



STRATEGIC HOUSING MARKET ASSESSMENT AND HOUSING NEEDS SURVEY

LONDON BOROUGH OF BARKING AND DAGENHAM

**ORIGINAL VERSION MARCH 2019 AND UPDATE
FEBRUARY 2020**

Prepared by Cobweb Consulting

February 2020

Preliminary note

This document combines the original SHMA carried out in 2019 with the February 2020 Update. It is suggested that the reader uses the Update to understand the latest policy environment, and position on housing needs assessment, affordable housing requirements, and the position on older people, students and self-builders.

The original SHMA covers the scope of the Housing Market Assessment, a profile of the area, and material on the specific needs of: those with physical disabilities including wheelchair requirements; mental health, drug and alcohol, vulnerability, learning disabilities and complex needs; care leavers, ex-offenders, and those with no recourse to public funds; families; the LBGT+ community; private renters; and armed forces personnel.

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Executive summary

1. Cobweb Consulting was commissioned in 2018 by the London Borough of Barking and Dagenham to prepare a Strategic Housing Market Assessment (SHMA) and undertake a Housing Needs Study.
2. This Strategic Housing Market Assessment (SHMA) sets out the estimates for the London Borough of Barking and Dagenham's current and future housing need, to inform the development of a new Local Plan and Housing Strategy. In parallel, a face-to-face interview-based Housing Needs Survey updates data last collected in 2011 and informs both the SHMA and future housing strategies. Both studies were complemented by a series of stakeholder interviews and focus groups.
3. A SHMA should identify the scale and mix of housing, the range of tenures needed to meet household and population projections. This includes affordable housing and needs of different groups (e.g. older people, families with children, people with disabilities, people wishing to build their own homes) and caters for housing demand and scale of housing supply necessary to meet this demand.
4. According to the current version of the standardised methodology for assessing housing requirements, brought into the National Planning Policy Framework in 2018, the annual additional housing requirement for Barking and Dagenham is 2,089. We also calculated requirements based on the previous guidance for calculating Objectively Assessed Need (OAN) and, including an uplift to take account of market signals, this generated a figure of 1,790 homes per annum. Both these figures can be compared to the annual target in the draft London Plan, which is 2,264 homes per annum. The SHMA also considers the net annual requirement for affordable housing. The requirement for affordable housing is 1,557 units per annum.

The Housing Market Area (HMA) and planning context

5. National planning policy requires local authorities to base their planning policies on an assessment of requirements for all types of housing (market and affordable housing). The NPPF incorporates a standardised methodology for calculating this overall figure which should be followed unless there are strong local circumstances which suggest an alternative approach.
6. In the London context, the London Plan is under review and the evidence base and proposals in the new plan are also taken into account. The new plan proposes a higher annual housing target for the borough over the next 10 years. While GLA Supplementary Planning Guidance indicates that London should be viewed as a single housing market for planning purposes, it recognises that there are 'housing sub-markets' within the capital. Local housing assessments such as this one can complement the wider strategy.

Dwelling stock profile

7. Since 2009, the volume of dwellings in Barking and Dagenham has grown by 5%; it has the lowest proportion of empty homes amongst its neighbours. The private rented sector (PRS) increased from 5% in 2001 to 18% in 2011 and is now likely to make up 24% of the stock. There are nearly 5,000 fewer owner-occupiers than in 2001.
8. The most predominant building type is the terraced house (46%). Only 4% of dwellings are converted flats or bedsits, the category where most HMOs are likely to be found. . There is a low proportion of larger homes overall. 62% owner-occupied stock has 3+ bedrooms, compared to 33% social rented and 36% in the private rented sector. Over half the stock was built between 1919 and 1944, reflecting the 'Homes for Heroes' initiative and the demands of the Ford plant in Dagenham.
9. Since 2011 an average of 524 additional homes have been developed per annum, and there are ambitious plans for the future, involving building nearly 2,300 homes per annum

Economic profile

10. In spite of the recession, there has been a 36% increase in jobs, and the number of enterprises doubled between 2010 and 2017. But there are not enough jobs in the borough for all working-age residents, so there is, therefore, considerable out-commuting (as well as in-commuting). Modelling commissioned from GL Hearn to inform the borough's economic strategy envisages the creation of between 8,000 and 23,000 additional jobs by 2045 depending on which options are pursued.
11. The economic activity rate of 73.5% is lower than the London average. The economic inactivity rate is higher than the London average.
12. Barking and Dagenham workers tend to have jobs in lower industrial and occupational categories than the London average: that is fewer jobs in senior positions and in well-paid occupations. This means that average earnings of £30,167 are below all contiguous authorities except Newham, and are below the London median (£34,752). Relevant to this below average profile is a work-force with a mid-level educational attainment, with fewer residents with degree level or higher qualifications (21%) than the London average of 38%, and more with no qualifications (28% v. 18%).

Key points from the housing needs survey

13. 1700 residents were interviewed face to across all tenures, ethnicities and age groups

14. More than half the sample had lived in their current home for at least ten years. Those resident for the shortest time – 13% for less than two years – were more likely to be renting privately and to be from Other White ethnic backgrounds.
15. Fuel poverty (spending more than 10% of income on fuel) was experienced by 51% of those interviewed. This is noticeably higher than the 36% in the same position in the 2011 survey.
16. Household size ranged from one to eleven people but was typically two to four residents. There are examples of both overcrowding and under occupation when related to the bedroom standard.
17. Some 47% of households included dependent children. There were also 20% multi adult households, either adults sharing or families where grown up children remain in the family home.
18. Income analysis, where the information was provided, shows that one third of the sample received an income of between £126 and £375 per week. There are a further 36% who receive between £376 and £750 with most of the remainder receiving more than this; very few have an income below £125 per week. Some 61% were in receipt of benefits of some sort. Most frequently found were Child Benefit, Child Tax Credit, Housing Benefit and the State Pension.
19. Analysis of private rent and mortgage payments against income gives the predictable result that the higher the income, the lower the proportion spent on housing costs. Those on lower incomes pay a higher proportion, sometimes more than 60%. Of those earning under £1,000 per month 92% of private renters, 40% of owner-occupiers and 26% of council tenants were paying more than 60% of their gross incomes on housing costs (before taking account of Housing Benefit and DLA / PIP).
20. Around half of the tenants of social landlords pay more than the threshold figure of 35% of their income on housing costs (before taking account of Housing Benefit – 44% were in receipt of HB).
21. Some 13% of the sample had a household member with a disability or long term illness which limited their day to day activities. This is increasingly likely as the age of household members increases.
22. A total of 11% of households thought it 'very' or 'fairly' likely they would move within the next five years. This was more likely for those under 50 years of age. Tenants of private landlords expressed a much higher propensity to move (21%).
23. In the previous survey the measure of those likely to move within five years was higher at 26%. The drop to the current level may be due to a number of factors, perhaps

including greater financial pressures, the desire to hold on to what was occupied and general uncertainty.

24. A small proportion, 4%, of respondents said that there was someone in their household who may move out to form a new household within the next five years. By far the most likely reason for this was someone becoming independent from their family home.
25. When asked which of a number of tenure options these new households might be able to afford without claiming Housing Benefit, one in three thought they would be able to buy on the open market. A further one in three felt they could rent from a Housing Association and only 8% thought they would not be able to afford either of these, shared ownership or private renting.
26. Around one in three movers wish to remain in Barking and Dagenham with 17% preferring neighbouring boroughs. As many as 23% are looking to move elsewhere in the UK. Those forming new households are more likely to move away from the area.
27. A final question offered respondents a number of possible strategy options for the Council and asked them to select the most important. The 'top three' included the building of more homes but also addressing community safety and dealing with anti-social behaviour in all its forms.

Assessment of housing requirements

28. During the period when this SHMA was drafted and revised, the National Planning Policy Framework (NPPF) and Planning Practice Guidance changed. We have revised the findings of the chapter to align with the new NPPF, but have retained the Objective Need Assessment (OAN) prepared under previous guidance for information.
29. The starting points of the previous approach were the most up to date official population and household projections. In the case of household projections, these were the 2014-based MHCLG projections. These indicated household growth of 35,355 households, over the 2016-2039 period, a rise of 46%, or on **average 1,537 households** per annum.
30. GLA has also produce population and household projections for Barking and Dagenham. The central migration trend option within its most 2016-based household projections show household growth of 31,484 (41%), or on **average 1,369 per annum**.
31. We considered that the GLA population and household projections provided the best basis for calculating OAN in Barking and Dagenham, as the projections and the assumptions underlying them were not constrained to national totals and so could take particular account of London's circumstances, and they were at that stage the most up to date. The Inspector's report on FALP supported the use of GLA projections for the London Plan.

32. GLA's most recent employment projections covering the 2016-2050 period show relatively limited employment growth in the borough from 58,000 jobs in 2016 to 65,000 in 2050. On this basis, it is unnecessary to make an addition to OAN to support economic growth. A recent employment study commissioned by the borough looks at the potential for much higher rates of employment growth in the range 18,000-24,000 jobs. If adopted, the creation of this level of employment would clearly require additional dwellings to avoid the need for inward commuting. In this case, the borough will need to carry out additional modelling to assess the precise level and type of housing required to support these employment growth aspirations
33. The dwelling size breakdown of the OAN was dependent on assumptions about future occupancy rates. Assuming that private sector occupancy rates (which include significant levels of under-occupancy) remain as at present, the required size breakdown of the housing stock in the borough in 2039 will be **39% one bedroom dwellings, 27% two bedroom dwellings, 25% three bedroom dwellings, and 10% four bedroom dwellings.**
34. As required by the previous NPPF and PPG, we also undertook a review of market signals in the borough. This showed that affordability had become an increasingly severe problem in recent years. We proposed an addition of 17.5% to demographic OAN, towards the upper end of the range of recent adjustments proposed in London and the South East. **This increased OAN to 1,790 per annum.**
35. In July 2018, a revised NPPF required local authorities to base their assessment of housing need on a new standard methodology. This supersedes the previous OAN. **The standard methodology estimated annual need at 2,089 dwellings for the borough.**
36. **In addition it should be noted that the draft London Plan proposed an annual target of 2,264 dwellings** for Barking and Dagenham. This is based on local need, the wider needs of London as a whole, and the capacity of the Borough to provide land for new housing construction.
37. This paper is still subject to consultation and any eventual changes need to be taken into account. Assuming that the government does not change its proposals, **the 2014-based estimate of 2,089 dwellings will be the estimate of housing need which is compliant with NPPF and PPG.**
38. It is open to the Council to set a different target in its local plan. A lower target than that derived from the standardised assessment methodology will need to be justified by reference to special circumstances. A higher estimate will not require special circumstances and may be justified by, for example, the aspiration to provide higher levels of housing to support future economic growth or to make a great contribution to the housing needs of the capital.

Affordable housing needs

39. To assess gross need, and following Planning Practice Guidance, estimates were made of the number of households in need at 2016. **This backlog need was assessed to be 9,231 households.** It was assumed that backlog housing need would be met over a twenty-year period, leading to **an annual quota of backlog need of 462 households. To this we added the numbers of newly forming households (2433 per annum) and the number of existing households falling into need (268 per annum).**
40. This indicated a **potential annual need for housing of 3,163 households, before taking account of the ability of these households to afford market housing.**
41. To assess the number of these households unable to afford market housing, estimates of were obtained of the distribution of household incomes in the borough, and of the incomes of the specific groups defined in Guidance as potentially in need. Household incomes were compared with the threshold entry cost for market housing, namely the lower quartile market rent. **An estimated 2,067 households per annum could not afford to pay the market entry threshold cost and therefore needed affordable housing.**
42. Five other affordable housing thresholds were also identified and the number of households unable to afford each threshold was estimated:
- a. The lowest cost threshold was based on current actual average social rent levels in Barking and Dagenham.
 - 127 households (6% of those needing affordable housing) could not even afford this threshold, based on the assumption that they should not spend more than 35% of gross income on housing. This also reflects the fact that the benefit system does not always fully assist those on low incomes to pay their rent.
 - b. The next threshold was set at 50% of the lower quartile private sector rent for each dwelling size and equates to London Affordable Rent levels.
 - Some **474 households** (23% of those needing affordable housing) **could afford a rent at or above the social rent, but below 50% of the lower quartile private rent.**
 - c. The next threshold was set at 66% of the lower quartile market rent, and equates to London Living Rent levels.
 - **625 households** (30% of those needing affordable housing), **could afford rents at between 50% and 65% of the private rented sector lower quartile rent level.**

d. The next threshold was set at 80% of the lower quartile market rent, and equates to Affordable Rent levels.

- **363 households** (18% of those needing affordable housing) **could afford rents at between 66% and 79% of the lower quartile threshold market rent.**

e. The remaining threshold is for those who can afford **between 80% and 99% of the market threshold rent.**

- There are **479 households in this position (23%)**

43. These proportions are should not be treated as exact but as giving an indication of the breakdown of affordable need.

44. **The average annual supply of affordable housing units (based on relets of social sector stock and resales of Shared Ownership properties) is estimated at 510 units, and deducting this from gross need provides a net annual requirement for affordable housing of 1,557 units.**

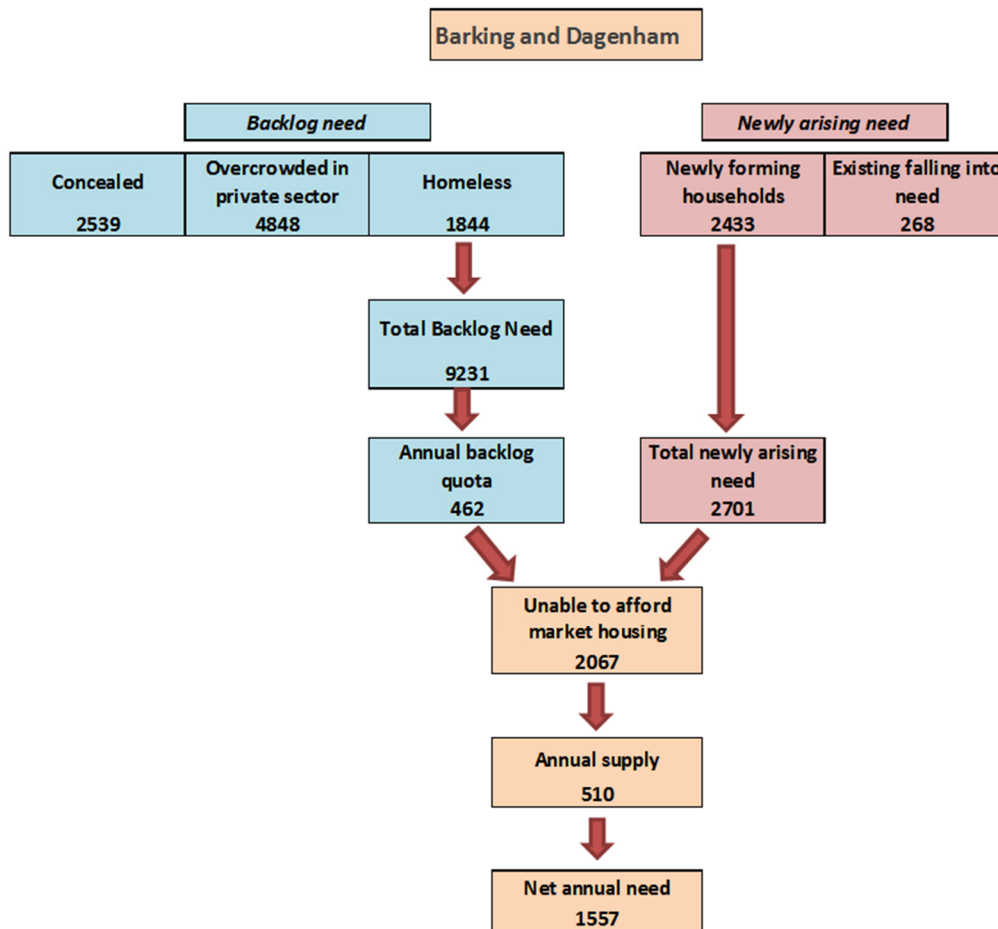
45. The following table breaks down affordable housing requirements by the cost thresholds discussed above and by bedsize:

Future annual need for affordable homes

		Annual need	Annual supply	Surplus (+) or shortfall (-)
Cannot afford a social rent	1 Bed	37	0	37
	2 Beds	64	0	64
	3 Beds	21	0	21
	4+ Beds	5	0	5
	Total	127	0	127
Can afford a social rent and up to 49% market rent (equivalent to LAR)	1 Bed	0	126	-126
	2 Beds	93	139	-46
	3 Beds	130	57	73
	4+ Beds	309	2	307
	Total	474	325	149
Can afford 50%-65% of market rent (equivalent to LLR)	1 Bed	120	57	63
	2 Beds	378	59	319
	3 Beds	59	35	25
	4+ Beds	67	7	60
	Total	625	158	466
Can afford 66%-79% of market rent (equivalent to Affordable Rent)	1 Bed	36	0	36
	2 Beds	178	0	178
	3 Beds	11	0	11
	4+ Beds	138	0	138
	Total	363	0	363
Can afford 80%-99% of market rent	1 Bed	116	4	112
	2 Beds	15	19	-4
	3 Beds	282	4	278
	4+ Beds	66	0	66
	Total	479	27	452
All who cannot afford market rent	1 Bed	309	187	121
	2 Beds	729	217	512
	3 Beds	503	96	407
	4+ Beds	586	10	576
	Total	2067	510	1557

46. The following chart summarises the process of calculating affordable need:

The Affordable Housing Need calculation summary



Specific groups

Older people

47. The proportion of older people in Barking and Dagenham is lower than in most areas of London. As with the rest of the country, it is increasing. By 2041 the number of those aged over 65 is projected to be nearly 40,000. This represents a 72% increase on 2016 figures. However, the rate of increase of the over 85 group in the population is slower than neighbouring authorities or London as a whole. There is projected to be a 65% increase in the number of households containing over 65s, a rate mid-range among neighbouring boroughs.
48. 50% of single older people and 73% of older couples own their own homes outright, implying there is considerable equity available to meet housing needs. However, 48% single older people and 25% of older couples are in the social or private rented sectors and will not have these assets.
49. Some older people tend to under-occupy housing, implying that if they downsize this would free up more family-sized accommodation in all sectors. This is most apparent in the owner-occupied sector, though it also applies in the social and private rented sectors

50. Across Barking and Dagenham the future supply of sheltered accommodation is adequate, though there are issues with condition, quality, size and diversity of stock.
51. There is a need for an additional 180 units of Extra Care accommodation between 2018 and 2028. The authority will want to review the split between social rented and market provision periodically.

Households with disabled members including wheelchair users

52. A gradual increase in the number of households with disabled members is forecast between now and 2035, particularly of those aged 65 plus, though the rate of increase is lower than in surrounding boroughs.
53. 330 households have unmet wheelchair accessible accommodation requirements and require it across all tenures. Others will have accessible housing needs that may not require full-wheelchair accessible standards.
54. There is some mismatch between the numbers needing social/affordable wheelchair accessible stock, and the allocations to that stock when it becomes available. There are a number of reasons for this including the need to minimise void periods and mismatches between locational preferences and the available stock.

Mental health, drug and alcohol, vulnerability, learning disabilities and complex needs

55. The borough is forecast to have a sharper rate of increase in the number of younger people with these forms of ill-health and disability than surrounding boroughs, primarily because of its younger demographic profile. A strategic focus is on identifying groups at risk at the earliest possible stage, in order to assess requirements.
56. While supply for some groups is adequate there is concern about a perceived reduction in the availability of supported housing, and the type and quantity of floating support available.
57. While liaison and communication within the relevant council departments and with independent providers has been improving, there is still a need for this to be done more thoroughly, following the recent restructuring of council services

Care leavers, offenders, and those with no recourse to public funds

58. A procurement strategy is in place which is geared to meeting current and future requirements for accommodation for care leavers; sometimes shared arrangements are used instead of one bed allocations. There is some concern about LGBT+ foster care leavers and their propensity to fail in their tenancies
59. According to agencies working with them, additional supported accommodation and 'life skills' training is needed for ex-offenders and prolific re-offenders (many of whom will have complex needs)

60. The authority is dealing successfully with its statutory responsibility towards those with No Recourse to Public Funds, though there is concern about the suitability of properties where there are adults and children with disabilities

LBGT+ housing needs

61. While there is no dedicated LBGT+ service hub in the borough, there are strong cross-referral and cross-agency networks in place. A recent Community Needs Assessment contained a series of recommendations, particularly focused on Community Solutions role, which should be considered as part of future housing strategy

62. Agencies reported on a lack of provision for gay and bisexual men and transgender people facing domestic abuse; a disproportionate proportion of LBGT+ people facing court possession proceedings (including those formerly in foster care); and anecdotal evidence that there is a large group of LBGT+ asylum seekers in the borough, disconnected from support networks.

Students

63. There are over 14,500 students resident in the borough during term time, including older school students.

64. At the moment there is no purpose-built student accommodation in the borough; Coventry University are in discussion with Be First on a scheme to house 300 students by 2021, some 10% of their planned intake. .

65. At least 28% live in private rented accommodation; 55% live with their parents though this number includes older school pupils and college students.

66. There are likely to be around 6,000 students requiring independent accommodation studying at Barking and Dagenham-based Higher Education establishments, suggesting there may be scope for more purpose built developments

67. The relatively low private sector rents and easy accessibility to central London may mean it becomes more of a hub destination for students from elsewhere, competing both with local students and other users of the private rented sector.

Families

68. While in the longer term family formation is likely to reduce, nonetheless the overall number of working age households is due to increase by 46% between 2016 and 2041.

69. The borough has a greater proportion of lone parent families with dependent children than its neighbours, London or England (28%). At least 31% of lone parent families are in the private rented sector; 51% are in the social rented sector and only 18% own their homes.

- 70. As well as the 31% of lone parent families, 29% of 'other' families (e.g. families with multiple adults) are in the PRS. This must be of concern if the PRS market continues to move away from catering for lower income households.
- 71. 40% of families comprise couples with dependent children; 20% of family households have only non-dependent children (i.e. grown up offspring) living at home.
- 72. 63% of owner-occupier families under-occupy by at least one bedroom. In the social rented sector, 33% have surplus bedrooms and 14% are overcrowded implying at least a theoretical possibility of rationalisation.

Private rented sector (PRS)

- 73. The PRS has expanded in Barking and Dagenham by a factor of three between the last two Censuses and is now likely to be providing homes for 24% of households, approaching the Council sector in size.
- 74. Residents are primarily young, and a very high proportion—56%—have dependent children (higher than most neighbouring authorities and the London average); 53% PRS residents are from ethnic backgrounds other than White British.
- 75. Residents tend to be mainly employed, but have a lower economic activity rate than neighbours or London. PRS residents are twice as likely to be unemployed than the London average and tend to be on lower wages than average).
- 76. The number of PRS tenancies let to those claiming Housing Benefit is reducing. This must be of concern to the authority, particularly given the high proportion of households with dependent children that rely upon it. Nonetheless the Council considers the PRS HB market still has a role, particularly in providing temporary accommodation.
- 77. Interviews with landlords and lettings agents show that the environment for their continuing to rent to lower income, benefit-claiming tenants is worsening and that they are more likely to focus on higher-income professionals.
- 78. They noted an increase in sharing, and that less scrupulous landlords were 'sticking up partitions and making two beds into threes ... and ramming families in'.
- 79. Loss of a PRS tenancy is the single largest cause of statutory homelessness, accounting for 54% of acceptances in 2017-18.
- 80. If the PRS is to continue to play a role in addressing homelessness and housing need, the authority will need to maintain strong relationships with the landlords it currently works with, and be prepared to reinforce incentives schemes and services.
- 81. Homeless households placed in temporary accommodation in the PRS have a range of concerns about their situation, but also recognise the council's problems in dealing with increasing homelessness.

82. At the other end of the private rented spectrum, sub-market renting and full market rented developments, using the Build to Rent initiative, have been very actively promoted in the borough through Be First and Reside
83. It is difficult to forecast how permanent Build to Rent is likely to be. The increasing land values the borough is experiencing may re-incentivise owner-occupation; whereas uncertainties around Brexit and the wide economy may signal PRS investment as a safe berth.

Armed forces personnel

84. Based on Housing Register data there is low demand demonstrated from this group, and there do not seem to be uncatered for requirements in terms of households or individuals accessing the Housing Register.
85. However, while numbers are low, the authority has experienced the second fastest growing rate in rough sleeping in London since 2014-15 (though a small reduction was seen last year). Ten percent of the rough sleepers in the borough are ex-armed forces personnel. Any new housing strategy should revisit their needs and what provision is being made in the form of night shelters, hostels and supported housing

People wishing to build their own homes

86. As of December 2017 118 individuals and two organisations were on the register set up under the Self-Build and Custom Housing Building Act 2015 to monitor those interested in acquiring land for self / custom-build projects;
87. The Act expects an authority to make provision in certain circumstances for suitable serviced plots to meet demand as evidenced by the register. Authorities now have discretion to apply eligibility tests based on local connection and financial viability before deciding who is entitled to authority support. We suggest this is done before incorporating this need into planning policy..

In general

88. An underlying theme in much of the data collection and analysis that has underpinned work on the specific and special groups in this SHMA, is the increasing reliance on the private rented sector as the solution for meeting the housing needs of not only 'ordinary' local residents but also of those disadvantaged groups described in more detail in paras 8.66 to 8.116 in this SHMA. This assessment has also been driven by discussions with both LB Barking and Dagenham staff and external agencies who are essential commissioners, providers and supporters of those in housing need.
89. The evidence shows that the borough's policies should seek to ensure that lower income and vulnerable groups are able to access decent quality private rented stock, as well as stimulating the development of both affordable social rented stock and higher-end private rented development.

Chapter 1

Introduction

1.1 This Strategic Housing Market Assessment (SHMA) sets out the estimates for the London Borough of Barking and Dagenham’s current and future housing need, to inform the development of a new Local Plan and Housing Strategy. In parallel, a face-to-face interview-based Housing Needs Survey updates data last collected in 2011, and informs both the SHMA and future housing strategies. Both studies were complemented by a series of stakeholder interviews and focus groups.

Housing Market Area

1.2 The first stage of a SHMA is to determine the geographical span of the housing market area (HMA) within which the commissioning authority is situated.

1.3 In the London context, the Examination in Public on the Further Alterations to the London Plan confirmed that London is a single housing market area. However, national policy and guidance as well as London Plan Policy 3.8 “Housing Choice”, still requires boroughs to undertake an assessment of needs at the local or sub-regional level in order to supplement the strategic findings of the 2013 and 2017 London SHMAs. This requirement has been reinforced by Housing Supplementary Planning Guidance (SPG) issued by the Greater London Authority (GLA).¹

1.4 We undertook a thorough review of existing research and new evidence to determine whether it was appropriate to conduct an HMA for LB Barking and Dagenham, or whether there would be a requirement to extend the area covered beyond the borough’s boundaries.

1.5 As part of this review we took into account the Duty to Cooperate which the Localism Act 2011 and the National Planning Policy Framework (NPPF) places on local councils, to consult with neighbouring local authorities, the Greater London Authority, and other relevant organisations, over the definition of HMAs and subsequently over the evidence assembled and the study findings.

Assessing Housing Need

1.6 The second stage was to prepare a SHMA including an assessment of housing need which is fully compliant with the requirements of the NPPF², and Planning Practice Guidance (PPG)³ During the course of undertaking this SHMA both the NPPF and PPG underwent

¹ <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/supplementary-planning-guidance/housing-supplementary>, May 2016

² NPPF <http://planningguidance.planningportal.gov.uk/blog/policy/>

³ PPG <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

considerable reform (in, respectively, July and September 2018), including the removal of the concept of an Overall Assessment of Housing Need (OAN) following a detailed methodology, which was replaced with the introduction of a standardised test to assess housing requirements. Additionally, late in the process of developing the SHMA, new household projections were produced by the ONS (in September 2018) that informed the standardised test, as well as the previous methodology for calculating the OAN. For the purposes of this SHMA, and to ensure that LB Barking and Dagenham have the full range of data and analysis that they may want to make strategic planning and housing strategy decisions, we have calculated OAN both using the new standardised approach, and also using the previous, fuller and more rounded methodology.

1.7 The SHMA includes an assessment of the need for affordable housing, as also required by the guidance. The criteria and methodology for undertaking this did not change substantially during the lifetime of the project.

1.8 This report sets out the SHMA findings and will form part of the evidence base for LB Barking and Dagenham Local Plan and Housing Strategy.

1.9 The remainder of this report is structured as follows:

- **Chapter 2** considers the key national, regional and local policies and requirements relating to the preparation of a SHMA.
- **Chapter 3** reviews the evidence relating to HMAs in the Greater London context, and in the context of Barking's geography. We note house price data, migration and travel to work patterns, and how an HMA would relate to the London SHMA and the London Plan.
- **Chapter 4** provides brief profiles of the population, the housing stock and the local economy in Barking and Dagenham, along with neighbouring authorities for comparison, identifying trends over time, and highlighting key differences. This includes economic characteristics, tenure composition, dwelling size/type breakdown, condition, under and over-occupation, house prices, housing supply trajectories, and key features of the local labour market.
- **Chapter 5** reports on the results of the Housing Needs Survey, compares these findings to those of the previous 2011 survey, and integrates the views from the parallel stakeholder interview and focus group programme.
- **Chapter 6** provides an assessment of the future number of households in Barking and Dagenham, drawing on official Government household projections and those prepared by the GLA. It reviews trends in population and household change and the various demographic, economic and aspirational factors driving the amount and nature of household formation and housing market change in the study area over the last two decades. The two key long-term drivers of housing market demand considered in detail are demography (including population composition and migration and household characteristics) and the strength of the economy (including both the level and type of employment available and economic opportunities in adjacent areas) which determine households' ability to exercise demand in the market or otherwise. It derives figures for future housing requirements, based both under the OAN methodology outlined in previous versions of the PPG, and figures using the standardised approach

- **Chapter 7** assesses affordable and intermediate housing needs, following the framework set by the PPG. It uses a spreadsheet-based model using secondary data sources. It notes the requirement for market housing. It takes account of different possible products based on different bands of affordability criteria.
- **Chapter 8** highlights the housing needs of a range of specific groups which may not be fully identified elsewhere.

Acknowledgements and authorship

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1.11 This report was researched and written by Cobweb Consulting. Principal authors are Danny Friedman, Ros Grimes and Philip Leather. Sarah Barnett undertook a number of the stakeholder interviews. Fieldwork for the Housing Needs Survey was carried out by Perspective Research Services Ltd.

Chapter 2

The policy context

Key messages

- National planning policy has recently undergone major revision including the issue of a revised National Planning Policy Framework. This requires local authorities to base their planning policies on assessed housing need, calculated using a new standardised national methodology, together with an assessment of affordable housing need.
- NPPF and planning practice guidance no longer refer to an objective assessment of need (OAN) or for the preparation of a strategic housing market assessment. These changes were announced after work on this SHMA including the estimation of OAN was largely complete so the report presents these but also takes the changes in guidance into account.
- In the London context, the current London Plan and the 2013 GLA SHMA are the prime planning and evidence context for housing market analysis. However, the London Plan is under review and the evidence base and proposals in the new plan are also taken into account. The new plan proposes a higher annual housing target for the borough over the next 10 years.
- National Planning Practice Guidance (PPG) sets out a standardised national methodology for identifying housing need which should be followed unless there are strong local circumstances which suggest an alternative approach. A higher figure than that suggested by the standard methodology will be deemed sound by an Inspector, but a lower figure will need to be supported by robust evidence.
- Constraints on provision such as land availability or infrastructure should not be taken into account when estimating need, although they are of course relevant in developing policies.
- Total housing need should be broken down by age group, type of household, size of household, tenure, and any special requirements (such as those of disabled people).
- A separate and detailed approach to assessing the need for affordable housing is also set out in PPG. This has not changed substantially from previous guidance.

Introduction

2.1 This chapter highlights the most important features of national, regional and local planning policy and guidance which this Strategic Housing Market Assessment (SHMA) for Barking and Dagenham has taken into account. During the course of the work there were major revisions to government requirements and advice relating to housing need which this report takes into account.

2.2 The National Planning Policy Framework (NPPF), originally published in 2012, sets

out the government's principles and policies relating to planning. It was revised after consultation in July 2018. Transitional arrangements apply to development plans submitted on or before 24 January 2019.

The previous National Planning Policy Framework

2.3 The 2012 NPPF set out a clear presumption in favour of sustainable development (para 14), and established the government's intention to significantly boost the supply of housing. To determine how much additional housing is required, local planning authorities were required to make assessments of the needs for market and affordable housing, working across Housing Market Areas (para 159). Local Plans were to seek to meet identified needs in full unless there were adverse impacts which outweighed the benefits, or conflicted with other policies within the NPPF including policies relating to the Green Belt and to the conservation and enhancement of the natural and historic environments. Where this was not practicable, local authorities were required to work in partnership with neighbouring authorities to ensure that need was met (para 179).

2.4 More specifically, paragraph 159 of the 2012 NPPF required that '*Local planning authorities should have a clear understanding of housing needs in their area. 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*'.

2.5 Paragraph 159 went on to state that:

'The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *meets household and population projections, taking account of migration and demographic change;*
- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- *caters for housing demand and the scale of housing supply necessary to meet this demand.'*

The new NPPF

2.6 In the 2018 NPPF, the presumption in favour of sustainable development remains.

2.7 Section 5 (paras 59-79) deals with matters relating to housing. Paras 60 and 61 indicate that

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

also be taken into account in establishing the amount of housing to be planned for.’ (para 60)

‘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). (para 61)

‘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 (para 62).’

2.8 NPPF no longer refers explicitly to Housing Market Areas, to the need to carry out a strategic housing market assessment (SHMA), or to the preparation of an objective assessment of housing need (OAN). However, it clearly sets out the need for a local housing need assessment, which should use the standard method set out in PPG unless there are exceptional circumstances.

Regional and cross-boundary planning

2.9 The government has abolished regional spatial planning, but in Greater London responsibility for strategic planning lies with the Mayor of London. The 2011 Localism Act imposed a ‘duty to cooperate’ on local authorities, requiring them to engage constructively, actively and on an on-going basis with neighbouring local authorities and a range of other relevant bodies, including the GLA. Compliance with the ‘duty to co-operate’ has become prominent amongst the factors against which the soundness and legal basis of development plans are assessed, and housing supply has emerged as an area where co-operation is of importance. The 2018 NPPF reiterates the importance of co-operation (paras 24-27), and reminds planning authorities of the duty to cooperate.

2.10 In Greater London, the Mayor of London has responsibility for developing the spatial development strategy for planning across the capital, through the London Plan, within which housing supply is a prominent issue. Each borough’s statutory Development Plan includes both the London Plan and its own Local Plan, and the Local Plan must be in general conformity with the London Plan.

National Planning Practice Guidance

2.11 To support the NPPF, official National Planning Practice Guidance is issued by the Ministry of Housing Communities and Local Government (MHCLG). This is updated at intervals online. The guidance was re-issued with revisions in September 2018, following the publication of the 2018 NPPF. The section on ‘Housing and economic development needs assessments’ has been extensively revised and renamed ‘Housing need assessment’⁴.

2.12 Previous PPG for housing and economic development needs made four key points:

⁴ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

1. A SHMA should be prepared which would provide an objective assessment of need based on facts and unbiased evidence. A SHMA should not apply constraints to the overall assessment of need. If relevant, these should be taken into account when developing policies at a subsequent stage.
2. Local planning authorities were strongly recommended to use the methods set out in the Guidance and any departures from this method should be justified by local circumstances.
3. SHMAs should be thorough but proportionate, building where possible on existing secondary information sources rather than primary surveys. The range of future scenarios considered should be limited to what could reasonably be expected to occur.
4. The basis for a SHMA should be the relevant HMA, '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'⁵. HMA boundaries were not prescribed by PPG and their identification formed an important part of a SHMA.

2.13 PPG no longer makes specific reference to the need for the preparation of a strategic housing market assessment based on a housing market area. It requires planning authorities to prepare two separate assessments:

- 1 An assessment of housing need, which must be 'an unconstrained assessment of the number of homes needed in an area' (Guidance para 001); and
- 2 An assessment of 'the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market' (Guidance para 022).

2.14 Previous guidance set out a series of steps in the preparation of an objective assessment of need:

- The most up to date official demographic and household forecasts should be the starting point for assessing future housing need, but other relevant data sources should also be considered.
- Adjustments to forecasts must be justified on the basis of robust evidence.
- Other influences on housing demand such as future changes in job numbers must also be assessed.
- Market signals should be taken into account as they may indicate undersupply relative to demand and the need to modify projections based on past trends.
- Total housing need should be broken down by age group, type of household, size of household, tenure, and any special requirements (such as those of disabled people).

⁵ Para 010

2.15 The new guidance dispenses with these steps, although the new approach takes the official household projections, and affordability (an important market signal), into account. The National Planning Policy Framework expects planning authorities to follow the standard method set out in the guidance for assessing local housing need. It stresses that this does not assess the housing requirement. The new method *'uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply'* (guidance para 002). Using the new method is not mandatory, but any other method should only be used in exceptional circumstances which will need to be justified at public examination. An assessment of need which is higher than the standard assessment will in principle be considered sound; and conversely one below the standard assessment will be considered unsound and will need to be justified by robust evidence.

2.16 Official household projections form the starting point of the new standardised assessment. The annual average number of net additional households expected to form over a ten year period is then adjusted using a formula based on the level of affordability of housing in each area. The resulting figure may be subject to capping arrangements, based on the current status of strategic planning policies for housing in each area. The approach is set out in detail in para 4 of guidance. The assessment should be made at the start of the plan-making process, but revised where appropriate. The guidance reminds authorities that ONS publishes revised affordability data annually, and updates of household projections every two years. The latter were updated in September 2018 when this study was largely complete but they have been taken into account.

2.17 The standard assessment provides the minimum level of need in an area as the basis for planning policies, but the guidance identifies circumstances when there may be a higher level of need. These include:

- where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to support growth or funding is in place to promote and facilitate growth;
- where strategic infrastructure improvements are planned that would support new homes;
- an authority has agreed to take on unmet need, calculated using the standard method, from neighbouring authorities, as set out in a statement of common ground.

PPG on the needs of specific groups of households

2.18 Guidance on the needs of specific groups of households has been expanded over that in the previous version. It notes that the need for housing for particular groups of people may exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method, because the needs of particular groups may be calculated having consideration to the whole population of an area as a baseline, as distinct from projected new households which form the baseline for the standard method. Hence, when producing policies to address the need of specific groups, authorities will need to consider how the needs of individual groups can be addressed within the constraint of the overall need established.

2.19 The need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately from overall need and more detailed guidance is set out for older people, people with disabilities, the private rented sector, self-build and custom homes, and student housing.

Affordable housing

2.20 Guidance on the need for affordable housing has remained largely unchanged. This need should be calculated by estimating the backlog of need from people who currently occupy unsuitable housing (or who cannot form separate households) and are unable to afford market housing, together with an estimate of the future numbers in affordable need, both new households and existing households falling into need. From this should be deducted the current and future supply of affordable housing. Affordable housing need may be disaggregated into categories based on the ability to afford different types of housing such as social rented housing or intermediate housing.

The London context

2.21 In 2013 the GLA prepared a SHMA for Greater London. This excluded areas outside London, although the SHMA acknowledged that many areas outside London but adjacent to it had strong linkages with London which needed to be taken into account at a more local level. The SHMA identified an overall OAN for London, and the subsequent London Plan established a minimum target for additional housing provision in all other London authorities over the London Plan period. Subsequent Supplementary Planning Guidance (SPG) emphasised the need for local assessments to complement the strategic assessment made by GLA. SPG referred to sub-regional and local assessments, without specifying a framework of appropriate geographical areas. This degree of flexibility is sensible, given the complexity of markets within London, the pattern of existing assessments, the different working relationships between boroughs and groups of boroughs (in some cases including authorities outside the GLA area), and the different stages of plan preparation within authorities.

2.22 In 2017, GLA prepared a new Strategic Housing Market Assessment for London⁶. This included an updated assessment of housing need of 65,900 homes a year between 2016 and 2041, compared to the current plan figure of 49,000 homes per year. The most recent draft of the New London Plan itself was published on 13 Aug 2018. Chapter 4 sets out a target of 2,264 dwelling completions per annum in Barking and Dagenham over the period 2019-2029, together with proposals for achieving targets across London. The Plan will be subject to Examination in Public in early 2019.

Housing White Paper – ‘Fixing our broken housing market’

2.23 The government Housing White Paper issued in February 2017⁷ launched a consultation on a number of additional proposals relevant to future housing development and strategy plans. The most significant policy directions signalled were:

⁶ See Mayor of London (2017) *The 2017 London Strategic Housing Market Assessment, Part of the London Plan evidence base*

⁷ *Fixing our broken housing market*, Secretary of State for Communities, February 2017.

- Downplaying the role of Starter Homes, and withdrawing the requirement of a 20% threshold for Starter Homes in terms of affordable housing development, in favour of a much broader range of products (including rental products); restricting the income thresholds for eligibility to £90,000 in London,
- Encouragement of 'build to rent' a new form of private renting, backed by large-scale institutional investment, with longer and more secure tenancies, including an affordable component.
- Redefining of the term 'affordable housing', to include discounted market sales and private renting schemes 20% below market value, as well as existing social rented, 'affordable' rented, intermediate market, and Starter Homes.
- An expectation that local authorities would produce more ambitious housing plans for their areas. The new NPPF and the standardised approach to assessing overall housing requirements described above form an important part of this.
- Penalties (in the form of relaxed access to planning permission for developers) for authorities that miss their delivery targets.
- Streamlining of the planning system, and reduction in the amount of time before sites with planning permission have to be built out (including measures to compulsorily purchase undeveloped land).
- Encouragement to smaller scale developers to get into the market to increase competition.
- Introduction of a new register, or more detail, on land ownership.
- Options for local authorities to 'land-pool' for new developments.

2.24 There was a re-emphasis on brownfield development, with enhanced protection for Green Belt areas and boundaries. There was no announcement of further extension of the housing association Voluntary Right to Buy Scheme beyond the current pilot, and no mention at all of the planned forced sale of council homes. There will be review of housing association rents after 2020, with a new 'rent standard' to be set from then, which may involve giving associations greater flexibility in how they set their rents.

2.25 The most significant impact is likely to be the broadening of the range of sub-market housing products that will be available under the 'affordable' banner, but no actual additional resources available to increase the number or proportion of truly affordable (social rented homes) beyond those already announced in the Autumn statement.

Social Housing Green Paper – A new deal for social housing

2.26 Some elements of the White Paper were reflected in the Social Housing Green Paper 'a new deal for social housing'⁸. Heavily influenced by the tragic events at Grenfell Tower, and the subsequent community consultation process undertaken by Ministers, the Green

⁸ *A new deal for social housing*, Secretary of State for Housing, Communities and Local Government, August 2018

Paper focussed on consumer regulation and resident engagement rather than housing investment issues – though these are touched upon.

2.27 The main elements are:

- ‘League tables’ of housing providers based on key performance indicators, possibly linked to grant
- Tougher consumer regulation, Ofsted-style, and relaxation of the ‘serious detriment’ threshold for intervention
- Potential introduction of a stock transfer programme, from councils to community-led housing associations
- New home ownership options, including incremental Shared Ownership
- Reforms to the use of Right to Buy receipts to enable local authorities to use them alongside enhanced borrowing ability to build more social rent and affordable homes
- Return of guaranteed debt funding to encourage affordable homes supply, and longer term strategic partnerships for housing associations
- Scrapping of plans to force social landlords to offer fixed term tenancies, and plans to force local authorities to sell off their most valuable housing

Leaving the European Union

2.28 We cannot end this discussion of policy context without some mention of leaving the European Union and its impact on housing markets. The House of Commons Library briefing paper⁹ suggests caution when looking at market changes since the vote to leave the European Union, citing global political uncertainty and the broader UK economy as other significant factors. Nonetheless, it notes that though initial fears of a major drop in consumer confidence and house prices were not realised, there are concerns about the longer term, as the day for leaving the European Union approaches, and beyond.

2.29 This is particularly the case for London, which is one of very few UK cities to have seen an actual drop in average house prices, 2017 to 2018, by 0.4%¹⁰. However, according to Hometrack, price reductions in London are concentrated in inner and central London authorities, with outer London showing a small increase.

2.30 The value of shares in major construction companies fell in the run up to and sharply on the day of the referendum (between 21% and 28%)¹¹, and although some ground has been recovered, none have returned to pre-referendum levels. There is no firm indication that house prices have fallen sharply, though the rate of increase seems to have slowed considerably, particularly in London. Nationwide and Halifax reported increases of under 0.4% in the months following the referendum.¹²

2.31 Data on the labour market traditionally lags behind share and price indicators, but ahead of the referendum commentators had noted concerns about the number of skilled

⁹ *Brexit: implications for the housing market and construction*, Briefing Paper 07666, House of Commons Library October 2016

¹⁰ <https://www.hometrack.com/uk/insight/uk-cities-house-price-index/>

¹¹ <https://www.theguardian.com/business/2016/jul/04/uk-construction-industry-slumps-dramatically-ahead-of-eu-vote-pmi>

¹² www.bbc.co.uk/news/business-36912126

construction workers falling, as they moved back to their home countries. Some 12% of construction workers in the UK are of non-British origin. It was felt that the rate of this departure would be exacerbated by falls in the value of the pound, making wages paid in the UK less attractive.

2.32 There are also concerns about the social care labour force: some 80,000 of the 1.3M staff employed in the sector come from the EU, and a reduction in their freedom of movement would have a knock-on effect on enabling older people in particular to maintain an independent lifestyle in their own homes, as well as issues about hospital admissions and 'bed-blocking'¹³.

2.33 The immediate impact on social housing providers was for some 42 housing associations to have their credit ratings or outlooks reduced by Standard and Poors, or Moody's.¹⁴ The National Housing Federation had pre-referendum identified risks around programmes built solely around home ownership, and advised associations to stress test their business plans. Nonetheless they saw an expanding role for associations during a period of uncertainty and also identified that this represented an opportunity to expand the sub-market rent development programme, citing need for flexibility, especially when the future expansion of the owner-occupier sector is in doubt¹⁵. As noted above, in the section on the Housing White Paper, opportunities for sub-market renting development are being enhanced.

2.34 At a local level, developers that we interviewed noted that the decision to leave the European Union had not caused the instability that was expected, and they do not think it will affect their operations much. After a short period when funders 'put the brakes on' immediately following the vote, things are now back to normal, and they consider that there is plenty of potential in most parts of London. Estate agents interviewed also thought the Barking and Dagenham market was 'pretty solid'.

2.35 More broadly, looking ahead, the housing market impact of leaving the European Union will be intrinsically tied into the economic impact. The variables here are substantial: the relationship between the pound and the Euro and the cost of building material; the ability of London to retain its international financial role; the results of single or bilateral market trade negotiations; and the wider impact of migration policy including access to construction workers are among other factors as yet unknown.

2.36 All commentators agree that it is too early to be definitive about the impact of Brexit on housing markets.

¹³ *Five big issues for health and social care after the referendum*, Kings Fund, 2016
<https://www.kingsfund.org.uk/publications/articles/brexit-and-nhs>

¹⁴ www.publiclawtoday.co.uk/housing/property/380.../30759-social-housing-and-brexit

¹⁵ *The vote to leave the EU – considerations for housing associations*, NHF 2016

Chapter 3

The content and scope of the Housing Market Assessment

Key messages

- While GLA Supplementary Planning Guidance indicates that London should be viewed as a single housing market for planning purposes, it recognises that there are ‘housing sub-markets’ within the capital.
- Guidance does not seek to specify the geographical scope of these sub-markets and emerging practice has produced SHMAs both for groups of boroughs (sometimes including areas outside London) and for single boroughs.
- We have examined previous work and noted that there is no clear consensus on the pattern of HMAs in and around Barking and Dagenham or across North and East London. Our own review of the most up to date evidence shows clearly that no unique pattern exists, but that there are undoubtedly strong linkages between boroughs within this area, for migration where they are adjacent, and for travel to work sometimes over a longer distance.
- In the simplest situation, a housing market area would consist of a free-standing urban settlement, surrounded by a rural catchment area, with net commuting in from the catchment area and net migration out to it. In London, a large number of urban settlements and employment foci are located adjacent to one another, often with little or no rural areas between them. This results in a complex pattern of linkages with relatively low levels of self-containment.
- We conclude that this supports the treatment of Barking and Dagenham as a single housing market area, but as strongly recommended in official Planning Practice Guidance, the SHMA must fully take into account the linkages the Borough and its neighbours in order to provide a full picture of objective housing need and affordable housing need.

Introduction

3.1 The National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) indicate that a SHMA should cover a housing market area. Para 10 of PPG on Housing and Economic Development Needs Assessments indicates that:

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. It might be the case that housing market areas overlap. The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate (para 10).

3.2 Paras 11-13 provide further guidance on the methodology for the identification of a housing market area, drawing principally on migration and travel to work patterns and local house prices.

3.3 This chapter examines the evidence relating to housing market areas covering and adjacent to the area of the London Borough of Barking and Dagenham. A considerable volume of work has been carried out in previous studies, notably the Outer North East London Strategic Housing Market Assessment (2016). Where it is in conformity with current PPG, we will draw on the findings of previous work in reaching our conclusions in order to avoid unnecessary duplication.

3.4 London differs from other parts of England in having a two-tier planning framework. Hence we also consider the extent to which PPG is fit for purpose in the case of Barking and Dagenham and more generally in the London context, and consider what the guidance implies for SHMAs in London. It is important to establish a clear view on these issues at this stage, as this guides the subsequent scope of later chapters.

Strategic Housing Market Assessment in the London context

3.5 The planning framework for London is unique as it consists of two tiers, with each borough being covered by (a) a spatial development strategy, the London Plan, and (b) by a Local Plan and other development plan documents, which must be in *general conformity* with the London Plan. These two parts together form the Development Plan at the borough level. Duplication between the two elements (a) and (b) would be unnecessary and wasteful, and it would be unreasonable if the two elements were not in conformity.

3.6 The current version of the London Plan was revised in 2016 but a revised version was published in December 2017 for consultation and revision before being submitted for examination in public in due course.

3.7 In relation to housing, the revised London Plan was based on a large body of evidence which is set out in full in the GLA webpages relating to the new plan at <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/evidence-base>. The evidence base includes London-wide Strategic Housing Market and Strategic Housing Land Availability Assessments prepared in 2017. Together these have provided an objective assessment of need for London as a whole, and informed the strategic housing policies to address this need, including housing targets for each London borough.

SHMA preparation by boroughs

3.8 The current London Plan assessment of overall housing need and its strategic policies to address this were tested at an examination in public (EIP) and considered appropriate for the strategic planning of Greater London by an Inspector¹⁶, subject to some amendments and a commitment to a full review of the Plan. The Inspector felt that an amendment to the London Plan was necessary to make it clear that London boroughs did not need to identify the *quantum* of new housing required in their areas to meet objectively assessed need. He was of the view that ‘there should be no need for a local plan in London to reiterate policies set out in the FALP’ (paragraph 19) and that ‘there is no need...for each London Borough to duplicate the work done by the GLA and produce their own individual assessment of *overall* need’ (paragraph 23) (our italics).

¹⁶ <http://www.london.gov.uk/priorities/planning/london-plan/draft-further-alterations-to-the-london-plan>

3.9 However, the London-wide objective assessed need (OAN) set out in the London Plan, the Plan's policies and the setting of borough level targets to meet this need are not in themselves sufficient to provide a sound and comprehensive housing policy framework at borough level, and further assessment work is required to complete this. GLA's Housing Supplementary Planning Guidance (SPG)¹⁷ indicates that the London Plan is clear that boroughs remain responsible for assessing their own requirements, within the policy and strategic context set by the NPPF and the London Plan (para 3.1.3).

3.10 Whatever spatial scale a SHMA addresses, it is important to assess and take account of any linkages with wider areas. This allows boroughs to take 'a pragmatic approach to identifying the spatial scale at which the SHMA should be carried out, and recognises that boroughs are at different stages in their local plan process, while also ensuring that that the complex linkages between areas within and outside of London are taken into account'¹⁸. The London Plan provides the strategic framework in terms of overall housing need, and sub-regional and local housing market assessments are required to identify the mix of tenure, type and size of homes needed within this target. This 'tiered' approach to understanding housing requirements, with a strategic London-wide study supplemented by more detailed sub regional and/or local studies is an accepted approach in the context of London's two tier planning system. Borough housing policies must aim to meet local or sub-regional as well as strategic needs.

3.11 In boroughs adjacent to areas outside London which were not included in the London SHMA and its OAN, NPPF requirements and the Duty to Cooperate suggest that the OAN of adjoining or nearby areas outside London should be taken into account, together with the capacity of those areas to assist in meeting London's OAN, if plans are to be found sound.

3.12 For this reason, it is appropriate that a SHMA prepared by Barking and Dagenham should be primarily concerned with assembling evidence on the requirement for affordable housing and the mix of tenure, type and size of homes needed to meet, or exceed, the London Plan housing target for the Borough. In the same way that the development plan for the borough consists of both the London Plan and the borough's own Local Plan, it is reasonable that the evidence base should include both work by the GLA and work carried out at a more local level on the detailed nature of housing needed in the borough, so long as the two sources of evidence do not overlap and are in conformity.

Geographical coverage

3.13 The arguments above, whilst supporting work by boroughs to assess housing needs within the framework of the London Plan, do not specify the appropriate geographical basis for such assessments. Planning Practice Guidance¹⁹ appears largely to be aimed at assessments within a single tier planning system, although it makes reference to 'smaller sub-markets with specific features' where 'it may be appropriate to...create a detailed

¹⁷ <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/supplementary-planning-guidance/housing-supplementary>

¹⁸ GLA Housing Supplementary Planning Guidance, para 3.1.3.

¹⁹ See CLG Planning Practice Guidance *Housing and economic development needs assessments*, para 009 accessed 30-07-15.

picture of local need'. This can be interpreted as a reference to sub-areas within London as well as to specific neighbourhoods within other local authorities.

3.14 GLA's Housing SPG argues that for planning purposes, 'London is a single housing market, rather than a collection of thirty-three self-contained borough ones. Indeed it can be seen as part of a market area that extends out into the wider south east' (para 4.3.11). But while the London housing market is accepted to extend outside Greater London, the London SHMA²⁰ focuses on the regional administrative area, as this is the area subject to the London Plan. The 2017 SHMA provides no justification for its focus on the administrative area of Greater London, but presumably relies on the argument put forward in the 2013 SHMA. This argued that there is no unique and definitive definition of a wider housing market area including London, so it is reasonable to focus on the Greater London administrative area, provided that due account is taken on linkages with areas outside Great London. The SHMA also referred to practical considerations such as data availability. This view was endorsed by the Inspector who conducted the FALP Examination in Public (EIP).

3.15 However, the SPG goes on to indicate that there are 'housing sub-market areas' in London, which can extend across local borough boundaries. Para 3.1.19 sets out key principles for carrying out 'a more local level' SHMA, including the need to consider housing market area geographies that extend beyond single borough boundaries, to reflect the realities of London's housing market. It suggests that 'housing market areas can be conceived as tiered, so that a sub-regional housing market area is often the appropriate scale for analysing borough-level housing needs. Housing market areas can also overlap regional boundaries, as boroughs in outer London often have strong market links with those in other regions.' But the appropriate areas are not specified and GLA does not seek to be prescriptive about the spatial basis for assessments below the London-wide level. This seems sensible, as it avoids trying to impose a 'one size fits all' solution to the complex housing issues of London. The appropriate areas should be informed by analysis of the most up to date evidence.

Previous housing market research

Greater London

3.16 A considerable body of previous research evidence has addressed the question of housing market area boundaries in London. The most significant and widely cited national level study was commissioned by the former National Housing and Planning Advice Unit (NHPAU) from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University and published by CLG in 2010. This attempted to identify housing market areas covering the whole of Great Britain including London²¹. The study identified the difficulties referred to above in defining unique and non-overlapping housing market areas both in general and especially in and around London, with its complex pattern of internal linkages and population movement, and produced a correspondingly complex set of

²⁰ See *The 2017 London Strategic Housing Market Assessment: Part of the evidence base for the Mayor's London Plan*, Mayor of London 2017, table 5, page 9

²¹ C Jones, M Coombes and C Wong, *Geography of housing market areas*, Final report, November 2010, Department for Communities and Local Government. See <http://www.ncl.ac.uk/curds/research/defining/NHPAU.htm> for online access to the research outputs.

outputs. A 'gold standard' analysis was undertaken at 2001 Census ward level which produced:

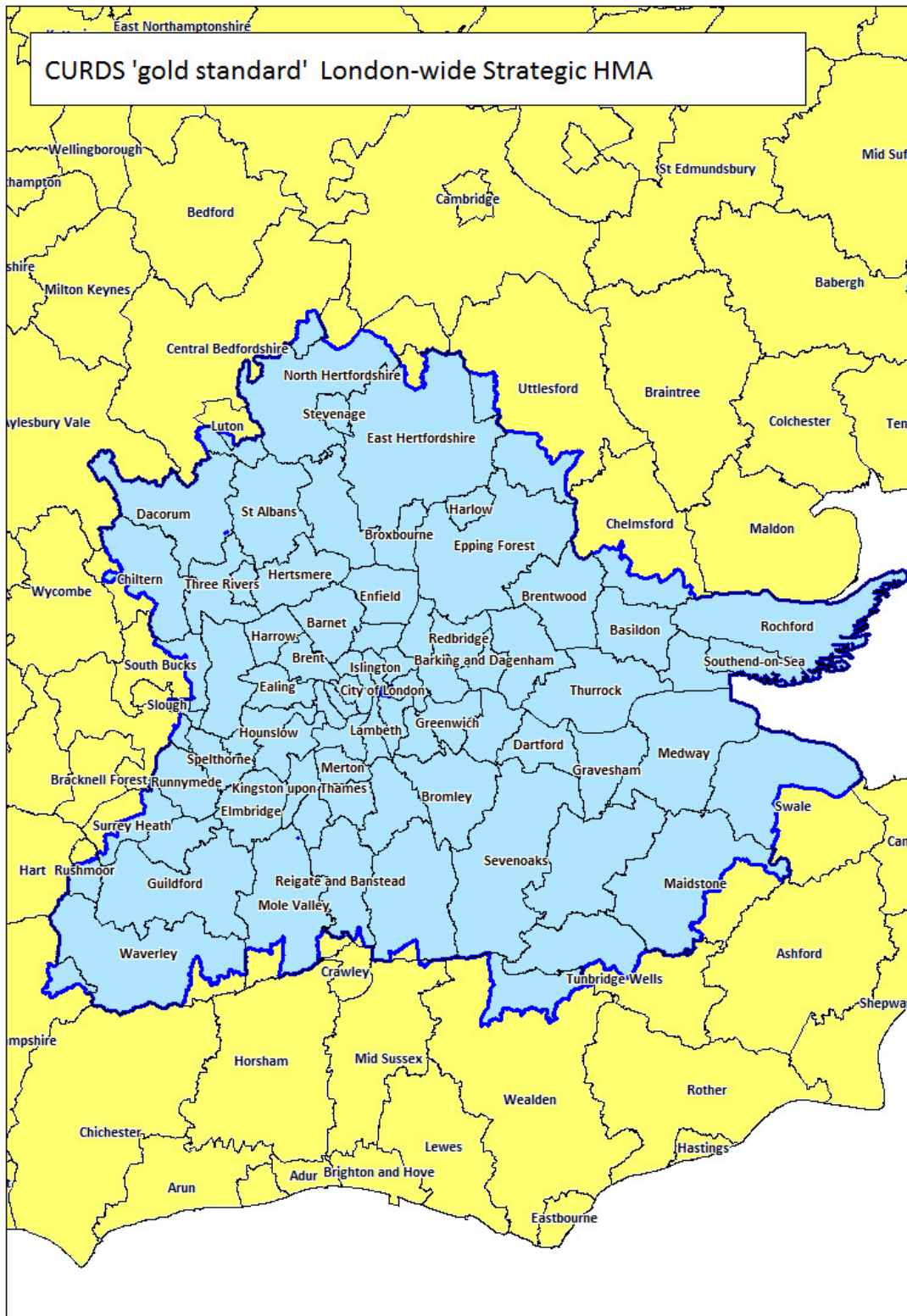
1. A network of strategic housing market areas based on the aggregation of 2001 Census wards, which was not aligned to local authority boundaries. Barking and Dagenham was fully included within a strategic housing market area for London (Map 3.1).
2. In more urbanised areas including London, the strategic HMAs were split into a 'lower tier' of local HMAs. Map 3.2 shows the lower tier HMAs covering Barking and Dagenham and surrounding areas. The borough was within housing market area 23 which also covered the whole of the Boroughs of Waltham Forest, Redbridge, and Newham. It also extended northwards beyond Greater London to cover Epping Forest.
3. An alternative 'single tier' of housing market areas, also based on wards. Under this, Barking and Dagenham was wholly within a very large housing market area covering London and some wards in local authorities outside London.

