# Identifying housing need

# Chapter 27. Identifying housing need

## 27.1 Introduction

The CLG guidance on SHMAs goes into its suggested process to assess housing need.

This chapter gives details of what the guidance suggests, and how we have used the guidance in the Cambridge sub-region to calculate our housing needs.

There are several important messages to absorb before looking into the detail, which are:

- The SHMA is designed to be built on and updated as time passes and information changes and improves.  So this iteration is bound to change, adjust and improve as it's foundation data does the same.

- The CLG Guidance is written as just that – guidance, rather than a detailed roadmap of how to do it.  For example, some sources of data do not provide the detail or the cross-tabulations needed to work out the figures for a specific sub region or district.  For this reason, we have supplemented secondary sources of information with our primary MRUK household survey where necessary, to try to provide a more realistic local picture of housing need for our sub-region.

- There are numerous ways to tackle the housing needs part of the guidance.  For the Cambridge sub-region we have followed the guidance.  However in the future we are looking to evolve our approach further, to investigate more frequently updated sources of housing price information, ways to analyse data using mapping and GIS systems, and data systems to track changes in the housing market and in factors such as inflation, land prices and incomes.  All these possibilities will add to the flexibility and responsiveness of our assessment of the market in the future, based on this current (2007) foundation of research.

## 27.2 Links to CLG guidance

To see the full CLG guidance, please go to:

- http://www.communities.gov.uk/publications/planningandbuilding/strategichousingmarket
- Identifying sub-regional housing market areas: Advice note, at http://www.communities.gov.uk/documents/planningandbuilding/pdf/323693
- Identifying Submarkets at the Sub-Regional Level in England, at http://www.communities.gov.uk/publications/planningandbuilding/identifyingsubmarkets
- Planning for Housing: Market Signals - Summary of Research, at http://www.communities.gov.uk/publications/planningandbuilding/planningforhousing
- Strategic Housing Land Availability Assessment: Practice Guidance, at http://www.communities.gov.uk/documents/planningandbuilding/pdf/StrategicHousingLandAvailability

## 27.3 Cambridge's approach

The Cambridge sub-region's SHMA has developed over a period of time.  The data used has been entered into a series of spreadsheets, which are linked to provide the figures for

each individual district. Using a spreadsheet model has enabled us to check consistency and use the same calculations for each district.

However the spreadsheets are not easy or very useful to reproduce in the SHMA documents, so we have instead lifted the most relevant conclusions for the spreadsheets and pasted them into this chapter to provide **two** sets of "boxes" identifying housing need following the guidance.

The first set of boxes shows the Cambridge sub-region's agreed approach which we feel is easy to follow and enables us to project housing needs into the future, following an initial 5 years to reduce each district's "backlog" of housing need.

The second set of boxes reflects more closely the CLG's prescribed model as set out in paragraph 5.1 of the guidance. This adopts a different approach to housing need, and is not the approach we feel is most robust. However as it has been specifically prescribed, we have set out our outcomes following that part of the guidance for comparison to the Cambridge approach. Figure 1 summarises the two differing methodologies, and some of their advantages and disadvantages:

**Figure 1: Comparing the Cambridge and the CLG approaches**

| The Cambridge Approach | |
| --- | --- |
| Total current housing need (backlog) | Divide by 5 |
| Annual Need to Reduce Backlog over 5 years | A |
| Total newly arising future need | B |
| Total housing need per year | A + B |
| Total existing supply | C |
| Need for new affordable homes per year | A + B - C |
| Projected supply from commitments | D |
| Predicted shortfall | A + B - C - D |
| New supply needed to stop backlog growing | B - C |

| The CLG Approach | |
| --- | --- |
| Total current gross housing need | A |
| Total available housing stock | B |
| Total net current need | A – B = C |
| Convert to annual flow | C / 5 = D |
| Annual arising housing need | E |
| Sum annual flow and annual arising need | D + E = F |
| Future annual supply of homes | G |
| Net annual housing need | F – G = H |

| Advantages |
| --- |
| The backlog of need is dealt with over a longer period of time, and the period of time can be varied for modelling purposes |
| People who are either counted in the backlog, or who have a newly arising need, are dealt with on equal terms i.e. we do not assume one group or the other gets more of the available homes in any specific year. |
| We do not include our anticipated supply of new built affordable in the supply figure, except at the end, to enable annual updating of past and future delivery. |

| Advantages |
| --- |
| This is the prescribed method set out by CLG, and therefore less open to discussion or dispute than other approaches |

| Disadvantages |
|---|
| This is a departure from the prescribed guidance and therefore may be challenged, however robust the rationale. |

| Disadvantages |
|---|
| The available housing stock for the first year of the formula, is subtracted from the "backlog" of housing need, implying that all the available homes are used to meet this need and any remaining backlog is dealt with over future years, alongside newly arising housing need. |
| There does not appear to be a way of factoring in future projection of available housing supply – it seems to be used once at stage B, and after that, future annual supply of homes (G) is applied.  We would question this approach as it does not allow the flexibility of the Cambridge approach, where each part of the equation can be clearly updated or adjusted as the housing market changes. |

Following the boxes for each district, we have provided a short audit trail.  A more complete account of what we have done and how, and the precise source and date of the data, is provided in Appendix 13, *Technical appendix*.

