

3.27 A generic example not related to the actual costs in Figure 11 demonstrates the principle that we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier:

- » The median weekly rent recorded was £106.94;
- » Based on a 35% (of gross) income multiplier, a weekly income of £305.54 would be needed which equates to a gross annual income of £15,900.

3.28 To rent the same property based on a 25% income multiplier would increase the gross income required to £22,300 per year whereas households with an annual income of £12,400 per year could afford the rent if 45% of their income was allocated to housing costs.

3.29 Figure 11 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent if 35% is spent on housing.

Figure 11: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Castle Point (Source: ORS based on Valuation Office Agency data Apr 2022 to Mar 2023; SDR 2022)

CASTLE POINT	Private Rent		Affordable Rent (SDR 2022)	Social Rent
	Median	Lower Quartile		
1-bedroom	£26,571	£24,000	£17,657	£12,483
2-bedrooms	£32,571	£30,000	£23,279	£14,434
3-bedrooms	£41,143	£37,714	£26,147	£16,202
4+ bedrooms	£51,429	£48,000	-	£17,696

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

¹³ This is coincidentally also the figure Shelter deem reasonable - <https://blog.shelter.org.uk/2015/08/what-is-affordable-housing/>

3.31 Considering some examples of disposable income (based on 2020-21 income tax and national insurance rates):

- » A single person household with a gross income of £20,000 from employment would have £17,240 (£332 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 40.6% of their net income and would leave £197 per week as disposable income to cover their other living expenses.
- » A couple with two children with a gross income of £20,000 from employment would have up to £19,880 (£382 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.2% of their net income and would leave £247 per week as disposable income to cover their other living expenses.

3.32 We should also consider the differing potential levels of housing benefit:

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24.
- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over).

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

3.34 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 12 sets out the maximum incomes for housing benefit eligibility for different types of households:

Figure 12: Maximum income for households in receipt of housing benefit support by household type
(Source: ORS based on data held by Shelter England¹⁴; Valuation Office Agency data¹⁵)

		Southend BRMA
ROOM ONLY	Single person aged 16-24	£9,446
	Single person aged 25-34	£10,364
1-BEDROOM PROPERTIES	Single person aged 35+	£15,509
	Couple (both aged under 18)	£16,380
	Couple (one or both aged 18 or over)	£18,040
2-BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£23,170
	Lone parent (aged 18 or over) with 2 children	£27,229
	Couple (aged 18 or over) with 1 child	£25,701
	Couple (aged 18 or over) with 2 children	£29,759

¹⁴ [Shelter Legal England - Housing benefit calculation rates 2020 to 2021 - Shelter England](#)

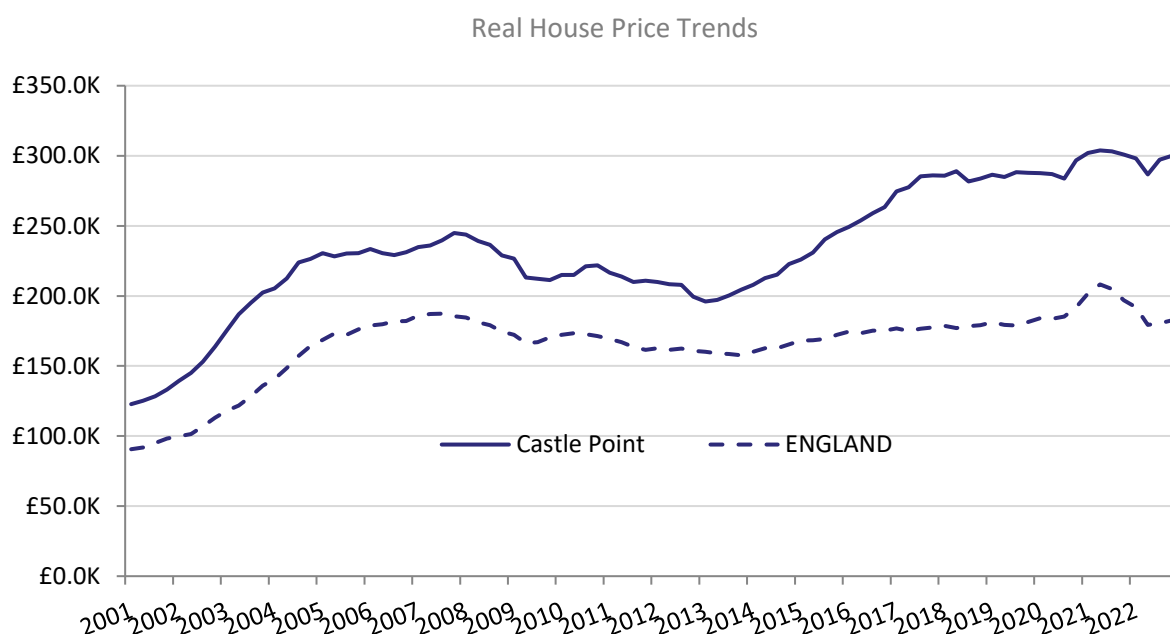
¹⁵ <https://lha-direct.voa.gov.uk>

- 3.35 The data in Figure 12 is presented for purposes of comparison with other income levels that appear later in this chapter.

Cost of Home Ownership

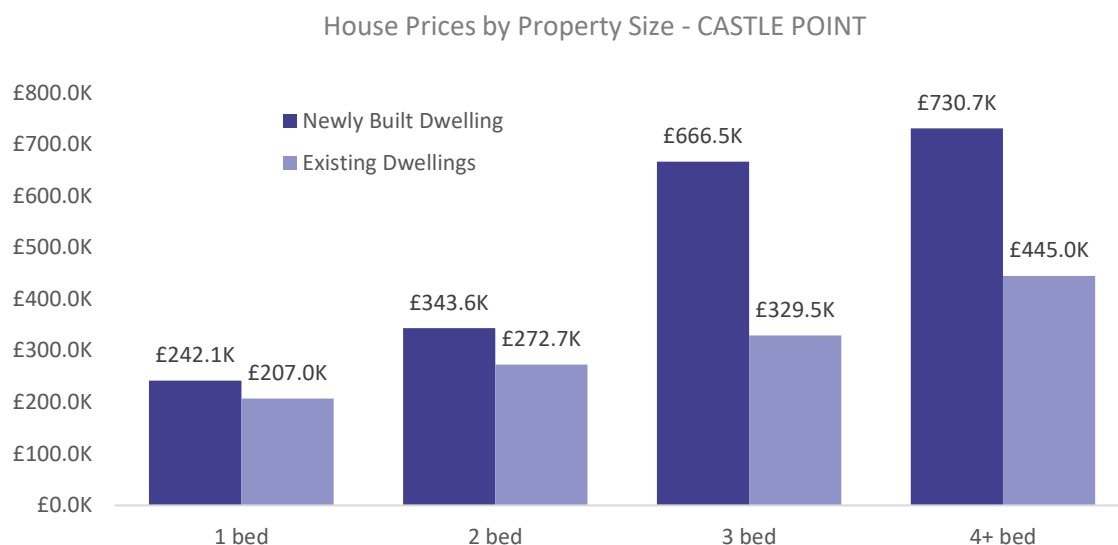
- 3.36 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2022) are shown in Figure 13. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.
- 3.37 Real house prices in Castle Point, whilst somewhat higher, have historically mirrored those in England as a whole. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to their low point in early 2014, since when they have grown steadily. As of 2022, prices in Castle Point are £50,000 above their previous peak prices in 2008.

Figure 13: Real House Price Trends: Lower Quartile Prices adjusted to Dec 2022 values using CPI (Source: ONS; Bank of England)



- 3.38 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key. Figure 14 shows lower quartile house prices in Castle Point by bedroom size.
- 3.39 There is also a difference between existing properties and new build dwellings. New build dwellings generally attract a premium across England, but the difference in price between new build and second-hand 3+ bedroom properties in Castle Point is particularly large. A typical gap between new build and second-hand properties is around 10%-20%, while 3-bedroom new build dwellings in Castle Point cost over 100% more than existing dwellings.

Figure 14: Castle Point - Lower quartile prices (adjusted by CPI) (Apr 2020-Mar 23) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)

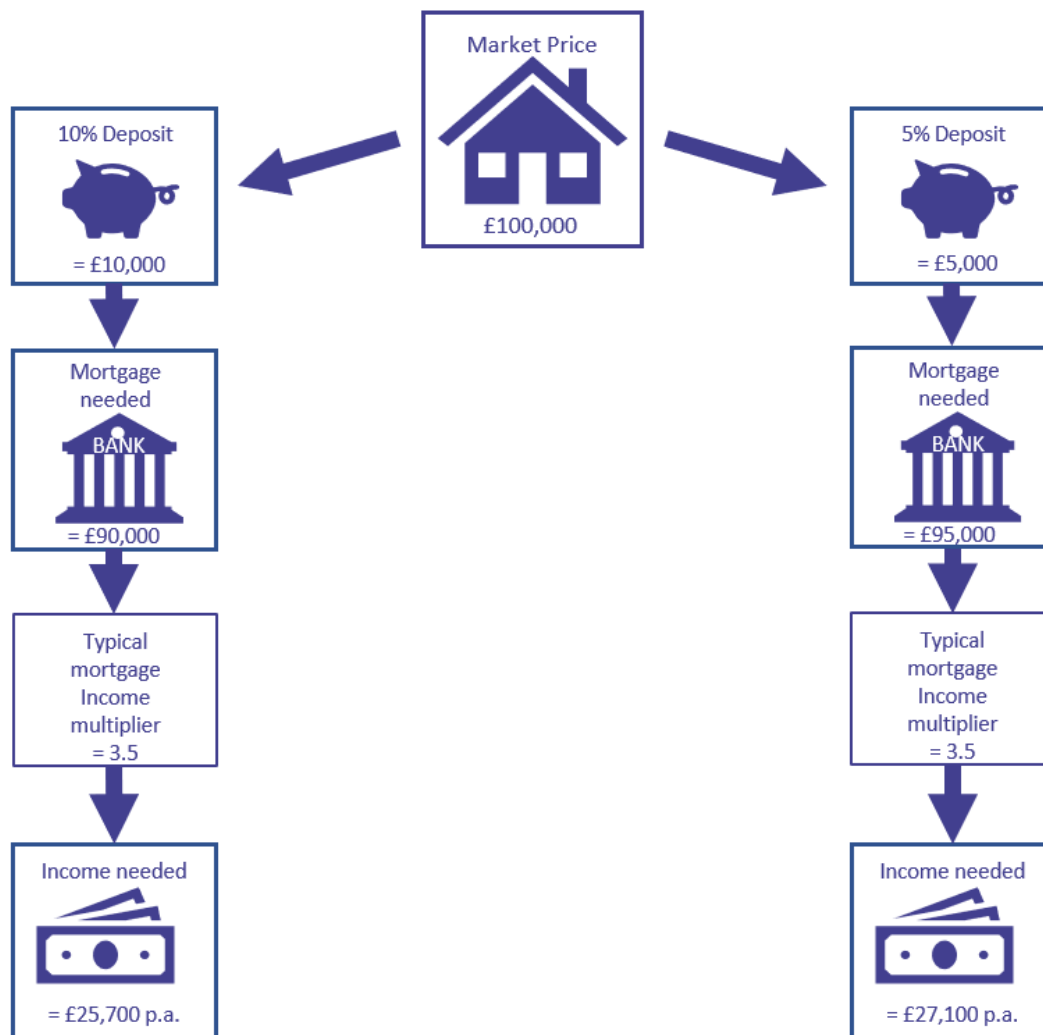


- 3.40 The difference in values between new build and existing properties is likely to be down to a range of factors which include the location of new build housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.
- 3.41 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build estates. First time buyers are particularly likely to be newly forming households and seeking 1 and 2 bed properties.

Income Needed for Home Ownership

- 3.42 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.43 For example, if we consider a property costing £100,000, and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £90,000. Using a typical income multiple of 3.5 we can calculate an income of just over £25,700 would be needed ($25,714 \times 3.5 = £90,000$). If the buyer could only afford a 5% deposit (£5,000) then a larger mortgage and larger income would be needed.
- 3.44 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area.

Figure 15: Example for calculating income needed for home ownership.



^{3.45} Based on these assumptions, Figure 16 and Figure 17 show examples of calculating household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often including equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Figure 16: Income needed for home ownership with 5% deposit

Size	Newly Built Dwellings				Existing Dwellings			
	Lower quartile price of dwelling	Applied 5% Deposit	Typical Income multiplier	Income needed per annum	Lower quartile price of dwelling	Applied 5% Deposit	Typical Income multiplier	Income needed per annum
1-bedroom	£242,100	£229,980	£65,709	£65,700	£207,000	£196,620	£56,177	£56,200
2-bedrooms	£343,600	£326,450	£93,271	£93,300	£272,700	£259,040	£74,011	£74,000

Figure 17: Income needed for home ownership with 10% deposit

Size	Newly Built Dwellings				Existing Dwellings			
	Lower quartile price of dwelling	Applied 10% Deposit	Typical Income multiplier	Income needed per annum	Lower quartile price of dwelling	Applied 10% Deposit	Typical Income multiplier	Income needed per annum
1-bedroom	£242,100	£217,880	£62,251	£62,300	£207,000	£186,270	£53,220	£53,200
2-bedrooms	£343,600	£309,270	£88,363	£88,400	£272,700	£245,410	£70,117	£70,100

3.46 Figure 16 and Figure 17 show the income needed for home ownership in Castle Point for newly built and existing dwellings at both 5% and 10% deposits. Both figures indicate the starting value of the lower quartile price of a dwelling, before having either a 5% or 10% deposit applied, and then the annual income required based on a 3.5 times income multiplier.

Income Needed for Other Types of Housing

3.47 Another housing option that could be made available in Castle Point, thereby increasing the variety of products available, is Build to Rent. Build to Rent is defined by the NPPF Glossary as:

Build to Rent: purpose-built housing that is typically 100% rented out.

Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

NPPF 2023 (Glossary)

3.48 Build to Rent housing tends to be somewhat more expensive than median rents (typically more comparable to upper quartile rents). Occupants tend to be those that can afford these higher rents, but are not currently seeking to own a property, since the income required to service such rents is typically in excess of that required to get onto the housing ladder through Low-Cost Home Ownership options. Build to Rent may be attractive to some first-time buyers because of not having a requirement for a deposit, unlike buying a property.

3.49 The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).

- 3.50 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL¹⁶ shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in Castle Point, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF) for the affordable units, then the range of rental costs available would be as Figure 18. ORS believes this assumption to be reasonable based on the JLL research, however if further evidence were to be made available on the cost of such units specifically in Castle Point, it would of course change the analysis:

Figure 18: Weekly rent thresholds in Castle Point (Source: Valuation Office Agency 2022-23; SDR 2022, JLL)

Weekly Rent £	Local Housing Allowance	Upper Quartile Private Rent	Build to Rent (Median + 9.3%)	Median Private Rent	Lower Quartile Private Rent	Affordable Build to Rent (20% discount)	Affordable Rent	Social Rent
1-bed	£138.08	£195.48	£194.81	£178.23	£160.99	£155.85	£118.44	£83.73
2-bed	£182.96	£252.98	£238.80	£218.48	£201.23	£191.04	£156.15	£96.82
3-bed	£230.14	£298.97	£301.64	£275.98	£252.98	£241.31	£175.39	£108.68
4+ bed	£299.18	£379.47	£377.05	£344.97	£321.97	£301.64	-	£118.70

- 3.51 The local housing allowance would be sufficient to cover the costs of affordable Build to Rent units up to 3-bedrooms in size. As such, the promotion of build to rent could be a potentially useful mechanism for bringing forward affordable housing options, particularly on smaller properties.
- 3.52 In terms of pricing, build to rent options in Castle Point are roughly equivalent to upper quartile private rent, but remain more accessible than affordable home ownership options (Figure 19). The assumptions underlying the calculations can be seen in Figure 20 following. While shared ownership mortgages are typically at a higher interest rate due to the retained charge on the property, changes announced in May 2021 see the minimum share lowered to 10%, and this is intended to reduce deposit levels to make home ownership more accessible.

Figure 19: Income required for a variety of housing options in Castle Point assuming 35% of income spent on rent, and a 3.5x income multiplier (Source: VOA 2022-2023, Land Registry, ORS model)

Household Incomes Needed by Size	Incomes necessary to afford private rents based on spending 35% of income				Income necessary to afford home ownership based on 3.5x multiplier from bank (=19% of income on housing)		
	Access Lower Quartile Rent	Access Median Rent	Access Upper Quartile Rent	Build to Rent	First Homes (30% discount)	Shared Ownership	Home Ownership
1-bedroom	£24,000	£26,571	£29,143	£29,043	£21,789	£26,485	£31,127
2-bedrooms	£30,000	£32,571	£37,714	£35,601	£34,650	£40,496	£49,500
3-bedrooms	£37,714	£41,143	£44,571	£44,969	£40,770	£47,164	£58,242
4+ bedrooms	£48,000	£51,429	£56,571	£56,211	£52,655	£60,113	£75,222

¹⁶ <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

Figure 20: Assumptions underlying Figure 19

Assumptions	First Homes	Shared Ownership	Home Ownership
Equity share	70%	40%	100%
Deposit	10%	10%	10%
Interest rate	3.5%	4%	3.5%
Mortgage term	30	30	30
Rent on retained equity	0%	2.75%	0%
Weekly service charge	£0	£10	£0

- 3.53 The accessibility of affordable home ownership options is partly due to restrictions on the amount a customer can borrow for mortgage purposes. The often-used standard income multiplier of 3.5x translates to an equivalent of approximately 19% of income being used on housing costs, although it should be noted that many lenders offer larger income multipliers. However, a tenant is not subject to these restrictions, and can pay more of their income towards rent, such as 35% in the example above.
- 3.54 If the rental market were subject to the same restrictions as the mortgage market, i.e. 19% of income is the appropriate amount to spend on housing (equivalent to a 3.5x income multiplier), then renting would be a choice comparable to home ownership options, as demonstrated below.):

Figure 21: Approximate income required for a variety of housing options in Castle Point assuming 19% of income spent on rent, and a 3.5x income multiplier (Source: VOA 2022-23, Land Registry, ORS model)

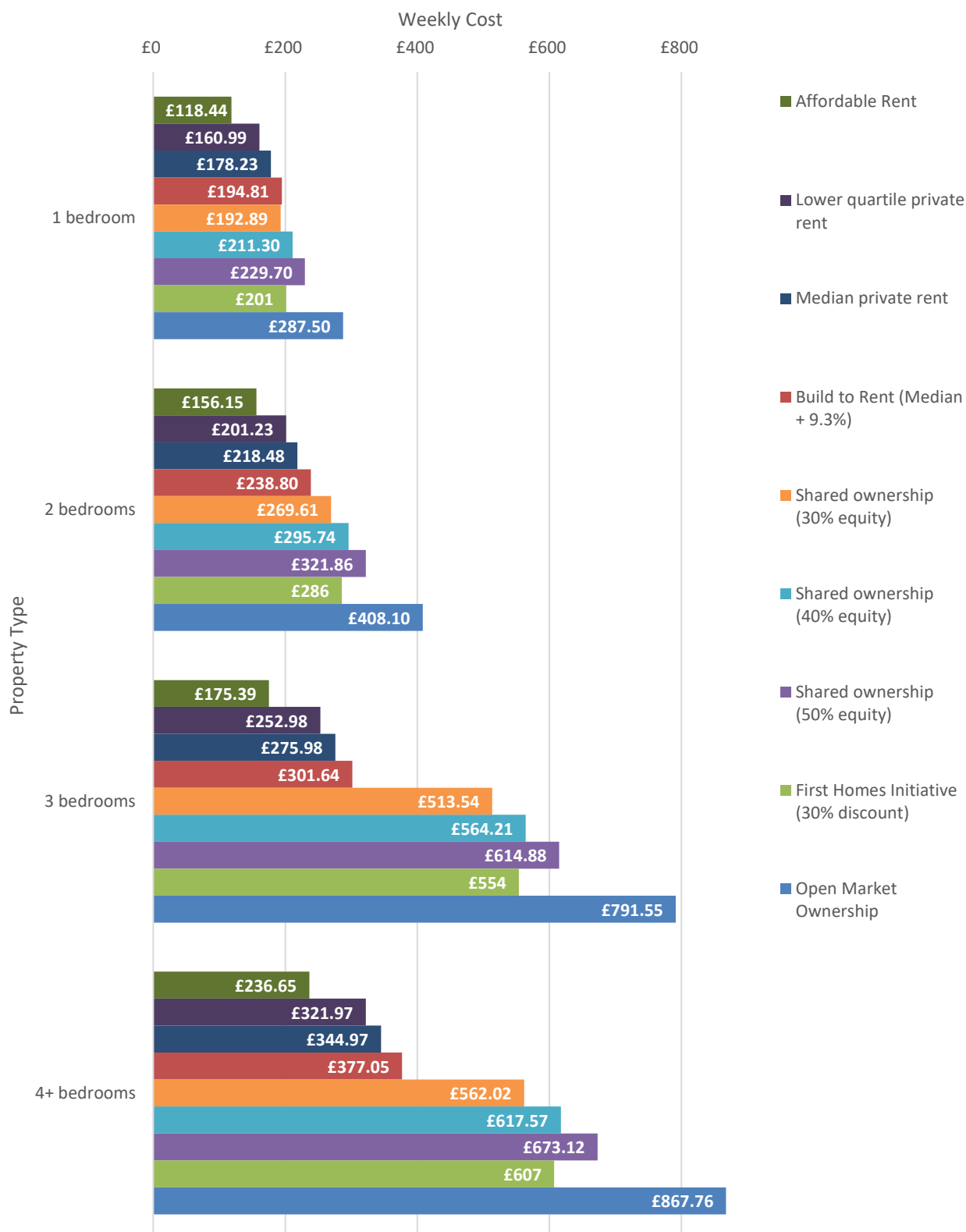
Household Incomes Needed by Size	Incomes necessary to afford private rents based on spending 19% of income				Income necessary to afford home ownership based on 3.5x multiplier from bank (~19% of income on housing)		
	Access Lower Quartile Rent	Access Median Rent	Access Upper Quartile Rent	Build to Rent	First Homes (30% discount)	Shared Ownership	Home Ownership
1-bedroom	£29,369	£31,704	£34,737	£34,654	£21,789	£26,485	£31,127
2-bedrooms	£38,843	£41,053	£45,789	£44,870	£34,650	£40,496	£49,500
3-bedrooms	£47,368	£52,106	£56,842	£56,951	£40,770	£47,164	£58,242
4+ bedrooms	£59,999	£69,473	£82,484	£75,935	£52,655	£60,113	£75,222

- 3.55 In summary, regardless of the home ownership option under discussion (affordable or otherwise), the income levels required to access these products are considerably higher than the equivalent to access rented property, due to the constraint of mortgage income multipliers. It may be noted that the same hierarchy is not reflected in the weekly costs of these options, which may in some cases be lower than rents on properties of equivalent size.

Summary of Housing Costs

3.56 This chapter has considered in some detail the cost of housing depending on tenure type and property size. Figure 22 summarises these costs for each property size.

Figure 22: Comparison of weekly housing costs by property size (Source: VOA 2022-2023, Land Registry, ORS model)



- ^{3.57} Unsurprisingly, for each property size affordable rent is the cheapest and open market ownership the most expensive in terms of weekly costs. Lower quartile market rent is more expensive than a 70% First Homes mortgage.
- ^{3.58} The cost of shared ownership predictably varies depending on the equity size purchased, however the fact that it is more expensive on a weekly basis than First Homes for all three equity levels illustrated is evidence of the significance of the rent payable on the equity retained (along with service charges) on weekly costs. Nonetheless, 40% shared ownership is generally cheaper than median rents. It is also much more flexible than First Homes and therefore may meet the needs of different households.
- ^{3.59} Overall, compared to rental options, the range of affordable home ownership products shown appear to be relatively inaccessible and it should be noted that the chart takes no account of the initial cost of a deposit on a property, which is a barrier to many households that seek to get onto the housing ladder.

4. Demographic Projections

The baseline for establishing housing need

Introduction

- 4.1 This chapter introduces the ORS demographic projection for Castle Point, based on the 10-year variant of the 2018-based population and household projections for Castle Point (modified to include the 2021 Mid-Year Estimate of population to ensure that it is as current as possible at the time of writing) to illustrate the projected growth of households during the Plan Period. This overall growth is broken down by age and household type to support planning. This projection forms the basis of the calculation of affordable housing needs (Chapter 5).

Official Household Projections

- 4.2 The first step in analysing housing needs must therefore be to identify the trend-based household projections for Castle Point, which are used as the basis for this report.
- 4.3 Figure 23 sets out a range of the various household projections from both CLG and ONS methodologies for purposes of comparison. It includes the associated outputs using the sensitivity analysis approach.

Figure 23: Household projections 2023-33 for Castle Point (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

CASTLE POINT	Migration trends	Change in Households 2023-2033	
		10-year change	Annual average
CLG Household Projections			
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+2,507	+251
ONS 2016-based Projections			
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+2,533	+253
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+2,651	+265
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+2,463	+246
ONS 2018-based Projections			
Principal projection: 2018-based population and ONS 2018-based HH formation	2016-18	+1,398	+140
Alternative Internal (5-year trend): 2018-based population (alternative internal) and ONS 2018-based HH formation	2013-18	+1,761	+176
10-year trend: 2018-based population (10-year trend) and ONS 2018-based HH formation	2008-18	+1,837	+184

- 4.4 In Castle Point, there is a decreased projected household change based on more recent principal projections, and the sensitivity analysis indicates that this is driven by falling population projections, not decreasing household formation rates. In the 2018-based projections, it is notable that the 10-year household change is higher in the projections based on a longer migration trend.

Underlying Trends

- 4.5 Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (first edition, paragraphs 5.12-5.13):

“To predict migration between local authorities within the UK, the ONS population projections carry forward the trends of the previous five years. This choice of base period can be critical to the projection, because for many areas migration has varied greatly over time. ... The results of a demographic projection for (say) 2011-31 will be highly sensitive to the reference period that the projection carries forward.”

- 4.6 This issue has also been reinforced in PAS advice to Local Authorities¹⁷, where it has been emphasised that whilst the CLG household projections provide the starting point, these official projections can be very unstable given that they are based on migration trends covering only five years:

“For migration the base period is only five years:

- *Makes the official projections very unstable*
- *And recent projections lock in the recession”*

- 4.7 The second version of the PAS OAN technical advice note (July 2015)¹⁸ has also strengthened the recommendation on the relevant period for assessing migration (second edition, paragraph 6.24):

“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history data may be unreliable). Other things being equal, a 10-to-15 year base period should provide more stable and more robust projections than the ONS’s five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”

- 4.8 The relevant period for assessing migration trends was considered by an article by Ludi Simpson (Professor of Population Studies at the University of Manchester) and Neil MacDonald (previously Chief Executive of the National Housing and Planning Advice Unit) published in Town and Country Planning (April 2015)¹⁹:

¹⁷ “SHLAA, SHMA and OAN aka ‘Pobody’s Nerfect’”, PAS presentation at Urban Design London (July 2015)

¹⁸ <https://www.local.gov.uk/sites/default/files/documents/objectively-assessed-need-9fb.pdf>

¹⁹ “Making sense of the new English household projections”, Town and Country Planning (April 2015)

“The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation. ... A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections.”

- 4.9 The issue has also been referenced by Inspectors examining numerous Local Plans, for example the following comments provided by the Cornwall Inspector in the letter setting out his preliminary findings (June 2015)²⁰:

“3.6 Migration. The demographic model used in the SHMNA and the more recent ONS projection uses migration flows from the previous 5 years only. Given the significance of migration as a component of change for Cornwall and to even-out the likely effect of the recent recession on migration between 2008-2012 a longer period than 5 years would give a more realistic basis for projecting this component. A period of 10-12 years was suggested at the hearing and I consider that this would be reasonable, rather than the 17 year period used in ID.01.CC.3.3. I also consider that the ONS’ Unattributable Population Change component should be assigned to international migration for the reasons given by Edge Analytics in ID.01.CC3.3. This approach was not disputed at the hearing.”

- 4.10 More recently, in considering the ONS 2016-based projections, the Greater London Authority (GLA) expressed its view that 10-year migration trends are the most appropriate to use in its document “GLA 2016-based population projections: Explanatory note and results for the Wider South East” (July 2017)²¹:

“Variant Migration Scenarios

The GLA believes that for strategic longer-term planning purposes a projection which uses migration rates based on an average of ten years’ past data is more realistic and robust than one based on a shorter five-year period (as is the case with the ONS SNPP). This view is consistent with the wider expert consensus and is supported by Planning Advisory Service guidance...

... For a long-term projection informing strategic planning, a migration rate which is representative of the character of migration across a full economic cycle is, more robust than one which captures only part of that cycle.”

- 4.11 Finally, the Inspector of the Bedford Local Plan Borough Local Plan 2030 considered that 10-year projections were more suitable for use in projecting future household growth (Report on the Examination of the Bedford Borough Local Plan 2030 – December 2019, para 24):

²⁰ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

²¹ https://www.london.gov.uk/sites/default/files/2016-based_projections_wse_results.pdf

24. Past migration into Bedford has varied significantly from year to year over the past 25 years or so with repeated periods of low/negative in-migration followed by periods of high in-migration. On this basis a ten year migration trend is likely to provide a more reliable basis for projecting future household growth in Bedford than a five year one.

4.12 On balance, we consider that:

- » The ONS principal 2-year trend migration scenario is exceptionally sensitive to variation in any one year: it takes data over too short a period for robust projection forward without raising concerns about volatility;
- » 5-year trend migration scenarios are also unreliable: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are also unlikely to provide a robust basis for long-term planning;
- » 10-year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. **Therefore, we favour using the 10-year migration trend variant of the 2018 ONS projections as the basis for our analysis.**

4.13 Within this report, all demographic reporting is based on a modified 10-year variant of the 2018-based population and household projections unless otherwise stated. The 10-year variant of the 2018-based projection has been updated by ORS to include the data from the 2021 Mid-Year Estimate of Population, ensuring a robust projection including the most up-to-date evidence available.

Objectively Assessed Need (OAN)

4.14 Appendix A establishes that there are exceptional circumstances in Castle Point to justify deviating from the standard method. The current standard method for Castle Point is 351 dwellings per annum, comprising a projected household growth from 2023-2033 of 251 per annum from the 2014 based household projections and a 40% capped affordability uplift.

4.15 The key issue is how to replace the standard method. PPG states that:

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

PPG Reference ID: 2a-015-20190220

4.16 As set out in Figure 23, over a 10-year period, 2018 based household projections for 2023-33 show an annual average growth of 184 households per annum. However, the Castle Point Plan is projected to run from 2023-43. Therefore, for the household projections:

- » We use 2018 based household projections with 10-year migration and 2018 based HRR for 2023-2043;
- » This is then adjusted to take account of 2021 Census and mid-year population estimates.

- 4.17 The resulting figure therefore provides us with a 20-year model for demographic growth based upon 10-year migration trends which more accurately address the demographic growth in Castle Point and address issues relating to Unattributable Population Change (UPC).
- 4.18 The second stage of the standard method is the affordability uplift. This effectively includes a wide range of issues including:
- » An allowance for vacant and second homes;
 - » Use Class C2 – population projections for an area include all persons. However, when household projections are estimated, anyone not in a household is removed. This includes students in purpose-built student accommodation, prisoners, boarding school pupils, military bases and care home population. For the care home population, the assumption used in national population projections is that the percentage of the population aged 75+ years in care homes will remain constant. This is just the extra population, so existing supply is already offset in the model, but any additional persons in Class C2 will require to be added back into the OAN figure;
 - » Concealed families – Over the past 20 years there has been a growth in couples or lone parents living with other households who we would expect to lead their own households. We count any growth in this figure as an additional need in the OAN; and
 - » Suppressed household formation – households have been forming at a lower rate among younger people, so they form a separate household at a later age. This is an argument for increasing provision to allow them to form at younger ages. 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, a point when housing market pressure were less prominent.
- 4.19 The resulting figures are set out below and show a final demographic growth per annum of 196 households and a net additional dwelling need from other sources of 59 dwellings, to give a total need for 255 dwellings per annum, or 5,100 dwellings over the period 2023-43. This represents a 30% uplift on the household projections.