3.17 From the 'single tier' network of housing market areas (stage (3) as described above), CURDS also produced a 'silver standard' set of housing market areas by realigning the single tier housing market area boundaries to local authority boundaries on a 'best fit' basis. In London, this led to the identification of a very large housing market area including all of the London boroughs, but extending beyond the Greater London area to include 24 surrounding local authorities.

3.18 The CURDS study concluded (pp 34-35) that the two-tier system of housing market areas consisting of local areas nested within larger strategic areas formed the best approach. However, this recommendation was not accepted or endorsed in NPPF or Planning Practice Guidance which includes no pre-determined housing market areas. Subsequent Planning Advisory Service (PAS) guidance on housing market areas²² refers to the CURDS study, but in contrast to the authors, considers the 'silver standard' single tier system based on local authority rather than ward boundaries to be more useful and practical for the identification of housing need. PAS guidance argues that the main advantage of the 'silver standard' housing market area boundaries is that they do not fragment planning authorities, facilitating the assembly and analysis of housing market data and especially of population and household projections, which play an important part in identifying OAN.

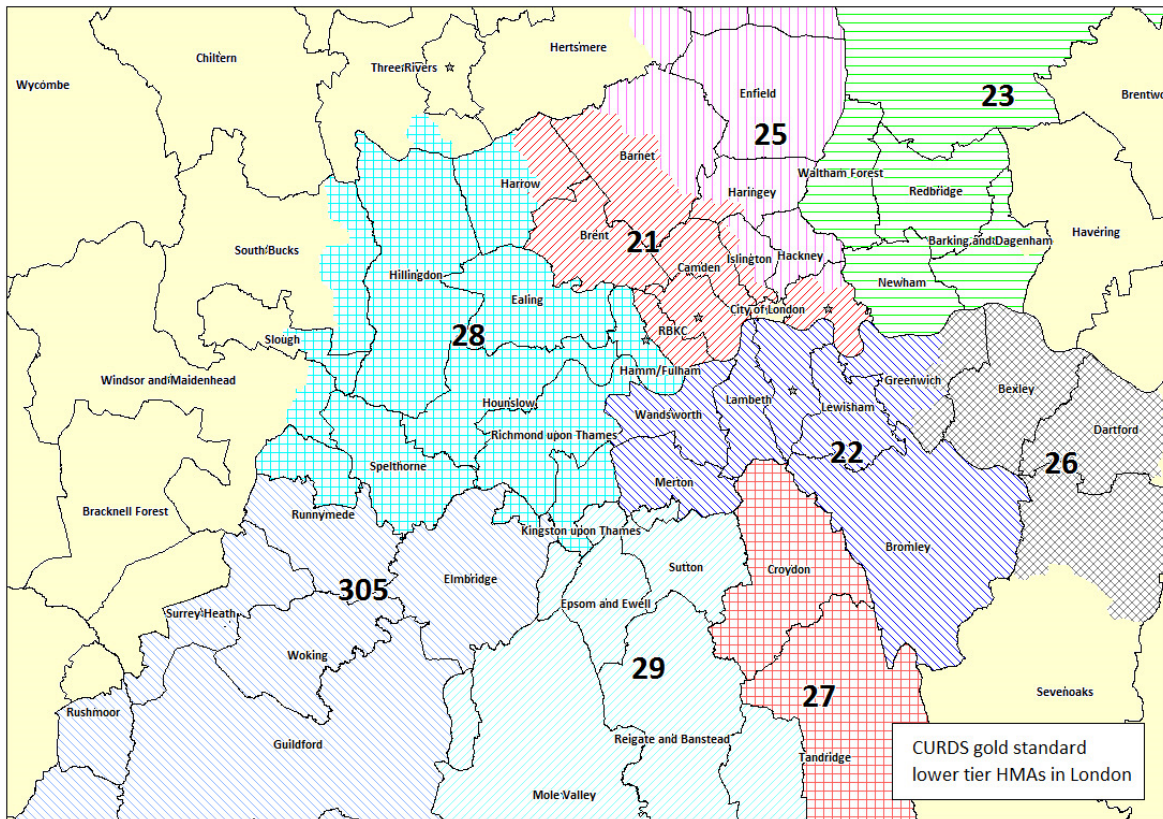
²² Planning Advisory Service, *Objectively Assessed Need and Housing Targets, Technical advice note*, Second edition July 2015, para 5.8.

Map 3.1 CURDS 'gold standard' London-wide strategic housing market area



Source: CURDS, University of Newcastle. Crown copyright, 2010

Map 3.2 CURDS 'gold standard' lower tier housing market areas in and around London



Source: CURDS, University of Newcastle. Crown copyright, 2010

3.19 However, the large size of the 'silver standard' housing market area makes its use difficult in and around London. It is also important to bear in mind that the CURDS study was based on 2001 data, and Planning Practice Guidance is clear that any findings need to be based on the most recent data. In particular, the finer grained 'gold standard' housing market areas were based on wards for which 2001 Census data was published, which in most areas are no longer in use, and for which up to date data is therefore not available. This strongly suggests that the CURDS findings, although of interest, do not provide an authoritative basis for housing market area boundaries. The Local Plans Expert Group (LPEG) has recently confirmed this and proposed that new research should be undertaken to update the CURDS work using the most up to date data²³.

Borough and sub-regional SHMAs

3.20 Some earlier SHMAs or housing need studies have been carried out covering Barking and Dagenham and/or areas adjacent to the borough. However only some of these studies have given detailed attention, in line with current national Planning Practice Guidance, to housing market area boundaries. Some were prepared before Planning Practice Guidance was revised and re-issued in 2014.

²³ See *Local Plans: Report to the Communities Secretary and to the Minister of Housing and Planning*, Local Plans Expert Group 2016, available at <https://www.gov.uk/government/publications/local-plans-expert-group-report-to-the-secretary-of-state>

3.21 A sub-regional SHMA for East London was published in 2010²⁴, covering the boroughs of Barking and Dagenham, Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest, together with the City of London. Although this SHMA contained analysis of house prices, migration patterns and travel to work movements in London, this data was not used to define the sub-region, which was administratively determined to match the then East London Housing Partnership area. Much of the data used is now out of date.

3.22 Some separate borough-level SHMAs were also published at this time following on from the sub-regional SHMA, although not for Barking and Dagenham. One of these was a Housing Market Assessment for Waltham Forest which was published September 2012, which contains relevant comments on Barking and Dagenham²⁵. **Chapter 2** of the report considered housing market areas in East London. It examined 2008 house price data and concluded that prices were uniform across much of East London but highest in parts of Hackney and Tower Hamlets closer to London. It also examined migration patterns between 2003 and 2008 which showed strong migration linkages between Newham and Redbridge, but elsewhere rather weaker flows which mainly followed the common 'cascade' pattern (net movement out from inner to outer areas), and which thus suggested that London could be subdivided into sectors, like slices of a cake. Similar patterns could be observed across London. The report concluded, however, that the City of London, Tower Hamlets, Hackney, Newham, Waltham Forest, Redbridge, Barking and Dagenham and Havering did form a coherent East London sub-region despite the size of this area and the likelihood that households would regard such an area as too large to form a coherent area of search when seeking to meet their housing needs. However, the sub-area concept was not taken forward in the subsequent analysis of housing requirements in the report which focused on Waltham Forest alone. Given the market changes which have taken place since 2008, the latest point for which data was presented, this study must also be considered out of date.

3.23 Similar single authority SHMAs were carried out covering Redbridge (2010)²⁶ and Newham (2010)²⁷. The data used in these studies are also now substantially out of date. Both reports indicate that they are borough-level SHMAs sitting alongside the SHMA for East London, and there is no discussion of HMA boundaries.

3.24 SHMAs for the London Boroughs of Hackney and Tower Hamlets were published in 2015.²⁸ Although published with borough-level findings, each report includes analysis of house price, migration and other data to determine appropriate HMA boundaries. After reviewing this evidence the SHMAs conclude by proposing the use of Broad Rental Market Areas (BRMAs) developed by the Valuation Office Agency for the purpose of setting rent levels eligible for local housing allowances, as the main determinant of HMAs. This implies a single HMA covering Hackney and Tower Hamlets which make up the Inner East London BRMA, but elsewhere in London and outside the city produces less coherent boundaries. We comment further below on the use of BRMAs as a basis for SHMA definition.

²⁴ *East London SHMA 2010*, August 2010, Opinion Research Services.

²⁵ *Waltham Forest Housing Needs Survey and Strategic Housing Market Assessment*, Opinion Research Services, 2012.

²⁶ *Redbridge SHMA 2010*, December 2010, Opinion Research Services.

²⁷ *Newham SHMA 2010*, August 2010, Opinion Research Services.

²⁸ *London Borough of Hackney Strategic Housing Market Assessment 2014*, Report of Findings, March 2015, Opinion Research Services and *London Borough of Tower Hamlets Strategic Housing Market Assessment 2014*, Report of Findings, May 2015, Opinion Research Services.

3.25 The most up to date SHMA covering the area surrounding the borough, and serving as a replacement for the earlier work carried out around 2010, is the Outer North East London SHMA published in September 2016 which covered the boroughs of Barking and Dagenham, Havering, Newham, Redbridge and Waltham Forest²⁹. This is a different sub-region to the one identified in 2010. Hackney and Tower Hamlets were excluded from the study's coverage because they were covered by the 2014 studies referred to above. Waltham Forest was not involved in the commissioning of the study but nevertheless results were published covering the borough.

3.26 The SHMA provides a detailed review of evidence on potential housing market area boundaries. Following official guidance this includes evidence on migration and travel to work (drawing on results from the 2011 Census) and house prices in 2014, with a focus on the four commissioning authorities and Waltham Forest. On migration, the study concludes that none of the four commissioning boroughs can be considered self-contained, but this would be true of all London Boroughs. The level of self-containment in employment terms is higher but there are still strong commuting flows (including flows to central London), again following a typical London pattern.

3.27 The analysis concludes that combinations of boroughs will meet the containment requirements for a housing market area. However, it does not acknowledge the crucial point about such groupings made by the Planning Advisory Service guidance³⁰, namely that this does not result in a unique pattern of sub-regions. In London, the combination of boroughs required to achieve a higher level of self-containment does not lead to unique groupings of boroughs but rather to a pattern of overlapping groupings, depending on the starting point. After reviewing this evidence the SHMA concludes by recommending the use of Broad Rental Market Areas (BRMAs) as the main determinant of HMAs. Using BRMAs suggests two areas, one covering Redbridge, Barking and Dagenham and Havering; and the other linking Newham with Waltham Forest.

3.28 The 2016 North East London SHMA clearly acknowledges that the approach which it takes to HMA preparation may not be above criticism and concludes (para 2.46 final bullet): 'The HMA analysis should not be seen as prescriptive on other authorities who may wish to identify their housing market areas by other means'.

3.29 All of the reports stress the important point that studies must acknowledge the complexity and variety of interlinkages within and around London and take account of these in their analysis, as should any proposals based upon them, including full discussion with other areas under the Duty to Consult. Certainly previous work on HMA boundaries going back to 2010 shows no clear consensus on the right approach.

3.30 In 2017 Cobweb Consulting prepared a SHMA for the London Borough of Waltham Forest which assembled data on house prices, migration and travel to work patterns³¹. This concluded that a separate housing market area based on the administrative area of the borough was appropriate. There was no single, unique and obvious grouping of boroughs to

²⁹ *North East London Strategic Housing Market Assessment*, Opinion Research Services 2016.

³⁰ Planning Advisory Service, *Objectively Assessed Need and Housing Targets*, Technical advice note, Second edition July 2015, para 5.5.

³¹ *Strategic Housing Market Assessment for LB Waltham Forest*, Cobweb Consulting, 2017

form an HMA in North East London and a complex picture of linkages emerged with relatively low levels of self-containment. It was more important to identify and take account of linkages between boroughs than to impose arbitrary HMA boundaries.

3.31 In November 2016 the Borough of Havering published an update to the 2016 Outer North East London SHMA, covering Havering alone³². This did not include any discussion or justification for updating the 2016 SHMA for Havering in isolation without doing so for the other authorities included within the same HMA, but clearly considered that this was appropriate. In 2017 the Borough of Redbridge published an update to the 2016 Outer North East London SHMA, covering Redbridge alone³³. This similarly did not include any discussion or justification for updating the 2016 SHMA for Redbridge without doing so for the other authorities included within the same HMA.

New evidence on housing market areas

3.32 Planning Practice Guidance is clear that housing market area definition should be based on the analysis of data on house prices, migration and related sources, such as travel to work patterns, and that such analysis must be based on the latest available evidence. The HMA studies described in the previous section were completed at various dates but in many cases some time has now elapsed so the evidence they draw on may be out of date. The 2011 Census provides the most up to date local information on migration patterns and travel to work patterns, and Land Registry data on house price changes is available up to the present. This section therefore set out that evidence on house prices, migration and other contextual indicators to assist in the identification of housing market area boundaries, following Planning Practice Guidance.

House prices

3.33 CLG Guidance indicates that patterns of house prices and of changes in prices provide evidence of the relationship between housing demand and supply in different locations, the identification of areas which have different price levels, market ‘hotspots’, low demand areas and areas of price volatility.

3.34 **Figure 3.1** shows average house prices from 1997 to 2017 for Barking and Dagenham and for selected other authorities³⁴. Barking and Dagenham had a median price of £305,000 in 2017 compared to the London-wide median of £460,000. The borough was the lowest-priced London Borough in 2017 on this indicator. However, as **Table 3.1** shows, average prices in the Borough have increased more rapidly than those for London as a whole in recent years, rising from 58% of the London-wide average in 2012 to 66% in 2017. This was the third largest relative rise in prices in London over that period after Waltham Forest and Newham. However, it is important to note that these changes are cyclical – in 2007 and

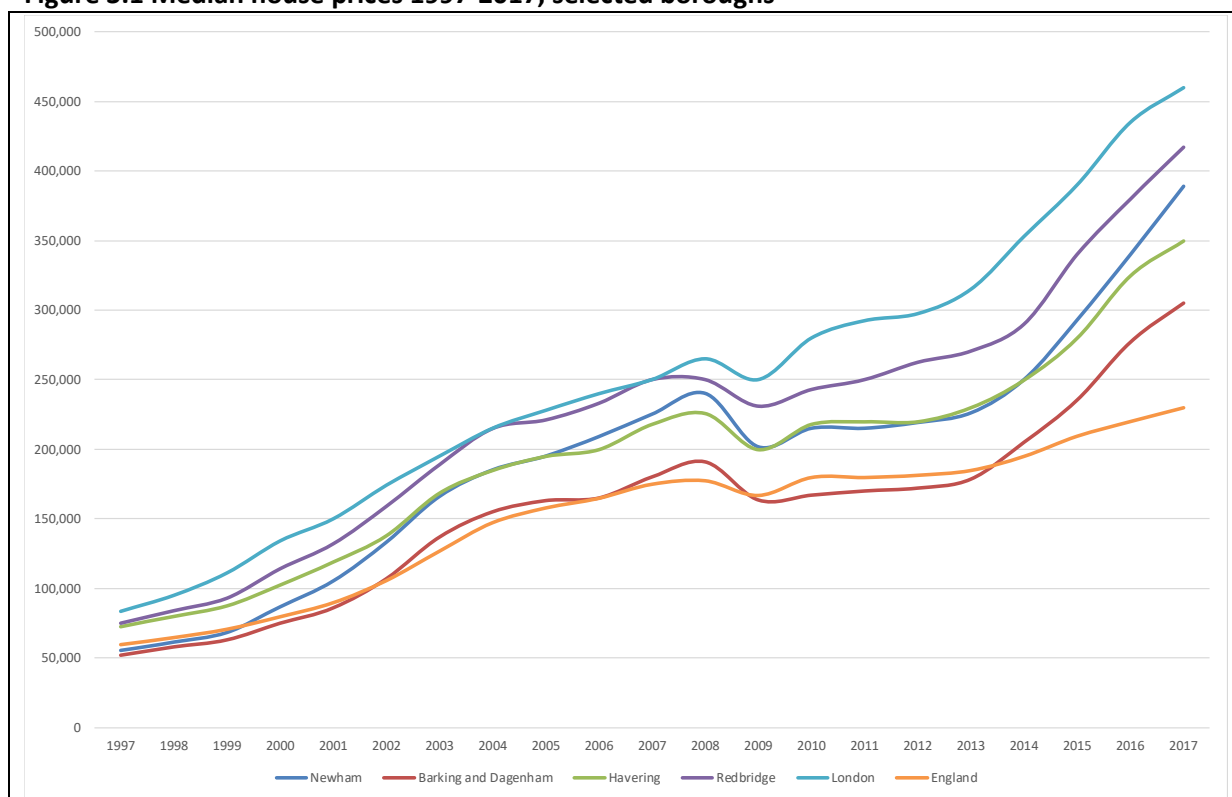
³² See ORS (2017) *Outer North East London Strategic Housing Market Assessment: Update for Redbridge, Report of Findings*, April 2017.

³³ See ORS (2017) *Outer North East London Strategic Housing Market Assessment: Update for Redbridge, Report of Findings*, April 2017.

³⁴ The source for this analysis is the House Price Statistics for Small Areas (HPSSAs) release, produced annually by ONS. This reports a count and the median and lower quartile price thresholds for local authorities based on data from HM Land Registry.

2008 the borough's median price was relatively higher at 72% of the London-wide median, after which it fell sharply before rising again.

Figure 3.1 Median house prices 1997-2017, selected boroughs



Source: ONS, House Price Statistics for Small Areas (HPSSAs), annual

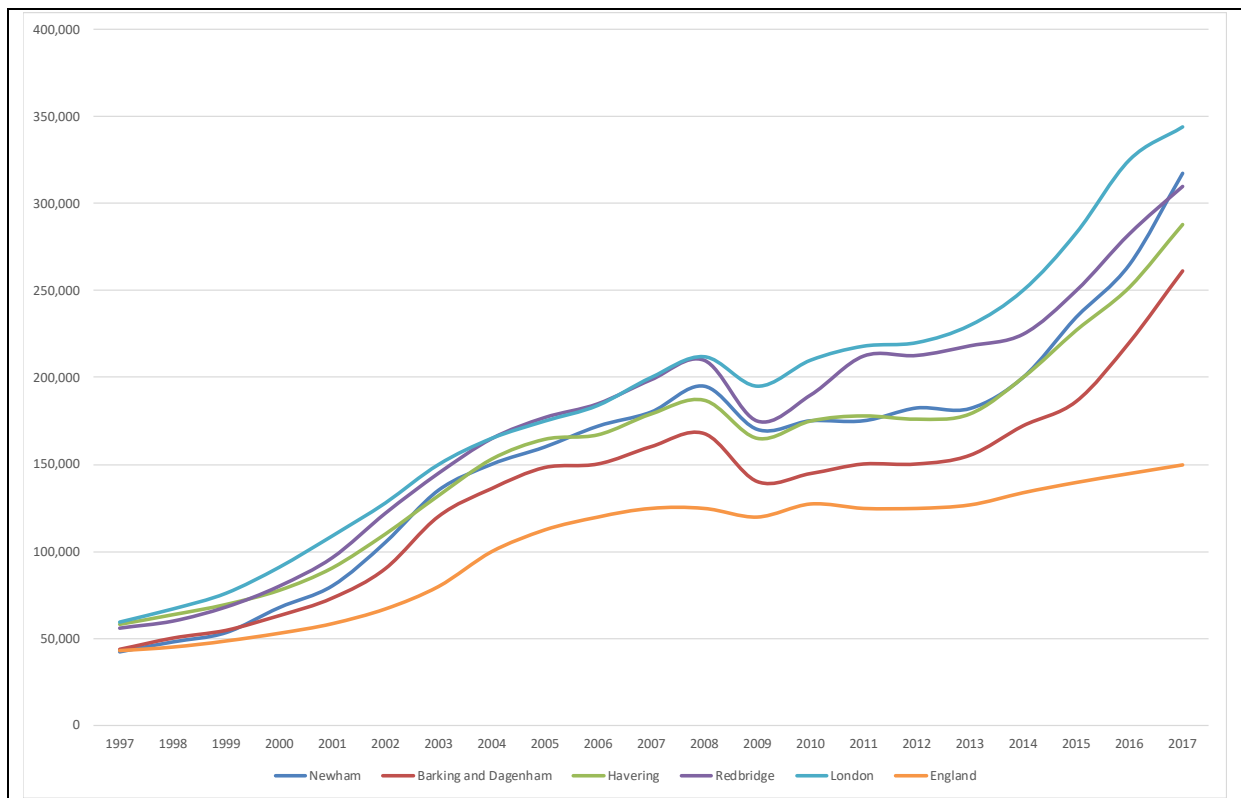
Table 3.1 Median house prices 2007-2017 as proportion of Greater London Median

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Barking and Dagenham	0.72	0.72	0.65	0.60	0.58	0.58	0.57	0.58	0.60	0.64	0.66
Newham	0.90	0.91	0.81	0.77	0.74	0.74	0.72	0.71	0.75	0.78	0.85
Havering	0.87	0.85	0.80	0.78	0.75	0.74	0.73	0.71	0.72	0.75	0.76
Redbridge	1.00	0.94	0.92	0.87	0.85	0.88	0.86	0.82	0.87	0.87	0.91
Greater London	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: HM Land Registry, Price Paid Data, Crown Copyright 2016

3.35 ONS also publish lower quartile house prices (**Figure 3.2**), which show a similar pattern of change to median prices, but with a larger gap between the borough and the national lower quartile threshold, and a smaller gap between this threshold and the London figure. The lower quartile threshold price for Barking and Dagenham in 2017 was 76% of the London figure, compared to 66% for the median price. This has implications for affordability which are considered in **Chapters 6 and 7**.

Figure 3.2 Lower quartile house prices 1997-2017, selected boroughs

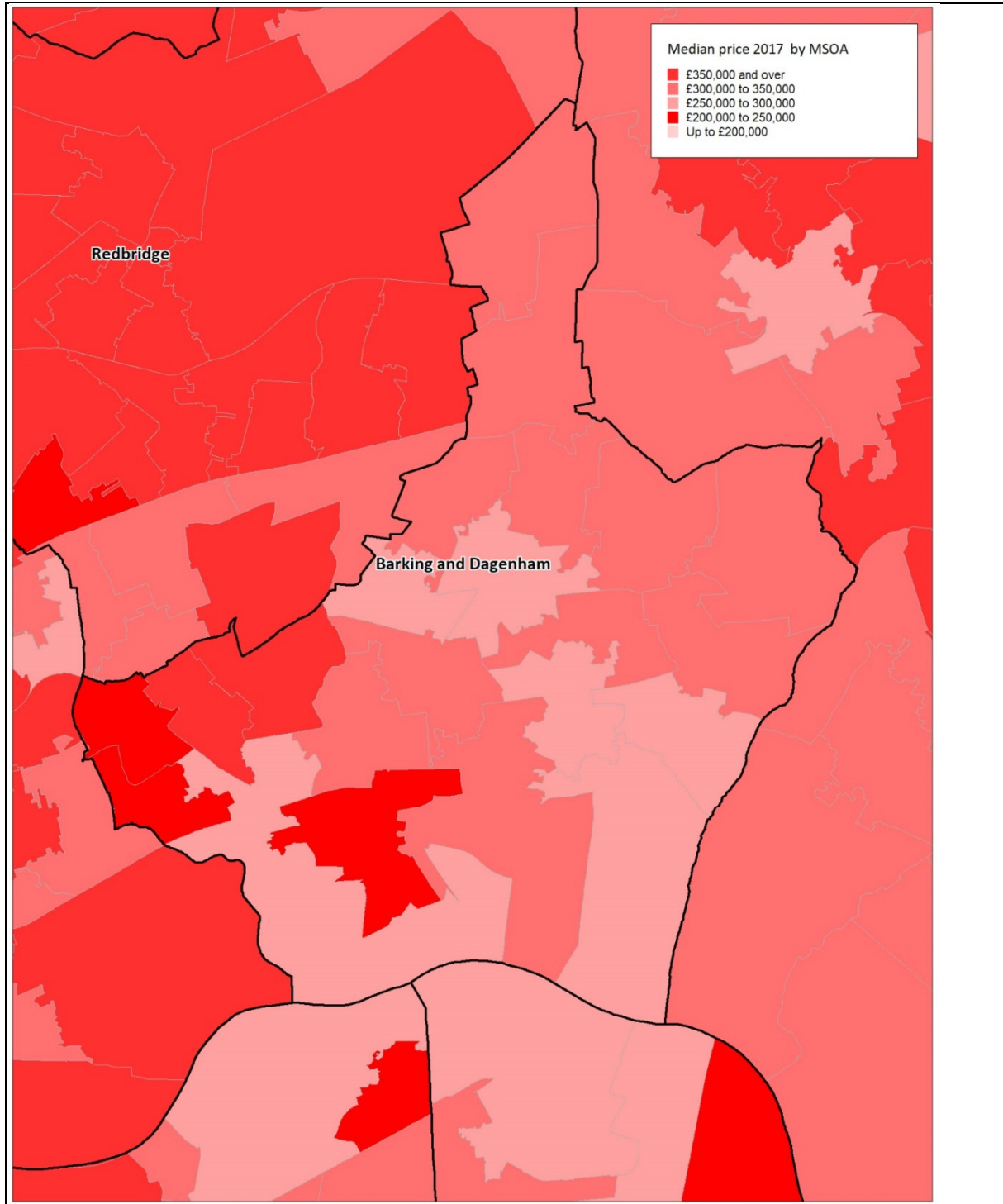


Source: ONS, House Price Statistics for Small Areas (HPSSAs), annual

3.36 Unlike some inner London Boroughs, the pattern of dwelling prices with the Borough is relatively uniform with all Medium Layer Output Areas (MSOAs) in the Borough falling in the £200-400,000 median price band in 2017, apart from two areas in the south east of the borough. Looking more widely across North and East London as a whole, there is a large area of (relatively) lower prices north of the Thames which is centred on Barking and Dagenham but also includes the east and north of Havering and the south of Redbridge.

Map 3.3 shows median prices in the borough in more detail, with prices rebanded to reflect the lower values prevalent. This does not show any clear pattern, other than higher prices in the south east of the borough close to Newham.

Map 3.3 Median house prices by MSOA 2017



Source: ONS Median house prices by middle layer super output area: HPSSA dataset 2

3.37 The pattern of prices shown in the map does not provide any clear basis for breaking the wider North and East London area into sectoral, or indeed any other, sub-areas. Prices are higher in Waltham Forest and Redbridge, and in some parts of Newham, together with the east of Havering. An HMA covering this whole area would include relatively little variety and in that sense would not constitute a housing market. It would also be extremely large and would span several radial transport links, and so cannot realistically be considered to constitute a single search area for those looking for housing. The pattern of prices suggests

that prices increase in a broadly radial fashion from north to south in the area encompassing Newham, Waltham Forest, Redbridge, and Epping Forest. Barking and Dagenham and Havering are more isolated from higher priced areas.

Migration patterns

3.38 Planning Practice Guidance (PPG) suggests that migration patterns demonstrate the aggregate effect of household location choices and preferences as modified by housing opportunities. They can be used to highlight areas within which a relatively high proportion of household moves (typically 70% nationally) are contained. Experience now suggests that in the London context, with the strong draw of employment in central London, the presence of several other major employment centres, and generally better transport links to facilitate commuting, it may be necessary to accept a lower self-containment threshold.

3.39 The 2011 Census provides the most recent detailed picture of migration patterns. It indicates that 18,553 people living within Barking and Dagenham had moved in the previous year (about 10% of the population), with 48% (8,494) moving within the Borough and 52% moving from elsewhere. The level of self-containment is therefore lower than the PPG threshold. However, the maximum level of self-containment for any London Borough was only 56% (Newham). The degree of self-containment increases, of course, with the size of the area considered, and for Greater London the level of self-containment was 82%. A level of self-containment closer to, or in excess of, the 70% threshold can be achieved by combining Boroughs, but there is no unique pattern of combinations in London. Rather, as the Planning Advisory Service report³⁵ points out, this creates a series of alternative and overlapping areas.

3.40 It is more important to look at the strength of linkages between the Borough and other Boroughs/districts. ONS publishes data on migration flows between local authorities annually (although this does not include internal moves within each local authority). **Table 3.2** shows average annual flows between Barking and Dagenham and adjoining boroughs over the three years 2015-2017. The largest migration flows were from Newham to Redbridge, from Newham to Barking and Dagenham, from Redbridge to Barking and Dagenham, from Barking and Dagenham to Havering, and from Barking and Dagenham to Redbridge. Apart from the flow between Barking and Redbridge, there are all examples of 'cascade' movement from inner to outer areas.

Table 3.2 Average migration flows between Barking and Dagenham and adjacent areas, 2015-17

	Origin			
Destination	Barking and Dagenham	Havering	Newham	Redbridge
Barking and Dagenham		740	2,780	2,417
Havering	2,187		1,223	1,977
Newham	973	267		1,563
Redbridge	1,653	440	3,467	

Source: ONS, Internal migration - Matrices of moves between Local Authorities and Regions (including the countries of Wales, Scotland and Northern Ireland) 2015, 2016 and 2017

³⁵ Planning Advisory Service, *Objectively Assessed Need and Housing Targets, Technical advice note*, Second edition July 2015, para 5.6.

3.41 In **Table 3.3**, migration movement between Barking and Dagenham and each other neighbouring local authority has been summed to give the total level of movement, both to and from the Borough (as distinct from the much smaller net flows). This gives a better measure of the *strength* of linkage. To discount the effect of population size, flows have been scaled against the combined population of Barking and Dagenham and each other authority. In both 2011 and 2015-17, the strongest migrational linkage was with Redbridge, although the strength of linkages generally increased as the housing market recovered and movement increased over the period covered in the table. Relative positions did not change between 2011 and 2013-15. Apart from these, Barking and Dagenham has no other strong migration linkages with other London Boroughs or districts outside London. This pattern of linkages very much confirms the picture of overlapping areas driven by propinquity rather than any set of clear sub-regions.

Table 3.3 Standardised migration flows between Barking and Dagenham and adjacent areas

Authority	Gross migration per 1,000 combined usually resident population	
	2011	Average 2015-2017
Havering	5.7	6.9
Newham	6.7	7.6
Redbridge	7.2	8.8

Sources: ONS, 2011 Census Table MM01CUK_ALL - Origin and destination of migrants, via NOMIS; and ONS, Internal migration - Matrices of moves between Local Authorities and Regions (including the countries of Wales, Scotland and Northern Ireland) 2015-17

3.42 Consultees in the three neighbouring authorities were also asked for their views on their linkages with Barking and Dagenham and the boundaries of an appropriate HMA including Barking and Dagenham. They confirmed the ‘cascade’ movement noted above, and all noted similar issues around increasing ethnic diversity, and the ripple effect of higher inner London prices. In terms of cross-borough development areas, the Havering consultee mentioned their London Riverside growth area. The Havering Riverside section has the capacity to generate 25,000 new jobs and 4,000 to 5,000 new homes. The proposed railway station at Beam Park (which is in Havering near the boundary with Barking and Dagenham), linking the area with Fenchurch Street, Tilbury and Southend would bring benefits to development opportunities in both boroughs. More generally the prevailing view was that housing markets in London were complex, with no unique self-standing area which was easy to identify. It was considered important to take account of the linkages between the borough and neighbouring areas. With the exception of cross-borough co-operation in the London Riverside area there was no indication that there were expectations that Barking and Dagenham would meet other boroughs’ housing requirements.

3.43 The first principle of guidance in SHMA preparation set out in GLA’s Supplementary Planning Guidance³⁶ suggests that boroughs should consider housing market area geographies that extend beyond single borough boundaries. However, the evidence presented here on migration does not support sub-regional groupings and in fact suggests that the East sub-region referred to in the London Plan³⁷, comprising Hackney, Tower Hamlets, Waltham Forest, Newham, Redbridge, Barking and Dagenham and Havering is not

³⁶ Mayor of London, *Housing Supplementary Planning Guidance*, May 2016

³⁷ Mayor of London, *The London Plan 2015*, Map 2.1 and paras 2.23-2.24.

a cohesive area in migration terms. It is likely to be more suitable for the statutory monitoring and sub-regional coordination purposes which the London Plan suggests.

Commuting patterns

3.44 As National Planning Practice Guidance indicates, commuting patterns also provide information about the spatial structure of the labour market, which will influence household location decisions. Commuting flows also provide information about the areas within which people are likely to move without changing employment.

3.45 The Office of National Statistics uses commuting data to produce travel to work areas (TTWAs) where a high proportion of the resident population also works within the same area. The most recent network of TTWAs was produced in 2015 using 2011 Census data, and this is not likely to be revised until data is available from a subsequent Census. For data from the 2011 Census, the criteria for defining TTWAs were that (a) at least 75% of an area's resident workforce should work in the area, and (b) at least 75% of the people who work in the area should also live there. Areas were also required to have a working population of at least 3,500. For areas with a working population in excess of 25,000, lower self-containment rates of 66.7% were sometimes necessary.

3.46 TTWAs have tended to change significantly over time, and the areas to be identified from 2011 Census data differ substantially from those identified in 2001, especially in and around London.

3.47 Changes to TTWA boundaries result from the interplay of many different shifts in the complex patterns of commuter flows, rather than exclusively from changes in the number and location of jobs. The trend in successive Censuses has been for TTWAs to become larger as the volume of longer distance commuting increases. In 2011 there were 228 TTWAs across the UK, compared to 243 in 2001 (a reduction of 6%). There were 308 TTWAs in 1991 and 344 in 1981.

3.48 However between 2001 and 2011 the London TTWA *contracted* by over 20% in terms of land area³⁸. This resulted mainly from the definition of a new and large Slough and Heathrow TTWA in the west, and from the absorption of small parts of the 2001 London TTWA into TTWAs in Essex and Hertfordshire, offset by extensions of the London TTWA into Hertfordshire. The new 2011 TTWA boundaries do not affect Barking and Dagenham, which remains well within the London TTWA. London is bounded on the north and north east by the Stevenage and Welwyn Garden City TTWA, the Cambridge TTWA, the Chelmsford TTWA and the Southend TTWA. However, the overall volatility of these TTWA boundaries, and their large size, limits their value as a key source of evidence in determining housing market area boundaries.

3.49 Commuting patterns in Barking and Dagenham can be examined using a similar approach to that for migration (**Table 3.4**). Some 34% of people working in Barking and Dagenham also lived in the borough, slightly above the London average, making the

³⁸ The significant changes to TTWAs in and around London are described in detail in a paper produced by ONS, *Changes in Travel to work areas from 2001 to 2011* (8th December 2015) available at <http://www.ons.gov.uk/ons/rel/lmac/commuting-to-work/changes-to-travel-to-work-areas-2001-to-2011/art-commuting-to-work.html?format=print>

borough the twelfth most self-contained in London in employment. Of the neighbouring Boroughs, Havering was 34% self-contained, a similar level to Barking and Dagenham, Newham was much less self-contained (22%), and Redbridge more self-contained (46%). The main commuting flows into Barking and Dagenham were from Havering, Newham and Redbridge (especially Havering). The main destinations from Barking and Dagenham were also these three authorities, but travel to Westminster was only slightly less than the main nearby destination, Havering. This demonstrates the strength of long distance commuting to Central London, but also the influence of propinquity.

Table 3.4 Gross commuting flows between Barking and Dagenham and adjacent areas, 2011

	Place of work			
Place of residence	Barking and Dagenham	Havering	Newham	Redbridge
Barking and Dagenham	14650	6554	4829	5389
Havering	7110	31928	3567	4882
Newham	2851	1487	24781	3365
Redbridge	4611	3760	7676	22053

Source: ONS, 2011 Census WU02UK - Location of usual residence and place of work, via NOMIS

3.50 Table 3.5 combines commuting flows between Barking and Dagenham and its neighbours, plus Westminster, and standardises these against their combined working age population to demonstrate the strongest flows affecting the borough. Not surprisingly, the level of activity in terms of travel to work is much higher than that for migration, as most people changing jobs do not change residence. In addition, people will travel long distances to work, so travel to work patterns are more diffuse than for migration where the strongest links tend to be with close neighbours. The strongest commuting relationship between Barking and Dagenham and another borough is with Havering, followed by Redbridge. Links with Newham and Central London (Westminster/City of London) and similar and much weaker, though still stronger than those with other boroughs³⁹.

Table 3.5 Barking and Dagenham: main travel to work linkages with other London Boroughs, 2011

Authority	Gross travel to work movements per 1,000 combined working age population
Within Barking and Dagenham	114.8
Havering	45.7
Newham	21.5
Redbridge	30.6
Westminster	21.1

Source: ONS, 2011 Census Table WU02UK - Location of usual residence and place of work, via NOMIS. For the purpose of this table the working age population consists of usual residents aged 16-74.

Other evidence

3.51 The Valuation Office Agency (VOA) identifies Broad Rental Market Areas (BRMAs) for the purpose of setting Local Housing Allowance rates, which play a part in determining the maximum amount of benefit which private tenants may receive. A BRMA is defined by the VOA as an area where a person could reasonably be expected to live taking into account

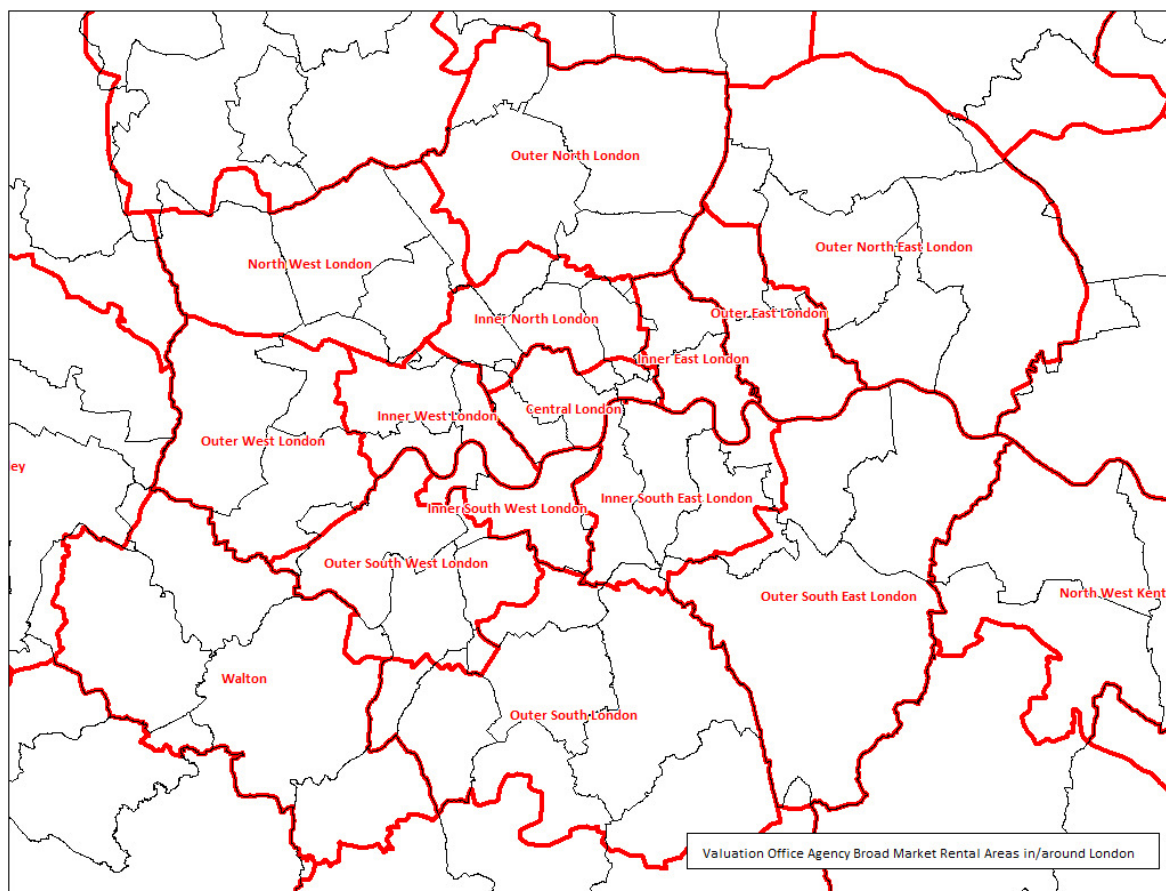
³⁹ As for migration, 2011 Census data on travel to work flows merges the City of London with Westminster.

access to facilities and services for the purposes of health, education, recreation, personal banking and shopping.

3.52 BRMAs are reviewed periodically taking account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of BRMAs frequently fall across more than one local authority area and often do not follow local authority boundaries. In 2015, 14 BRMAs covered Greater London, in some cases including parts of surrounding areas (Map 3.4).

3.53 Barking and Dagenham falls entirely within the Outer North East London BRMA, along with most of Havering and Redbridge and Epping Forest and a small part of Brentwood. BRMAs were developed to facilitate the administration of housing benefit based on patterns of private rents, rather than being directly based on house prices. BRMAs are not intended to define housing markets in terms of patterns of house prices, the owner occupied market, or actual patterns of migration across all tenures. For that reason, BRMAs do not meet PPG requirements and they are not recommended by CLG as the basis for HMA definition in PPG. For practical reasons it is often difficult to make use of BRMA boundaries for an SHMA because they often diverge substantially from local authority and/or ward boundaries and many of the key data sources are not available for the sub-authority areas which are thus created. Nevertheless, the inclusion of the whole of Barking and Dagenham within one BRMA lends support to the relatively homogenous price pattern demonstrated above. But we do not consider that BRMAs provide a sound basis for HMA definition

Map 3.4 Broad Rental Market Areas and borough boundaries



Source: Valuation Office Agency

Implications for housing market definition

3.54 From this consideration of PPG, the London Plan, and related SPG, from previous work on housing market assessments carried out in Barking and Dagenham and in other boroughs, and from the most up-to-date primary data on migration patterns, travel to work and house prices, it can be concluded that there is widespread recognition of the potential existence of a housing market area covering London as a whole and extending beyond it into areas outside the Greater London area itself. However, the boundaries of such a housing market area are difficult to define with precision. Such a large area would be impractical as the basis for planning policies, and may not constitute a realistic area of household search behaviour because it is so large and cannot be regarded as a coherent single housing market. For these reasons, the London Plan assumes that Greater London forms a housing market area, but stresses the need for awareness of external linkages and for more detailed housing market assessments at sub-regional or local authority level within London. This approach has been re-affirmed as reasonable in the examination of the FALP revisions.

3.55 Within the Greater London SHMA area there is again no unique and clear framework of sub-regions. The London Plan expects that boroughs will consider the appropriate areas for assessment when carrying out their own local assessments of need as required to achieve conformity with the Plan. It points to the possibility of sub-areas which cover more than one borough or which cross borough boundaries, but does not seek to define these, or to be prescriptive about the approach that boroughs should take. Since the approval of FALP a variety of approaches have been followed including some single borough SHMAs and some involving groupings of boroughs, or hybrid approaches such as that in Hackney/Tower Hamlets where single borough outputs were produced within the framework of a two-borough HMA.

3.56 Given the large size of London and the number of boroughs, and the wide variety of housing market circumstances across the capital, it is not surprising that a variety of approaches to the definition of sub-areas for assessment within and around Greater London have emerged. Recent SHMAs in areas adjacent to or near to Barking and Dagenham have in some cases been prepared on the basis of assessments covering combinations of boroughs, but there has been no consistency over time as to the appropriate groupings, even where the same consultants have carried out work. From the evidence reviewed here, it is clear that this is because no single, unique and obvious grouping can be identified from the available data. Many different approaches are possible.

3.57 This should not be surprising. In the simplest situation, a housing market area would consist of a free-standing urban settlement, the focus of most local employment, surrounded by a rural catchment area, with net commuting in from the catchment area and net migration out to it. In London, many urban settlements and employment foci are located adjacent to one another, often with little or no rural areas between them. It should not be surprising that in this situation, a complex picture of linkages emerges with relatively low levels of self-containment.

3.58 The important issue for effective planning is to identify and take account of these linkages, rather than to seek to impose what would inevitably be arbitrary HMA boundaries

upon the complex reality of the situation. For this reason, this SHMA will focus on assessing the objective housing needs and the affordable housing needs of the Borough.

3.59 However, on the basis of our analysis of the most up to date house price, migration and travel to work data, we also conclude that it will be essential to take account of the strong market linkages with adjoining authorities, and also to note that there are some variations in the housing market within the borough. As guidance makes clear, housing market areas are not required to be uniform in terms of market characteristics, and indeed should reflect a range of housing provision, in order to cater for a variety of households.

Chapter 4

Area profile

Key messages

Dwelling stock profile

- Since 2009, the volume of dwellings in Barking and Dagenham has grown by 5%; it has the lowest number and proportion of empty homes amongst its neighbours
- The private rented sector (PRS) increased from 5% in 2001 to 18% in 2011, and is now likely to make up 24% of the stock. There are nearly 5,000 fewer owner occupiers than there were in 2001.
- The most predominant building type is the terraced house (46%). Only 4% of dwellings are converted flats or bedsits, the category where most HMOs are likely to be found.
- There is a low proportion of larger homes overall – only 6% are four-bed or more. 62% owner-occupied stock has 3+ bedrooms, compared to 33% social rented and 36% in the private rented sector.
- Over half (54%) of the stock was built between 1919 and 1944, reflecting the inter-war years ‘homes for heroes’ initiative and the demands of the Ford plant at Dagenham. The most significant element of this was the Becontree Estate, comprising 27,000 homes and housing 100,000 people. 58% of stock is over 60 years old.
- Since 2011 an average of 524 additional homes have been developed in the borough per annum.
- There are ambitious housing development plans 2019-29, involving building nearly 2,300 homes per annum
- Private sector developers and housing associations are positive and optimistic about the current and future development environment in the borough.

Economic profile

- Barking and Dagenham is one of the most deprived boroughs in London and the country, on a range of measures. In the London context, it is the most deprived borough in terms of income, employment, and education, skills and training
- However, there are ambitious economic and housing strategies, which could result in the creation of between 8,000 and 23,000 additional jobs by 2045.
- Despite the recession, the number of enterprises has more than doubled since 2010 and there has been a 36% increase in jobs.
- But there are not enough jobs in the borough for all working age residents, so there is therefore considerable out-commuting (as well as in-commuting). The economic inactivity rate is higher than the London average

- Barking and Dagenham workers tend to have jobs in lower industrial and occupational categories than the London average: that is fewer jobs in senior positions and in well-paid occupations This means that average earnings of £30,167
- are below all contiguous authorities except Newham, and are below the London median (£34,752).
- Relevant to this below average profile is a work-force with a mid-level educational attainment, with fewer residents with degree level or higher qualifications (21%) than the London average of 38%, and more with no qualifications (28% v. 18%).

Introduction

4.1 This chapter provides a profile of the composition of the existing dwelling stock in Barking and Dagenham including the supply, tenure profile, dwelling type and size breakdown, age, physical condition, occupancy levels and housing development and market environment. It focusses on key characteristics which are of significance in assessing current housing requirements, and trends over time which will impact on supply and demand into the future. Where possible, it compares the characteristics with those of its surrounding authorities – Havering, Newham and Redbridge. It also brings in London and England data where relevant.

4.2 It then goes on to examine the current economic profile of the borough including deprivation, economic activity rates, occupations, businesses, jobs, earnings, and educational qualifications. The age structure and profile of the population is discussed in **Chapter 6**. Other population characteristics (ethnicity, disability, mobility impairment, support needs, and the characteristics of specific groups) are considered in **Chapter 8**.

Profile of stock

Number of dwellings

4.3 DCLG Live Tables data indicate that there were 74,510 dwellings in Barking and Dagenham in 2017 (**Table 4.1a** and **Table 4.1b**). This figure represents a net increase of 3,670 homes since 2009, showing an overall increase rate of just over 5%. The figures show a marginally lower development rate than that of London as a whole, a higher rate than that experienced in neighbouring Havering and Redbridge, and a significantly lower rate than Newham. As can be seen from **Figure 4.1**, with the exception of Newham where development spurts were experienced over the last several years, most other authorities have had annual growth of under 1%: Barking and Dagenham has experienced generally an increasing growth rate since 2011-12 is now growing at a faster rate than these other authorities, recording a nearly 0.7% growth in 2014-15.

Table 4.1a Changes to dwelling stock: numbers

Authority	Dwelling stock								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Barking and Dagenham	70,840	70,950	71,080	71,430	71,940	72,670	73,180	73,910	74,510
Havering	98,290	98,810	99,180	99,230	99,460	99,620	100,260	101,270	101,720
Newham	100,980	102,440	103,210	104,120	104,790	106,760	108,810	110,250	112,630
Redbridge	99,940	100,890	101,350	101,870	102,140	102,400	102,650	102,710	103,460
London	3,308,000	3,336,360	3,358,180	3,383,030	3,404,070	3,427,650	3,454,490	3,484,880	3,524,440
England	22,694,000	22,839,000	22,976,000	23,111,000	23,236,000	23,372,000	23,543,000	23,733,000	23,950,000

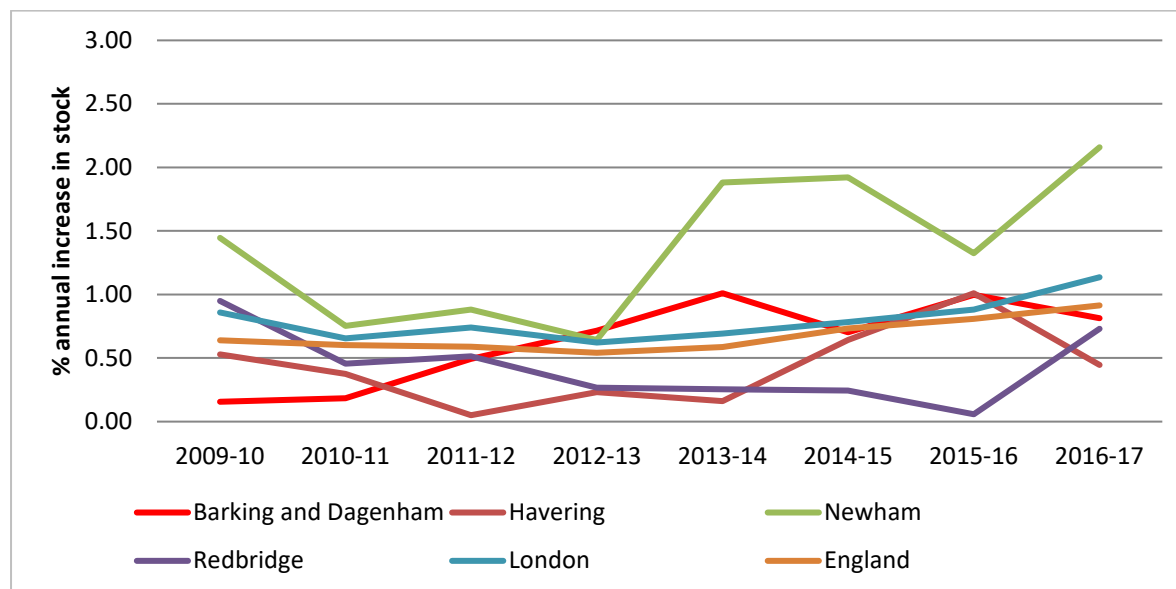
Source: DCLG Live Tables 100,112,125

Table 4.1b changes to dwelling stock: percentage

Authority	% addition to dwelling stock per annum								
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2009-17
Barking and Dagenham	0.16%	0.18%	0.49%	0.71%	1.01%	0.70%	1.00%	0.81%	5.18%
Havering	0.53%	0.37%	0.05%	0.23%	0.16%	0.64%	1.01%	0.44%	3.49%
Newham	1.45%	0.75%	0.88%	0.64%	1.88%	1.92%	1.32%	2.16%	11.54%
Redbridge	0.95%	0.46%	0.51%	0.27%	0.25%	0.24%	0.06%	0.73%	3.52%
London	0.86%	0.65%	0.74%	0.62%	0.69%	0.78%	0.88%	1.14%	6.54%
England	0.64%	0.60%	0.59%	0.54%	0.59%	0.73%	0.81%	0.91%	5.53%

Source: DCLG Live Tables 100,112,125

Figure 4.1 Trends in development rates



Source: DCLG Live Tables 122 and 125

Vacant dwellings and second homes

4.4 Vacancy rates are generally low in London as a result of demand-led pressures. **Table 4.2** shows vacant dwellings as a proportion of stock, the clearest way to assess the position and **Figure 4.3** shows the actual number of vacants over the last ten years. The most recent data is ultimately based on the Council Tax base, and is the most accurate and up to date measure of empty homes. The data has been taken from DCLG Live Table 615 which summarises Council Tax data. This informs **Table 4.2** below, where it is clear that on a London-wide basis, proportions of all categories of vacant homes fell between 2007 and 2017.

4.5 Looking at Barking and Dagenham and its neighbours, the authority now has the lowest proportion of empty homes in total. It also has the lowest proportion of long-term empty homes and the second lowest proportion of social sector empty homes. **Figure 4.3** shows that this reduction has been particularly apparent since 2012, and **Figure 4.3a** shows graphically the significant reductions across both social sector and privately owned stock.

Table 4.2 Vacant dwellings rates

Authority	All vacant		Long term vacant		Social vacant		Private vacant	
	2007	2017	2007	2017	2007	2017	2007	2017
Barking and Dagenham	2.96%	1.10%	1.69%	0.15%	2.96%	0.55%	2.95%	1.35%
Havering	2.94%	1.40%	1.26%	0.49%	2.91%	2.15%	2.95%	1.28%
Newham	4.08%	1.52%	1.95%	0.63%	2.76%	2.19%	4.64%	1.27%
Redbridge	2.87%	1.31%	1.40%	0.45%	0.92%	0.41%	3.07%	1.40%
London	2.62%	1.77%	1.12%	0.57%	1.89%	1.27%	2.86%	1.92%
England	3.42%	2.53%	1.41%	0.86%	1.82%	1.09%	3.78%	2.83%

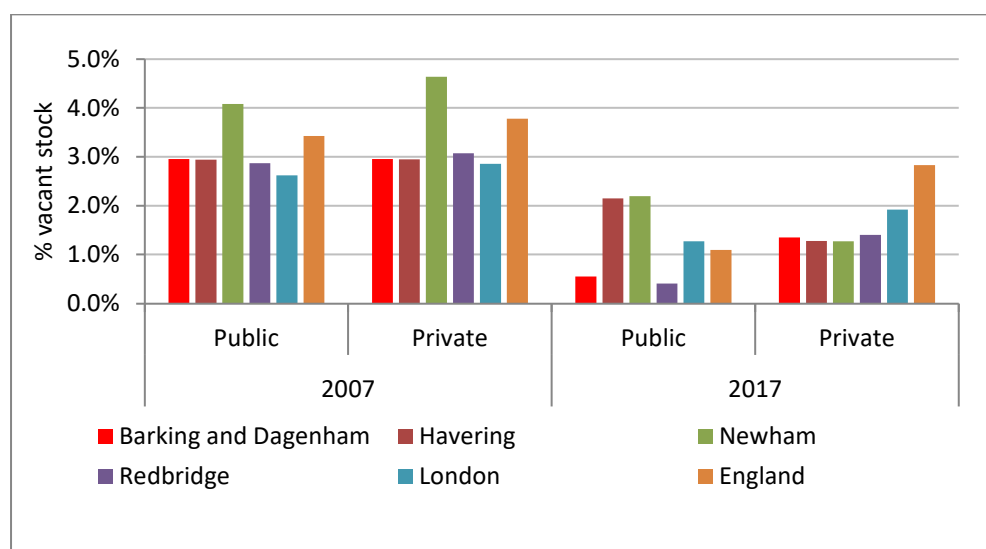
Source: DCLG Live Tables 100, 125, 615. Excludes supported housing vacants from social sector. Private sector is total minus social and other public sector stock. Social and private sector vacants are % of the stock of their respective sectors

Figure 4.3 All vacant dwellings, 2004-2015



Source: DCLG Live Table 615

Figure 4.3a Vacancy rates by sector



Source: DCLG Live Tables 100,125, 615

Second homes

4.6 The 2017 Council Tax Base assesses the number (and proportion) of homes classified as ‘second homes’ by the local authority. In Barking and Dagenham and surrounding authorities the 2017 Base showed:

Table 4.3 Second homes

Authority	Dwellings used as 2nd homes	2nd homes as % stock	Rank no. 2nd homes	Rank % 2nd homes
Barking & Dagenham	84	0.11%	303	313
Havering	171	0.16%	259	300
Newham	323	0.28%	166	254
Redbridge	868	0.84%	78	101

Source: Council Tax Base 2017

4.7 In **Table 4.3** we show the number of dwellings used as second homes, and the proportion of stock this makes up. We also show two ‘ranks’ – the position of the authority among all 326 England authorities of rankings based on overall numbers and proportions. The higher the rank the greater the number and proportion of second homes. We also show the neighbouring authority comparators. It can be seen that only 84 Barking and Dagenham dwellings are second homes, substantially below those of neighbours.

4.8 The prevalence of second homes has been used as an indicator of a ‘buy to leave’ market, whereby investors stockpile homes to benefit from capital appreciation without having the complications of having to let them out. This is more common in London than elsewhere, but the very low position of Barking and Dagenham in the rankings of the number and percentage of second homes shows that this is not at all a significant issue at the moment.