® Following the launch of the SHMA we will seek independent assessment of the Technical Appendix to enable us to improve on and develop our methodology in future.  This will also contribute to the existing quality assurance work we have completed (see Appendix 11, *Quality assurance*)

® In future, we aim through further secondary and possibly primary research, to incorporate Forest Heath and St Edmundsbury more closely within our sub-regional SHMA.

® With more information and further refinement, the SHMA aims in future to be able to split these figures into rented and other intermediate tenures, to support the existing information presented in Chapter 30, Indication of affordable tenures.

The following pages set out the results of these calculations for each district in Cambridgeshire.  In Chapter 28 *Observers data* we have set out the outline results of Forest Heath and St Edmundsbury's existing housing needs and requirements studies, which correspond to CLG guidance on this issue.

It is important to remember that some of the numbers, but not all, can be added together across boundaries to provide a "total " figure for the county or the sub-region.

It is also important to use caution particularly when adding up the numbers of people presently registered as in housing need (under 5.1.3) because they may be registered at present in more than one district.  With the introduction of Choice Based lettings in February 2008, this issue should be rectified and we will be able to process data from the CBL computer system to update and improve on this aspect of the SHMA.

## 27.4 **Cambridge City**

**Table 1: Cambridge approach - Cambridge City**

| | Data | Step |
|---|---|---|
| **Current housing need** | | |
| Priority homeless households and in temporary accommodation | 117 | |
| Overcrowded and concealed households | 690 | |
| Other groups total | 5,078 | |
| Total current housing need | 5,885 | |
| Annual Need to Reduce Backlog over 5 years (current need / 5) | 1,177 | A |
| **Future housing need per year** | | |
| New household formation | 339 | |
| Existing households falling into need | 670 | |
| Total newly arising need | 1,009 | B |
| Total housing need per year | 2,186 | A + B |
| **Existing supply** | | |
| Total affordable dwellings occupied by households in need | 44 | |
| Surplus affordable stock | 0 | |
| Units to be taken out of management | -4 | |
| Annual supply of social re-lets | 635 | |
| Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 2 | |
| Total existing supply | 677 | C |
| **Shortfall / surplus** | | |
| New supply needed to stop backlog growing | 332 | B - C |
| Need for new affordable homes per year | **1,509** | A + B - C |
| Projected supply from commitments | 177 | D |
| Predicted shortfall | 1,332 | A + B - C – D |

**Table 2: Calculating need over a 15 year period**

| | Data | Step |
|---|---|---|
| First 5 years: need for new affordable homes | 1,509 per year | |
| 1,509 x 5 years | 7,545 | E |
| Year 6 onwards: Newly arising need per year | 1,009 | B |
| Total existing supply | 677 | C |
| Need for new affordable homes from Year 6 onwards | 332 per year | B – C |
| 332 x 10 years | 3,320 | F |
| Total: 15 years affordable housing need | 10,865 | E + F |
| Revised RSS proposed programme for all homes, 2006 to 2021 | 16,700 | |
| % affordable represents of proposed revised RSS programme | **65%** | |

NB This table excludes our projected supply of affordable homes (shown as D in table above)

**Table 3: CLG approach - Cambridge City**

| | Data | Key |
|---|---|---|
| **Current housing need** | | |
| 5.1.1 Priority homeless households and in temporary accommodation | 117 | |
| 5.1.2 Overcrowded and concealed households | 690 | |
| 5.1.3 Other groups total | 5,078 | |
| 5.1.4 Total current housing need | 5,885 | A |
| **Total available housing stock** | | |
| 5.3.1 Total affordable dwellings occupied by households in need | 44 | a |
| 5.3.2 Surplus affordable stock | 0 | b |
| 5.3.3 Projected supply from commitments | 177 | c |
| 5.3.4 Units to be taken out of management | -4 | d |
| 5.3.5 Total affordable stock available | 217 | B |
| **Total net current need** | | |
| Total current housing need - Total affordable stock available (A – B) | 5,668 | C |
| Convert to annual flow (x 20%) | 1,134 | D |
| **Annual arising housing need** | | |
| 5.2.1 New household formation | 339 | |
| 5.2.3 Existing households falling into need | 670 | |
| 5.2.4 Total newly arising need | 1,009 | E |
| **Sum annual flow and annual arising need** | | |
| Annual flow + annual arising need (D + E) | 2,143 | F |
| **Future annual supply of homes** | | |
| 5.3.6 Annual supply of social re-lets | 635 | |
| 5.3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 2 | |
| 5.3.8 Total supply through re-lets | 637 | G |
| **Net annual housing need** | | |
| Annual flow + annual arising need – supply through re-lets | **1,506** | F - G = H |
| New supply needed to stop backlog growing | 332 | E - (a + b + d + G) |
| Projected supply from new affordable commitments | 177 | c |
| Predicted shortfall | 1,329 | H – c |