Figure 24: Objectively Assessed Need for Castle Point 2023-43 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)

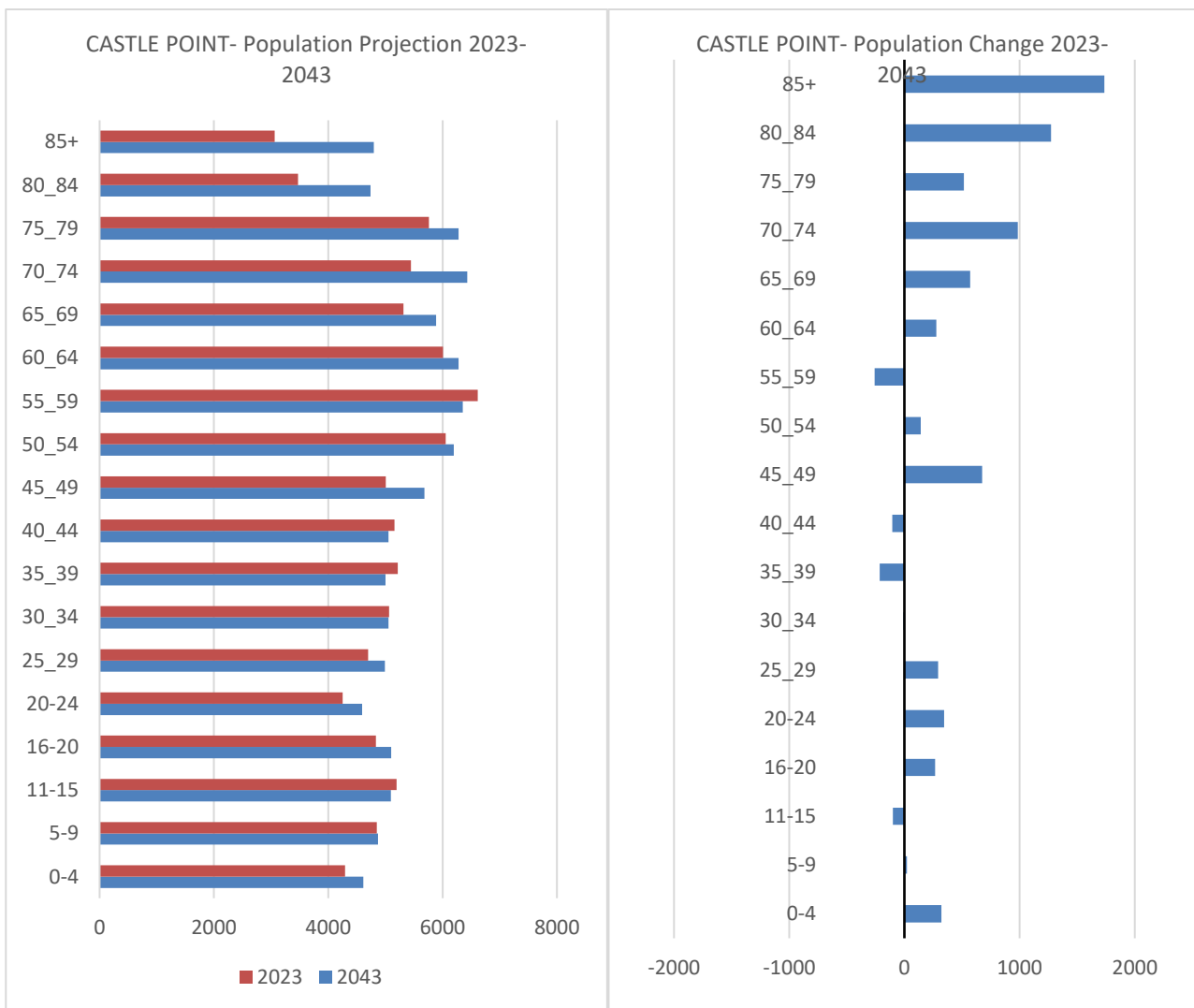
CASTLE POINT	Annual Need
ONS 2018 based household projections: 10-year migration trend	197
Adjustment for Census and Mid-year population estimates 2021	-1
Vacancy rate Applied	+7
C2 Dwelling equivalent	+5
Concealed families	+13
Suppressed household formation/Pent-up demand	+34
TOTAL	255

4.20 We will now proceed to use the 255 dwellings per annum, as the basis for the analysis in the remainder of this report. We would note for the remainder of this section and also for much of Chapter 5 we work with households, not dwellings. This implies that we exclude vacant dwellings and any impact from Class C2 use bedspaces from the analysis, before adding these back into the calculation at the end of Chapter 5.

Projected Population Age Profile

4.21 The ORS population projection on which all modelling in this document is based incorporates data from the 2021 Mid-Year Estimates to update the 10-year based 2018-based population projections. It shows an increase from 90,300 people to 97,000 people 2023-2043. Figure 25 following shows the resultant 20-year population projections used in the report along with change over the period, by 5-year age group:

Figure 25: Castle Point – Population 2023, 2043 and Change 2023-2043 by 5-year cohort (Source: ORS)



20 Year Household Projections by Age

- 4.22 An important point to understand in both the population and household growth is the extent to which growth is focused on older people and older households particularly amongst those over 65. The table below considers household projections categorised by the age of the household representative (HRP). Please note that throughout this section figures in the tables are rounded to the nearest 100 to simplify interpretation although all calculations are made using unrounded data.

Figure 26: Total projected households in Castle Point for 2023 and 2043 (Note: Figures may not sum due to rounding. Source: ORS Model)

CASTLE POINT	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2023	300	3,500	5,400	6,300	7,400	6,100	6,400	2,300	37,800
2043	800	3,900	5,400	6,700	7,400	7,000	7,600	3,700	42,600
TOTAL CHANGE	+400	+400	+0	+500	+0	+900	+1,300	+1,300	+4,800

- 4.23 The table shows an overall increase of 4,800 households in Castle Point over the 20-year period 2023-2043, with the vast majority of this increase being households headed by somebody over the age of 65. Many of these older households will already be established and living in existing homes, they simply get older during the 20-year period.
- 4.24 It is important to consider household growth in relation to age cohorts. Figure 27 shows the projected number of households in each cohort, showing their age in both the start and the end of the projections. Clearly, no household representatives are aged under 5, but children aged under 5 at the base date of the projection will be aged 15-24 after the twenty years elapse, and thus will be potentially heads of households.

Figure 27: Total projected households in 2023-2043 by age cohort of household representative (Note: Figures may not sum due to rounding)

CASTLE POINT	Age of Household Representative (Upper row: age in 2023)								TOTAL
	Age in 2023	<5	5-14	15-24	25-34	35-44	45-54	55-64	
Age in 2043	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2023	-	-	300	3,500	5,400	6,300	7,400	14,800	37,800
2043	800	3,900	5,400	6,700	7,400	7,000	7,600	3,700	42,600
TOTAL CHANGE	+800	+3,900	+5,100	+3,200	+2,000	+700	+200	-11,200	+4,800

- 4.25 For example, in Castle Point there were 5,400 households with a household representative aged 35-44 in 2023 and these same households would be aged 55-64 in 2043. The trend-based projection identified that the total number of households aged 55-64 in 2043 would be 7,400. The projection shows an increase of 2,000 households in this cohort due to net migration.
- 4.26 In Castle Point, based on the cohort analysis, around 16,000 extra households will be formed over the 20-year period 2023-2043 by those who will be aged under 85 in 2043. These extra households are offset against a reduction of 11,200 households aged 85 or over by that time.
- 4.27 In each case, most of the anticipated reduction in the older cohorts is due to household dissolution following death (although some may be due to net migration). Whilst the overall volume increase in households is largely due to a growing older population most of the newly forming households looking for housing will be in their twenties and thirties at the time that they form. Many of these households will buy or rent existing housing, perhaps vacated by an older existing household. New housing stock is not necessarily occupied by newly formed households.

Projected Household Types

4.28 When considering future need for different types of housing, it is important to understand that households of different ages are likely to have different needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing requirements.

4.29 Figure 28 shows the household numbers and net change for Castle Point from 2023 to 2043 separated out by the age of the household representative person (HRP).

Figure 28: Total projected households for 2023 and 2043 and change by household type and age of household representative for Castle Point (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

CASTLE POINT									
Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Households 2023									
Single person	90	880	1,340	1,560	1,850	1,520	1,580	1,550	10,400
Couple without children	80	1,400	2,140	2,490	2,950	2,430	2,530	640	14,700
Families with child(ren)	110	900	1,380	1,600	1,890	1,560	1,620	0	9,100
Other households	70	350	540	630	740	610	640	160	3,700
TOTAL	300	3,500	5,400	6,300	7,400	6,100	6,400	2,300	37,800
Households 2043									
Single person	180	1,020	1,550	1,890	1,910	1,710	1,050	2,370	11,700
Couple without children	190	1,780	2,620	2,590	2,290	2,240	3,320	1,070	16,100
Families with child(ren)	230	610	590	1,540	2,340	2,310	2,530	0	10,100
Other households	180	490	650	720	890	760	740	250	4,700
TOTAL	800	3,900	5,400	6,700	7,400	7,000	7,600	3,700	42,600
Change 2023-2043									
Single person	+100	+140	+210	+330	+70	+190	-530	+820	+1,300
Couple without children	+110	+370	+480	+100	-660	-190	+790	+430	+1,400
Families with child(ren)	+120	-290	-790	-60	+450	+750	+910	+0	+1,100
Other households	+120	+140	+110	+90	+150	+150	+110	+90	+1,000
TOTAL CHANGE	+400	+400	+0	+500	+0	+900	+1,300	+1,300	+4,800

4.30 In summary, over the 20-year period 2023-2043 for Castle Point, the projections show (Figure 28)

- » Single person households are over a third of the overall household growth (1,300) with the majority (820) being single people aged over 85 years;
- » Couples without dependent children are projected to increase (1,400) and are primarily over 75;
- » Families with dependent children make up over 20% of the overall household growth (1,100). A quirk of this data is that much of the growth is for households with a head aged 55-84 years. This is not necessarily the head of the household being a parent, but instead the impact of multi-generation living with older persons living in a household with a younger family;
- » Other types of household contribute a further 1,000.²²

²² Other Households incorporates other multi-person households, such as unrelated adults sharing, student households, multi-family households without children and households of one family and other unrelated adults.

5. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

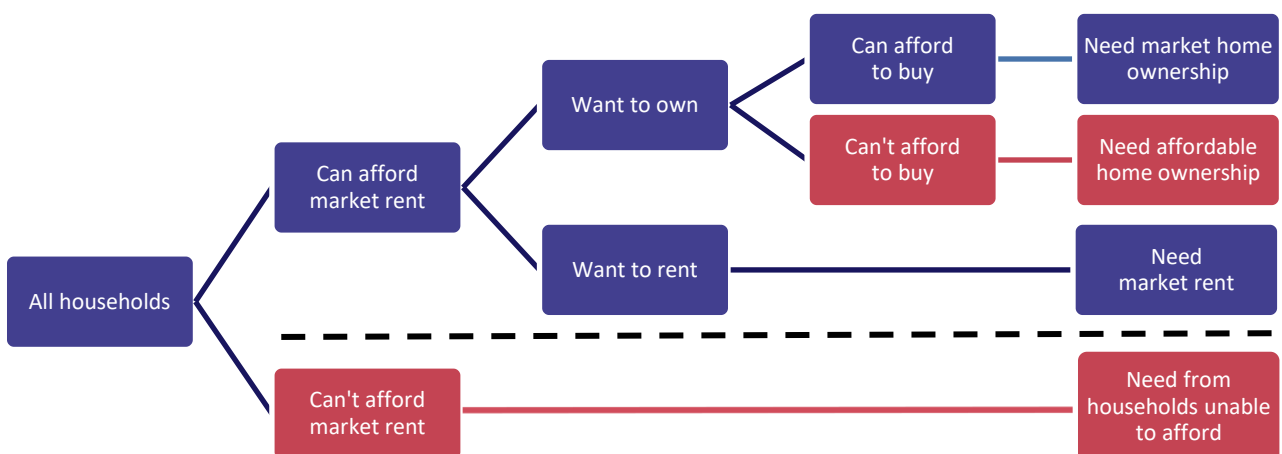
- 5.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.
- 5.2 The definition of affordable housing was changed by the National Planning Policy Framework in 2018 and this has been carried forward to the most recent 2023 NPPF, with a specific emphasis now placed on affordable homeownership. The glossary to the 2023 NPPF (Annex 2) contains the following definition of 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)

National Planning Policy Framework 2023 Annex 2

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

Figure 29: Establishing the need for market and affordable housing.



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

Assessing Affordable Housing Needs

- 5.6 Utilising the ORS projection population as discussed in Chapter 4, the ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with trend-based household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 5.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 5.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021-20190220). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 5.9 The affordability percentages in Figure 30 are calculated using detailed information from the 2011 Census alongside data published by the Department for Work and Pensions (DWP) about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 30: Assessing affordability by household type and age (Source: Census 2021 and DWP)

CASTLE POINT: Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	15%	6%	20%	24%	20%	18%
Couple family with no dependent children	4%	2%	3%	4%	3%	5%
Couple family with 1 or more dependent children	62%	12%	9%	6%	7%	3%
Lone parent family with 1 or more dependent children	75%	64%	59%	40%	37%	15%
Other household type	36%	48%	13%	13%	14%	7%

Current Unmet Needs of Households Unable to Afford

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

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

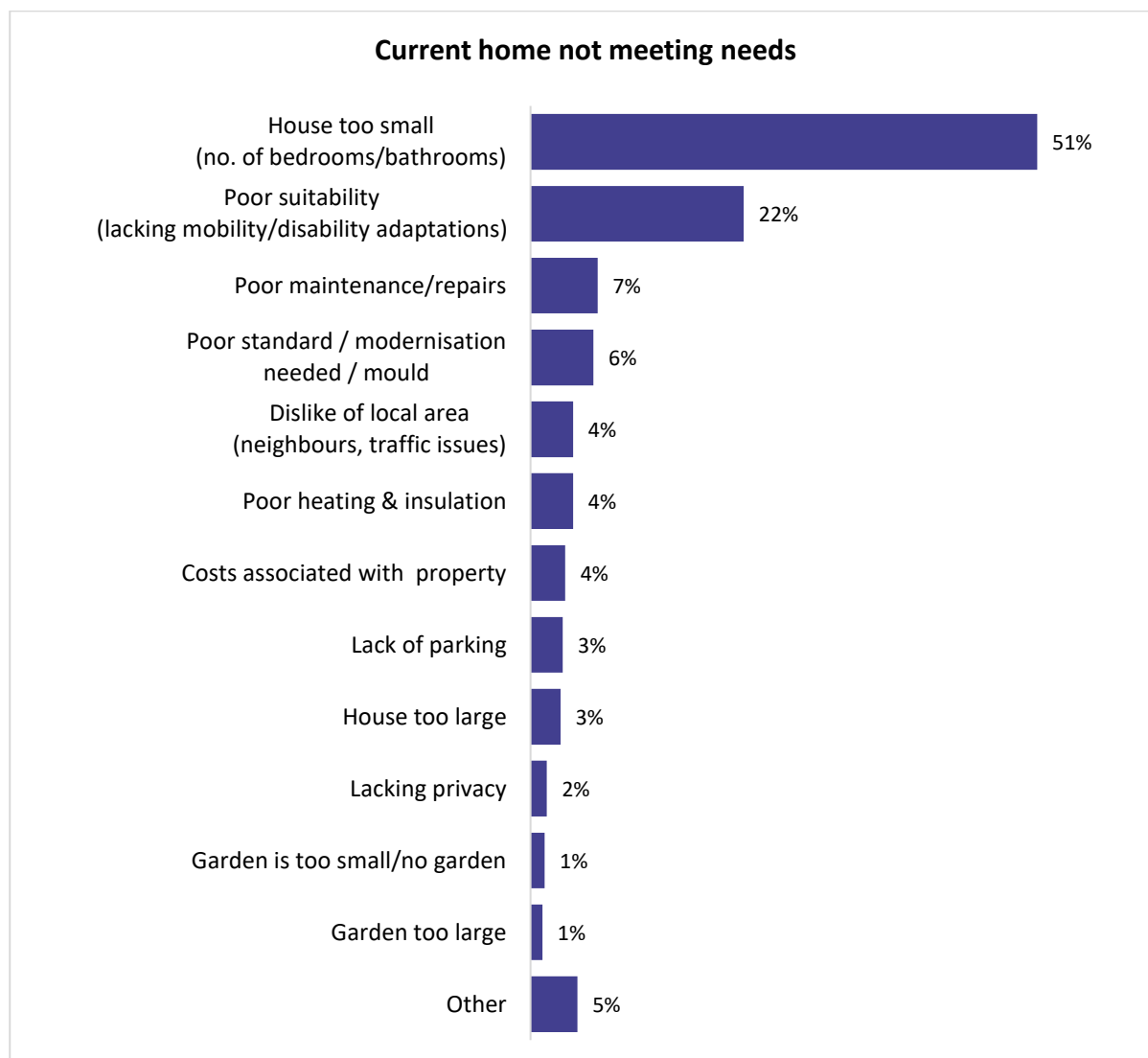
Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

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

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

Planning Practice Guidance (February 2019), ID 2a-020-20190220

- 5.11 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 5.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2023.
- 5.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Castle Point. In Castle Point this represents 354 households while the household survey shows around 20% of households want to move, and 51% of these want to move because their home is too small. This would represent around 3,800 households, but there is a difference between being technically overcrowded in rented housing and a feeling that your home is too small, and this element of the study relies upon the technical overcrowding definition.

Figure 31: Current needs not met (Household Survey).**Base:** Those who felt their home did not meet their current needs (101 respondents)

- 5.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).
- 5.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 5.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

5.17 Figure 32 sets out the assessment of current (as of 2023) affordable housing need for Castle Point:

Figure 32: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)

CASTLE POINT	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2022]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	23		23	23
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	73		73	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	8	8	0	
Households accepted as homeless but without temporary accommodation provided	1		1	1
Concealed households [Source: Census 2001 and 2021]				
Growth in concealed families with family representatives aged under 55	224		224	224
Overcrowding based on the bedroom standard [Source: Census 2021 and English Housing Survey]				
Households living in overcrowded private rented housing	189		189	
Households living in overcrowded social rented housing	165	165	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2022]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	134	2	132	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	1	0	1	
TOTAL	818	175	643	248

5.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 818 households in Castle Point are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.

5.19 Of these households, 175 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

5.20 There is, therefore, a net current affordable housing need of 643 households (818 less 175 = 643 rounded). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.

5.21 Providing the net current affordable housing need for 643 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 395 households (643 less the 248 households which are homeless or concealed and thus do not release dwellings).

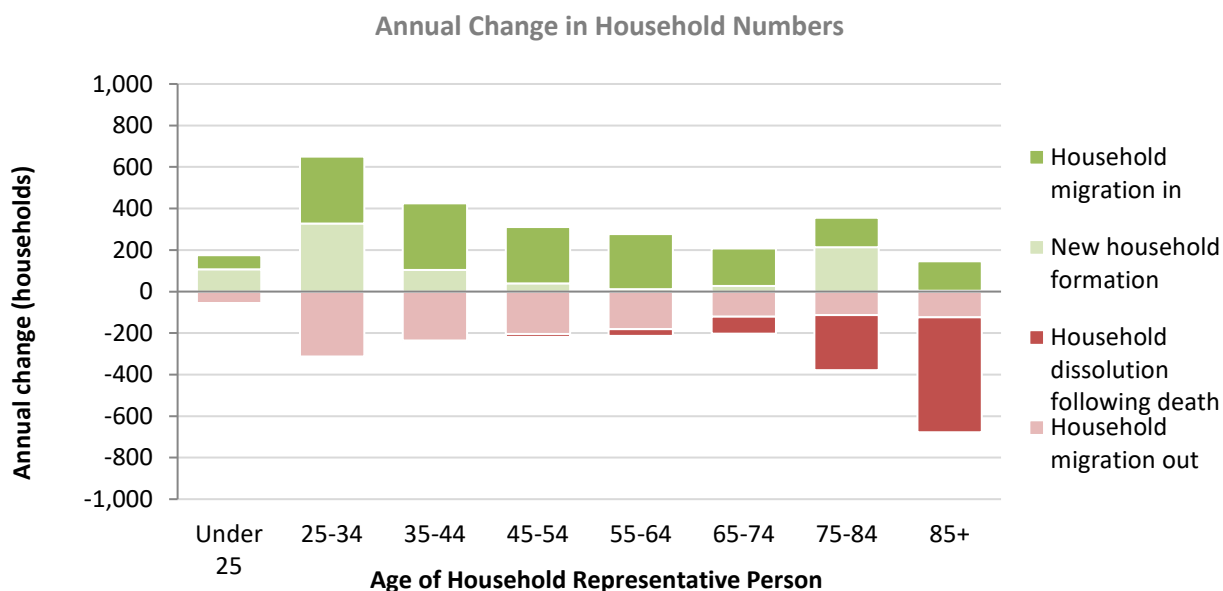
5.22 We would also note that the Thorney Bay caravan site in Castle Point has a long history of providing cheap accommodation for those on low incomes, or who are in receipt of housing benefit and at one time included around 1,000 park homes. The owners plan to close the park home site and develop new park homes on the site aimed exclusively as those aged 55 years and above, potentially displacing low-income households who may require affordable housing elsewhere. In April 2023, there were still 550 households living on the older part of the caravan site. However, as of October 2023, only 191 caravans on the site were registered for Council Tax and 51 of these caravans receive Council Tax Relief, indicating that they are low-income households. Therefore, the volume of households who may need to move is relatively small.

Projected Future Need of Households Unable to Afford

5.23 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “gross annual estimate” (ID 2a-021) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-024).

5.24 Figure 33 show the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 33: Annual change in household numbers in each age cohort by age of Household Representative Person in Castle Point (Source: ORS Housing Model)



5.25 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following table (Figure 34) looks at the impact of different types of household.

Figure 34: Annual components of Household Growth for Castle Point 2023-2043 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT 2023-2043	All households	Households able to afford housing costs	Households unable to afford housing costs	% Unable to afford housing costs
Newly forming households	838	719	118	14%
Households migrating into the area	1,708	1,495	212	12%
All new households	2,545	2,214	331	13%

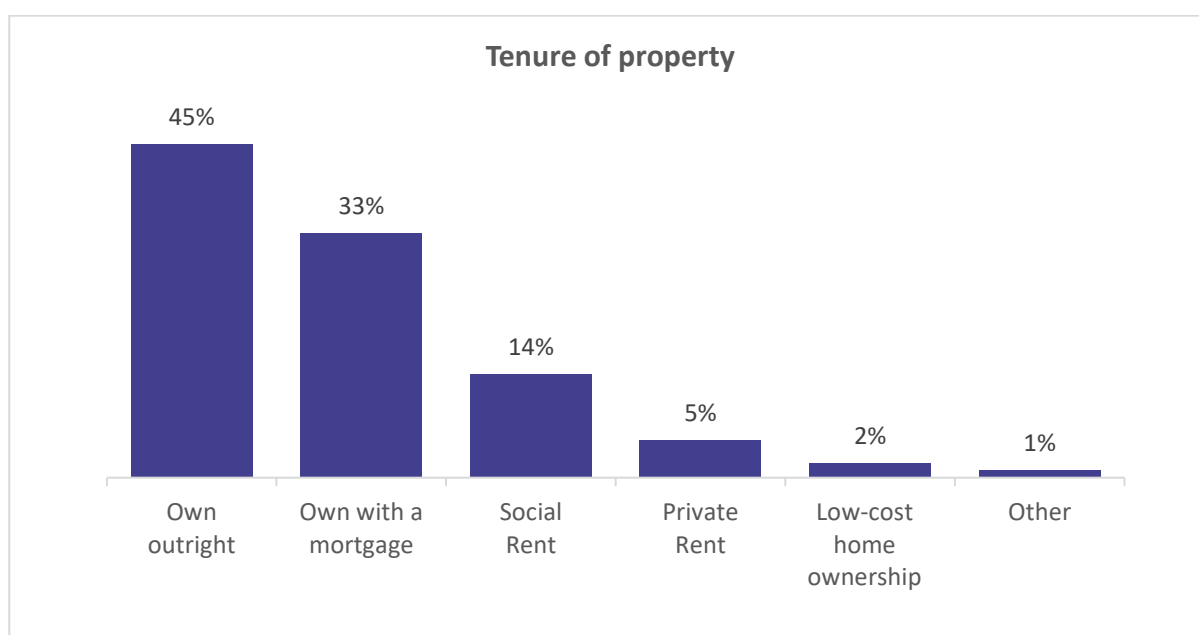
5.26 The ORS Model identifies new households projected to form in Castle Point each year, along with the number that will be unable to afford their housing costs. The model also considers new households migrating to the area which results in the total new households in need of affordable housing in each authority (Figure 34). This is the equivalent of around 7% of all households in Castle Point either being newly forming or in-migrant households each year.

5.27 The newly forming data indicates that around 2.2% of all households in Castle Point will be newly forming from within existing households in the area. The household survey showed that 7% of households expected someone to form from within their household within the next 3 years, so there is very high consistency between these figures. These new households will primarily consist of single people (47%) and adult couples (33%). However, one in ten (10%) will be couples with a dependent child(ren)/pregnant and 2% will be lone parents with dependent child(ren)/pregnant.

5.28 Interestingly, 14% of newly forming households were expected to seek social rent housing and Figure 34 shows a modelled need for 14% of newly forming households will require affordable to rent housing.

Figure 35: Tenure of property (Household Survey)

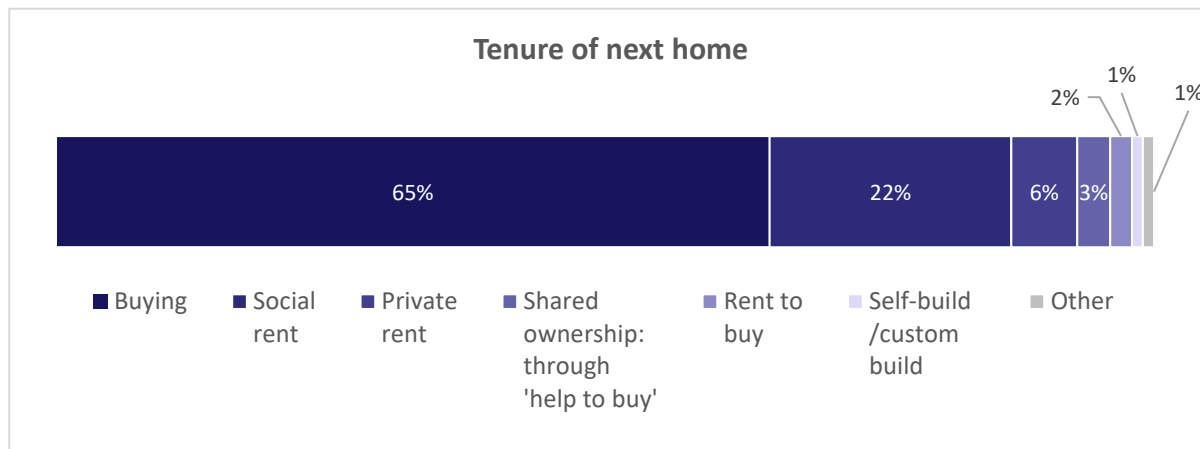
Base: All Respondents



5.29 The household survey asked about existing households who are seeking to move in the next 5-years and 22% were seeking social rent. However, this includes many who are already in social rent and would not add to the total need but would be in the backlog of current need. Therefore, among newly forming and in-migrant households the ORS model is showing a lower level of need for new households.

Figure 36: Tenure of next home (Household Survey)

Base: Those wanting to move in the next 5-years (82 respondents)



5.30 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

5.31 The model also identifies the households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however, some of these are likely to have been unable to afford market housing and will mostly be living in social rented housing (Figure 37).

5.32 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the trend-based household projections. The model identifies the households that will migrate out of the area each year, including those households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting (it should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

5.33 Figure 37 shows the annual number of households who will vacate affordable dwellings or will no longer be waiting for a home over the period in question:

Figure 37: Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT 2023-2043	All households	Households able to afford housing costs	Households unable to afford housing costs	% Unable to afford housing costs
Household dissolutions following death	954	844	110	12%
Households migrating <u>out</u> of the area	1,352	1,182	170	13%
All households no longer present	2,306	2,026	280	12%

5.34 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in Castle Point will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and the estimate of the number of established households that will fall into need each year is shown in Figure 38.

5.35 However, established households’ circumstances can also improve. For example:

- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
- » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

5.36 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies the number of households whose circumstances will improve such that they become able to afford their housing costs having previously being unable do so.

5.37 Therefore, considering the changing needs of existing households overall, **there will be a net decrease of existing households needing affordable housing each year** (Figure 38).

Figure 38: Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT 2023-2043	All households	Households able to afford housing costs	Households unable to afford housing costs	% Unable to afford housing costs
Existing households falling into need	-	-69	+69	100%
Existing households climbing out of need	-	+95	-95	0%
Change in existing households	-	+26	-26	-

5.38 Figure 39 summarises the overall impact of:

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

Figure 39: Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model)

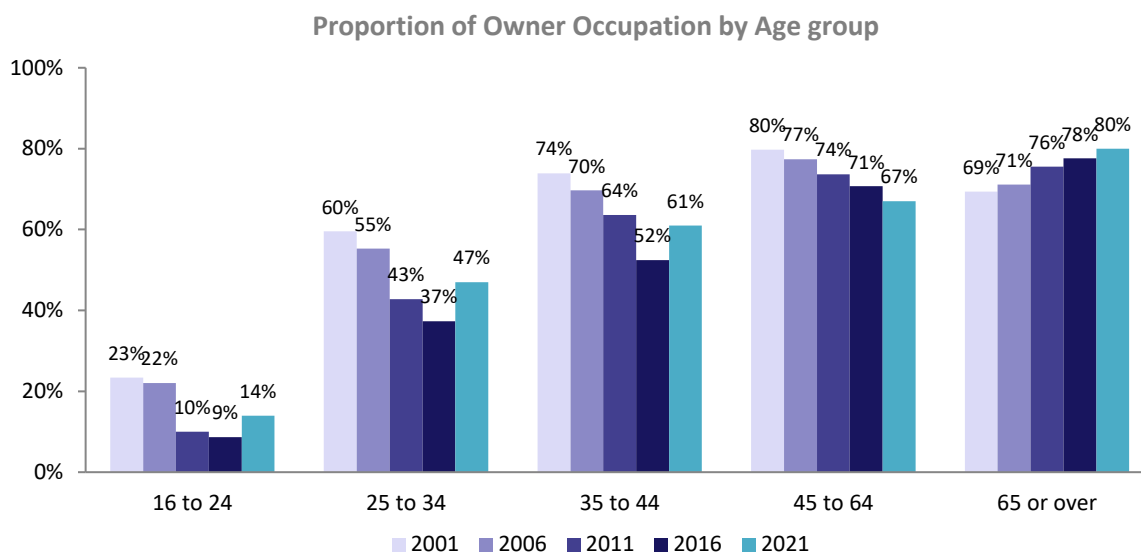
CASTLE POINT 2023-2043		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		2,545	2,214	331
All households no longer present		2,306	2,026	280
Change in existing households		-	26	-26
Future affordable housing need 2023-2043	Annual average	+239	+215	+25
	20-year Total	+4,785	+4,294	+490

5.39 Overall reviewing the contribution of each element amounts to a projected additional 490 households needing affordable housing in Castle Point over the 20-year period 2023-2043.