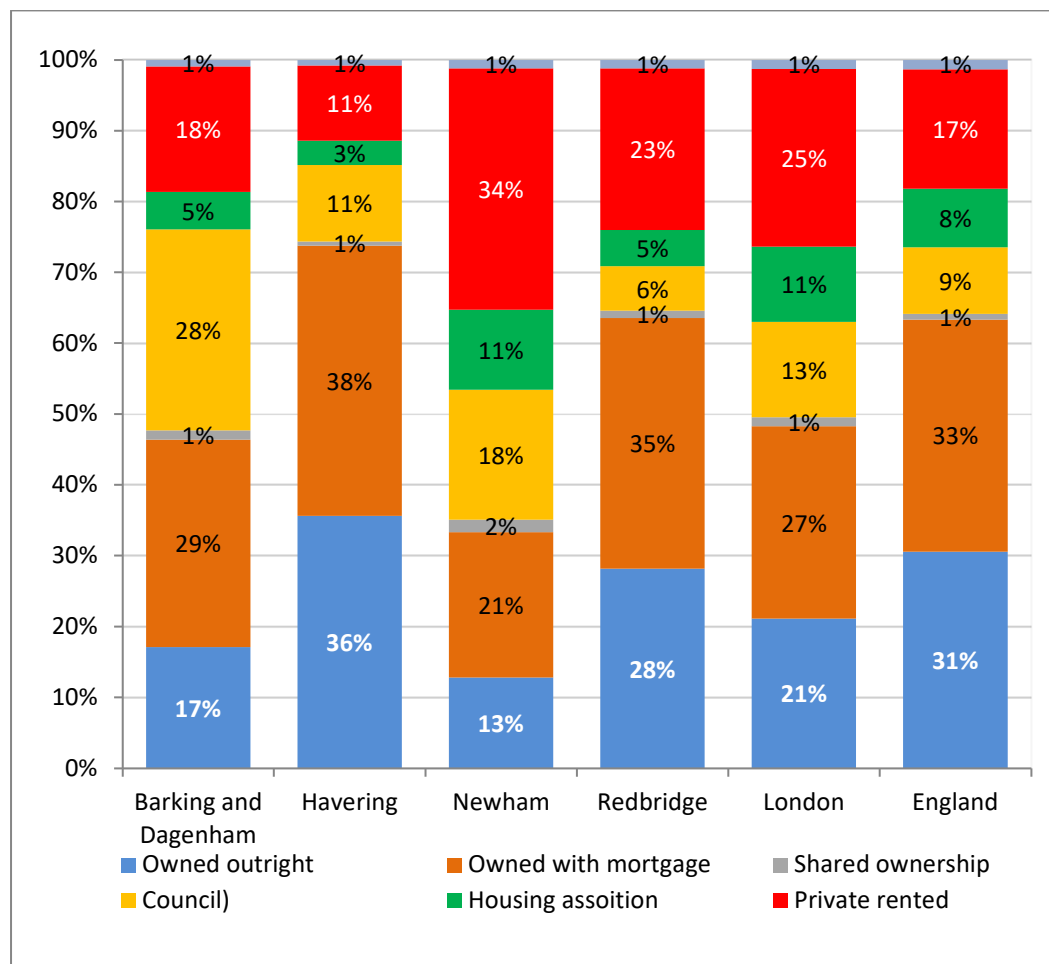
Tenure

4.9 There are no data sources providing an up-to-date breakdown of housing tenure since the 2011 Census. According to the Census, in 2011 46% of Barking and Dagenham households were owner-occupiers, split between 29% mortgage holders and 17% outright owners. The private rented sector (PRS) was substantially smaller than the social rented sector (19% compared to 33%). 1% of homes had Shared Ownership arrangements.

4.10 While the proportion in the PRS at the time of the Census (19%) was lower in Barking and Dagenham than the London average and all neighbours except Havering. Newham stands out among the group, with over a third of homes in the PRS. PRS growth is a pattern across London, though it is more marked in Inner London.

4.11 As regards owner-occupation, Barking and Dagenham sits close to the London average (48%), with a lower proportion than Havering and Redbridge, and a higher proportion than Newham. The authority has a greater proportion of social rented homes than its neighbours, as well as a higher proportion than the London average (24%).

Figure 4.4 Tenure patterns

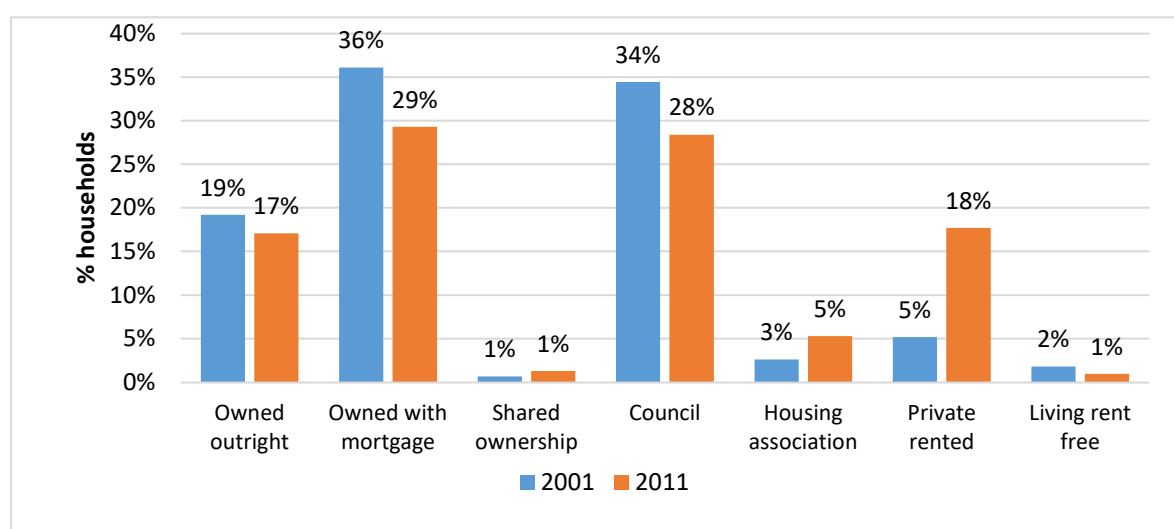


Source: Census 2011 Table KS402EW

4.12 In terms of changes over time, Census data relates to households rather than dwelling stock as empty properties are not counted. While most commentators consider the

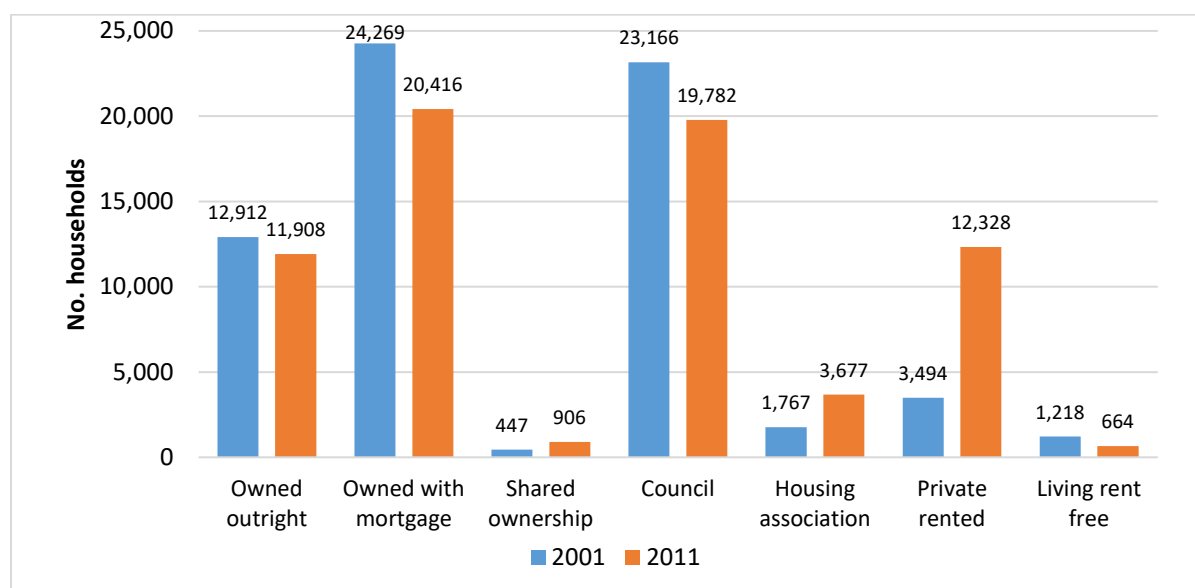
2011 Census to be the most accurate to date, there were concerns about undercounting in the 2001 Census. Although this was redressed in some measure by ONS Mid-Year projections, this does mean that assumptions about the rate of change between 2001 and 2011 should be treated with a degree of caution. **Figures 4.5a** and **4.5b** show a shift in the tenure that occurred between 2001 and 2011, the first in terms of a proportion of households, and the second in terms of numbers of households. The social rented sector saw both a proportionate (by 4%) and an actual (by nearly 1,500 homes) reduction, with new development failing to compensate for Right to Buy sales. But the main highlight is the growth of the PRS. In 2001 the PRS made up 5% of occupied dwellings in Barking and Dagenham; by 2011 it had increased to 18%, and in numerical terms, it had increased by 3.5 times, from under 3,500 to over 12,300. This was fuelled by a reduction in the numbers in owner-occupation by nearly 5,000.

Figure 4.5a Changes in tenure patterns over time, LBB: proportions



Source: Census 2001 Table KS018 and Census 2011 Table KS402EW

Figure 4.5b Changes in tenure patterns over time, LBB: numbers

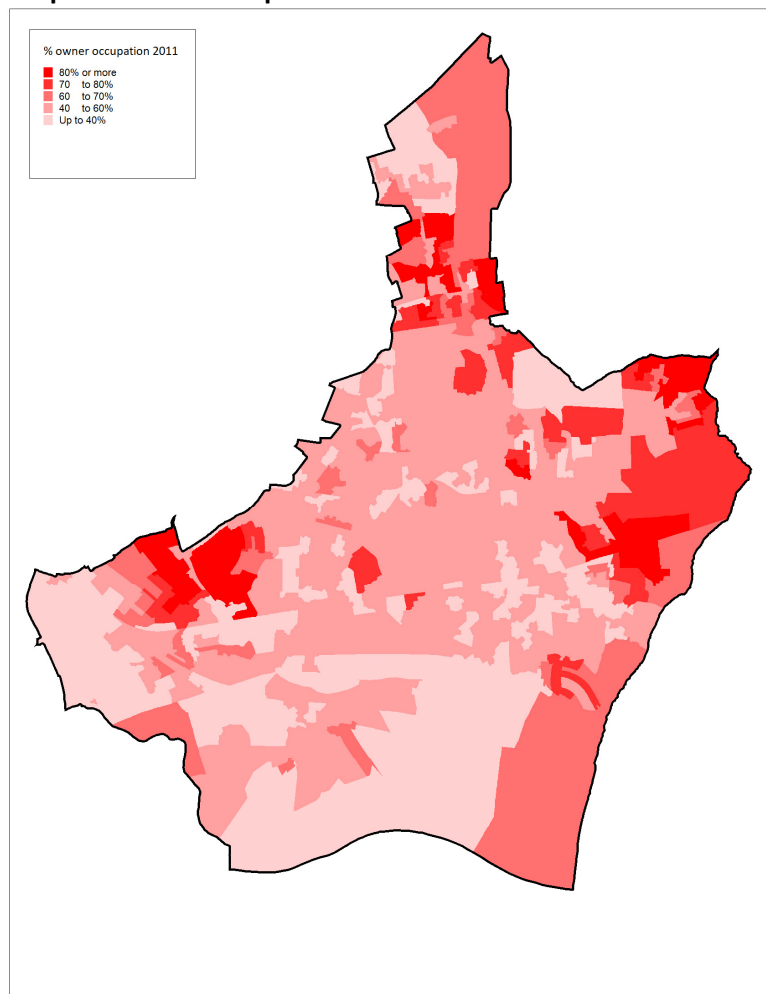


Source: Census 2001 Table KS018 and Census 2011 Table KS402EW

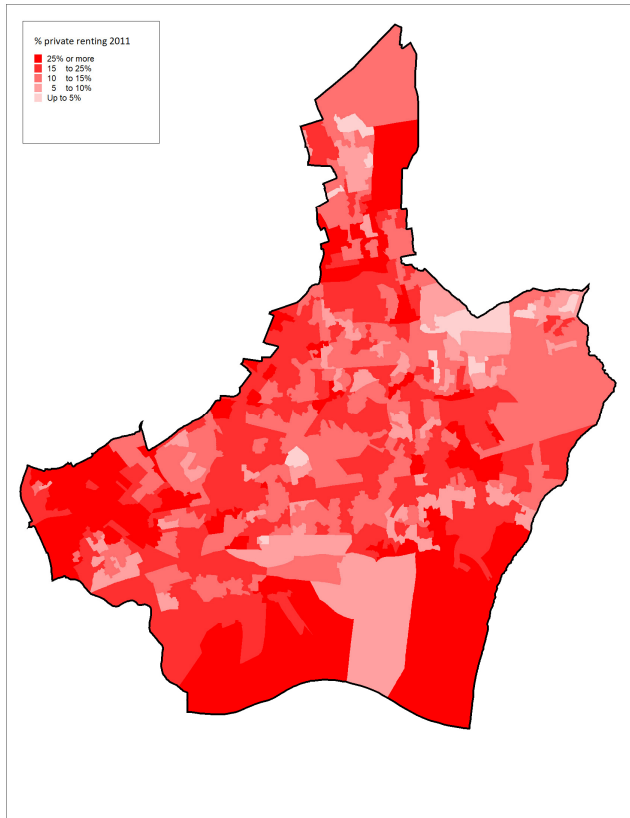
4.13 These changes reflect the medium term impact of the credit squeeze in the early part of the 2008 recession, the deteriorating affordability of owner-occupation, and the knock-on increase in private renting as an alternative. It also reflects trends in ex Right to Buy property entering the private rented market. They are in line with trends in most parts of England. If they have continued at the same rate since the 2011 Census was taken, the PRS is now likely to provide homes for around 18,000 households, 24% of the households in the borough. However, it is worth noting that participants in the owner-occupier focus group stressed the relative affordability of Barking and Dagenham as an incentive to buy there, often involving moving from other areas (e.g. Ilford, Newham, Woodford) because of a better 'offer' for their budgets. Some also noted that private renting had become so expensive that owner-occupation had once more become a viable option.

4.14 Within Barking and Dagenham, the distribution of tenures shows some areas of concentration and sparsity. As can be seen in the maps below, owner-occupation tends to be more prevalent in the Longbridge area, Chadwell Heath / Whalebone and Eastbrook, and private renting in Abbey, Gascoigne, Thames and River with some in Chadwell Heath. there is a concentration in the Chingford area). Social renting is fairly evenly distributed across the borough, apart from in Longbridge, River, Whalebone, and parts of Eastbrook and Chadwell.

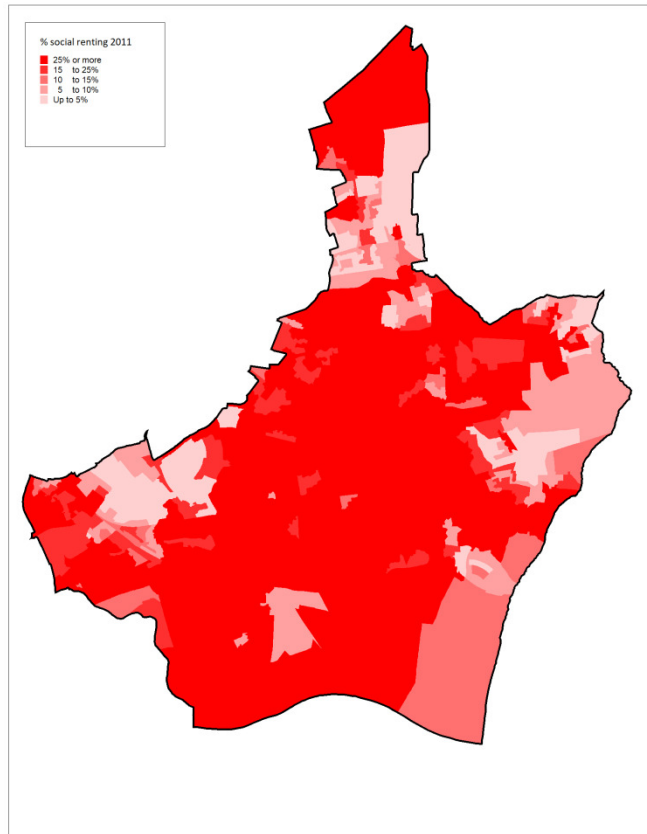
Map 4.1 Owner-occupation



Map 4.2 Private renting



Map 4.3 Social renting

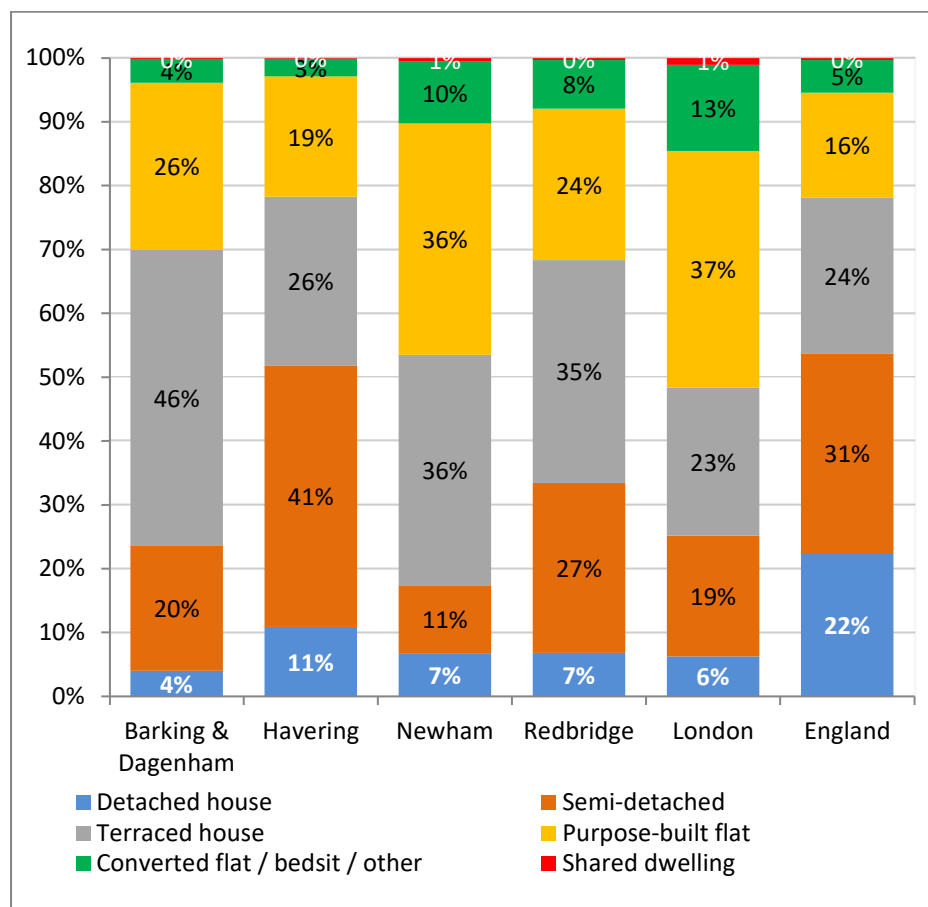


Source for Maps 4.1 – 4.3 Census 2011 Table
KS402EW

Type of dwelling

4.15 The overwhelmingly predominant building type in Barking and Dagenham is the terraced house (46%), which makes up a greater proportion of stock, when compared to neighbouring authorities, and is double the London average (23%). Purpose-built flats are below the London average (26%), and the borough has a lower proportion of detached and semi-detached houses than Havering or Redbridge. 4% dwellings are converted flats or bedsits, the category where most Houses in Multiple Occupation (HMOs) will be found (**Figure 4.6**). Participants in the owner-occupier focus group commented on the limited choice of different property types on offer.

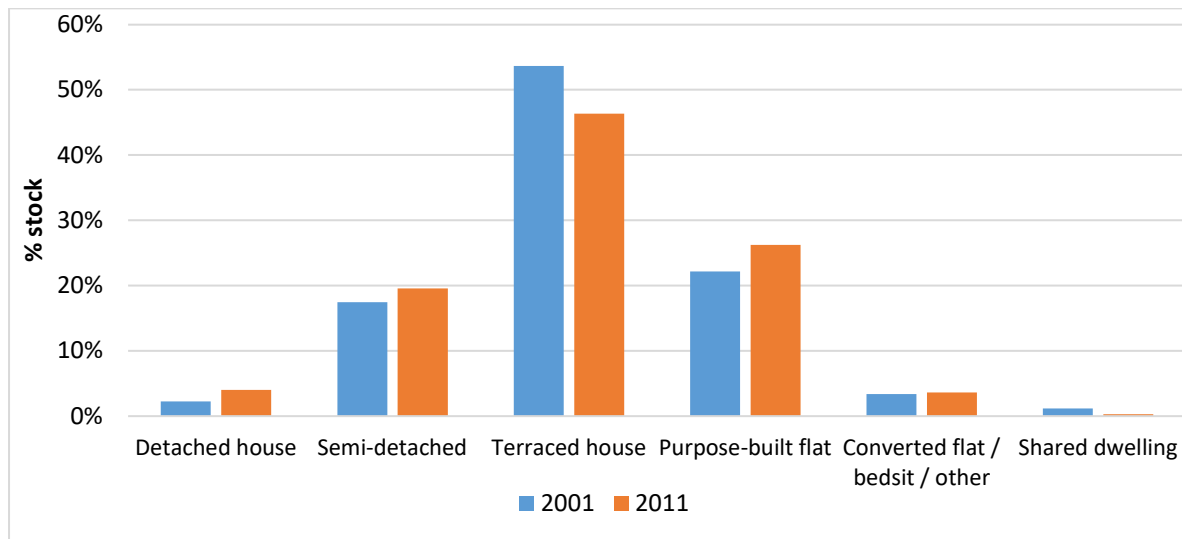
Figure 4.6 Property types



Source: Census 2011 Table QS402EW

4.16 Comparing the 2001 and 2011 Census data, **Figure 4.7** shows the proportion of dwellings of different build types in Barking and Dagenham over time. The major feature of change is the reduction in the proportion of terraced houses over the decade, accompanied by an increase in the proportion of other types of house and purpose-built flats. The proportion of conversions remained similar, though we suspect that they will have increased substantially since the date of the 2011 Census (given the increase in private renting). However, the council currently has an adopted Article 4 Direction, which removes permitted development rights for the change of use of dwelling houses to houses in multiple occupation throughout the borough. This should slow growth in the number of HMOs.

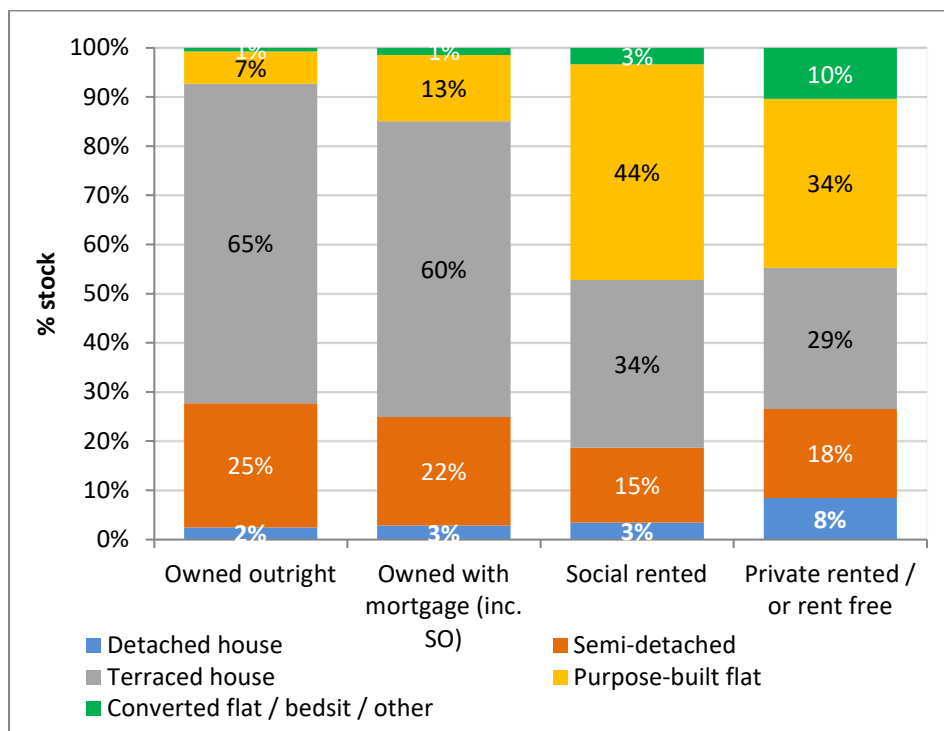
Figure 4.7 Changes in property type over time, LBB



Source: Census 2001 Table SO49 and Census 2011 Table QS402EW

4.17 There are significant differences by proportion of dwelling type by tenure. In 2011 the limited stock of detached and semi-detached houses were predominantly in the owner-occupied sector, though 18% of social housing tenants and 26% of private renters also lived in this type of stock. 92% of outright owners and 85% of mortgage holders lived in houses. Unsurprisingly, the purpose-built flat is the single largest build type (44%) in the social rented sector, as well as holding 34% of PRS households. 10% of the PRS is made up of converted flats, and this is the area where HMOs are likely to be concentrated.

Figure 4.8 Property type by tenure, LBB

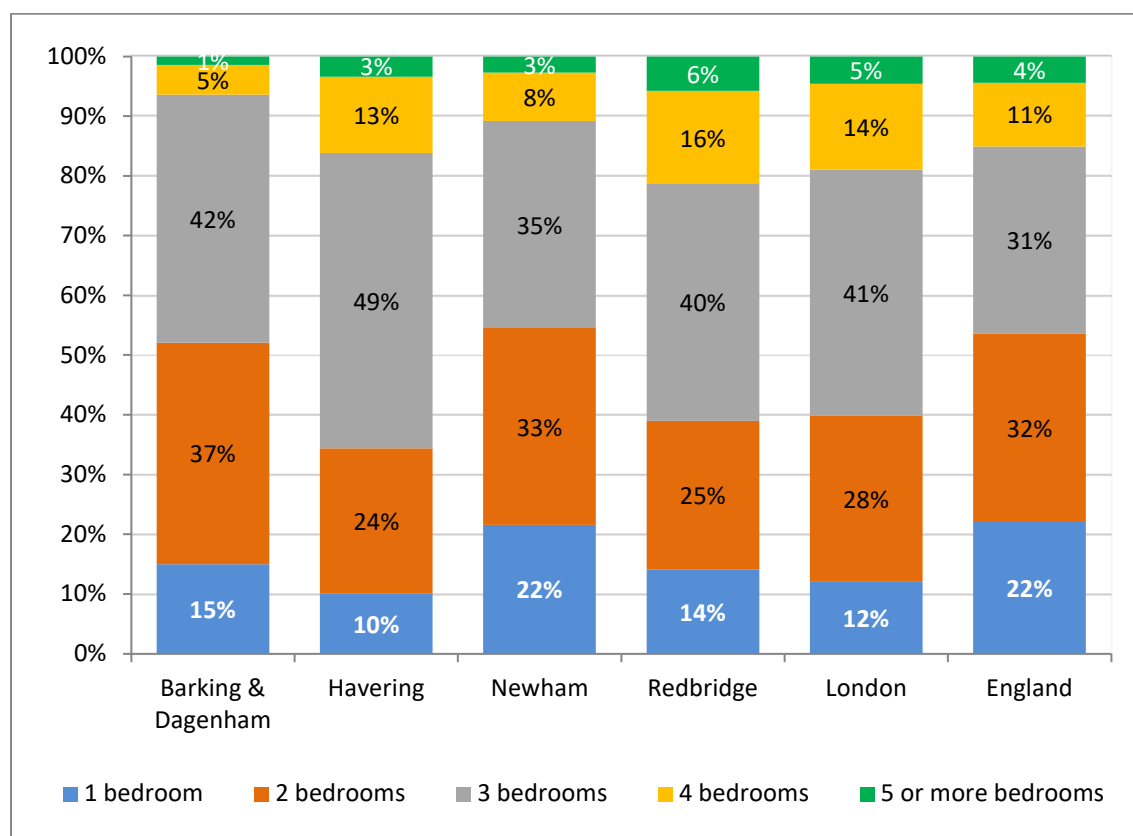


Source: Census 2011 DC4402EW

Dwelling size

4.18 As **Figure 4.9** shows, Barking and Dagenham has a relatively low proportion (6%) of larger homes (4 beds or more) compared to its neighbours, and is well below the London average of 19%. Other property sizes are similar to the London average, though with a larger proportion of two-beds (37%)

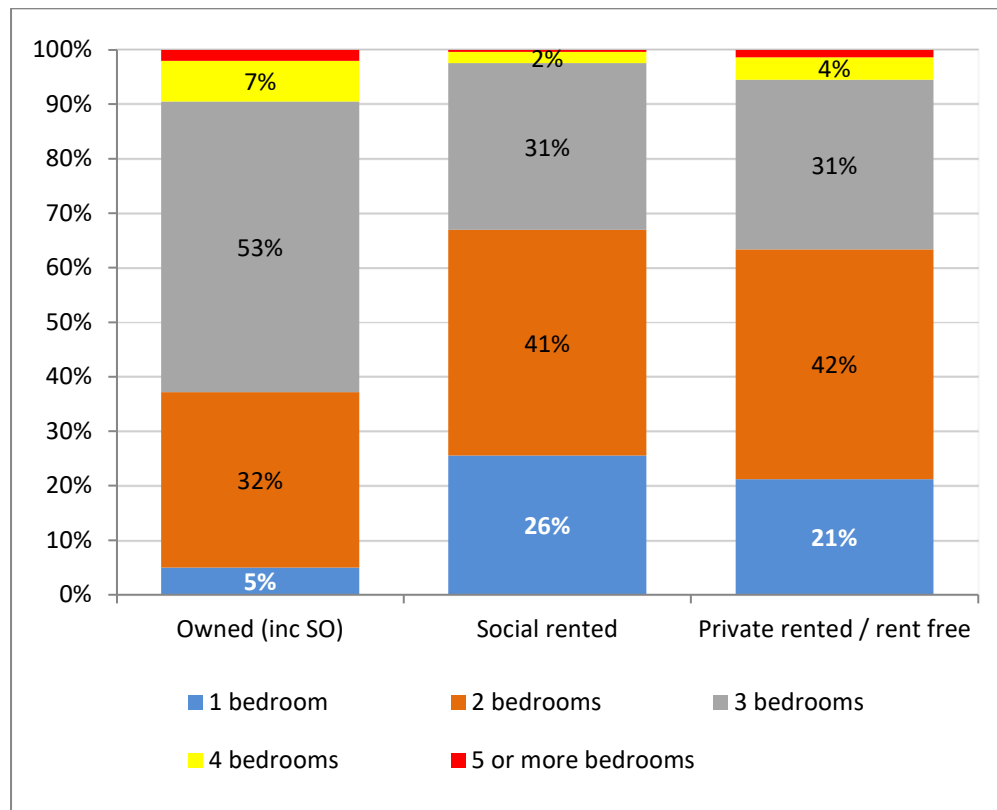
Figure 4.9 Dwelling size



Source: Census 2011 Table DC4405EW

4.19 There are differences in dwelling size by tenure (**Figure 4.10**). Across tenures, 48% of homes have three beds or more. While 62% of the owner-occupied stock is in this category, only 33% of the social rented and 36% of the private rented stock is that large. Over a quarter (26%) of the social rented and nearly a 20% of the private rented stock is one bed, whereas only 5% of owner-occupied homes are one-bed.

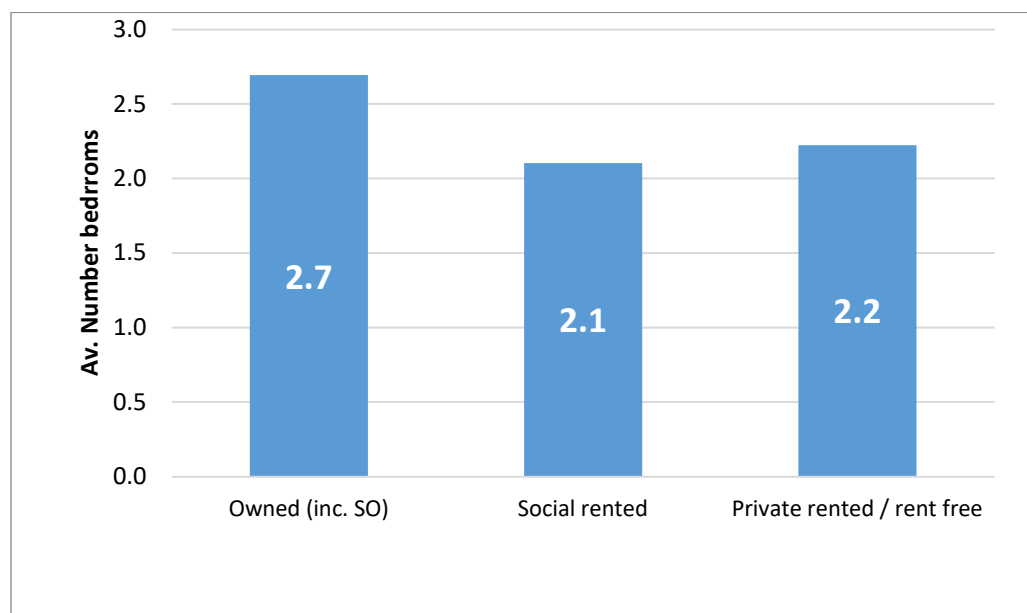
Figure 4.10 Dwelling size by tenure, Barking and Dagenham



Source: Census 2011 Table DC4405EW

4.20 This point is further illustrated in **Figure 4.11** which shows the average number of bedrooms for the main tenures. Owner-occupiers have a 2.7 bedroom average, whereas social and private renters have a bedroom average of 2.1 and 2.2 respectively.

Figure 4.11 Average bedroom numbers by tenure, Barking and Dagenham



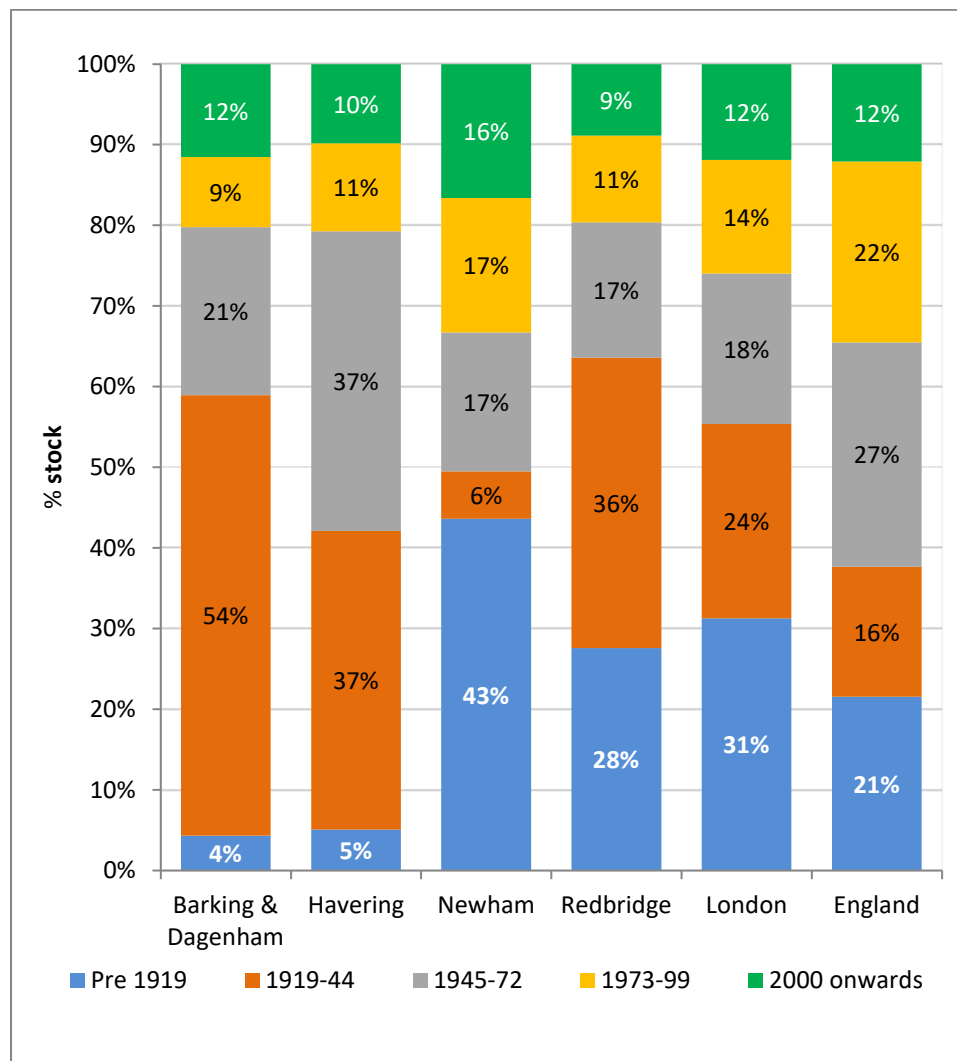
Source: Census 2011 DC 4405EW as modelled by Cobweb Consulting. It is assumed that all dwellings categorised as having five bedrooms or more have exactly five beds

Dwelling age

4.21 The age profile of the stock is a significant indicator of potential dwelling condition, and of the need for investment in repairs, maintenance, refurbishment and improvements. It is of particular importance in Barking and Dagenham, given the predominantly ‘middle aged’ age profile of the stock (**Figure 4.12**).

4.22 The predominant age-band of stock is 1919-1944, reflecting the inter-war ‘homes for heroes’ initiatives that were responsible for building the 27,000 homes of the Becontree Estate, housing 100,000 people, and intrinsically linked to the Ford plant in Dagenham (which opened in 1931)⁴⁰. Over half (54%) the stock was built in that period. There is proportionately hardly any very old pre-1919 stock, and relatively little post 1945 stock compared to most neighbours and the London average. With 58% of stock over 60 years old, stock condition issues will be an important factor in Barking and Dagenham’s housing and development strategies.

Figure 4.12 Age profile of stock



Source: Valuation Office Agency, Council Tax bandings data Table 4.2

⁴⁰ Tony Travers, *London’s Boroughs at 50*, Biteback Publishing, 2015

Stock condition and Houses in Multiple Occupation (HMOs)

4.23 The last full private sector stock condition survey was carried out in 2009 and is thus likely to be out of date. It was estimated that some 18,000 (38%) private sector dwellings were non-decent driven largely by 'Category 1' hazards (the most serious, primarily relating to cold, falling on stairs and surfaces). This was strongly linked with the prevalence of an ageing inter-ward stock, as noted above. A mandatory private rented sector licencing scheme was introduced, to encourage better conditions, and all private landlords are required to adhere to the standards in the scheme in order to let properties. The scheme became fully operational in 2014 and it is estimated that over 12,000 properties have been registered to date.

4.24 More recently, the 2016-17 Local Authority Housing Statistics (LAHS) return identifies that there are 15 private sector dwellings which having been inspected were found to have Category 1 Housing Health and Safety Rating System hazards. A further 166 of such dwellings were made free of hazards in the previous year. The authority currently estimates that there are 35 Category 1 hazardous properties within the authority's own stock. It should be noted that the LAHS data is coded as provisional.

4.25 A new stock condition survey carried out in 2018 is currently being analysed and its results will update this figure. It will be used to inform the Council's stock investment programme from 2019 onwards.

4.26 As discussed further in Chapter 8, there are considerable difficulties facing tenants wishing to take action against disrepair, most notably the withdrawal of legal aid for such cases. But more positively, advice agencies note that the Homelessness Reduction Act has encouraged the borough to negotiate with landlords to ensure properties are maintained and secured for tenants' benefit

4.27 There is some information available on the number and proportion of Houses in Multiple Occupation (HMOs). According to the latest LAHS there are 300 HMOs in the borough, amounting to 2.4% of the PRS stock. This is a similar proportion to Havering, but well below the figures for Newham and Redbridge, and well below the London average. If one looks at figures for registered HMOs (generally, though not exclusively, those with more floors and more households), the 73 identified represent only 0.6% of Barking and Dagenham's PRS stock. To complicate figures further, if one inspects the actual publicly-available Register of HMOs this document lists only 40 mandatory HMOs (as of September 2017). This may indicate that the number of HMOs in the borough are being under-recorded, if not undercounted. There are 296 residents licenced, an average of 7.4 per property.

4.28 It should also be noted that as well as licencing for those HMOs that fall within the mandatory criteria (larger ones primarily) Barking and Dagenham has also introduced Selective and Additional Licencing schemes, that brings most other private rented properties into a programme to ensure decent standards are maintained.

Table 4.4 Houses in Multiple Occupation (HMO)

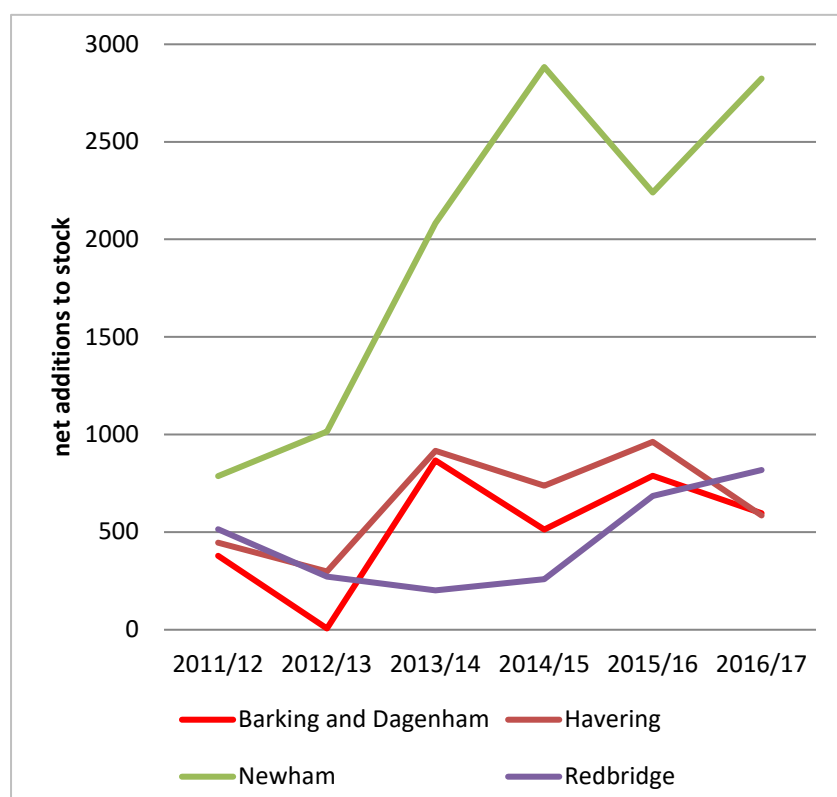
	PRS stock	Est. total HMOs		Est. total mandatory HMOs		Registered HMOs		Mandatory HMOs with Cat 1 hazards	
		No.	% PRS	No.	% PRS	No.	% PRS	No.	% PRS
Barking and Dagenham	12,328	300	2.4%	80	0.6%	73	0.6%	0	0.0%
Havering	10,337	265	2.6%	NA	NA	NA	NA	NA	NA
Newham	34,570	6,000	17.4%	1,000	2.9%	478	1.4%	0	0.0%
Redbridge	22,657	5,000	22.1%	1,000	4.4%	152	0.7%	6	0.0%
London	819,085	194,693	23.8%	24,612	3.0%	9,683	1.2%	1,923	0.2%
England	3,715,924	495,208	13.3%	64,516	1.7%	43,392	1.2%	3,140	0.1%

Source: Local Authority Housing Statistics, 2016-2017 and local authority HMO registers.

Housing development and housing market

4.29 Since 2011 Barking and Dagenham has produced an average of 524 additional homes per annum, ranging from a mere six in 2012-13 to 868 the following year. Performance has been and currently is similar to that in Havering and Redbridge. By contrast, Newham has consistently developed at a faster and more intensive rate (though it should be noted that a substantial element of Newham’s growth in recent years has been student accommodation). This is illustrated in **Figure 4.13**.

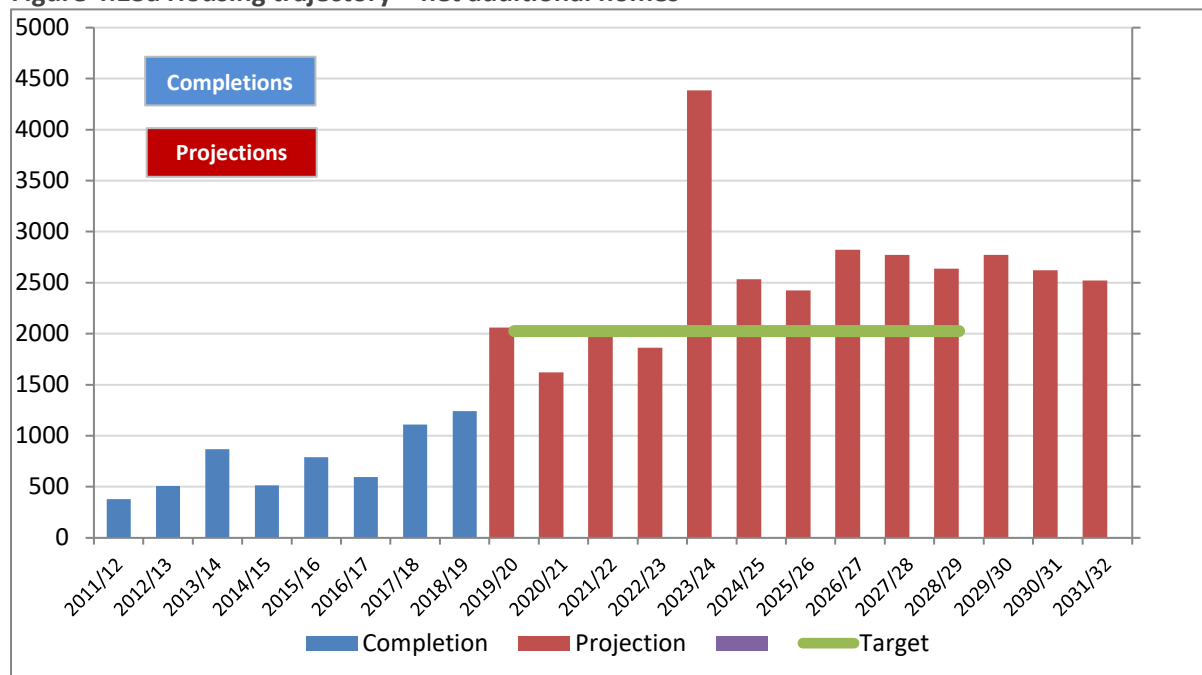
Figure 4.13 Net additions to stock, borough comparison



Source: Boroughs’ Authority Monitoring Reports

4.30 Barking and Dagenham now has a challenging additional development target of 22,640 homes over the ten years 2019 – 2029, as set out in the draft London Plan⁴¹, averaging 2,264 homes per annum. This would bring the total number of homes up to over 97,000, and represents a 30% increase on current numbers. The authority’s development projections take this into account, and profiles the required growth over the planning period, with a substantial peak projected for 2023-24.

Figure 4.13a Housing trajectory – net additional homes



Source: Barking and Dagenham 2016-17 Authority Monitoring Report

4.31 The core component of the development strategy is the Barking Riverside initiative, the largest planned housing development in London, with 11,800 units to be built in phases, including over 4,000 affordable homes. These will comprise 5% at London Living Rents, 5% at Affordable rents (50% of market rent), 5% at Discounted Market Sales; and 20% at London Shared Ownership levels. There will be at least 10% wheelchair accessible homes, and at least 60 of the affordable units will be allocated to care leavers and those with mental health support needs. It will incorporate seven schools, eco-parks, a new station, and leisure and retail sections

4.32 Other central elements of the development programme are Beam Park (2,900 homes), Ford ‘Stamping Parts’ site (2,650 homes), Barking Town Centre (2,200 homes), Abbey retail park (1,000 homes), and Freshwharf (900 homes).

4.33 Be First, the council’s in-house development company, has identified 44 sites suitable for development or regeneration, some of which are already in the development programme. Other development / redevelopment plans include the remodelling and reuse of some sheltered housing stock that is no longer fit for purpose, and developing modular temporary schemes using council land. Be First will supply a combination of market housing

⁴¹ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-4-housing/policy-h1-increasing-housing-supply>

for sale or rent, and sub-market general needs rented housing, the latter via Reside, the authority's housing company. It will also develop forms of supported housing (Extra Care and adapted homes) which will be owned and managed within the housing revenue account.

4.34 Private sector developers and developing housing associations are positive about the environment for development in the borough, and particularly about the availability of land, creation of Be First and the way the procurement process has speeded up and become more streamlined. Demand for owner-occupied properties at all price points was high, stimulated by Help to Buy. There is also strong demand for Shared Ownership products and private rented developments.

4.35 There was a mixed client group for the products, including 'downsizers' moving from larger homes into high-end smaller units, those moving from renting in inner London to buying in the borough, and increased interest in large apartments (seen as an affordable way of housing families). Demand from Asian households on some developments was particularly strong. There were no indications that investment purchasers were operating in the borough – sales were for household use.

4.36 The only problematic issue raised was around land price on brownfield sites, and the difficulties in maintaining them at high enough levels to be viable. But it was commented that this was a more general problem, not one unique to Barking and Dagenham.

4.37 Estate agents were similarly confident about the state of the market, noting improvements over the last five years. While other areas had experienced somewhat of a slowdown, this had not really been seen in Barking and Dagenham. The rate of price increase continued to be 'slow and steady'.

4.38 The reasons for the continuing growth were primarily due to accessibility, with ease routes into central London, and affordability with prices still relatively low compared to particularly inner London. It was considered that the regeneration and development problems would continue to strengthen the market

4.39 There were a range of different types of household buying homes, benefiting from the diversity of the 'offer':

You've got a mixture of housing in Barking and Dagenham, you've got your 1930s builds, you've got your ex-council stock, and your new builds so it caters for all kinds of buyers
Estate agent

4.40 The range of households included younger professionals being interested in new build flats / apartments and high rise buildings, with families steering more towards traditional houses. It was noted that there were many 'incomers' from the West Ham and East Ham areas, as well as families from more inner London areas

4.41 As with the developers, estate agents had not noticed any investment purchase activity, and noted that Buy to Let had slowed down considerably.

Economic profile

Introduction

4.42 Since 2010 Barking and Dagenham has benefited from London's economic growth and speedy recovery from the recession, and has seen the number of businesses and enterprises in the borough more than double.

4.43 This is a sound basis for the borough's ambitious economic development plans, which are intrinsically linked to housing development. With substantial brownfield sites available, as the 2017-17 Authority Monitoring Report notes 'Barking and Dagenham has the most untapped potential for growth in London'. Developing a skilled workforce and improving employment opportunities are key among growth priorities, alongside environmental improvements and the enhancement of public spaces.

4.44 The overall vision is expressed in the report of the Barking and Dagenham independent growth commission⁴². This envisages (among other aims):

- 10,000 new jobs in the economic growth sectors
- 35,000 new homes
- Substantial improvement in educational attainment
- Reduced unemployment and capacity, to below London averages
- Creating a new city district in the town centre, to challenge London's best
- Opening up Roding Riverside as an accessible attractive asset

4.45 Additional modelling undertaken more recently outlines options for four different economic growth strategies. Additional employment creation ranges from 8,000 to 23,000 new jobs by 2045. This is considered further in Chapter 6.

4.46 There are seven potential Growth Hubs across the borough where much of the above will be delivered. In terms of the type of industry and business development that is being prioritised, there is emphasis on the creative and media sector (including the development of a film studio complex in Dagenham), health, medical and scientific industries in East Dagenham, and logistics and light industry near the old Barking Power station

4.47 Transport improvements are an essential element of delivering growth. Barking Riverside, one of the largest brownfield residential development sites in the UK, is acknowledged as being one of the least accessible parts of London, and plans for a new Overground extension to the Barking / Gospel Oak line (due to open in 2021) is an essential element in ensuring the successful development of the 10,800 homes planned there.

4.48 Other important transport initiatives supporting business and housing growth are the Elizabeth Line station at Chadwell Heath (2019), a new station on the C2C line that runs

⁴² *No-one left behind: in pursuit of growth for the benefit of everyone* Report of the Barking and Dagenham Independent Growth Commission, 2016

between Fenchurch Street, the Thames Gateway towns and Southend at Beam Park, improvements to the A13, and the possibilities for further Thames crossings being considered by the Mayor.

Deprivation

4.49 While Barking and Dagenham is an expanding centre of employment and economic activity, it has a long-term history of industrial decline, low wages, unemployment, poor health and low educational attainment. These issues are not uniform problems across the authority, and there are pockets of greater and lesser deprivation in the borough. Nonetheless it is true that across a bundle of indicators Barking and Dagenham is one of the most deprived boroughs in England.

4.50 The most recent version of the English Indices of Deprivation was issued in August 2015 and provides a useful snapshot of relative deprivation, in different spheres. As can be seen from **Maps 4.4 - 4.6**, in the domains of income deprivation and barriers to housing and services (the latter which includes such indicators as affordability, overcrowding and homelessness, as well as proximity to local services) there are concentrations of deprivation in parts of Chadwell Heath, Eastbury, Village and Heath. Valley, Higham Hill, Wood Street and Hoe Street wards. Deprivation in terms of access to housing and services is prevalent across the south of the borough as well as some other parts.

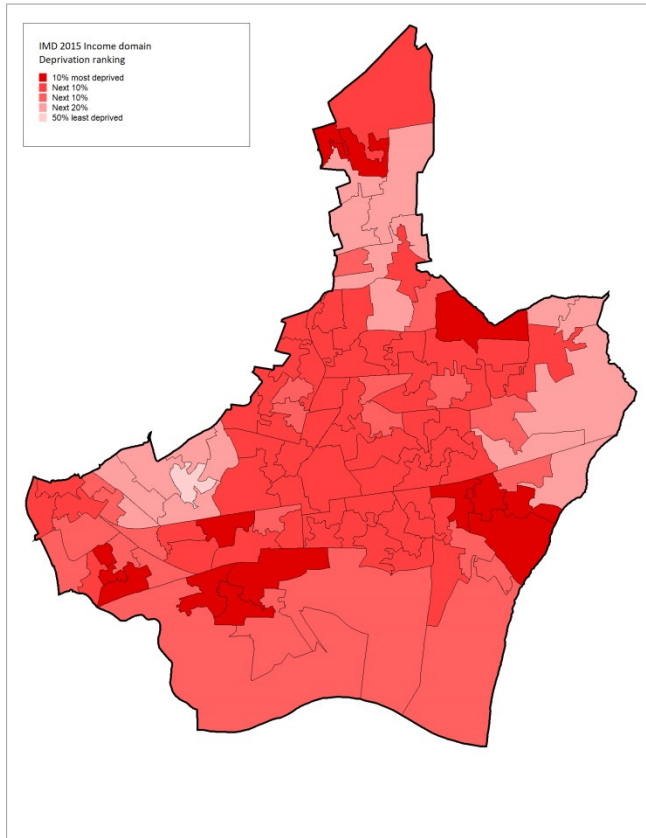
4.51 **Table 4.5** compares some of the borough's deprivation ranks with the national and London pictures. In all cases the ranks are of the 326 local authorities in England, the lower the rank, the greater the deprivation. In terms of overall deprivation Barking and Dagenham is the 12th most deprived borough in the country, and the third most in London (after Hackney and Tower Hamlets). Chadwell Heath, Eastbury, Gascoigne, Heath, Thames and Village had neighbourhoods among the 10% most deprived in England. Longbridge was the only ward without any neighbourhoods being in the 30% most deprived in the country.

Table 4.5 Indices of deprivation

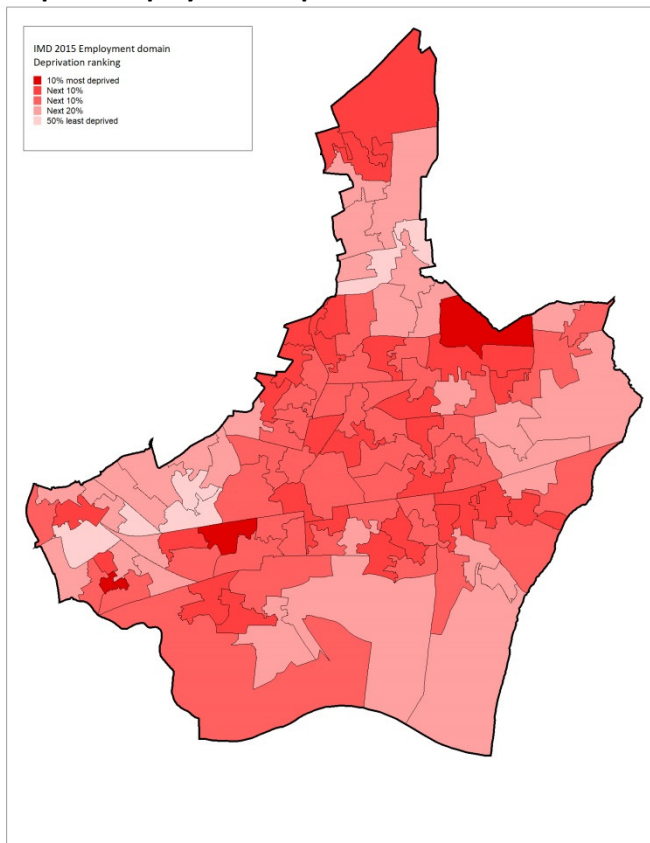
Domain	National rank (out of 326)	London rank (out of 33)
Overall	12	3
Income overall	9	1
Income deprivation affecting children	11	4
Income deprivation affecting older people	16	9
Employment deprivation	45	1
Health deprivation and disability	77	4
Education, skills and training deprivation	78	1
Barriers to housing and services deprivation	5	5
Crime deprivation	4	4
Living environment deprivation	81	20

Source: English indices of deprivation 2015. Scores are 'rank of average score' for domain

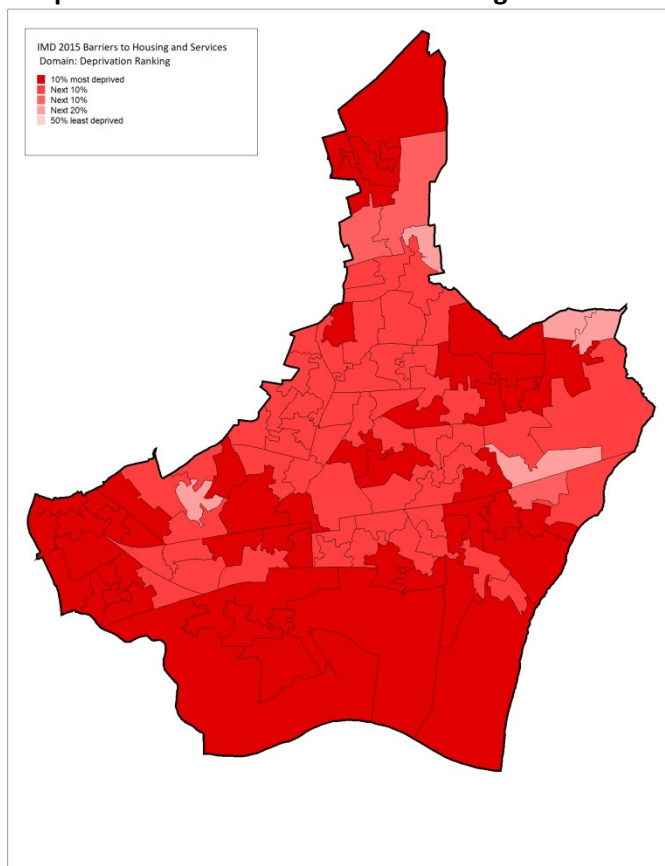
Map 4.4 Income deprivation



Map 4.5 Employment deprivation



Map 4.6 Barriers to services and housing



Source for Maps 4.4 to 4.6: English Indices of Deprivation 2015

Economic activity

4.52 As can be seen from **Table 4.6**, the level of economic activity in the borough in 2018 (75.3%) is below the London average, and higher only than Newham among neighbouring authorities. In terms of those actually in employment, the borough has a lower proportion than all neighbouring authorities and is a substantial 7% points below the London-wide average. This is reflected in the very high unemployment rate, approaching 10%.