## Comparison

The Cambridge approach calculates a need for 1,509 affordable homes each year for the first 5 years, and after that (once the backlog has been cleared) 332 homes per year. When totaled over 15 years and compared to the revised RSS programme for all homes, the affordable homes represent 65% of overall build targets.

Comparing methodologies, the Cambridge approach shows 3 homes MORE needed per year than the CLG approach.

## 27.5 East Cambridgeshire

**Table 4: Cambridge approach - East Cambridgeshire**

|  | Data | Key |
|---|---|---|
| **Current housing need** |  |  |
| Priority homeless households and in temporary accommodation | 52 |  |
| Overcrowded and concealed households | 1,000 |  |
| Other groups total | 1,454 |  |
| Total current housing need | 2,506 |  |
| Annual Need to Reduce Backlog over 5 years | 501 | A |
| **Future housing need per year** |  |  |
| New household formation | 311 |  |
| Existing households falling into need | 262 |  |
| Total newly arising need | 573 | B |
| Total housing need per year | 1,074 | A + B |
| **Existing supply** |  |  |
| Total affordable dwellings occupied by households in need | 16 |  |
| Surplus affordable stock | 0 |  |
| Units to be taken out of management | 0 |  |
| Annual supply of social re-lets | 257 |  |
| Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 4 |  |
| Total existing supply | 277 | C |
| **Shortfall / surplus** |  |  |
| New supply needed to stop backlog growing | 296 | B - C |
| Need for new affordable homes per year | **797** | A + B - C |
| Projected supply from commitments | 200 | D |
| Predicted shortfall | 597 | A + B - C – D |

**Table 5: Calculating need over a 15 year period**

|  | Data | Key |
|---|---|---|
| First 5 years | 797 per year |  |
| 797 x 5 | 3,985 | E |
| Year 6 onwards: Newly arising need | 573 per year | B |
| Total existing supply | 277 | C |
| Need for new affordable homes from Year 6 onwards | 296 | B – C |
| 296 x 10 | 2,960 | F |
| 15 years affordable housing need | 6,945 | E + F |
| Revised RSS proposed programme for all homes, 2006 to 2021 | 5,360 |  |
| % affordable represents of proposed revised RSS programme | **130%** |  |

NB This table excludes our projected supply of affordable homes (shown as D in table above)

**Table 6: CLG approach - East Cambridgeshire**

| | Data | Key |
|---|---|---|
| **Current housing need** | | |
| 5.1.1 Priority homeless households and in temporary accommodation | 52 | |
| 5.1.2 Overcrowded and concealed households | 1,000 | |
| 5.1.3 Other groups total | 1,454 | |
| 5.1.4 Total current housing need | 2,506 | A |
| **Total available housing stock** | | |
| 5.3.1 Total affordable dwellings occupied by households in need | 16 | a |
| 5.3.2 Surplus affordable stock | 0 | b |
| 5.3.3 Projected supply from commitments | 200 | c |
| 5.3.4 Units to be taken out of management | 0 | d |
| 5.3.5 Total affordable stock available | 216 | B |
| **Total net current need** | | |
| Total current housing need - Total affordable stock available (A – B) | 2,290 | C |
| Convert to annual flow (x 20%) | 458 | D |
| **Annual arising housing need** | | |
| 5.2.1 New household formation | 311 | |
| 5.2.3 Existing households falling into need | 262 | |
| 5.2.4 Total newly arising need | 573 | E |
| **Sum annual flow and annual arising need** | | |
| Annual flow + annual arising need (D + E) | 1,031 | F |
| **Future annual supply of homes** | | |
| 5.3.6 Annual supply of social re-lets | 257 | |
| 5.3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 4 | |
| 5.3.8 Total supply through re-lets | 261 | G |
| **Net annual housing need** | | |
| Annual flow + annual arising need – supply through re-lets | **770** | F - G = H |
| New supply needed to stop backlog growing | 296 | E - (a + b + d + G) |
| Projected supply from new affordable commitments | 200 | c |
| Predicted shortfall | 570 | H – c |

## Comparison

The Cambridge approach calculates a need for 797 affordable homes each year for the first 5 years, and after that (once the backlog has been cleared) 573 homes per year.