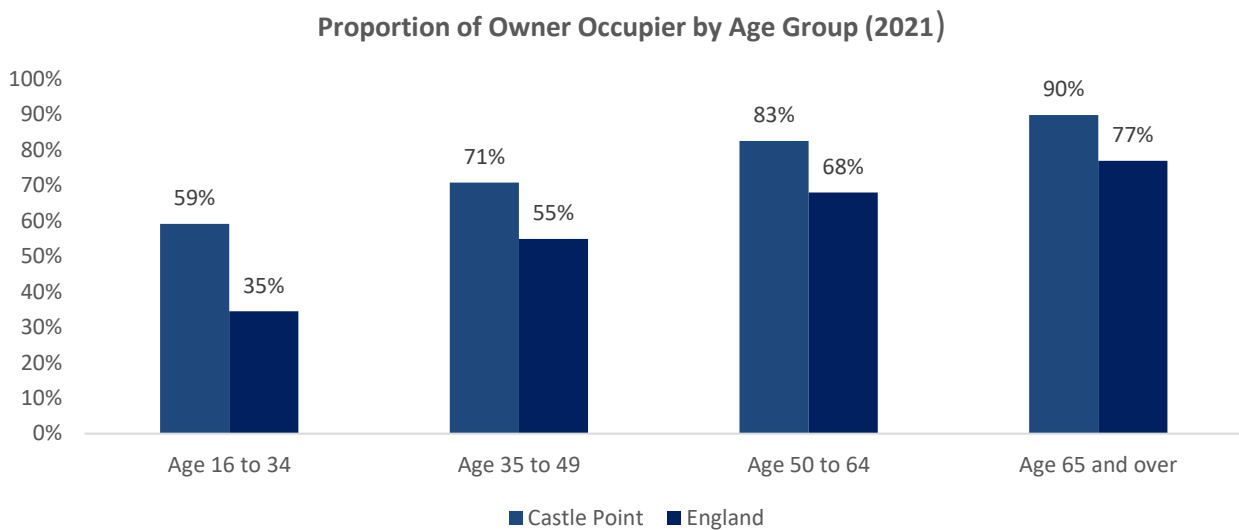
Needs of Households Aspiring to Homeownership

- 5.40 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%.
- 5.41 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 40).

Figure 40: Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)



- 5.42 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 Castle Point versus the national average can be gathered from the 2011 Census (Figure 41).

Figure 41: Proportion of Owner Occupation by age group 2011 (Source: Census 2011)

5.43 Figure 41 identifies that there are more owner occupiers in Castle Point than the national average, across all age cohorts.

Establishing the number of households aspiring to home ownership

5.44 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 42: Long-term aspirations (Source: English Housing Survey 2013/14)

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

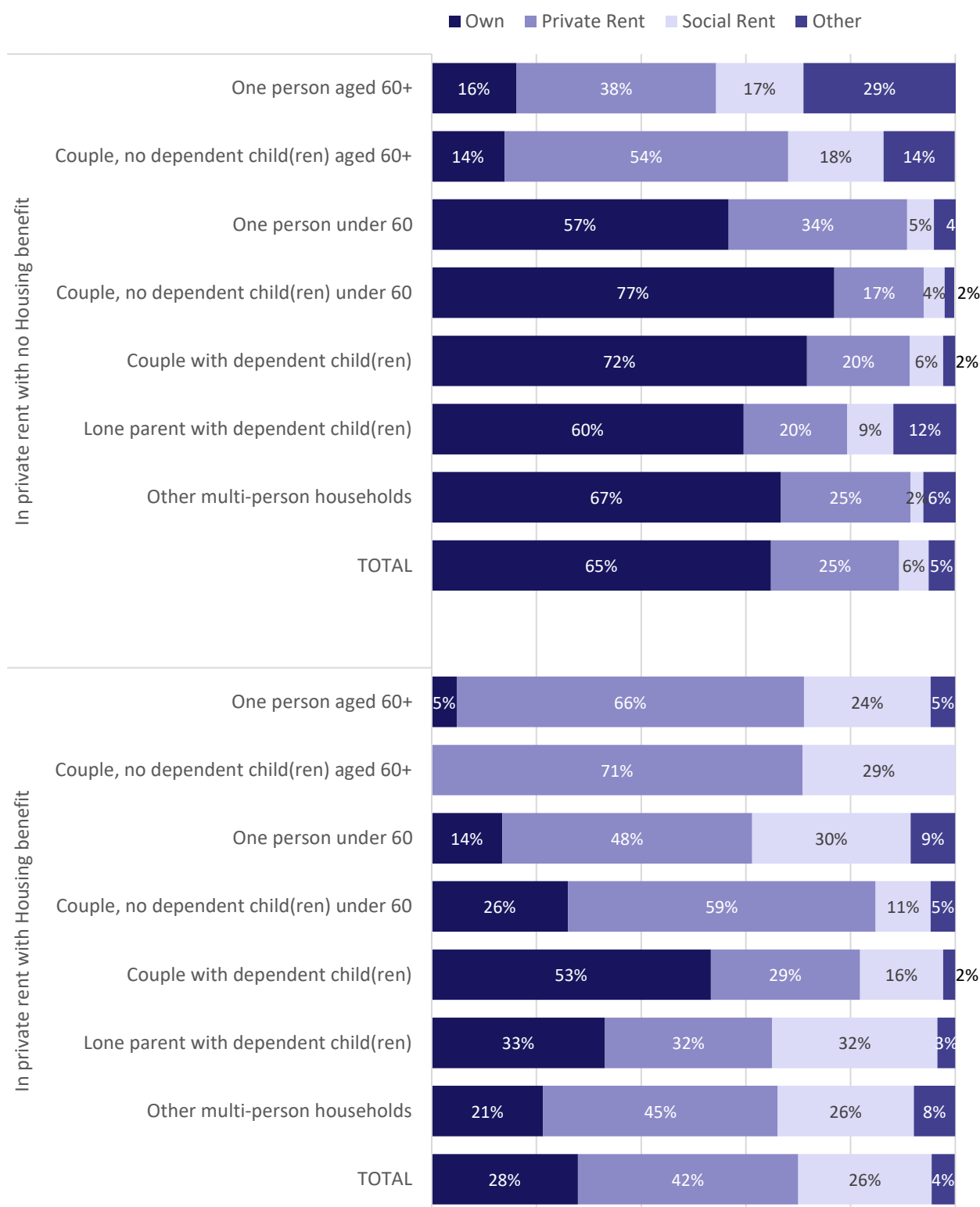
5.45 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

5.46 The following chart (Figure 43) shows long-term tenure expectations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

5.47 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit expect 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).

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

Figure 43: 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

- 5.49 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 previous data presented in Figure 43, Figure 44 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 44: 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)

CASTLE POINT Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	28	218	211	59	17	2	535
Couple without children	34	304	205	75	19	0	637
Families with child(ren)	6	158	46	18	0	0	229
Other households	14	0	95	39	30	0	178
Total	82	681	557	191	67	2	1,579
<i>Percentage of households</i>	5%	43%	35%	12%	4%	0%	100%

- 5.50 Based on this analysis, we can estimate the total households currently resident in Castle Point who cannot afford to own their own home but would aspire to do so (Figure 44).
- 5.51 As previously reported (Figure 9), Census data identified significant increases in households renting privately over the decade 2011-21. More recent EHS data shows that the private rented sector has continued to grow over the years since the Census. On this basis, the number of households identified as currently renting privately that aspire to homeownership is consistent with growth of the private rented sector over a 20-year period.
- 5.52 In addition to the current need, it is also important to consider new households that are projected to form over the 20-year periods. Through combining this data with the aspiration data from the EHS in a similar fashion to the calculation of current need, we can derive the further households that will form over the 20-year period who will be able to afford to pay market rent without support from housing benefit, but will be unable to afford to own, despite that being their aspiration.
- 5.53 Overall, the projections in Castle Point suggests that there are likely to be 1,495 newly forming households within this category between 2023 and 2043. This equates to a net annual need of 75 households per year (summarised in Figure 45).

Identifying the Overall Affordable Housing Need

- 5.54 Figure 45 brings together the information on assessing the unmet need for affordable housing in 2023 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2023-2043. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 45: Assessing total need for affordable housing in Castle Point 2023-2043 (Source: ORS Housing Model)

CASTLE POINT 2023-2043	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2023	643	1,579	2,222
Future housing need 2023-2043	490	1,495	1,985
TOTAL AFFORDABLE HOUSING NEED	1,133	3,075	4,208

5.55 On this basis, we can conclude that the overall need for affordable housing for Castle Point would comprise a total of 4,208 households over the 20-year period 2023-2043, equivalent to an average of 210 per annum.

5.56 This represents a very high share of the overall household growth. 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

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

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

The standard method for assessing 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...

Planning Practice Guidance, ID: 67-001-20190722

- 5.58 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established. It will be important for the local authorities to plan for the needs of all households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing.
- 5.59 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 without the support of housing benefit. However, 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.
- 5.60 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly access 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

5.61 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

- 5.62 Figure 14 shows that the current lower quartile new build prices for a 4-bedroom property in Castle Point is around £730,700 and a 3 bedroom is £666,500, so even a 50% discount of this price would be outside the cap limit. A 2-bedroom property at £343,600 would be inside the cap limit at a 70% discount.
- 5.63 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.
- 5.64 Given this context, Figure 46 identifies those households with income that would be insufficient to afford 50% of new build prices at the lower quartile for the local area, those households with savings of less than £5,000, and those households that both have sufficient income and savings to purchase an open market property but nonetheless choose to rent. It is important to recognise that no 3 or more-bedroom properties are taken forward because they sit over the affordability cap for First Homes.

5.65 It should be remembered that, as set out in Figure 22, First Homes are typically more affordable than shared ownership in Castle Point, but of course shared ownership does often require a lower deposit. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

Figure 46: Aspiring affordable homeownership housing mix by household affordability 2023-2043 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households ineligible for affordable market home ownership	Households unable to afford market home ownership	MINUS households unable to afford 50% of new build LQ	Households able to afford 50% of new build LQ	MINUS households with savings of less than £5,000	Households able to afford 50% of new build LQ and have savings of £5,000 or more
1-bedroom	428	35	394	181	212	119	93
2-bedrooms	1,130	72	1,058	588	471	317	154
3-bedrooms	1,086	1,086	0	0	0	0	0
4+ bedrooms	431	431	0	0	0	0	0
TOTAL	3,075	1,623	1,452	769	683	436	247

5.66 Figure 46 shows that of the 3,075 households who can afford to rent, and aspire to homeownership, there are 1,623 that can be discounted because they require a 3-bedroom or larger property or because they can already afford market housing. There are a further 769 households with insufficient income to have a realistic prospect of being able to afford at 50% of open market values. Of the remaining households with incomes above the minimum threshold, 436 have savings of less than £5,000 and are therefore unable to afford the assumed deposit (nor the assorted up-front costs) of purchasing a home in the local area. Therefore, in total 1,205 (769 + 436) households are seeking affordable home ownership properties in Castle Point, but First Homes would not be suitable for them because they lack the necessary income or savings.

5.67 On this basis, 247 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 10% 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.

5.68 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 247 households likely to form an effective demand (i.e. those able to afford the products that will potentially be available, such as First Homes) in addition to the 1,133 households unable to afford to rent or own market housing. Figure 47 provides a breakdown of the planned affordable housing on this basis.

Figure 47: Overall need for Affordable Housing 2023-2043, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Affordable Housing (Households)
	Households unable to afford	Households aspiring to home ownership	
1-bedroom	201	93	294
2-bedrooms	315	154	469
3-bedrooms	453	0	453
4+ bedrooms	164	0	164
TOTAL HOUSING NEED	1,133	247	1,380

- 5.69 The LHNA identifies an overall affordable housing need from 1,380 households over the 20-year period 2023-2043 (69 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provides for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to access a 50% First Homes property.
- 5.70 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change.

Affordable Rent

- 5.71 Within the overall need of households requiring affordable homes identified, it is possible to further consider the mix of affordable housing products that would be appropriate based on the mix of households needing affordable housing²³. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.
- 5.72 As discussed in Chapter 4, the types of affordable housing that households can afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. Figure 11 identified the minimum annual income in Castle Point needed to afford Affordable Rents by property size (based on spending up to 35% of total income). This allows for disaggregation of the cohort that are unable to afford market rents to be disaggregated into those who can, and those that cannot afford Affordable Rents. The household aspiring to own figure is based upon those who can access a First Homes property at 30% and 50% discounts, but as shown in Figure 22 this is typically more affordable than shared ownership, but it is less flexible. Therefore, additional households may be able to access shared ownership as a means to home ownership.
- 5.73 Figure 48 includes the need from those modelled to require Class C2 and also an allowance for vacant homes, so the total number of dwellings required equals 5,100 over the period 2023-43. This shows that 138 of the 1,387 dwellings identified in Figure 48 (10%) would be occupied by households that could afford Affordable Rent without housing benefit support. This is 12% of the 1,138 identified as being occupied by those unable to afford market rents.

²³ Note that this section is about need and not supply. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

- 5.74 The data also further disaggregates those seeking First Homes into:
- » Those that can afford First Homes with a 30% discount (“able to afford 70% first homes”) and;
 - » Those that can afford First Homes with a 50% discount, but not with a 30% discount (“unable to afford 70% first homes”).
- 5.75 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.
- 5.76 The figures also contain market needs which represents the need for Use Class C2 bedspaces, such as care homes, converted to dwellings. The Class C2 figure 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 107 dwellings in Castle Point are delivered as Class C2 bedspaces. Instead, the population and household projections assume that the equivalent of 107 dwellings will be vacated by those moving to Class C2. If these moves do not occur because Class C2 bedspaces are not delivered, then 107 more Class C3 dwellings will be required. If Class C2 bedspaces are delivered, they can be counted at a ratio of 1.80 bedspaces equals 1 dwelling in the LHN figures.

Figure 48: Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings				Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents		Unable to afford market ownership				
	Social Rent	Affordable Rent	Unable to afford 70% First Homes	Able to afford 70% First Homes			
1-bedroom	180	22	42	52	296	203	499
2-bedrooms	263	53	93	61	471	650	1,121
3-bedrooms	392	63	0	0	455	1,508	1,963
4+ bed	165	0	0	0	165	1,245	1,410
DWELLINGS	1,000	138	135	113	1,387	3,606	4,993
C2 Dwellings	-	-	-	-	-	107	107
LHN	1,000	138	135	113	1,387	3,713	5,100

- 5.77 Figure 49 shows the components of housing need presented in Figure 48 as percentages of the 5,100 overall dwelling need. For planning purposes Figure 48 and Figure 49 form an effective starting point for establishing a housing requirement subject to viability and other similar concerns.

Figure 49: Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Dwellings				Total Affordable Housing	Total Market Housing	Total Housing
	Unable to afford market rents		Unable to afford market ownership				
	Social Rent	Affordable Rent	Unable to afford 70% First Homes	Able to afford 70% First Homes			
1-bedroom	3.5%	0.4%	0.8%	1.0%	5.8%	4.0%	9.8%
2-bedrooms	5.2%	1.0%	1.8%	1.2%	9.2%	12.7%	22.0%
3-bedrooms	7.7%	1.2%	0.0%	0.0%	8.9%	29.6%	38.5%
4+ bedrooms	3.2%	0.0%	0.0%	0.0%	3.2%	24.4%	27.6%
DWELLINGS	19.6%	2.7%	2.6%	2.2%	27.2%	70.7%	97.9%
C2 Dwellings						2.1%	2.1%
LHN	19.6%	2.7%	2.6%	2.2%	27.2%	72.8%	100.0%
%age of total affordable	67.8%	9.4%	9.1%	13.7%	100.0%		

5.78 The 2023 NPPF states at paragraph 64 that:

Provision of affordable housing should not be sought for residential developments that are not major developments²⁴, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.

NPPF 2023: Paragraph 64

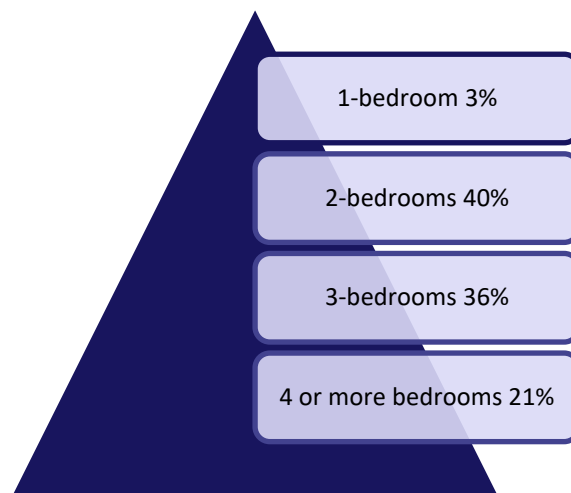
5.79 On this basis, not every site in Castle Point will necessarily deliver affordable housing at 27.2% (Figure 49), so a higher level of affordable housing may need to be delivered on those sites capable of doing so, in order to meet the overall identified need. This higher level should be set such that it is sufficient to offset those smaller/brownfield developments on which less affordable housing is sought.

5.80 The closest comparison with the household survey to the modelled figures above shows the number of bedrooms sought by households who anticipate that they will move in the next 5-years. This is not an exact comparison because the household survey is based upon existing households moving, while Figure 49 includes the net impact of household formation, dissolution and net migration. However, the low need for 1-bedroom properties is confirmed, and the household survey indicates a higher need for 2-bedroom properties and a lower need for 4-bedroom properties, but this does exclude the impact of migration.

²⁴ The 2021 NPPF defines the term "major development" in its glossary (Annex 2) as "For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more." (page 68)

Figure 50: Number of bedrooms wanted/needed when move.

Base: Those who want to move in the next 5-years (87 respondents)



5.81 Although a number of people listed their reason to move as being downsizing and health problems relatively few expect their next move to be into some form of supported housing.

Future Policy on Housing Benefit in the Private Rented Sector

5.82 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.

5.83 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

5.84 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.

5.85 PPG (both the current version and the previous version) states that *"care should be taken to ... include only those households who cannot afford to access suitable housing in the market"* [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level.

5.86 It is well-established that housing need should be established leaving aside policy considerations,²⁵ so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need. The approach taken by the LHNA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn't change the need, but it could influence the affordable housing policy target.

Sensitivity Testing

5.87 All the figures set out above are for net changes in the housing stock. Factors which can cause the net outputs to vary from the gross need include:

- » Right to buy sales which must be added to the net affordable housing needs figures on a one for one basis. This current averages around 7 households per annum, which would represent around 140 dwellings over the 20-year plan period;
- » Housing benefit in the private rented sector. As noted above, the ORS Model assumes that the number of households in receipt of housing benefit in the private rented sector remains constant. As noted in Chapter 3, relatively recent changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1-bedroom Social Rented or Affordable Rented property. In 2022 the figure for household in receipt of housing benefit was 2,154 households in Castle Point. Given sufficient viability then these figures can be reduced in an area; and
- » Households who can afford to rent, but who aspire to own, but who cannot access First Homes. In Castle Point they amount to 1,205 households. For clarity, this is the most extreme case scenario. In practice, not only does First Homes not meet the needs of many of the households who aspire to own, there is not alternative product currently in Castle Point which would do so either. Therefore, many of the households are likely to remain in private rent. This however does not rule out Shared Ownership or rent to buy schemes from meeting the needs of some households and therefore, there is likely to be a role for these housing products in Castle Point.

5.88 The figures set out above show a very large potential need for affordable housing to rent, with the vast majority of this required for households who will require support with their housing costs in the form of housing benefit. Social Rent has lower weekly rents than Affordable Rent, but for most households the cost of either will be supported by housing benefit and the delivery of Social Rent compared to Affordable Rent has adverse impacts upon viability. While on a single site it should be the case that only Social Rent or Affordable Rent are provided, across the entire housing mix both could have a role to play because their funding streams do tend to be different.

5.89 More generally, First Homes are shown to make up around 5% of total need, with additional support for home ownership coming from Shared Ownership and rent to buy schemes.

²⁵ Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

Comparison with the South Essex Housing Needs Assessment 2022

5.90 The table below compares the outputs from the South Essex Housing Needs Assessment 2022 produced by Turley's and the current study. The key explanations for why the outputs are different are set out immediately below, but we would note that all data has been converted to an annual basis to ensure that it is like for like.

Assessing total affordable housing need breakdown from Castle Point housing reports 2022 and 2023 (Source: Turley's, ORS)

Castle Point	Turley South Essex HNA 2022	ORS 2023
BACKLOG		
Annual backlog	23	32
NEWLY ARISING NEED		
New household formation unable to afford	293	118
Households migrating to the area	-	212
Established households falling into need	89	69
GROSS NEED (annual backlog plus formations plus falling in to need)	406	431
SUPPLY / OUTWARD FLOWS		
Household dissolution	-	110
Households migrating away without being in affordable housing	-	170
Climbing out of need	-	95
Social rent	72	-
TOTAL SUPPLY	72	375
NET NEED	324	56

5.91 While ORS are able to offer up a range of detailed technical differences between the two studies, the key overwhelming difference is the role of households falling into and climbing out of need and also discounting households who are no longer in need because they have left the area.

5.92 The South Essex HNA 2022 shows households falling into need each year and ORS have modelled a similar level for this need. However, the way the South Essex HNA 2022 model is set up implies that the only way any households in need in the private rented sector can move out of housing need is to move to affordable housing, none are assumed to see their incomes rise or household circumstances change. Therefore, once in need, the household will remain in need permanently until housed in affordable housing.

5.93 ORS would argue that in the real world, households form couples or see their income rise, so they can climb out of need as well as fall into need. To put the scale of this issue into context, ORS consider that around 95 households each year will resolve their housing needs from within the private rented sector without every entering affordable housing. Therefore, these households never occupy affordable housing and shouldn't be counted as a need.

- ^{5.94} Similarly, the South Essex HNA 2022 counts newly forming households who form in need. ORS distinguish between new households forming locally and those moving from elsewhere, while this distinction is not drawn in the South Essex HNA 2022, which only considers an aggregate (and possibly net) impact of newly forming households. If the impact of in-migrant households is being counted on need, any impact from households leaving the area should also be considered. For example, a household moving to Castle Point in the private rented sector should correctly be counted as an additional need in the South Essex HNA 2022. However, the same household then moving to a private rented property in another borough should be discounted from the need but this doesn't appear to happen in the South Essex HNA 2022.
- ^{5.95} In total the net impact alone of households climbing out of need and those migrating away from Castle Point reduce need by 265 households per annum, which is almost exactly the same as the difference in annual need in the South Essex HNA 2022 and the current study.

6. Housing to Support Economic Development

Considering the needs of employers

- 6.1 This section considers the relationship between economic development and housing. Issues such as the Thames Freeport major economic development, transport, and the existing and future skills required in the workforce relate to the consequent need for the amount and tenure of housing in Castle Point to support economic development. An assessment of the alignment of jobs and workers is presented in Appendix B: Jobs and Workers.
- 6.2 Two interviews were conducted to gather views on what factors affect both economic development and housing need. The results of these interviews point to the amount and tenure of housing required to support current and future employers.
- 6.3 Qualitative interviews were carried out with:
- » Martin Whiteley – Chief Executive of The Thames Freeport. The Thames Freeport is described as a significant port development that is expected to generate 21,000 jobs; a significant economic development that is relevant to Castle Point labour demand and the local housing market.
 - » Neil Darwin, Chief Economist and Managing Director of Deyton Bell economic development consultancy. Deyton Bell have recently completed some economic analysis and business engagement on Canvey Island on behalf of the County Council in partnership with Castle Point Borough Council and therefore have insight into any housing issues arising from discussions with businesses.
- 6.4 The main issues identified from the interviews for housing needs for economic development through the Thames Freeport and for other business are that housing needs to be developed in proximity to the employment opportunities, for infrastructure improvements, particularly public transport to allow workers to take up employment, and to increase the skill base for future employment opportunities. These are covered below in more detail because of their relationship with increased household incomes and therefore increased likelihood of households being able to afford housing.

Background

- 6.5 The Thames Freeport is a partnership of three businesses: DP World who own the Thames Gateway site, Forth Ports who own the port at Tilbury, and Ford Motor company and their site at Dagenham. Two of those partners are on the doorstep of Castle Point: DP World and Forth Ports. These represent significant economic development opportunities. The Freeport is expected to deliver 21,000 new additional jobs over the next 20 years, with the majority of those jobs at Tilbury and at London Gateway, again economic development that is pertinent to Castle Point. Jobs in the Thames Freeport will mainly be in three sectors: Advanced manufacturing, logistics and advanced logistics, and green energy and the circular economy.

- 6.6 A Government priority for freeports is that they tackle local regeneration and local job creation. In line with this, the Freeport aims for as many as possible of the jobs that are created to go to local people, and as many of the jobs as possible to go to people who have not previously benefited from the prosperity of the ports. The majority of the jobs are in Tilbury and London gateway; local to Castle Point if they are able to access transport.
- 6.7 Many of the jobs are and will be technical jobs. It is expected that a comparatively small number will be graduate jobs, perhaps one in ten, and with many being technical. Many of the other jobs will be at skill levels 2, 3 and 4. The salaries paid in both London Gateway and Tilbury can be considered to be above market rate for the role they perform²⁶.
- 6.8 This suggests that many future opportunities will be comparatively well-paid jobs that require a range of technical qualifications and experience – a skilled workforce.

Transport

- 6.9 Local businesses report that public transport is a problem for them:
- We've heard from companies on public transport and from what we've heard it doesn't work for them as it should*
- 6.10 A common problem is that it is not possible to catch a bus to get to work on time for daytime work or shifts:
- buses that don't deliver people until 10 in the morning aren't much use to a business that wants people starting at half eight.*
- 6.11 This is a particular problem on Canvey Island:
- If you live in Canvey Island you cannot get a job in the Freeport unless you own a car. There is public transport, but none that starts at 7:00 am that takes you directly to the ports. So if you've not been in work in Canvey Island, you see a job you'd like, but have no money to buy a car you can't take the job.*
- 6.12 A proposal to provide a ferry between Canvey Island and DP World round the bay would improve access to employment. The ferry would be for people, not vehicles and we understand that the feasibility of the model is being considered.
- 6.13 A ferry would save a time-consuming drive and improve access to employment:
- Many would like to work at DP World, but we're told that if you had a car and drove round it would take up to an hour and a half because of the nature of the road system.*
- 6.14 A business view is that there needs to be more dialogue between the County Council and private transport companies about what transport workers need and when they need it, accepting that the positioning of bus stops needs to be managed and that people can walk a reasonable distance.

²⁶ An example of the higher salaries was provided in the interview

Skills

- 6.15 The Freeport is covered above; an expected large increase in skilled jobs at various levels providing comparatively well-paid jobs. Other companies are also looking to expand but find the skill gap to be a problem:

There are probably about half a dozen companies that have told us that they are looking to grow. They need help with premises and finding skills.

- 6.16 The interviews identified that at present there are a number of companies that look for basic skills, but that others carry out higher end work and need correspondingly higher skills. Taking the current situation of employment requiring a mix of lower and higher skill levels alongside future development as exemplified by the Freeport, it is important to increase skill levels:

So there's probably a balance between the two. The here and now is probably the lower skills stuff, but the medium term is let's get people trained up.

- 6.17 The affordability issue was confirmed in interview, along with it being exacerbated by having a lower skilled workforce than in some places combined with higher-than-average house prices. Younger people were seen as being in the most difficulty.

- 6.18 The alignment of future jobs growth with resident workers in Appendix B: Jobs and Workers identified 3,877 additional economically active persons between 2023-2043 compared to a projected growth of 2,700 jobs over the 20-year period 2020-40. These figures suggest that the workforce needs of the Freeport may be covered, at least in part, by the local workforce; given the necessary training.

Housing tenure and development

- 6.19 Alongside improved transport infrastructure, especially public transport, housing needs to be developed in areas proximate to the Freeport and other employment opportunities.

- 6.20 Housing is integral to economic development and businesses identify a need to improve the quality of housing across Castle Point and especially Canvey Island. Deyton Bell identified some of the key opportunities, problems and solutions around developing housing locally on infill and brown field sites:

There is some space to develop. We're not talking about a major development of 1,000 houses. But there is space for infill. The wider challenge is finding the building community to do it – the companies that are interested in going through the planning process. There is something to be said for using public funding, wherever that comes from in the future to actually pump prime sites so that the developer can come in and lay bricks and get on with it; he's got his infrastructure, he's got his utilities connected. Make it easy for them. That's what would help Castle Point. There's some brown field on Canvey you could probably put 40 or 50 units on one site, but you're not talking about big strategic sites across the borough. And there'd be lots of 20s and 30s sites around. It's a less attractive proposition for some of the bigger house builders; why would they do 20 or 30 when they could do 250 in Southend?

- 6.21 Pump priming sites would have the advantage of improving viability for affordable housing. The fact that Castle Point Borough Council is a small authority with a small housing stock was seen as one of the reasons for a large private rented sector for the size of the Borough. One suggested solution was building council housing or increasing the number of RSL developed homes, perhaps through a joint venture.

- 6.22 Interviewees identified a need across the range of housing tenures and sizes, noting that young people are particularly affected by lack of affordability and lack of stock in general. The situation has got worse in recent years:

All the things that have changed over the past five years have been to the detriment of the people of Castle Point and Canvey Island particularly.

Economic development strategy

- 6.23 Councils strategies and policies in the Southeast Essex area was considered to be supportive of the Thames Freeport and general economic development aims, but they have more work to do. Interviewees appreciated that local authorities often have fewer staff than is ideal to deliver services and strategies.
- 6.24 Four things were identified as important for economic development. The first three are around delivery of infrastructure while the fourth is about a future vision:

- 6.25 A supply of housing.

The issues are less about assessing need and more about delivering housing. There's something fundamentally challenging between the needs of business to create good places and good houses for people to live in and the ability of councils to support that.

- 6.26 Strengthening access to employment opportunities.

There's something to do together between major employment areas of opportunity and those responsible for public transport to think about what to do to change that. That's a fairly critical challenge for everybody.

- 6.27 A need to go beyond simply building infrastructure and to create places that people want to live in.

There's a great initiative called the South Essex Estuary Park programme that is about creating a joined up landscape of green spaces across South Essex. We all need to get behind that.

- 6.28 Modernise, developing the right infrastructure.

They shouldn't be afraid of chasing, securing and putting in the right infrastructure. They need to work out what their modern situation looks like across Castle Point. Compared to dormitories like Billericay and Basildon probably (though Basildon has its own issues) it's not a dormitory. They are a league away from Castle Point in outlook. It's a long standing community where the kids have stayed and now the grand kids are staying.

7. Needs of Different Groups

An exploration of need for target groups

Introduction

- 7.1 Paragraph 62 of the 2023 NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn.

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

2023 NPPF, paragraph 62

- 7.2 However, the needs of families with children and those who rent their homes have already been considered in detail within both the affordable housing and overall housing need chapters (4 and 5) and are therefore not repeated. An assessment of the needs of Gypsies and Travellers is being developed by the Essex authorities separately. Housing for older people is discussed below. There are no other distinct groups in Castle Point with significant housing needs who require consideration beyond those mentioned in the NPPF.

Housing for Older People

- 7.3 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow from 5.8m (2020) to 8.1m by 2040 for the over 75s.²⁷
- 7.4 Based on the dwelling-led Local Housing Need projection discussed in Chapter 2, the number of over 75s in Castle Point is projected to increase by around 3,500 in the period 2023-2043.
- 7.5 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

²⁷ ONS 2018-based UK national population projections (principal variant).