Table 4.6 Economic activity by borough

	Barking & Dagenham	Havering	Newham	Redbridge	London
	% population 16-64				
Economically active	75.3	79.6	73.3	75.7	78.6
In employment	68.1	76.5	68.7	70.2	75.1
Unemployed	9.6	3.9	6.2	7	4.4
Economically inactive	24.7	20.4	26.7	24.3	21.4
Economically inactive: want a job	32.5	15.4	12.2	23.8	22.6
Economically inactive : do not want a job	67.5	84.6	87.8	76.2	77.4

Source: Annual Population Survey June 2018 via Nomis

4.53 The proportion of inactive people of working age reflects this pattern, with higher rates than neighbours (except Newham) and the London average. What is perhaps more interesting is that the proportion of the economically inactive that want a job is substantially higher than the London average and neighbours, suggesting that if opportunities arose there may be more employment take up. The relatively high numbers for those ‘at home’ and inactive for ‘other reasons’ also suggests a hidden employee pool here (**Table 4.7**).

Table 4.7 Economic inactivity reasons

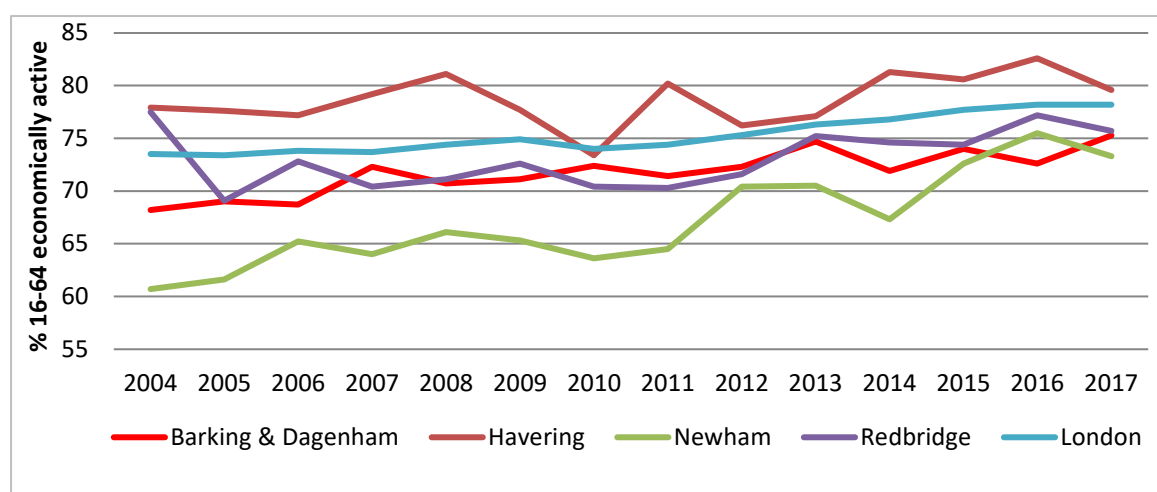
	Barking & Dagenham	Havering	Newham	Redbridge	London
	% population 16-64 (proportion of economically inactive only)				
Student	23.5	20.4	26.7	24.3	32.7
At home / looking after family	33.7	22.4	36.5	35.8	29.6
Long term sick	23.3	20	9.9	12.1	16.6
Retired	*	*	*	*	6.3
Other reason	19.5	37.2	26.9	27.8	14.8

Source: Annual Population Survey June 2018 via Nomis

4.54 When we examine the economic activity rate over time, we see that across London and as a whole, there has been a steady increase in economic activity since 2004. Although the recession brought dips between 2008 and 2011, the economic recovery has seen London figures rise to well above those in 2007. At an individual borough level, the picture is more fragmented, with year-on-year variation, but it is clear from **Figure 4.14** that Barking and Dagenham’s figures have generally kept pace with the overall London trend, with economic activity rates generally rising and falling on a two-year cycle. There was a certain amount of dip in 2014. But the figures now appear to have reverted to pattern.

4.55 Compared to its neighbours, Barking and Dagenham has had a very similar trajectory to Redbridge (at least since 2005), though a lower (though more consistent) pattern of growth than that of Redbridge, While Barking is still outperforming its neighbour Newham, generally it appears that Newham path is more dynamic.

Figure 4.14 Economic activity rates – percent population

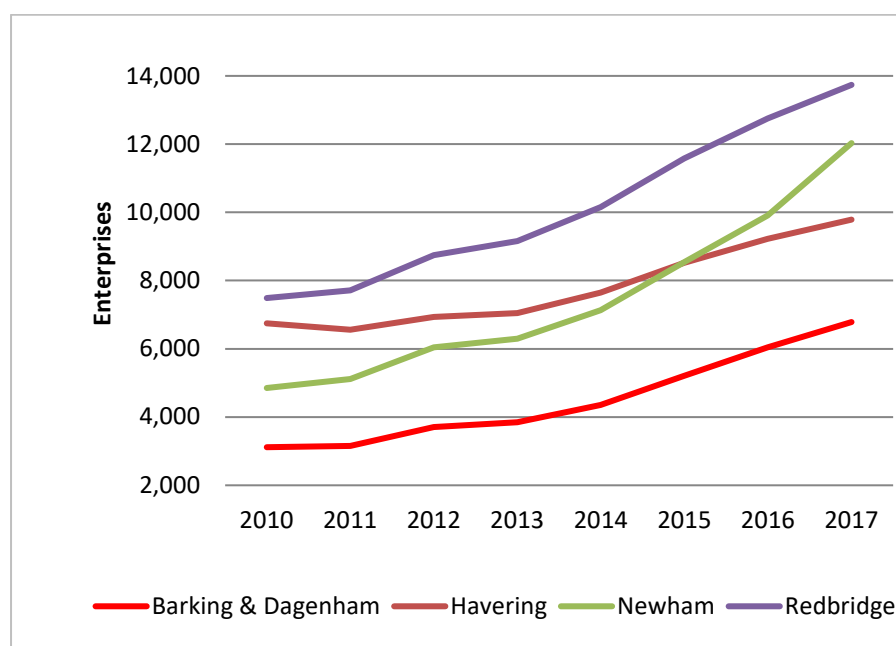


Source: Annual population Survey June 2016, via Nomis

Business and enterprise

4.56 As noted above, since 2010 the number of Barking-based enterprises has more than doubled (a 117% increase). This is the second fastest rate of increase in London (after Newham -147%), is more than twice the overall London rate of increase, and is substantially faster than neighbouring Havering and Redbridge. However, as can be seen **Figure 4.15**, the borough is starting from a fairly low baseline compared to neighbours. The figures must also be treated with some caution, because, underlying them is an expansion of small enterprises and self-employment rather than large scale enterprises. Thus, they do not reflect the growth in actual jobs (discussed below). None the less they demonstrate an important entrepreneurial trend among the working population.

Figure 4.15 Changes in numbers of enterprises over time



Source: Inter-Departmental Business Register (ONS) via Nomis

Industry and occupation

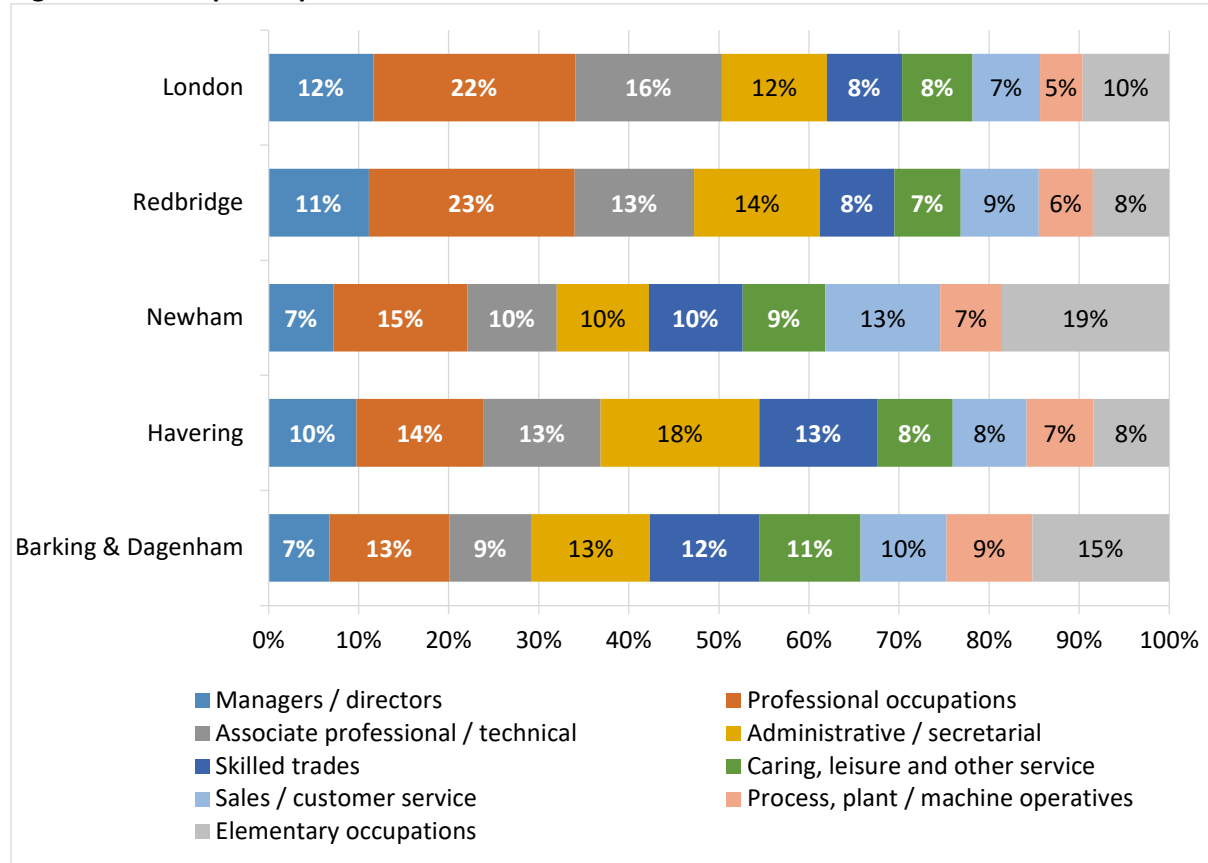
4.57 In terms of the make-up of economic activities, it should be noted that the profile of London as a whole is significantly different to that of England overall, with over third of the capital's jobs as managers, directors, or in the professional occupations. Among the neighbouring authorities, only Redbridge meets this profile. Other authorities including Barking and Dagenham have a lower proportion in these occupations (**Figure 4.16**). In fact Barking and Dagenham only has 20% of jobs in these profiles. At the other end of the spectrum, the borough has nearly a quarter of its jobs in the two most basic of the profiles, process work and machine / plant operations, and 'elementary occupations' (e.g. domestic work, cleaning, security guards, warehousing). Here are also relatively large pools of skilled trades and caring and leisure employees.

4.58 In terms of the industrial profile of Barking and Dagenham (**Figure 4.17**), this is more closely aligned to the London-wide norm, with above-average representation in public administration, health and education (28%) and slightly above-average representation in transport and distribution, and construction. Reflecting the occupational profile, the

borough has a lower than average proportion in the finance, real estate, professional and administrative sectors (18%), a proportion lower than all authorities, including Newham, and well below the London average of 26%.

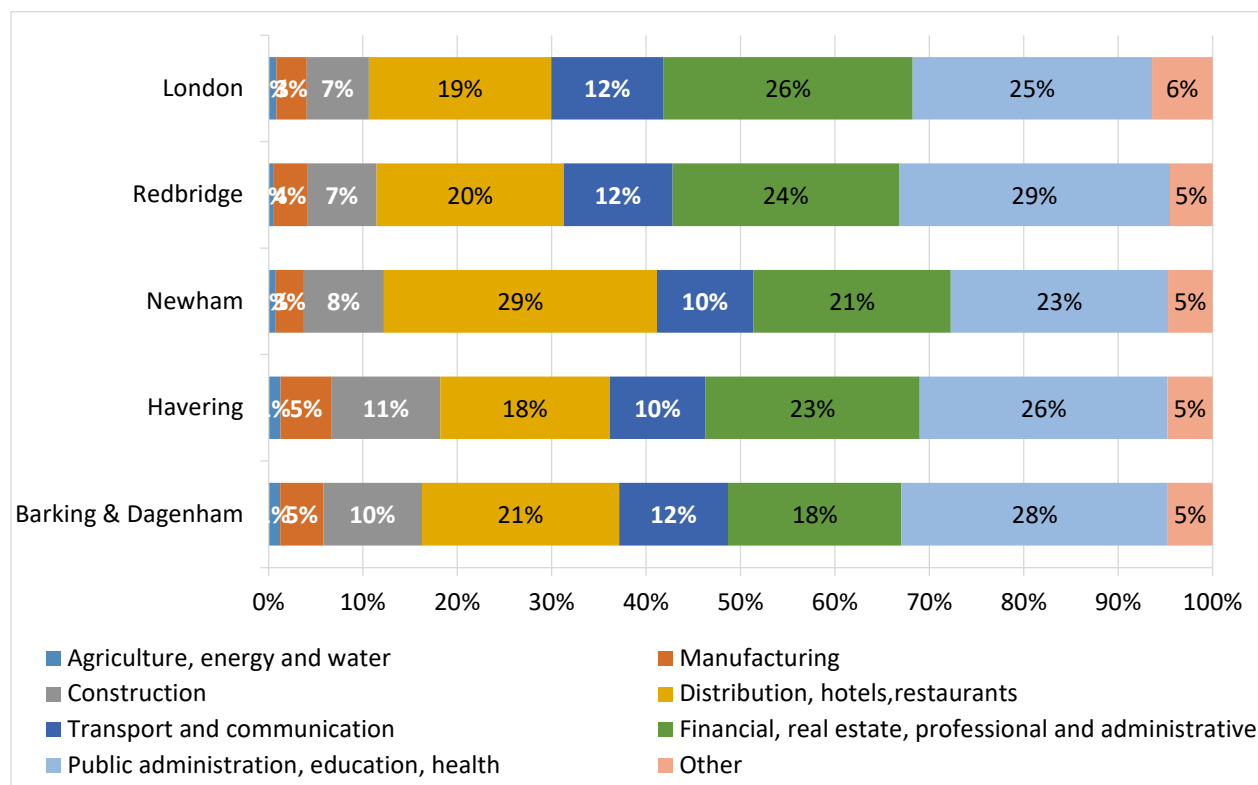
4.59 All in all the working population and the industries of the borough can be described as 'generalist' rather than being specialised around a few roles and industries.

Figure 4.16 Occupation profile



Source: Census 2011 Table DC6604EW

Figure 4.17 Industry profile



Source: Census 2011 Table DC6604EW

Jobs

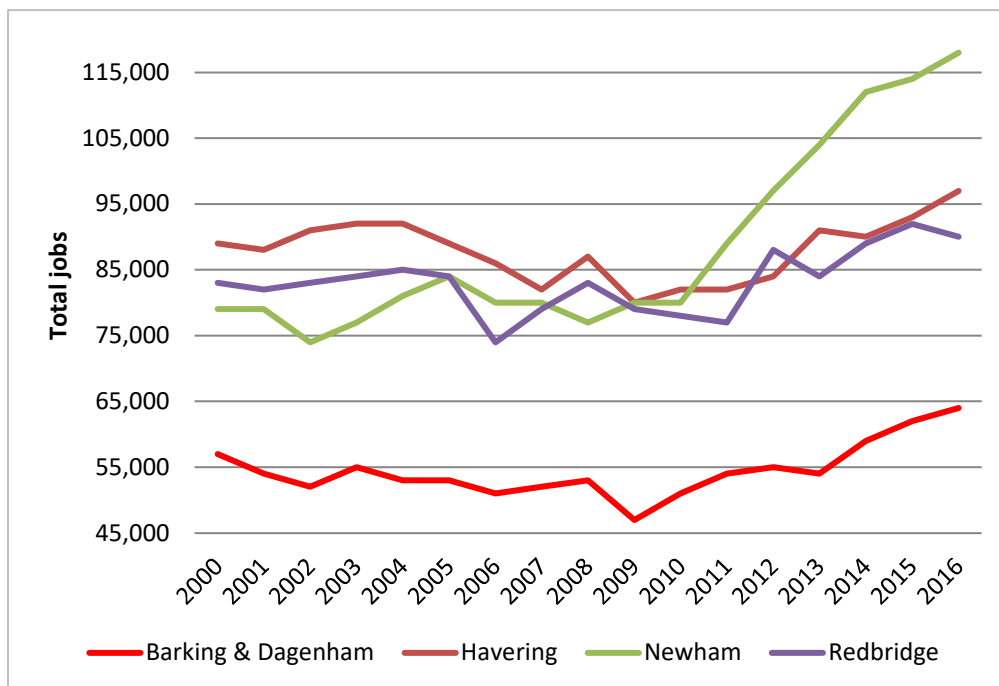
4.60 The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces. As can be seen from **Figures 4.18** and **4.19**, since 2000 the rate that the number of jobs located in Barking and Dagenham has increased has been impacted by the recession years (though numbers were reducing before then), but have recovered strongly since 2009. Since the 2009 nadir, there has been a 36 % increase in the number of jobs. Looking at the longer term picture, in spite of the downturn there are now 12% more jobs in the borough than there were at the turn of the century. While Newham’s jobs growth has far outstripped its neighbours, nonetheless Barking and Dagenham’s performance, both since 200 and 2009 has been better than Havering and Redbridge’s.

4.61 As is obvious from **Figure 4.18**, there are far fewer jobs in Barking and Dagenham than in neighbouring authorities. This is a reflection of the small overall population size of the borough, the smallest in London (bar the City). An alternative measure (perhaps more relevant than the actual number of jobs) is ‘job density’, which charts the number of jobs in the locality in relation to the number of working-age residents. The calculation is the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. As can be seen from **Figure 4.19**, job density is running at just below 0.50, implying that in spite of growth there are less than half as many jobs located in Barking and Dagenham compared to the number of working-age residents living there.

4.62 As noted in **Chapter 6** commuting is a very important feature of the employment market in the borough. In 2011, 45,783 people commuted to work outside the borough, whilst 28,997 commuted to work in the borough from outside.

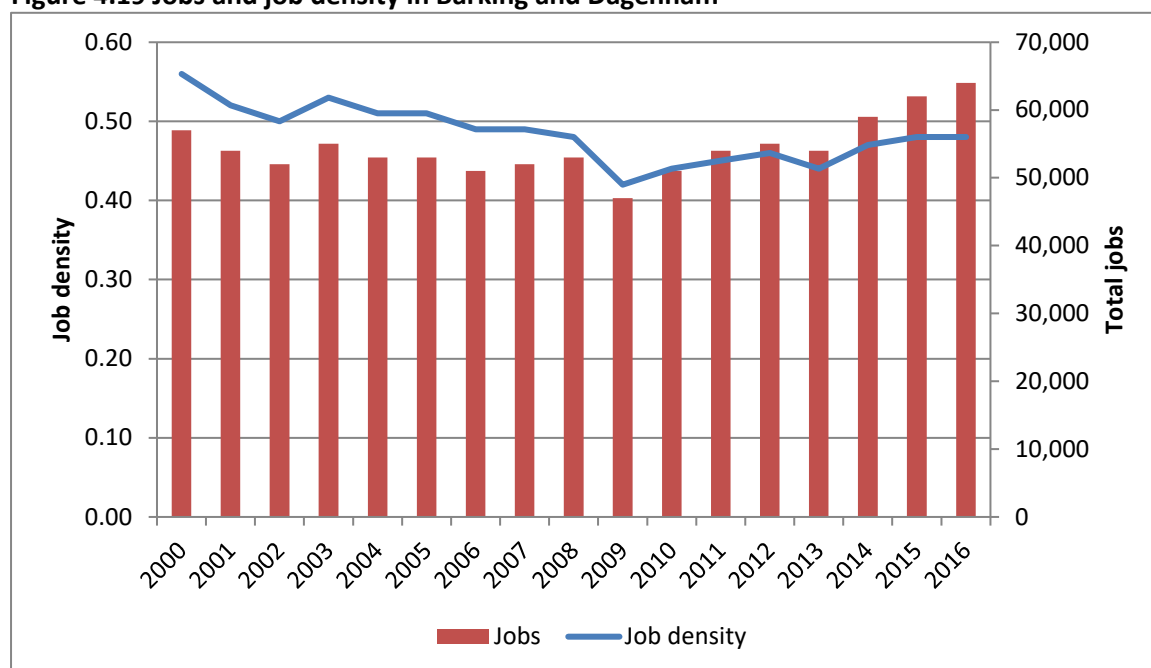
4.63 GLA’s 2016 Economic Evidence Base for London suggests that the borough is not part of any of the major specialist employment centres. Its labour force performs a number of roles, including the supply of labour to the surrounding boroughs and to central London, but also the provision of services to the local population. The borough is a net provider of housing for people working elsewhere rather than a major centre of employment

Figure 4.18 Jobs



Source: Nomis ONS local authority profiles

Figure 4.19 Jobs and job density in Barking and Dagenham



Source: Nomis ONS Local Authority Profiles

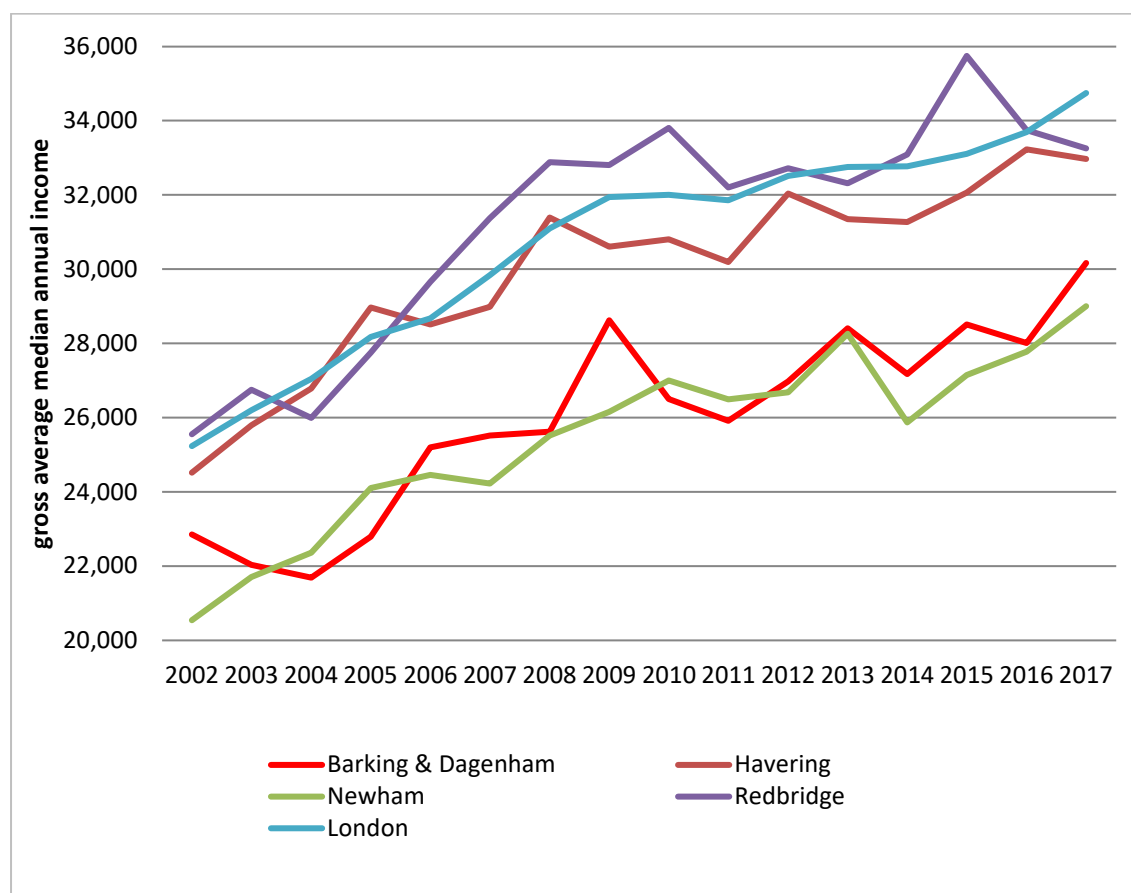
Earnings

4.64 The relative absence of jobs in the higher-paid director, senior manager and professional grades or in the more lucrative predominantly financial, real estate, professional and administrative industries is reflected in Barking and Dagenham’s lower wage profile. With the exception of Newham, on average borough residents earn lower wages (£30,167) than all their neighbouring authorities. This is also below the London median (£34,752), but above the England median (£29,085). Of the neighbouring authorities, the highest earners are in Redbridge – averaging £33,251 per annum.

4.65 If one examines the rate that earnings have increased over the last 15 years (**Figure 4.20**), although Barking and Dagenham has seen a 30% rise since 2002, this is substantially below the London average (37%), and below that enjoyed by all neighbouring authorities except Redbridge. If we look at more recent, post-recession figures however, the picture improves considerably, with borough residents experiencing a 16% increase in their earnings between 2011 (when earnings hit their bottom point) and 2017, substantially higher than the 9% London-wide increase, and higher than that seen in neighbouring authorities.

4.66 It should be noted that these historic figures are not the ones used when affordability is considered in **Chapter 7**. The figures here are based only on earnings and exclude other forms of incomes such as benefits and savings, which are considered later.

Figure 4.20 Annual gross earnings over time

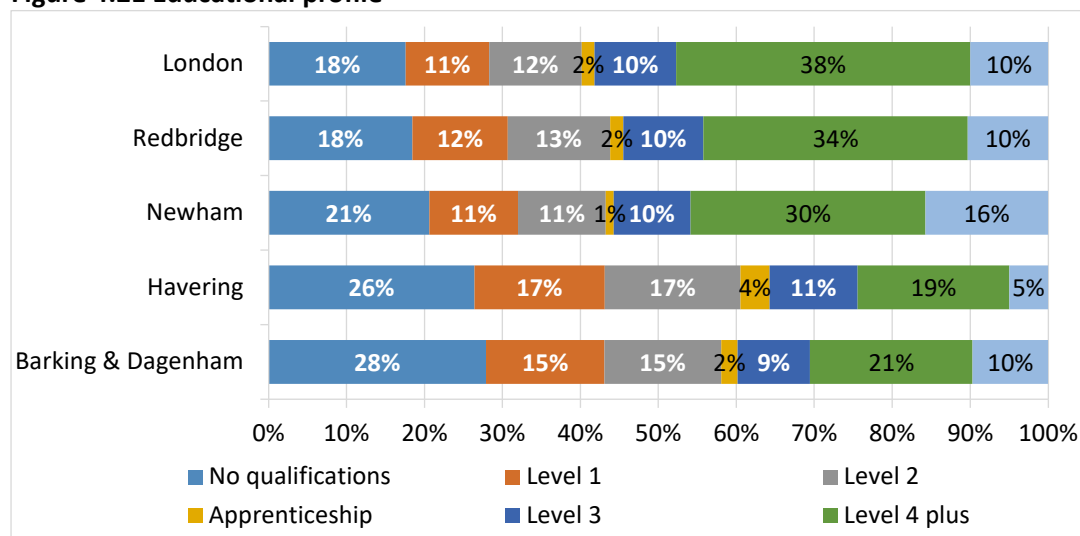


Source: Annual Survey of Hours and Earnings, from Nomis June 2018

Educational qualifications

4.67 Underpinning the more ‘blue collar’ earnings, occupational and industrial profile is a workforce with a mid-level degree of educational attainment (**Figure 4.21**). While educational attainment across London is generally higher than the England averages, Barking and Dagenham has substantially more residents with no qualifications (28%) than average (18%), but also fewer with level 4 (degree level or above) qualifications (21% v. 38%). Among neighbours, Redbridge and Newham stand out with the highest qualified workforce (34% and 30% level 4), though still below the London average. Havering is similar to Barking and Dagenham, with 26% without qualifications and 19% with level 4 or above qualifications.

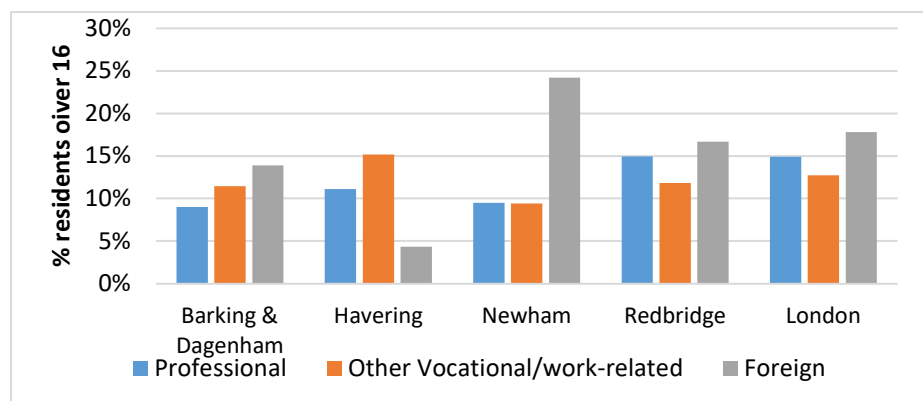
Figure 4.21 Educational profile



Source: Census 2011 QS501EW and QS502EW

4.68 Also noticeable is the proportion of residents who have foreign qualifications – 14% - reflecting the multi-national and multi-cultural make-up of the borough (**Figure 4.22**). There are slightly below average (compared to London) levels of residents with professional qualifications (teaching, nursing, accountancy), and average levels of vocational and work-based qualifications. Among neighbours, Havering has the highest proportion those with vocational qualifications, Redbridge has more professional qualifications, and Newham has the highest number of foreign qualifications.

Figure 4.22 Other educational qualifications



Source: Census 2011 QS501EW and QS502EW

Chapter 5

Housing Needs Survey

Key messages

- 1702 interviews were successfully completed, with representative samples achieved by tenure, age, ethnicity, and across all wards.
- Those who own their homes outright are more likely to be over 65 whilst private sector tenants are predominantly under 50. Asian residents are most likely to own a home with a mortgage but one of the newer communities, 'Other White' relies heavily on the private sector.
- Two out of three of the properties represented were terraced houses and a further 19% semi-detached with differences between wards.
- Property size was typically two or three bedrooms. The latter were more likely to be owned, with or without a mortgage, whereas homes rented from social landlords tended to be slightly smaller.
- More than half the sample had lived in their current home for at least ten years. Those resident for the shortest time – 13% for less than two years – were more likely to be renting privately and to be from Other White ethnic backgrounds.
- Fuel poverty (spending more than 10% of income on fuel) was experienced by 51% of those interviewed. This is noticeably higher than the 36% in the same position in the 2011 survey.
- Two out of three homes own at least one vehicle. This is least likely amongst the youngest and oldest residents.
- Household size ranged from one to eleven people but was typically two to four residents. There are examples of both overcrowding and under occupation when related to the bedroom standard.
- Some 47% of households included dependent children, 34% being couples with children. There were also 20% multi adult households, either adults sharing or families where grown up children remain in the family home.
- Taking both the respondent and a partner or spouse if there was one, 57% of adults were employed or self-employed. Overall, there was a fairly even split between households with two incomes (32%), households with one income (33%) and those with no income from employment (35%).
- There seems to be a good spread of employment across various levels from management to elementary with evidence of a slight upward movement in skill levels since the 2011 survey.
- The most prominent employment sectors for the area are construction and healthcare.
- Income analysis, where the information was provided, shows that one third of the sample receives an income of between £126 and £375 per week. There are a further 36% who receive between £376 and £750 with most of the remainder receiving more than this; very few have an income below £125 per week. There has been a slight upward movement in household incomes since the previous survey.
- Some 61% were in receipt of benefits of some sort. Most frequently found were Child Benefit, Child Tax Credit, Housing Benefit and the State Pension.
- There are two broad 'peaks' in the rent levels paid. One at £100 - £150 per month, which is where the highest proportions of social rents lie and another at £225 - £375 per month, which is where more than two thirds of private rents are pitched.
- The majority of all tenants (71%) were confident that their tenancies would be renewed, only 4% thinking this would not be the case. A further 18% did not want to renew.

- Interestingly, there were few private tenants not wishing to renew suggesting that dissatisfaction with such properties is low.
- Two thirds of those with mortgages are paying between £500 and £1,000 per month. The highest payments are generally made by those under 50 years of age.
- Analysis of private rent and mortgage payments against income gives the predictable result that the higher the income, the lower the proportion spent on housing costs. Those on lower incomes pay a higher proportion, sometimes more than 60%.
- Around half of the tenants of social landlords pay more than the threshold figure of 35% of their income on housing costs (before taking account of Housing Benefit contributions).
- Some 13% of the sample had a household member with a disability or long term illness which limited their day to day activities. This is increasingly likely as the age of household members increases.
- Only 3% said that they had had adaptations to their home to aid mobility or accessibility and a similar number – 2% - thought they may need this in the future. Support needs generally are low with the most frequent requests being for improvements to access and handrails.
- A total of 11% of households thought it 'very' or 'fairly' likely they would move within the next five years. This was more likely for those under 50 years of age. Tenants of private landlords expressed a much higher propensity to move at 21%.
- In the previous survey the response options were not exactly the same but the measure of those likely to move within five years was higher at 26%. The drop to the current level may be due to a number of factors, perhaps including greater financial pressures and general uncertainty.
- The main reason given for wanting to move was to obtain a bigger property, followed by wanting to be nearer family and friends or to employment. Some 39% of potential movers faced barriers to doing so, mainly affordability, availability of a suitable home and local ties.
- A small proportion, 4%, of respondents said that there was someone in their household who may move out to form a new household within the next five years. By far the most likely reason for this was someone becoming independent from their family home.
- When asked which of a number of tenure options these new households might be able to afford without claiming Housing Benefit, one in three thought they would be able to buy on the open market. A further one in three felt they could rent from a Housing Association and only 8% thought they would not be able to afford either of these, shared ownership or private renting.
- Further details were obtained from those likely to move or forming a new household. Looking at the numbers in each household and the likely composition, it seems that existing households moving were more likely to be families whereas new households forming were mostly single people or those establishing homes with a partner.
- The type of property most likely to be sought was a terraced house, followed fairly closely by a flat or a semi-detached. Two or three bedrooms were the most popular sizes.
- There was very little difference between preference and expectation i.e. the type of property households would like and the one they thought they could achieve. This suggests confidence both in the ability of the market to provide what they need and in their own ability to achieve their preference.
- There was a similar finding on tenure, considerable confidence in being able to achieve their preferred option. This was most likely to be buying with a mortgage, renting from the council or from a Housing association. Very few, only 8% of the 'movers', expected to rent from a private landlord.
- Around one in three movers wish to remain in Barking and Dagenham with 17% preferring neighbouring boroughs. As many as 23% are looking to move elsewhere in the UK. Those forming new households are more likely to move away from the area.

- Those movers expecting to purchase a property were likely to have maximum budgets between £200,000 and £400,000. Newly forming households tend to have smaller budget figures.
- More than half of those expecting to rent were unable to afford more than £600 per month. This probably reflects that most of them were expecting to rent from social landlords.
- Only 30% of the sample offered a figure for their gross monthly income. A wide range was seen with just under half falling within the range £1,200 to £2,000 pm.
- A final question offered respondents a number of possible strategy options for the council and asked them to select the most important. The 'top three' include the building of more homes but also addressing community safety and dealing with anti-social behaviour in all its forms. This stresses the desire for pleasant and safe neighbourhoods. People see encouraging shops and restaurants as least important and there is also relatively little support for dealing with poor private landlords.

Methodology

5.1 The method used for the Housing Needs Survey was to conduct face to face interviews with a sample of 1702 residents of the Borough. One hundred interviews were conducted in each ward. Within each ward, five different LSOAs (Lower Super Output Areas) were selected and approximately twenty interviews conducted in each, using a number of streets. This method ensured a very wide distribution of interviews throughout the Borough. To ensure the sample was representative of residents, quotas were set by age and ethnic group of the householder and by the tenure of their property. Quotas were set at LSOA level, again to achieve a good distribution across the area. Annex 2 records the profile of the sample and shows that the achieved sample was very accurate in terms of the quota

5.2 Fieldwork was conducted by an interviewing team from Perspective Research Services during June and July 2018. They used a structured questionnaire designed by Cobweb Consulting in consultation with our client and the data was collected using CAPI (Computer Assisted Personal Interviewing). A prize draw was offered to respondents to encourage participation. The questionnaire is shown in Annex 3.

5.3 In addition to the survey there was a programme of qualitative research with both residents and stakeholders. For residents there were six categories. Owner occupiers, council tenants, tenants of private landlords and those planning to move in the next five years were recruited from people who had taken part in the main survey and given consent for further contact. Another category were residents who were homeless and in temporary accommodation. They were recruited with the help of the Homelessness Team and by email invitation. Finally, the views of disabled residents were sought with the assistance of the Access Team. A combination of focus groups and in depth telephone interviews were used.

5.4 Stakeholders included: council officers, staff of Be First, regeneration partners, officers from neighbouring authorities, social landlords, developers, estate and letting agents, Public Health and voluntary organisations. A focus group was held with members of the Adult Care and Support Commissioning Team, otherwise telephone interviews and personal interviews were used. Fieldwork was conducted by, Ros Grimes, Sarah Barnett and Danny Friedman.

Opinions and needs of residents

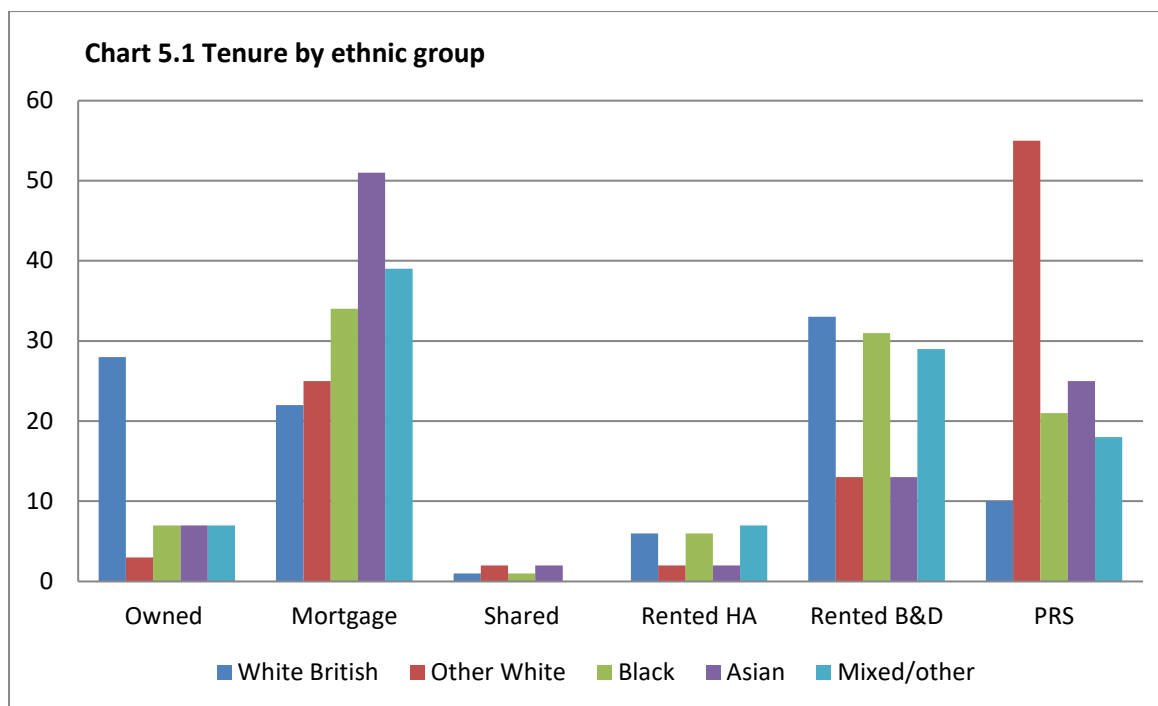
5.5 This section presents the results of the face to face survey. Where appropriate it also includes material from the focus groups, in depth interviews and stakeholder interviews. Also where appropriate and possible, we compare the views expressed with those coming from the previous Housing Needs Survey, undertaken in 2011 by Ecorys.

Current home

Tenure

5.6 As noted in the methodology section, the tenure profile was dictated by quota to reflect the profile across the Borough. The detailed breakdowns add a little more to understanding the profile. The conclusions on age are as would be expected – those who own their homes outright are mostly in the 65+ age group, mortgages relate mostly to those under 65 with 35 -59 the most likely age span to be paying one. Those who rent from the council are spread across all age groups. Housing Association tenants have a slightly younger age profile but this may relate to the growth of such organisations in more recent years. Finally, tenants of private landlords are more likely to be under 50 with a declining proportion of tenants from the youngest to the oldest age groups.

5.7 Relating tenure to ethnic origin also shows some interesting differences. For example, those owning their property outright are much more likely to be White British which also fits with the older age profile for home owners. Mortgages are found amongst all ethnic groups but are noticeably more common among Asian residents, 50% of this group compared with 28% overall. Having a council tenancy is much less likely where the resident is of Other White origin, only 13% compared with 28% overall. This probably reflects that these are relatively new residents in the Borough and, even if they would wish to become council tenants, they have not had time to progress through the system. This lack of options also probably explains why Other White residents are most likely to be within the private sector, 55% of them rent privately compared with 18% overall. The final point is to note that Asian residents in council accommodation are also relatively few, again 13%. Recalling that this group are the most likely to have a mortgage, it seems that this is probably due to relative need and access to the owner occupied sector.



Property type

Type of property was recorded and is shown in Table 5.1

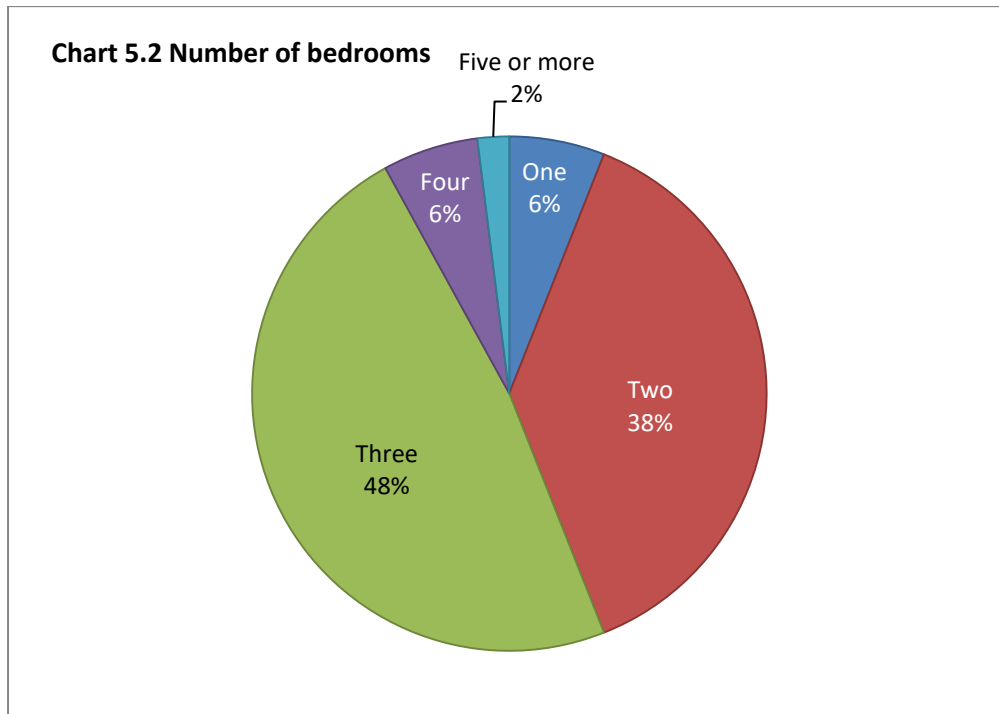
	2018	2011
	%	%
Detached house	2	3
Semi-detached house	19	24
Terraced or mews house	64	56
Bungalow	1	
Flat/maisonette in block with up to 3 floors	8	16
Flat/maisonette in block with more than 3 floors	5	
Flat in a converted house	1	
Other	<1	

Base: all respondents (1702)

5.8 Two out of three properties were terraced houses and a further 19% were semi-detached. The overall breakdown is quite similar to that found in the 2011 survey. There were some differences between wards, as would be expected. For example, there were higher proportions of detached houses in Abbey and Chadwell Heath and relatively more flats in Gascoigne, Heath, Thames and Village. There is some difference between the ages of occupants in that detached and semi-detached houses are more likely to be home to the older age groups (65+) whilst flats are much more likely amongst those under 35.

Property size

5.9 The majority of the properties represented in the survey had two or three bedrooms, as **Chart 5.2** shows.



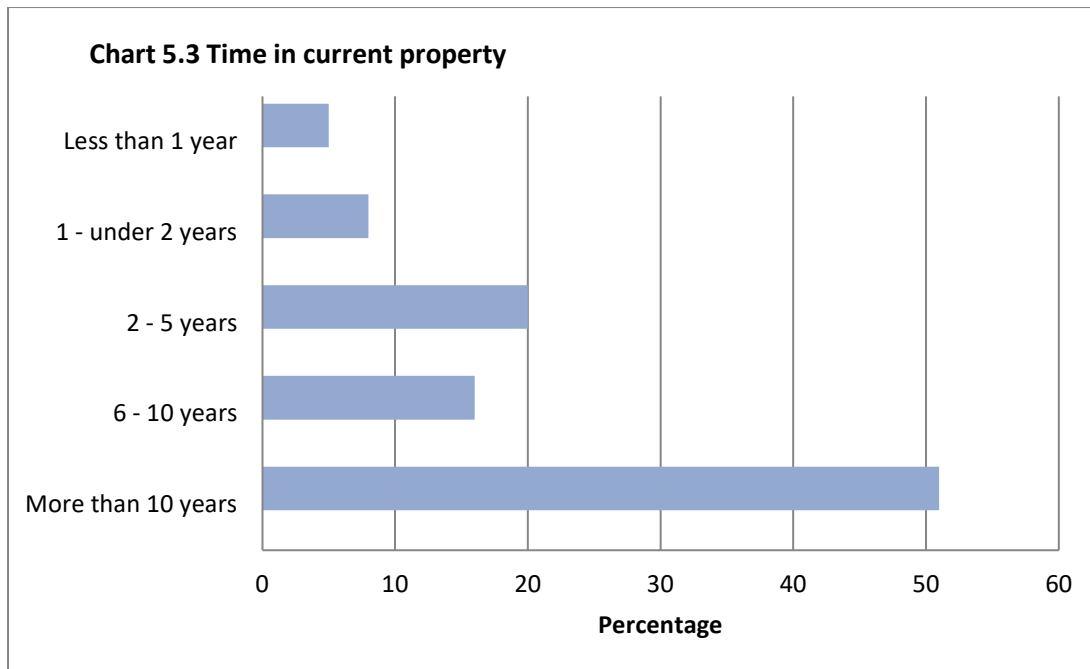
5.10 Very few had larger homes. Not shown in the table were just three who lived in studios or bedsits and therefore had no bedrooms. Looking at differences between the subgroups, by tenure it can be seen that homes that are owned (with or without a mortgage) are most likely to have three beds whilst those rented from social landlords most frequently have two. It can also be seen that Asian families are more likely to live in larger homes, 18% have four or more bedrooms compared with only 8% of the sample as a whole.

HMOs

5.11 Amongst those renting from private landlords, the great majority – 96% - had sole use of their kitchen and bathrooms. Only 1% were in flat shares and 3% in HMOs (sharing kitchen and bathroom with others with whom they had not chosen to live).

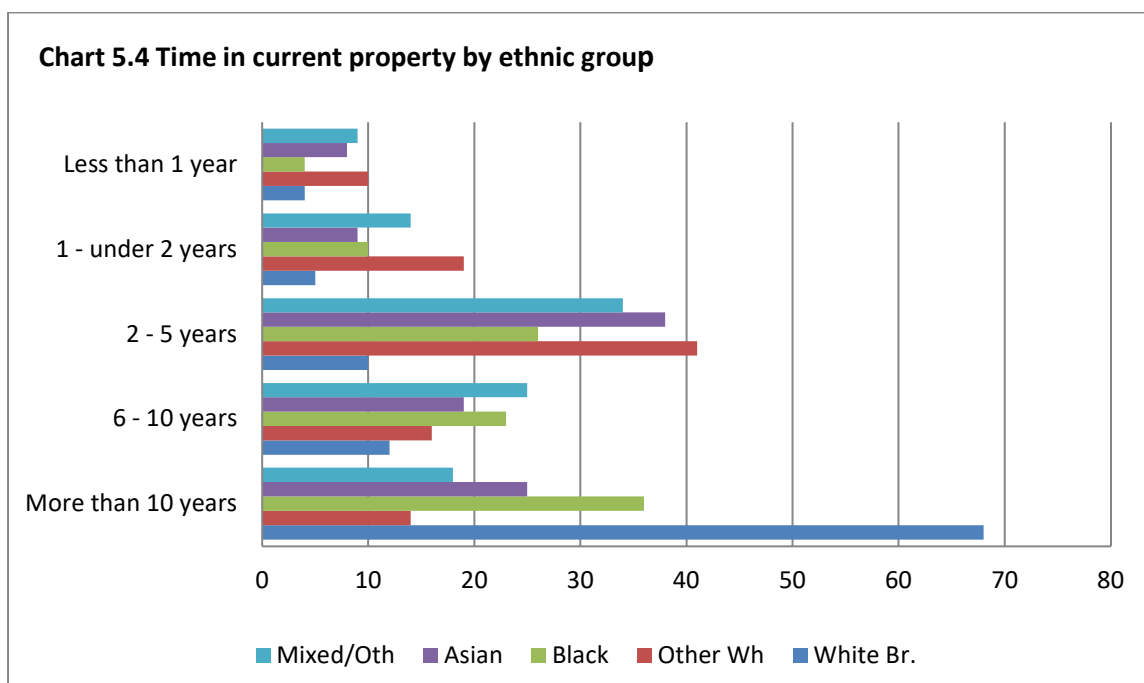
Length of residence

5.12 The length of time that respondents had lived in their current property was recorded as follows.



5.13 Just over half were well established having been in their current property for at least ten years. Some 13% in total had been in their property for less than two years. The wards of Village, Goresbrook, Gascoigne and River have the highest proportions of residents newer to their properties (18 – 22% compared with 13% overall). There is a striking difference by tenure in that those renting from private landlords are much more likely to have been in their property for less than two years – 37% compared with only 6% of home owners. These proportions were similar to those noted in 2011.

5.14 It is also interesting to consider length of residence in the context of ethnic background as shown in this Figure.



5.15 It can clearly be seen that White British residents were much more likely to be those settled in their properties for the longest time. In contrast, those in Other White groups and, to a slightly lesser extent Mixed and Other groups, appear to have been in their properties for the shortest lengths of time. The actual question related to time in the property (not time in the area) but it is reasonable to assume that there is some correlation in these and that this illustrates that Other White groups are the newest residents in the Borough. This would also link back to the comments on tenure which found this group most likely to be in the private sector and least likely to have a council tenancy.

5.16 The 2011 report concluded that the Black and Asian communities were those newer to the area although they were becoming established. 'Other White' groups were not specifically mentioned which illustrates a change in the intervening years.

Fuel poverty

5.17 Asked if they spent more than 10% of their income on fuel, 51% thought that they did. Another 35% did not and 14% were unsure. There is little variation in this for the subgroups by age, tenure and ethnic group but some differences by property type. Those most likely to spend more than 10% of their income on fuel were those living in flats with more than three floors (78% of this group) and in detached (74%) or semi-detached (63%) properties. Least likely were those in terraced houses or low rise flats (both 46%). The reasons are likely to be a combination of fuel efficiency factors and different income levels but it does illustrate how high the level of fuel poverty may be.

5.18 It was also found that households where there was a resident with a disability or long term illness were more likely to spend more than 10% of their income on fuel. The figure is 61% for this group, compared with 50% of others.

5.19 The figure of 51% is considerably higher than the 36% who claimed to be in this position in 2011. This may be due to a combination of a slowdown in rises in income and rising fuel prices.

Vehicle ownership and parking

5.20 Two out of three residents own at least one vehicle as this table shows.

Table 5.2 Cars or vans kept by the household	
	%
None	31
One	50
Two	16
Three or more	3

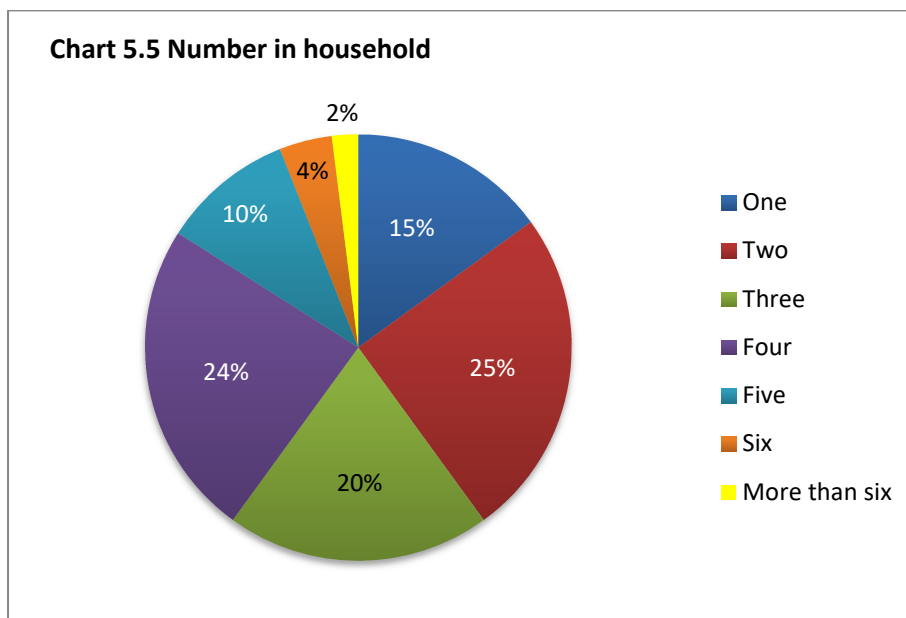
Base: all respondents (1702)

5.21 Having one vehicle was most likely with very few people keeping more than two. There were variations within the subgroups. Within wards, car ownership is highest in Whalebone, Chadwell Heath and Eastbrook and lowest in Gascoigne and Abbey. Looking at age groups, only just over half (52%) of those aged 65 or over own a car. The youngest age group (18-34) also has a slightly below average level of ownership (34% do not have a car). Within ethnic groups, ownership is highest amongst the Asian residents (83%) and lowest amongst those from Mixed or Other groups (59%).

5.22 This level of ownership is very similar to that seen in 2011. There are now slightly more households with two or more cars but the overall ownership level of 69% is the same.

Number in household

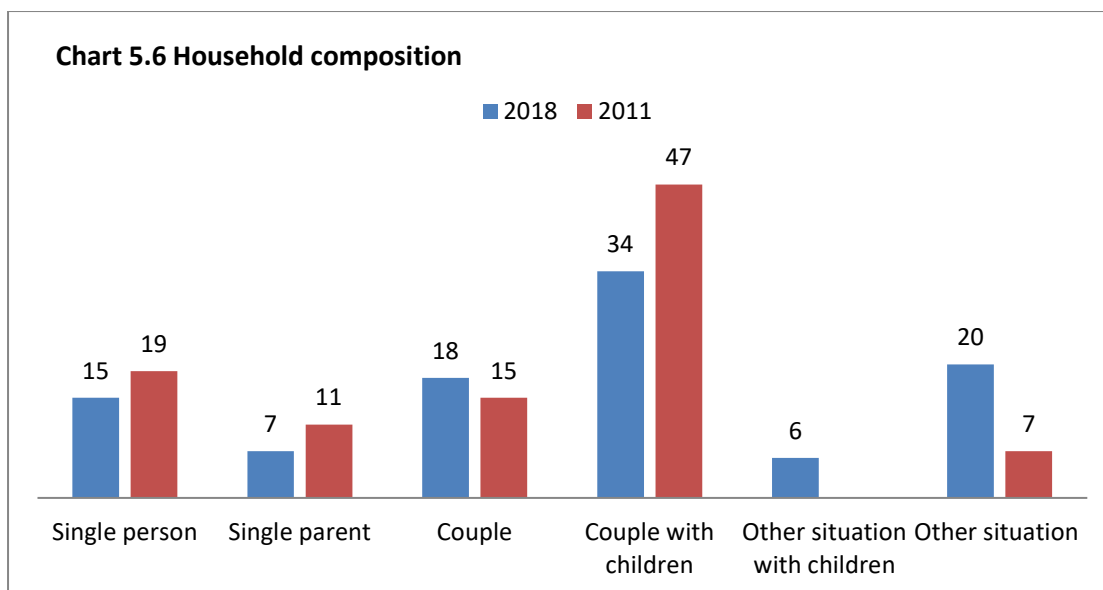
5.23 The number of people in any one household ranged from one to eleven, although very few households were larger than six people.



5.24 Families of two, three or four formed the majority of the households represented in the survey. The figures in **Chart 5.5** are again very similar to those recorded in the 2011 survey. There were some differences between the subgroups. For example, households of one or two people were much more likely amongst those over 65 years old, they were 88% of this group, compared with 40% of the sample overall. Asian households were more likely to be larger – 37% had five or more members, compared with 16% of households overall.

Household composition

5.25 Household composition was also recorded and is shown in **Chart 5.6**. There is also a comparison with the previous survey.



5.26 The most likely situation was two adults married, in a civil partnership or living as a couple with children. Altogether, 47% of households included dependent children (defined as up to the age of 18). A similar pattern for the first four categories shown may be seen in the previous survey. However, there is a noticeable difference in the ‘other’ categories between the two time periods. In 2011 they were defined slightly differently and the distinction of ‘dependent children aged 18 or under’ was not made. So it may be that the ‘couple with children’ category included some households where there were grown up children, defined in 2018 as ‘other situation’, and this might partly explain why the figure of 47% was noticeably higher than the current 34%. However the increase in ‘other’ households from 7% to 26% might also indicate a change in household structures. Certainly, the 2018 proportion in an ‘other situation without children’ seems quite high at 20%. These are basically multi-adult households and might comprise more than one generation of a family or unrelated adults sharing. The relatively high level may indicate the difficulties faced by people in entering the current housing market and setting up independent homes. The detailed breakdown of this by age shows two slight ‘peaks’. One for those under 35 (24% of this age group), which is likely to be young adults sharing and one for those aged 50 – 64 (25%), which is more likely to be where young adults remain in the family home.

5.27 Looking at tenure, the highest incidence of this type of household is within the private sector (24%). Interestingly, there are relatively few single person households within the private sector (only 8% compared with 15% across all tenures) which would support the conclusion that sharing with others is making accommodation more affordable and accessible for younger adults.

5.28 Cross referencing household composition and the number of people in the household gives indications of both overcrowding and under occupation. For example, 23% of those living in a property with one bedroom have at least one child and so are overcrowded using the bedroom standard. In contrast, three out of four single adults live in homes with two or more bedrooms and would be seen as under occupying.

Employment, income and benefits.

Employment

5.29 The current employment status of the respondent and their spouse or partner (where applicable) was recorded.

	Respondent	Spouse/partner
	%	%
Full time employee (30+ hours)	37	49
Part time employee (up to 30 hours)	12	8
Self-employed	5	5
In full time education (age 16+) or training	3	1
Looking after home or family	11	9
Unemployed and available for work	3	2
Unable to work through disability	5	2
Retired from work	21	19
Prefer not to say	4	4

Bases: All respondents/ those with spouse or partner (1702/892)

5.30 Amongst the main sample, just over half (54%) were either in employment or self-employed. There were only small differences between the subgroups on this. Those most likely to be in employment were those paying mortgages or renting in the private sector. In contrast, those in social housing were more likely to be retired, unemployed or looking after home and family. Unemployment stands at 3%.