When totaled over 15 years and compared to the revised RSS programme for all homes, the affordable homes represent more than the overall build targets suggested.

Comparing methodologies, the Cambridge approach shows 27 homes MORE needed per year than the CLG approach. This is the most significant difference when comparing the two methods, although it is still a relatively small disparity.

## 27.6 **Fenland**

**Table 7: Cambridge approach - Fenland**

|  | Data | Key |
|---|---|---|
| **Current housing need** | | |
| Priority homeless households and in temporary accommodation | 81 | |
| Overcrowded and concealed households | 522 | |
| Other groups total | 1,988 | |
| Total current housing need | 2,591 | |
| Annual Need to Reduce Backlog over 5 years | 518 | A |
| **Future housing need per year** | | |
| New household formation | 169 | |
| Existing households falling into need | 416 | |
| Total newly arising need | 585 | B |
| Total housing need per year | 1,103 | A + B |
| **Existing supply** | | |
| Total affordable dwellings occupied by households in need | 43 | |
| Surplus affordable stock | 0 | |
| Units to be taken out of management | 0 | |
| Annual supply of social re-lets | 420 | |
| Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 1 | |
| Total existing supply | 464 | C |
| **Shortfall / surplus** | | |
| New supply needed to stop backlog growing | 121 | B - C |
| Need for new affordable homes per year | **639** | A + B - C |
| Projected supply from commitments | 112 | D |
| Predicted shortfall | 527 | A + B - C – D |

**Table 8: Calculating need over a 15 year period**

|  | Data | Key |
|---|---|---|
| First 5 years | 639 per year | |
| 797 x 5 | 3,195 | E |
| Year 6 onwards: Newly arising need | 585 per year | B |
| Total existing supply | 464 | C |
| Need for new affordable homes from Year 6 onwards | 121 | B – C |
| 121 x 10 | 1,210 | F |
| 15 years affordable housing need | 4,405 | E + F |
| Revised RSS proposed programme for all homes, 2006 to 2021 | 7,760 | |
| % affordable represents of proposed revised RSS programme | **57%** | |

NB This table excludes our projected supply of affordable homes (shown as D in table above)

**Table 9: CLG approach - Fenland**

| | Data | Key |
|---|---|---|
| **Current housing need** | | |
| 5.1.1 Priority homeless households and in temporary accommodation | 81 | |
| 5.1.2 Overcrowded and concealed households | 522 | |
| 5.1.3 Other groups total | 1,988 | |
| 5.1.4 Total current housing need | 2,591 | A |
| **Total available housing stock** | | |
| 5.3.1 Total affordable dwellings occupied by households in need | 43 | a |
| 5.3.2 Surplus affordable stock | 0 | b |
| 5.3.3 Projected supply from commitments | 112 | c |
| 5.3.4 Units to be taken out of management | 0 | d |
| 5.3.5 Total affordable stock available | 155 | B |
| **Total net current need** | | |
| Total current housing need - Total affordable stock available (A – B) | 2,436 | C |
| Convert to annual flow (x 20%) | 487 | D |
| **Annual arising housing need** | | |
| 5.2.1 New household formation | 169 | |
| 5.2.3 Existing households falling into need | 416 | |
| 5.2.4 Total newly arising need | 585 | E |
| **Sum annual flow and annual arising need** | | |
| Annual flow + annual arising need (D + E) | 1,072 | F |
| **Future annual supply of homes** | | |
| 5.3.6 Annual supply of social re-lets | 420 | |
| 5.3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 1 | |
| 5.3.8 Total supply through re-lets | 421 | G |
| **Net annual housing need** | | |
| Annual flow + annual arising need – supply through re-lets | **651** | F – G = H |
| New supply needed to stop backlog growing | 121 | E - (a + b + d + G) |
| Projected supply from new affordable commitments | 112 | c |
| Predicted shortfall | 539 | H – c |

**Comparison**

The Cambridge approach calculates a need for 639 affordable homes each year for the first 5 years, and after that (once the backlog has been cleared) 121 homes per year.

When totaled over 15 years and compared to the revised RSS programme for all homes, the affordable homes represent 57% of overall build targets.

Comparing methodologies, the Cambridge approach shows 12 homes LESS needed per year than the CLG approach.