- 7.6 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.
- 7.7 This housing comes in a number of different forms and the distribution between these different types needs to be explored. In terms of formal definitions and terminology, the following list was developed by Three Dragons for a joint study undertaken with ORS:
- » Age Exclusive housing: housing which is age restricted (typically to age 55 and over) and may offer access to the careline service which is available to households living in general needs housing but does not offer warden support or any communal facilities, meals or bespoke site-specific care packages. Residents in age exclusive housing tend to be younger than residents in sheltered or extra care housing and are less likely to experience a range of frailties or disabilities;
 - » Sheltered housing: this is also age restricted but will normally have either an onsite or visiting scheme manager or access to a bespoke helpline. There will normally be communal facilities which may include a café or shop but there is no bespoke site-specific care package. Scheme residents are typically 75 or over, but the scheme may include some residents aged 65-74;
 - » Extra Care housing: this is also age restricted, will normally have an onsite scheme manager and provide a range of communal facilities. However, residents will also have access to a site-specific bespoke care package, usually including paying for a specified minimum number of hours of care a week with the option to increase usage if required. The care provider is CQC registered with specific carers allocated to the scheme. Scheme residents are typically 75 or over. Extra care housing can also be known as very sheltered housing, assisted living, enhanced sheltered or as housing with care;
 - » Dementia housing: this type of housing is designed to offer specific support to people with midstage dementia who struggle with general needs housing but are not so frail that they need to live in a care home. Scheme layout is dementia friendly and there will normally be onsite care and support as well as a range of communal activities and a café. The care provider is CQC registered with specific carers allocated to the scheme;
 - » Care Homes – non independent accommodation for high care needs (residential and nursing C2) and is not directly considered in this section but was factored into the household projections;
 - » Accessible housing - housing which is, or can be, adapted for the use of someone with a limiting health condition or who is a wheelchair user. This is considered below in a separate section.
- 7.8 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.

- 7.9 We would also note Kings Park Village in Castle Point describes itself as the largest retirement community in England with 800 properties being sold and the Thorney Bay caravan site is being redeveloped to accommodate up to another 830 park homes for those aged over 55 years. In both cases, these sites are attracting older owner occupiers to a retirement community, so will have little impact upon the immediate need for older person accommodation. However, over time some of the households on the sites will require to move to extra care or nursing homes.
- 7.10 In the past models such as the Housing LIN Strategic Housing for Older People Resource Pack have been used to establish needs for specialist older person housing and wheelchair housing for households with specific needs. However, these are now accepted to be aspirational and show too high a need. Therefore, we have developed our own framework which is based upon extrapolating trend data and typically shows a less aspirational level of need.
- 7.11 We would note that between 2023 and 2043 the older person population of Castle Point is projected to grow by 3,527 persons aged 75 years or more. As of 2023, there were 12,291 persons aged 75 years or more in Castle Point and there were 561 units of dedicated older person accommodation in the area, almost all of which is in the form of sheltered housing. This means that there are around 46 units of older person housing for every 1,000 older persons in Castle Point aged over 75 years. This is one of the lowest figures of older person accommodation per capita ORS have seen. Statistics from the Elderly Accommodation Council show 139 per 1,000 across England²⁸, while the National average is 120 per thousand.
- 7.12 Applying a rate of 45 per 1,000 persons to a growth in the population of 3,527 generates a need of 162 over the 20-year period. However, we would suggest that a higher figure is sought because current provision is currently very low. The national average for older person accommodation per 1,000 persons aged 75 years or older is around 120, not 45. Apply a rate of 120 per 1,000 to 3,527 persons yields a need of 423 units of dedicated older person accommodation and that represents a more realistic target for Castle Point.
- 7.13 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.
- 7.14 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;

²⁸ [eac stats on housing for older people March 2015.pdf \(housingcare.org\)](#)

- » **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

- 7.15 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes 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).²⁹
- 7.16 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.
- 7.17 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.
- 7.18 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

²⁹ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

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

7.20 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 Payment³⁰ (replacing Disability Living Allowance) / Attendance Allowance³¹ 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 Grant³² (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

7.21 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.

7.22 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 55), 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 51 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%.

³⁰ 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).

³¹ Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

³² 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.

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

- 7.23 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

- 7.24 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.
- 7.25 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 51).

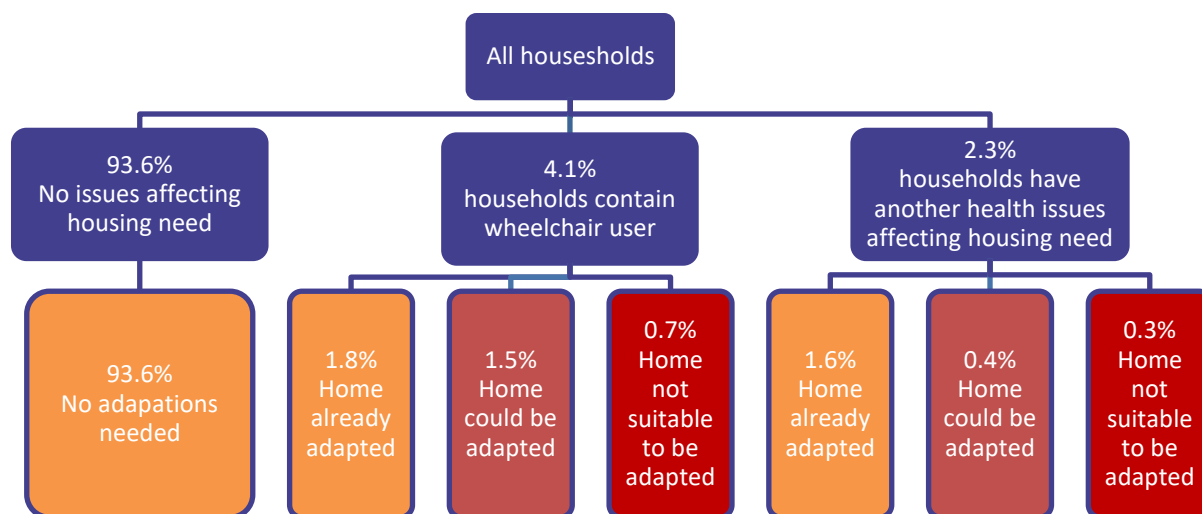
Figure 51: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	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%

- 7.26 This specific issue was addressed in the household survey, which found that 24% of households in Castle Point had a limiting health condition, and these needs affected the housing requirements of 6.4% of households. Of these, 1.9% of all households required their current home to be adapted and 1.0% required to move to a different property. Given that survey data has sample variation and margins of error, there is a good fit between ORS's secondary data model for adapted home need and the household survey and we consider it appropriate to continue with the secondary data model.

Figure 52: Suitability of property for current housing needs

Base: All households



7.27 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 2.9% of households either requiring adaptations or needing to move to a more suitable home from households with a wheelchair user, and 0.7% of households from households with another health issue; a total of 2.9%.

7.28 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Castle Point 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 53: Households with a long-term illness or disability in Castle Point in 2023 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT	TOTAL
Households with one or more persons with a limiting long-term illness or disability	11,427
Does not affect their housing need	8,013
Current home suitable for needs	2,839
Current home requires adaptation	301
Need to move to a more suitable home	274
Total households where a limiting long-term illness or disability affects their housing need:	3,415

7.29 The model (Figure 53) identifies that there were 11,427 households living in Castle Point as of 2023 with one or more persons with a limiting long-term illness or disability. In 8,013 of these households, this does not affect their housing need, but in 3,415 households an illness or disability does impact on housing need.

7.30 Amongst those households where it does affect housing needs 2,839 households are already living in a suitable home (having moved or made adaptations). This leaves 301 households needing adaptations to their current home and 274 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.

7.31 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 54 shows our calculation that there will be an additional 3,744 households either needing adaptations to their existing housing or suitable new housing to be provided by the end of the period in question.

Figure 54: Households with a long-term illness or disability in Castle Point 2023-2043 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT	TOTAL
Existing households in 2023 likely to develop health problems that affect their housing need within 10 years	1,165
Additional households in 2043 projected to experience problems or likely to develop problems within 10 years	2,579
Additional households in 2043 where illness or disability affects their housing need or will develop within 10 years	3,744
Unmet Need in 2023 for an adapted home (from Figure 53)	274
Total need for adapted housing	4,018

7.32 To provide M4(2) housing for all of the identified need would require housing for up to 4,018 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.

7.33 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 Castle Point authorities 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.

7.34 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we 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 55). 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 55: Households with a long-term illness or disability in Castle Point by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT	Affordable	Market	TOTAL	% of LHN
Existing need in 2023				
Households where an existing illness or disability affects their housing need and need to move in 2023	181	93	274	-
Projected future need 2023-2043				
Additional households in 2043 where illness or disability affects their housing need or will develop within 10 years	3,048	696	3,744	-
Maximum need for adapted housing 2023-2043 (households)	3,229	789	4,018	82%
Less households living in dwellings adaptable to M4(1) standard	2,102	480	2,582	-
Minimum need for adapted housing 2023-2043 (households)	1,128	309	1,437	29%

- 7.35 Therefore, the need for adapted housing 2023-2043 can be expressed as a range between 1,437 and 4,018 dwellings. 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 the evidence indicates it would be appropriate to plan for a minimum of 29% of housing to M4(2) Category 2 or M4(3) Category 3.
- 7.36 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.
- 7.37 It should be noted that the Government have stated in their response to the September 2020 consultation on raising accessibility standards of new homes: *“Raising accessibility standards for new homes: summary of consultation responses and government response”*³³ that their intent is to change the building regulations so that M4(2) is the default minimum standard for new homes. M4(1) will apply by exception only:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

Raising accessibility standards for new homes: summary of consultation responses and government response

- 7.38 The timescale for this proposed change has not yet been released, however the Council may choose to implement a policy to make M4(2) the default minimum standard (i.e. 100% M4(2) with appropriate exceptions, as stated above) to anticipate this change to the regulations. This would ensure that the future need for M4(2) Category 2 housing in Castle Point would be met in full.

³³ Raising accessibility standards for new homes: summary of consultation responses and government response – updated July 2022: <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

Housing for Wheelchair Users

- 7.39 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.
- 7.40 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.”

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

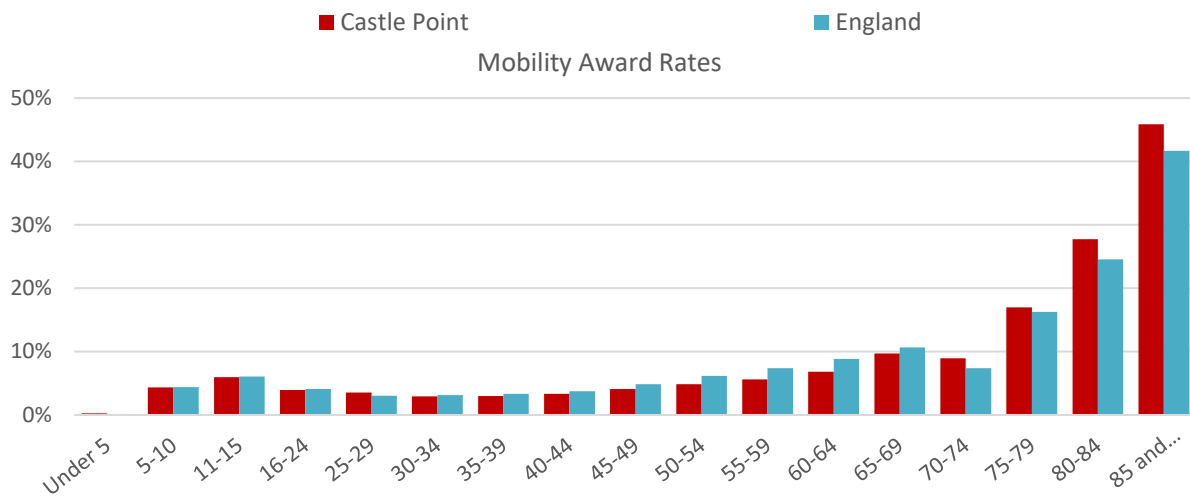
- 7.41 In establishing the need for M4(3) Category 3 housing it is again important to consider the LHN dwelling-led population projections and health demographics of the area, but with specific reference to households with wheelchair users.
- 7.42 The CLG guide to available disability data³⁴ referenced 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%). Figure 56 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative. In the households survey, the figure was 4.1% for Castle Point, so again the secondary data model fits well against the households survey data. The rates are also higher for older households.

Figure 56: Percentage of households with a wheelchair user by type of housing and age of household representative
 (Source: English Housing Survey 2013-14)

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

- 7.43 To gain a better understanding of the local data, Figure 57 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Castle Point against the figures for England.

³⁴ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

Figure 57: Disability benefit claimants in receipt of mobility award by age in Castle Point and England (Source: DWP, May 2023)

7.44 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 58):

Figure 58: Percentage of households with a wheelchair user in Castle Point, by type of housing and age of household representative (Source: EHS, DWP)

CASTLE POINT	Age of Household Representative							
	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%	2.9%	4.0%	6.3%	10.3%
Affordable housing	0.3%	2.0%	2.9%	5.9%	5.9%	10.3%	13.1%	21.7%

7.45 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 2023 to 2043 (Figure 59). Using this approach, we can calculate the number of households likely to need wheelchair adapted housing in Castle Point is likely to increase by 400 over the 20-year period. Note that these are gross figures, and many of the households identified in 2023 are likely to already live in wheelchair adapted housing. The households survey found that 3.4% of households contain a wheelchair user who lives in an adapted home or live in a property which can be adapted). 7% of households do contain a wheelchair user who needs to move because their home cannot be adapted and that is the equivalent of around 250 households.

Figure 59: Households needing wheelchair adapted housing in Castle Point (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.)

CASTLE POINT: Gross Modelled Need for Wheelchair Adapted Housing	2023	2043	Net change 2023-2043	%age of tenure in LHN
Market housing	1,140	1,400	+260	7.4%
Affordable housing	300	440	+140	9.8%
Total	1,440	1,840	+400	8.1%

7.46 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 60.

Figure 60: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

CASTLE POINT: Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2023	2043	Net change 2023-2043	2023	2043	Net change 2023-2043
Market housing	560	590	+40	580	800	+220
Affordable housing	180	230	+50	120	210	+90
Total	740	820	+90	710	1,020	+310

- 7.47 This means that there are likely to be some people who are identified in both categories – Wheelchair adapted housing and specialist older person housing.
- 7.48 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.
- 7.49 On this basis it may be appropriate to adopt a higher target for 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.
- 7.50 The evidence (Figure 59) supports at least 10% of all new affordable housing for rent to be wheelchair adapted, as the Council will be able to allocate affordable rented households with wheelchair needs to appropriate homes. However, the Council may consider a slightly higher target (e.g. 15%, subject to viability), to ensure that a situation does not arise in which a property is not available for a wheelchair user in affordable need.
- 7.51 In market housing, the evidence supports at least 7.4% of all market housing being fully (and simply) adaptable³⁵ to the needs of a wheelchair occupant. However, since the Council cannot allocate market wheelchair homes, it is likely that some of these dwellings may be occupied by households that do not contain a wheelchair user. To avoid there being insufficient market homes that are fully wheelchair adaptable to meet the needs of the wheelchair using population, it is reasonable to plan for a higher proportion of fully wheelchair adaptable homes, (e.g. 10%), subject to viability and similar constraints.

³⁵ See quote following para 7.40

Student Housing

7.52 PPG includes specific reference to identifying the needs of students:

Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area.

Planning Practice Guidance, ID 67-004-20190722

7.53 There is no large higher education body in Castle Point which attracts students from elsewhere, so the impact of student son the housing market is negligible.

Service Families

7.54 Paragraph 62 of the 2023 NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

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

National Planning Policy Framework February 2023, Paragraph 62

7.55 Ministry of Defence (MoD) annual location statistics³⁶ show that there are no military personnel stationed in Castle Point. Unless any significant changes are planned, the needs of service personnel will not impact the identified LHN.

³⁶ <https://www.gov.uk/government/statistics/location-of-uk-regular-service-and-civilian-personnel-annual-statistics-2022>

People Wishing to Build their Own Homes

7.56 Planning Practice Guidance requires that people wishing to build their own homes are considered and states:

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

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

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

Planning Practice Guidance, ID: 67-003-20190722

7.57 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act³⁷ 2015 places a duty on local planning authorities to:

- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

7.58 The 2015 Act was amended by the Housing and Planning Act 2016³⁸ which placed a duty on local planning authorities to provide serviced plots which have planning permission that allows for self-build or custom housebuilding:

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

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

7.59 The 2015 Act does not make a clear distinction between self-build and custom housebuilding, so both are considered together within policy.

³⁷ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

³⁸ <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

February 2021 Policy Update

- 7.60 In February 2021, the Government updated Planning Practice Guidance in the form of “Self-build and custom housebuilding guidance”³⁹. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met. The new guidance defines self-build and custom housebuilding as:

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

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

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

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

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

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

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

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

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

Self-build and Custom Housebuilding Guidance - Paragraph: 016 Reference ID: 57-016-20210208

- 7.61 Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan cannot. However, it does seem to leave a situation where the initial occupier can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.

³⁹ [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/self-build-and-custom-housebuilding)

7.62 Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2022, with 8,100 new entries being recorded in 2021/22. However, the number of households joining the registers varies across the country and household can appear on more than register. However, it is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.

7.63 As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 6,400 plots were given planning permission in 2021/22. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted. The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

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

Self-build and Custom Housebuilding Guidance - Paragraph: 028 Reference ID: 57-028-20210208

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

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

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

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

Self-build and Custom Housebuilding Guidance - Paragraph: 023 Reference ID: 57-023-20210208

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

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

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

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

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

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

Self-build and Custom Housebuilding Guidance - Paragraph: 011 Reference ID: 57-011-20210208

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

April 2021 Self and Custom Build Action Plan

^{7.67} In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.⁴⁰ This focused upon four key areas:

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

Evidence for Castle Point

^{7.68} Castle Point have put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding registers.

^{7.69} Figure 61 shows that as of October 2022, Castle Point has provided no self and custom housebuilding plots to meet the needs identified on the register but has an extremely low number of households on the register. The delivery of plots is calculated from CIL exemptions. For a property to qualify for a CIL exemption, the final occupier must have a significant input into either the design or construction of the property; and must declare that the house will be their sole or main residence for a period of 3 years from completion. Therefore, this is a quite restrictive definition of self and custom housebuilding.

⁴⁰ [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97422/self-and-custom-build-action-plan.pdf)

Figure 61: Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data)

Self-build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016- Oct 2017	Oct 2017- Oct 2018	Oct 2018- Oct 2019	Oct 2019- Oct 2020	Oct 2020- Oct 2021	Oct 2021- Oct 2022
New applicants on the register	0	1	1	6	7	5	0
Total plots permitted	0	0	0	0	0	0	0

Future Need for Self-build and Custom Housebuilding

- 7.70 As highlighted above, taken on the Register alone Castle Point are currently providing insufficient plots to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register. Castle Point has no designated policy to promote serviced plots or a requirement for a proportion of plots on larger sites to be made available which is often now cited by other councils around the country.
- 7.71 As noted earlier, PPG recommends that alternative sources of data beyond the register, such as Need a Plot, can be considered to highlight the need for self and custom housebuilding plots. However, this now reverts back to council registers, so the only recorded information on the demand for self and custom housebuilding is the housing register and the actual up take of plots.
- 7.72 The Castle Point AMR 2021 and 2022 shows a high number of small developments of 1 and 2 properties on infill plots (Appendices 3 -Housing Completions and 4- Extant Housing Consents). This suggests that many self-build and custom build dwellings are built off-register.
- 7.73 Nevertheless, we recommend that more information is gathered on the number of self-build and custom housebuilding dwellings which are provided currently in Castle Point. This information can potentially be gathered as part of the process for gathering information on the 5-year land supply and new build delivery. It would be useful to be clear as to how many of the number of small infill developments are self and custom build properties.
- 7.74 We would note that our experience across the country has been that the self-build and custom housebuilding sector works relatively well for households who are seeking to build bespoke properties on single plot sites and as part of multi-plot sites. There is less evidence that those with lower budgets are having their needs met because the price of plots remains high. This in turn can be taken as a reflection that the market for self and custom housebuilding is supply constrained and that suitable plots attract a premium which is offsetting reductions from CIL exemptions. Within this group there are likely to be some households who are seeking to help design their own house, often from customising the interior of a set exterior. Meanwhile, other households will be seeking affordable homeownership dwellings where they can be heavily involved in the building of their final property. The government's new help to build scheme may help to make self and custom housebuilding more accessible and affordable.
- 7.75 It is for these two groups that Castle Point could seek to work more proactively. There is potential for builders to deliver market homes which can either be customised at the outset, or which could be built as exteriors with the interior to be completed by the final occupant. Both of these approaches can be considered to fit within the definition of custom-built housing; and could both be encouraged with the provision of small and larger sites.

- 7.76 Meanwhile, Castle Point could also seek to work with developers and Registered Providers to assess the potential demand for affordable to own self-build and custom housebuilding. This would be in lieu of providing completed affordable housing; but would allow households to help deliver their own affordable home ownership properties. This element could range from providing serviced plots at cost or partially completed dwellings which are sold to Registered Providers at cost.

Essential Local Workers

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

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

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

NPPF 2023 – Annex 2

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

8. Canvey Island Haredi Community

Considering housing and community development needs

Introduction

- 8.1 This section considers the housing and wider planning needs relating to housing for the Haredi community on Canvey Island.
- 8.2 An in-depth interview was conducted to gather views on the needs of the Canvey Island Haredi community. The interview was carried out with the Chair of Canvey Jewish Trust, Mr Joel Friedman, and Mr Bokor from the Housing Committee of Canvey Island which supports Jewish people who are interested to move to Canvey, whether from London or other places, with housing information and advice and sometimes with physical support to actually do the move.

Background

- 8.3 Haredi Jews are often described as ultra-orthodox, but many prefer the term 'strict orthodox' or simply Haredi.
- 8.4 They tend to live in close communities because of the need for infrastructure to enable a strict religious way of life, which is similar for many strict religious groups of any religion. Some religious and practical aspects of their lifestyle lead to living in close proximity, notably walking to the synagogue on the Sabbath.
- 8.5 There are three main Haredi communities in the UK; Gateshead, Manchester and London. All large enough to support the orthodox way of life. The Canvey Island community is considerably smaller but growing. Most, but not all, come from London.
- 8.6 Many aspects of Haredi life are governed by religion, others are traditional and cultural. These will be distinguished in this report. Both are important.
- 8.7 The Haredi community are keen to work with the Council to plan and develop services alongside the practical planning and delivery aspects, this is very important for community relations with the wider community.

History and expansion of the Canvey Island Haredi community

- 8.8 Most of the families who have moved to Canvey previously lived in London areas with a large Jewish community, which include Haredi and other Jewish people, particularly in Barnet, and in Hackney and Harringay, which is referred to as "Stamford Hill" in this report. The Stamford Hill community of Haredi and other Jewish people is around 7,500 families and about 40,000 people.

Most of us from Canvey come from Stamford Hill

- 8.9 The move to Canvey Island is a planned migration driven by a combination of factors. The Haredi community tend to have large families; 6 or more children is not unusual. This is primarily for traditional/cultural reasons, rather than religious reasons. Property prices in London make housing unaffordable for many households from all communities. The cost of housing and the size of affordable properties in Stamford Hill and elsewhere make it difficult to house a large family with any quality of life and can lead to overcrowding.

Some people move from tiny flats, but I moved from a relatively small South Tottenham home which was 2 or 2.5 bedrooms, which was not designed to have 6 or 7 people living in it

- 8.10 There are also religious and cultural reasons why it is preferable, even essential for Haredi Jews, as with strictly religious groups of any faith or denomination, to move as a community and to retain connections to their larger community. Some details are covered below. In terms of the choice to move to Canvey, the important point is that families need to access some of the established infrastructure in the Stamford Hill community such as Kosher shops, and also to be able to attend family and other gatherings.

A large family means lots of occasions, whether it's birthdays or Bar Mitzvah, or marriages or sad occasions as well. An hours' drive was the maximum we wanted to look at for people who still wanted to keep that connection. People were looking not just at cost. There's always the option of moving to Manchester, even Gateshead for some people, but it's not an options for everybody.

- 8.11 In contrast to the London property market, Canvey Island has a relatively healthy supply of homes coming to market. One reason for that is the ageing population in Canvey. Homes are cheaper than some areas around the Island and the supply of homes coming on to the market includes larger than average homes; 4 or 5 bedrooms.

When we look at large-family-sized population, that translates to a need, a requirement for larger than average home size. And it's not a luxury, it's a basic human need. Space becomes a necessity and people who have moved here say that the quality of life for them and their children drastically changes.

- 8.12 The Canvey community was established in 2016 and has grown to around 110 families:

The Jewish community on Canvey was established in 2016 with 6 families, and I was lucky enough to be one of them, so I'm here a relatively long time. We are now around 110 families.

- 8.13 The increase in the Jewish population on Canvey Island can be demonstrated by the Census 2011 and 2021:

- » The Census 2011 recorded 183 people in Castle Point who identified as Jewish, and 59 on Canvey Island.
- » The 2021 Census recorded 663 people in Castle point who identified as Jewish, and 485 on Canvey Island, of which 309 were in Winter Gardens.

- 8.14 The number of people on Canvey Island identifying as Jewish was over 8 times larger in 2021 than in 2011: 485 compared to 59; an increase of 426 people⁴¹. The Census figures only identify all Jewish people and do not separately identify Haredi. Nevertheless, when combined with the evidence from the community it is clear that a majority of the increase will be Haredi Jews.

⁴¹ It is possible to build a table of results from the Census 2021 to show the number of children by religion by area, but at this stage of the results release timetable, those results could be misleading.

- 8.15 Evidence from analysis of previous Census suggests that the religion question identifies around 90% of people of Jewish faith⁴². If this holds for the 2021 Census on Canvey Island, then it would mean around 540 Jewish people lived on the Island in 2021.
- 8.16 The initial moves to the Island were summarised in an article in Housing Today in 2018⁴³.
- 8.17 The Haredi community expected to increase on Canvey because of the same push factors that brought the existing 110 families to the Island, notably house prices, and to develop a viable independent or largely independent community; more details on what is needed for a viable community are given below. While a decision to move is entirely a personal one, the existing community are planning for development such as by the Canvey Jewish Trust. The Housing Committee of Canvey Island provides advice and support for families wishing to move to the Island.
- 8.18 Attracting families and developing community infrastructure needs to be done in such a way as to avoiding concentration of the Haredi community in one area. There are two main reasons for this. Firstly, concentrating the community in a relatively small area is likely to increase house prices in that area through normal supply and demand. Secondly, concern over maintaining good relations with the wider community; this is at the forefront of the Haredi community concerns and one reason why it is important for them to work in partnership with Castle Point Borough Council on community development.

Characteristics of a Haredi home

- 8.19 There are two main characteristics of Haredi family life that lead to the need for larger homes; family size and religious adherence. The relevance for planning for housing needs is the larger footprint and build standards required.
- 8.20 As noted above, typically a Haredi family will be large, often with 6 or more children. This is a predominantly cultural and traditional and leads to a need for more living space as well as more bedrooms; above the norm for even a large house from a council, RSL, or private developer.

I think the average household size in Stamford Hill is 6.5. [including parents and children]. It is very normal to have 6, 7, 8, even 10 children. Anything above 4 is considered a very large family in council terms, whereas in our community a family of 6 is considered a small family. It's primarily cultural, not so much religious. Haredi communities around the world have that single defining factor of that family size.

- 8.21 While there are strict rules separating the sexes in the community, overcrowding in the home is a family matter governed by the general rules; genders are separate young, with a preference for individual bedrooms for older children and teenagers:

Within the family setting it's for every parent to make those decisions as it is outside the Jewish community. Thinking back on my upbringing, around the age of 10 or 12 you would prefer to have your own bedroom. Sometimes that doesn't happen. That is broadly similar to what, I think, the housing benefits guidelines and allowances are for bedrooms. I think separate sexes changes at the age of 11 and then same sex changes at the age of 16 - you get your own bedroom.

⁴² [Why you must tick 'Jewish' on the census - The Jewish Chronicle \(thejc.com\)](#)

⁴³ [Inside Housing - Insight - The community that moved to Canvey Island](#)

- 8.22 Other design features are required to live in accordance with religious adherence and to meet cultural and traditional norms. These tend to increase the need for a large dwelling and, in particular a need for additional plumbing to the home, notably separate preparation and sinks for milky and meaty foods, storage of additional kitchen equipment for preparing the two types of food, a library for religious books. Ideally this stretches to separate stoves and even separate kitchens, though it is recognised that these are not options for everyone. The library may be a large cupboard rather than a separate room, but it is common for the library to take up substantial space. Wash basins should be outside of bathrooms, though it is permissible to have an additional wash basin in the bathroom:

there are certain cultural or religious requirements for houses. Some examples would be separate kitchens, or at least separate sinks to keep a kosher kitchen. But more than that, milky and meaty stuff need to be separated and that means separate utensils, separate pots and pans, separate gas stoves, though not everybody has the luxury of space for that. But separate sinks is a defining feature. Again that has space implications. Every strictly Orthodox home has a mini library inside because the religious books we use and it comes into space to think about that.

- 8.23 There are two particular facilities related to festivals. The first is the requirement for Passover kitchens, which involves thorough cleaning of the normal kitchen to Kosher it, or ideally a separate small kitchen for Passover:

Passover is an 8 day holiday in which we can't use our usual kitchens. We have to have a separate Passover kitchen which is very small, or people have to go through the process of Koshering their kitchen, which is a big, messy job. It's considered a luxury to have a Passover kitchen, but it is slightly preferable, especially for a bustling Haredi home. Passover has to be extremely clean and any ingredients which are used throughout the year are not used for Passover.

- 8.24 The second relevant festival that effects the requirement for space is Sukkot⁴⁴

Another festival is Sukkot, which is a 7 or 8 day festival where we sit in huts. Some people sleep in those huts. It doesn't have to be a hut in the normal sense – it is a leaf covered roof under the sky. It is outdoors. Some people have a conservatory with a roof that can be opened when it's not raining and it's covered inside with certain leaves. Again that has spatial needs.

- 8.25 There is one aspect of Haredi life which lowers the need for space. Traditionally and culturally, most Haredi women do not drive, and many men do not drive. Consequently, there is a lower number of cars in the Haredi community and a lower need for car spaces. Where garages are provided, these are often converted in to living space.

⁴⁴ Sukkot commemorates God's sheltering of the Jews as they travelled from Egypt to the promised land

Indication of the level of future housing needs

- 8.26 It is possible to build a simple model to give an estimate of the likely size of the Haredi population on Canvey Island to 2043. It should be noted that there are a number of uncertainties which cannot be modelled, such as personal choice to move. Therefore, **the results presented here should be taken as indicative rather than precise**. The natural growth element of the estimate is probably the more robust of the two parts because of the uncertainties surrounding individual families moving to the Island.
- 8.27 Natural growth will be considered first, followed by likely in-migration, with the two brought together at the end.