5.31 Where there was a partner or spouse, around 60% were working. If these two groups are aggregated, 57% of adults are in employment. This is lower than in 2011 when 64% were employed. Unemployment, though, is lower than in the previous survey when it was 9%; the difference is largely due to a higher proportion of retired people in the current survey. As may be seen in Table 5.3, around 20% of both groups were retired from work. They are predominantly but not exclusively those over 65 years of age.

5.32 If the employment situation of both groups is considered then it can be seen that, within the overall sample, and for those where the information is available:

- 32% of households have two incomes
- 33% have one income
- 35% have no-one within the household who is working.

5.33 A little more detail was obtained on the nature of employment for those who are working. Table 5.4 gives a comparison with the previous survey although there is no comparable figure for caring and leisure occupations.

Table 5.4 Nature of employment		
	2018	2011
	%	%
Manager, director, senior official	9	24
Professional occupations	20	
Associate professional and technical	7	4
Administrative and secretarial	12	15
Skilled trades	20	28
Caring, leisure and other service occupations	9	
Sales and customer service	11	11
Process, plant and machine operatives	2	16
Elementary occupations	7	
Refused	3	

Base: all respondents and spouses/partners in employment (1494)

5.34 In both surveys there was a good spread across the various levels of employment. Currently, 29% are employed at the higher levels of management and in the professions. This shows a small increase from 2011 when the figure was 24%. There has also been a rise in those employed in technical roles, suggesting overall an upward movement in skill levels. Skilled trades are one of the largest groups, as they were in the previous survey at 28%.

5.35 Currently the proportions of skilled tradespersons and those in elementary occupations are both higher amongst the Other White ethnic groups. This group are also a little more likely to be self-employed. Other small differences by ethnic group are that Black residents are more likely to be in caring occupations whereas Asian residents are the most likely to be within sales and customer service.

5.36 Occupational sectors were also recorded and are as shown in this table.

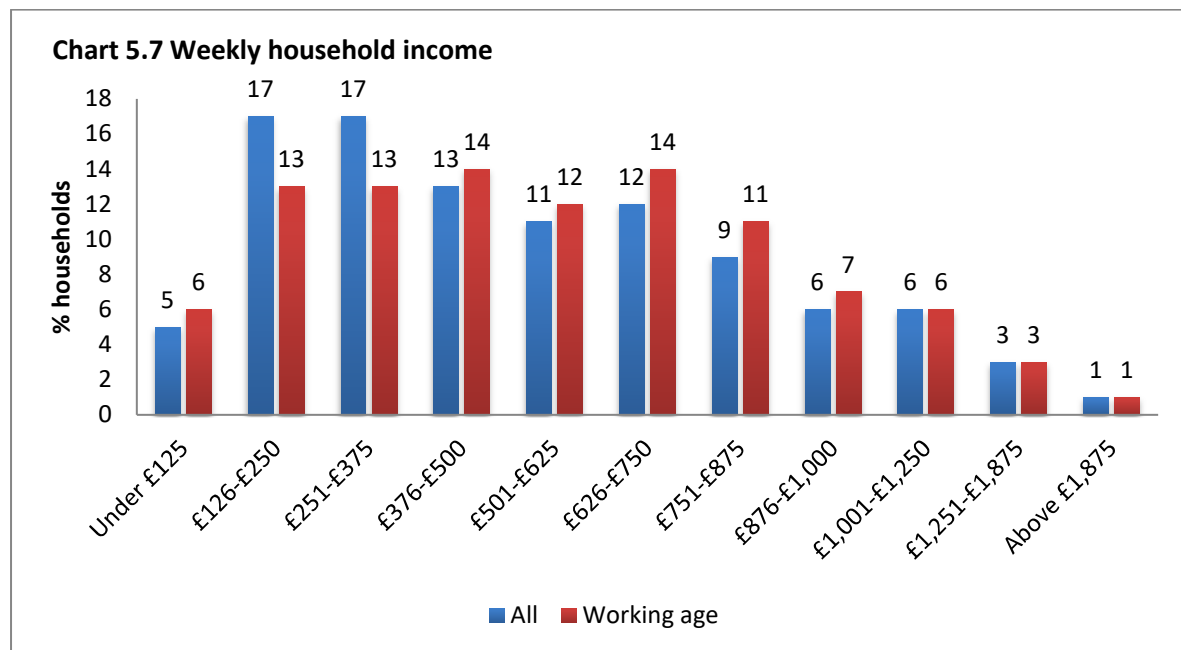
Table 5.5 Employment sector	
	%
Education	7
Admin (office work)	8
Manufacturing	5
Construction	13
Retail	9
Utilities	3
Recreation and leisure	3
Health care	12
Social care	3
Transport	7
IT and Communication	4
Hospitality (hotels and restaurants)	3
Other public sector	8
Other private sector	12
Refused	3

Base: all respondents and spouses/partners in employment (1494)

5.37 The most prominent sectors are construction and healthcare with a general spread across all others. Detailed breakdowns by sector show that Other White residents are much more likely to be employed within construction, which fits with their prevalence amongst skilled trades. Healthcare employees are more likely to be from Black ethnic groups.

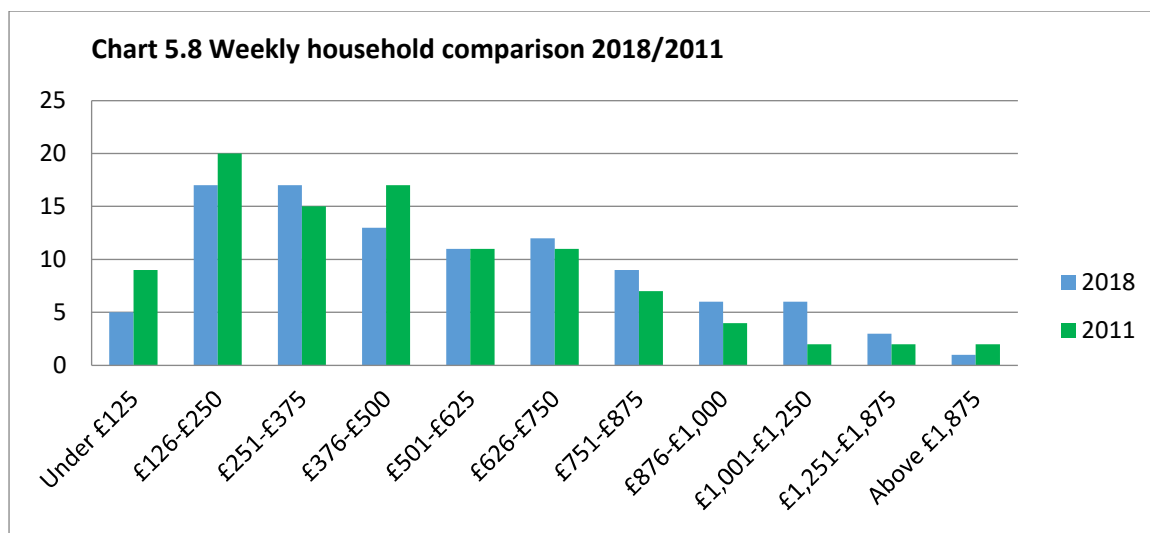
Household Income

5.38 All respondents were asked the total income, before tax, that was received by their household. This was to include all sources except for Housing Benefit and DLA. Some 59% refused to give the information or did not know. **Chart 5.7** shows results only for those who did give an answer, 705 people, and it compares figures for the whole sample and for those of working age.



5.39 Overall, one third of the sample receives an income of between £126 and £375 per week and there are a further 36% who receive between £376 and £750. Most of the remainder receive more than this, very few have an income below £125 per week. Comparison between the two sets of data shows that those of working age generally have a higher income level than the sample as a whole. This is except for the three highest income bands where the figures are the same, largely because there are very few people over working age in the higher bands. Those paying mortgages tend to have higher incomes.

5.40 The same income bands were used in the previous survey and comparison shows a slight upward movement in household incomes.



5.41 More households now have incomes above £500 - £625 per week and fewer households receive less than that. This may be partly due to natural increases over the time period and partly due to the current survey having more people in higher grade occupations.

Benefits

5.42 This was covered by a simple question to establish which of a list of benefits were received by household members. In total, 61% were in receipt of benefits and 39% were not. This table gives the detail.

	%
Income Support	6
Housing Benefit/Local Housing Allowance	20
Council Tax Support	8
State Pension	18
Pension Credit	4
Jobseekers Allowance	2
Employment and Support Allowance	3
Disabled Living Allowance / Personal Independence Payment	6
Attendance Allowance	<1
Carers Allowance	2
Other disability-related benefits	1
Child Benefit	28
Child Tax Credit	19
Working Tax Credit	7
Universal Credit	3
None of these	39

Base: all respondents (1702)

5.43 Child Benefit and Child Tax Credit were most commonly received, the latter by the same proportion as Housing Benefit. There seem very few who have moved to Universal Credit.

5.44 There are some interesting differences between the subgroups. For example, the age group most likely to be receiving benefits are those over 65, 87% of this group. This is understandable as many of them will be in receipt of the State Pension. The age group least likely to be receiving any benefits are those aged 50 – 64, only 43%. This again can be explained as they are not yet in receipt of the State Pension but their life stage is such that they are also less likely to receive Child Benefit or Child Tax Credit. Within ethnic groups, least likely to receive benefits are Other White residents. This perhaps illustrates that, as a newer community, they have less entry into the benefits system. An observation related to tenure is that those least likely to receive benefits are those paying mortgages (41%) and those in private rented accommodation (51%). These groups are probably on higher incomes than those in social housing or those who own their homes outright, who also tend to be older.

5.45 Comparable figures are not fully available for the previous survey but the proportion claiming benefits was almost the same at 60%. Child benefit was the most commonly received, as now, at 30%.

Rent and mortgage payments

Rents

5.46 Some 80% of those who currently rent a property were willing to disclose the level of their payments. They were asked to give the full amount of the rent rather than their individual contribution. This table shows the results and compares the figures given by those with different types of landlords.

	Total	Council	Housing Association	Private landlord
	%	%	%	%
Under £50	12	20	15	1
£50.01-£75	6	9	8	2
£75.01-£100	8	11	9	3
£100.01-£125	24	39	21	2
£125.01-£150	10	12	24	4
£150.01-£187.50	4	4	8	3
£187.51-£225	5	1	8	10
£225.01-£300	15	2	3	35
£300.01-£375	13	1	3	33
£375.01-£500	3	0	0	7
£500.01 +	1	0	2	1

Base: all paying rent and willing to disclose (700/368/66/266)

5.47 Overall, there are two broad ‘peaks’ – one at £100 - £150 per week, which is where the highest proportions of social rents lie and another at £225 - £375 per week which is where more than two thirds of private rents are pitched. Within the social sector, it can be seen that Housing Association rents tend to be a little more than those paid by tenants of the council. For example, 79% of council tenants pay less than £125 per week whilst only 52% of Housing Association tenants do so. The differences here are much less pronounced than those between the social and private sectors.

5.48 Only three people within the sample of 873 tenants (of all types) said that their household was currently under notice of possession. Almost all the others said ‘no’ to this question but there were 2% who said they did not know.

5.49 Asked about the likelihood of their tenancy being renewed, the majority were confident that this would be the case.

	%
Likely to be renewed	71
Not likely to be renewed	4
Don’t know	7
Not applicable/do not want it to be renewed	18

Base: all tenants (873)

5.50 Amongst those who felt it would not be renewed, one third were council tenants and two thirds in the private sector. Interestingly, the great majority of those who did not want to renew were tenants of the council or Housing Associations. Very few private tenants gave this response which perhaps suggests that dissatisfaction with privately rented properties is at a low level. This was supported by the qualitative work with private tenants; even if their property was not ideal, if they had achieved a level of satisfaction they were reluctant to move. This may be partly due to the difficulties some had experienced in finding a suitable and affordable property – staying put was easier. In addition, those with families including school age children were reluctant to move if it meant disrupting schooling.

5.51 Having said this some participants in the private renters focus group noted that their previous private rented property had been sold by the landlord, forcing a move upon them.

Mortgage payments

5.52 Two thirds of those paying a mortgage were prepared to indicate their monthly payment. The first column of percentages in Table 5.9 records the values.

	Mortgage	S/O payments
	%	%
Under £500 per month	13	31
£501-£750 per month	32	23
£751-£1000 per month	33	23
£1001-£1250 per month	18	23
£1251-£1500 per month	3	0
£1751-£2000 per month	<1	0

Base: all paying mortgage or mortgage and rent and willing to disclose (325/13)

5.53 The majority were paying between £500 and £1000 per month, quite a wide range. There were relatively few people over the age of 65 paying a mortgage but their payments tended to be smaller. Presumably it was a long standing mortgage of a lower value and coming to the end of its term. Other than that, there was little difference between the age groups for the £500 - £1000 range. But the highest payments were more likely to be made by younger people (under 50) which indicates higher values for more recent purchases.

5.54 The final column in the table above shows the total payment, rent and mortgage combined, for those with shared ownership homes. Only 13 were prepared to give a figure so little can be made of percentage values but they do indicate quite a broad spread of payment levels.

5.55 Most participants in the owner-occupier focus group had bought at the top end of their available budgets, but had had little difficulty in accessing a mortgage and were relatively comfortable with their monthly payments.

Affordability – analysis of the proportion of income spent on housing costs

5.56 We were able to cross-tabulate the housing costs of those paying mortgages against the proportion of household income that they needed to pay. Figure 5.9 below shows the relationship between the two. It is clear that the higher the income, the lower the proportion one has to pay on housing costs. And conversely, those on lower incomes pay a greater proportion of it – up to over 60% - on meeting their housing costs.

Figure 5.9 Relationship between income and % income paid on mortgage

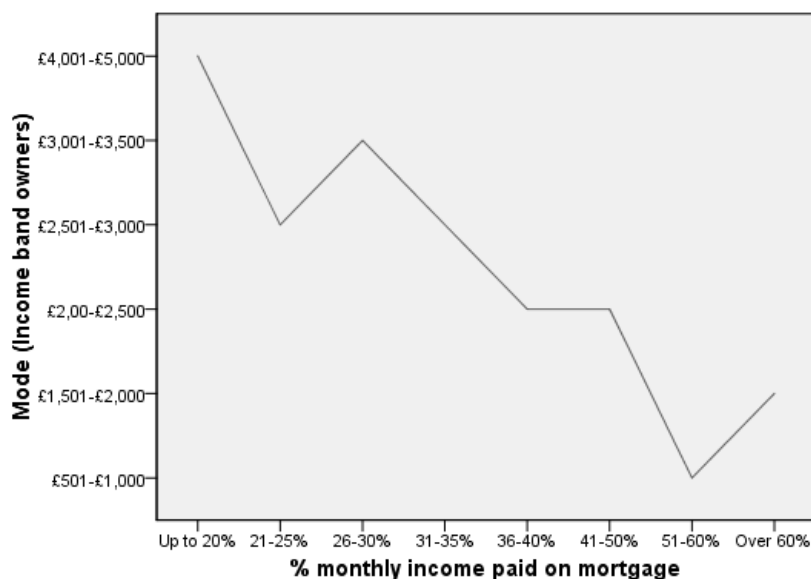


Table 5.10 below shows the supporting figures behind this.

Monthly income band	Mortgage as a proportion of income								Base no
	up to 20%	21-25	26-30	31-35	36-40	41-50	51-60	over 60	
£501-£1,000							60	40	5
£1,001-£1,500				10		60		30	10
£1,501-£2,000		11			28	39		22	18
£2,001-£2,500	17		21		35	28			29
£2,501-£3,000	8	31		42		19			36
£3,001-£3,500	31		34	31		3			32
£3,501-£4,000	29	46		21	4				24
£4,001-£5,000	80	15		5					20
£5,001-£7,500	80	20							10
Above £7,500	100								3
Total	28	15	9	17	9	15	2	5	187

Row percentages

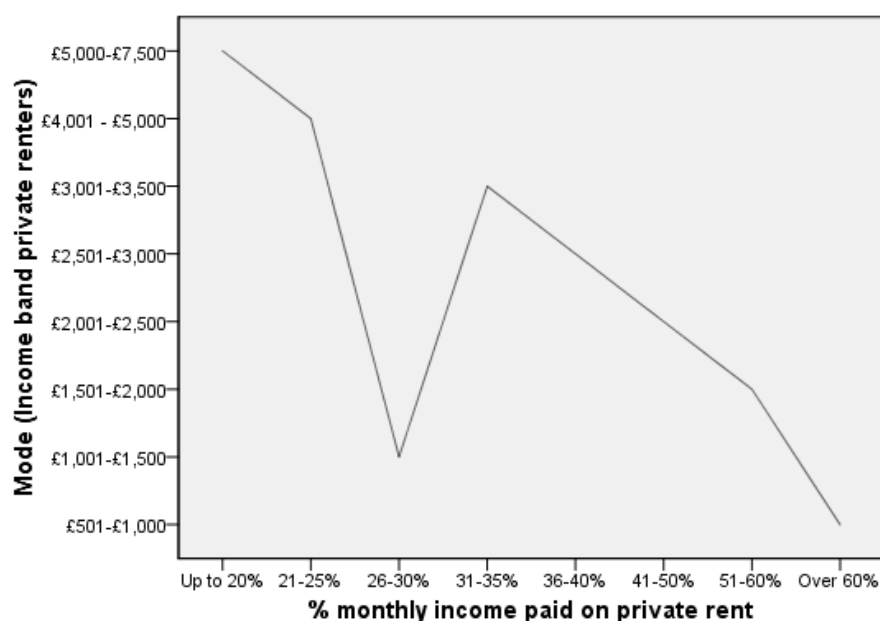
5.57 **Table 5.10** shows row percentages so that we can see, at each income band (mid-point used for calculation) what proportion spend how much of their income on mortgage payments. For example, of those receiving an income of between £2,000 and £2,500 per month, 38% spend less than 35% on housing costs but 62% spend more than this.

5.58 Overall, almost one in three people (31%) spend more than 35% of their income on their mortgage. They are much more likely to be on lower incomes. For those in shared ownership, we only have good income and payment data for three households. They spend between 14% and 20% on their combined rent and mortgage. Affordability was covered in the qualitative work with home owners. All of them were reasonably comfortable with their housing costs but had judged their purchase and mortgage to allow this. They tended to buy

‘at the top end of their budget’ but had not overstretched themselves. Five out of six of them had moved into Barking and Dagenham and this was largely because the area was affordable for them, comparing favourably with areas like Ilford, Hornchurch and Woodford.

5.59 Taking a similar approach to those renting from private landlords, **Figure 5.10** shows the same broad finding; the higher the income, the lower the proportion that has to be spent on housing costs.

Figure 5.10 Relationship between income and % income paid on private renting



5.60 Supporting figures here indicate that in the private sector, 75% of tenants pay more than 35% of their income in housing costs. This includes a number whose income is less than their rent, indicating a heavy reliance on Housing Benefit.

Monthly income band	Rent as a proportion of income								Base no
	up to 20%	21-25	26-30	31-35	36-40	41-50	51-60	over 60	
Below £500								100	3
£501-£1,000				4		4		91	23
£1,001-£1,500	3		10		10	7	7	62	29
£1,501-£2,000	5		11	5	5	11	58	5	19
£2,001-£2,500	9		5		19	29	33	5	21
£2,501-£3,000	5		5		58	27		5	19
£3,001-£3,500		8		50		33	8		12
£3,501-£4,000		8	23		54	8	8		13
£4,000-£5,000	14	43	43						7
£5,000-£7,500	80	20							5
Total	7	4	9	5	17	14	14	30	151

Row percentages

5.61 Affordability was discussed in the qualitative interviews and four out of five found that even when receiving benefits it could be difficult to manage their housing costs. Only a young couple who were both working and using the PRS as a stepping stone to purchase had no issues with affordability.

5.62 A similar analysis for council tenants is shown in **Table 5.12** below.

Monthly income band	Rent as a proportion of income								Base no
	up to 20%	21-25	26-30	31-35	36-40	41-50	51-60	over 60	
Below £500					29			71	21
£501-£1,000	29			15		21	27	8	52
£1,001-£1,500	14		25		50	11			36
£1,501-£2,000	23		29	13	26	6	3		31
£2,001-£2,500	63	25	12						8
£2,501-£3,000	82				18				11
£3,001-£3,500		100							1
£4,000-£5,000	100								4
Total	27	2	12	7	21	10	9	12	164

Row percentages

5.63 Amongst council tenants, there is a fairly even split around the 35% threshold figure. There are 52% who spend more than that percentage on housing costs and 48% who spend less. Council tenants taking part in the qualitative research all seemed to find their rents affordable, albeit with help from Housing Benefit. They were certainly convinced that they would be unable to rent privately because they perceived that rents were much higher.

5.64 Only 33 results were available for Housing Association tenants but there is a similar finding, 54% spend above the 35% threshold amount on housing costs.

5.65 This summary of those spending more than 35% shows the wide differences between tenures

- Mortgage 31%
- HA rent 54%
- Council rent 52%
- PRS 75%

Disability

5.66 It was found that 13% of the sample had a household member with a disability or long term illness which limited their day to day activities. There is an increasing likelihood of this through the age groups, from 5% amongst the 18 – 34 age group to 27% for the over 65s. There is also a higher level of disability among White British residents but this probably relates to the higher proportion of older people in this ethnic group. There were also above average proportions of households with disabilities in social housing – 22% of council

tenants and 23% of Housing Association tenants. In the previous survey it was found that 22% of households had a household member with a disability. Other questions are not directly comparable.

5.67 All households were then asked if there had been any adaptations to their home to improve mobility or accessibility. Only 3% overall said that there had been. Again, this is more likely for older age groups, 8% of over 65s. It was also a little more likely for those who own their home outright and those in social housing. Perhaps surprisingly, it was only 2% who thought that they might need adaptations for mobility or accessibility in the next five years, although a further 5% were unsure about this.

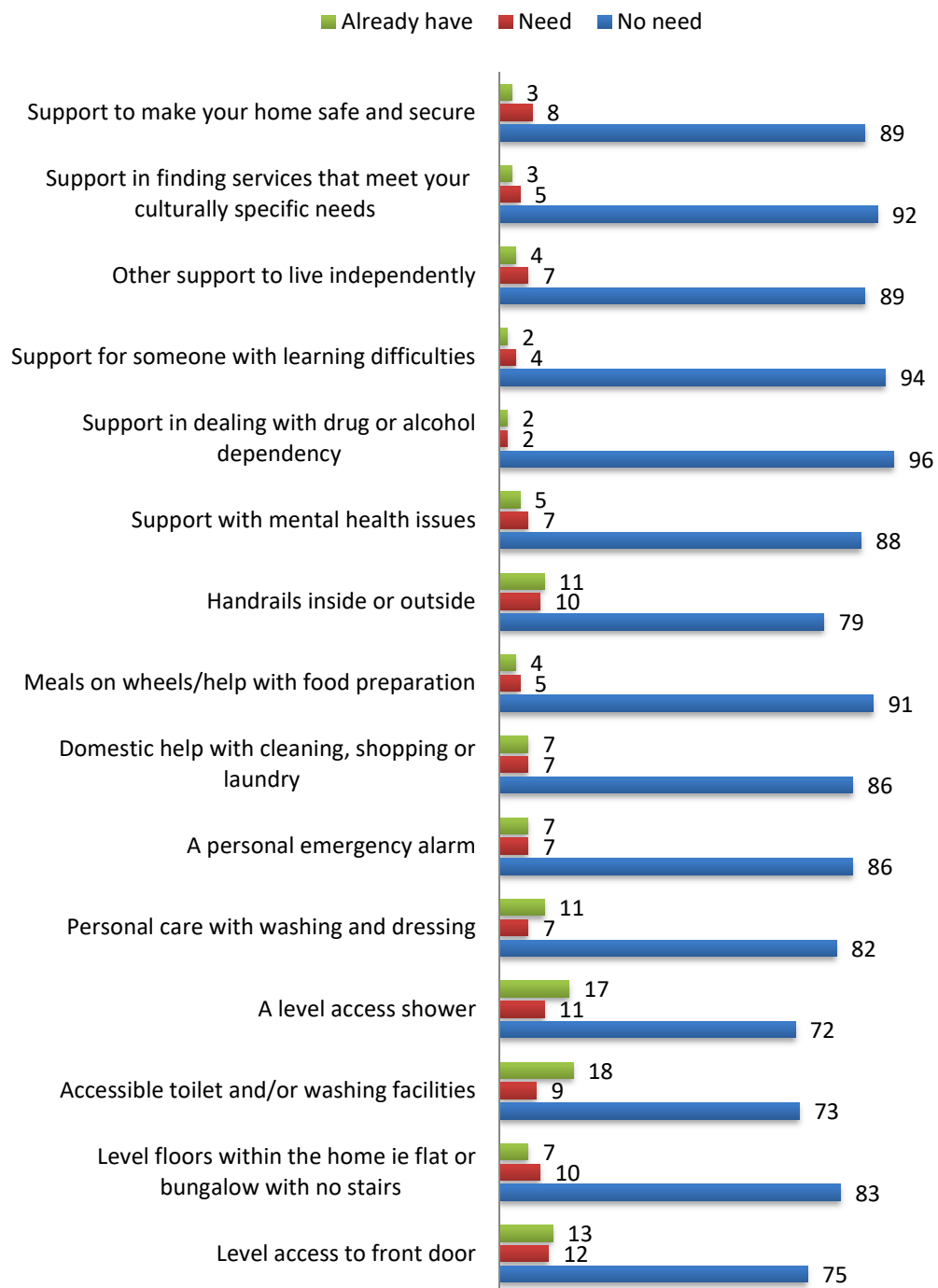
5.68 Amongst those who were disabled or limited by long term illness 24% used a wheelchair. This included 10% who use within the home and 20% outside the home so there is a little overlap for those who do both.

5.69 The final area of questioning concerned support needs either housing related or domestic and personal support. They are shown in **Figure 5.11** below. Given that these are households with disabilities or long term illness amongst household members, many of the support needs are relatively low. In all aspects there has been some progress towards meeting the expressed needs, shown in 'already have' figures.

5.70 Currently, it would seem that the greatest needs are for: level access and accessible facilities and handrails. Lowest are for support with drug or alcohol dependency or support with learning difficulty. Although it may be that people are more reluctant to ask for help with these latter issues and there may be some concealed need.

5.71 Translating these results into numbers of households and relating it to the overall sample, it is found, for example, that 22 of the 1702 households in the survey have expressed a need for handrails. Only 5 need help with drug and alcohol dependency.

Chart 5.11 Support needs for household members
Percentages

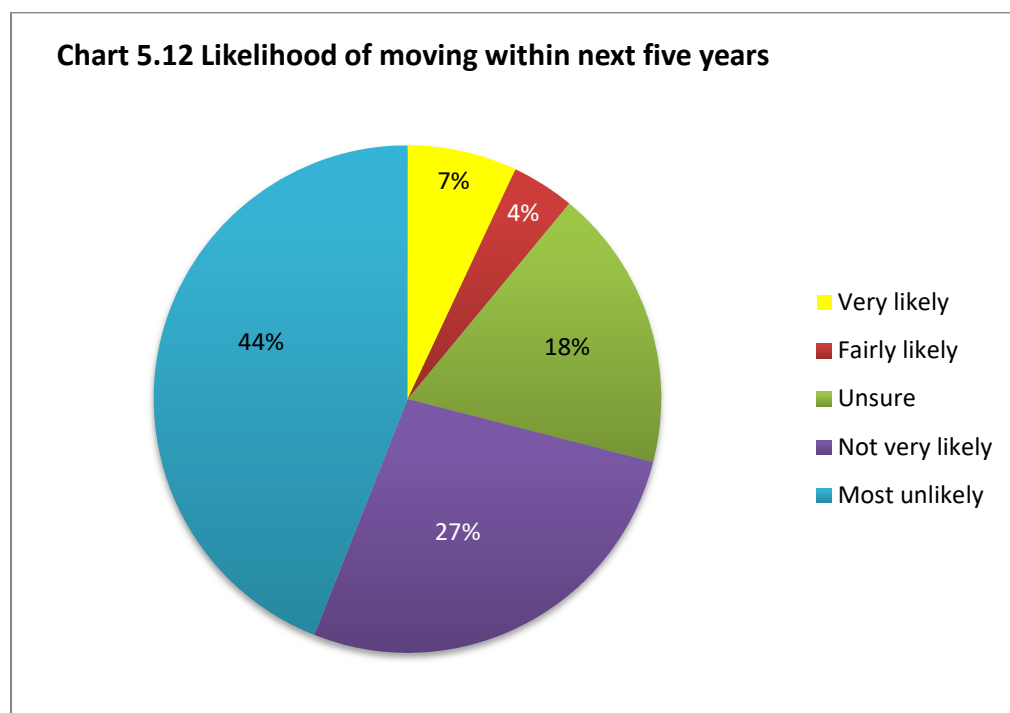


Future needs and requirements

5.72 There are two aspects to future needs. Firstly the possibility of existing households moving and secondly, new households forming and requiring accommodation.

Household moves

5.73 A total of 11% of households thought it 'very' or 'fairly' likely they would move within the next five years.



5.74 There were some differences by age with those under 50 more likely to move than older residents (14 or 15% of these age groups compared with only 4% of those over 65). One in four of the youngest age group (18 – 34) were unsure of their plans for the next five years. There were no clear patterns within the different ethnic groups although Black residents were most likely to be seeking a move (15%).

5.75 Tenure seems to be more of an influence with markedly different views expressed by those in privately rented accommodation. Fewer than half thought they were unlikely to move, compared with at least 70% of all other residents, 21% thought they would move (including 14% who said 'very likely') and 33% were unsure about the future.

5.76 In the previous survey the response options were not exactly the same but the measure of those likely to move within five years was higher at 26%. We can only speculate on the reasons for the fall but they may be due to financial pressures or increased uncertainty. In the previous survey a few people did mention that they were to move because of clearance for regeneration ('my home is due to be demolished') which may be a small part of the difference.

5.77 The main reason given for wanting to move was to obtain a bigger property, as shown in **Table 5.13** below.

	%
Need a larger property	35
To be nearer family and friends	15
Employment reasons	13
To obtain a smaller property	9
To reduce housing costs	7
To move to a better/safer area because this one has gone down	6
To buy my own property	4

Base: all likely to move in next five years (188)

5.78 Needing more space was followed by wanting to be nearer family and friends and employment reasons. Others became progressively less important. In addition to those shown in the table there were other reasons, none given by more than 3%, which included: access to good or better schools, allowing the household more independence, a relationship change, obtaining care and support, reducing housing costs and a number of others. Previously, needing a larger home was also the most important reason for wanting to move (given by 24%). But it was followed by wanting to move to a nicer area (17%) which appears to be less important to residents now.

5.79 There were differences within the subgroups too. For example, by age, needing a larger property was a much more likely reason for those under 50, especially the 35-50s for 48% of whom this was the motivation. In contrast, wanting to be nearer family and friends was more important to those over 50. Employment reasons were most often quoted by the youngest age group. All of these can probably be partly explained by the different lifestyle stages of these groups.

5.80 Looking at ethnic group, larger properties were relatively more important for Black and Asian families. Employment reasons were the main motivation for the Other White group (35% gave this reason). As noted earlier, this seems a 'younger' ethnic group and is presumably more mobile. Differences due to tenure may well be due to the interaction of age, lifestyle and ethnic group factors also. Most noticeable is that employment reasons are much more likely to be given by those renting privately, another group that is more mobile.

5.81 The qualitative work with people planning to move uncovered a wide variety of reasons for moving which were sometimes complex. They included a permanent home for someone who had been in temporary accommodation for three years, an untenable home situation for a young person and a complex divorce settlement. Two people were specifically moving away from Barking and Dagenham because they felt the area had deteriorated and become more 'congested' with too much pressure on local services.

5.82 When asked, 39% of potential movers said there were barriers which might prevent them from moving. This was a little more likely for those under 50 and those currently living in rented accommodation. Potential barriers were mainly that they could not afford a different home (57%) or that a suitable home was not available (38%). A few did not want to move away from jobs, schools or family and a handful were troubled by ill health. In the previous survey, barriers were anticipated by the much higher proportion of 72% but the nature of those barriers was very similar – affordability, availability and local ties.

5.83 The main barrier faced by those within the qualitative sample who were waiting for council accommodation was the length of the wait for a suitable property to become available. For those looking to buy finding a new property was perceived to be quite difficult because of trying to achieve the balance between price, area and size. It is also thought to be quite a buoyant market with buyers needing to move quickly to secure what they wanted.

New households forming

5.84 In addition to potential moves for existing households, respondents were asked if there was anyone who might need or want to move into separate accommodation and form a new household within the next five years. A small number, 4%, said that this would be the case. There were few differences within the subgroups, just that this was least likely in Asian households and where respondents were over 65.

5.85 There was one major reason for new households forming, becoming independent from the family home.

Table 5.14 Reasons for new households forming	
	%
Becoming independent from the family home	72
To get on the property ladder	28
Marriage/moving in with a partner	13
To be nearer employment	10
To obtain a more suitable property	10

Base: all new households forming (61)

5.86 In addition, being able to buy their own property was motivation for one in four people. The subgroups are really too small for much to be made of differences but it can be noted that getting on the property ladder was by far the strongest motivation for those currently renting privately (83%). In the 2011 survey 6% of households anticipated a family member leaving to create a new household. The main reason at that time was also gaining independence from the family home.

5.87 A supplementary question was asked to establish how many new homes would be needed by those looking to move out of existing households. It was found that on a significant number of occasions, two or three people might be moving out. So from the 61 ‘source’ households, potentially there would be 98 new ones.

5.88 One further question asked which, if any, of several tenure options these new households would be able to afford (and in respect of rental options, without claiming Housing Benefit). Response is shown in **Table 5.15**.

	%
To buy in the open market	36
To rent from a Housing Association	34
To part buy/part rent an affordable home	16
To rent from a private landlord	13
Cannot afford any of these options	8
Don't know	12

Base: all new households forming (61)

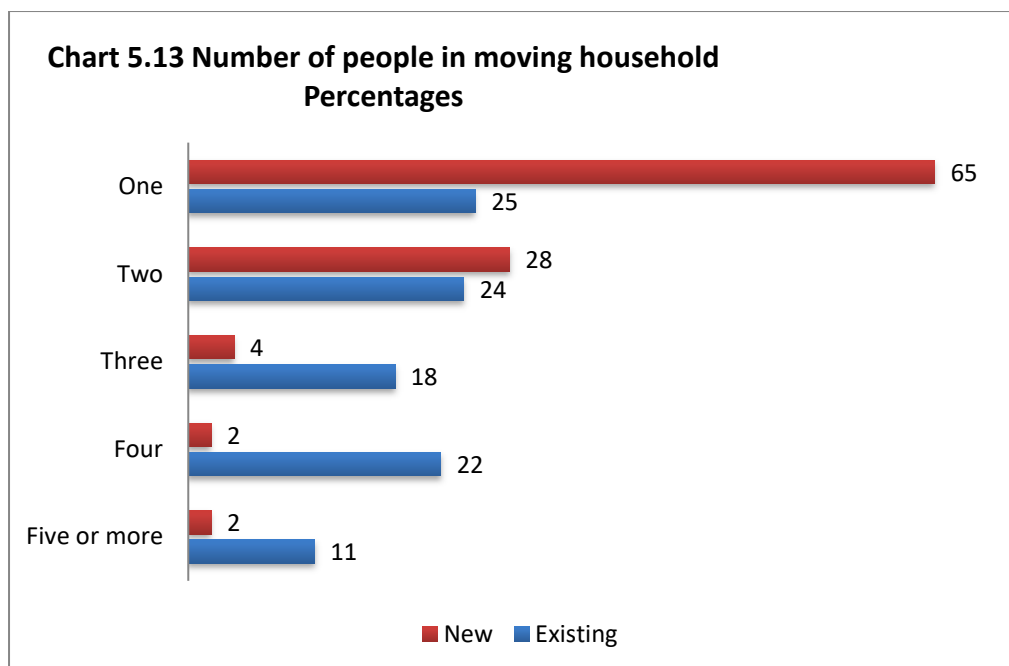
5.89 One in three thought they would be able to buy on the open market and a similar number that they could afford to rent from a Housing Association. Very few felt they could afford none of the options. This might initially appear surprising but it may be that there are more who would like to move out but, thinking they could not afford to do so, have made the decision not to.

5.90 There has been a noticeable change in these opinions since the previous survey in 2011. At that time, only 18% thought that they could buy on the open market but renting from a private landlord was seen as the most affordable option at 35%. The change might be due to a number of factors – a marked increase in the levels of private rents, a greater awareness of realistic private rent levels, a narrowing of the gap between mortgage and private rent payments.

5.91 In a few cases there were both potential household moves and the likelihood of someone moving out to form a new household. Overall, 13% of households within the survey were in the situation of one or both of these events being likely. Not all of them were able or willing to give further details but the next sections are based on around 228 potential moving requirements, whatever the background reason.

Composition of moving/new households

5.92 The number of people likely to be in the new or moving household ranged from one to seven. **Chart 5.13** shows the difference between existing moves and new households.



5.93 Two out of three newly forming households would be composed of a single person, which seems to match the motivation of moving out of the family home to gain independence. Most of the remainder would have two people. Existing households moving were much more evenly spread over two to four people, which again seems to fit with the main motivation being to obtain a larger property.

5.94 Household composition was also recorded and is as follows.

	Existing	New
	%	%
Single person	21	55
Single parent	11	7
Couple with no children	22	29
Couple with dependent children	36	5
Other situation with children	1	2
Other situation without children	10	2

Base: all movers and new households (228)

5.95 This further illustrates that existing households moving were more likely to be families whereas new households forming were mostly single people or those establishing homes with a partner.

Size and type of new property required

5.96 The minimum number of bedrooms that would be required is shown below. It is based on what households would like rather than an assessment by the bedroom standards.

Table 5.17 Number of bedrooms required

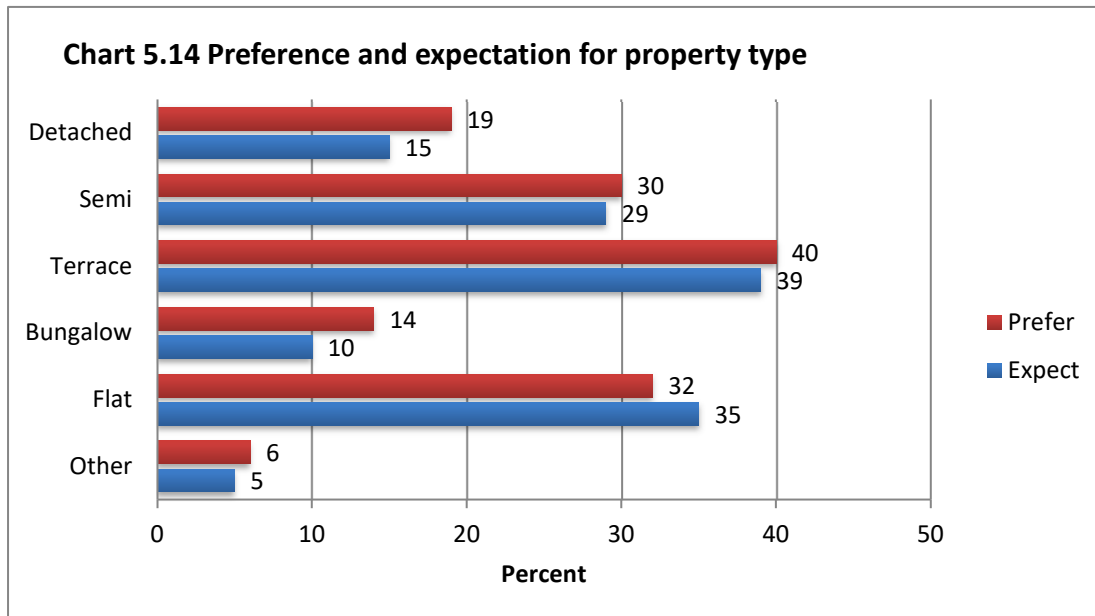
	Total	Existing	New Household
	%	%	%
One	23	17	42
Two	36	33	46
Three	33	40	10
Four	8	10	2
Five	<1	1	0

Base: all movers and new households (228/171/57)

5.97 Overall, two and three bedrooms were most popular but the newly forming households generally required smaller properties than the existing households moving. This is as might be expected from the above findings on household composition.

5.98 It was sometimes the case that the number of bedrooms required was greater than the household might appear to need. For example, half of the single adults looking for a property would like two or more bedrooms. And two out of three couples without children required more than one bedroom. There may be many reasons for these preferences but they are relevant to market requirements.

5.99 In relation to the type of property, respondents were asked both what they would prefer to have and what they expected to have. Some gave more than one answer as they were open to alternatives but this Figure illustrates the relationship between property types.



5.100 A terraced home is the most popular choice but fairly closely followed by a flat or semi-detached. It is possible that the popularity of a terraced home may be at least partly due to knowledge of the likely availability in the desired area.

5.101 There is a good degree of confidence in achieving their preference for the most part. This is illustrated by the small 'gaps' between the two figures. A few of those who would like a detached house do not expect to obtain one and the same for semi and terraced. It is fairly typical with this type of questioning to find an amount of 'trading down' to flats from houses but the difference is small in this case. It is also fairly common that preference exceeds expectation for bungalows. This is usually because of a lack of supply for this specific type. Here the difference is 4%, so almost a third of those who would like a bungalow do not think they will obtain one. Overall though, these results suggest confidence both in the ability of the market to provide what they need and in their own ability to achieve their preference.

5.102 The in depth interviews with potential movers found a belief that local prices were rising significantly. Some attributed this to people moving outwards from inner boroughs and 'pushing up prices'. One person had already moved out from Tower Hamlets and now thought she might need to go further out to achieve the type of property she wanted. Overall, people do seem to have made fairly realistic assessments of what they can and cannot achieve.

5.103 There were differences in the requirements of existing households moving and new ones forming. Recalling that the latter tended to be smaller households, it is not surprising that in both preference and expectation they are more likely to mention terraced houses and flats than existing households looking to move. Bungalows have more appeal to existing households than new ones, which may be due to those who wish to downsize or have a more accessible property.

5.104 In the previous survey flats were twice as likely as terraced houses to be the preference for new households. This has changed considerably in the current survey and may be due to a higher proportion of people now expecting to buy rather than rent privately. Perhaps a terraced house is more desirable as a purchase option than a flat.

Tenure of new property

5.105 Respondents were asked for both preference and expectation for the tenure of the new property. The most popular option was to buy with a mortgage, followed by renting from the council. There was very little difference between preference and expectation.

	Preferred	Expected
	%	%
Buy outright	17	15
Buy with a mortgage	42	42
Shared ownership	3	5
Rent from a Housing Association	21	21
Rent from the council	34	34
Have an affordable rent property	3	3
Rent from a private landlord	7	8

Base: all movers and new households (228)

5.106 Slightly fewer expect to buy outright and slightly more to consider shared ownership. And there is a very slight move towards renting from a private landlord. Overall though it seems that most people expect to achieve their preferred tenure.

5.107 There are again differences between existing households moving and new ones being created. The likelihood of buying with a mortgage is higher amongst new households – 50% expect that this will be how they obtain their property, compared with 40% of existing households. New households are less likely to think of buying outright although a few (9%) do think they will do this. Over 80% of new households expect that they will be working. And where there will be more than person, it is also expected that 83% of the second members will be working. This clearly supports the level of confidence expressed by new households in being able to buy a property.

5.108 New households are almost twice as likely to consider renting from a Housing Association and very similar numbers expect to be council tenants. Around 30% of both existing and new households claim to be on the Housing Register so perhaps this is the basis for their expectation of being social housing tenants.

5.109 There are also very similar numbers who expect their new home to be privately rented. That this is at a low level and so close to the preference to do so suggests that perhaps this group of people do not see the PRS as a ‘last resort’ or ‘fallback position’ but a realistic choice. As already noted, there has been a significant fall from the previous survey in the number of new households who expect to rent from private landlords.

Preferred location of new property

5.110 Only 31% of the movers preferred to remain in Barking and Dagenham, with another 17% expressing preferences for neighbouring Boroughs. As many as 23% thought they would prefer to move elsewhere in the UK. A few people gave alternatives so the figures in **Table 5.19** add to more than 100%.

Table 5.19 Preferred location for new home			
	Total	Existing	New household
	%	%	%
Remain in Barking and Dagenham	31	32	26
Newham	6	6	5
Havering	6	4	12
Redbridge	5	5	5
Elsewhere in London	13	9	23
Essex	14	16	9
Elsewhere in the UK	23	24	19
Outside the UK	3	4	0
Don't know	8	5	16

Base: all movers and new households (228)

5.111 New households are a little less likely to remain in the Borough and more likely to favour other areas of London or the neighbouring Havering. They are also less inclined to move elsewhere in the UK or to Essex. Understandably, there are more of the new households who do not yet know where they would like to live. This shows a noticeable change from the 2011 survey when 57% of new households would have preferred to stay in the Borough, with Havering again 'second choice'. At that time, only 6% thought they would like to go elsewhere in the UK, compared with the current 19%. Similarly, more people are currently interested in moving to another part of London. These changes may be due to anticipated financial pressures and/or something about the local environment which is discouraging people from staying.

5.112 Those who did want to remain in Barking and Dagenham were asked which area within the Borough. The areas mentioned by more than 3% were: Barking (42% of those remaining in the Borough), Dagenham (34%), Ilford (12%), Eastbrook (15%) and Becontree (11%). A few were more vague about being near their work or the town centre.

Finance and affordability

5.113 Those who were hoping to buy or have a shared ownership property were asked what was the maximum price they could afford. Their responses show quite a wide range of possibilities.

	%
Up to £150K	2
£150K - £200K	11
£200K - £250K	18
£250K - £300K	15
£300K - £400K	17
£400K - £500K	8
Over £500K	3
Don't know	26

Base: all movers and new households expecting to buy (131)

5.114 Very few expect to pay under £200,000 for a property and the majority have a maximum budget between £200,000 and £400,000. The number of new households expecting to buy is small but the indications are that their budgets are slightly smaller than those of existing households looking to move. More than half of the new households who have any idea what they could pay have a maximum budget of £250,000.

5.115 Similarly, people expecting to rent were asked the maximum monthly payment they could afford.

Table 3.21 Maximum potential monthly rent payment	
	%
Under £400pm	34
£400 - £600pm	22
£600 - £700pm	7
£700 - £800pm	14
£800 - £900pm	1
£900 - £1,000pm	4
£1,000 - £1,200pm	2
£1,200 - £1,400pm	1
Don't know	16

Base: all expecting to rent (106)

5.116 More than half were unable to afford more than £600 per month. This probably reflects the fact that the majority were expecting to rent from a social landlord, particularly the council. The few who have higher potential monthly payments may be those who are more likely to go to the private sector. Again, the number of new households looking to rent is quite small so there is little to be made of comparisons, particularly as more of them are unable to give an answer yet.

5.117 The final question for the potential movers was the gross monthly income of the household. Only 30% were willing and/or able to give an answer but response was as follows in **Table 5.22**.

Table 5.22 Gross monthly income of movers and new households	
	%
Under £800	8
£801-£1199	3
£1200-£1599	24
£1600-£1999	23
£2000-£2399	7
£2400-£2799	9
£2800-£3199	9
£3200-£3599	6
£3600-£3999	3
£4400-£6249	10

Base: all able to provide income (68)

5.118 The range given was very wide with just under half expecting a monthly income of between £1,200 and £2,000.

Council strategy

5.119 One question was asked to provide input into future strategy. Respondents were offered a list of possible actions and asked to select up to four on which they thought it most important for the council to work. **Table 5.23** puts them in descending order of importance.

	%
Deal with ASB inc. noise, fly tipping, graffiti	40
Build more homes	39
Ensure homes and communities are safe	38
Ensure rents in the properties council builds are affordable	33
Ensure that council services are good quality and helpful	31
Ensure that communities have good transport, education, health employment and recreation facilities	29
Make sure that communities work well together	24
Make sure that there is good parking available	24
Improve the homes that the council owns	24
Help households buy their first home	23
Provide more housing and housing services for older and disabled people	22
Deal with poor private landlords	15
Encourage more shops and restaurants	11

Base: all respondents (1702)

5.120 The 'top three' include the building of more homes but also addressing community safety and dealing with anti-social behaviour in all its forms. This stresses the desire for pleasant and safe neighbourhoods. People see encouraging shops and restaurants as least important and there is also relatively little support for dealing with poor private landlords.

5.121 Some of the focus groups and in depth interviews also covered this topic. There was a general feeling that more housing was needed in the area, particularly for families rather than more flats. But some people regretted that existing developments seemed to be making the area feel more crowded and congested. They were also anxious about the abilities of local services and infrastructure to cope with the extra housing. Facilities, including open spaces, for families were requested by several people.

5.122 There are many differences in views between the subgroups in the main sample. Most of them can probably be explained by lifestyle and economic factors but they give greater insight into the community as a whole. Some examples:

- Helping households to buy their first home is more important to those under 50
- Housing and services for disabled people is given more prominence by the oldest age group, perhaps they have heightened awareness of potential issues

- Building more homes is much more important to those currently in rented accommodation, as is ensuring that council rents are affordable
- Anti-social behaviour and community safety is more important to home owners than renters
- Although dealing with poor private landlords is mentioned by relatively more of those who are currently in the PRS (23%), there are seven other factors that are more important to them, suggesting that only a minority perceive or experience poor standards
- Improving the homes the council owns is the second most important action for current council tenants, mentioned by 38%
- Building more homes is top priority for Black residents
- ASB, community safety and services are most important to the Asian communities

Chapter 6

Assessing housing need

Key messages

- This chapter provides an assessment of housing need for the Borough of Barking and Dagenham.
- During the period when this SHMA was drafted and revised, the National Planning Policy Framework (NPPF) and Planning Practice Guidance changed. We have revised the findings of the chapter to align with the new NPPF, but have retained the Objective Need Assessment (OAN) prepared under previous guidance for information.
- The starting points of the previous approach were the most up to date official population and household projections. In the case of household projections, these were the 2014-based MHCLG projections.
- These indicated household growth of 35,355 households, over the 2016-2039 period, a rise of 46%, or on average 1,537 households per annum.
- GLA has also produce population and household projections for Barking and Dagenham. The central migration trend option within its most 2016-based household projections show household growth of 31,484 (41%), or on average 1,369 per annum.
- We considered that the GLA population and household projections provided the best basis for calculating OAN in Barking and Dagenham, as the projections and the assumptions underlying them were not constrained to national totals and so could take particular account of London's circumstances, and they were at that stage the most up to date. The Inspector's report on FALP supported the use of GLA projections for the London Plan.
- GLA's most recent employment projections covering the 2016-2050 period show relatively limited employment growth in the borough from 58,000 jobs in 2016 to 65,000 in 2050. On this basis, it is unnecessary to make an addition to OAN to support economic growth. A recent employment study commissioned by the borough looks at the potential for much higher rates of employment growth in the range 18,000-24,000 jobs. If adopted, the creation of this level of employment would clearly require additional dwellings to avoid the need for inward commuting. In this case, the borough will need to carry out additional modelling to assess the precise level and type of housing required to support these employment growth aspirations. At this stage no addition to OAN has been made.
- On this basis, the Objectively Assessed Need (OAN) for Barking and Dagenham before taking account of market signals was 1,523 dwellings per annum over the period 2016-2039, including provision for vacant and second homes in the additional stock.
- The dwelling size breakdown of the OAN was dependent on assumptions about future occupancy rates. Assuming that private sector occupancy rates (which include significant levels of under-occupancy) remain as at present, the required size breakdown of the housing stock in the borough in 2039 will be 39% one bedroom dwellings, 27% two bedroom dwellings, 25% three bedroom dwellings, and 10% four bedroom dwellings.
- As required by the previous NPPF and PPG, we also undertook a review of market signals in the borough. This showed that affordability had become an increasingly severe problem in recent years.

- We proposed an addition of 17.5% to demographic OAN, towards the upper end of the range of recent adjustments proposed in London and the South East. This increased OAN to 1,790 per annum.
- In July 2018, a revised NPPF required local authorities to base their assessment of housing need on a new standard methodology. This supersedes the previous OAN. The standard methodology estimated annual need at 2,089 dwellings for the borough.
- In addition it should be noted that the draft London Plan proposed an annual target of 2,264 dwellings for Barking and Dagenham. This is based on local need, the wider needs of London as a whole, and the capacity of the Borough to provide land for new housing construction.
- In October 2018, ONS issued updated 2016-based household projections. These substantially reduced the projected level of household growth both nationally and in Barking and Dagenham. Using the new projections within the government's standard assessment methodology reduced the estimate of housing need for the Borough from 2,089 to 1,705, closer to the former OAN.
- In the same month the government issued a consultation paper proposing that local authorities should continue to use the older 2014-based household projections in their calculations of housing need, pending a further review of the standard methodology, due for completion before publication of the next household projections in 2020.
- This paper is still subject to consultation and any eventual changes need to be taken into account. Assuming that the government does not change its proposals, the 2014-based estimate of 2,089 dwellings will be the estimate of housing need which is compliant with NPPF and PPG.
- It is open to the council to set a different target in its local plan. A lower target than that derived from the standardised assessment methodology will need to be justified by reference to special circumstances. A higher estimate will not require special circumstances and may be justified by, for example, the aspiration to provide higher levels of housing to support future economic growth or to make a greater contribution to the housing needs of the capital.

Introduction

6.1 This section estimates the need for housing in Barking and Dagenham. When work on this SHMA was carried out in May-June 2018, the National Planning Policy Framework (NPPF), supported by Planning Guidance (PPG) set out a clear requirement for the preparation of an SHMA, which included a detailed methodology for the calculation of the Objective Need for Housing (OAN). The draft SHMA produced at that time followed the guidance closely.

6.2 During the preparation of the SHMA, important revisions were made to the NPPF and to PPG. These changes were described in Chapter 2. In summary, NPPF no longer refers explicitly to Housing Market Areas, nor to the need to carry out a strategic housing market assessment (SHMA), nor to the preparation of an objective assessment of housing need (OAN). It clearly sets out the need for a local housing need assessment, which must use a new standard assessment method, set out in detail in PPG, unless there are exceptional circumstances which justify an alternative approach. Any departure from the standard method must be justified in detail.

6.3 This chapter has therefore been revised to incorporate the results of the Government's standard housing need assessment for Barking and Dagenham in its findings and to produce an assessment of housing need based on the new requirements of NPPF.

6.4 As the work to prepare an OAN had already been carried out, that work has been retained in this chapter as background information. It enables the results of the new approach to be compared with those from the previous one.

6.5 Despite the publication of a revised NPPF in July 2018 and revised PPG in September 2018, the government has begun a consultation on further changes⁴³ in a consultation paper issued in October 2018. The period allowed for comment on this paper has not elapsed, at the time of writing, so the government's further changes to NPPF and PPG are not finalised. The methodology for the assessment of housing need is clearly therefore in what may be described as a state of flux. Should there be further changes to NPPF in the future, the technical information in this chapter may again be of value in arriving at an assessment of need.

The pre-July 2018 approach

6.6 Producing an objective assessment of housing need previously required:

- the development of estimates of future numbers of households. National Planning Practice Guidance (PPG) was clear that official population and household projections should be the starting point for this exercise⁴⁴. In London, boroughs also have access to population and household projections produced by the Greater London Authority (GLA). These projections use a similar methodology to those prepared by ONS but cover only Greater London. They have the benefit of being produced by a single organisation rather than, as with the official projections, having the population and household elements prepared separately. It may also be argued that as GLA's projections are able to take closer account of specific factors affecting the capital they are likely to produce a more informed picture of future trends as they are not constrained to national projection totals, as the ONS figures are.
- Consideration of the need for adjustments to OAN to take account of specific local demographic factors (for example the suppression of household formation as a result of affordability constraints); employment trends; signals from the market which might suggest that need is greater than that suggested by demographic projections; any indication that OAN should be increased to take account of the requirement for affordable housing; and the needs of other authorities.

6.7 In May-June 2018, the latest official population projections available were the 2016-based projections produced by the Office of National Statistics, whilst the latest household projections available were the 2014-based projections produced by MHCLG, based on older 2014-based ONS population projections. Official population and household projections are based on recent trends in births, deaths, migration and household formation rates, projected forward into the future. The projections use a transparent methodology which is subject to regular review and which uses the most recent data sources available. Data for up to six preceding years are used to determine trends, so for the 2014-based projections this means data from 2009 to 2014 were used.

⁴³ See Ministry of Housing, Communities and Local Government, *Technical consultation on updates to national planning policy and guidance*, October 2018

⁴⁴ CLG Planning Practice Guidance, *Housing and economic development needs assessments*, para 15.

6.8 As with all projections, their accuracy is determined by the accuracy of the data sources on which they rely. The most uncertain of these sources are migration and household formation rates. Fuller discussion of the uncertainties surrounding these inputs can be found in the official reports on each set of projections. In addition, the projections are based on past trends and are not *forecasts*. They do not attempt to predict the impact of future policies, changing economic circumstances, or other factors. They show the number of households which would result if previous trends were to continue. Finally, official projections ensure that local authority level projections are controlled so that they sum, in aggregate, to national projections. The pattern of recent local trends in demographic and household change is frequently obscured by this adjustment process. For these reasons, the projections need to be examined carefully to consider whether they provide the best basis for an objective assessment of future housing need.

Population projections

6.9 Table 6.1 summarises the ONS 2016-based population projections for Barking and Dagenham (and also shows results for contiguous authorities for comparative purposes). Barking and Dagenham is projected to experience population growth of 30% (about 62,000 people) over the 25-year period of the projections. This is a much higher rate than the London average, or that for England. Havering has a comparable rate of growth, but Newham and Redbridge's growth rates are lower, and closer to the London average over the 2016-2041 period.