## 27.7 **Huntingdonshire**

**Table 10: Cambridge approach - Huntingdonshire**

|  | Data | Key |
|---|---|---|
| **Current housing need** | | |
| Priority homeless households and in temporary accommodation | 72 | |
| Overcrowded and concealed households | 1,554 | |
| Other groups total | 1,730 | |
| Total current housing need | 3,356 | |
| Annual Need to Reduce Backlog over 5 years | 671 | A |
| **Future housing need per year** | | |
| New household formation | 579 | |
| Existing households falling into need | 520 | |
| Total newly arising need | 1,099 | B |
| Total housing need per year | 1,770 | A + B |
| **Existing supply** | | |
| Total affordable dwellings occupied by households in need | 43 | |
| Surplus affordable stock | 0 | |
| Units to be taken out of management | -1 | |
| Annual supply of social re-lets | 513 | |
| Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 10 | |
| Total existing supply | 565 | C |
| **Shortfall / surplus** | | |
| New supply needed to stop backlog growing | 534 | B - C |
| Need for new affordable homes per year | **1,205** | A + B - C |
| Projected supply from commitments | 154 | D |
| Predicted shortfall | 1,051 | A + B - C – D |

**Table 11: Calculating need over a 15 year period**

|  | Data | Key |
|---|---|---|
| First 5 years | 1,205 per year | |
| 1,205 x 5 | 6,025 | E |
| Year 6 onwards: Newly arising need | 1,099 per year | B |
| Total existing supply | 565 | C |
| Need for new affordable homes from Year 6 onwards | 534 | B – C |
| 534 x 10 | 5,340 | F |
| 15 years affordable housing need | 11,365 | E + F |
| Revised RSS proposed programme for all homes, 2006 to 2021 | 8,310 | |
| % affordable represents of proposed revised RSS programme | **137%** | |

NB This table excludes our projected supply of affordable homes (shown as D in table above)

**Table 12: CLG approach - Huntingdonshire**

|  | Data | Key |
|---|---|---|
| **Current housing need** | | |
| 5.1.1 Priority homeless households and in temporary accommodation | 72 | |
| 5.1.2 Overcrowded and concealed households | 1,554 | |
| 5.1.3 Other groups total | 1,730 | |
| 5.1.4 Total current housing need | 3,356 | A |
| **Total available housing stock** | | |
| 5.3.1 Total affordable dwellings occupied by households in need | 43 | a |
| 5.3.2 Surplus affordable stock | 0 | b |
| 5.3.3 Projected supply from commitments | 154 | c |
| 5.3.4 Units to be taken out of management | -1 | d |
| 5.3.5 Total affordable stock available | 196 | B |
| **Total net current need** | | |
| Total current housing need - Total affordable stock available (A – B) | 3,160 | C |
| Convert to annual flow (x 20%) | 632 | D |
| **Annual arising housing need** | | |
| 5.2.1 New household formation | 579 | |
| 5.2.3 Existing households falling into need | 520 | |
| 5.2.4 Total newly arising need | 1,099 | E |
| **Sum annual flow and annual arising need** | | |
| Annual flow + annual arising need (D + E) | 1,731 | F |
| **Future annual supply of homes** | | |
| 5.3.6 Annual supply of social re-lets | 513 | |
| 5.3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 10 | |
| 5.3.8 Total supply through re-lets | 523 | G |
| **Net annual housing need** | | |
| Annual flow + annual arising need – supply through re-lets | **1,208** | F - G = H |
| New supply needed to stop backlog growing | 534 | E - (a + b + d + G) |
| Projected supply from new affordable commitments | 154 | c |
| Predicted shortfall | 1,054 | H – c |

## Comparison

The Cambridge approach calculates a need for 1,205 affordable homes each year for the first 5 years, and after that (once the backlog has been cleared) 534 homes per year.

When totaled over 15 years and compared to the revised RSS programme for all homes, the affordable homes represent more than the proposed build targets, by 137%.

Comparing methodologies, the Cambridge approach shows 3 homes LESS needed per year than the CLG approach.

## 27.8 **South Cambridgeshire**

**Table 13: the Cambridge approach - South Cambridgeshire**

|  | Data | Key |
|---|---|---|
| **Current housing need** | | |
| Priority homeless households and in temporary accommodation | 144 | |
| Overcrowded and concealed households | 1,014 | |
| Other groups total | 3,288 | |
| Total current housing need | 4,446 | |
| Annual Need to Reduce Backlog over 5 years | 889 | A |
| **Future housing need per year** | | |
| New household formation | 635 | |
| Existing households falling into need | 276 | |
| Total newly arising need | 911 | B |
| Total housing need per year | 1,800 | A + B |
| **Existing supply** | | |
| Total affordable dwellings occupied by households in need | 81 | |
| Surplus affordable stock | 0 | |
| Units to be taken out of management | -2 | |
| Annual supply of social re-lets | 290 | |
| Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 7 | |
| Total existing supply | 376 | C |
| **Shortfall / surplus** | | |
| New supply needed to stop backlog growing | 535 | B - C |
| Need for new affordable homes per year | **1,424** | A + B - C |
| Projected supply from commitments | 315 | D |
| Predicted shortfall | 1,109 | A + B - C - D |