Natural growth

- 8.28 The current population is around 110 families and thought to be about 600 people. The Census figures are lower than this and provide the best base of recorded individuals.
- 8.29 The interviewees reported that the Haredi population growth rate in Stamford Hill is 4.0% to 4.5% a year. This is high but realistic based on the large family sizes.
- 8.30 For the sake of this modelling, we will assume that the 59 Jewish people identified by the 2011 Census are not Haredi Jews. That would leave 426 Haredi Jews identified in the 2021 Census. Assuming that the 2021 Census identified 90% of Jewish people, then there could have been around 473 Haredim living on Canvey in 2021.
- 8.31 We can apply the 4% population growth rate to these Census based counts to give a higher and lower estimation of the population in 2023 and onwards to 2043 based purely on natural growth. This gives the following range:
- » 2023: between 460 and 510 individuals through natural growth at 4%
 - » 2043: between 1,000 and 1,120 individuals through natural growth at 4%
- 8.32 It is traditional for couples to live where the wife was brought up, though not all do. If all newly formed couples stayed on Canvey Island where the wife was raised, then the number of new households would be half the increase in population. This calculation only depends on the number of females; whether the husband moves into the area or marries within the area is irrelevant.
- 8.33 The number of additional families in 2043 could be between:
- » $(1,000-426)/2 = 574/2 = \mathbf{287 \text{ families}}$
 - » $(1,120-473)/2 = 647/2 = \mathbf{323 \text{ families}}$
- 8.34 In reality, not all couples will live where the wife was raised.

Migration

- 8.35 The level of in-migration to 2043 is particularly difficult to assess because of the number of factors involved and uncertainty in those factors. For example, it depends on individual families continuing to see Canvey Island as a desirable option, which itself depends on how the community develops. To avoid spurious precision the in-migration will be considered separately to the natural growth rather than modelling the two together.

- 8.36 Migration is mostly likely to be in-migration, unless the community fails, which is itself unlikely. It is difficult to predict the number of in-migrants, but interviewees reported that the ideal would be to increase the size of community at an expected rate of roughly 20 families a year moving in. The number of around 20 families a year is favoured because the community wishes to grow, but also wishes to maintain good relations with the wider community; too rapid a growth could cause friction.
- 8.37 Most of the in-migrants are likely to be younger families aged around 25 to 35. The existing community includes a small number of older people who have downsized, and it can be expected that more older people, will move in, but the majority will be younger families.
- 8.38 If 20 families a year moved to Canvey for each of the 20 years from 2023 to 2043, there could be as many as 400 homes needed over the plan period; some will be bought from existing stock, others may need to be additional new homes. However, the annual number of in-migrant families could be fewer than 20, or the annual number of in-migrants could decrease over time. Noting that population growth is reliant on the amount of housing available, including existing and newly developed dwellings, and as the in-migration will be incremental, then it would be wise to consider provision for in-migrant Haredi families incrementally; perhaps in 5-year blocks.
- 8.39 It is important to note that the population growth in the Haredi community is counted in the overall population growth and overall assessed housing need for Castle Point.

Conclusions – planning for growth

- 8.40 The modelled estimates in this section are subject to a number of uncertainties and should be taken as indicative rather than precise.
- 8.41 Natural growth could lead to a need for around 250 to 325 new homes for Haredi families across various tenures by 2043.
- 8.42 In-migration could lead to a need for a significant number of homes, either purchased from existing stock or from new developments by 2043; in the low hundreds up to around 400 families is possible.
- 8.43 Given the uncertainties, and that the Haredi population and housing need growth are included in the total population growth and housing need for Castle Point, it would be practical to take an incremental approach to planning for growth in the Haredi community, perhaps in 5-year blocks.

Developing a community

8.44 The number and position of the homes required will depend on how the community develops. The key factor in this is the position of synagogues. As is well known, there are strict restrictions on what activities are possible on the Sabbath, with one effectively prohibiting the use of transport; it is only permitted to walk. At the same time, Haredim are required to pray at the synagogue three times on the Sabbath. This presents practical problems for older people and for people with a large number of children, which means that Haredi households prefer to live relatively close to a synagogue. The interviewees suggested that about 20 minutes walk each way is a ballpark limit to the practical distance to attend three times.

[There are] religious prohibitions on our life in general, but on the Sabbath and that has implications when it comes to housing. One of the very obvious and well known ones is the use of electric equipment including transport, including something non-electric, something like a bicycle. Which means in a sense that we can only walk on a Sabbath, which means if you have to go to the Synagogue three times a day as we do, especially if you have young children dragging along with you, especially if you're elderly or disabled in any way it could become a challenge if it's quite far

8.45 Synagogues are central to the community as a community hub, with many different activities taking place there aside from the religious purpose. They can be different sizes, some very large as might be expected, but others very small. In Stamford Hill there are synagogues spread throughout the community. The implications of this are that, if the community is not going to be concentrated in one area, then synagogues will be required elsewhere on Canvey Island; homes and synagogues will go together.

8.46 Schools are very like schools in the wider community apart from them being single sex schools, possibly with some distance between the buildings. If schools are not planned for, then there is a risk of unplanned schools appearing in houses, potentially outside of Ofsted jurisdiction, as happened in Stamford Hill.

8.47 Kosher shops will appear if the community is large enough to support them.

8.48 There is one Haredi community centre on the Island. This is probably sufficient for the moment.

8.49 The main health needs in the local area are for maternity services because of the large number of births in the community. We understand, but have not confirmed, that maternity services from Southend University Hospital are considering ways to provide services in a community setting.

It's something that I know the maternity team have been looking to address, having local surgeries and things like that.

8.50 There is a specific facility that is beneficial to the Haredi community; a mother and baby unit. This is a facility where the mother stays with her new baby for a week or fortnight immediately after the birth and where health and other needs are catered for.

Mothers are there with their children all the time after birth for a week or two. I would say 90% of people would utilise that, even in Canvey Island; people would travel there. Because of the high birth rate and the hustle and bustle at home [mothers] wouldn't necessarily be in a state to go home straight after the birth. The mothers would be with the baby, they would be fully cared for, fully pampered. It's a high level of care but it can't be under the CQC. They have meals, courses, training, doctors from Stamford Hill hospital come in, the Homerton Nurses come on a regular basis. It's a well-established and a fantastic place.

- 8.51 Clearly, the practicality of providing a mother and baby home depends on the growth of the community.
- 8.52 Again, it is worth stressing the Haredi community commitment to sensitive, planned development in conjunction with the Council simply for good planning and also for wider community cohesion.

Work and transport

- 8.53 Haredim work in a wide range of sectors. Three popular areas of work illustrate the range; the property sector, particularly maintenance and management, education, particularly women, and retail, including retail specific to the Jewish community.

In London there are a lot of traditional, old stores which can't be overtaken by the supermarkets because the clients they are serving need their unique and specific services. For example, clothes, whether it's for children or adults, men and women.

- 8.54 In terms of travel for work, some work at home or from offices in Canvey Island, others commute to London

There is a high proportion of people who go into London every day to work. Mainly men, but also women who go into London. And indeed there are people who come here from London. So there is work flow.

- 8.55 Because of the lower use of cars, public transport is particularly important. For those commuting to London or heading further east, Benfleet Station is important. At the same time the station is not convenient.

A lot of people go to Benfleet Station, which is the nearest station to Canvey; there's no station in Canvey. Getting to the station by car or bus in rush hour isn't easy either. People walk, which is 20 or 30 minutes walk, or use a bike. Parking a car by the station is very restricted.

- 8.56 Public transport can also be problematic for health appointments, specifically for Southend Hospital.

For my wife to go to Southend Hospital, which is where we are under, it's a big struggle. The maternity services were looking at bringing certain services to Canvey because if you're looking at a household of six kids and have to go to Southend hospital on a weekly basis because you're pregnant it's quite a big challenge. It's an hours journey every way. Travel for work – importance of the station, but problems getting to the station.

Conclusion

- 8.57 There is likely to be substantial growth in the Haredi community to 2043; in the low hundreds of families looking for existing and new build properties of all tenures. It would be reasonable for the Council to plan for at least 250 families and probably more.
- 8.58 There is a need to plan for infrastructure, particularly for synagogues and schools, to manage the development of the community.
- 8.59 The health needs specific to the growing Haredi community are mainly around maternity care; provision of some services, such as maternity, and possible provision of mother and baby unit.
- 8.60 Given the likely growth of the Haredi community and the development of infrastructure related to that community, it could be beneficial to include community development on Canvey Island in the Local Plan.

Appendix A: Reviewing the Standard Method

Establishing the context

1. The Government currently has policy objectives to deliver a million homes in England over this Parliament and to increase housing delivery in England to 300,000 homes annually on average by the mid-2020s.
2. Under the 2012 National Planning Policy Framework (NPPF), the latest official household projections provided the “starting point” for assessing housing need. This often led to lengthy debate at local plan examinations and also at planning appeals for individual sites in areas without “up-to-date” plans (i.e. those adopted within the last 5 years); and such debates were not constrained to “problem” areas where there were underlying concerns about the official figures, but routinely covered issues such as the most appropriate period to use for migration trends within the projections.
3. As a consequence, the Government introduced a “Standard Method” formula for calculating Local Housing Need (LHN) as part of the NPPF revisions in 2018 and 2019, using a prescriptive approach with area-based inputs from the CLG 2014-based household projections, the most recent ONS median workplace-based affordability ratios and the current status of relevant strategic policies for housing.
4. The first step of the Standard Method calculation uses the household projections to set a baseline, using average annual household growth over a 10-year period with the current year used as the starting point. The second step applies an adjustment based on local affordability. The third step (which caps the level of any increase) and the fourth step (the cities and urban centres uplift) do not currently apply in Castle Point.
5. The Standard Method calculation for Castle Point is set out below for the 10-year period 2023-33 in Figure 62.

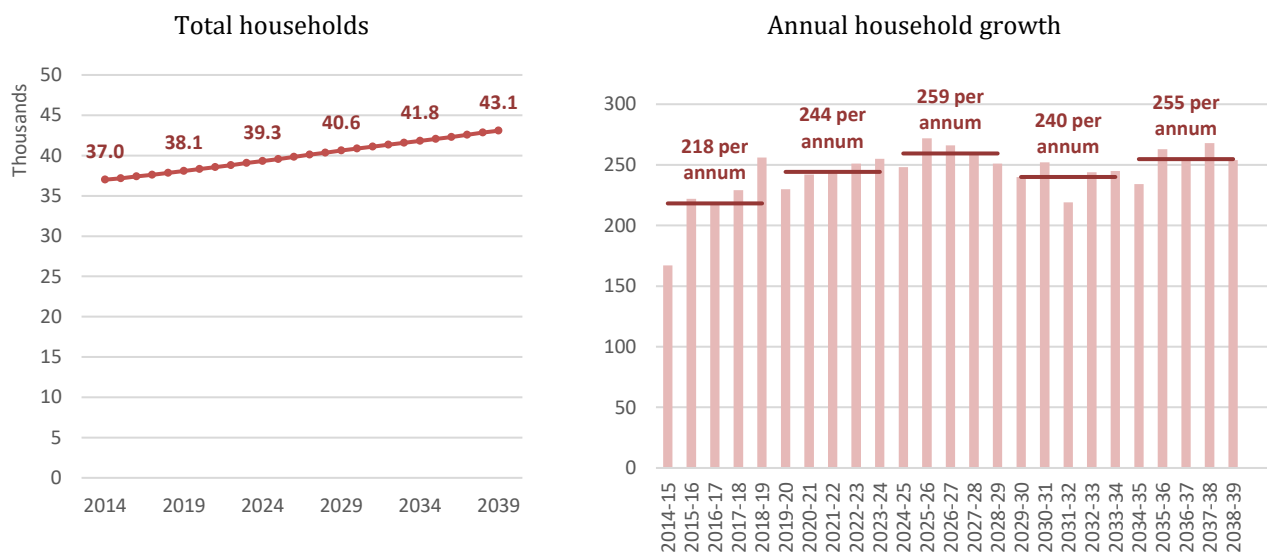
Figure 62: Annual Local Housing Need for 2023-33 (capped) based on the “Standard Method” calculation (Source: 2014-based Household Projections, CLG; Ratio of median house price to workplace-based earnings, ONS)

Step	Calculation	Castle Point
Step 1: Setting the baseline using the 2014-based household projections	Total households in 2023	39,062
	Total households in 2033	41,569
	Household growth 2023-to 2033	2,507
	Average annual household growth	251
Step 2: An adjustment to take account of affordability	ONS median workplace-based affordability ratio for 2022	12.22
	Adjustment factor	1.4
	Minimum annual local housing need figure	351

2014-based Projections for Castle Point

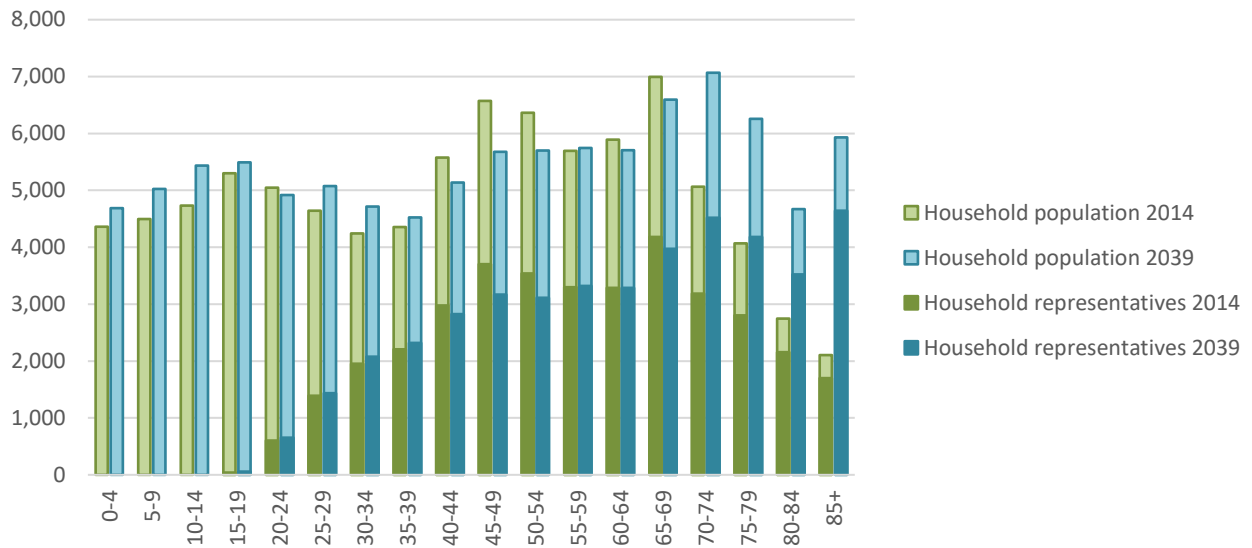
6. The standard method for Local Housing Need is based upon the 2014 based CLG household projections, which in turn built on the 2014 based ONS population projections. These have now been superseded by the 2016 based and 2018 based ONS household projections. The projections for what would happen after 2014 have also been superseded by midyear population estimates for every subsequent year. It is therefore possible to evaluate how well the 2014 based population and household projections have tracked the real growth in population and households in Castle Point. In the section below we consider the projections and how they compare with observed data to assess if the standard method is consistent with the observed data for Castle Point; or whether a higher or lower figure be considered.
7. It is important to stress that when we consider the need for affordable and other housing needs, the ORS Housing Mix model uses the most up to date data. We use the 2014 based population and household projections for the standard method for Local Housing Need and then when the overall housing need is determined, we then use the most recent data to analyse the mix of homes needed.
8. Figure 63 shows how household growth was projected to occur in Castle Point and also age distribution of the population and household representatives. The 2014-based household projections identified that there were 37.0 thousand households resident in Castle Point in 2014 and projected that this would increase to 43.1 thousand over the 25-year period to 2039 (Figure 63). This was based on average growth of 218 households annually from 2014-19 and 244 households each year from 2019-24, which was then projected to vary slightly over time until the end of the period.

Figure 63: Total projected households and annual household growth, Castle Point 2014 to 2039 (Source: 2014-based Household Projections, CLG)



9. The household projections use population projections to establish the household population (those people who live in households) and the household population is used to calculate the number of households, based on the number of household reference persons. The projections show that many of the additional household representatives will be in older age groups (Figure 64).

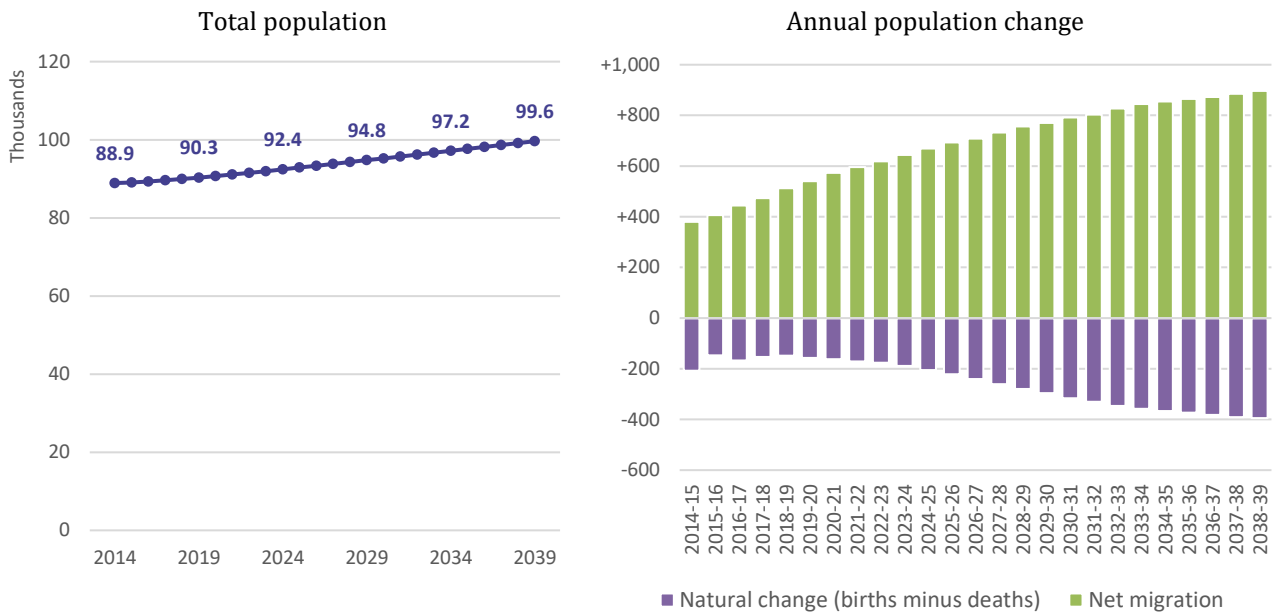
Figure 64: Projected household population and household representatives by age, Castle Point 2014 and 2039 (Source: 2014-based Household Projections, CLG)



Population growth

10. The 2014-based sub-national population projections that informed the household projections identified 88.9 thousand persons resident in Castle Point in 2014 and projected that this would increase to 99.6 thousand over the 25-year period to 2039 (Figure 65).
11. The annual population growth comprised both natural growth and net inward migration.
 - » Natural growth (the number of births less the number of deaths) was projected to yield a net loss of 208 persons in 2014-15 falling to a net loss of 149 persons in 2018-19, with losses then increasing to 394 persons by 2038-39.
 - » Net migration showed gains of 380 persons in 2014-15 which was then projected to grow each year with the figure for 2039/39 being 897 persons.

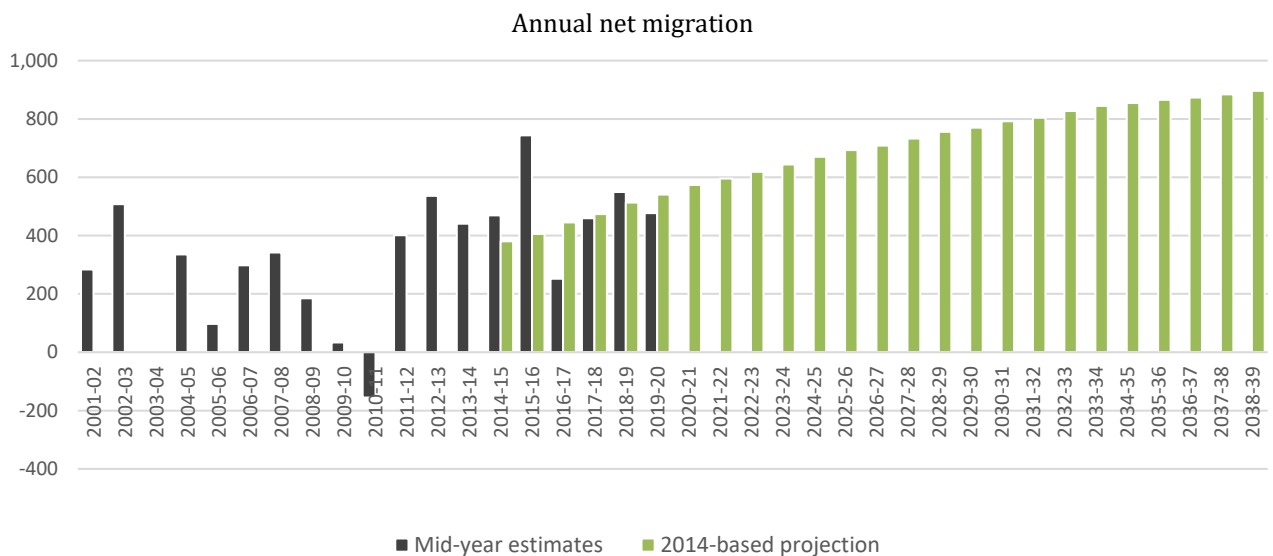
Figure 65: Total projected population and components of annual population growth, Castle Point 2014 to 2039
 (Source: 2014-based Sub-National Population Projections, ONS)



Migration trends

12. Net migration also has a significant influence on the household total and the number of new homes needed, but whilst there are official records of births and deaths, it is far more difficult to accurately estimate migration trends and establish reliable future projections.
13. Figure 66 shows the projected migration for Castle Point and also the ONS estimates for migration between 2014 and 2020. Migration was similar overall between 2014 and 2020 than projected by the 2014 based household projections.

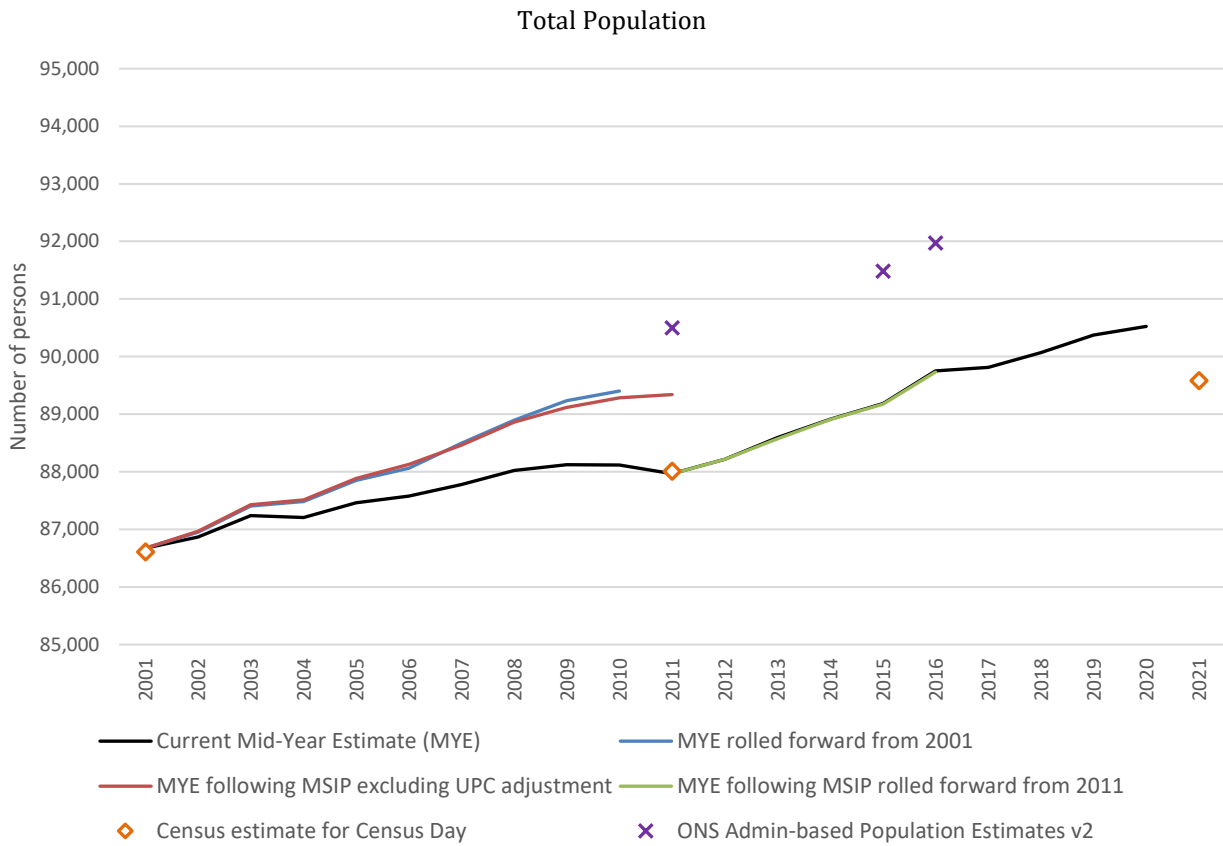
Figure 66: Recorded and projected net migration by year, Castle Point 2001-02 to 2038-39
 (Source: Mid-year Population Estimates, ONS; 2014-based Sub-National Population Projections, ONS)



Total Population

14. The 2014-based projection was based on migration trends covering the period 2009-2014 for domestic and 2008-2014 for international flows, which is problematic for two reasons:
 - » The 2014-based SNPP was published before the ONS had reissued the population estimates for Mid-2012 to Mid-2016, so the projection relies on the original population estimates for 2011-2014 that are derived from an old methodology with data that has since been improved
 - » The 2014-based SNPP made no allowance for the Unattributable Population Change (UPC) adjustment included within the population estimates for 2008-2011, despite this being needed to correct for errors in the component of change data in many areas
15. The UPC adjustment was introduced by the ONS for the periods 2001-02 to 2010-11 to ensure that the mid-year population estimates reconcile with the population estimates for the two Census years.
16. The mid-year population estimates identified an increase of 2,667 persons resident in between mid-2001 and mid-2011. Nevertheless, the population did not actually increase by 2,667 people; in fact, the Census confirmed an increase of only 1,403 persons over the decade – a difference of 1,196 persons.
17. As the Census provides the more reliable estimates, a downward UPC revision was deemed necessary. The following chart sets out the various population estimates that the ONS has published for Castle Point since 2001. These include:
 - » The current Mid-Year Estimates (MYE) for each year (the black line on the chart)
 - » Previous MYE figures that have since been superseded, including:
 - » Mid-2002 to Mid-2010 estimates based on a legacy methodology, with components of population change applied to data rolled-forward from the previous year and the 2001 Census providing the original baseline (the blue line on the chart)
 - » Mid-2012 to Mid-2016 estimates based on the MSIP methodology, with components of population change applied to data rolled-forward from the previous year and the 2011 Census providing the original baseline (the grey line on the chart)
 - » The current MYE figures for Mid-2002 to Mid-2011 excluding the adjustment for Unattributable Population Change (UPC) (the red line on the chart)
 - » Estimates from the 2001, 2011 and 2021 Census (the orange diamonds on the chart)
 - » Estimates from the ONS Admin-based Population Estimates (ABPE) v2 (which are research outputs and not National Statistics) (the purple crosses on the chart)
18. Based on the Census figures, it is apparent that the mid-year estimates overstated the actual level of population growth in Castle Point from 2001 to 2011. Given that there are accurate records of births and deaths, any error in the mid-year estimates would inevitably be associated with the estimates for migration.
19. The data for Castle Point showed a much more rapid rise in the mid-year population since 2011, however, this again was not borne out by the Census in 2021 which shows a population around 1,000 persons lower than the MYE data. While this has been tracked by the admin-based data sources, it has always been the case that the mid-year population estimate has always been below the admin-based estimate.

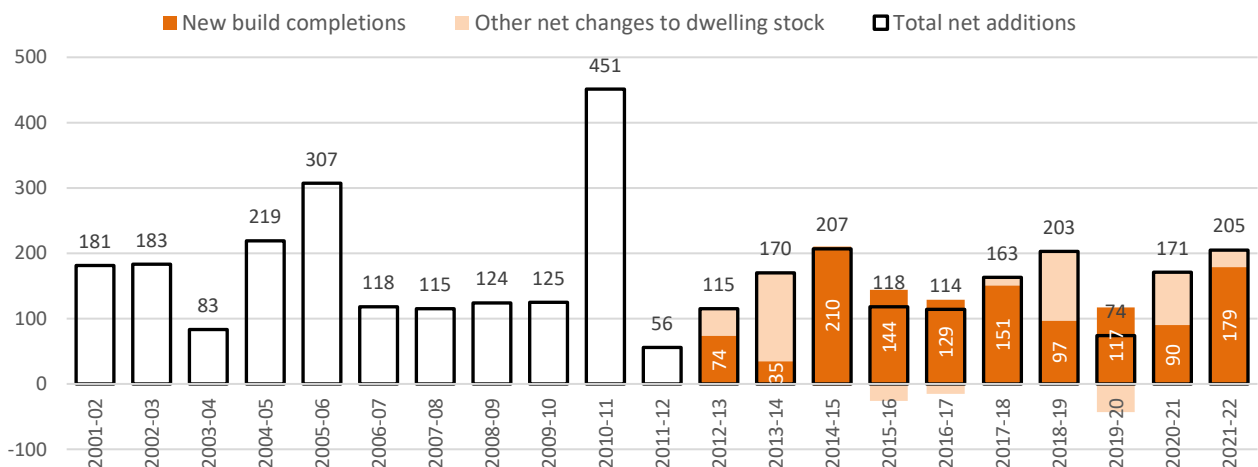
Figure 67: Estimates of Total Population, Castle Point 2001 to 2019 (Source: Mid-year population estimates, ONS; Census of population, ONS; Admin-based population estimates, ONS)



Housing supply, house prices and affordability

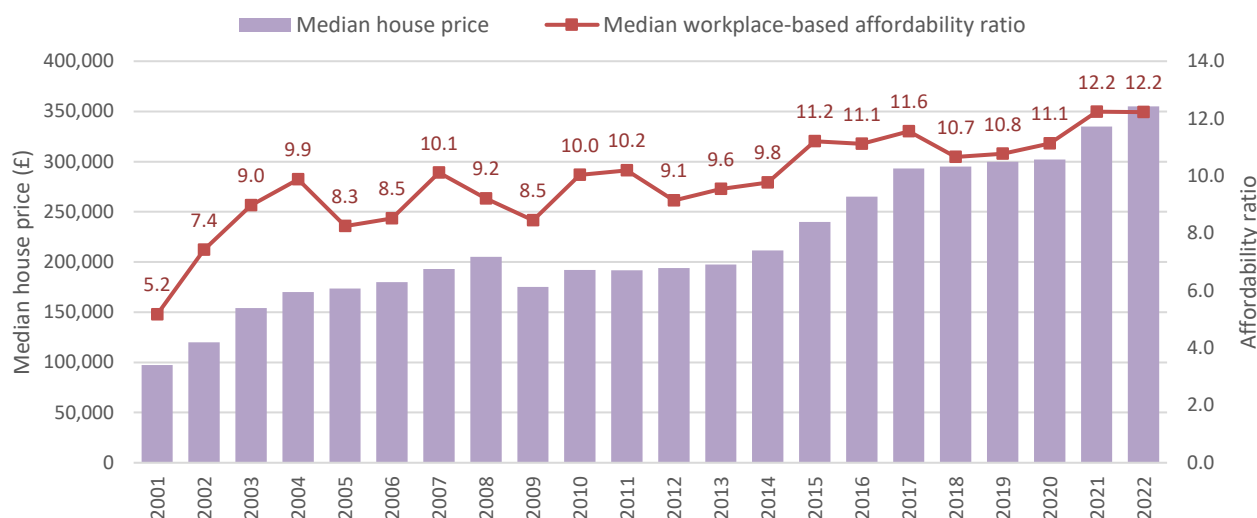
20. Figure 68 shows net additions to the dwelling stock each year. There was one exceptional year in 2010-2011, but in general completions have sat between 100 and 200 per annum for the past 15 years.