Table 6.1 ONS, 2016-based sub-national population projections

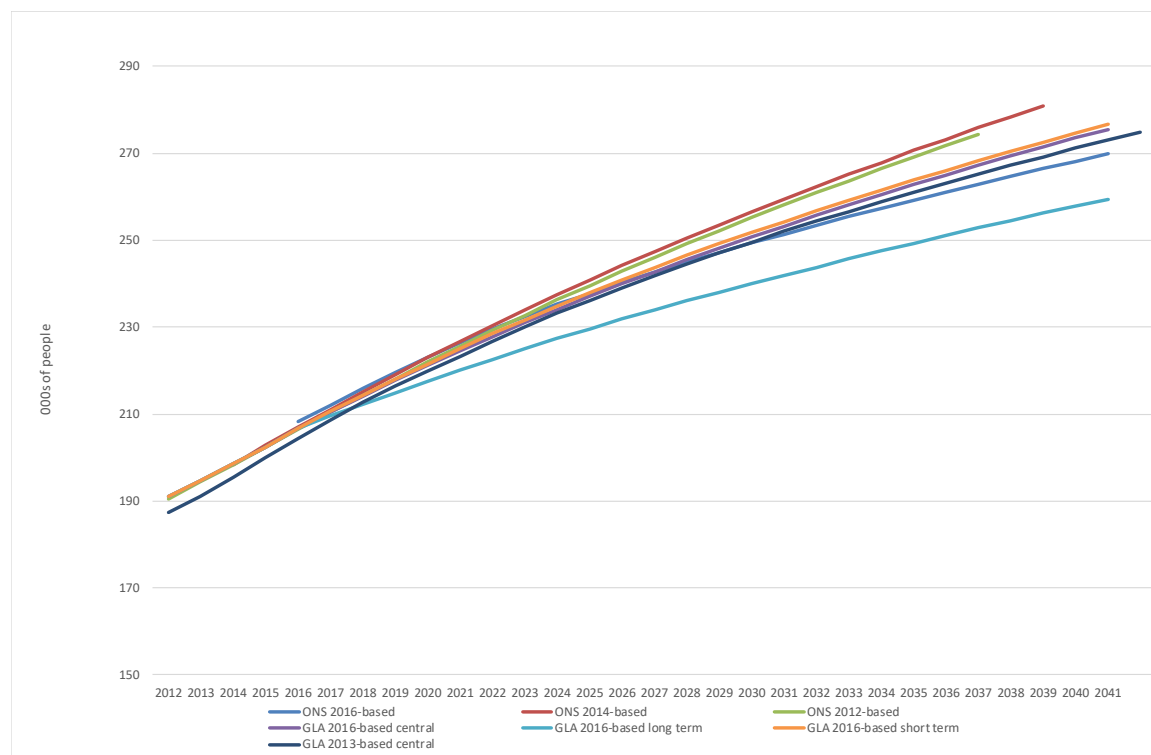
Local authority	Population (000s)					
	2016	2021	2026	2031	2036	2041
Barking and Dagenham	208	226	240	251	261	270
Havering	253	269	285	299	312	325
Newham	345	367	380	393	404	415
Redbridge	301	320	334	346	357	367
London	8,770	9,221	9,543	9,822	10,090	10,346
England	55,268	57,031	58,506	59,790	60,906	61,952
Local authority	Percentage change					
	2016-21	2021-26	2026-31	2031-36	2036-41	2016-41
Barking and Dagenham	8.7	6.1	4.6	3.8	3.4	29.6
Havering	6.3	5.8	5.0	4.4	4.0	28.2
Newham	6.6	3.6	3.2	3.0	2.7	20.6
Redbridge	6.1	4.4	3.6	3.2	3.0	21.9
London	5.1	3.5	2.9	2.7	2.5	18.0
England	3.2	2.6	2.2	1.9	1.7	12.1

Source: ONS, 2016-based sub-national population projections

6.10 The latest ONS population projections suggest a long term reduction in the population of the borough relative to previous projections (though the increase is still projected to be very substantial). Figure 6.1 shows several recent projections for Barking

and Dagenham (the period covered varies according to when the projections were prepared). Focusing for now on ONS projections, the graph shows the total projected population of the borough over the next two and a half decades. The ONS 2012-based projections suggested that Barking and Dagenham’s population in 2037 (the last year of those projections) would be 274,000, with the 2014-based projections suggesting a similar figure. In the most recent projections this has been revised downwards to 263,000 people. The same picture is true nationally, and arises because of lower assumptions about future fertility, lower net international migration, and a slower rate of increase in life expectancy.

Figure 6.1 Comparison of recent population projections



Source: ONS sub-national population projections and GLA population projections, 2012-2016

GLA Population projections

6.11 The Greater London Authority also produces population projections for London on an annual basis⁴⁵ with the 2016-based projections being the latest available at May 2018. According to the London Datastore, the projections were created in November 2017 and updated in December, so they are less up to date than those issued in May 2018 by ONS, but the latter do not yet have associated household projections.

6.12 Four sets of projections were produced by GLA, but one is housing linked, that is related to housing supply, and thus not suitable for use in calculating the objective need for housing. The three ‘trend-based’ projections (short term trend, long term trend and central trend) use a methodology similar to that used by ONS, with assumptions relating to births, deaths and migrations based on past trends.

⁴⁵ See GLA (2018) London Datastore, 2016-based population projections at <https://data.london.gov.uk/dataset/2016-based-population-projections> for further details of the methodology underlying these projections.

6.13 Table 6.2 below shows the results of GLA's three 2016-based projections for comparison with the projections produced by ONS above. For Barking and Dagenham the central GLA projection has produced higher population projections than ONS, with an increase of 33% over the 2016-2041 period, compared to the ONS projection of 30%. The difference is concentrated in the period after 2026. The difference between the two sets of projections in 2041 is about 3% across London as whole, and slightly less for Barking and Dagenham (2.7%). The difference is greater for Redbridge (4.5%) and smaller for Havering and Newham. GLA also produce projections for England, and these are about 1.7% higher in 2041. Until 2026 the two sets of projections are very similar, with almost no difference in Barking and Dagenham and only about 1% nationally. Although the projections show substantial differences in population in 2041, these are of relatively limited significance, as the projections are likely to change substantially over the intervening period.

6.14 Differences between the three GLA projections are more substantial, especially those between the GLA long term and central projections, which are 8% lower for Barking and Dagenham and 3% lower across London as whole. The short term projections are relatively close to the central projections, being only 1% higher in Barking and Dagenham and 2% higher across London as a whole. The main cause of these differences are assumptions about migration, with the projections based on a longer time period producing lower levels of migration.

Table 6.2 GLA 2016-based population projections

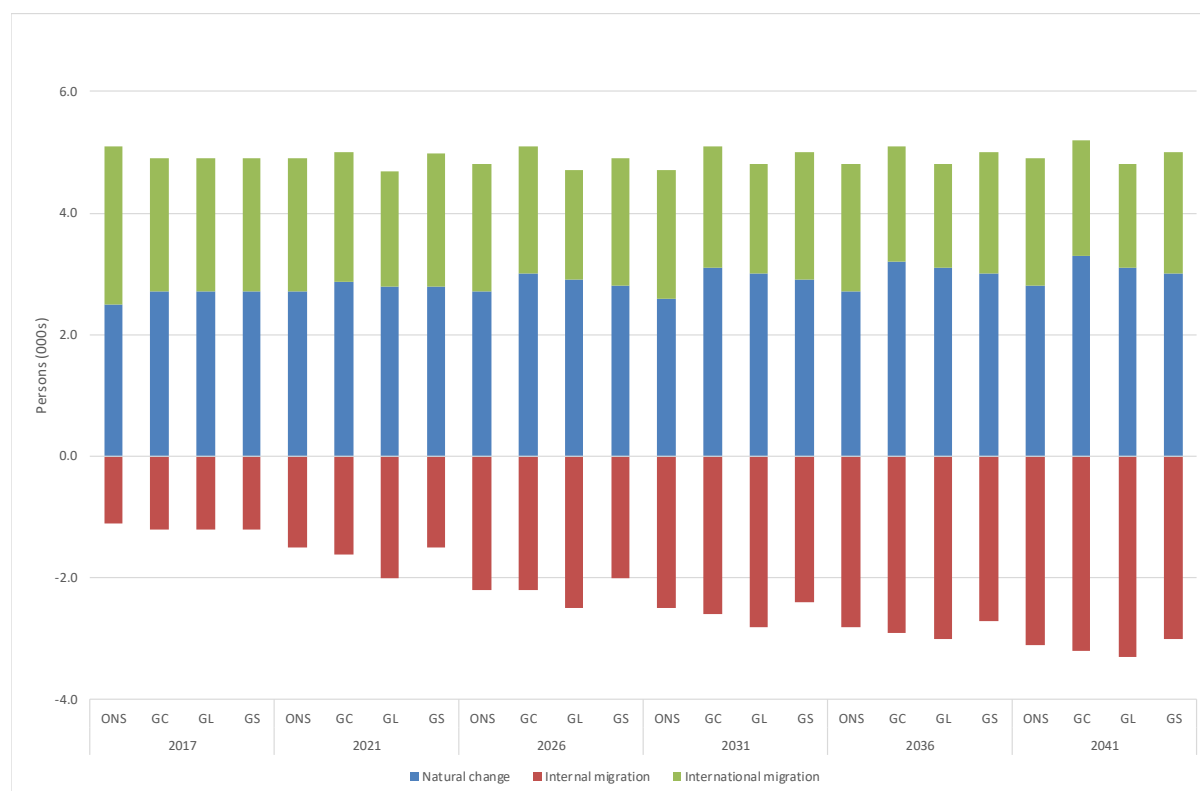
Local authority	Population (000s)					
	2016	2021	2026	2031	2036	2041
Central trend						
Barking and Dagenham	207	224	240	253	265	276
Havering	253	269	285	300	314	328
Newham	320	352	374	392	408	422
Redbridge	288	308	330	348	365	380
London	8,429	9,006	9,480	9,890	10,257	10,596
England	53,878	56,034	57,929	59,734	61,369	62,849
Long term trend						
Barking and Dagenham	207	220	232	242	251	259
Havering	242	259	273	287	301	313
Newham	320	349	365	379	391	402
Redbridge	288	308	329	346	362	376
London	8,429	8,981	9,392	9,747	10,068	10,367
England	53,878	56,018	57,882	59,672	61,304	62,789
Short term trend						
Barking and Dagenham	207	225	241	254	266	277
Havering	242	260	276	293	308	323
Newham	320	353	375	394	411	426
Redbridge	288	307	325	341	356	370
London	8,429	9,021	9,533	9,974	10,364	10,723
England	53,878	56,075	58,060	59,934	61,614	63,132

Source: GLA, 2016-based population projections, London Datastore.

Components of change

6.15 The components of projected population change in Barking and Dagenham are shown in Figure 6.2 for both the ONS 2016-based projections and GLA’s three 2016-based projections. There is little difference in the broad importance of each of the main elements of population change. GLA assumes a greater level of natural increase in its projections, which continues throughout the projection period. Its short term projection is most similar to ONS in relation to natural change. The GLA projections also assume greater net outmigration to the rest of England and Wales, though the difference is less in the later part of the period. The GLA long term projection assumes the highest levels of net internal outmigration, and the short term projection the lowest. Assumptions on net international migration are also similar, although ONS have a higher level of international in migration at the start of the projection period.

Figure 6.2 Barking and Dagenham: components of population change, ONS 2014-based SNPP and GLA 2016-based Central trend projection



Sources: ONS, 2014 SNPP; GLA, 2016-based population projections, London Datastore. Note ONS=ONS 2016-based projection; GC=GLA central trend projection; GL=GLA long term projection; GS=GLA short term projection.

Age structure

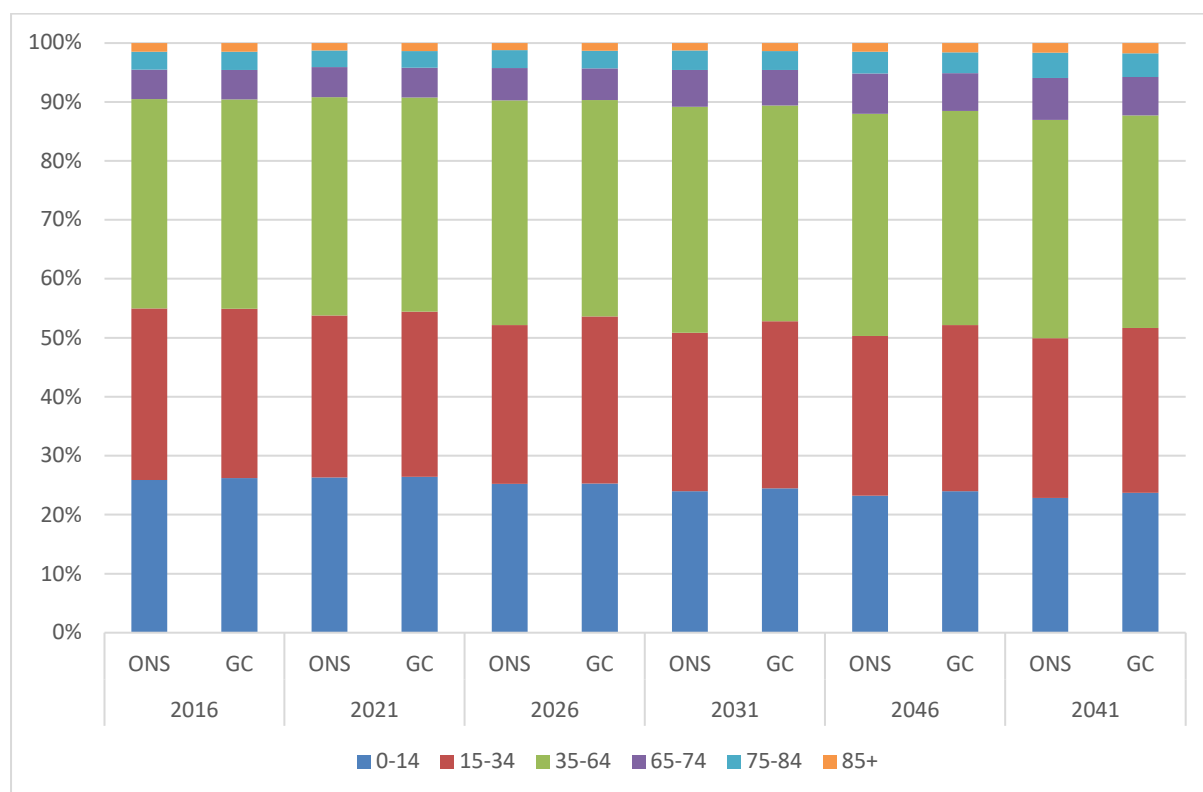
6.16 The age structures of the projected population under both ONS and the GLA central term projection are shown in Figure 6.3. The main changes in age structure projected for Barking and Dagenham by ONS are a three percentage point (pp) decline in the proportion of children and a two pp decline in the proportion of young adults (15-34), offset by increases in older age groups. ONS project a four pp increase in those aged 65 and over between 2016 and 2041 from 9% to 13%. The GLA projection shows the same basic trends

but the extent of decline in younger groups and increase in those aged 65 or more is less marked.

6.17 The proportion of older people is currently lower in Barking and Dagenham than in many areas, but significant changes are projected, leading to an increase in the number of people aged 75+ between 2016 and 2041 under both projections. For the 85+ age group who are most likely to make serious demands on care and related services, ONS project an increase of just over 1,400 people between 2016 and 2041 while GLA project an increase of 1,700.

6.18 People aged 18-69 will form the core of the working age population over much of the projection period, taking account of changes in participation in education and assumed later retirement. In Barking and Dagenham the number of people in this age band is projected by GLA to increase by 55,000 up to 2041, an increase of 46%, a much higher rate of growth than for the population as a whole (33%).

Figure 6.3 Barking and Dagenham: changes in age structure, ONS 2016-based SNPP and GLA 2016-based Central trend projection



Sources: ONS, 2016 SNPP; GLA, 2016-based Central trend population projections, London Datastore.

Household projections

6.19 Household projections are of more direct importance in assessing OAN. Table 6.3 shows projected change in household numbers over the 2014-2039 period in Barking and Dagenham under CLG's 2014-based household projections, with neighbouring authorities also shown for comparison. The 2014-based projections are derived from the ONS 2014-based population projections through the application of household representative rates,

which estimate the propensity of a given population to form households. Barking and Dagenham is projected to experience a very substantial growth in household numbers over the 2016-2039 period of 35,355 households, an increase of 46%. This is more than double the national average for this period (21%) and 11 percentage points above the London average (35%). It is a greater proportion than any of the neighbouring boroughs (although Newham's projected percentage growth is similar). On average, the projected growth level is 1,537 households per annum. The rate of increase is slightly higher in the first years of the projection period (Figure 6.4), falling thereafter, but remarkably consistent compared with neighbouring boroughs.

Table 6.3 CLG 2014-based household projections - households

Authority	Households (000s)							
	2016	2021	2026	2031	2036	2039	Increase 2016-2039	Ave increase pa
Barking and Dagenham	77,025	85,126	93,086	100,816	108,090	112,380	35,355	1,537
Havering	102,436	108,735	115,446	122,530	129,984	134,655	32,219	1,401
Newham	118,846	133,858	146,277	157,131	166,744	172,175	53,329	2,319
Redbridge	109,632	120,522	130,926	140,726	149,964	155,473	45,841	1,993
London	3,589,324	3,892,718	4,175,054	4,444,287	4,696,192	4,841,895	1,252,571	54,460
England	23,228,921	24,371,273	25,446,168	26,498,666	27,462,793	28,003,598	4,774,677	207,595

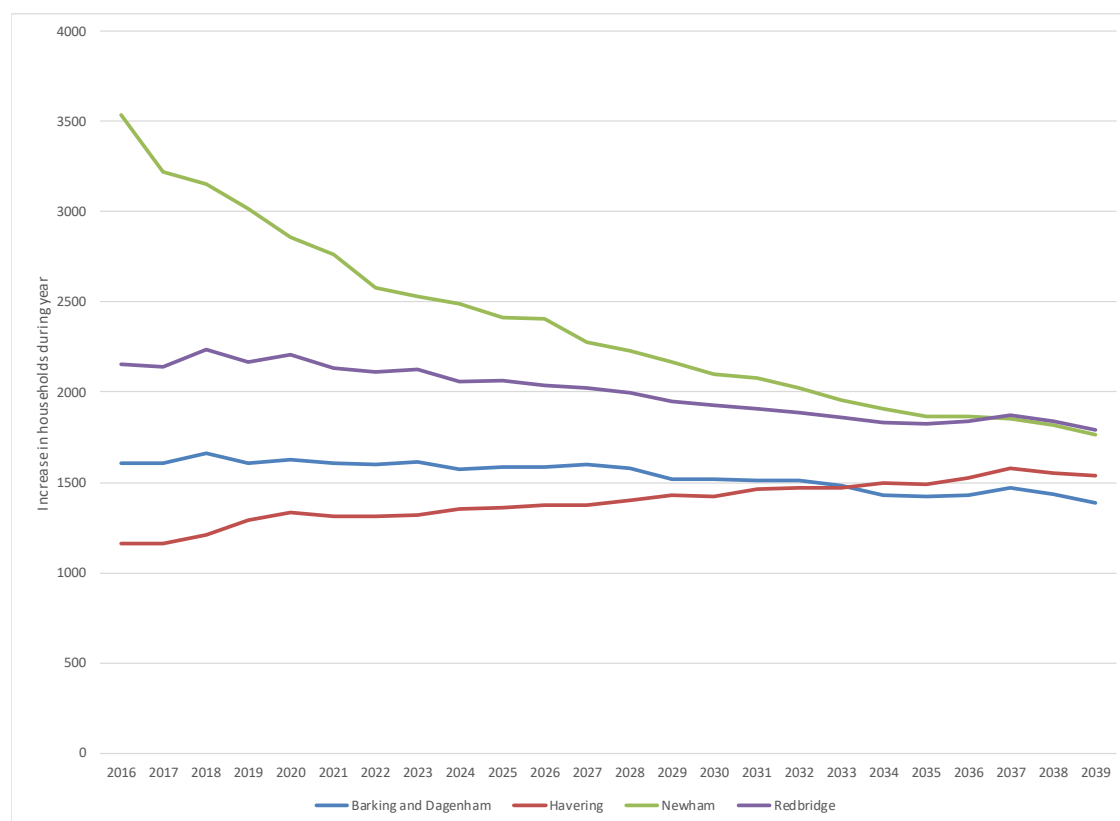
Source: CLG 2014-based household projections

Table 6.4 CLG 2014-based household projections – percentage changes

Authority	Percentage change					
	2016-21	2021-26	2026-31	2031-36	2036-39	2016-39
Barking and Dagenham	10.5	9.4	8.3	7.2	4.0	45.9
Havering	6.1	6.2	6.1	6.1	3.6	31.5
Newham	12.6	9.3	7.4	6.1	3.3	44.9
Redbridge	9.9	8.6	7.5	6.6	3.7	41.8
London	8.5	7.3	6.4	5.7	3.1	34.9
England	4.9	4.4	4.1	3.6	2.0	20.6

Source: CLG 2014-based household projections

Figure 6.4 CLG 2014-based household projections: annual change in number of households



Source: CLG 2014-based household projections

6.20 GLA produce alternative household projections for London Boroughs based on their population projections, using a methodology very similar to that used to produce the official CLG projections. For population projections, the 2016-based projections are the most up to date, but for household projections, the 2016-based GLA projections were prepared in late 2017, whereas CLG’s 2014-based household projections date from 2016.

6.21 Table 6.5 shows the results of the three GLA household projections for Barking and Dagenham. All three sets of projections show significantly lower levels of household growth than the 2014-based ONS projection. Household growth for the GLA central and short term projections is similar, different by only 30 households per annum, whilst the long term projection produces over 200 fewer households per annum.

Table 6.4 GLA 2016-based household projections for period 2016-2039

Authority	Households (000s)						Increase 2016-2039	Ave increase pa
	2016	2021	2026	2031	2036	2039		
Central	76,857	83,855	91,038	98,101	104,613	108,341	31,484	1,369
Long term	76,857	82,470	88,363	94,256	99,670	102,761	25,904	1,126
Short term	76,857	84,096	91,403	98,532	105,189	109,026	32,169	1,399
ONS	77,025	85,126	93,086	100,816	108,090	112,380	35,355	1,537

Source: GLA 2016-based household projections. London Datastore. The GLA projections cover the period to 2050 but have been shown here to 2039 to facilitate comparison with the 2014-based ONS projections.

Table 6.5 GLA 2015-based Central Trend household projections

Authority	Percentage change					
	2016-21	2021-26	2026-31	2031-36	2036-39	2016-39
Central	9.1	8.6	7.8	6.6	3.6	41.0
Long term	7.3	7.1	6.7	5.7	3.1	33.7
Short term	9.4	8.7	7.8	6.8	3.6	41.9
ONS	10.5	9.4	8.3	7.2	4.0	45.9

Source: GLA 2016-based household projections, London Datastore

6.22 The GLA household projections are based on later population projections than the 2014-based household projections produced by ONS. The most recent ONS population projections, as we saw above, showed a reduction in the future projected population of the borough from 274,000 to 263,000 in 2037, which is likely to lead to a fall in the number of households projected by ONS/CLG when their 2016-based projections are published, although other factors might also impact on the forecast. This suggests that it is safer to use the forecasts prepared by GLA as they are more up to date. Within the three sets of GLA projections, the Central trend option provides a position which falls between the long term migration and short term migration options. In addition, the long term migration option produces a very substantial reduction in the forecast number of households – over 4,000 households per annum when compared with the latest ONS projection or with the other GLA projections. A difference of this scale would run the risk of underestimating household formation.

6.23 As indicated above, GLA produces annually-updated trend-based population and household projections covering Greater London. The 2013 Greater London SHMA⁴⁶, and the subsequent Further Alterations to the London Plan (FALP), compared the ONS/CLG projections and GLA projections available at the time the FALP were prepared and made a case for preferring the use of GLA projections in London. The Inspector who conducted the Examination in Public for the FALP accepted this conclusion. GLA have maintained their intention to use their own projections in their subsequent 2017 Greater London SHMA⁴⁷ which contains an extended discussion of the ONS/CLG and GLA projection methodologies, assumptions and differences. An important difference is that ONS population projections are constrained to match national projections in term of births, deaths, the different elements of migration, and the resulting population totals. GLA projections are not subject to this constraint. GLA also argues that its own population projections have, so far, proved more accurate than ONS projections when measured against ONS mid-year estimates⁴⁸. GLA also propose use of their central migration trend projection as their preferred option in calculating OAN, and we see no reason to diverge from this approach, which has the added benefit of ensuring consistency with the London Plan.

⁴⁶ Mayor of London, 2013, the Greater London Strategic Housing Market Assessment

⁴⁷ Mayor of London, 2017, the Greater London Strategic Housing Market Assessment

⁴⁸ Mayor of London, Housing Supplementary Planning Guidance, March 2016, para 3.1.7

Adjustments to household projections to take account of affordability constraints

6.24 Some commentators have suggested that the worsening level of affordability in London has had an impact on the ability of new households to establish themselves independently in recent years, and that an addition to OAN for housing should be made to make up for this 'suppressed' household formation. Household projections are determined by applying household representative rates (HRRs) to the projected population. For household projection purposes each household has a single 'representative' (formerly referred to as the 'head of household'). HRRs are the assumed proportion of people (broken down by age group, gender, marital status and other factors) who will be household representatives. HRRs in household projections are derived from data on recent past trends in household formation, and it is argued that projections based on such trends will build in lower household formation rates rather than seek to address this 'suppressed' household formation. To take a single example, the HRR for couples headed by a male aged 25-29 in ONS 2008-based household projections was 0.966 but in the 2014-based projections this had fallen to 0.744, a reduction of 25%, resulting in a reduction of 252 households per 1,000 males in this age group. However, the picture is a complex one, with differing changes for different groups. The extent of change can be summed up by looking at changes in the average household projected for 2021. In the 2008-based ONS projections, the average household size in Barking and Dagenham was expected to be 2.4 but in the 2014 round the average is expected to be 2.6, a reduction of about 8%.

6.25 We consider this important, but it is impractical to make an accurate adjustment to OAN to take account of this. Other factors than constrained or unaffordable supply could have contributed to this change, including an increased willingness amongst people to share rather than to live alone. One indicator of suppressed household formation is the number of concealed families. These are households containing more than one family within them. The 2011 Census provides an estimate of concealed families which can be updated to 2016 levels and this can be incorporated into OAN. This is considered further below. A better and more direct way to take the impact of increased unaffordability into account is through an adjustment to OAN to take account of market signals. This is considered further below.

Conclusions relating to demographic trends and household formation

6.26 We cannot definitively conclude that any set of household projections is 'correct'. Rather they illustrate the outcomes of different sets of assumptions about the trends which will underlie future population change. For Barking and Dagenham the overall picture painted by different sets of projections are relatively small, and especially in the decade from 2016-2026. The ONS 2014-based official household projections are becoming out of date and the population projections which underlie them have recently been revised. The related 2016-based household projections are not yet available.

6.27 Local authorities in London are fortunate to have parallel authoritative projections prepared by the Greater London Authority which at present are more up to date than those prepared by ONS/CLG. In addition GLA have argued, and an Inspector has accepted, that the GLA methodology is based on a better understanding of London trends which is not constrained by national forecasts and trends, and has produced a closer match to mid-year

population estimates and other outturn figures. On balance, therefore, the GLA 2016-based projections are likely to be more realistic. Of the three options, the Central Migration Projection offers the best option as it takes into account past trends over a relatively long period but does not produce the significantly lower level of projected household formation which the Long Term Migration projection provides. The Short Term Migration Projection relies on only short term trends and is not recommended by GLA for longer term planning purposes. The GLA 2017 SHMA chose this projection, and so this has the advantage for Barking and Dagenham of being in conformity with the London Plan. The projection indicates annual average household growth of 1,369 households in Barking and Dagenham over the 2016-2039 period.

Employment-led growth

6.28 We now turn to assess whether employment projections suggest any modification is required to these levels of projected household growth. In addition to demographic trends, PPG⁴⁹ recommends the consideration of the implications of economic forecasts and especially projections of employment growth when considering the objective need for housing. It suggests that ‘plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population’ (paragraph 018). The Greater London Authority prepares annual projections of employment for London Boroughs⁵⁰ which form the basis of the assessment of the impact of employment-led growth in this report.

6.29 GLA also publishes regular assessments of London’s economic outlook⁵¹. The latest update stresses the importance of the London economy to the UK as a whole as well as to Londoners, and highlights a range of risks which need to be addressed, including the impact of housing affordability on labour supply. Some of the potential implications of Brexit are also examined, although it notes that at the time of writing, arrangements for trade are still unclear. It is not practical to attempt to second guess what may or may not happen, and for the purposes of this SHMA we do not speculate further in this area.

6.30 Figure 6.5 shows recent changes in the level of employment in the borough. The level of employment was static from the early 2000s, until the economic crisis of 2008, after which there was a fall. Employment reached its 2008 level by 2012, since when there has been significant growth, although there is a large difference between ONS (64,000) and GLA (58,000) estimates of employment in 2016.

⁴⁹ CLG Planning Practice Guidance *Housing and economic development needs assessments*

⁵⁰ GLA Economics, *London Labour Market Projections 2017* available from London Datastore.

⁵¹ GLA Economics, *London’s Economic Outlook*, Spring 2018.

Figure 6.5 Recent trends in employment in Barking and Dagenham



Sources: ONS, Labour Force Survey sourced from NOMIS; GLA 2017-based employment projections, London Datastore.

Demand for labour

6.31 There are several sources of economic and employment forecasts nationally and for local areas, including some produced by commercial companies. The most recent GLA forecast, updated in 2017, provides an initial basis for examining the potential implications of employment change in Barking and Dagenham. Previous GLA forecasts form an input to the London Plan and this gives the benefit of consistency with the Plan.

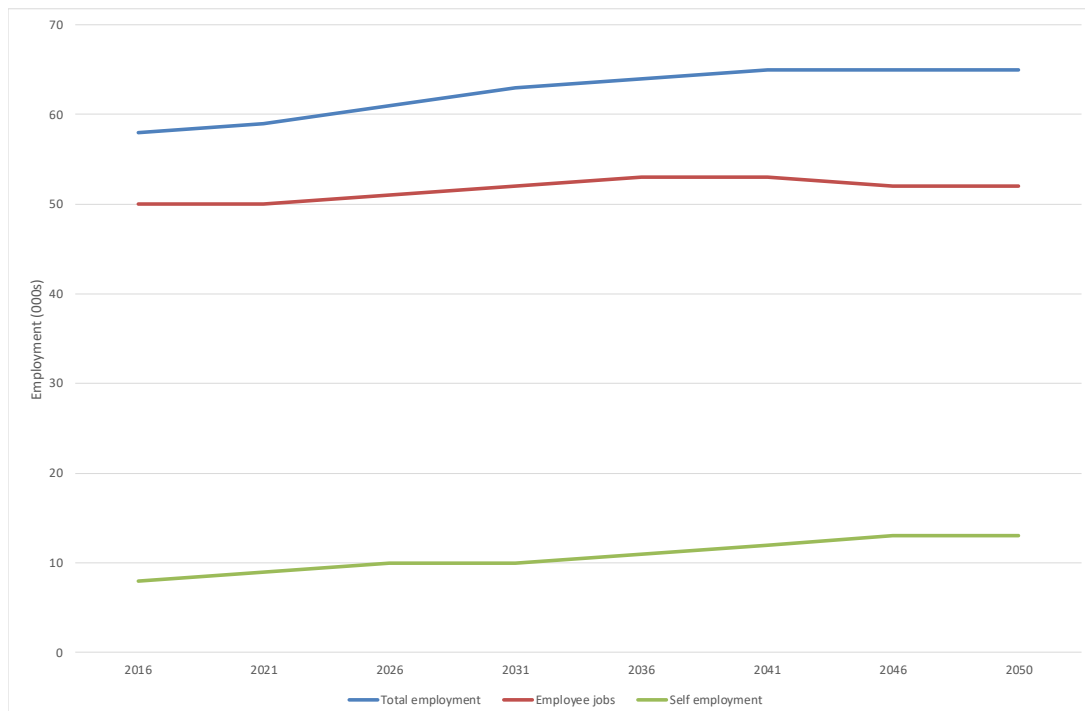
6.32 As with population and household projections, economic and employment projections involve a range of assumptions and are subject to a range of uncertainty. The methodology used by GLA in preparing their projections is described fully in a working paper⁵². According to the latest projections, the number of jobs in London will increase from 5.68 million in 2016 to 6.91 million in 2041, an increase of 1.22 million or 49,000 a year. The results of sensitivity testing show that assuming a higher or lower rate of economic growth has a substantial effect on projected annual jobs growth, with a low-growth scenario resulting in growth of 25,500 a year and a high-growth scenario 85,000 a year. An alternative approach to projections tested by GLA applies an employment rate of 68.9% to projected increases in the working age population. This is the average of annual employment rates in London between 1993 and 2016, and the working age population is

⁵² GLA Economics, Working Paper 67 *Updated employment projections for London by sector and trend-based projections by borough* by Melissa Wickham, July 2015.

projected using the GLA’s 2016-based central trend population projection. Under this alternative methodology jobs in London are projected to reach 6.42 million in 2041, equivalent to growth of 29,500 jobs a year. This is well towards the lower end of the spectrum of forecast growth, and suggests that across London as a whole, a faster rate of population growth (and thus of housing supply) might be required to keep up with jobs growth if the central labour market projection is more accurate.

6.33 Figure 6.6 shows the number of projected jobs in Barking and Dagenham over the period 2016-2050. In 2016, the GLA forecast indicates that the borough had the smallest level of employment in London, 58,000. The number of jobs is projected to increase by 7,000 to 65,000 in 2050, a rise of 12%. This is one of the lowest rates of growth in London, less than half the London average of 27%. Havering, although having more employment (92,000 in 2016) has a similar projected rate of growth. In Redbridge, employment is projected to increase by 27% and Newham has the highest projected rate of growth in London (94%). The number of employee jobs in the borough is projected to grow more slowly (4%) than self-employment (16%). Under the GLA forecasts, Barking& Dagenham is thus not a major centre of employment growth in London, nor is this role expected to change in the projection period. The projected level of employment in the borough in 2050 (65,000) is only slightly higher than the level estimated by ONS for 2016.

Figure 6.6 Barking and Dagenham: GLA 2017-based economic projection - past and projected jobs (employed and self-employed)



Source: GLA Economics, 2017-based employment projections from London Datastore.

6.34 In 2017 the London Borough of Barking and Dagenham commissioned a consortium led by GL Hearn to explore a range of alternative employment/housing growth scenarios for the borough⁵³. The work produced draft scenarios for further discussion, but the rationale behind them provides a basis for this SHMA to consider the housing impact of economic growth.

6.35 Two dimensions of change were examined:

- provision for additional jobs. At one extreme is growth implied by GLA's employment projections, which imply, as we have seen, low forecast growth. Industrial sites in the borough are assumed to be retained for their current uses. The consultants call this a 'business as usual' approach, with an emphasis on low density, low value employment. At the other end of the spectrum is a transformation of the economy and employment, with an emphasis on higher value employment, significant intensification of uses and some expansion of employment land to see around 20,000 net jobs created over 15 years. This is clearly a 'policy-on' approach to employment growth.
- provision for additional dwellings. At one extreme, and as a minimum, ongoing development at Barking Riverside is supplemented by some smaller developments to provide up to 18,500 additional homes over the next 15 years. At the other end of the spectrum is a pro-active approach bringing forward other large sites and intensification elsewhere. This would lead to up to 37,500 additional dwellings over 15 years. This is the 'policy-on' approach to housing growth.

6.36 Two scenarios are derived from the option of increased employment growth with a concentration on higher-value employment. The 'industrial intensification' scenario would see economic intensification in town centres, and of industrial and commercial activity at employment sites, limited or no residential development at employment sites, diversification of employment, and investment in higher value sectors such as green technology and science and technology-based activities. The borough would attract aspirational people taking advantage of improved job offers, with higher disposable incomes, but would not seek additional housing. Displacement of lower income groups would be a likely outcome, or alternatively an increase in commuting into the borough to occupy the new higher value jobs. This scenario is less consistent with government policy under which housing growth provides an important support to economic growth.

6.37 The other scenario associated with employment growth is the 'higher housing and employment growth' scenario. This would involve comprehensive redevelopment of a number of strategic industrial land sites which would make a significant contribution to housing provision, along with residential and economic intensification of town centres, and intensification of industrial and commercial activity at employment sites. The sector mix would again diversify into higher value sectors in terms of pay, skill and quality. Eventually, levels of employment self-containment within the borough would rise and these would also enhance the service sector. This scenario is the most consistent with economic growth supported by housing development.

⁵³ *The Future of our Local Economy: DRAFT Growth Scenarios, London Barking and Dagenham*, GL Hearn with SQW Ltd and Cambridge Econometrics, November 2017, Updated March 2018.

6.38 There are also two scenarios based on low employment growth. Under the ‘population driven change’ scenario the borough would see significant housing growth driven by higher densities on existing planned sites and some new large sites without associated growth, leading to greater commuting into central London. The ‘business as usual’ scenario would see low levels of both housing and employment growth, Industrial usage would continue to be skewed towards low pay, low value added sectors. Current residents would be attracted and remain because - compared to the rest of London – housing would remain relatively cheap. These scenarios would not have major implications in terms of employment-driven housing growth and are not considered further.

6.39 The employment implications of the industrial intensification and higher housing and employment scenarios are shown in Table 6.5. The forecast growth in employment ranges from 17,860 to 23,600.

Table 6.5 Total Employment by Broad Sector, 2016 and 2045

	Baseline	Industrial intensification scenario		Higher housing and employment growth scenario	
	2016	2045	% change 2016-45	2045	% change 2016-45
Manufacturing	5,940	4,910	-17%	4,900	-18%
Electricity, gas & water	1,160	1,830	58%	1,830	58%
Construction	5,820	9,450	62%	8,330	43%
Distribution	10,350	12,710	23%	12,340	19%
Transport & storage	5,070	5,240	3%	5,170	2%
Accommodation & food services	2,330	2,970	27%	2,960	27%
Information & communications	2,240	5,450	143%	5,200	132%
Financial & business services	11,460	17,540	53%	17,020	49%
Government services	16,330	22,870	40%	19,570	20%
Other services	4,120	5,470	33%	5,360	30%
Total jobs	64,830	88,430	36%	82,690	28%

Source GL Hearn (2017) The Future of our Local Economy: DRAFT Growth Scenarios, London Barking and Dagenham, GL Hearn with SQW Ltd and Cambridge Econometrics, November 2017, Updated March 2018.

Labour supply

6.40 As a starting point in the estimation of the potential supply of labour in Barking and Dagenham we need to determine the number of people of working age living within the borough who are seeking employment and the proportion of these working. Obviously, some people living in Barking and Dagenham have a place of work located outside the borough, and some of those working in the borough live outside it. The most recent comprehensive data on employment and commuting patterns is provided by the 2011 Census. **Table 6.6** shows the usually resident population, the population aged 16 and over, the number of people economically active, and the number in employment in 2011. Overall, 86,693 residents were in employment, representing 41% of the borough’s population in 2011. The proportion of economically active people in Barking and Dagenham who were employed was 87%. The most significant losses from the potential labour force were people aged 16+ who were retired, students, people looking after their home or family, and people who were sick and disabled (41,164).

Table 6.6 Barking and Dagenham: usually resident population and economic activity, 2011

Usually resident	185,911
Aged 16+	137,613
% aged 16+	74%
Economically active	86,693
% economically active	47%
In employment/self-employed	75,493
% of usually resident population in employment/self-employed	41%
% of economically active population in employment/self employed	87%
Commuting outflow	45,783
Commuting inflow	28,997

Source ONS, 2011 Census Tables QS601EW and KS102EW

6.41 Commuting is a very important feature of the employment market in Barking and Dagenham. In 2011, 45,783 people commuted to work outside the borough, whilst 28,997 commuted to work in the borough from outside, resulting in net outward commuting from the borough of just over 16,000 people.

6.42 GLA's 2016 Economic Evidence Base for London suggests that Barking and Dagenham is not part of any of the major specialist employment centres upon which the London and UK economies depend. Its labour force performs a number of roles, including the supply of labour to the surrounding boroughs and to central London, but also the provision of services to the local population. The borough is a net provider of housing for people working elsewhere rather than a major centre of employment.

6.43 The level of commuting into the borough may have increased since 2011. According to GLA, there was a 7,000 increase in the number of jobs in the borough between 2011 and 2016, whilst at the same time the borough saw a 21,400 increase in population. Applying the 2011 ratio of employment to usually resident population would suggest that the labour force grew by 8,800 over the 2011-2016 period, a larger figure than the increase in jobs. However, ONS estimate a growth in employment of 10,000 over the 2011-2016 period, which is greater than the increase in the supply of labour, leading either to an increase in the level of employment within the existing population, or to more inward commuting.

6.44 Irrespective of the current level of employment in the borough, the 'baseline' future projected employment growth is small, whilst projected population growth is much greater, amounting to 69,000 people over the period 2016-2041. This implies that the level of outward commuting is likely to increase. In a London context, with specialised concentrations of employment in central London and elsewhere, and relatively well-developed public transport networks, this is not unrealistic or unsustainable. It suggests clearly, however, that if past trends continue there will be no requirement to provide additional housing to support employment in the borough, as provision to meet demographic growth will be more than adequate to cater for employment growth. In fact the borough already plays and will continue to play a role in supporting the economy of London more generally. This strategic role, which many other boroughs share, is reflected both in the demographic projections, and in the London Plan capacity-based targets for

housing supply in the borough, which were increased in the Draft 2017 London Plan to 2,264.

6.45 The two scenarios outlined above envisage the potential for a major change in the employment role of the borough and a radical departure from the current position and from past trends, with growth in the region of 18,000-24,000 jobs rather than 7,000. The 'higher housing and employment growth' scenario, which appears to be the more sustainable in terms of its balance between housing and employment, envisages an increase in employment of 17,860 over the period from 2016-2045, or 616 jobs per annum. Under this scenario, housing provision would also be increased, from 18,500 over a 15-year period to 37,500, or, on an annual basis, an increase of 1,267 dwellings per annum from 1,233 to 2,500 dwellings. An increase in provision on this scale is far greater than that required to cater for the projected annual level of employment growth. Even at current levels of economic activity, approximately 650 dwellings per annum would provide for an additional 616 jobs per annum.

6.46 If the Borough adopts a strategy supporting increased employment growth and a change in the nature of employment in the borough, this will have implications that may include requiring a higher level of housing provision to support jobs growth. While all the additional jobs may not necessarily be filled by out of borough commuters or new in-comers (and part of the growth strategy is to train local people to do these jobs), the authority should ensure that this is carefully monitored. If the strategy does end up resulting in a substantial addition to the basic demographic objective assessment of need for the borough, it should be accompanied by projections which assessed the implications of that growth for housing need. There are models such as POPGROUP which will provide an estimate of the required level of housing associated with a given quantum of employment growth. At the same time it would also be desirable to look at the nature of the proposed employment growth and the implications in terms of the type and tenure of housing.

6.47 This work should be undertaken as part of the process of informing future policy decisions on employment growth, and would have an impact on future housing growth targets. For the purposes of this SHMA, as we have seen, projections of employment growth based on past trends do not suggest any need for an addition to OAN to cater for increased employment growth.

Calculation of Objectively Assessed Need (OAN)

6.48 This section draws on the evidence above to establish the objective need for housing in Barking and Dagenham based on the evidence from population, household and employment projections. We subsequently review market signals and the case for revising the OAN to take account of those signals. The assessment covers the period 2016-2039.

Backlog of need at 2016

6.49 The first step in the determination of an OAN figure is to identify the backlog of unmet need at 2016 which will generate a need for additional housing. The backlog needs are: (i) households unable to find housing at all, and deemed to be in need (homeless households); and (ii) other, potential, households wishing to live independently but unable to do so (such as concealed households).

6.50 Other groups of households in need such as overcrowded and under-occupying households and other households living in unsuitable accommodation are not counted, as they already occupy houses and meeting their needs by a move to another dwelling will release the one that they were previously living in for use by another household.

6.51 The crucial issue is that additional supply will be required to house the households forming backlog need, rather than movement within the stock to more affordable housing, a change of tenure, investment in housing improvements, or other adjustments which do not involve additional supply. If they require provision of an additional dwelling to meet their needs, this will release their current dwelling and so not add to overall OAN. The need for affordable housing is considered separately in Chapter 7.

6.52 At March 2017⁵⁴, there were 1,844 homeless households in accommodation arranged by the borough, although not necessarily within it⁵⁵. Of these, 1,326 were within private sector accommodation leased by the authority, or leased or managed by a Registered Provider (RP), and 324 were in the council's own stock. Of these, 483 were housed outside the Borough. There were 7 households in bed and breakfast accommodation, 20 were in other nightly paid, privately managed self-contained accommodation, and 167 were within hostels. As a minimum, 194 households were in temporary accommodation. The remainder were in permanent accommodation, either within Barking and Dagenham or elsewhere. Those housed elsewhere might wish to live in Barking and Dagenham, but no estimate is available of the number of people wishing to do so. The backlog of 194 homeless households in temporary accommodation will be adopted as the backlog shortage of housing arising from homelessness in 2016.

6.53 The most recent data available on concealed households at local authority level is from the 2011 Census. Concealed families are identified in the 2011 Census as households where there is an additional family living with a primary family, such as a young couple living with a parent or parents of one member of the couple. There were 1,612 concealed families within households in Barking and Dagenham in 2011⁵⁶. 57% of concealed households were couples, of which two thirds did not have children. 43% were lone parents with children. The 2011 Census did not ask respondents whether they considered themselves to be within a concealed household or to have a concealed household living with them, or whether their living arrangements were satisfactory. Concealed households were identified from an analysis of the composition and structure of all households.

⁵⁴ We use Financial Year 2016-17 data as this is as close as possible to the base year used in the SHMA. This data is taken from the local authority P1E returns to MHCLG.

⁵⁵ See Section 6 of *Detailed local authority homelessness figures*, available at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness#detailed-local-authority-level-responses>.

⁵⁶ ONS, 2011 Census, Table DC1110EW1a Concealed family by family type by dependent children in family by age of Family Reference Person (FRP)

6.54 In addition, the Census did not include single people living with others who wished to live separately as concealed because information on living preferences was not collected. In order to discount voluntary concealment, and to include some allowance for single person concealed households, English Housing Survey data on concealed households was used to derive an estimate of concealed households in Barking and Dagenham in 2016. The derivation of this estimate is explained in more detail in Chapter 7, as it also forms part of affordable housing need. The total of concealed need derived from this estimate was 2,539. Adding this to the need derived from homelessness leads to a total backlog need of 2,733. It is not realistic to seek to provide new dwellings to meet the whole backlog in the short term, so in line with the London Plan, it is assumed that the backlog need for additional housing will be met over a twenty-year period, giving rise to an annual backlog need for 137 units.

Newly arising need

6.55 The second element of OAN is need arising through future net household growth. Net growth is appropriate because households which dissolve will release accommodation for some newly forming households. For reasons set out above, we consider the 2016-based GLA Central Trend household forecast to provide the most realistic estimate of future household growth in Barking and Dagenham. This showed an increase of 31,484 households over the period 2016-2039. We propose that this should be adopted as the current best estimate of household growth. The annual average rate of household growth derived from this projection is 1,369.

Vacant dwellings and second homes

6.56 As shown in Chapter 4, the authority has a relatively low proportion of vacant dwellings, with the proportion of vacant dwellings reducing since 2012. The number of such dwellings is determined through market processes, although local authorities have policies which seek to bring such dwellings into use. For this reason, it is necessary to make an addition to the number of dwellings required to meet household growth to allow for a proportion of these additional dwellings to remain vacant (to facilitate movement within the dwelling stock) or to become second homes. The overall vacancy rate in the dwelling stock in the borough in 2016 was 1.12% and this will be used as the vacancy rate to be applied in the calculation of OAN.

6.57 Chapter 4 also showed that 0.11% of dwellings in Barking and Dagenham could be identified from Council Tax data as second homes. This proportion will also be included in the OAN calculation to allow for some new dwellings becoming second homes.

Objectively Assessed Need Calculation (OAN)

6.58 Table 6.8 below summarises these estimates. It suggests an OAN of 1,523 dwellings per annum. Please note that this figure is before any consideration of market signals (discussed below) that may impact on the OAN figure.

Table 6.8 Objective assessment of need derived from projected household growth

		Per annum
Backlog need	Homeless	194
	Concealed	2,539
	Total backlog	2,733
	Annual backlog	137
New household formation	Net new households per annum	1,369
Backlog plus new household formation		1,506
Allowances	Allowance for vacancies	15
	Allowance for second homes	2
Total	Households per annum	1,523

Source: GLA household projections and Cobweb Consulting modelling

Dwelling size and type and tenure requirements

6.59 The National Planning Policy Framework (NPPF), supported by official guidance, indicates that a SHMA should also estimate the size, type and tenure requirements for new housing provision. Chapter 7 considers the need for affordable housing and from this, the required tenure pattern in Barking and Dagenham in 2035, together with an indication of the size breakdown of affordable housing. This may differ from the size breakdown for all new housing (including market housing) if the requirements of people in affordable need are different from the needs arising from net new household growth.

6.60 If actual 2011 occupancy levels within the housing stock are compared to a measure such as the bedroom standard⁵⁷, it is clear that the existing stock is significantly under-occupied. If a better fit with the bedroom standard were to be achieved, there would be an overwhelming requirement for smaller dwellings. However, this approach is impractical, because the bedroom standard plays no part in determining actual occupancy rates in the private sector. These are in practice determined by the operation of the market. Households consume the amount of space which they are able to obtain and pay for. In the social rented sector, the match between actual occupancy and the bedroom standard is often closer, because at the point when households are allocated a dwelling, they are normally allocated one which matches their assessed requirement. Even in the social rented sector, however, differences develop over time as households change size, although changes to housing benefit and proposed changes to tenancies may keep occupancy rates more closely aligned to the bedroom standard in the future.

6.61 This suggests that existing patterns of occupancy in the private sector should be assumed, going forward. But cost concerns play an important part in influencing household space consumption decisions, especially in London, where affordability is so severely constrained. Some households do adjust their consumption, for example through the process of trading down. Over a longer time-scale, the market has also adjusted the housing stock in London to create smaller units in response to cost pressures, for example through the conversion of single family houses into flats, or through greater levels of sharing. Further

⁵⁷ The minimum standards set under Part 10, Housing Act 1985 to determine the numbers of bedrooms required by different types of households, below which they are categorised as overcrowded

pressures on households to make adjustments to their consumption of housing, or adjustments to the existing housing stock, must be expected in the future, given the intensification of demand and resultant squeeze on affordability. However, for the present, existing patterns of occupancy provide the best overall guide to future requirements.

6.62 To produce estimates of future dwelling size requirements, existing patterns of occupancy have been broken down by household type: this provides a more detailed picture than profiling the existing size composition of the stock. Changes in the projected composition of household types can then be taken into account in determining future size requirements. For example, an increase in the proportion of one person households would lead, other things being equal, to an increase in the demand for smaller homes. However, it is not assumed that all one person households require one bedroom. Instead, it is assumed that the current pattern of occupancy by households of this type will continue into the future. Any anticipated changes can then be taken into account at this stage.

6.63 Data on current patterns of occupancy is not available at local level for the household type categories used in household projections, so London level occupancy data was obtained from the English Housing Survey, combining the four years 2010-14 to provide a robust sample. Table 6.9 shows the estimated number of bedrooms occupied by each household type in 2014. There is a link between household type and bedrooms, so that for example, households with three or more dependent children tend to occupy three or more bedrooms. However, 32% of female one person households and 22% of male one person households have three or more bedrooms, whilst 19% of households with three or more dependent children have only one or two bedrooms.

Table 6.9 Existing and projected dwelling size requirements

Bed-rooms	One person Male	One person Female	Couple only, no dependent children	Couple and other adult/s no dependent children	Households with one dependent child	Households with two dependent children	Households with three dependent children	Other households	All households
Actual occupancy 2014 (percent by household type)									
1	53%	37%	21%	1%	12%	3%	1%	4%	20%
2	27%	30%	33%	16%	42%	32%	18%	34%	31%
3	17%	27%	31%	51%	32%	41%	50%	41%	34%
4	3%	5%	15%	32%	14%	24%	31%	21%	16%
Household type breakdown (percent)									
2016	13%	14%	13%	8%	19%	14%	10%	10%	100%
2039	16%	14%	10%	10%	17%	11%	10%	13%	100%
Change	3%	0%	-3%	2%	-2%	-3%	0%	3%	0%

Source: Cobweb Consulting estimates, derived from GLA 2016 round Central Trend household projection (households); English Housing Survey 2010-11/2012-13 (occupancy rates).

6.64 Table 6.9 also shows the breakdown of households in Barking and Dagenham by type in 2016 and the projected breakdown in 2039. This suggests a complex picture, with an increase in the proportion of one person households, a decline in the proportions of households with dependent children, and growth in the proportions of other (multi-adult) household categories. This reflects the impact of reducing affordability in the marketplace, which has already placed pressure on the formation of small households and will continue to do so in the future.

6.65 As a result, the projected requirement of dwellings by size changes very little over the 2016-2039 period. The demand for 1-2 bedrooms is projected to decline by 1% with a commensurate increase in the demand for 3-4 bedroom dwellings (Table 6.10). This suggests a requirement for fewer one-bedroom and three-bedroom units, and more two-bedroom and four or more bedroom units. This reflects the trends towards more multi-adult households already apparent in the market.

Table 6.10 OAN: Existing and projected bedroom size requirement

Bedrooms	Actual 2011	Estimated requirement 2014	Estimated requirement 2039	Difference between 2011 actual and 2039 requirement (percentage points)
1	15%	39%	39%	-1%
2	37%	27%	27%	0%
3	41%	24%	25%	1%
4+	6%	10%	10%	0%

Source: GLA household projections and Cobweb Consulting modelling

6.66 It is important to bear in mind that this is a trend projection, which could be affected by a number of factors. Worsening affordability might increase the demand for smaller units, but equally might require larger units more suitable for sharing, if single adult households cannot afford smaller units. In the social rented sector, measures to reduce benefits where households have bedrooms deemed to be in excess of their requirements may lead to even closer matching of bedroom requirements and actual occupancy.

6.67 However, if the proportion of social rented housing falls in the future, this will weaken the link between household size and occupancy levels. An increase in private renting will increase the demand for smaller units as occupancy levels in that sector tend to match household size more closely than in the owner-occupied sector. In the owner-occupied sector, households generally might wish to occupy dwellings with more bedrooms, more bathrooms and other facilities, and spaces for home working or other leisure activities, if they can afford to. Conversely, more old people might seek to downsize to smaller units, if purpose-built housing for older people were to become more popular. Lastly, the need in London to make the best use of land to meet housing need could require the provision of more small units, but this would be a policy decision. These conflicting trends lead to a very complex picture, which is further constrained by the fact that the overall size profile of the dwelling stock can change only slowly over time as a result of new additions and conversions.

6.68 As in most places, both overcrowding and under occupation are present in the Barking and Dagenham market. The level of under occupancy is much greater than overcrowding, and so provides ample potential for the alleviation of the latter without any additional new housing provision, and hence no need for any addition to OAN. However, the continuation of overcrowding problems over time demonstrates market mechanisms alone will not bring this about. As a result, any measures to address overcrowding will need to be undertaken through the rehousing of those affected in the affordable housing sector. This in turn will release the units occupied by those who are overcrowded for re-use. Chapter 7 considers the need for affordable housing generated by overcrowding further. Chapter 9 considers under-occupation among older households

Dwelling type

6.69 The current mix of dwellings by size provides some guidance on the required mix in the future, because there is an obvious link between household size/type and dwelling size, albeit one which is overlain and blurred by incomes, aspirations and allocation policies. There is no similar determinant of the demand for dwellings of different types. Pressures on land are reflected in the recent increases in the proportions of purpose built flats and apartments, and this pressure is likely to continue, but conversely the proportions of detached and semi-detached houses have risen in response to consumer demand. The projected reduction in the proportion of households with dependent children up to 2039, and the growth in multi-adult households, might also contribute to the demand for flats and apartments.

Taking account of market signals

6.70 Paragraphs 17 and 158 of the former NPPF (as distinct from the new July 2018 version) indicated that Local Plans should take account of market signals, such as land prices and housing affordability, as well as household projections. Former PPG likewise indicated that housing needs could be 'adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand'⁵⁸. A series of market indicators were referred to including land prices, house prices, rents, affordability, rates of development, overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation.

6.71 PPG indicated that appropriate comparisons were needed to set market signals in context. This included examination of longer term trends (both in absolute levels and rates of change) in the housing market area, nearby areas and nationally. However, it was not expected that the precise increase in supply required to achieve a given improvement in an indicator should be calculated.

6.72 It is clear from the Government's development of a standardised methodology for housing need assessment, discussed further below, that housing affordability is the key market signal which the government wishes local authorities to take into account and we now examine affordability in detail. Affordability takes into account both prices and incomes, and changes in the relationship between these over time. Prices in turn reflect

⁵⁸ CLG Planning Practice Guidance, *Housing and economic development needs assessments*, para 19.

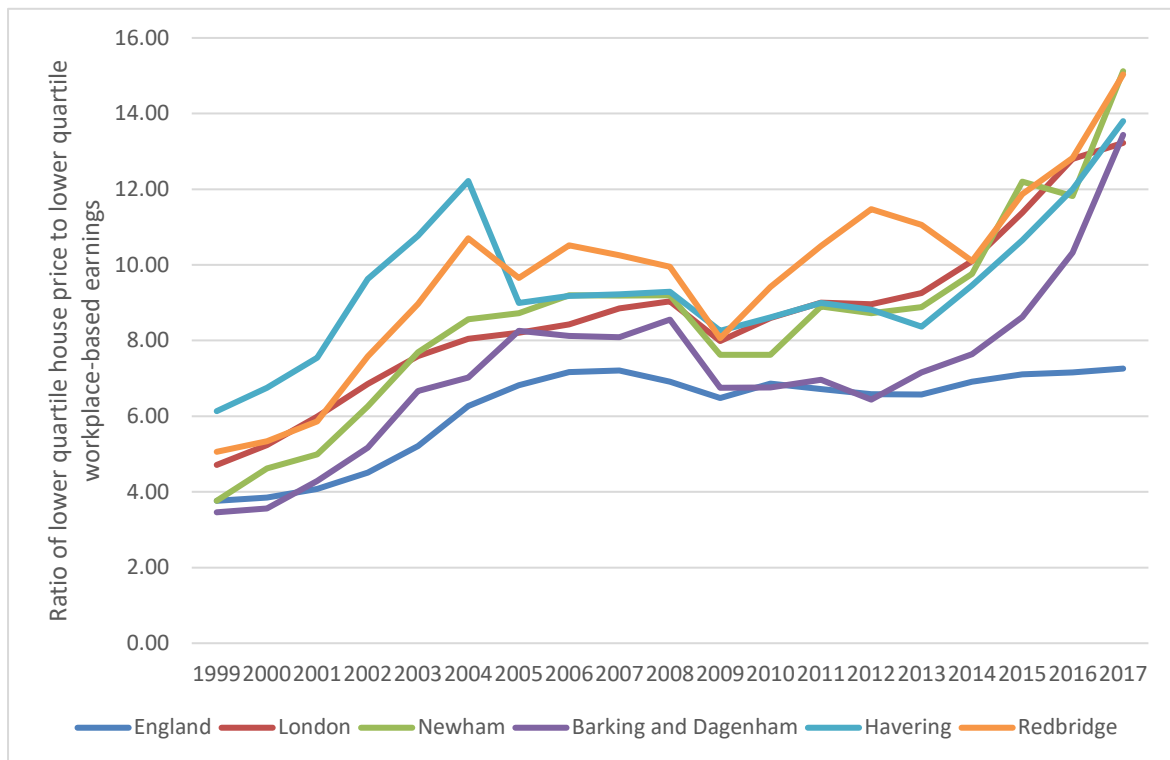
land costs, the level of demand in an area, and the level of supply. Indicators of overcrowding, concealed households and sharing households have already been taken into account above as backlog additions to need as derived from household growth.

6.73 Drawing on data on house prices issued by HM Land Registry, and on the earnings of people in employment derived from the Annual Survey of Hours and Earnings, the Office for National Statistics publishes a series of ratios of house prices to personal earnings, which is updated annually. ONS publishes ratios based on (a) the earnings of people resident in each local authority area and (b) the earnings of people employed in each local authority areas. The ratio of prices to the earnings of those employed in an area is generally preferred to that of residents, as it indicates the affordability of housing to those seeking to work in an area rather than those already resident. The main affordability ratios are those of lower quartile and median prices to earnings. At the time of writing the latest data relates to 2017.

6.74 Figures 6.7 and 6.8 below show the lower quartile and median ratios for Barking and Dagenham, for neighbouring authorities and for London and England over the period from 1999-2017. For Barking and Dagenham the lower quartile affordability ratio has increased from under 4 in 1999 to almost 14 in 2017. After a static period from 2009-2012, the ratio has risen particularly steeply in recent years. Although generally lower than the London average, the Barking and Dagenham ratio slightly exceeded that average in 2017. In 1999 the Barking and Dagenham ratio was 90% of the national average but by 2017 it was 1.9 times that ratio. The ratio had increased over the period 1999-2017 by 288%, compared to 180% in London and 93% nationally. There is a broadly similar picture in relation to the ratio of median prices to earnings.