**Table 14: Calculating need over a 15 year period**

|  | Data | Key |
|---|---|---|
| First 5 years | 1,424 per year | |
| 1,424 x 5 | 7,120 | E |
| Year 6 onwards: Newly arising need | 911 per year | B |
| Total existing supply | 376 | C |
| Need for new affordable homes from Year 6 onwards | 535 | B – C |
| 535 x 10 | 5,350 | F |
| 15 years affordable housing need | 12,470 | E + F |
| Revised RSS proposed programme for all homes, 2006 to 2021 | 19,980 | |
| % affordable represents of revised RSS programme | **62%** | |

NB This table excludes our projected supply of affordable homes (shown as D in table above)

**Table 15: CLG approach - South Cambridgeshire**

|  | Data | Key |
|---|---|---|
| **Current housing need** | | |
| 5.1.1 Priority homeless households and in temporary accommodation | 144 | |
| 5.1.2 Overcrowded and concealed households | 1,014 | |
| 5.1.3 Other groups total | 3,288 | |
| 5.1.4 Total current housing need | 4,446 | A |
| **Total available housing stock** | | |
| 5.3.1 Total affordable dwellings occupied by households in need | 81 | a |
| 5.3.2 Surplus affordable stock | 0 | b |
| 5.3.3 Projected supply from commitments | 315 | c |
| 5.3.4 Units to be taken out of management | -2 | d |
| 5.3.5 Total affordable stock available | 394 | B |
| **Total net current need** | | |
| Total current housing need - Total affordable stock available (A – B) | 4,052 | C |
| Convert to annual flow (x 20%) | 810 | D |
| **Annual arising housing need** | | |
| 5.2.1 New household formation | 635 | |
| 5.2.3 Existing households falling into need | 276 | |
| 5.2.4 Total newly arising need | 911 | E |
| **Sum annual flow and annual arising need** | | |
| Annual flow + annual arising need (D + E) | 1,721 | F |
| **Future annual supply of homes** | | |
| 5.3.6 Annual supply of social re-lets | 290 | |
| 5.3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels | 7 | |
| 5.3.8 Total supply through re-lets | 297 | G |
| **Net annual housing need** | | |
| Annual flow + annual arising need – supply through re-lets | **1,424** | F – G = H |
| New supply needed to stop backlog growing | 535 | E - (a + b + d + G) |
| Projected supply from new affordable commitments | 315 | c |
| Predicted shortfall | 1,109 | H – c |

**Comparison**

The Cambridge approach calculates a need for 1,424 affordable homes each year for the first 5 years, and after that (once the backlog has been cleared) 535 homes per year.

When totaled over 15 years and compared to the revised RSS programme for all homes, the affordable homes represent 62% of the proposed overall build targets.

Comparing methodologies, the Cambridge approach shows exactly the SAME number of homes needed when compared with the CLG approach.

27.9 **Summary audit trail**

This audit trail provides a quick guide to the information we have used, how we have used it, and any specific notes and links to chapters within the text.

A more complete account of our methodology is provided in Appendix 13, the *Technical Appendix*.

## Stage 5.1: Total current housing need

### 5.1.1 Priority homeless households and in temporary accommodation

**Notes on sources from guidance:** Homeless agencies data, priority homeless in temp acc.

**Cambridge Approach and further notes:** Use HSSA Sec E question 2, number of homeless priority in temporary accommodation.  Use average figure over 6 years to account for year-by-year variations.  Duty to accommodate only arises once accepted as homeless and in priority, so only these households in temporary accommodation included to give a robust indicator.

**Chapter in SHMA for further background:** Ch 18, *Homelessness*

### 5.1.2 Overcrowded and concealed households

**Notes on sources from guidance:** Census, Survey of English Housing, Local Housing Registers.

**Cambridge Approach and further notes: Overcrowding:** Calculated separately for overcrowded owner-occupiers, private rented and social housing.  Concealed households separate in next line.
Use CCRG household numbers for 2006 and apply % for each tenure group.
Calculate % of the tenure group overcrowded using average SEH East of England figure for 20034/ to 2005/6.
Then apply % unable to afford using MRUK household survey results.
Remove % on housing needs registers to avoid double counting.
Result = number of households in the relevant tenure likely to be overcrowded, unable to afford and NOT on the HNR.