Figure 68: Components of net housing supply, Castle Point 2001-02 to 2019-20 (Source: Live Table 122 and 123, Department for Levelling Up, Housing and Communities)



21. Despite the relatively low growth in housing supply, the ratio of median house price to median gross annual workplace-based earnings has stabilised in Castle Point in recent years. This ratio is used to determine the adjustment to take account of affordability at step 2 of the Standard Method calculation.

Figure 69: Median house price and ratio of median house price to median gross annual workplace-based earnings, Castle Point 2001 to 2022 (Source: Ratio of median house price to workplace-based earnings, ONS)



Conclusions

22. As noted in Chapter 2, the 2021 NPPF 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”. The evidence set out in this Appendix indicates that in Castle Point, UPC was significant for the period 2001-2011, and that the ONS data has consistently over-estimated the population growth rate for the area. **This over-estimate appears to have been driven by an over-estimate for net migration to Castle Point. While the over-estimate runs to around 120 persons per annum and this may appear to be a small number, this still amounts to 50-60 households per annum who then appear in the 2014 based household projections. With the affordability uplift is then applied this represents a considerable component of the overall Local Housing Need for Castle Point and therefore requires consideration of an alternative approach.**

Appendix B: Jobs and Workers

Alignment of Future Jobs Growth with Resident Workers

Considering the basis for Adjusting the Local Housing Need

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

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

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

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

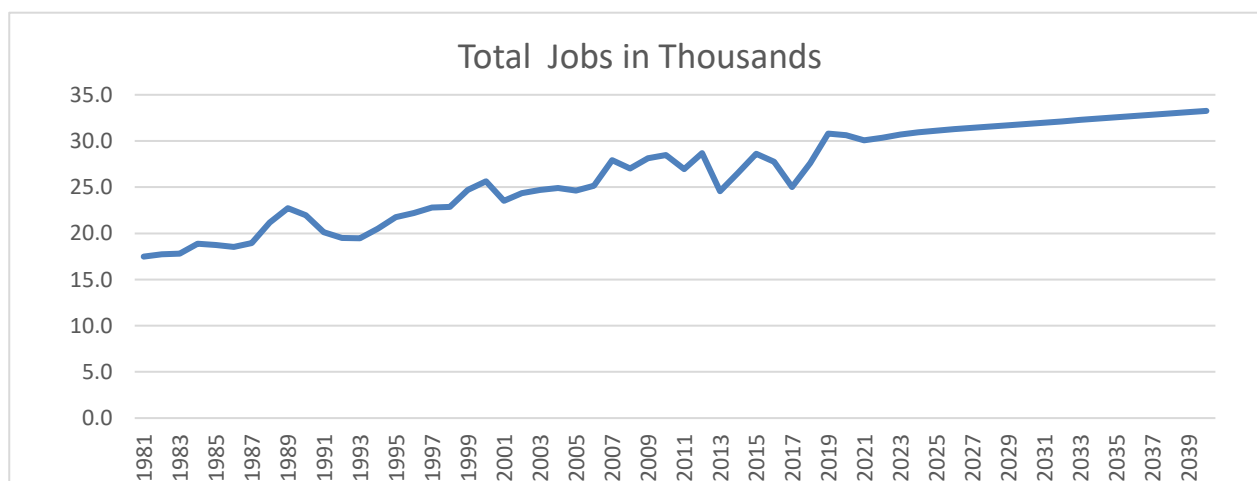
- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority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

Planning Practice Guidance, ID 2a-010-20190220

24. The PPG is clear that only in exceptional circumstances should an alternative to the standard method that results in a lower figure be used [ID 2a-015-20190220]. Preparing plans that have the flexibility within the land supply to deliver a greater number of new homes than the current LHN will help to ensure that fluctuations in the LHN in future years are more likely to be accommodated without changes being needed, given that the housing requirement is only fixed for 2 years from the point at which plans are submitted.

25. Also when considering the factors that could justify an uplift to the LHN, one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends. This section therefore looks at whether a housing number that is higher than the LHN may need to be considered, and what alternative figure may be justified for the next steps of plan preparation. Ultimately, it will be for Castle Point to determine the extent of any increase when establishing their housing requirements. This will involve evidence-based judgements over a range of different factors.
26. The starting point for understanding the balance between jobs and workers is to assess how many additional economically active persons will be supported by the standard method figures for each local authority. We have modelled future economic activity rates based upon localising the rates used nationally by the Office for Budget Responsibility. These take account of the projected growth in older persons in the labour market as pension ages change and also growing rates of women in the labour market.
27. Across the whole of Castle Point, the ORS model using the population projections underwriting the housing needs projects a total of 3,877 additional economically active persons between 2023-2043. The figure of 3,877 additional economically active persons between 2023-2043 does not represent the number of additional jobs which can be supported for a variety of reasons such as:
- » Some workers will hold more than one job;
 - » Unemployment rates may change; and
 - » Commuting patterns may change.
28. To assess if the number of workers will support the number of jobs in Castle Point will also require a forecast for jobs. The Council provide ORS with a forecast Provided by Cambridge Econometrics up to the period 2040, not 2043. However, the growth projected over the 20-year period 2020-40 is 2,700 jobs, well below the projected growth in the labour force, so the model is not projecting a shortfall of workers.
29. It is also noteworthy that the Cambridge Econometrics data showed a growth in number of workers in Castle of nearly 6,000 between 2017 and 2020, but this figure is well out of line with historic trends. It should be remembered that jobs estimates for any one year are an estimate based upon a sample survey and the estimate will vary over time not because of real changes, but because the impact of sample surveys giving slightly different outputs over time.

Figure 70: Historic and Projected Jobs Growth in Castle Point 1981-2040 (Source: Cambridge Econometrics)



Appendix C: Household Survey

Background

1. A telephone survey of 501 residents was conducted within Castle Point. Interviews took place in June and July 2023.
2. A copy of the telephone survey is in Appendix D.
3. The survey included sections about the following topics:
 - » Your Home
 - » Moving Home
 - » Separate Homes for New Households
 - » Home Adaptations
4. This section will summarise the findings from the survey. (Please note that figures may not always sum to 100% due to rounding).

Representativeness

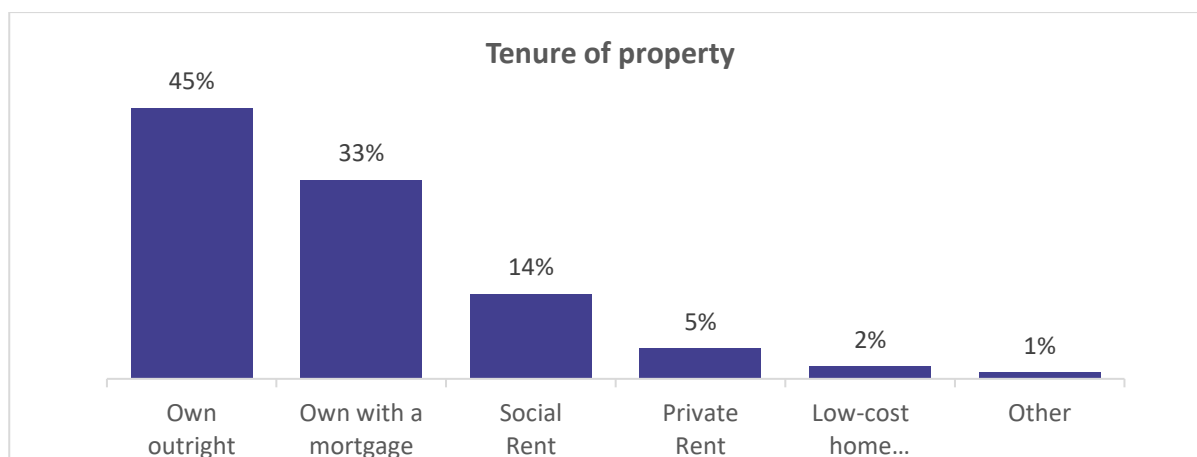
5. To ensure that the survey fairly reflects the people in the local area quotas were set on tenure. The final sample was checked against the known profile of properties and population data and then weighted. The results presented here are therefore broadly representative of households in Castle Point.
6. As the data is weighted, and therefore representative of Castle Point residents, the chapter refers to 'residents' as opposed to 'respondents'.

Profile of Housing Type and Tenure

7. Most people (78%) are owner occupiers with 45% owning their home outright and the rest owning with a mortgage. Renting from a Housing Association/social landlord/council accounts for 14% of the residents whilst private renting is at 5%

Figure 71: Tenure of property

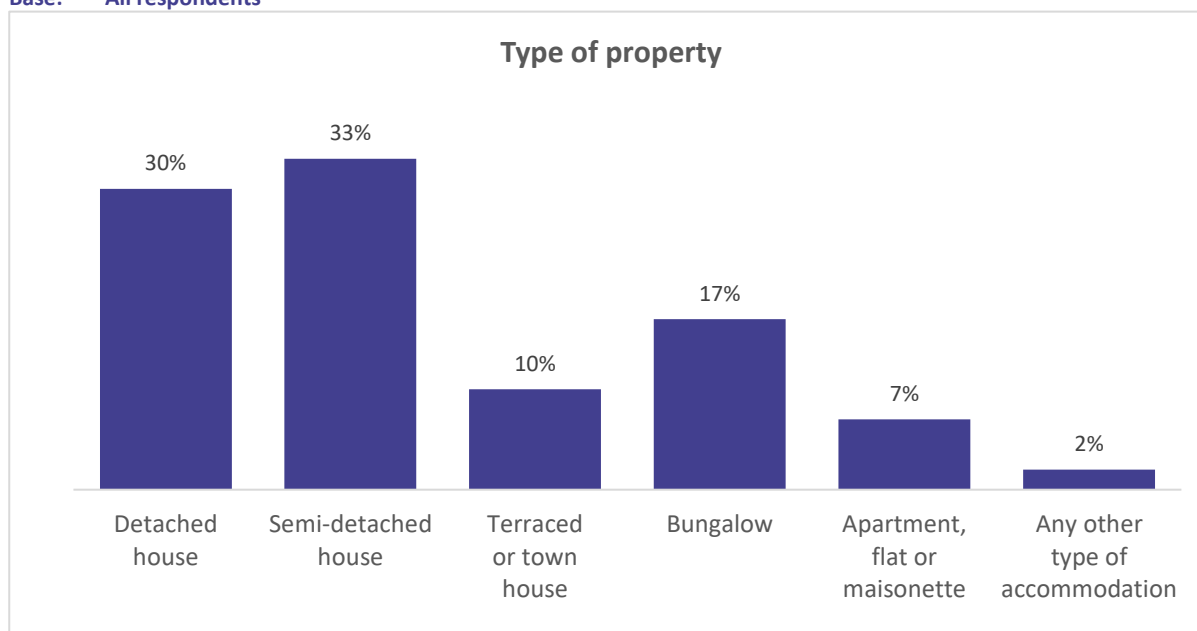
Base: All Respondents



8. The vast majority of Castle Point residents live in semi-detached (33%) or detached houses (30%). Under a fifth (17%) live in a bungalow and 1 in 10 (10%) in a terraced or town house. Relatively few live in an apartment, flat or maisonette (7%).

Figure 72: Type of property

Base: All respondents

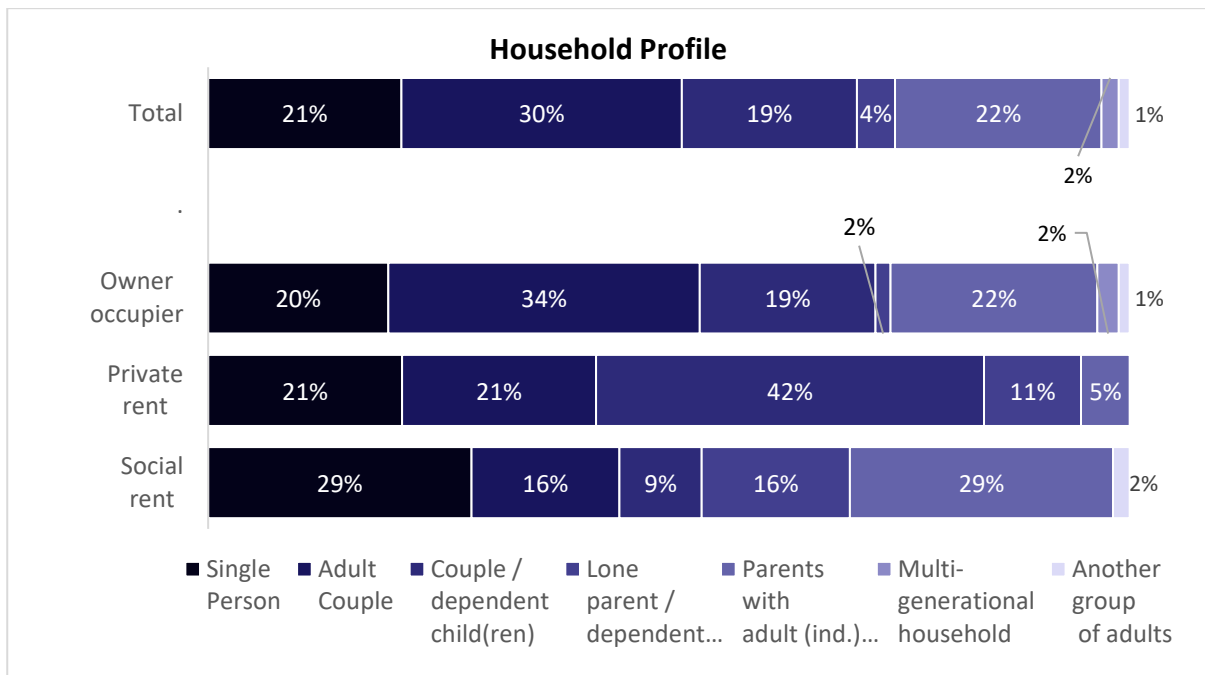


9. Three in ten (30%) households consist of an adult couple, this rises to 34% of owner-occupied properties but falls to just 16% of those in social rent. Single person households make up 21% of all properties although this rises to 29% of those in social rent.

- 10. Just under a quarter of households consist of parents with dependent children (19% couples with children and 4% lone parents).
- 11. Over one in five (22%) of households include adult children although this is less likely in private rented properties.

Figure 73: Household Profile

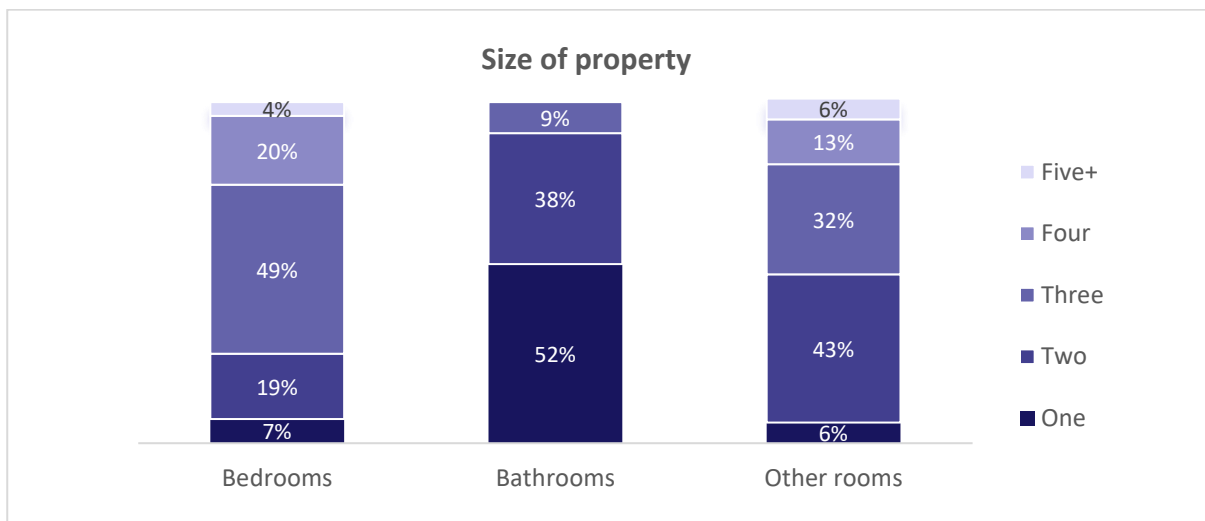
Base: All respondents



- 12. Nearly half of the properties had three bedrooms (49%). A fifth had either four (20%) or two (19%) bedrooms. The least popular were five bedrooms or more (4%) or one bedroom (7%).
- 13. Most properties had either two or three other rooms (43% and 32% respectively). However, 6% had just one other room, whilst 19% had four or more other rooms.

Figure 74: Size of property

Base: All respondents



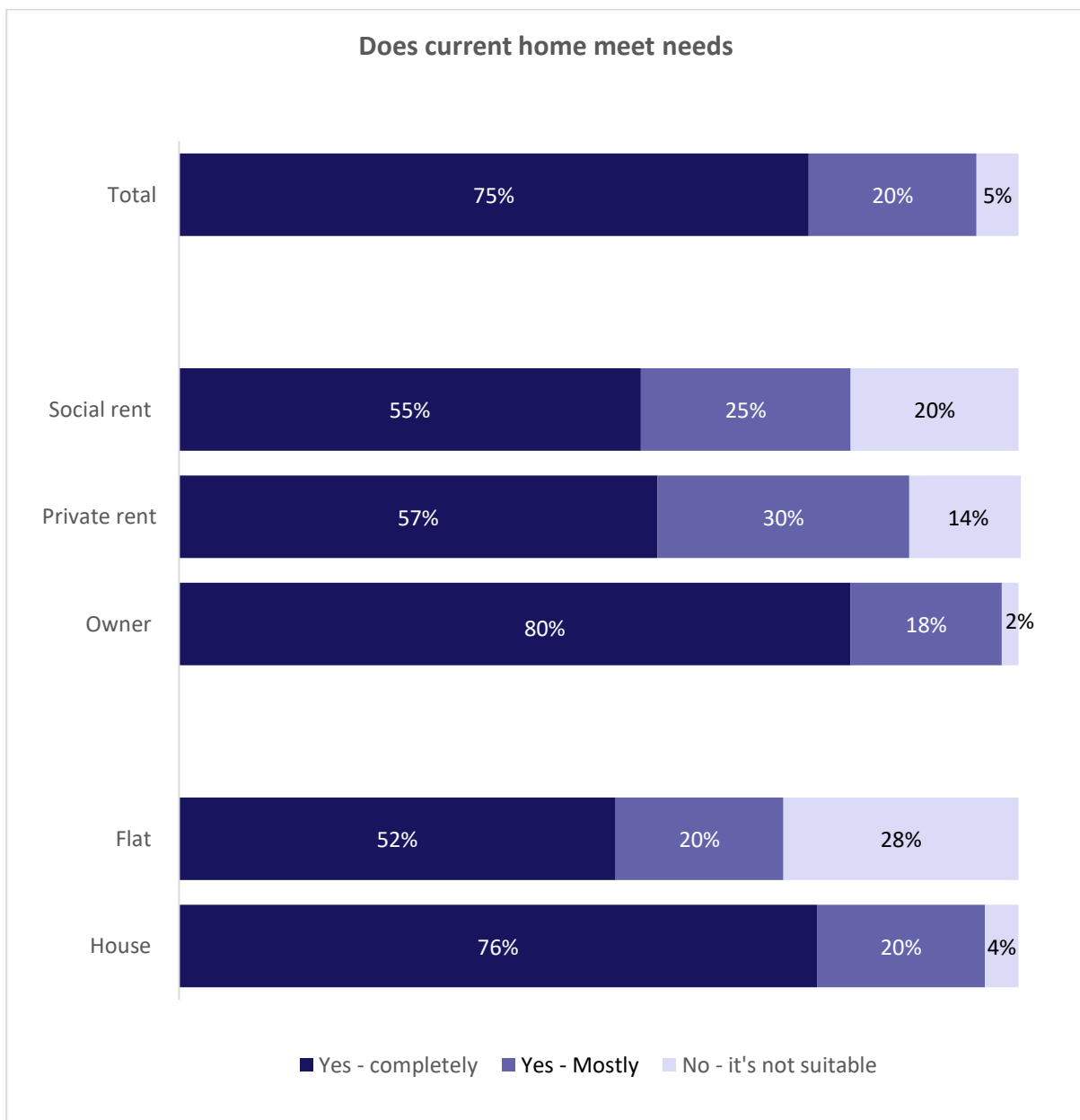
Current Home

Overall Satisfaction

14. Overall, residents are either completely or mostly satisfied with their current home. Three quarters (75%) of the residents surveyed agreed that their current home met their needs completely and a fifth agreed that their home mostly meets their needs (20%).
15. Homeowners are the most likely to be completely satisfied with their home whilst one in five (20%) of those in social rent say the property is not suitable for their current needs (20%).
16. If we consider the type of property, those in a house were much more likely to consider the property met their needs whilst 28% of those in a flat say their current home is not suitable.

Figure 75: Current Needs

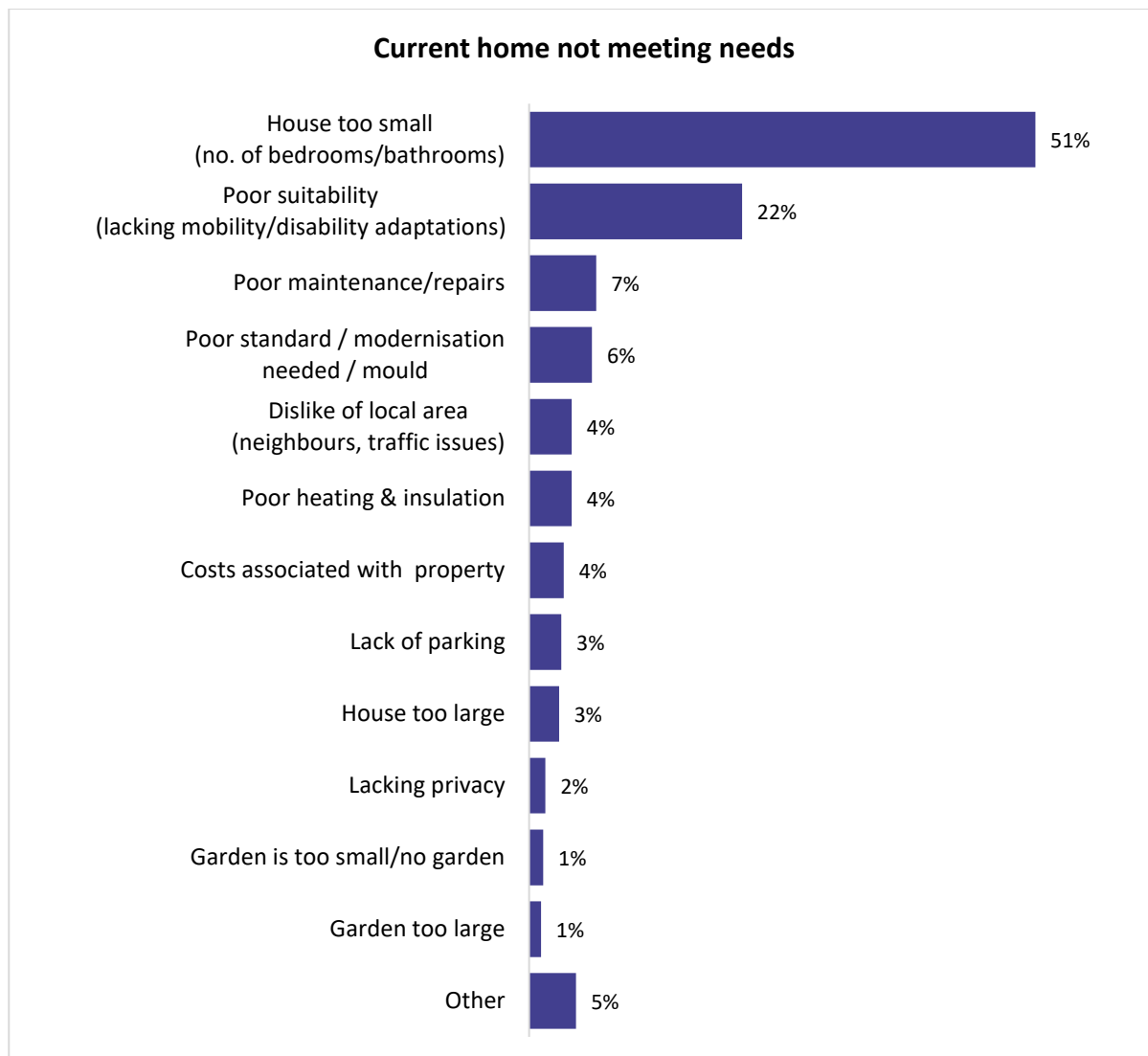
Base: All respondents



- 17. Just over half (51%) of those who said their property didn't meet their current needs said the house was too small, this included not having sufficient bedrooms or bathrooms for their needs.
- 18. More than one in five (22%) said their home was unsuitable because it lacked mobility or disability adaptations that they required.
- 19. Other responses were given by much smaller numbers of people including 7% agreeing their home needed maintenance and repairs whilst 6% specified poor condition. No other comment was made by 5% or more of those who were dissatisfied.

Figure 76: Current needs not met.

Base: Those who felt their home did not meet their current needs (101 respondents)



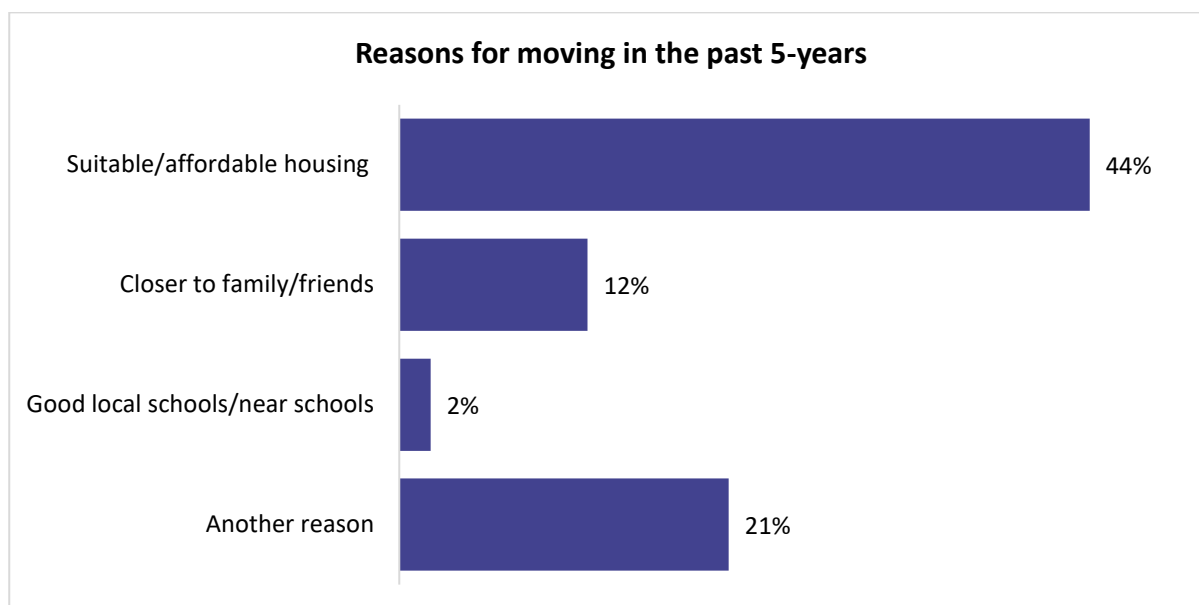
Moving behaviour and aspirations

Moving to current property

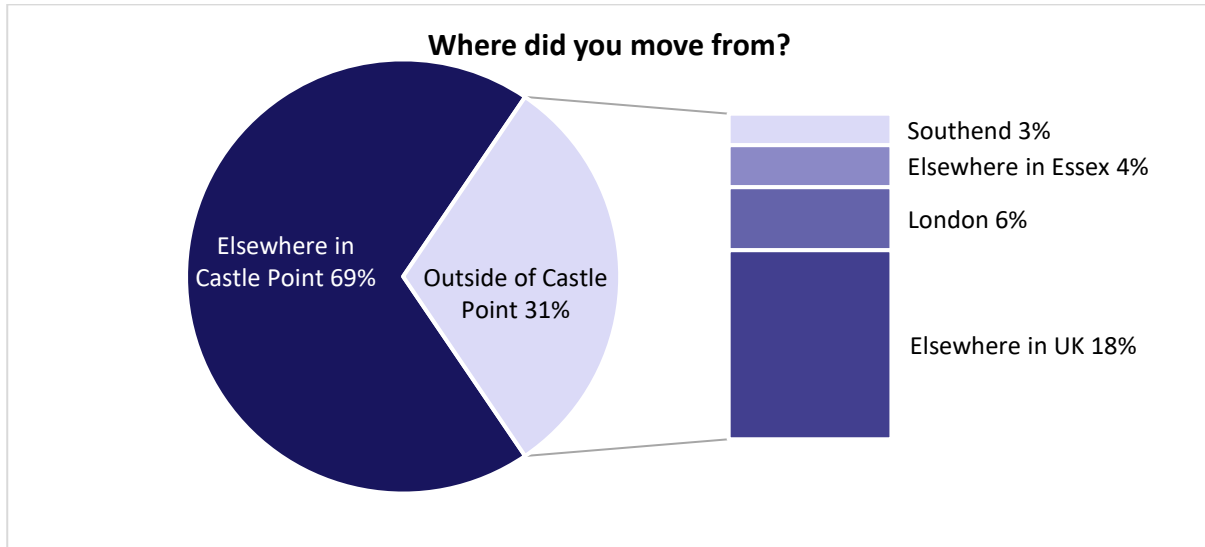
20. Only 8% of residents had moved to their current property within the last 5-years.
21. The main reasons for moving were suitable, affordable housing (44%) and being closer to family or friends (12%). Two per cent wanted to move to be closer to good schools/nearer to schools.
22. Other reasons included 14% wanted a home of their own/independence, 5% change of circumstances and 7% landlord sold the property.

Figure 77: Reasons for moving in the past 5-years.

Base: Those who have moved in the past 5-years (34 respondents)

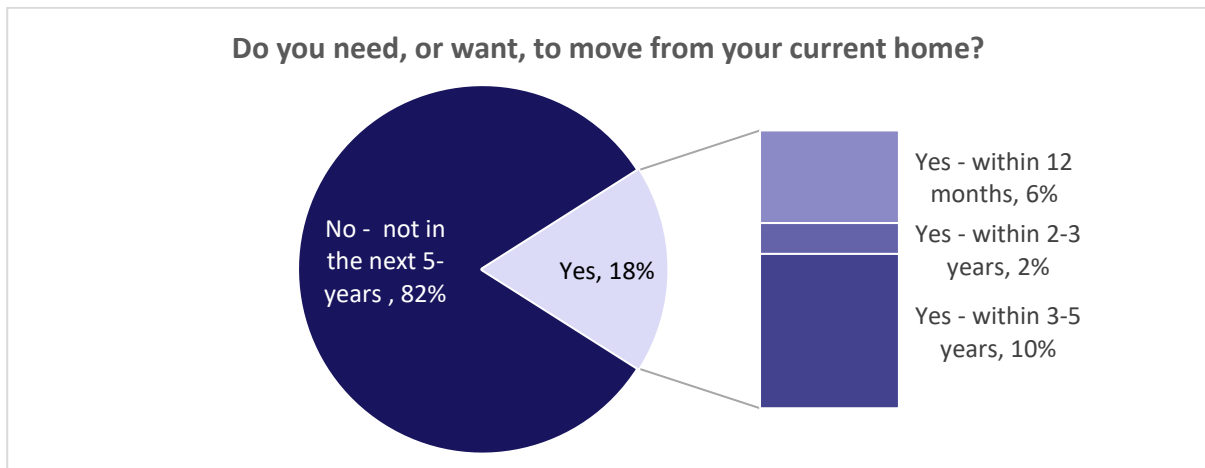


23. The majority of those who had moved within the last 5-years had moved from elsewhere in Castle Point (69%). Only 4% had moved from elsewhere in Essex, 6% from London and 3% from Southend. However, just under a fifth had moved from elsewhere within the UK (19%).