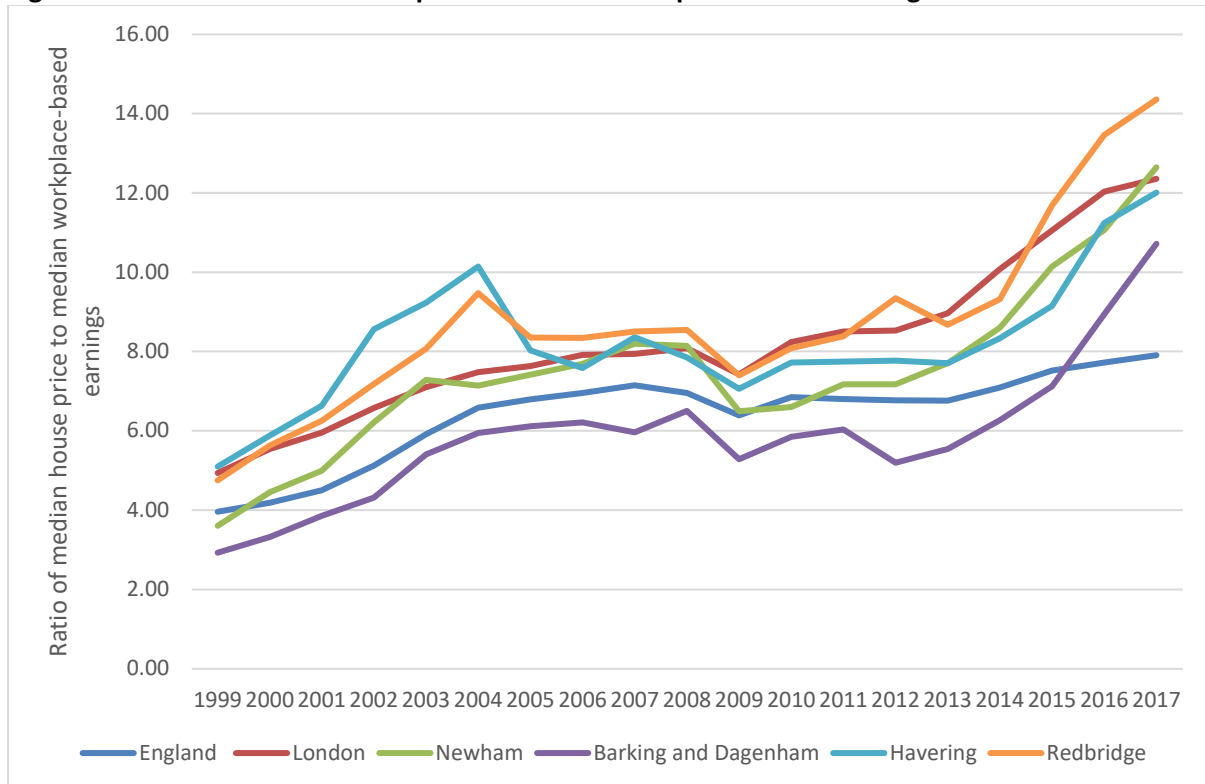
6.75 The charts show clearly that the affordability of housing in Barking and Dagenham has worsened significantly over the 1999-2017 period taken overall. Whilst there have been some periods when the ratio remained static or declined, it has risen very sharply in recent years to overtake even the London average. The ratio remains lower than the ratios for neighbouring authorities but the gap has narrowed in comparison to, for example, 2014. This suggests that housing affordability is now a significant issue in Barking and Dagenham.

Figure 6.7 Ratio of lower quartile house price to median workplace-based earnings



Source: Office of National Statistics, House price to workplace-based earnings ratios

Figure 6.8 Ratio of median house price to median workplace-based earnings



Source: Office of National Statistics, House price to workplace-based earnings ratios

6.74 PPG did not set out an exact approach to the adjustment of OAN to take account of market signals, and no authoritative guidance was available from other sources. We undertook an examination of proposals in other SHMAs and local plan policies but this did not indicate any clear or consistent approach, although many increases fell in the range of 10-20% on top of the level of OAN arising from demographic need. Barking and Dagenham ranked 58th out of 348 authorities in England and Wales on its 2017 lower quartile affordability ratio, suggesting an adjustment towards the higher end of the range. We therefore proposed that the OAN of 1,523 dwellings per annum set out in Table 6.8 above should be increased by 17.5% to 1,790 to take account of market signals. However, both the demographic OAN and our proposed market signals uplift were affected by changes to NPPF and PPG in 2018, as detailed below.

Government standard methodology for calculating housing need

6.75 In 2017 the government consulted on a new standardised methodology for assessing indicative housing need. The methodology and results were set out in full in a consultation paper and an associated dataset⁵⁹. In brief, the method proposed starts with a demographic baseline, which is the annual average household growth taken from the most recent official household projections. The second step is to make an adjustment to the demographic baseline to take account of market signals. The adjustment is based on the housing affordability ratio for a local authority, taken from the data published annually by the Office for National Statistics. The ratio used compares median house price to median earnings based on full-time earnings for those working in the local authority area. An 'adjustment factor' is calculated from this ratio by subtracting 4 from it, dividing the result by 4, and multiplying that figure by 0.25. Average annual household growth is multiplied by the adjustment factor, and this adjustment is then added to average household growth to give a total annual indicative housing need assessment. The third stage is to apply a cap to the resulting calculation. For local authorities that have adopted their local plan in the last five years, the government proposed that the indicative assessment should be capped at 40 percent above the annual housing requirement set out in the plan. For other authorities without an up to date local plan, the government proposed that the new annual local housing need figure should be capped at 40 percent above whichever was higher of the projected household growth for their area over the plan period (using Office for National Statistics' household projections), or the annual housing requirement figure currently set out in their local plan.

6.76 For Barking and Dagenham the indicative need calculated by the government for consultation purposes was 2,089 dwellings per annum. This is 299 households (17%) greater than the OAN of 1,790 derived from following the previous PPG.

6.77 In March 2018 the Government announced that it intended to adopt its proposed approach to assessing local housing need with guidance on the proposed methodology to be published alongside a revised NPPF in due course. The revised NPPF was published in July 2018 followed by revised Planning Practice Guidance which set out the standardised methodology in detail. The new NPPF states (para 60) that local authorities will be expected to use the standard method in national planning guidance to establish housing need, unless there are exceptional circumstances that justify an alternative approach. This must also

⁵⁹ See DCLG (2017) *Planning for the right homes in the right places: consultation proposals*

reflect current and future demographic trends and market signals. An assessment of need which exceeds that produced using the government's standard assessment methodology will, however, be regarded as sound.

The needs of neighbouring areas

6.78 The new NPPF (para 60) indicates that in establishing housing need, any housing needs arising in neighbouring areas which cannot be met within those neighbouring areas should also be taken into account. In London, the London Plan, prepared by the Greater London Authority, takes a London-wide strategic view of housing needs which therefore take account of the housing needs of other authorities, not just those adjoining Barking and Dagenham, but of the London boroughs as a whole. The latest draft plan, published in 2017, is not yet of course finalised and it has not been subject to public scrutiny, but subject to this, the housing targets included within the plan provide some guidance on the contribution which Barking and Dagenham might make to London-wide needs, taking into account land availability and the location of need within London. The draft plan sets a target of 2,264 dwellings per annum for Barking and Dagenham over the 2019-2029 period. This is higher than both the OAN calculated in this SHMA following PPG of 1,790 dwellings per annum, and the indicative housing need per annum as calculated using the government's new standard methodology which is shortly to come into force (2,089 dwellings per annum). This suggests that the Greater London Authority has taken needs from surrounding local authorities and the capacity of available land in the borough into account. Additionally, as noted in Chapter 3, there is no expectation from neighbouring authorities that Barking and Dagenham is specifically expected to help meet their housing requirements, beyond its contribution to the London Plan targets.

6.79 An SHMA should not set out policies for housing. It forms part of the evidence base on which policies for housing provision are based. Following current PPG and taking into account backlog housing need, new demographic housing need, the need to support future employment demand in the borough, the need to take account of market signals, and the scale of affordable housing need, we estimate that the annual objective need for housing in Barking and Dagenham is 1,790 dwellings. The government's indicative housing need assessment for the borough is higher at 2,059 dwellings per annum. The draft London Plan proposes that an annual target of 2,264 dwellings should be set for the borough, taking account of its own needs, making a contribution to the needs of London as whole, as constrained by land availability.

ONS 2016-based household projections

6.80 In September 2018, new 2016-based official household projections were published. These were prepared, for the first time, by the Office of National Statistics, which took over responsibility for the projections from MHCLG. As we would expect, the new projections, based on ONS 2016-based population projections rather than on their 2014-based projections, produced changes in the level of anticipated household growth at both national and local levels. For England as a whole, the annual average level of projected household

growth over the period 2016-2039⁶⁰ fell from 208,000 households to 160,000, a reduction of 23%. In 2039, the 2016-based projections suggested that there would be 1,054,000 (4%) fewer households than previously projected. For the period 2018-2028, which underlies the calculations in the government's standard assessment of housing need, the new projections reduce the projected rate of household formation by 53,000 households per annum. This would lead to a fall in the annual total of estimated housing need from 269,000 households per annum to 213,000 households.

6.81 In Barking and Dagenham, the projected reduction is slightly above the national average. The projected annual average increase in the number of households in the Borough over the 2016 period has fallen from 1,537 to 1,138, a reduction of 26%.

6.82 We have used the new 2016-based projection of household growth to recalculate housing need using the government's standard assessment methodology. The average annual level of household growth in Barking and Dagenham over the next 10 years, starting with the current year (2018) is 1,201, a higher figure than the average growth over the whole 2016-2039 period. The most recently published ratio of median house prices to workplace-based earnings, required in step 2 of the government's standard calculation, relates to 2017 and the ratio is 10.72⁶¹. Applying the standard formula to this produces an adjustment factor of 0.42. The estimate of housing need produced from the new projections is thus 1,705, well below the estimate based on the previous projections of 2,089, but closer to the estimate of OAN produced under the previous PPG.

6.83 In October 2018 the government issued a new consultation paper⁶² on PPG which proposed:

1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.
2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and
3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.'(para 19 of the consultation paper).

6.84 In other words, the government has proposed that the new 2016-based household projections produced by the ONS should, for the short term, be disregarded for housing planning purposes in favour of the now superseded 2014-based projections. There will be a longer-term review of the methodology for assessing housing need which will be completed by the time the next (household) projections are issued, which if previous practice is followed will be in September 2020. The principles referred to in para 18 to support this

⁶⁰ The 2016-based projections extended to 2041, but the 2016-2039 period is used here for illustration as it is covered in both sets of projections.

⁶¹ See

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>, Table 5c.

⁶² See Ministry of Housing, Communities and Local Government, *Technical consultation on updates to national planning policy and guidance*, October 2018

proposal relate to the need for stability for communities, the need to take account of price signals as well as household projections, and the need to ensure that the housing market works for everyone.

6.85 In the light of these uncertainties, we cannot therefore set out a definitive estimate of housing need for the Borough. Following the previous NPPF and its associated PPG, an Objective Assessment of Need for Barking and Dagenham Council is 1,790 dwellings. This is made up of demographic need of 1,523 and an addition of 266 dwellings (17.5%) to take account of market signals. The government's indicative housing need assessment for the borough based on the 2014-based household projections is higher at 2,059 dwellings per annum. A revised calculation based on the more up to date 2016-based dwelling projections is 1,705 per annum, but the government has proposed that this projections should not be used and furthermore that the use of this estimate should not be regarded as an exceptional circumstance which would justify a departure from the estimate based on the 2014-based projections. In addition, the draft London Plan proposes that an annual target of 2,264 dwellings should be set for the borough. At the time of writing, we would advise that the council should adopt the figure of 2,059 produced by applying the government's standard methodology as applied to the 2014-based projections as is estimate of need. This may be subject to revision when the government publishes revisions to NPPF and Planning Practice Guidance on this matter in the future. It is important to remember the council is not obliged to use this estimate of need to set the target for new development in a future local plan. Setting a lower estimate will require the council to demonstrate the exceptional circumstances apply, but setting a higher target such as that proposed by the draft London Plan would be consistent with NPPF.

6.86 As well as assessing the objective need for housing, PPG requires that an SHMA should also determine the need for affordable housing. **Chapter 7** now turns to this assessment.

Chapter 7

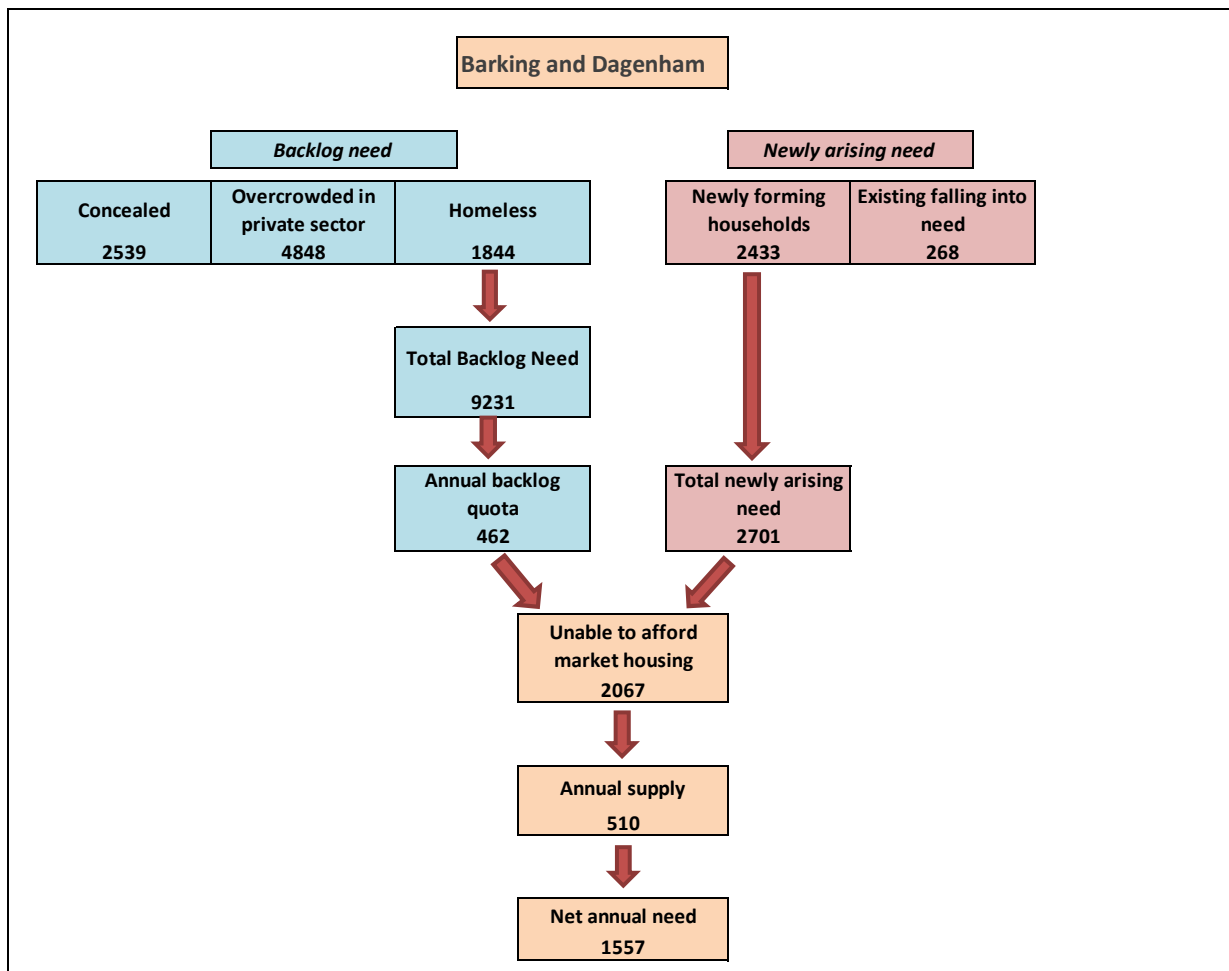
Affordable housing need

Key messages

- This chapter estimates the requirement for affordable dwellings in Barking and Dagenham, using a spreadsheet model based on official Planning Practice Guidance.
- The need for affordable housing differs from total housing need or the Objectively Assessed Need for Housing (OAN). Assessed need, as calculated either through the standardised methodology or the former OAN process is an assessment of the amount of *additional* housing stock required to cater for future household growth. The affordable housing requirement estimates the total amount of *affordable* housing required, which could be met in a variety of ways in addition to building more homes (for example, by acquiring private stock for use as affordable housing).
- To assess gross need, and following Planning Practice Guidance, estimates were made of the number of households in need at 2016. This backlog need was assessed to be 9,231 households. It was assumed that backlog housing need would be met over a twenty-year period, leading to an annual quota of backlog need of 462 households.
- To this we added the numbers of newly forming households (2433 per annum) and the number of existing households falling into need (268 per annum).
- This indicated a potential annual need for housing of 3,163 households, before taking account of the ability of these households to afford market housing.
- To assess the number of these households unable to afford market housing, estimates of were obtained of the distribution of household incomes in the borough, and of the incomes of the specific groups defined in Guidance as potentially in need. Household incomes were compared with the threshold entry cost for market housing, namely the lower quartile market rent, to give an estimate of the number of households in need of affordable housing, broken down by bedroom requirements. An estimated 2,067 households per annum could not afford to pay the market entry threshold cost and therefore needed affordable housing.
- Five *other* affordable housing thresholds were also identified. The lowest cost threshold was set at current actual average rent levels in the social rented sector in Barking and Dagenham. 127 households could not afford these social rents, based on the assumption that they do not devote more than 35% of their gross income to housing costs.
- The next threshold was set at 50% of the private sector lower quartile rent. Some 474 more households, on top of the 127 who could not afford a social rent, could not afford a rent set at this level and so would require social rented housing at around current average rent levels.
- The next threshold was set at 66% of the lower quartile market rent. 625 more households, roughly a third of all those unable to afford a market rent, could afford rents of between 50% and 65% of the lower quartile threshold.

- The fourth threshold was set at 80% of the lower quartile market rent. 363 more households, very roughly one sixth of those unable to afford market housing, could afford rents of between 66% and 79% of the lower quartile threshold market rent.
- This leaves another 479 households who could afford between 80% and 99% of the market threshold rent. These proportions should not be treated as exact, but give an indication of the breakdown of affordable need.
- **The annual supply of affordable housing units is estimated at 510 units, and deducting this from gross need provides a net annual requirement for affordable housing of 1,557 units.**
- Official guidance makes it clear that private rented housing is not affordable housing, but the private rented sector could play a part in meeting affordable need, supported by Local Housing Allowance, mainly perhaps on a short-term basis for any individual household. However, in the longer term, it seems clear that landlords are orienting themselves to higher ends of the market, to cater for working and professional households, who can pay the higher rent the market can command.
- The following chart summarises the process of calculating affordable need.

Figure 7.0 Summary of affordable housing calculation process



Introduction

7.1 This chapter concerns the requirement for affordable dwellings within the overall objective need for housing set out in Chapter 6. Official Planning Practice Guidance sets out a well-established framework for calculating the need for affordable housing. This has not changed significantly in recent (2018) revisions to Planning Practice Guidance. The process of calculating affordable housing need involves adding together the current backlog of unmet need for affordable housing and the projected future need for affordable housing; and subtracting the current supply of affordable housing stock. Cobweb Consulting has developed a spreadsheet-based model which follows the steps set out in official guidance to produce an assessment of affordable housing need. The spreadsheet is transparent and set up to facilitate changes in a range of basic input assumptions and the updating of input sources. Unless otherwise stated, this model is the source for all the figures and tables in this chapter.

7.2 The need for affordable housing differs from the overall need for housing and from the Objective Need for Housing. Overall housing need is an assessment of the amount of additional housing stock required to cater for future household growth. It is a net addition to the dwelling stock of all tenures. The affordable housing requirement estimates the total amount of affordable housing required to meet the needs of households which cannot afford to access market housing. It assesses the ability to afford housing across all newly-forming households, not simply the net addition to household numbers, adds in any current backlog, and offsets this against the supply of affordable housing in the current stock to produce an estimate of how much additional affordable housing is needed. The two estimates are not directly related, and the need for affordable housing could in theory be met by the transfer of existing dwellings from the market (for example, through purchase by the local authority or an RP) to the affordable sector. However, new building is an important source of affordable housing supply.

7.3 The model assumes that all households who cannot afford market housing require some form of affordable housing. The types of affordable housing provision available and the costs associated with these have evolved rapidly in recent years, so the model is set up to be independent of the exact type of provision. It requires as an input the monthly or annual cost of each type of affordable provision in order to estimate the number of households in need who can afford it, or who cannot afford higher costs.

7.4 The supply of private rented dwellings is not included within the model as there is no guarantee that this supply will be allocated to those in affordable need or indeed that it will continue within the supply, as this is subject to the decisions of individual private landlords. However, the potential contribution of this sector is important as a source of provision for those in affordable housing need, especially with the assistance of Local Housing Allowance and support through the benefit system, although this assistance is of course subject to reform at the present time. This is discussed further at a later stage in this chapter.

Household incomes and the ability to afford housing

7.5 The main requirement for estimates of affordable housing need is data on household incomes. Local data on household incomes is not readily available in the form required to produce estimates of the ability of households to afford different types of housing. Several

commercial companies produce local estimates of the distribution of household incomes, and incomes produced by one company, CACI Paycheck, have been used in this SHMA to produce estimates of the distribution of incomes for various groups. The methodology for the CACI estimates is not published in detail but the estimates are modelled using a variety of information sources and indirect indicators.

7.6 The CACI estimates cover all households whereas we require income data for different groups in need (concealed households, overcrowded households, homeless households, newly forming households and existing households falling into need). These have therefore been estimated using data from the English Housing Survey (EHS). The English Housing Survey also includes banded data on household savings and data on housing equity. For each group, the ratio of their income to that of all households was calculated from the English Housing Survey. This exercise was carried out for each decile point on the income spectrum. These ratios were then applied to the CACI Paycheck data for all households in Barking and Dagenham to produce estimates of the incomes of each need group.

7.7 The CACI Paycheck estimates suggest that median household income in Barking and Dagenham is the lowest in London. London is fortunate to have local income data estimates prepared by the GLA⁶³, although the latest data available at the time of writing was for 2012-13, so these are now somewhat out of date. As a check on the CACI estimates, they were compared with the estimates prepared by GLA, which only provide mean and median incomes rather than a full distribution. The median income estimate prepared by CACI Paycheck for 2016 was only 71% of the figure estimated by GLA for 2012-13. On average across all the London Boroughs the GLA estimate of median income was 82% of that produced by GLA, and in all cases the Paycheck estimate was below the GLA estimate. In general, the ranking of boroughs on each set of estimates was the same, with a correlation of 0.95, but there is clearly a significant difference over absolute values. In order to allow for possible under-estimation of incomes in Barking and Dagenham by CACI, estimated incomes were increased by 15%, which represents the approximate mid-point between the two sets of estimates. The percentage of households in each income band is shown in Table 8.1.

7.8 Household incomes were translated in the model into an estimate of the housing costs which they could pay for – an income of £X per annum will enable a household to afford a mortgage of £Y, or monthly rental of £Z. Several assumptions, all changeable within the model to test alternatives, were required to produce these estimates, as follows:

- The *maximum* percentage of income to be spent on housing costs, whether mortgage payments, monthly rent, or a combination of these. In practice the model assumes this to be the *actual* percentage spent, in order to minimise the demand for affordable housing. The council took the view that the maximum percentage of income to be spent on housing costs should be set at 35%.
- The maximum percentage of house value represented by a mortgage loan. This was assumed to be 90%.
- The mortgage interest rate. This was assumed to be 5%.
- The mortgage repayment period. This was assumed to be 25 years.

⁶³ See <http://data.london.gov.uk/apps/gla-household-income-estimates/> for further details.

7.9 The results of these assumptions for the ten decile points of the income distribution, the median, the lower and upper quartiles, and the top and bottom 5% of households are shown for reference below in **Table 7.1**, together with the maximum annual housing cost which they are deemed to be able to afford, the house purchasing power which this translates into and the monthly rent which each income level could sustain.

Table 7.1 Maximum price or monthly rent for a range of household incomes up to £50,000 pa

Point in distribution (percentile) ⁶⁴	Income level at that point	£ Maximum housing costs per annum	£ Maximum affordable house price	£ Maximum monthly rent including service charges
10	10573	3701	82235	308
20	14331	5016	111460	418
25 (lower quartile)	15981	5593	124299	466
30	17606	6162	136937	514
40	20683	7239	160868	603
50 (median)	23916	8371	186012	698
60	27624	9668	214853	806
70	32104	11237	249701	936
75 (upper quartile)	34520	12082	268485	1007
80	38105	13337	296373	1111
90	48908	17118	380394	1426

Backlog need

7.10 The next stage in the calculation of affordable housing need estimates the currently unmet need for affordable housing, or backlog need, as distinct from need which will arise in the future. Official guidance (in Planning Practice Guidance) does not prescribe in detail which types of need should be included, but the following are generally included:

- concealed households – people living within other households who wish to form an independent household, or who are deemed to need independent accommodation, but who cannot afford to do so.
- households who occupy a dwelling, but where there is a size mismatch between the housing needed and the actual dwelling. Affordable need assessments focus on households who are deemed to be overcrowded if their need for space is assessed against a measure such as the Bedroom Standard.
- homeless households – these are generally considered to be in affordable need as by definition they cannot meet their need in the market.

7.11 Assessments may take into account other groups such as households containing people with social or physical impairment or other specific needs living in unsuitable dwellings which cannot be made suitable in-situ; households which lack basic facilities (e.g. a bathroom or kitchen) and those in dwellings subject to major disrepair; and households containing people with particular social needs (e.g. those escaping harassment) which cannot be resolved except through a move. Sources providing data at local authority level are not available for some of the above categories, and there may be overlap between them

⁶⁴ The 10th percentile is the income level below which 10% of households will be found, with 90% at or above this level; the 20th percentile is the income level below which 20% of households will be found, etc. The median is the point in the middle of the distribution with 50% of households above and 50% below this level.

- for example households that are both overcrowded and in housing that is too expensive for them. Housing waiting lists or registers are not recommended in guidance for use in assessing backlog need, because some households in need choose not to register, and because the criteria for registration vary.

7.12 In addition, some households in affordable need may already be occupying affordable housing which is not suitable for their needs. In this case, meeting their need in a different dwelling will at the same time release an affordable unit which will then be available to meet other needs, and it is important to take this into account by netting off these households from total backlog need. In order to provide an assessment of the size breakdown of affordable housing need, the assessment of backlog need must also be broken down by bedroom requirements.

Concealed households

7.13 Concealed households can include several different categories, including single people, couples, couples with children, and lone parents. The groups included can vary between data sources, as discussed in **Chapter 6**. The 2011 Census provides local-level data on concealed households, but does not break this group down by bedroom requirements, and in addition, will need updating, as suggested in official guidance. To do this, and to provide an estimate of bedroom requirements, concealed households were identified from regional data from the English Housing Survey⁶⁵ and used to update the 2011 Census estimates. Some concealment by couples and by households with children is voluntary, but as 2011 Census data on concealed households excludes single people, some involuntary sharing by single people may be excluded. It has been assumed that these two elements will cancel one another out. Overall the backlog of concealed households was estimated to be 2,539 compared to a total from the 2011 Census of 1,612. Some concealed households are in social rented housing but meeting their needs will not release social housing units, as they are part of other households which will continue to exist after the needs of the concealed households within them are met, so they are not in this case deducted from backlog need.

7.14 The bedroom requirement breakdown of concealed households was estimated from 2011 Census data on concealed households by type. 87% were assumed to require a one or two bedroomed unit and only 13% a larger unit. This breakdown is required for each type of backlog need because the model estimates ability to pay separately by bedroom requirements.

7.15 Data on the incomes of concealed households was derived from the English Housing Survey for London as a whole. Concealed households had lower incomes than average. The median income of a concealed household was about two thirds of that for all households, and the lower quartile income was about 60% of that for all households.

⁶⁵ In this and in other cases where EHS data has been used, data from the survey for the years, 2011-12, 2012-13 and 2013-14 was aggregated to create a sufficiently robust sample. These were the three most recent years available at the time of writing.

Overcrowding

7.16 Evidence on overcrowding was presented in Chapter 4. In 2011 there were 9,395 overcrowded households in Barking and Dagenham. Of these, 3,383 were living in the social rented sector and have been deducted from gross backlog need, leaving 6,012 overcrowded households. Evidence from the English Housing Survey demonstrates an overlap between overcrowded and concealed households – if concealed households were to be provided with their own home then many of the remaining households would no longer be overcrowded. EHS suggests a reduction of 19% is appropriate across the whole of London and this proportion has been applied, leading to a revised number of overcrowded households of 4,848.

7.17 The bedroom requirement of these households was estimated from EHS regional data for London. 23% required a two-bedroomed unit, 38% a three bedroomed unit and 39% a unit with four or more bedrooms.

7.18 The income distribution of overcrowded households was estimated at the London level from EHS data, and as with concealed households, the ratio of their incomes to the incomes of all households was estimated for each decile point in the income distribution. able to afford market housing and each type of affordable housing were determined on the basis of regional EHS estimates of the incomes of this group. For those requiring a two bedroomed unit, median income was only just over half the average for all households, but for those requiring four or more bedroomed the median was almost the same as the average. As these households are typically larger than average this would tend to erode any advantage in the market that this might give them.

Homeless households

7.19 Local authority administrative data on homelessness shows a backlog of 1,844 households in some form of temporary accommodation in March 2017. This is a larger figure than that used in the assessment of overall need in Chapter 6, which shows the number of homeless households in non-permanent housing who would require an addition to the dwelling stock to meet their needs.

7.20 The bedroom requirement of homeless households was estimated from the analysis of data on homeless people from local authority housing registers in a sample of five London Boroughs. 9% were assumed to require one bedroom and 52% two bedrooms. 29% required three bedrooms and 10% four bedrooms or more.

7.21 The incomes of homeless households were obtained from CORE data on households rehoused as a result of homelessness, averaged over the four years 2010-14. Not surprisingly the median income of homeless households was only 28% of the median for all households.

Other backlog needs

7.22 There are no secondary data sources providing a clear picture of other categories of potential backlog need at the local or sub-regional level. English Housing Survey data can be used to identify households in various categories including sharers, people accommodated in homes lacking basic facilities, non-homeless households in non-self-contained accommodation, and households suffering from harassment. As there is no way of

apportioning these households within regions, these households have been excluded from the estimate of current unmet gross need for affordable housing. The figures shown in the table below should therefore be considered to be the minimum estimate of backlog need in the borough.

Total backlog need

7.23 Adding the backlog of concealed, overcrowded and homeless households together produces a gross backlog need for affordable housing of 9,231, after the deduction of all those in need currently living in social rented housing, and a reduction of 19% in the number of overcrowded households to allow for some overlap with concealed households.

7.24 Ideally, backlog need would be met as quickly as possible, but official guidance recognises that it must be dealt with over a period of several years. The appropriate period is not specified, but in a context of high demand such as that in Barking and Dagenham, an extended period is likely to be necessary. The Draft London Plan published in 2017 assumes that backlog need will be met gradually over the whole plan period of 25 years, but a shorter period of twenty years is more commonly used so this has been assumed in the model. On this assumption the backlog of affordable need is 462 dwellings per annum.

7.25 **Table 7.2** shows the breakdown of backlog need by bedroom requirement, assuming that the need in each size category is met at the same rate.

Table 7.2 Backlog need in households per annum by bedroom requirement

No. of beds	Number	Percent
1 bed	53	12%
2 bed	167	36%
3 bed	139	30%
4+ bed	103	22%
Total	462	100%

Newly arising need

7.26 The second component of affordable housing need identified in Planning Practice Guidance is newly arising need. This will be generated in the future by newly forming households unable to afford access to market housing, and by some existing households whose needs change. The first element of need arising from newly forming households is estimated from the household projections examined in **Chapter 6**. However, unlike the estimate of OAN, which is based on net new household formation, the estimate of affordable housing need must be derived from gross new household formation (that is all new household formation, without the deduction of households which dissolve). Affordable housing released by households which dissolve is taken into account later in the calculation as part of affordable supply. Household projections do not provide the required data directly, but the model uses an approach to estimating gross new household formation from published data on future household numbers set out in previous official guidance. The estimated number of newly forming households in Barking and Dagenham over the period 2014-2039 is 2,433 per annum.

7.27 This projection is broken down by household type, which provides a basis for the estimation of the dwelling size requirement breakdown. **Table 7.3** shows newly arising need

per annum broken down by bedroom requirement. As might be expected, the majority of need from newly arising households is for smaller units, 51% requiring one or two bedroomed units compared to 49% for those in backlog need.

7.28 The income distribution of newly forming households was estimated from English Housing Survey data for London averaged over the period 2011-14. The incomes of this group were generally close to or slightly above the average for households as a whole, with those requiring three bedrooms having the highest incomes.

Table 7.3 Newly arising need per annum in households by bedroom requirement

No. of beds	Number	Percent
1 bed	522	21%
2 bed	734	30%
3 bed	773	32%
4+ bed	404	17%
Total	2,433	100%

Existing households falling into need

7.29 In the future, as well as newly forming households, some households currently in existence may fall into need as a result of a change in circumstances. This is the most difficult category of need to estimate and official guidance does not specify an approach to use. The approach adopted in the model is based on CORE data on lettings in the social rented sector. It identifies new lettings to existing households falling into need as a result of a change in circumstances such as eviction, inability to afford mortgage payments or rent. To smooth out annual fluctuations in need, the number of households affected has been derived from an average of three years CORE data. To allow for the possibility that local authorities and their partners cannot house all those experiencing such problems in any one year, numbers in need have been increased by 25%. The model estimates that 268 existing households will fall into need annually.

7.30 This excludes all households falling into need who were previously living in the social rented sector, as meeting their needs would release the dwelling which they were previously occupying. Existing households falling into need are more likely to resemble those in backlog need than newly forming households, so their bedroom requirement split has been assumed to be similar to that for all households in backlog need (**Table 7.4**).

Table 7.4 Existing households falling into need per annum by bedroom requirement

No. of beds	Number	Percent
1 bed	31	12%
2 bed	97	36%
3 bed	81	30%
4+ bed	60	22%
Total	268	100%

7.31 The model assumes that the income profile of existing households falling into need matches that of overcrowded households who make up the majority of backlog, except in the case of households requiring one bedroom, where incomes are assumed to be the same as those of concealed households.

7.32 The total annual level of need arising from backlog need, newly arising need and existing households falling into need, is 3,163. This is subdivided by bedroom requirement as follows:

- One bedroom required: 606
- Two bedrooms required: 998
- Three bedrooms required: 992
- Four or more bedrooms required: 566

Estimating the proportion of households unable to afford market housing

7.33 The next step in the calculation of affordable need is to estimate the proportion of these households who will be unable to afford to buy or rent a market dwelling. Following official guidance, market entry price/rent levels were determined from an analysis of sale prices and rents for housing of different sizes. The thresholds used for access to the market were the lower quartile cost of buying on the open market or of renting, whichever was the cheaper, with mortgage costs converted to monthly costs on the basis of the assumptions relating to deposit and interest rates set out above. The lower quartile thresholds derived for market prices and rents in Barking and Dagenham are shown in **Table 7.5**, broken down by bedroom requirement. At each bedroom size the lower quartile rent threshold is cheaper than the cost of buying at the lower quartile price and it is this threshold which determines affordability. As a result, households at the margin of those deemed able to afford market housing will only be able to rent rather than to buy. The table also shows four other cost levels for affordable housing. These are:

- Current average rents in the social rented sector, derived from published national data on local authority lettings;
- A threshold based on 50% of lower quartile market rents;
- A threshold based on 66% of lower quartile market rents;
- A threshold based on 80% of lower quartile market rents. These four thresholds, taken together, were considered to provide a wide range of potential housing costs for comparison with incomes.

Table 7.5 Barking and Dagenham: market and affordable threshold prices/rents

Beds	Market solutions		Affordable housing solutions			
	Buying: lower quartile threshold price (£)	Renting in the market: lower quartile threshold rent (£ per month)	Renting at current average social rents (£ per month)	Renting at 50% lower quartile market rent level (£ per month)	Renting at 66% lower quartile market rent level (£ per month)	Renting at 80% lower quartile market rent level (£ per month)
1	161,996	750	360	656	747	600
2	179,995	950	423	695	831	760
3	299,850	1,250	467	734	914	1,000
4+	497,751	1,495	490	772	997	1,196

Source: HM Land Registry, VOA, and model estimates of price/rent differentials by dwelling size.

7.34 **Table 7.6** shows the number and percentage of households in need who are able/unable to afford market housing at the thresholds shown in **Table 8.5**. Sixty-five percent of households in need cannot afford to access market housing at the thresholds shown in the table. This means that 2,067 units of affordable housing are required annually to meet need, before taking account of the annual supply through relets.

Table 7.6 Ability to afford market threshold housing cost

		1 bed	2 bed	3 bed	4+ bed	Total
	Threshold (£)	9,000	11,400	15,000	17,940	
Number	Total need	606	998	992	566	3,163
	Can afford	298	269	490	39	1,096
	Can't afford	309	729	503	527	2,067
Percentage	Can afford	49%	27%	49%	7%	35%
	Can't afford	51%	73%	51%	93%	65%

7.35 **Tables 7.7-7.10** show the results of applying the four affordable housing thresholds set out in **Table 7.5**. The lowest threshold is based on published average rents for social rented sector lettings in Barking and Dagenham in the year 2016-17. **Table 7.7** shows the annual cost of these rents, and the number and percentage of households unable to afford a rent at these threshold costs for each bedroom category. As the CACI household income estimates include housing benefit income, almost all households should be able to afford this cost threshold, but even if benefits are taken into account, a small number, 127 households, can only afford housing costs below the social housing rent thresholds. In these cases, benefit entitlement does not cover all their rental costs.

Table 7.7 Ability to afford estimated actual social rented housing costs

		1 bed	2 bed	3 bed	4+ bed	Total
	Cost pcm (£)	360	423	467	490	
	Cost per annum (£)	4322	5077	5610	5883	
Number	Total need	606	998	992	566	3163
	Can afford	569	934	971	561	3035
	Can't afford	37	64	21	5	127
Percentage	Can afford	94%	94%	98%	99%	96%
	Can't afford	6%	6%	2%	1%	4%

7.36 **Table 7.8** shows that 601 households cannot afford a rent set at 50% of the lower quartile market rent level. 474 of these households (601 minus 127) can afford a rent at or above the social rent threshold but below 50% of the lower quartile market rent. The breakdown by number of bedrooms is also shown in the table. A much higher proportion (55%) of households needing 4 or more bedrooms cannot afford this threshold level than of those needing smaller dwellings.

Table 7.8 Ability to afford 50% of lower quartile market rents

		1 bed	2 bed	3 bed	4+ bed	Total
	Cost pcm (£)	375	475	625	748	
	Cost per annum (£)	4500	5700	7500	8970	
Number	Total need	606	998	992	566	3163
	Can afford	569	840	841	310	2562
	Can't afford	37	157	151	256	601
Percentage	Can afford	94%	84%	85%	55%	81%
	Can't afford	6%	16%	15%	45%	19%

7.37 Table 7.9 shows the thresholds representing 66% of the lower quartile market rent, and the number and proportion of households unable to afford these rents. Some 1,266 households cannot afford a rent of 66% of the lower quartile market rent. 625 of these households (1,266 minus 601) can afford a rent at or above 50% of the private sector lower quartile rent but below the 66% threshold. The breakdown by number of bedrooms is also shown in the table and again it is those requiring 4+ bedrooms who are more likely to be unable to afford the threshold, together with those needing 2 bedrooms.

Table 7.9 Ability to afford 66% of lower quartile market rents

		1 bed	2 bed	3 bed	4+ bed	Total
	Cost pcm (£)	495	627	825	987	
	Cost per annum (£)	5940	7524	9900	11840	
Number	Total need	606	998	992	566	3163
	Can afford	450	462	782	243	1937
	Can't afford	157	535	210	323	1226
Percentage	Can afford	74%	46%	79%	43%	61%
	Can't afford	26%	54%	21%	57%	39%

7.38 **Table 7.10** shows that 1,588 households, 50% of all households in need, cannot afford a rent set at 80% of the lower quartile rent. This means that 362 households (1,588 minus 226) can afford a rent at or above the 66% threshold but one set at the 80% threshold. Again those requiring either 2 or 4+ bedrooms are least likely to be able to afford these rent levels.

Table 7.10 Ability to afford 80% of lower quartile market rents

		1 bed	2 bed	3 bed	4+ bed	Total
	Cost pcm (£)	600	760	1000	1196	
	Cost per annum (£)	7200	9120	12000	14352	
Number	Total need	606	998	992	566	3163
	Can afford	414	284	771	105	1575
	Can't afford	193	713	221	461	1588
Percentage	Can afford	68%	28%	78%	19%	50%
	Can't afford	32%	72%	22%	81%	50%

7.39 **Table 7.11** summarises these results.

Table 7.11 Summary of affordable housing need and ability to afford market and affordable housing cost thresholds

		Households per annum			
Annual backlog in housing need		462			
Newly arising need		2,433			
Existing households falling into need		268			
Total in need before affordability criteria applied		3,163			
Affordability	Rent £ pcm	In each category		Cumulative	
		Number	Percent	Number	Percent
Can afford market rent*	750-1495	1096	35%	1096	35%
Can afford 80-99% of market rent	600-1196	479	15%	1575	50%
Can afford 66-79% of market rent (equivalent to Affordable Rent)	495-987	362	11%	1937	61%
Can afford 50-65% of market rent (equivalent to London Living Rent)	375-748	625	20%	2562	81%
Can afford current average social rent and up to 49% market rent (equivalent to London Affordable Rent)	360-490	474	15%	3035	96%
Can only afford rent below average social rent level		127	4%	3163	100%

*Lower quartile private rent .Note that the number of households in each category includes some whose capacity to pay for housing falls close to the thresholds (as well as others whose capacity falls closer to the centre of the range for that band). There is likely to be some flexibility over the appropriate solution for households falling close to the thresholds.

Affordable supply

7.40 The next stage in the calculation of affordable housing need requires an estimate of the total affordable stock available. As with backlog need, there may be some backlog supply. This would include sources such as affordable dwellings available in 2016 as a result of the completion of programmes of improvement, and dwellings released as a result of improvements to current vacancy rates in affordable housing. Committed affordable housing stock (for example homes under construction) is not included in backlog supply, though it should be taken into account in looking forward at the ways in which affordable need will be met in the future.

7.41 The main component of supply is annual relets from the existing stock. This has been calculated in line with official guidance on the basis of past trends - an average of the past three years supply. In order to ensure that the estimate reflects the longer-term supply of stock, first time lettings of new dwellings are excluded. The estimate is also limited to re-lets to new tenants and excludes transfer lettings.

7.42 For the most part this supply consists of general needs lettings. However, the model assumes that 100% of longer term supported housing lettings should also be included as these units are generally let to households in affordable need. CORE returns and local authority lettings data are the sources used for these estimates. New affordable housing in

the pipeline is excluded from this element of supply, as it is a one-off element of supply rather than part of the continuing flow provided by relets. If a major quantum of new affordable supply is anticipated, the impact of this on future relets would need to be factored into annual supply.

7.43 A further component of future housing supply is intermediate affordable housing. The model includes an estimate of the number of homes that come up for re-let or re-sale based on an average of data for the last three years available from CORE returns (2013-16).

7.44 Any of these elements of affordable housing could experience an increase or reduction as a result of new additions to the stock or through demolition, disposal or sale of social rented homes, or the disposal of intermediate tenure homes currently occupied by households in need of affordable housing. If they were of significant scale, such changes would impact on long term relet rates and should be taken into account in future updates of the model. For example, a substantial increase in the sale of social rented housing through right to buy would have a longer term (though complex) downwards impact on relet supply. In addition, such changes need to be taken into account in looking at the future supply of affordable accommodation to meet backlog and newly arising need, by assessing their profile over time of any changes and adding them to, or subtracting them from, outstanding need at the appropriate point when they impact on supply.

7.45 **Table 7.12** summarises the estimated future annual supply of affordable homes by type. Social rented sector relets form the largest source of supply.

Table 7.12 Future annual supply of affordable homes

	Annual supply	
Social sector re-lets	1 Bed	126
	2 Beds	139
	3 Beds	57
	4+ Beds	2
	Total	325
Affordable Rent relets	1 Bed	57
	2 Beds	59
	3 Beds	35
	4+ Beds	7
	Total	158
Intermediate sector re-sales	1 Bed	4
	2 Beds	19
	3 Beds	4
	4+ Beds	0
	Total	27
All affordable sectors	1 Bed	187
	2 Beds	217
	3 Beds	96
	4+ Beds	10
	Total	510

Sources: CORE average of annual figures for 2012-13, 2013-14 and 2014-15, Local administrative data.

Finalising the calculation

7.46 The final stage is to subtract affordable housing supply from affordable need. This results in an estimate of net annual need for affordable housing in Barking and Dagenham of 1,557 units. **Table 7.13** shows this total and provides a breakdown of net need by type and size of housing. This assumes that all intermediate sector resales are suitable supply to meet the needs of households assessed as being able to afford 80-99% of lower quartile market rent levels, that Affordable Rent relets are suitable to meet the needs of those assessed as being able to afford rents at levels between 50% and 66% of lower quartile market rents; and that social rented housing is suitable for all those able to afford a rent between the current social rent level and 49% of the private sector lower quartile. There is no supply assigned to those who cannot afford social rented sector rents. In some cases, they might require financial assistance, or be obliged to spend more than the 35% of gross incomes which we have assumed to be a reasonable maximum. The split of need between categories of supply, and the breakdown of need by bedroom requirement should both be treated with some caution. The supply of supported housing lettings includes a large proportion of one bedroomed units. These will largely be let to those in affordable need but may not necessarily be, and if this were the case, this would lead to an underestimate of the overall demand for one bedroomed units.

Table 7.13 Future annual need for affordable homes

		Annual need	Annual supply	Surplus (+) or shortfall (-)
Cannot afford a social rent	1 Bed	37	0	37
	2 Beds	64	0	64
	3 Beds	21	0	21
	4+ Beds	5	0	5
	Total	127	0	127
Can afford a social rent but not a 50% market rent	1 Bed	0	126	-126
	2 Beds	93	139	-46
	3 Beds	130	57	73
	4+ Beds	309	2	307
	Total	474	325	149
Can afford 50%-65% of market rent	1 Bed	120	57	63
	2 Beds	378	59	319
	3 Beds	59	35	25
	4+ Beds	67	7	60
	Total	625	158	466
Can afford 66%-79% of market rent	1 Bed	36	0	36
	2 Beds	178	0	178
	3 Beds	11	0	11
	4+ Beds	138	0	138
	Total	363	0	363
Can afford 80%-99% of market rent	1 Bed	116	4	112
	2 Beds	15	19	-4
	3 Beds	282	4	278
	4+ Beds	66	0	66
	Total	479	27	452
All who cannot afford market rent	1 Bed	309	187	121
	2 Beds	729	217	512
	3 Beds	503	96	407
	4+ Beds	586	10	576
	Total	2067	510	1557

Required type, and size of affordable housing

7.47 Around 18% of the net future annual affordable housing need is for housing at social rented sector rent levels, with about 30% of demand for housing at 50-65% of lower quartile threshold levels and 52% for 66-99% of lower quartile market rent levels. The high proportion of demand for housing at rents in the range 66-99% of lower quartile market rents is partly determined by household incomes, but also by the very low level of supply in this sector of affordable provision. Supply is dominated by housing at social rent levels and affordable rents, which helps to reduce the additional demand for these types of housing. Despite this, there is a demand for all types and sizes of affordable housing. These proportions provide guidance for decisions on the target mix of new affordable housing supply going forward. They should not be applied rigidly however, as some households have incomes close to the cost thresholds for each type of affordable provision, and others may wish to spend more or less of their income on housing costs than we have assumed.

7.48 We also examined the proportion of households in need who would be able to afford some specimen shared ownership scheme costs, under the assumption that they would be able to devote a higher proportion of household incomes (40% instead of the assumption of 35% used in this chapter for other types of affordable need. Table 7.14 shows these costs and Table 7.15 shows the proportion of households in need estimated to be able to afford these costs.

Table 7.14 Shared ownership costs

	Rent	Service charge	Mortgage	Total outgoings	Minimum share	Deposit required (£)	Income required (£ pcm)	Annual income required
1BR scheme (E13)	455	110	332	897	25%	3,313	2,243	26,910
2BR (Scheme IG11)	473	133	394	1000	30%	8,850	2,500	30,000
3BR (IG1)	611	81	639	1331	35%	14,350	3,328	39,930
4 BR (IG1)	752	26	787	1565	35%	17,675	£3,913	£46,950

Source: Barking and Dagenham Council

Table 7.15 Ability to afford specimen Shared Ownership (SO) costs

		1 bed	2 bed	3 bed	4+ bed	Total
	Cost pcm	897	1000	1331	1565	
	Threshold (£)	10764	12000	15972	18780	
No,	Total need	606	998	992	566	3163
	Can afford SO costs	158	269	170	39	636
	Cannot afford SO costs	449	729	822	527	2526
%	Can afford SO costs	26%	27%	17%	7%	20%
	Cannot afford SO costs	74%	73%	83%	93%	80%

7.49 In terms of the requirement for units of different sizes, the largest annual shortfalls are for two-bedroomed and 4+ bedroomed dwellings, with the smallest net demand being for one-bedroomed units. This latter figure may be influenced by the supply of one-bedroomed supported housing units and should be treated with caution. These proportions vary by type of affordable provision. The data does not allow for a further breakdown of the 4+ bedroom demand, but we estimate that about 90% of that demand will be for 4 bedroomed units, with the remaining 10% for larger units. The majority of the 5+ bedroom demand will be for lettings at social rent levels.

Assumptions

7.50 The outputs of the model are sensitive to a number of assumptions over inputs and parameters. For these factors, it is not a case of a right or wrong approach but rather of a

choice following the weighing up of the pros and cons of alternatives. These include the following factors:

- Percentage of gross household income devoted to housing costs: the proportions used is 35% as set out earlier in this chapter, but a different factor or factors may be appropriate. The higher the percentage, the lower the level of affordable need, although the reduction is not pro rata.
- Whether or not an adjustment should be made to annual supply, in anticipation of a change in the overall number and composition of lettings due to impending national policy changes.
- The period over which backlog need should be eliminated (currently set at twenty years)
- Whether or not to include all longer-term supported housing as well as general needs housing in the annual supply, and if so, what proportion to include (this is currently set at 100%).
- The price thresholds utilised, both the market entry price threshold, which determines the overall level of affordable need, and the thresholds for different types of affordable housing.

The role of the private rented sector in meeting affordable need

7.51 Official guidance stresses that the assessment of net affordable housing need should be derived by comparing affordable need with affordable housing supply. The private rented sector is not currently formally counted a part of the affordable housing supply for SHMA purposes. However, it may play a part in meeting affordable housing need in some circumstances, supported by the availability of benefits based on Local Housing Allowance assistance with rents.

7.52 **Table 7.16** assesses the potential impact of the private rented sector on housing need in Barking and Dagenham. In mid-2016 there were 6,579 benefit claimants in the private rented sector in the borough. This represents 43% of private rented tenants, assuming growth of 25% in the sector over the period between 2011, the latest date for which data on the number of households living in the sector is available, and 2016. This suggests the presence of a large benefit-dependent private rented sector in the borough.

7.53 To assess the possible scale of the contribution which the PRS might be making to meeting affordable need, an estimate is required of the annual inflow of new claimants. EHS regional data indicates that 9% of PRS tenants in London (averaged over the three-year period from 2010-13) were new entrants to the sector in the previous twelve months. Applied to the estimated numbers within the sector in Barking and Dagenham in 2016, this suggests that 1,387 households per annum enter the private rented sector from other tenures or as newly-forming households. Assuming that these have the same profile as tenants in the sector as a whole suggests that 592 new claimants per year enter the private rented sector. This represents 38% of net annual affordable housing need.

Table 7.16 Estimated impact of the private rented sector on housing need

	PRS HB claimants May 2015	Private renting 2011 (excluding rent free)	Private renting 2016 (assuming growth of 25%)	Claimant rate (claimants/units 2016)	Turnover (estimated % of PRS tenants entering sector in last year)	Number of new entrants	Estimated number of new HB claimants per annum
Barking and Dagenham	6,579	12,328	15,410	43%	9%	1387	592

Sources: DWP StatExplore, Census 2011, English Housing Survey 2010-13

7.54 Official guidance makes it clear that private rented housing is not affordable housing, and it is important to note that the private rented sector provides less security of tenure than the affordable sector (and indeed bears responsibility for a measure of homelessness applications, when ASTs are not renewed). Local authority staff in Barking and Dagenham working on housing need also stressed strongly that the actual rather than potential role of the sector is very limited, because lower priced private rented accommodation tends to be of poor quality. Standards of housing and of management are often lower than for affordable housing, Local Housing Allowance may not meet the full costs of rent, and many households with particular needs (for example for adaptations) may not find privately rented accommodation suitable. There are significant problems with illegal lettings, unlawfully subdivided properties, and the use of outbuildings and beds as accommodation. Furthermore even at the bottom of the market, dwellings tend to be more expensive than social rented homes. Moreover, changes to the benefit regime, barring younger people from claiming Housing Benefit (or the housing element of Universal Credit), will further reduce the capacity of the PRS to meet affordable housing needs.

7.55 The views of landlords and lettings agents on the role and future of the sector is discussed in more detail in Chapter 8. What was apparent is that while there is still a limited role the sector can play in housing people on lower incomes (including helping the authority to meet its homelessness responsibilities) the trajectory is clearly for landlords to pull out of the lower income and benefit sector, and reorient towards working and professional tenants able to meet the higher rents that the market can command

Conclusion

7.56 This chapter has presented the results of a model which assesses the requirement for affordable housing in the HMA and in its component local authorities, independently calculated using a methodology based on and consistent with official Planning Practice Guidance. The overall net annual need for affordable housing is estimated to be 1,584 units per annum. The estimate reflects the distribution of incomes and price/rents at the base year which is assumed to remain broadly unchanged in the future. The estimates could therefore be affected by changes in the relationship between incomes and prices/rents in the future. One example would be recent and planned changes to housing benefits for

lower income households. Income from housing benefit is included in the income estimates used in the model, but if benefits are reduced, this would affect the incomes of (mainly) lower income households and reduce their ability to afford housing costs. Similarly, if house prices rise or fall relative to incomes generally (for example as a result of the impact of Brexit) this would also affect affordability. It will be important to monitor the impact of such factors carefully, as they unfold.

Impact of affordable need on overall housing need

7.57 Barking and Dagenham will need to formulate a policy for affordable housing in response to this, and other sources of evidence. Planning Practice Guidance contains the following instruction:

7.58 ‘The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes⁶⁶.

7.59 **Table 7.17** shows the delivery of affordable homes in Barking and Dagenham over the last ten years. The level of provision varies substantially from year to year but has averaged just under 500 dwellings per annum. Provision has declined in the past two years but in 2014/15 was at its highest over the whole period.

7.60 Taking an estimate of average provision at 500 additional dwellings per annum shows that achieved provision in the past falls well below the estimated future annual level of affordable need. There is considerable inconsistency between the affordable housing provision data and data on total housing completions within the local authority, with completions frequently reported as being lower than affordable provision. It seems likely that affordable provision therefore makes up a substantial proportion of all completions in the local authority. This suggests that it would be desirable to boost completions to the maximum extent in order to boost affordable supply. It also suggests that the council should seek the maximum level of affordable provision on all private sector housing schemes, so long as this is compatible with viability.

⁶⁶ *Housing and economic development needs assessments*, CLG March 2014, Paragraph 029
Reference ID: 2a-030-20140306

Table 7.17 Past supply of affordable housing

	Total	Intermediate	Affordable rent	Social rent
2007/08	840	220	420	200
2008/09	480	80	240	160
2009/10	380	120	190	70
2010/11	570	160	280	130
2011/12	380	120	20	240
2012/13	110	40	20	50
2013/14	520	20	380	120
2014/15	1200	120	700	380
2015/16	320	0	320	0
2016/17	60	10	50	0
Average 2007-17	486	89	262	135

Source: MHCLG OpenDataCommunities at <http://opendatacommunities.org>

7.61 In **Chapter 6** we considered the need for an addition to OAN to take account of market signals and concluded that an addition to OAN of 17.5% was appropriate to reflect problems of affordability in the borough. This represents a substantial addition to the borough's housing target and a further, separate, addition to reflect the need for affordable housing provision appears to duplicate this, so we consider that the market signals uplift previously applied to OAN adequately meets the requirement in PPG referred to above.

Chapter 8

The housing requirements of specific groups

Key points

Older people

- The proportion of older people in Barking and Dagenham is lower than in most areas of London. As with the rest of the country, it is increasing,
- By 2041 the number of those aged over 65 is projected to be nearly 40,000. This represents a 72% increase on 2016 figures.
- However, the rate of increase of the over 85 group in the population is slower than neighbouring authorities or London as a whole
- There is projected to be a 65% increase in the number of households containing over 65s, a rate mid-range among neighbouring boroughs.
- 50% of single older people and 73% of older couples own their own homes outright, implying there is considerable equity available to meet housing needs. However, 48% single older people and 25% of older couples are in the social or private rented sectors and will not have these assets.
- Some older people tend to under-occupy housing, implying that if they downsize this would free up more family-sized accommodation in all sectors. This is most apparent in the owner-occupied sector, though it also applies in the social and private rented sectors
- Across Barking and Dagenham the future supply of sheltered accommodation is adequate, though there are issues with condition, quality, size and diversity of stock.
- There is a need for an additional 180 units of Extra Care accommodation between 2018 and 2028. The authority will want to review the split between social rented and market provision periodically.

Households with disabled members including wheelchair users

- A gradual increase in the number of households with disabled members is forecast between now and 2035, particularly of those aged 65 plus, though the rate of increase is lower than in surrounding boroughs.
- 330 households have unmet wheelchair accessible accommodation requirements and require it across all tenures. Others will have accessible housing needs that may not require full-wheelchair accessible standards.
- There is some mismatch between the numbers needing social/affordable wheelchair accessible stock, and the allocations to that stock when it becomes available.
- There are a number of reasons for this including the need to minimise void periods and mismatches between locational preferences and the available stock.

Mental health, drug and alcohol, vulnerability, learning disabilities and complex needs

- The borough is forecast to have a sharper rate of increase in the number of younger

people with these forms of ill-health and disability than surrounding boroughs, primarily because of its younger demographic profile.

- A strategic focus is required on identifying groups at risk at the earliest possible stage, in order to assess requirements.
- While supply for some groups is adequate there is concern about a perceived reduction in the availability of supported housing, and the type and quantity of floating support available.
- While liaison and communication within the relevant council departments and with independent providers has been improving, there is still a need for this to be done more thoroughly, following the recent restructuring of council services

Care leavers, offenders, and those with no recourse to public funds

- A procurement strategy is in place which is geared to meeting current and future requirements for accommodation for care leavers; sometimes shared arrangements are used instead of one bed allocations. There is some concern about LGBT+ foster care leavers and their propensity to fail in their tenancies, probably connected with their age and lack of life skills
- According to agencies working with them, additional supported accommodation and 'life skills' training is needed for ex-offenders and prolific re-offenders (many of whom will have complex needs)
- The authority is dealing successfully with its statutory responsibility towards those with No Recourse to Public Funds, though there is concern about the suitability of properties where there are adults and children with disabilities

LGBT+ housing needs

- While there is no dedicated LGBT+ service hub in the borough, there are strong cross-referral and cross-agency networks in place
- A recent Community Needs Assessment contained a series of recommendations, particularly focused on Community Solutions role, which should be considered as part of future housing strategy
- Agencies reported on a lack of provision for gay and bisexual men and transgender people facing domestic abuse; a disproportionate proportion of LGBT+ people facing court possession proceedings (including those formerly in foster care); and anecdotal evidence that there is a large group of LGBT+ asylum seekers in the borough, disconnected from support networks.