**Cambridge Approach and further notes: Concealed:** Use CCRG household numbers for 2006 and apply % for number concealed using MRUK survey
Then apply % unable to afford to buy or rent using MRUK household survey results.
Remove % on housing needs registers to avoid double counting.
Result = number of households in the relevant tenure likely to be concealed, unable to afford and NOT on the HNR.

**Chapter in SHMA for further background:** Ch 11, *Dwelling profile and occupation*

### 5.1.3 Other groups

**Notes on sources from guidance:** Housing Register, Local Authority/ RSL Transfer Lists, Hostel Move-On Needs

**Cambridge Approach and further notes:** Number on housing needs register excluding transfers, as at 1 April 2006 from HSSA section C (excludes transfers).  HDC figure adjusted

to remove transfers.  SCDC figure used correct for 1 April 2007, due to process of reviewing of HNR giving an inflated figure at 1 April 2006.

Transfer figure from HSSA section D, which includes transfers, mutual exchanges and tenants transferring to RSLs through the nominations process; and CORE table 13 showing transfers within RSL stock

Homeless households in 1.1 removed to avoid double counting

**Chapter in SHMA for further background:** Ch 17, *Social rented housing turnover, registers and lettings*

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### Annual Need to Reduce Backlog over 5 years

**Notes on sources from guidance:** The CLG guidance sets out options for calculating annual housing need, in step 5.1:

"…the net figure derived should be converted into an annual flow using assumptions about the number of years that will be taken to address the backlog. Levels of unmet need are unlikely to ever fall to nil given that peoples' housing circumstances change and there will always be households falling in and out of housing need. The quota should be based upon meeting need over a period of five years, although longer timescales can be used.  In particular, there may be merit in linking quotas to the remaining time period of adopted housing policies in plans. For the component of need derived from existing affordable housing tenants, partnerships could estimate the proportion that are expected to be rehoused based on previous allocations. Whilst the decision is the responsibility of individual local authorities, partnerships should bear in mind the need for comparability. Partnerships should avoid using a period of less than five years in which to meet unmet current need. If a five-year period is used, this means that 20 per cent of current unmet need should be addressed each year. The output of this should be an annual quota of households who should have their needs addressed."

**Cambridge Approach and further notes:** Decision to adopt approach of reducing backlog over a 5 year period, so aim to meet 20% of need per year.  Then to convert the 5-year figure to a 15-year figure, for comparison purposes with our draft 2021 RSS target.

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### Stage 5.2: Total newly arising housing need per year

#### 5.2.1 New household formation

**Cambridge Approach and further notes: natural growth:** New households forming from within existing population.  Calculate change in households projected between 2006 and 2011.  Divide by 5 for annual growth figure.  Use CCRG nil net in-migrant model for annual natural growth figure.

**In-migrants - by tenure**: Calculate in-migrants by tenure, by Owner occupied, private rent, social rent and other (low affordability).  Remove CCRG nil net in-migrant model for annual natural growth figure from projected growth in households (see line above).  Difference then apportioned by tenure using MRUK survey results.  Result = number of in migrants projected per year by tenure.

**Chapter in SHMA for further background:** Ch 10, *Demographic context and forecasting*

### 5.2.2 Proportion of new households unable to buy or rent in the market

**Notes on sources from guidance:** Affordability for natural growth in existing households

**Cambridge Approach and further notes:** For each of the above tenure groups, calculate % likely to be able to afford the appropriate tenure using MRUK household survey results, except for low affordability where CACI data used as better reliability than MRUK results for this group.

### Number of households unable to afford

Multiply number of new households from 5.2.1 by likely affordability in 5.2.2 to give number of new households unable to afford

**Chapter in SHMA for further background:** Ch 21, *Current affordability and income*

### 5.2.3 Existing households falling into need

**Notes on sources from guidance:** Housing Register/ LA and RSL data, tenants surveys. "Households who have entered the register and been housed within the year as well as households housed outside the register (such as priority homeless household applicants)"

**Cambridge Approach and further notes:** Used all LA dwellings let to new secure tenants + introductory lettings + other tenancies + total RSL lettings - tenants transferring to RSL homes - new additional LA and RSL rented dwellings. Used average over 4 years (2002/3 to 2005/6) to avoid peaks and troughs. Used HSSA D and N.

**Chapter in SHMA for further background:** Ch 21, *Current affordability and income*

## Stage 5.3: Annual supply of affordable housing

### 5.3.1 Affordable dwellings occupied by households in need - overcrowded

**Notes on sources from guidance:** Housing Register, Local Authority and RSL transfer lists, over-crowding data

**Cambridge Approach and further notes:** Calculated 1/5th Social Rented Tenants in Overcrowded Properties (From 5.1.2). 5.1.2 provides a total backlog to be met over 5 years, this figure needs to be an annual one. The figure may be slightly high as in some cases, only part of the household will move out to ease the overcrowding. In others the whole household will move to a larger property. No adjustment has been made so as to provide a conservative final estimate.