Figure 78: Previous location**Base:** Those who had moved within the last 5-years (34 respondents)

Likelihood of moving in the next 5-years

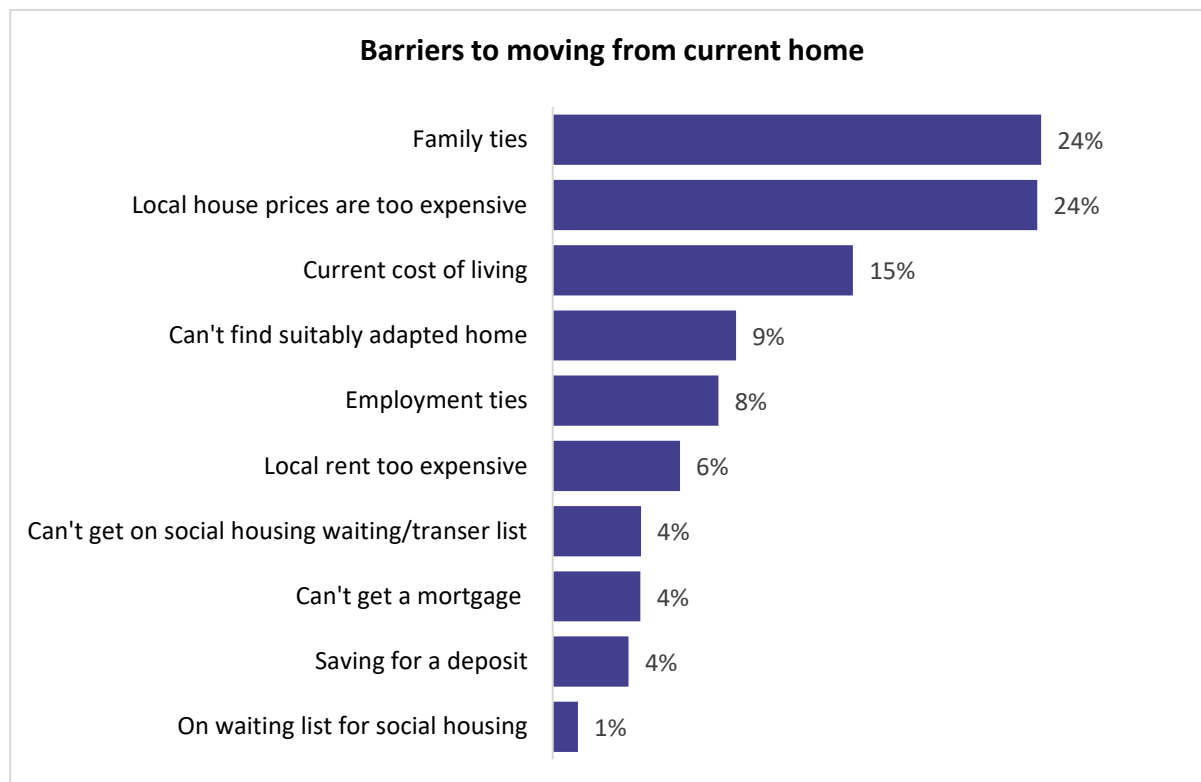
- ²⁴ The majority (82%) of residents are not likely to move home in the near future and just 6% expected to move within the next 12 months.

Figure 79: Likelihood of moving within the next 5-years.**Base:** All respondents

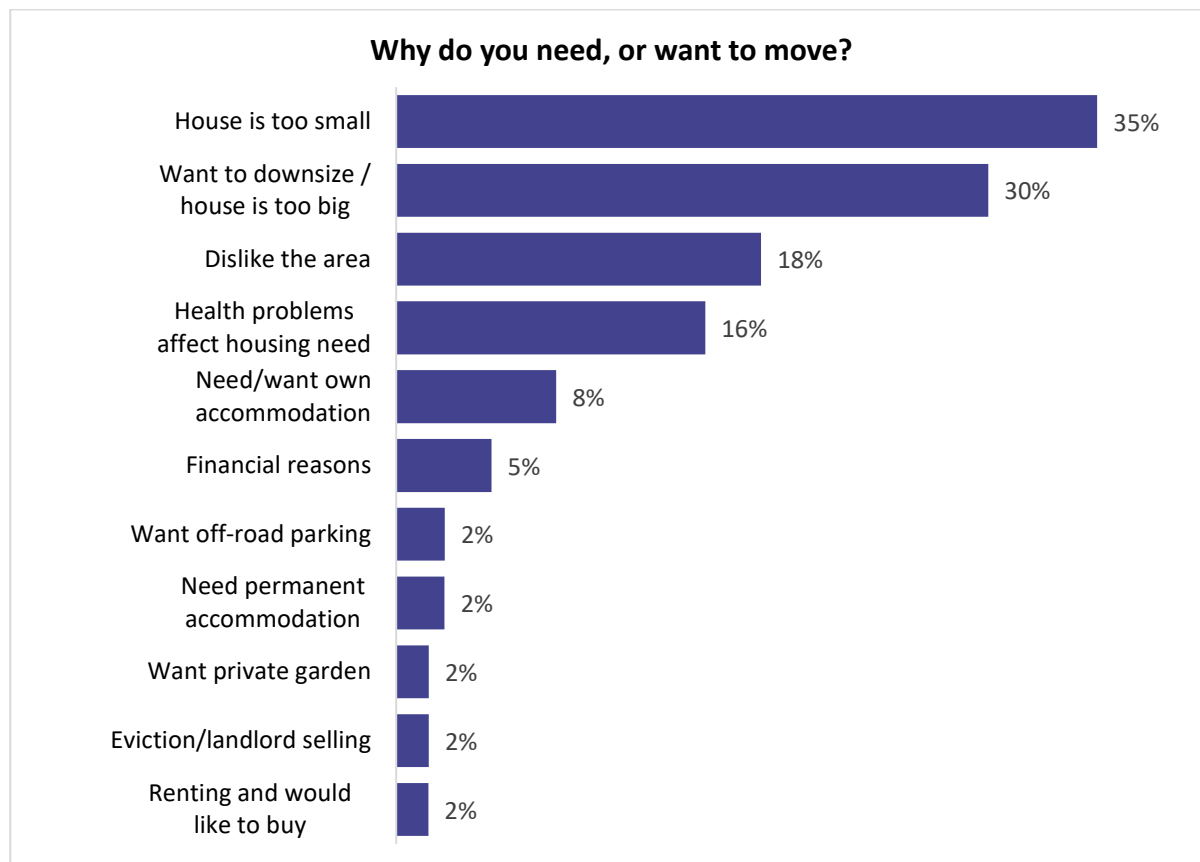
25. Those who wanted to move in the next three to five years were asked if there was any reason for not moving sooner. The main reasons given were family ties and financial challenges which meant they weren't yet ready to move. A small number raised housing waiting lists.

Figure 80: Barriers to moving.

Base: Those who want to move in the next 3 – 5 years (59 respondents)



26. The key driver for a house move is the size of a property with almost as many wanting a larger property as want a smaller property. One in three (35%) went a bigger property and this can be coupled with a need for additional features such as a garden or off-road parking.
27. Three in ten (30%) residents wanted to downsize and 12% say health problems were affecting their housing needs. There is some overlap within this group with people keen to have single level living often driven by age and mobility problems.
28. Nearly a fifth (18%) said they dislike the area, and this included a range of comments regarding the area becoming too built up or commenting on traffic issues.

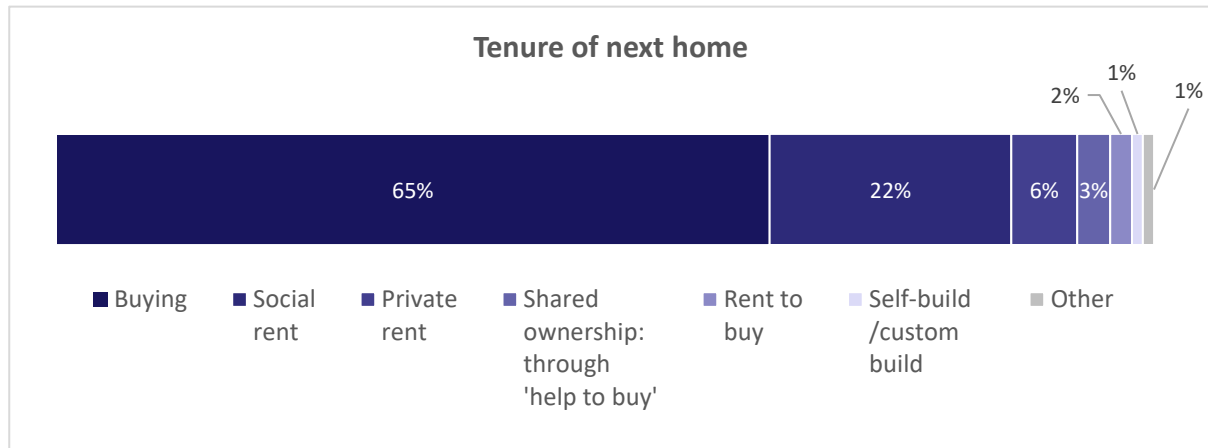
Figure 81: Reasons for wanting/needing to move.**Base:** Those who wanted to move within the next 5 years (87 respondents)

Type of property people want to move to

29. The majority of those wanting to move are looking to buy a home with or without a mortgage (65%). Just over one in five (22%) would like to rent from a Housing Association/Council and only 6% were looking to rent from a private landlord. Only very small numbers of people were shared ownership or some other route to buying their own home.

Figure 82: Tenure of next home

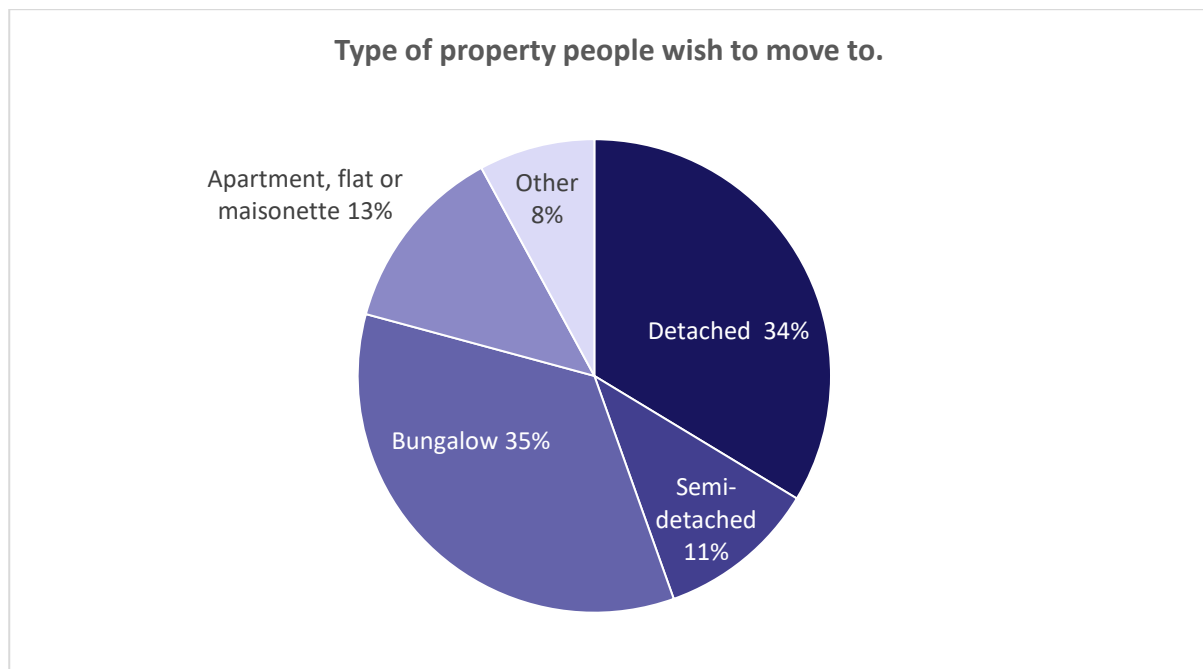
Base: Those wanting to move in the next 5-years (82 respondents)



30. The most sought over type of property is a bungalow, although almost as many wish for a detached house (35% and 34% respectively). A relatively small proportion (11%) are looking for a flat, apartment or maisonette and it seems likely some of these people are attracted by single level living.

Figure 83: Type of property wanted when move.

Base: People who want to move in the next 5-years (86 respondents)



31. Most people are looking for at least two bedrooms in their new home with just 3% of people seeking a 1-bedroom property. The main demand is for 2 or 3- bedroom homes (40% and 36% respectively). There is also a significant minority (21%) seeking four or more bedrooms.

Figure 84: Number of bedrooms wanted/needed when move.

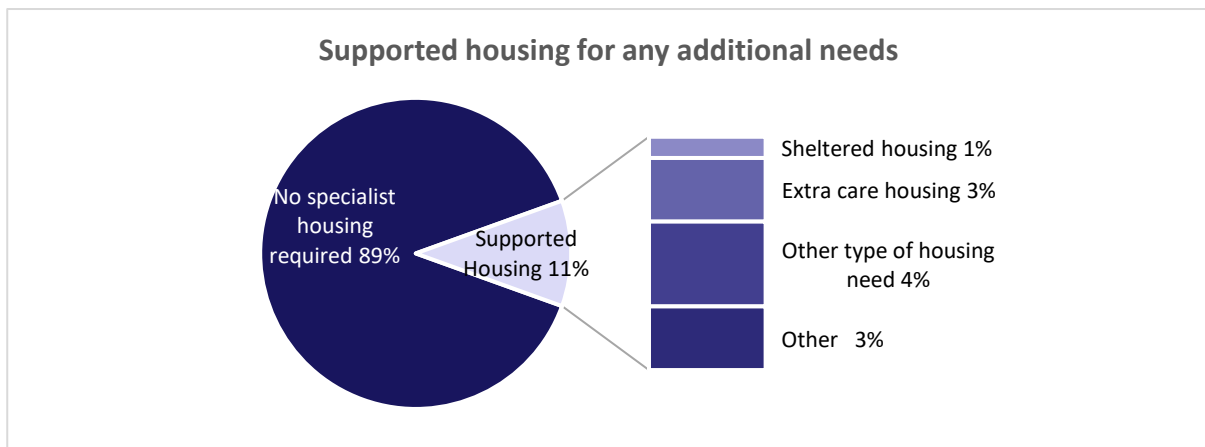
Base: Those who want to move in the next 5-years (87 respondents)



32. Although a number of people listed their reason to move as being downsizing and health problems relatively few expect their next move to be into some form of supported housing.

Figure 85: Requirement for specialist housing when move.

Base: Those who want to move in the next 5-years (87 respondents)

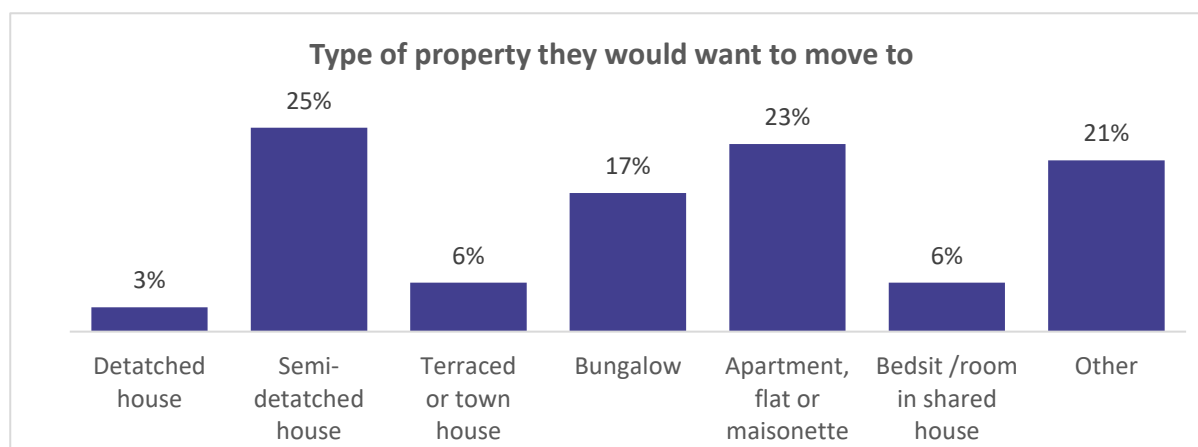


Separate Homes for new households

33. The vast majority (93%) did not expect anyone to move out into a separate home within the next three years. However, 5% of households expected to form one new household and 2% expected to form two new households during that timescale.
34. These new households will primarily consist of single people (47%) and adult couples (33%). However, one in ten (10%) will be couples with a dependent child(ren)/pregnant and 2% will be lone parents with dependent child(ren)/pregnant.
35. The majority (60%) of newly forming households wanted to stay within the Castle Point area whilst 7% expected to stay within Essex. Around a fifth (19%) were likely to move outside of Essex. The remainder were unable to say at this point where they would go.
36. The majority of these newly forming households would need 2-bedrooms (60%). However, three in ten (31%) would need three or more. Less than one in ten (9%) would be looking for a 1-bedroom property.
37. A quarter (25%) of those who will need a separate household in the next three years aspire to a semi-detached house. Although almost as many are looking for a flat or maisonette. Just 6% expect their new household to be a bedsit or a room in a shared house.

Figure 86: Type of property wanted for separate household.

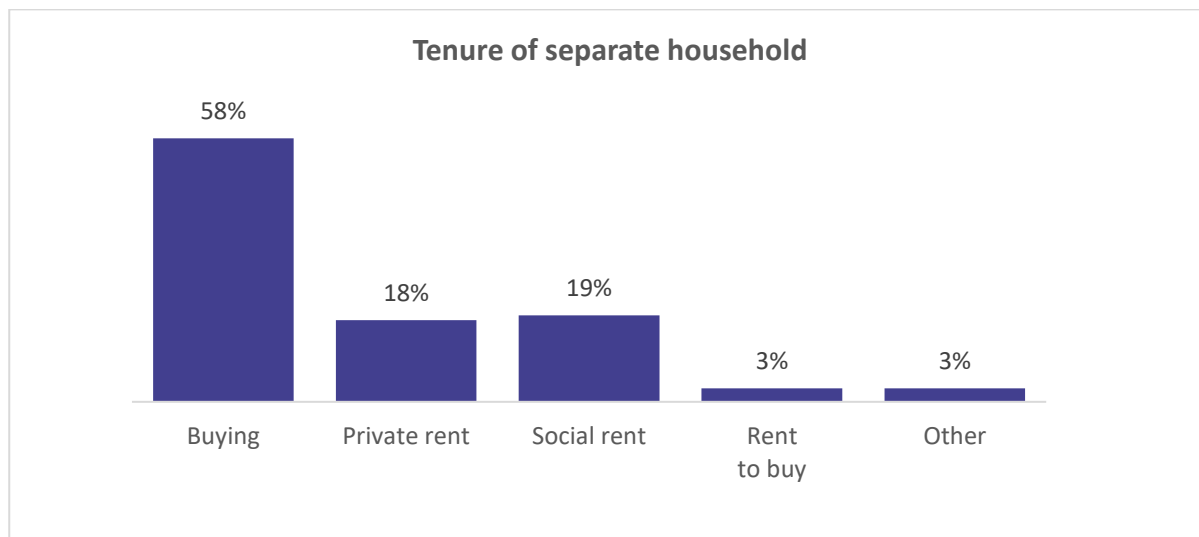
Base: Those who need a separate household in the next 3-years (23 respondents)



38. Most (58%) of those who needed a separate household in the next three years, were looking for a home to buy. However, 18% expected to rent from a private landlord and 19% expected to rent from a housing association or council. Although one in five aspired to a social rented property only 12% were on the local authority housing register.

Figure 87: Tenure of separate household

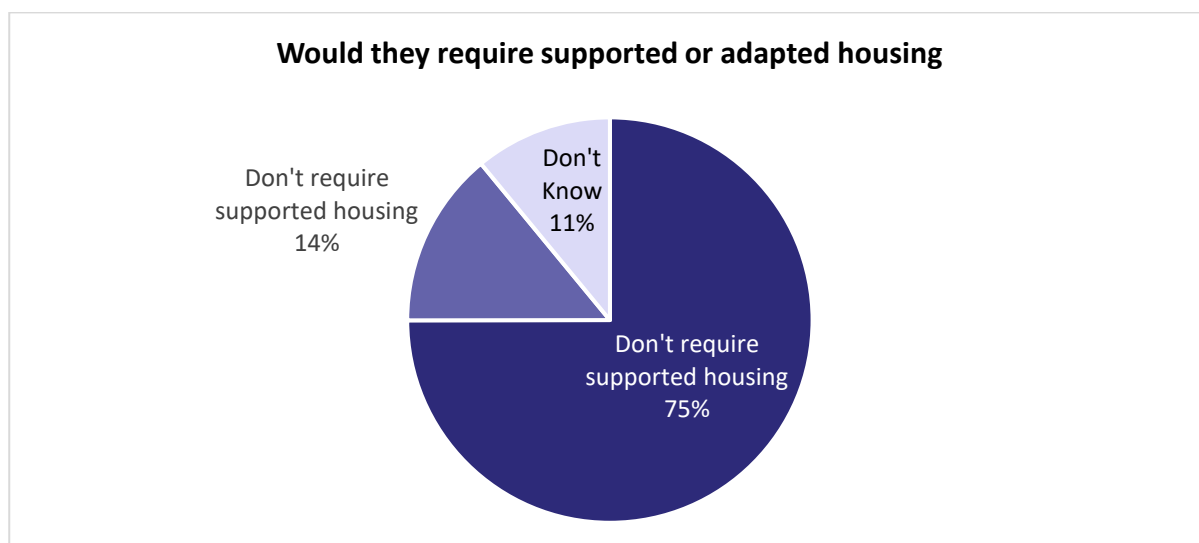
Base: Those who needed a separate household in the next 3-years (23 respondents)



39. The majority (75%) of those who needed a separate household in the next three years don't require supported or adapted housing although one in seven (14%) expected to need this.

Figure 88: Supported or adapted housing

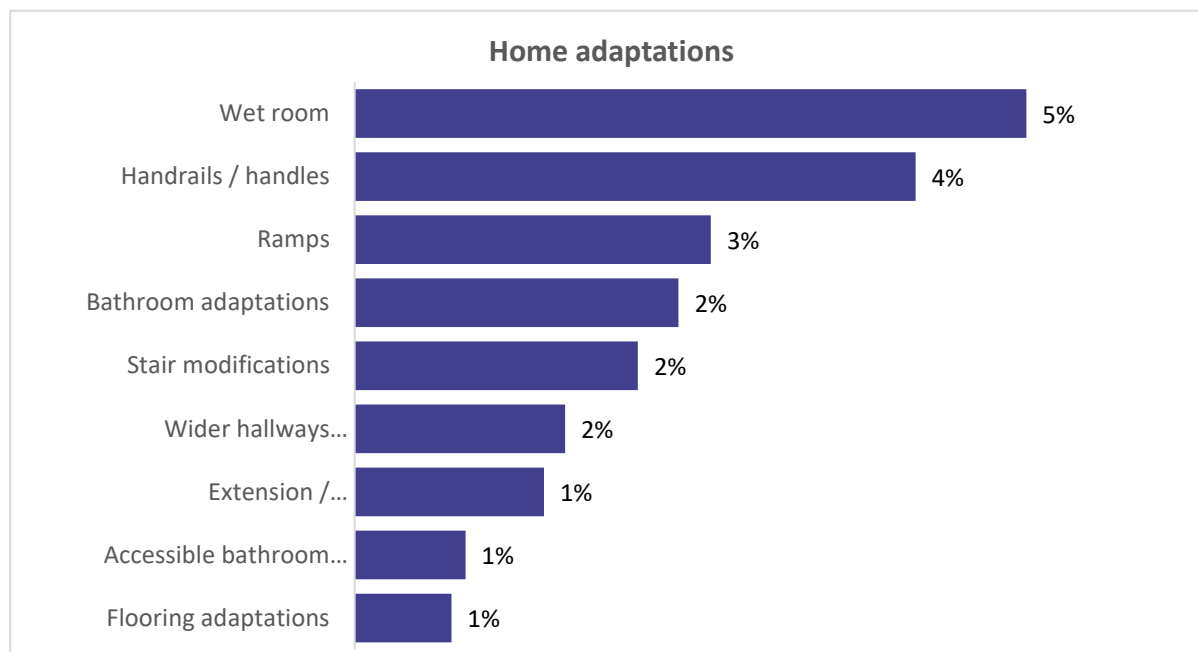
Base: Those who require a separate household in the next 3-years (26 respondents)



Home Adaptations

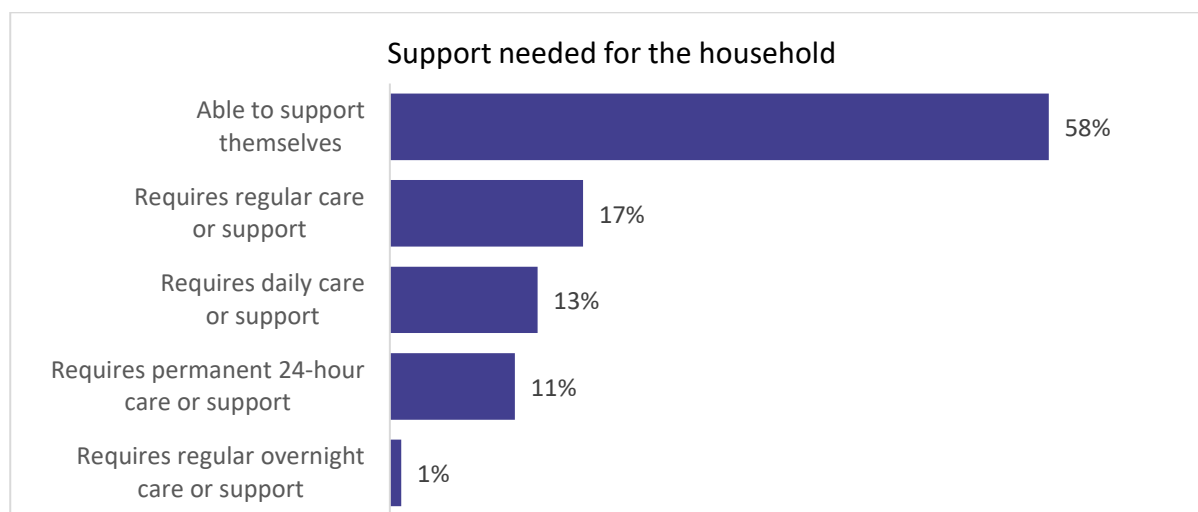
40. The vast majority (86%) of households had no current adaptations made to the property.

41. The three most common adaptations are a wet room (5%), handrails or grabrails (4%) and ramps (3%).

Figure 89: Home adaptations**Base: All households**

Care needs

42. The majority of households (76%) did not contain anyone suffering from a life limiting health problem. However, this still leaves nearly one in four (24%) households containing someone with life limiting problems such as long-term-illness, disability or infirmity including problems associated with old age.
43. Most (58%) of these households are able to support themselves. However, 17% require regular care or support, 13% daily care and 11% need permanent 24-care.

Figure 90: Type of support needed.**Base: Those who suffer with life limiting health problems (117 respondents)**

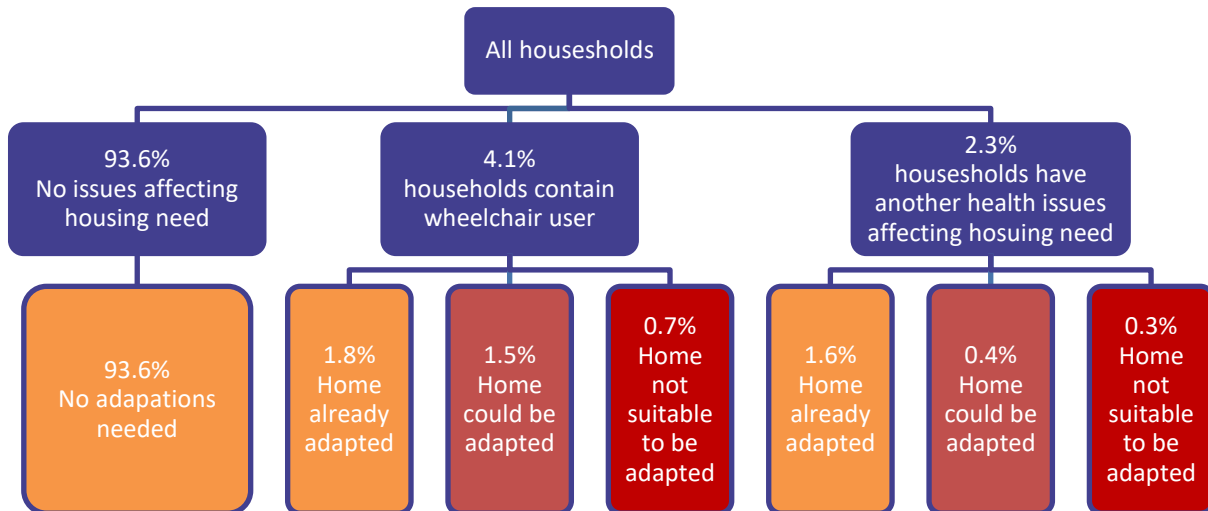
44. Two in five (41%) of these households say they have no need for an overnight carer and a further two in five (40%) have sufficient space for a carer if and when needed. However, one in five do not have sufficient space for an overnight carer despite having an actual or potential need.

Adaptation needs.

45. Most households (94%) do not contain a wheelchair user or anyone else with health issues that affects their housing needs. However, 6% of households do require their property to have adaptations and 3% are currently living without those being made. One per cent of households live in a property which is not suitable to be adapted to meet their specific needs.

Figure 91: Suitability of property for current housing needs

Base: All households



Household Demographics

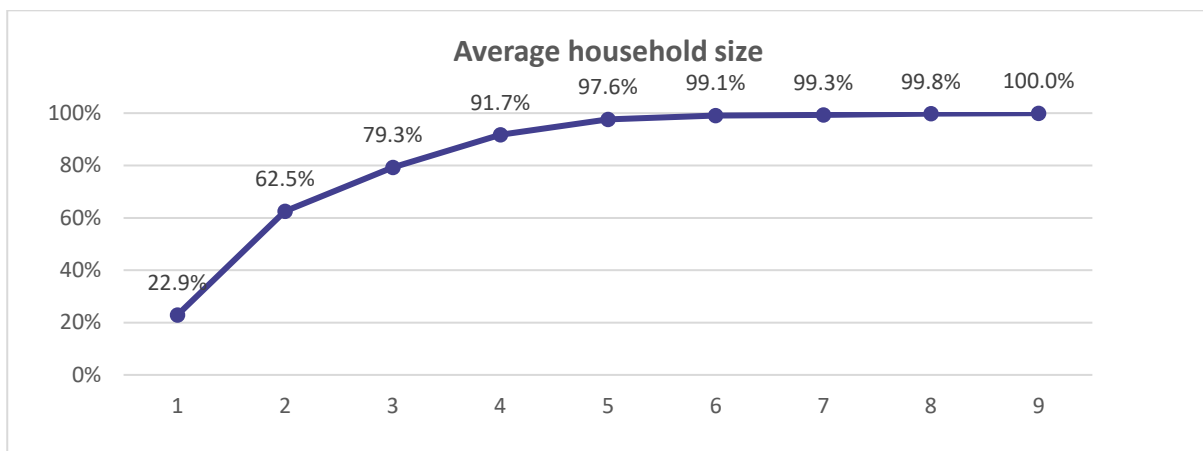
46. Demographic data including personal characteristics were collected on each household. This information was used to assess the representativeness of the final sample. The information was used to weight the data.

Household size

47. The majority of households had less than four members although a small percentage exceeded five members.

Figure 92: Average household size

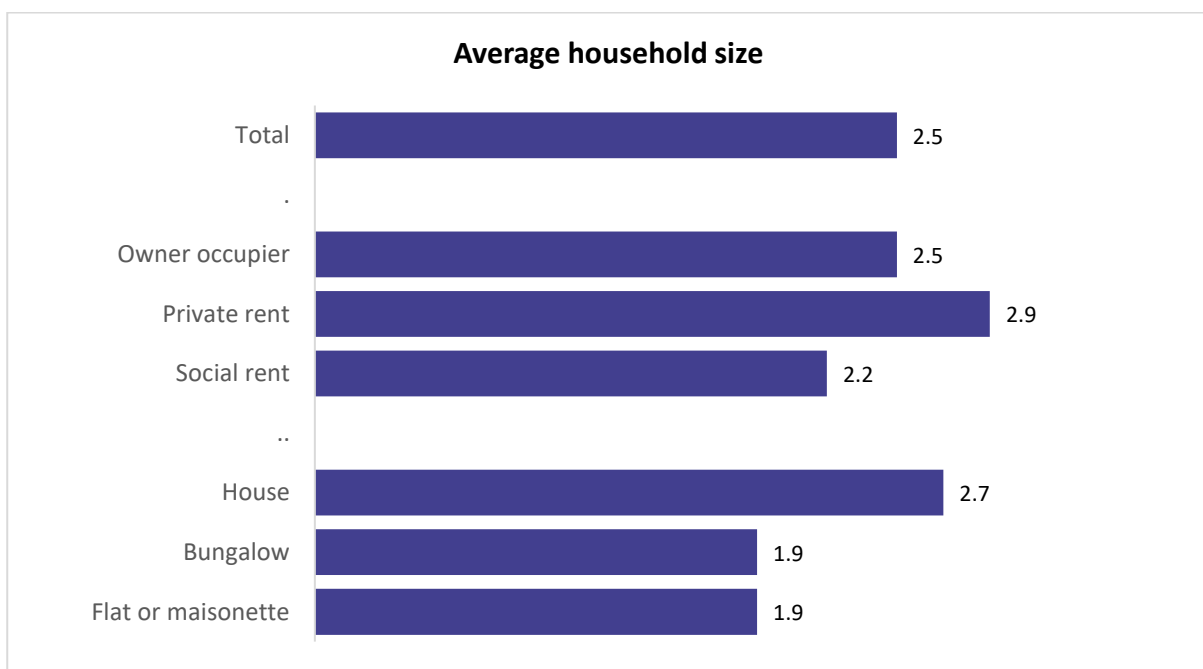
Base: All respondents



48. The average household size was just under 2.5 people which is consistent with the 2021 Census figure of 2.4 person per household. This rose to 2.9 in private rented properties and fell to 2.2 in social rented properties.

Figure 93: Average household size by tenure and property type

Base: All respondents

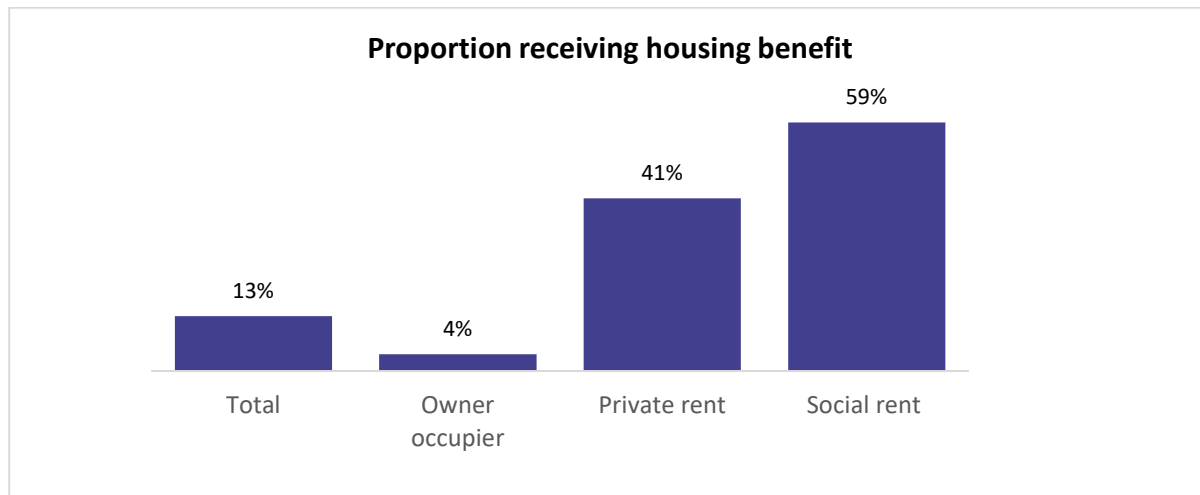


Universal Credit

- 49. Thirteen per cent of households are in receipt of Universal Credit. This increases to 41% of those in private rent and 59% of those in social rent.

Figure 94: Housing benefit/universal credit (by tenure)

Base: All respondents

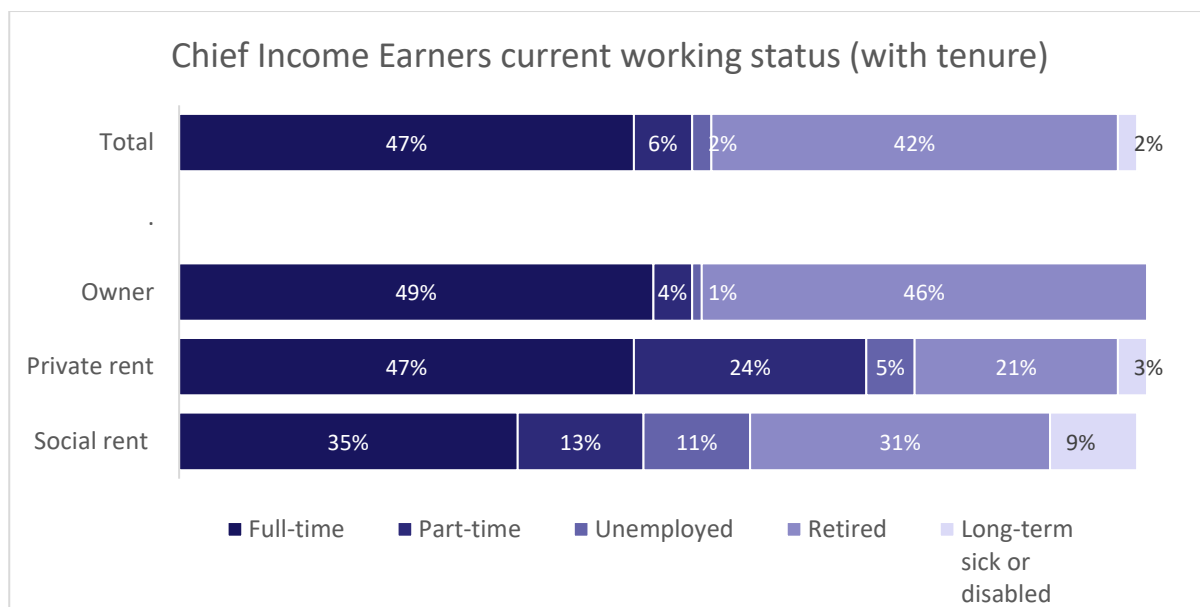


Working status

- 50. Almost half (47%) of households had a chief income earner working full-time with 6% working part-time. A substantial minority (42%) of chief income earners were retired.
- 51. Owner occupiers were the most likely to be retired, 46% compared with 31% of those in social rent and 21% in private rent.
- 52. Social rented properties had the highest proportion of chief householders who were long-term sick of disabled.

Figure 95: Chief Income Earner's working status by tenure

Base: All respondents



Appendix D: Household Survey Questionnaire

Castle Point – Resident Survey

INTRO:

READ OUT:

Hello, my name is {...} and I'm calling from Opinion Research Services. We are conducting research on behalf of Castle Point Borough Council. The Council are currently carrying out an assessment of housing needs in the area and as part of that process we are talking to local residents about their current and future housing needs

Interviewer: IF NECESSARY-

This survey will take 10-12 minutes.

Provide AS NECESSARY:

ORS team contact details: 0800 107 7890 or Info@ORS.org.uk

For queries about this survey, please contact the Castle Point Borough Council contact centre at 01268 882200 or email - reception@castlepoint.gov.uk
MRS Freephone number: 0800 975 9596

ONLY if the respondent asks where you got their information from-

- If RDD- Your number was selected at random from a list of numbers in the Castle Point area to conduct the research. Your contact details will at no time be released to any other parties and will only be used in connection with this survey
- If mobile- Your number was selected from a list of commercially available numbers. Your contact details will at no time be released to any other parties and will only be used in connection with this survey.

S.1 Contact- Are you happy to answer a few questions?

CALL OUTCOME CODES – AS STANDARD

S2. [SAFETY QUESTION- Mobile/driving] – Before we begin, I need to ask, are you speaking on a mobile phone whilst driving?

- Respondent not driving – CONTINUE
- Respondent driving – BOOK APPOINTMENT AND CLOSE

READ OUT-

Just to mention, this conversation is recorded and may be monitored for training and quality purposes only. ORS always adheres to the latest Data Protection Law, if you'd like more information, we can provide a link to our privacy policy. We will destroy any information that identifies you by six months after the completion of the project.

IF NECESSARY:

Your contact details will never be released to any other parties. If you would like to confirm my identity, I can supply you with a contact name and telephone number for Opinion Research Services or the Market Research Society at any time.

ORS- [ORS.org.uk/privacy](https://www.ors.org.uk/privacy);

Castle Point Borough Council is the data controller of the information interviewers collect as part of this interview, and ORS is the data processor.

S3. In which of these ways does your household occupy this property

READ OUT

If the respondent is unable to answer this question then please ask to speak to the Head of the Household / Main tenant (this may be a parent or other relative or non-related person in the household)

Own outright	<input type="checkbox"/>	CHECK QUOTAS
Own with a mortgage	<input type="checkbox"/>	
Low-cost home ownership (such as Shared Ownership Rent to Buy)	<input type="checkbox"/>	
Rent from Private Landlord	<input type="checkbox"/>	
Rent from Housing Association / Social Landlord / Council	<input type="checkbox"/>	
Other	<input type="checkbox"/>	

A: Your Home / Your household

READ OUT

Castle Point Borough Council are preparing a new Local Plan and would like to hear from local people about their housing needs

Q1. What type of property do you live in?

Prompt with examples if necessary

Detached house	<input type="checkbox"/>
Semi-detached house	<input type="checkbox"/>
Terraced or town house	<input type="checkbox"/>
Bungalow	<input type="checkbox"/>
An apartment, flat or maisonette	<input type="checkbox"/>
Bedsit / room in shared house	<input type="checkbox"/>
Any other type of accommodation	<input type="checkbox"/>

Q2. How many bedrooms, bathrooms and other rooms are there in your property?

ENTER A NUMBER IN EACH BOX

a) Number of bedrooms

b) Number of bath / shower-rooms (including en-suite facilities)

c) Number of other rooms
(excluding hallways and
landings)

Q3. Which of the following best describes your household?

READ OUT

Single person	<input type="checkbox"/>
Adult couple	<input type="checkbox"/>
Lone parent with dependent child(ren) / pregnant	<input type="checkbox"/>
Couple with dependent child(ren) / pregnant	<input type="checkbox"/>
Parent(s) with adult (independent) children	<input type="checkbox"/>
Group of students living together	<input type="checkbox"/>
Another groups of adults (related or unrelated)	<input type="checkbox"/>
Multi-generational household (at least 3 generations of the same family - e.g. You, Your children, and Your parents)	<input type="checkbox"/>
Another type of household	<input type="checkbox"/>

Q4. Overall, does your current home meet your needs?

Yes - completely	<input type="checkbox"/>	SKIP TO Q5
Yes - mostly	<input type="checkbox"/>	ANSWER Q4B
No - it's not suitable	<input type="checkbox"/>	ANSWER Q4B

If not suitable ...

Q4b Why does your current home not completely meet your needs?

PROBE FULLY

Q5. Have you moved house in the last 5 years?

Yes ANSWER Q6

No SKIP TO SECTION B

Q6. What were your main reasons for moving?
DO NOT READ OUT BUT PROMPT AS NECESSARY
Multi-code

- Suitable and / or affordable housing
- Closer to family / friends
- More convenient for existing job
- Moved to take up new job
- Good local schools / near schools
- Good transport links
- Near leisure facilities
- Not moved in past five years
- Another reason

PLEASE WRITE IN

Q7. Where did you move from?

- Elsewhere in Castle Point
- Basildon
- Brentwood
- Chelmsford
- Maldon
- Rochford
- Southend
- Thurrock
- Elsewhere in Essex
- London
- Elsewhere in UK
- Abroad



B: Moving Home

Q8. Do you need, or want, to move from your current home?

PROMPT AND CLARIFY FOR TIMEFRAME

- Yes - within next 12 months **GO TO Q10**

- Yes - within the next 3 years **GO TO Q9**

- Yes - within next 3-5 years **GO TO Q9**

- No - not expecting, or wanting, to move in next 5 years **SKIP TO SECTION C**

Q9. What is preventing you from moving sooner?

DO NOT READ OUT BUT PROMPT AS NECESSARY

Multi-code

- Local rent is too expensive

- Local house prices are too expensive

- Can't get on Social Housing waiting / transfer list

- On list waiting for a social housing home

- Can't find suitably adapted home

- Family ties

- Employment ties

- Negative equity

- Saving for a deposit

- Can't get a mortgage

- Current cost of living

- Nothing preventing a move

- Another reason

If selected another reason, please explain

Q10. Why do you need, or want to move?

DO NOT READ OUT BUT PROMPT AS NECESSARY

MULTI-CODE

- Want to downsize / house is too big
- House is too small
- Health problems affect housing needs
- Need permanent accommodation
- Need / want your own accommodation
- Renting but would like to buy
- Want private garden
- Want off-road parking
- Another reason

PLEASE WRITE IN

Q11. What type of property do you want to move to?

- Detached house
- Semi-detached house
- Terraced or town house
- Bungalow
- An apartment, flat or maisonette
- Bedsit / room in shared house
- Any other type of accommodation

Q12. How many bedrooms would you want in your new property?

ENTER A NUMBER

Q13. And would you be looking to own or rent?

Read out rental or ownership options as appropriate to clarify – short description only, add explanation IF NEEDED

A home to buy on the open market Buying with or without a mortgage	<input type="checkbox"/>
A home to rent from a Private Landlord Renting at the local market value	<input type="checkbox"/>
A home to rent from a Housing Association / Council This could be as Affordable housing for rent	<input type="checkbox"/>
Shared ownership Part rent, part buy through 'Help to Buy' scheme	<input type="checkbox"/>
Rent to Buy Properties let at below market rent with the option to purchase at the end of the lease	<input type="checkbox"/>
Starter Home /discounted market sales housing: Offered for sale at least 20% below local market value. Eligibility subject to income.	<input type="checkbox"/>
Self-build / Custom Build Self-build - you organise design & construction of your new home. Custom build - you work with a developer to help deliver your own bespoke home	<input type="checkbox"/>
Other	<input type="checkbox"/>

If selected other, please explain.

Q14. Do you require any form of supported housing to provide for any additional needs?

Read out list – short description only, add explanation IF NEEDED

Sheltered Housing Purpose built flats or bungalows with some communal facilities. It does not generally provide care services but can provide some support to enable residents to live independently.	<input type="checkbox"/>
Extra care housing – Purpose built or adapted flats / bungalows with a medium to high level of care available. Residents are able to live independently with 24-hour access to care and support services and staff. There are often extensive communal areas	<input type="checkbox"/>
Nursing / residential care home – These have individual rooms within a residential building and provide a high level of care meeting all daily living needs. This type of housing can also include dementia care homes	<input type="checkbox"/>
Other type of housing need? e. g accommodation for adults under retirement age who need some support	<input type="checkbox"/>
No specialist housing required	<input type="checkbox"/>
Other	<input type="checkbox"/>

If selected other, please explain.

C: Separate Homes for New Household

Q15. Does anyone who currently lives in your household need to move to a separate home in the next 3 years?

Yes ANSWER Q16 ONWARDS

No SKIP TO SECTION D

Q16. How many separate homes will be needed for those leaving the household in the next 3 years?

ENTER A NUMBER

Q17. Thinking about the new household that will need a separate home first, which of the following is likely to best describe them?

READ OUT – SINGLE CODE ONLY

Single person

Adult couple

Lone parent with dependent child(ren) / pregnant

Couple with dependent child(ren) / pregnant

Another type of household

Q18. How many children will this new household contain?

ENTER A NUMBER – 0 if no children

(if household includes pregnant woman count this as 1 child)

Q19. Thinking about this new household, are they likely to stay in the Castle Point area?

Yes SKIP TO Q21

No ANSWER Q20

Don't know SKIP TO Q21

Q20. If not, are they likely to stay in the Essex area?

Yes

No

Don't know

Q21. What type of property would they want to move to?

Detached house	<input type="checkbox"/>
Semi-detached house	<input type="checkbox"/>
Terraced or town house	<input type="checkbox"/>
Bungalow	<input type="checkbox"/>
An apartment, flat or maisonette	<input type="checkbox"/>
Bedsit / room in shared house	<input type="checkbox"/>
Any other type of accommodation	<input type="checkbox"/>

Q22. How many bedrooms is this new household likely to need when they move?

ENTER A NUMBER

Q23. And in which of the following ways are they likely to occupy their new home?

READ OUT – SINGLE CODE ONLY

(See Q13 for explanations of house types).

Buying on the open market	<input type="checkbox"/>
Rent from Private Landlord	<input type="checkbox"/>
Rent from Housing Association / Council	<input type="checkbox"/>
Shared ownership	<input type="checkbox"/>
Rent to Buy	<input type="checkbox"/>
Starter Home / discounted market sale	<input type="checkbox"/>
Self-build / Custom Build	<input type="checkbox"/>
Other	<input type="checkbox"/>

If selected other, please explain.

Q24. Are they on the local authority housing register?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>
Don't know	<input type="checkbox"/>

Q25. And would they require supported or adapted housing such as sheltered housing?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

Don't know

D: Home Adaptations

Q26. Does your current home already have any adaptations, regardless of whether they are needed by you or anyone else currently living in the household?

Yes ANSWER Q26b

No SKIP TO Q27

Q26b. What are the adaptations?

WRITE IN FULLY

Q27. Do you, or anyone else currently living as part of your household, suffer from any life limiting health problems such as: long-term illness, disability, or infirmity – including problems associated with old age, childhood asthma etc.?

Yes ANSWER Q28 / Q29

No SKIP TO Q30

Prefer not to say SKIP TO Q30

Q28. And thinking of the person requiring the most support, which of the following best describes their situation?

READ OUT

Requires permanent 24-hour care or support

Requires regular overnight care or support

Requires daily care or support

Requires regular care or support

They are able to support themselves

Q29. And is there sufficient space for a carer to stay overnight if needed?

Yes

No

No need for an overnight carer

Q30. Do you, or does anyone else currently living as part of your household, need to use a wheelchair in or around the home or have another health issue that affects their housing needs?

Yes, need to use a wheelchair in or around the home

ANSWER Q31

Yes, have another health issue that affects housing need

ANSWER Q31

No

SKIP TO SECTION E

Q31. ... and which of the following best describes the situation?

READ OUT

Home is adapted/suitable for needs

Home could be adapted for needs

Home is not suitable for adaptation

E: Demographics

We now have a few questions about you - these are to help ensure we speak to a representative cross-section of people, but they are completely optional. If you would prefer not to answer any particular question, just tell me and I will move onto the next question.

Q32 How many people live in your household?

Enter a number

Q33 Which of these age categories do you belong to?

18 - 19

20-24

25-34

35-44

45-54

55-64

65-74

75+

Q34 And are you ?

Male

Female

Non-binary

Prefer not to say

Q35 And thinking about the next person in the household what is their relationship to you?

Prompt as necessary

Partner / Spouse	<input type="checkbox"/>
Child / Stepchild	<input type="checkbox"/>
Grandchild / Step-grandchild	<input type="checkbox"/>
Parent / Parent-in-law	<input type="checkbox"/>
Grandparent / Grandparent-in-law	<input type="checkbox"/>
Other relative	<input type="checkbox"/>
Friend	<input type="checkbox"/>
No relation / House share	<input type="checkbox"/>
Prefer not to say	<input type="checkbox"/>

Q36 And which age category do they fall into?

Prompt if necessary

0-4	<input type="checkbox"/>
5-9	<input type="checkbox"/>
10-15	<input type="checkbox"/>
16-17	<input type="checkbox"/>
18-19	<input type="checkbox"/>
20-24	<input type="checkbox"/>
25-34	<input type="checkbox"/>
35-44	<input type="checkbox"/>
45-54	<input type="checkbox"/>
55-64	<input type="checkbox"/>
65-74	<input type="checkbox"/>
75+	<input type="checkbox"/>

Q37. And are they?

THIS QUESTION CAN BE FILLED IN BY INTERVIEWER WITHOUT ASKING IF GENDER ALREADY SPECIFIED AS PART OF THE RELATIONSHIP QUESTION (E.G. they have used phrase my wife, my son)

Male	<input type="checkbox"/>
Female	<input type="checkbox"/>
Non-binary	<input type="checkbox"/>
Prefer not to say	<input type="checkbox"/>

NEED TO REPEAT IN ACCORDANCE WITH NUMBER OF PEOPLE IN HOUSEHOLD

Q38. Is anyone within your household pregnant?

Yes

No

Prefer not to say

Q39. What is the current working status of the Chief Income Earner in the household?

READ OUT

That is the person with the largest income whether from employment, pensions, state benefits or any other source.

Full-time paid work (31+ hours per week)

Part-time paid work (less than 31 hours per week)

Unemployed and looking for work

Retired

Student in full-time education

Looking after the home or family

Long-term sick or disabled

Other

Prefer not to say

Q40. What is your household's gross income (the amount of money you have before tax)?

Read out – single code

Less than £10,000 per year

£10,000 - £19,999 per year

£20,000 - £29,999 per year

£30,000 - £49,999 per year

£50,000 - £74,999 per year

£75,000 - £99,999 per year

£100,000 or more per year

Prefer not to say

DON'T KNOW

Q41. Do you receive any housing benefit / universal credit to help with housing costs?

Yes

No

Prefer not to say

Q42. Which of these best describes you?

Read out – single code

White British

Any other white background

Mixed / multiple ethnic groups

Asian / Asian British

Black/African/Caribbean/Black British

Any other ethnic group

Prefer not to say

Thank you for your time

This survey has been conducted by Opinion Research Services. We are a member of the Market Research Society and comply with data protection legislation. If you have any queries regarding the survey or our company, I can supply you with contact details.

IF NECESSARY

ORS contact details: Telephone - 0800 107 7890 or Email Info@ors.org.uk

Castle Point Borough Council details: Telephone - 01268 882200 or email - reception@castlepoint.gov.uk

THANK YOU VERY MUCH FOR YOUR TIME - GOODBYE

Appendix E

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 2023

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"⁴⁵.

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*"⁴⁶

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.

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

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

Houses 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;

⁴⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

⁴⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

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

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

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

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

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

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

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

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

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

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

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

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

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

Registered Social Landlord/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).

DRAFT

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
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

Table of Figures

Figure 1:	Objectively Assessed Need for Castle Point 2023-43 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)	7
Figure 2:	Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model)	8
Figure 3:	Assessing total need for affordable housing in Castle Point 2023-2043 (Source: ORS Housing Model)	9
Figure 4:	Aspiring affordable homeownership housing mix by household affordability 2023-2043 (Source: ORS Housing Model)	10
Figure 5:	Overall need for Affordable Housing 2023-2043, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	11
Figure 6:	Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	11
Figure 7:	Households with a long-term illness or disability in Castle Point by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	13
Figure 8:	Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	13
Figure 9:	Number of Households in Castle Point by Tenure 1981-2021 (Source: UK Census of Population)	24
Figure 10:	Weekly rent thresholds Castle Point (Source: Valuation Office Agency 2022-23; SDR 2022)	27
Figure 11:	Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Castle Point (Source: ORS based on Valuation Office Agency data Apr 2022 to Mar 2023; SDR 2022)	29
Figure 12:	Maximum income for households in receipt of housing benefit support by household type (Source: ORS based on data held by Shelter England; Valuation Office Agency data)	30
Figure 13:	Real House Price Trends: Lower Quartile Prices adjusted to Dec 2022 values using CPI (Source: ONS; Bank of England)	31
Figure 14:	Castle Point - Lower quartile prices (adjusted by CPI) (Apr 2020-Mar 23) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)	32
Figure 15:	Example for calculating income needed for home ownership	33
Figure 16:	Income needed for home ownership with 5% deposit	33
Figure 17:	Income needed for home ownership with 10% deposit	34
Figure 18:	Weekly rent thresholds in Castle Point (Source: Valuation Office Agency 2022-23; SDR 2022, JLL)	35
Figure 19:	Income required for a variety of housing options in Castle Point assuming 35% of income spent on rent, and a 3.5x income multiplier (Source: VOA 2022-2023, Land Registry, ORS model)	35
Figure 20:	Assumptions underlying Figure 19	36
Figure 21:	Approximate income required for a variety of housing options in Castle Point assuming 19% of income spent on rent, and a 3.5x income multiplier (Source: VOA 2022-23, Land Registry, ORS model)	36
Figure 22:	Comparison of weekly housing costs by property size (Source: VOA 2022-2023, Land Registry, ORS model)	37
Figure 23:	Household projections 2023-33 for Castle Point (Source: CLG, ONS; Note: All figures presented unrounded for transparency)	39
Figure 24:	Objectively Assessed Need for Castle Point 2023-43 (Source: CLG, ONS; Note: All figures presented unrounded for transparency)	43

Figure 25:	Castle Point – Population 2023, 2043 and Change 2023-2043 by 5-year cohort (Source: ORS)	44
Figure 26:	Total projected households in Castle Point for 2023 and 2043 (Note: Figures may not sum due to rounding. Source: ORS Model)	45
Figure 27:	Total projected households in 2023-2043 by age cohort of household representative (Note: Figures may not sum due to rounding)	45
Figure 28:	Total projected households for 2023 and 2043 and change by household type and age of household representative for Castle Point (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding).....	46
Figure 29:	Establishing the need for market and affordable housing.	47
Figure 30:	Assessing affordability by household type and age (Source: Census 2021 and DWP)	48
Figure 31:	Current needs not met (Household Survey).....	50
Figure 32:	Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)	51
Figure 33:	Annual change in household numbers in each age cohort by age of Household Representative Person in Castle Point (Source: ORS Housing Model)	52
Figure 34:	Annual components of Household Growth for Castle Point 2023-2043 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	53
Figure 35:	Tenure of property (Household Survey).....	53
Figure 36:	Tenure of next home (Household Survey).....	54
Figure 37:	Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	54
Figure 38:	Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	55
Figure 39:	Annual components of Household Growth Castle Point 2023-2043 (Source: ORS Housing Model).....	55
Figure 40:	Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)	56
Figure 41:	Proportion of Owner Occupation by age group 2011 (Source: Census 2021)	57
Figure 42:	Long-term aspirations (Source: English Housing Survey 2013/14).....	57
Figure 43:	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)	58
Figure 44:	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)	59
Figure 45:	Assessing total need for affordable housing in Castle Point 2023-2043 (Source: ORS Housing Model)	60
Figure 46:	Aspiring affordable homeownership housing mix by household affordability 2023-2043 (Source: ORS Housing Model)	63
Figure 47:	Overall need for Affordable Housing 2023-2043, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	64
Figure 48:	Overall need for Market and Affordable Dwellings (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	65
Figure 49:	Overall need for Market and Affordable Dwellings as percentages of the LHN (including affordable home ownership products) by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	66
Figure 50:	Number of bedrooms wanted/needed when move.....	67
Figure 51:	Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey).....	80

Figure 52:	Suitability of property for current housing needs	81
Figure 53:	Households with a long-term illness or disability in Castle Point in 2023 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	81
Figure 54:	Households with a long-term illness or disability in Castle Point 2023-2043 affecting their housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	82
Figure 55:	Households with a long-term illness or disability in Castle Point by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	83
Figure 56:	Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)	84
Figure 57:	Disability benefit claimants in receipt of mobility award by age in Castle Point and England (Source: DWP, May 2023)	85
Figure 58:	Percentage of households with a wheelchair user in Castle Point, by type of housing and age of household representative (Source: EHS, DWP)	85
Figure 59:	Households needing wheelchair adapted housing in Castle Point (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.)	85
Figure 60:	Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	86
Figure 61:	Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data)	93
Figure 62:	Annual Local Housing Need for 2023-33 (capped) based on the "Standard Method" calculation (Source: 2014-based Household Projections, CLG; Ratio of median house price to workplace-based earnings, ONS)	103
Figure 63:	Total projected households and annual household growth, Castle Point 2014 to 2039 (Source: 2014-based Household Projections, CLG)	104
Figure 64:	Projected household population and household representatives by age, Castle Point 2014 and 2039 (Source: 2014-based Household Projections, CLG)	105
Figure 65:	Total projected population and components of annual population growth, Castle Point 2014 to 2039 (Source: 2014-based Sub-National Population Projections, ONS)	106
Figure 66:	Recorded and projected net migration by year, Castle Point 2001-02 to 2038-39 (Source: Mid-year Population Estimates, ONS; 2014-based Sub-National Population Projections, ONS)	106
Figure 67:	Estimates of Total Population, Castle Point 2001 to 2019 (Source: Mid-year population estimates, ONS; Census of population, ONS; Admin-based population estimates, ONS)	108
Figure 68:	Components of net housing supply, Castle Point 2001-02 to 2019-20 (Source: Live Table 122 and 123, Department for Levelling Up, Housing and Communities)	108
Figure 69:	Median house price and ratio of median house price to median gross annual workplace-based earnings, Castle Point 2001 to 2022 (Source: Ratio of median house price to workplace-based earnings, ONS)	109
Figure 70:	Historic and Projected Jobs Growth in Castle Point 1981-2040 (Source: Cambridge Econometrics)	111
Figure 71:	Tenure of property	113
Figure 72:	Type of property	113
Figure 73:	Household Profile	114
Figure 74:	Size of property	114
Figure 75:	Current Needs	115
Figure 76:	Current needs not met	116
Figure 77:	Reasons for moving in the past 5-years.	117
Figure 78:	Previous location	118

Figure 79: Likelihood of moving within the next 5-years	118
Figure 80: Barriers to moving	119
Figure 81: Reasons for wanting/needing to move.	120
Figure 82: Tenure of next home.....	121
Figure 83: Type of property wanted when move.....	121
Figure 84: Number of bedrooms wanted/needed when move.....	122
Figure 85: Requirement for specialist housing when move.	122
Figure 86: Type of property wanted for separate household.	123
Figure 87: Tenure of separate household	124
Figure 88: Supported or adapted housing.....	124
Figure 89: Home adaptations.....	125
Figure 90: Type of support needed.	125
Figure 91: Suitability of property for current housing needs	126
Figure 92: Average household size.....	127
Figure 93: Average household size by tenure and property type	127
Figure 94: Housing benefit/universal credit (by tenure)	128
Figure 95: Chief Income Earner's working status by tenure.....	128