**Chapter in SHMA for further background:** Ch 11, *Dwelling profile and occupation*

### 5.3.1 Affordable dwellings occupied by households in need - underoccupying

**Notes on sources from guidance:** "Partnerships should assess the figures identified in step 1 to estimate the number of dwellings vacated by current occupiers that are fit for use by other households in need" (Guidance P.47)

**Cambridge Approach and further notes:** This figure could be improved by a detailed analysis of moves from larger to smaller properties within the social rented sector, including moves into sheltered, but only where the whole household moves. However given the complexity of this work and the low numbers involved, decided best to proceed using published data and refine in future as appropriate.

Used HSSA Section D3a1 - Social tenants moving to homes with fewer bedrooms, average over 4 years from 2002/3 to 2005/6.

**Chapter in SHMA for further background:** Ch 11, *Dwelling profile and occupation*

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### 5.3.2 Surplus stock

**Notes on sources from guidance:** Local Authority and RSL records. Allowable level of voids = c.3% to allow for movement and work. If the rate is more than this and properties are empty for long periods, these should be counted as surplus stock.

**Cambridge Approach and further notes:** Good practice allows for 3% of social stock to be vacant at any one time.  The worksheet 5.3.2 Surplus stock compares the number of vacant homes with the number of social homes in the district, and denotes if there is more than <3% of the total social stock, vacant.  If not, surplus stock value = 0.  If there is a surplus of vacant homes, the number of vacant homes above the 3% threshold will be used.
Used HSSA Section A. Vacant dwellings in Social Sector compared to social stock as at 1 April 2006.

**Chapter in SHMA for further background:** Ch 11, *Dwelling profile and occupation*

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### 5.3.3 Committed supply of new affordable housing

**Notes on sources from guidance:** Development programmes of affordable housing providers, Regeneration schemes, including conversions and intermediate housing products

**Cambridge Approach and further notes:** Average of plans for 2006/7 to 2007/8
Used HSSA sec N  - new rented and shared ownership but NOT "other" affordable private sector as unlikely to be affordable as defined in PPS3

**Chapter in SHMA for further background:** Ch 23, *Past and future housing delivery*

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### 5.3.4 Units to be taken out of management

**Notes on sources from guidance:** Demolition and conversion programmes of LA/RSLs HSSA Data

**Cambridge Approach and further notes:** Used 2005/6 Annual Monitoring Return as published by County Council.  Average over the years provides a falsely high number, rate of demolition of social stock generally low in recent years so 2005/6 figure judges best snapshot to use.

**Chapter in SHMA for further background:** Ch 11, *Dwelling profile and occupation and Ch 23 Past and future housing delivery*

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### 5.3.6 Annual supply of social re-lets

**Notes on sources from guidance:** Lettings/voids systems for providers, LA and RSLs, CORE data for RSLs, HSSA data

**Cambridge Approach and further notes:** Used HSSA average number of lettings over 2001/2 to 2005/6.
Includes all new lettings to local authority stock, and RSL lettings, all excluding transfers.

**Chapter in SHMA for further background:** Ch 17, *Social rented housing turnover, registers and lettings*

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**5.3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels**

**Notes on sources from guidance:** LA/ RSLs and other providers on re-sales of sub-market LCHO or shared equity schemes

**Cambridge Approach and further notes:** CORE data for 2006/7 on re-sale of LCHO homes

**Chapter in SHMA for further background:** Ch 19 and Ch 20, *Intermediate Housing Registers and Purchasers*

For further detail, please see Appendix 13, *Technical Appendix.*

## 27.10 **Summary of outcomes**

The table below summarises the headlines on identifying housing need for each district.

It is important to remember that some of the numbers, but not all, can be added together across boundaries to provide a "total " figure for the county or the sub-region.

**Table 16: Summary of outcomes**

| | Cambridge approach<br><br>Need for new affordable homes per year | % this represents of draft RSS target for all homes, when projected over 15 years | CLG approach<br><br>Net annual housing need | Comparing Cambridge to CLG approach |
|---|---|---|---|---|
| Cambridge City | 1,509 | 65% | 1,506 | 3 more |
| East Cambridgeshire | 797 | 130% | 770 | 27 more |
| Fenland | 639 | 57% | 651 | 12 less |
| Huntingdonshire | 1,205 | 137% | 1,208 | 3 less |
| South Cambridgeshire | 1,424 | 62% | 1,424 | 0 |