Students

- There are over 14,500 students resident in the borough during term time, including older school students.
- At the moment there is no purpose-built student accommodation in the borough; Coventry University are in discussion with Be First on a scheme to house 300 students by 2021, some 10% of their planned intake. .
- At least 28% live in private rented accommodation; 55% live with their parents though this number includes older school pupils and college students.

- There are likely to be around 6,000 students requiring independent accommodation studying at Barking and Dagenham-based Higher Education establishments, suggesting there may be scope for more purpose built developments
- The relatively low private sector rents and easy accessibility to central London may mean it becomes more of a hub destination for students from elsewhere, competing both with local students and other users of the private rented sector.

Families

- While in the longer term family formation is likely to reduce, nonetheless the overall number of working age households is due to increase by 46% between 2016 and 2041.
- The borough has a greater proportion of lone parent families with dependent children than its neighbours, London or England (28%). At least 31% of lone parent families are in the private rented sector; 51% are in the social rented sector and only 18% own their homes.
- As well as the 31% of lone parent families, 29% of 'other' families (e.g. families with multiple adults) are in the PRS. This must be of concern if the PRS market continues to move away from catering for lower income households.
- Other households with children are concentrated in the owner-occupied sector, especially the households with only non-dependent adult offspring remaining in the parental home (62% are owner-occupiers).
- 40% of families comprise couples with dependent children; 20% of family households have only non-dependent children (i.e. grown up offspring) living at home.
- 63% of owner-occupier families under-occupy by at least one bedroom. In the social rented sector, 33% have surplus bedrooms and 14% are overcrowded implying at least a theoretical possibility of rationalisation.

Private rented sector (PRS)

- The PRS has expanded in Barking and Dagenham by a factor of three between the last two Censuses and is now likely to be providing homes for 24% of households, approaching the Council sector in size.
- Residents are primarily young, and a very high proportion—56%—have dependent children (higher than most neighbouring authorities and the London average).
- 53% PRS residents are from ethnic backgrounds other than White British.
- Residents tend to be mainly employed, but have a lower economic activity rate than neighbours or London. PRS residents are twice as likely to be unemployed than the London average. They tend to be in the lower strata of occupation type and industry (and therefore likely to be on low wages).
- The number of PRS tenancies let to those claiming Housing Benefit is reducing; if it is becoming less of an option for those on lower incomes, this must be of concern to the authority, particularly given the high proportion of households with dependent children that rely upon it. Nonetheless the Council considers the PRS HB market still has a role
- Interviews with landlords and lettings agents show that the environment for their continuing to rent to lower income, benefit-claiming tenants is worsening and that they are more likely to focus on higher-income professionals.

- They noted an increase in sharing, and that less scrupulous landlords were ‘sticking up partitions and making two beds into threes ... and ramming families in’.
- Loss of a PRS tenancy is the single largest cause of statutory homelessness, accounting for 54% of acceptances in 2017-19.
- If the PRS is to continue to play a role in addressing homelessness and housing need, the authority will need to maintain strong relationships with the landlords it currently works with, and be prepared to reinforce incentives schemes and services.
- At the other end of the private rented spectrum, sub-market renting and full market rented developments, using the Build to Rent initiative, has been very actively promoted in the borough through Be First and Reside
- It is difficult to forecast how permanent Build to Rent is likely to be. The increasing land values the borough is experiencing may re-incentivise owner-occupation; whereas uncertainties around Brexit and the wide economy may signal PRS investment as a safe berth.

Armed forces personnel

- The borough has followed DCLG guidance on allocation criteria for armed forces personnel, and integrated their needs into housing register systems. There is low demand demonstrated, and there do not seem to be uncatered for requirements in terms of households or individuals accessing the Housing Register.
- However, the authority has experienced one of the fastest growing rates in rough sleeping in London. Ten percent of the rough sleepers in the borough are ex-armed forces personnel. Any new housing strategy should revisit their needs and what provision is being made in the form of night shelters, hostels and supported housing

People wishing to build their own homes

- As of December 2017 118 individuals and two organisations were on the register set up under the Self-Build and Custom Housing Building Act 2015 to monitor those interested in acquiring land for self / custom-build projects;
- The Act expects an authority to make provision in certain circumstances for suitable serviced plots to meet demand as evidenced by the register.
- Regulations in force from 2016 give authorities the option to divide the register, based on eligibility tests, including local connection and financial viability . Only those that can pass the eligibility tests would be entitled to borough support.
- At this stage we do not have this eligibility-based data; however we suggest the borough undertake this analysis and depending on its outcome consider whether it merits the creation of a two part register, incorporating this into planning and site allocation policy.

In general

- An underlying theme in much of the data collection and analysis that has underpinned work on the specific and special groups in this SHMA, is the increasing reliance on the private rented sector as the solution for meeting the housing needs of not only ‘ordinary’ local residents but also of those disadvantaged groups described in more detail in paras 8.66 to 8.116 in this SHMA. This assessment has also been driven by

discussions with both LB Barking and Dagenham staff and external agencies who are essential commissioners, providers and supporters of those in housing need.

- While it is not the role of an SHMA to define policy directions for an authority, it is an inescapable fact that in the current and likely future economic environment the authority will be increasingly reliant on private renting as a tenure to meet the housing needs of its residents, in the absence of an increased supply of affordable and social rented homes.
- The evidence shows that the borough's policies should seek to ensure that lower income and vulnerable groups are able to access decent quality private rented stock, as well as stimulating the development of both affordable social rented stock and higher-end private rented development.

Introduction

8.1 This chapter discusses the housing requirements of some specific groups: older households, households with disabled members (including wheelchair users), students, private renters, families, ex-service personnel and those wishing to build their own homes. These groups are specifically referred to in Planning Practice Guidance (para 020) or the National Planning Policy Framework (para 61). It does not cover the housing needs of travellers, as this has been the subject of a separate study by the authority.

Older households

Strategic context

8.2 The most recent Barking and Dagenham Housing Strategy ran from 2012-2017, and included an older person's housing strategy. The main features of the previous strategy relevant to older people were:

- To review sheltered and other forms of supported accommodation and to redevelop them where they were found to have become inappropriate for older people
- To focus on how best to maintain and promote independent living for older people
- Where required to provide in situ support, such as floating support and community alarms
- To provide adaptable accommodation where appropriate and required
- To provide supported housing where appropriate and required, including Extra Care schemes providing additional personalised support to help residents remain independent
- Where necessary, to provide residential and nursing care places where none of the above options remain viable; but the council estimated that there was an adequate supply of such accommodation, and its strategy was to minimise use of such accommodation⁶⁷. However, the need to meet the needs of increasing numbers with dementia was acknowledged.

⁶⁷ LBBD Housing Strategy 2012-2017

There were also associated strategies for older people with physical disabilities

8.3 Currently, a new Older People's Pathway is being developed, to cover the next ten years. It will continue to emphasise the importance of helping people to remain independent for as long as possible, with all the benefits that brings in term of social inclusion and well-being. The strategy will set out a clear older person's housing pathway, from support in their own home, through sheltered, Extra Care and residential nursing if necessary. A sheltered housing stock condition survey is underway, which will inform investment or decommissioning decisions to ensure that required sheltered units are of a high standard.

Demographic context

8.4 As discussed in more detail in Chapter 6, the main changes in age structure projected for Barking and Dagenham by ONS are a three percentage point (pp) decline in the proportion of children and a two pp decline in the proportion of young adults (15-34), offset by increases in older age groups. ONS project a four pp increase in those aged 65 and over between 2016 and 2041 from 9% to 13%. GLA projections shows the same basic trends but the extent of decline in younger groups and increase in those aged 65 or more is less marked.

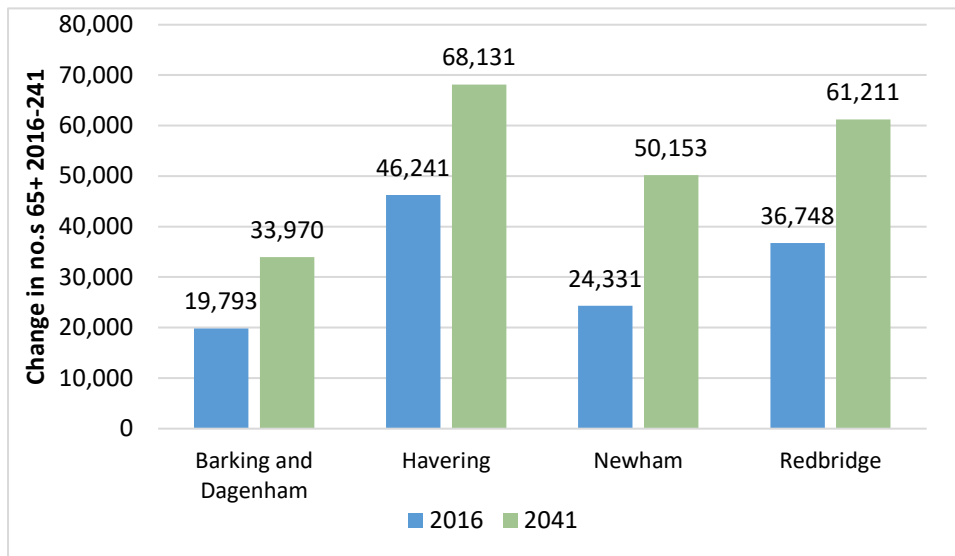
8.5 The ageing profile is common to many areas. Though the proportion of older people is lower in Barking and Dagenham than in most areas of London, nevertheless the changes projected are significant, leading to an increase in the number of people aged 75 or more of 6,500 between 2016 and 2041 under both GLA and ONS projections. For the 85+ age group who are most likely to make serious demands on care and related services, ONS project an increase of just over 1,400 people between 2016 and 2041 while GLA project an increase of 1,700. While people are living longer, they have a shorter amount of time in which they are healthy, and their needs- including housing needs – increase in the later stages of their lives.

8.6 Currently, the borough has the highest proportion of those aged 0 to 19 in the UK (32%). More than one in four (26%) residents are aged 0 to 14, compared with 18% across England. People aged 18-69 will therefore form the core of the working age population over much of the projection period, taking account of changes in participation in education and assumed later retirement. In Barking and Dagenham the number of people in this age band is projected by GLA to increase by 55,000 up to 2041, an increase of 46%, a much higher rate of growth than for the population as a whole (33%). This may have a positive impact on the older resident population, as there will be a greater availability of working age people to fill caring, health and support roles than in some other authorities.

Population of older persons

8.7 If we look at the overall numbers of those aged 65 or more, we can see that there is an increase of nearly 14,200 projected, between 2016 and 2041. This represents a 72% increase on the base 2016 figures, compared to Havering where a 47% increase is forecast. The equivalent figures for respectively Newham and Redbridge are 106% and 67%. It seems clear that among neighbours Newham is forecast to experience the fastest growing proportion of ageing population (**Figure 8.1**)

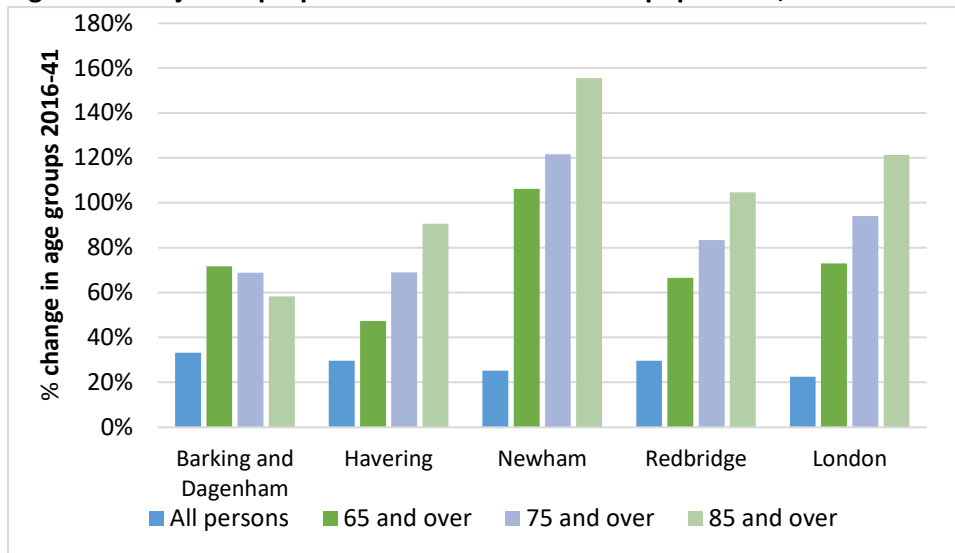
Figure 8.1 Projected numerical increase in population 65+, 2016-2041



Source: GLA population projections, 2016 base, Central Trend

8.8 Breaking down the rate at which the population is ageing into different age bands we can see (**Figure 8.2**) that generally Barking & Dagenham’s oldest population (85 plus) is increasing at a slower rate than among the neighbours. This again has implications for the ability of the local workforce to meet care and support needs in the future, with the authority (relatively) less impacted than surrounding boroughs. The ‘All persons’ block shows the overall projected increase for all age groups.

Figure 8.2 Projected proportionate increase in older population, 2016-2041



Source: GLA population projections, 2016 base, Central Trend

Households containing older persons

8.9 In terms of the increase in the number of households that will hold this population⁶⁸, the figures are as follows:

Table 8.1 Projections of households aged 65 or over

	2016	2039	Increase	% increase
Barking and Dagenham	14,568	24,101	9,532	65%
Havering	31,609	45,310	13,701	43%
Newham	16,701	34,108	17,407	104%
Redbridge	24,900	41,006	16,106	65%
London	730,744	1,254,800	524,056	72%

Source: DCLG 2014-based Live Table 414

8.10 What is apparent from **Table 8.1** is that among the neighbouring authorities Newham is projected to experience the sharpest increase in households headed by over 65s. Barking and Dagenham sees a two-thirds increase, lower than the London average

8.11 The number of households headed by over 85s is projected to increase by 44% in Barking and Dagenham, the slowest trajectory among all the neighbours, and also much slower than the London rate, which is projected to more than double. Newham again is projected to see the sharpest increase among neighbours.

Table 8.2 Projections of households aged 85 or over

	2016	2039	Increase	% increase
Barking and Dagenham	2,541	3,664	1,123	44%
Havering	5,549	9,772	4,223	76%
Newham	1,912	4,473	2,561	134%
Redbridge	3,848	7,298	3,450	90%
London	106,520	217,920	111,400	105%

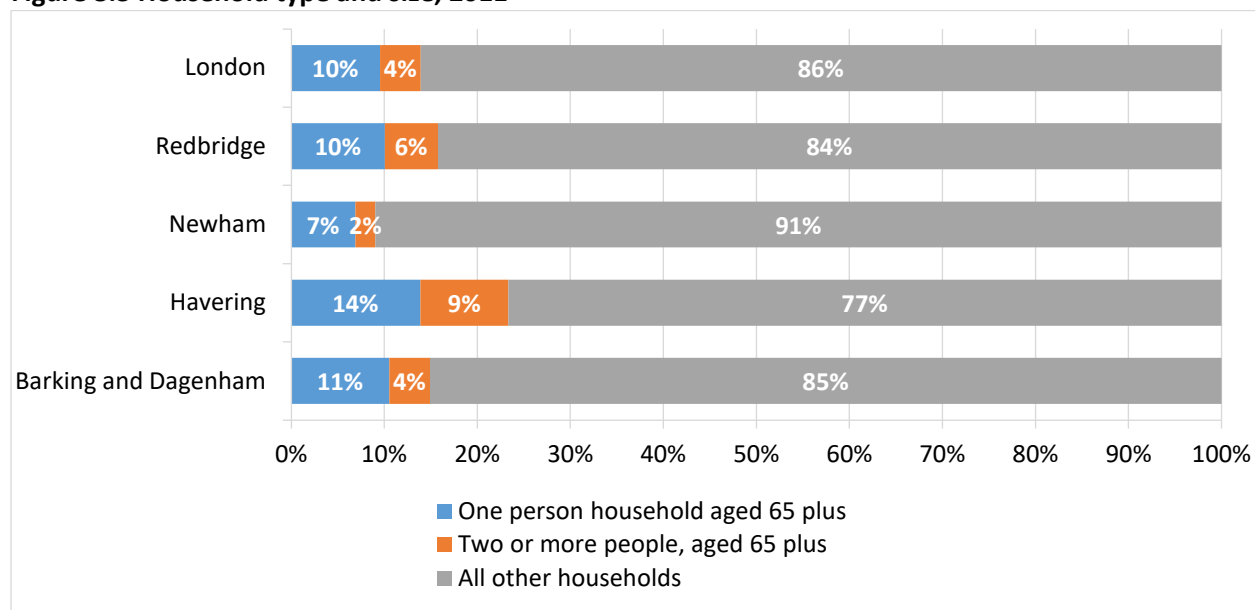
Source: DCLG 2014-based Live Table 414

Size of households with older people

8.12 The Census 2011 holds a certain amount of data on the number of household members in older person households. **Figure 8.3** shows that as of 2011, 11% of all households in Barking and Dagenham comprised single people aged 65+, and a further 4% were made up of more than one occupant aged 65 plus (the vast majority of these will be couples, though the Census does not differentiate exactly). This is similar to the London average. Among neighbours, Havering has substantially more of both single and couples over 65 households, nearly a quarter of total households, whereas Newham has less than 10%.

⁶⁸ 'Household' in this sense is one categorised where the household reference person is aged 65 or more, or 85 or more, as appropriate

Figure 8.3 Household type and size, 2011

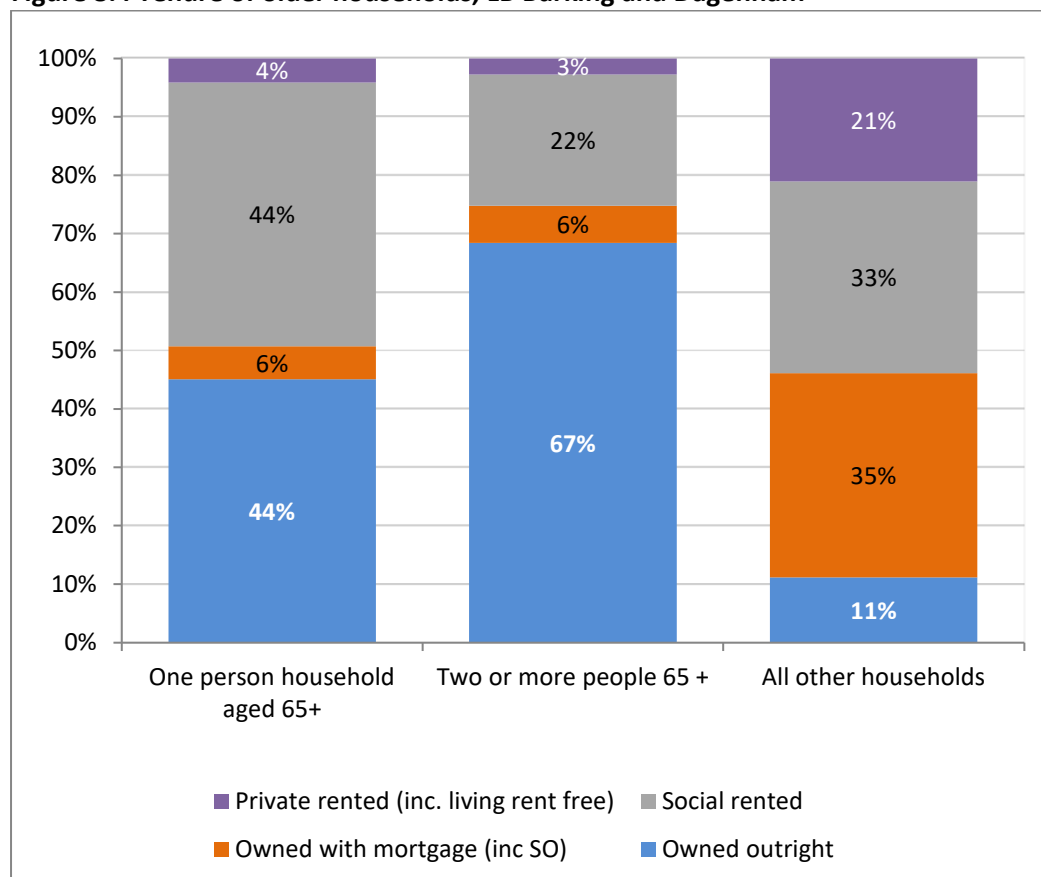


Source: Census 2011 Table DC 4101EW

Tenure of older households

8.13 We can look further at the current tenure of older households, as this will be an important indicator of likely ability to meet future housing needs. **Figure 8.4** shows that half of all single people over the age of 65 own their homes, with 44% owning them outright. For older couples, the number owning outright increases to 67%, with another 6% holding mortgages. This compares to the very different tenure profile of younger households, shown for comparison. Clearly, for some of the owner occupiers there will be substantial equity available to help meet future needs. However there are still 48% single older households and 25% couple older households in the social or private rented sectors, less likely to be able to command additional resources, and therefore there will still be considerable call for appropriate housing for lower income groups.

Figure 8.4 Tenure of older households, LB Barking and Dagenham



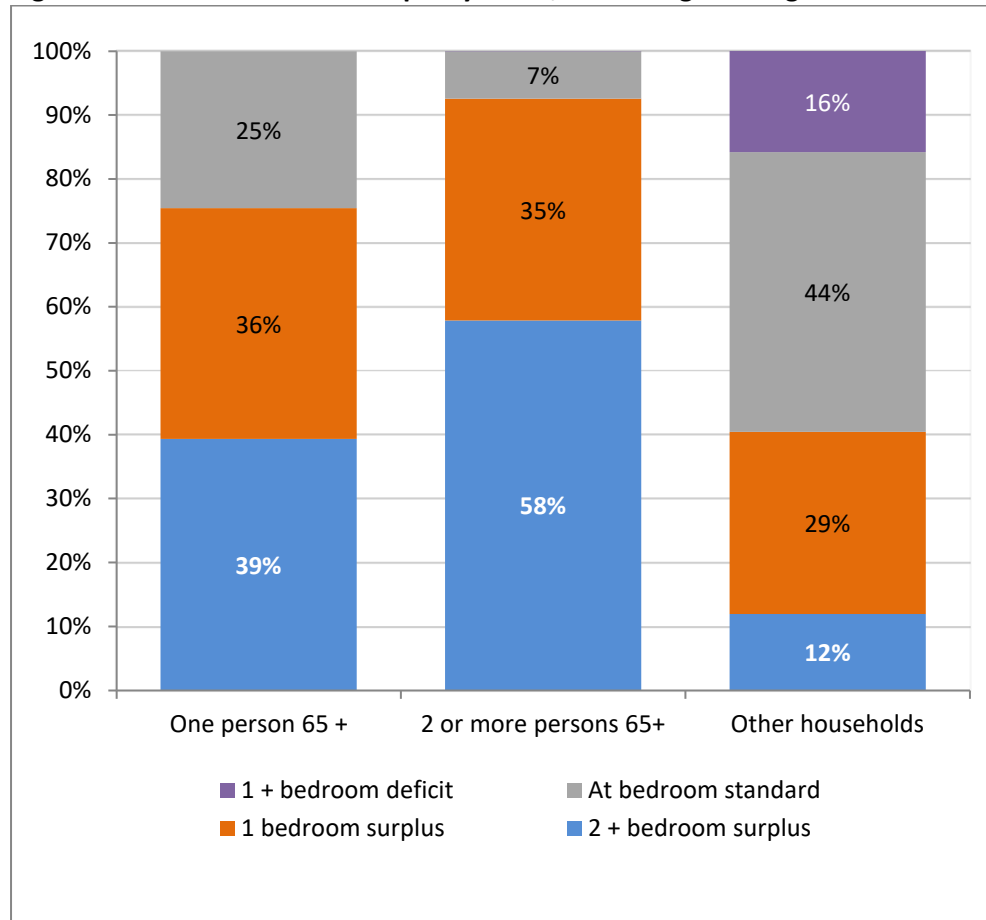
Source: Census 2011 Table DC 4105EWLa

Overcrowding and under-occupation

8.14 Another aspect of older people's ability to resolve their housing requirements is the degree of overcrowding or under-occupation that exists. Across all tenures (**Figure 8.5**), older households are proportionately much more likely than younger households to have at least one extra bedroom beyond their basic requirements, with 75% of single older households under-occupying, and 93% of two or more person households with surplus bedrooms, including 58% with two or more extra bedrooms. In comparison, the largest group of younger households occupy their homes at an appropriate bedroom standard, but there remain over 20% who are overcrowded by one or more bedrooms.

8.15 While there are many reasons why households may want or need spare bedrooms, nonetheless, these figures have to be considered in the context of owner-occupiers being able to meet their needs by downsizing; and for social renters, to understand if there is scope for making better use of stock.

Figure 8.5 Older household occupancy levels, LB Barking and Dagenham



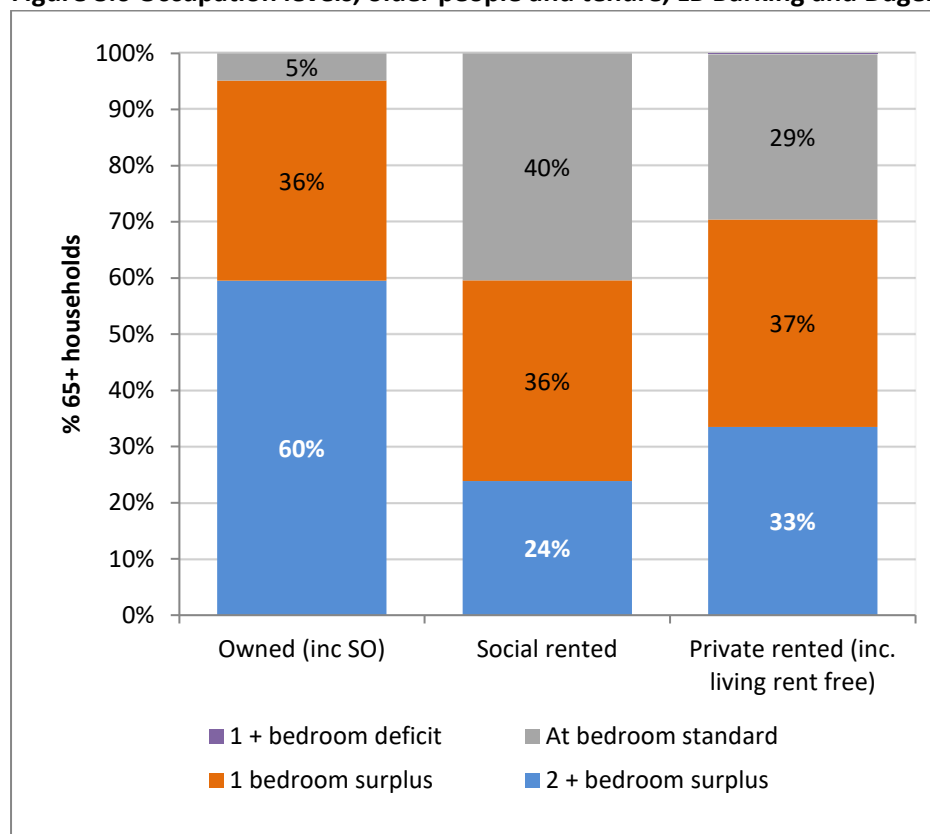
Source: Census 2011 Table LC4105EW/a

8.16 Figure 8.6 indicates that over 65s living in the owner-occupied sector have considerable scope for downsizing, as 96% under-occupy their homes, including 60% with two extra bedrooms or more. There is a minimal indication of overcrowding. The scope is reduced in the social rented and private rented sectors, but nonetheless, in the social rented sector, where the local authority will have some degree of control and influence, 60% of older households do under-occupy, 24% by two beds or more. Older people also under-occupy to a significant extent in the private rented sector. There is minimal evidence of overcrowding of over 65s in any of the rented sectors.

8.17 The issue was raised by members of the Access and Planning Review Forum (APRF) at the focus group held with them:

I ring elderly residents [of council properties] to check up on them and they regularly tell me that their homes are too big for them now. There needs to be more effective communication between housing and service users Member, APRF

Figure 8.6 Occupation levels, older people and tenure, LB Barking and Dagenham



Source: Census 2011 Table LC4105EW1a

Profile of older persons

8.18 Older persons are not homogenous, and will require a range of solutions to enable people to retain as much independence in as late in life as possible. The broad-brush conclusions we draw together above around household size, household tenure (and the options for meeting future needs that it may create), overcrowding and under-occupation (and therefore downsizing) have to be nuanced by the nature of the communities in which older people live. For example there will be older people with close ties to a local area, where their children and relatives live, who will be unlikely to downsize unless there are suitable smaller properties within the local area, accessible to their families.

8.19 The other relevant factor here is the changing ethnic make-up of the older population in the borough. While the proportion of White British residents aged 65 or over is projected to reduce by nearly half, from 81% to 44% by 2040, the proportion of Black residents is projected to more than triple, with an increase in Asian residents at a similarly high level. As well as proportionately, the actual numbers of White elders is projected to reduce. The projected proportions are shown in **Table 8.2a** and the rate of increase indexed against a 2017 baseline is shown in **Figure 8.6a**. This changing pattern will bring forth different challenges, in terms of appropriate and culturally sensitive solutions, family structures, and how people access support.

8.20 We deal with health issues and the older population more generally below, but here it is worth noting that the demographic change will particularly effect the physical health

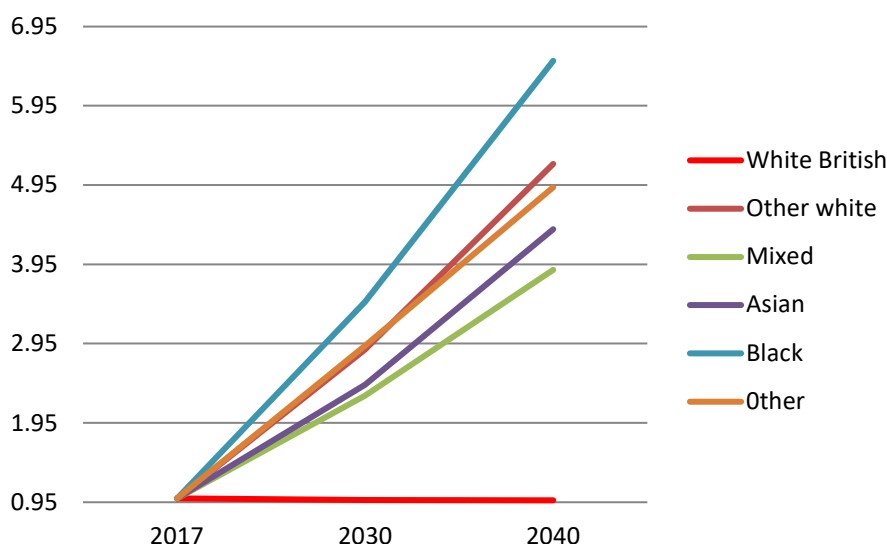
needs of the population, with a knock on impact on housing requirements. An increase in vascular dementia, diabetes, and amputation from a larger Asian and African-Caribbean population, and an aging group of people who were unwell in their 30's and 40's will drive a greater need for adapted, wheelchair accessible and ground floor accommodation.

Table 8.2a Proportion of residents aged 65+, LB Barking and Dagenham

	2017	2030	2040
White British	81%	59%	44%
Other white	3%	7%	9%
Mixed	1%	1%	2%
Asian	8%	15%	21%
Black	6%	16%	22%
Other	1%	1%	2%

Source: GLA Intelligence Unit, based on 2016 population projections

Figure 8.6a Indexed rate of increase / decrease in residents aged 65 + by ethnicity, LB Barking and Dagenham



Source: GLA Intelligence Unit, based on 2016 population projections

Older persons and health issues

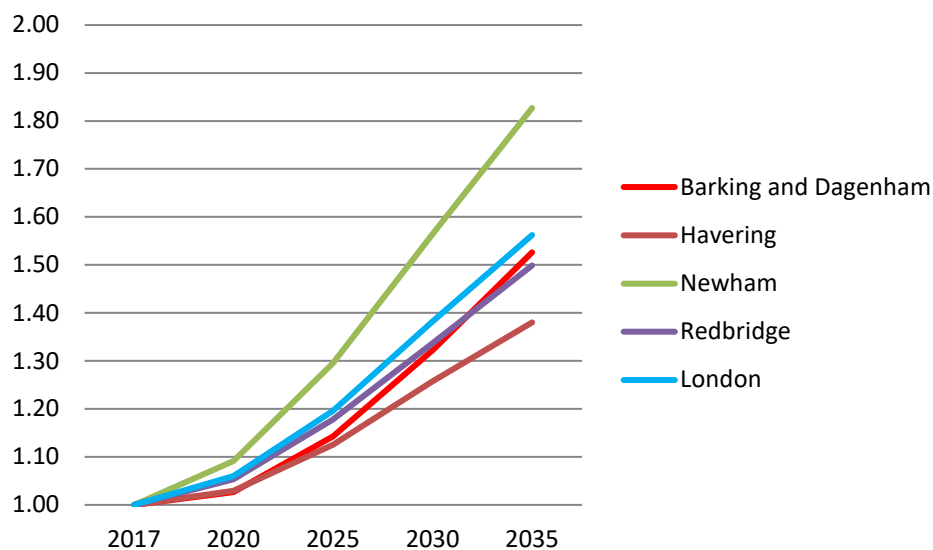
8.21 There are a range of health issues that impact on the housing needs of older people. Those related to mobility issues and requirements for physically-accessible housing are discussed in the section on Households with disabled members and wheelchair requirements in this chapter. Here we note some other health issues that may impact on housing requirements.

8.22 When we look at the prevalence of relevant conditions, there are a number for which local projections have been undertaken. These include those related to mental health and physical conditions. From the range of data available we have selected four to illustrate how Barking and Dagenham's future projections of numbers experiencing these conditions compare to neighbouring authorities and London. They are: depression, learning difficulties, dementia and heart attacks.

8.23 The relevant housing response will of course vary depending on condition. For those with dementia the authority is keen to develop dementia friendly neighbourhoods, to increase quality of life and reduce high hospital emergency admission rates. For depression, as well as medical interventions, more integrated neighbourhoods and closer community ties can help reduce loneliness. The rate of increase of older people with learning disabilities is a product of people generally living longer, but there are issues around what happens to adults with learning disabilities when their aging carers die. Preventing heart attacks is primarily a public health issue, but the housing contribution would be more suitable accommodation for those with a history of or vulnerable to the condition.

8.24 The charts below are designed to see if Barking and Dagenham’s profile between 2017 and 2035 differs markedly from that of its neighbours or of London as a whole (which could indicate particular extra demands on services in the future). The charts are indexed with 2017 as the base year, so they show percentage increases. As can be seen from **Figures 8.7a to 8.7d** in most cases the borough’s projections are in the mid-range of local neighbours and are very close to the London average, with the exception of dementia, which is below the London average and that of neighbours. Nonetheless, in themselves, they are high, with an increase of around 50% on most counts. These projections should feed into future housing, care and health strategies.

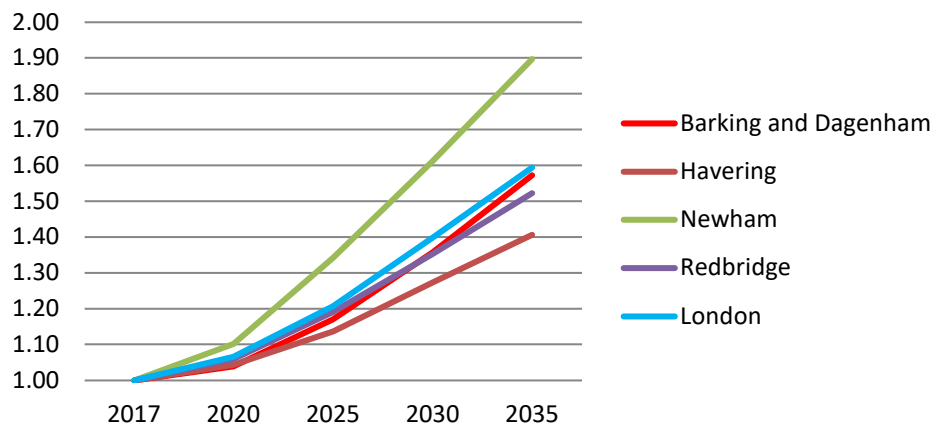
Figure 8.7a Indexed increase in older persons with depression



Source: POPPI 2018 ⁶⁹

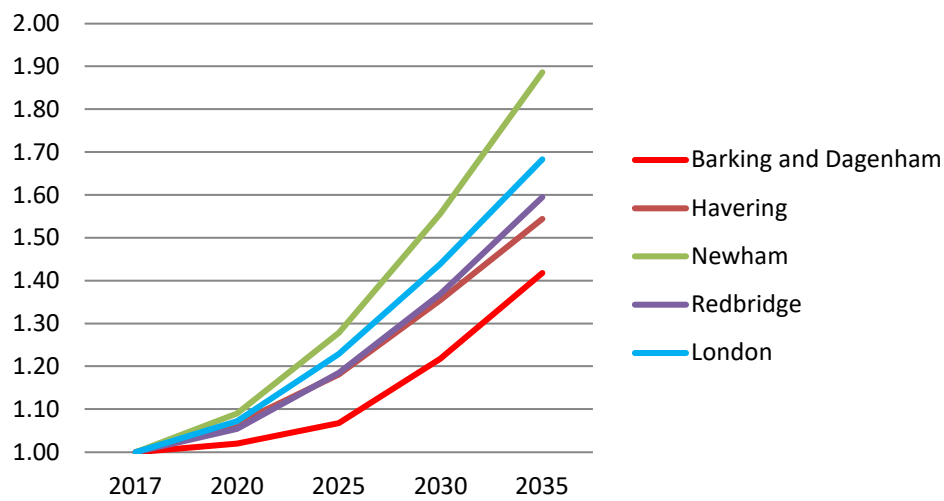
⁶⁹ We use POPPI (Projecting Older People Information System) and its sister database PANSI (Projecting Adult Needs and Service Information) extensively in this section. While there has been criticisms of the models because they rely on extrapolating national data at a local level, and on historical time series, they are widely used (including by the NHS) and represent the best datasets available.

Figure 8.7b Indexed increase in older persons with learning difficulties



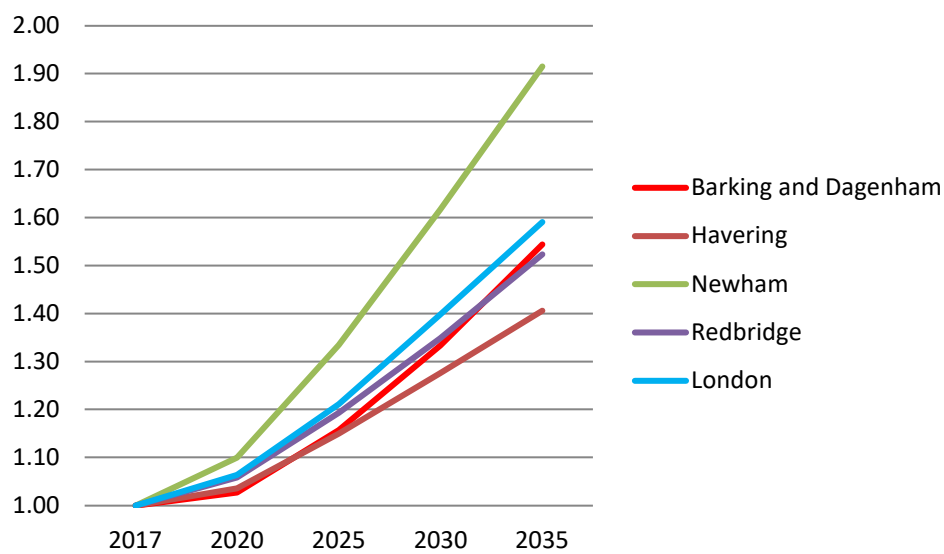
Source: POPPI 2018

Figure 8.7c Indexed increase in older persons with dementia



Source: POPPI 2018

Figure 8.7d Indexed increase in older persons experiencing heart attacks



Source: POPPI 2018

Supply of older persons' housing

8.25 Estimating supply is not a very precise science, particularly because of the move away from standard 'sheltered' schemes to more flexible and integrated housing and support options, as well as the development of Extra Care schemes that blur the boundaries between housing and care-based accommodation. There is no official data that summarises either social or private sector supply. The best source of data is the Elderly Accommodation Counsel⁷⁰ (EAC) statistical base. This has been used in GLA commissioned studies⁷¹ to estimate of housing demand and supply for older persons at a local authority level. This modelling is based on the assumption that 15% to 20% of over 65 year olds would move if suitable accommodation existed. It also modelled the propensity of older owner occupiers to afford their own future housing solutions, through buying outright into specialist retirement accommodation, and also through equity share.

8.26 The studies also noted that, across London, there were significant amounts of existing affordable rented stock earmarked for frail elderly households that were not fit for purpose. This resulted in 50% of such stock being discounted for modelling purposes. It can be noted that the total specialist stock available across London fell by 600 units between 2015 and 2017.

8.27 Supply figures (based on 2013 data, the most up to date available) were as follows for Barking and Dagenham and neighbours:

Table 8.3 Supply of specialist older persons housing estimates, 2013

	Total	Market	Affordable
Barking and Dagenham	1300	160	1140
Havering	1929	710	1219
Newham	1353	0	1353
Redbridge	2166	922	1244

Source: Assessing potential demand for older persons housing in London, GLA / 3 Dragons / Celandine, 2014

8.28 The authority has provided an in-house estimate of the supply of sheltered accommodation, which is considered to be around 854, across 31 schemes and 23 sites. Of this, 717 places are managed by the council (not all in the best condition). As noted there is a stock condition survey underway. In addition there are 268 enhanced sheltered placements available (as of 2015-16). There are 130 provided by an external provider. As noted there is a stock condition survey underway.

Net future demand for older persons' specialist housing

8.29 As regards demand at a local level, reflecting its relatively low levels of older residents compared to other authorities, the GLA study calculates that an additional 70 units per annum are required between 2017 and 2029 in Barking and Dagenham. Breaking these down by the proportions calculated for different tenures, the GLA estimates are as follows:

⁷⁰ <http://www.eac.org.uk/>

⁷¹ *Assessing potential demand for older persons housing in London*, Three Dragons and Celandine Research, March 2014 and update (including assessment of need for care homes and dementia housing), November 2017

Table 8.4 Demand per annum for specialist older persons housing 2017-2039

	Total	Market sale	Intermediate renting / SO	Affordable / social
Barking and Dagenham	70	50	15	5
Havering	185	135	50	0
Newham	85	62	17	6
Redbridge	155	97	58	0

Source: Assessing potential demand for older persons housing in London, GLA / 3 Dragons / Celandine, 2014 (proportions) and 2017 update (base figures)

8.30 Looking ahead to 2029, the studies' conclusions across London are:

- Extra Care housing is needed across three tenures – rent, sale and shared ownership
- There is potential demand for sheltered housing for sale, shared ownership and market rent
- There is no need for additional provision of sheltered housing for affordable / social rent (though many schemes need remodelling and refurbishment)
- Total specialist demand adds up to just over 4,000 units per annum, compared to an average delivery of 471 homes over the last two years

8.31 LB Barking and Dagenham has provided an in-house estimate of the future demand for older persons housing. In terms of sheltered housing, the supply is considered to be adequate, with the main issue being the condition and quality of the stock. There is considered to be a deficit of Extra Care accommodation and, based on data from the Housing Learning and Information Network, it is estimated that the requirement is for an additional 180 units between 2018 and 2028. Three schemes each of 60 units are currently being considered. In terms of tenure, the authority is diverging from the GLA estimates, because of the relatively low level of owner-occupation among older people. Based on Census 2011 data 46% of older people in the borough were home owners (compared to 64% in London and 74% in England), and the authority has determined that there is a requirement for 30% market sales rather than the 70% suggested by the GLA study. Given the overall pattern of an owner occupier sector reducing in size noted in Chapter 4 we would concur with this cautious approach, though the authority will want to review the split periodically during the planning period to check that market conditions and signals are not changing.

8.32 Stakeholders also flagged up the need for a diverse range of sheltered and Extra Care provision, including two-bedroom plus provision, where a partner may have specific health needs requiring an separate bedroom. They also considered that provision should be made for specialist support (e.g. for mental health needs) in Extra Care provision.

Care homes and dementia provision

8.33 The number of people aged 65 or above with dementia is expected to increase from

1,470 in 2017 to 2,080 in 2030, a 41% increase⁷².

8.34 The GLA report also assesses demand for and provision of care home places and resources for those needing dementia care. Across London there was a relatively small shortfall of care home places (1,293 above the 24,298 'good' or 'outstanding' Care Quality Commission assessment). The issue was more about quality: there were an additional 9,180 care home beds that were inadequate or required improvement. If this was addressed there would be surplus of places.

8.35 Looking ahead to 2029 however, an average of an additional 867 care homes beds would be required (which could include those requiring improved standards). Both new build and remodelling have a role to play in improvements and additional supply.

8.36 As regards Barking and Dagenham there are 360 older people placed in care homes inside and outside the borough (as of 2015). Of those there were 92 places for those with dementia, all of which were classified as 'good' or 'outstanding'. However where possible the authority wants to avoid the use of residential care by having the older population integrated into the community, and by taking a preventative approach onwards their care, including a proactive healthier living approach.

8.37 The view of care home providers was that demand for their services is increasing. While they appreciate the aim of keeping people in their own homes as long as possible, this was not always considered to be the optimal solution for those with dementia, if they were only getting (for example) four visits a day of only 15 minutes each. This may make monitoring an individual's condition less accurate, and a worsening state may not be recognised, leading to greater need being present when they do eventually end up in a care home.

Households with members with disabilities and wheelchair requirements

Accessible housing

Context

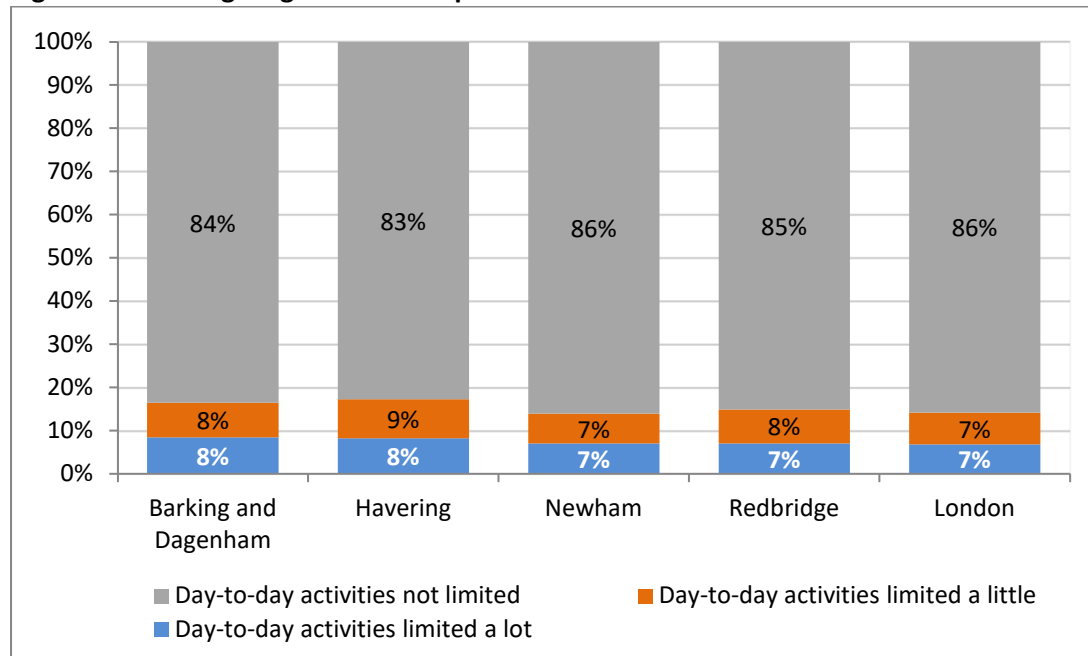
8.38 LB Barking and Dagenham subscribes to the criteria for new accessible housing development laid out in the London Plan which in summary states that 90% of new housing should meet Building Regulation requirement M4 (2) 'accessible and adaptable dwellings' and that 10% should meet Building Regulation requirement M4 (3) 'wheelchair user dwellings', i.e. is designed to be wheelchair accessible, or easily adaptable for residents who are wheelchair users. It also states that account is taken of the changing age structure of London's population and, in particular, the varied needs of older Londoners, where incidence of physical and other impairments may be greater. These criteria apply across tenure, and apply as much to private sector development as they do social sector (including shared ownership housing).

8.39 In terms of factors that impact on the need for accessible dwellings in Barking and Dagenham the Census 2011 indicates that around 16% of the population is estimated to

⁷² LB Barking and Dagenham Joint Strategic Needs Assessment (JSNA) 2017

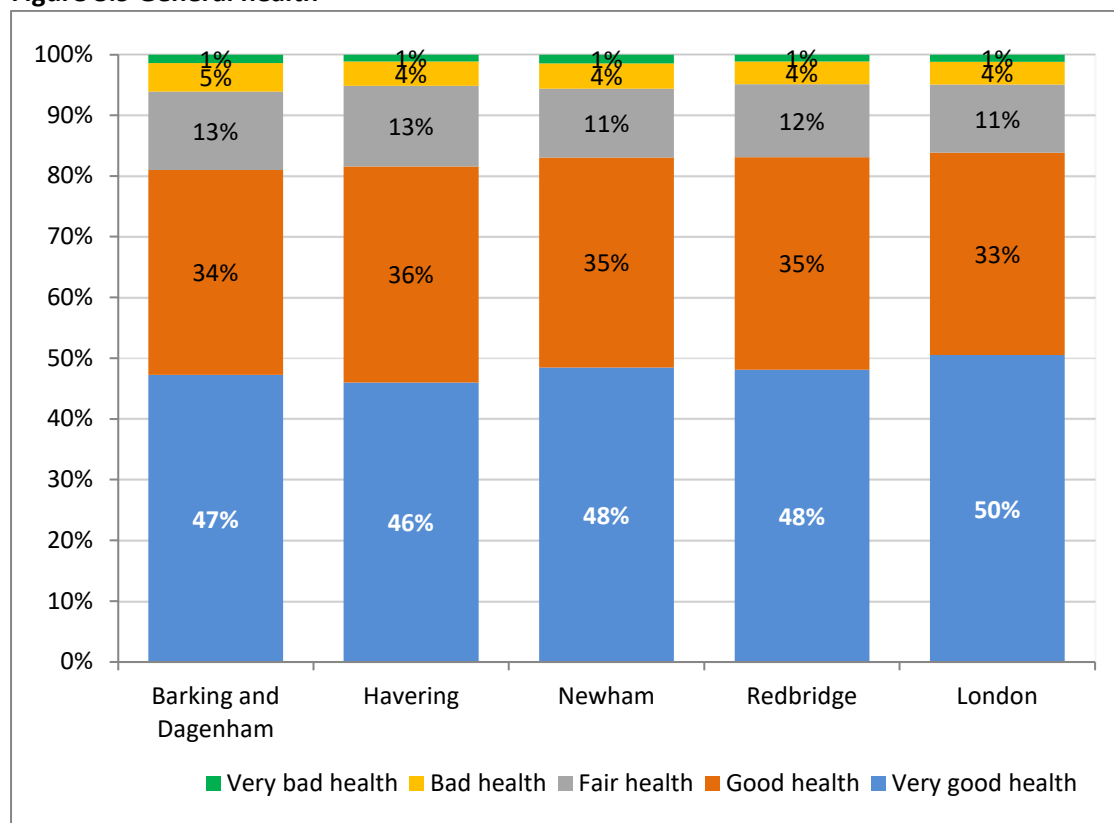
have some form of limiting long-term health problem or disability (LLHPD), **(Figure 8.8)** and 26% of households have at least one member with a LLHPD (7% have two or more). Six percent of residents' health is described as 'bad' or 'very bad' **(Figure 8.9)**. These figures are similar to neighbouring authorities, and marginally worse than London averages

Figure 8.8 Limiting long-term health problems



Source: Census 2011 Table QS303EW

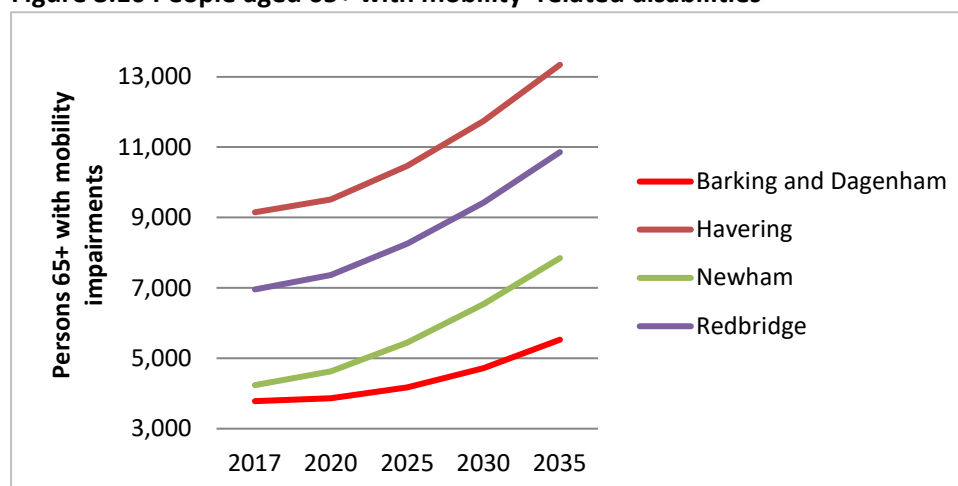
Figure 8.9 General health



Source: Census 2011 Table QS302EW

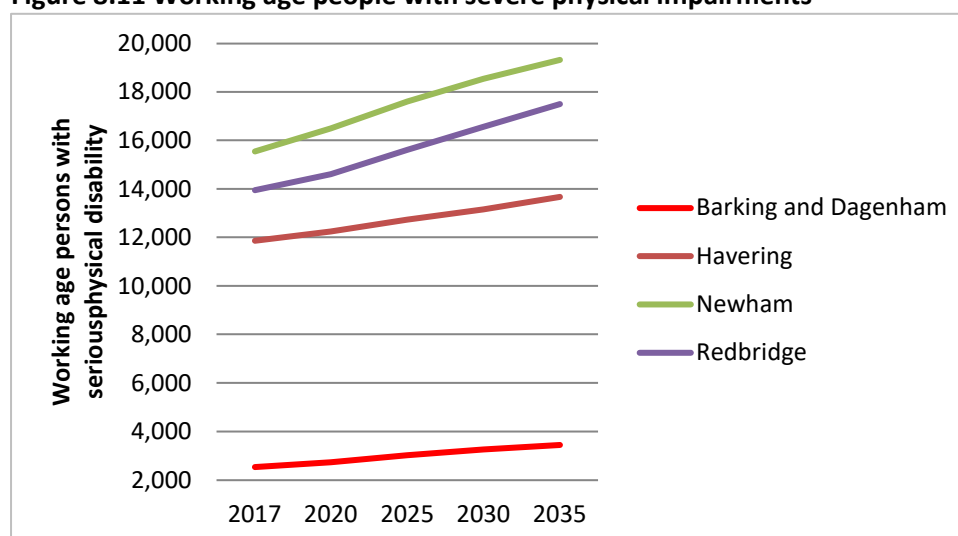
8.40 The context for understanding the housing requirements of those with disabled members and in particular those with wheelchair users is intrinsically linked to the age of the population. 75% of current wheelchair users are aged 60 or over in England, including 20% who are 85 or over.⁷³ As noted above and in Chapter 6, as with the rest of the country, numbers and proportions of older people are forecast to rise over the coming years. As Figure 8.10 indicates, a gradual increase in the number of older people with mobility-related impairments is projected, with Barking and Dagenham projected to see a lower rate of increase than that expected in neighbouring boroughs, and with Havering forecast to see the greatest increase and numbers by 2035. As regards working age people with severe physical disabilities (Figure 8.11), Barking and Dagenham have substantially fewer in these circumstances than neighbours, and a very slow rate of increase. This probably reflects the very young population profile.

Figure 8.10 People aged 65+ with mobility-related disabilities



Source: Poppi data, 2018

Figure 8.11 Working age people with severe physical impairments



Source: Pansi data, 2018

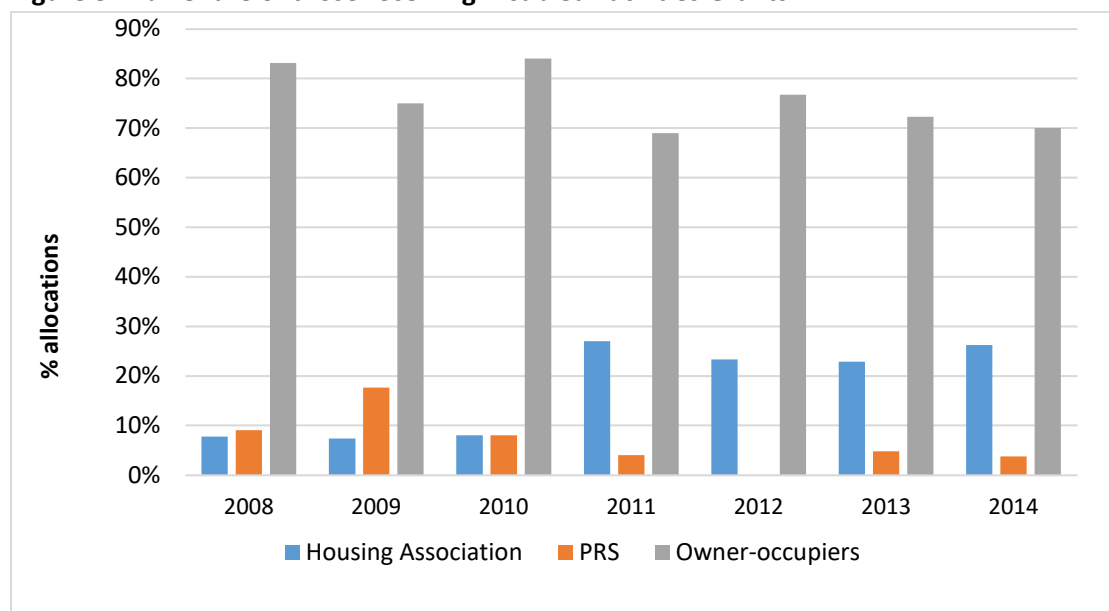
⁷³ English Housing Survey 2011 Table A6.11

Aids and Adaptations and Disabled Facilities Grants

8.41 Clearly, not all households with members with mobility-impairments will require wheelchair accessible accommodation. Aids and adaptations can be provided using Disabled Facilities Grant (where resources permit), and they are an important tool in preventing people having to take up residential care places. DFGs can be applied for and used across tenures and can be particularly significant for less well-off owner occupiers. In 2014-2015 (the most recent year where we have full data) around 70% of Barking and Dagenham's DFGs went to this group, with 26% going to housing association properties and 4% to private rented accommodation (**Figure 8.12a**).

8.42 The Commissioning Team's approach is to ensure that households get 'the wraparound package' – not just appropriate aids and adaptations, but other elements of care and support as required. A Panel assesses cases, and ensures that local authority homes that have had adaptations undertaken goes to those that most need them.

Figure 8.12a Tenure of those receiving Disabled Facilities Grants



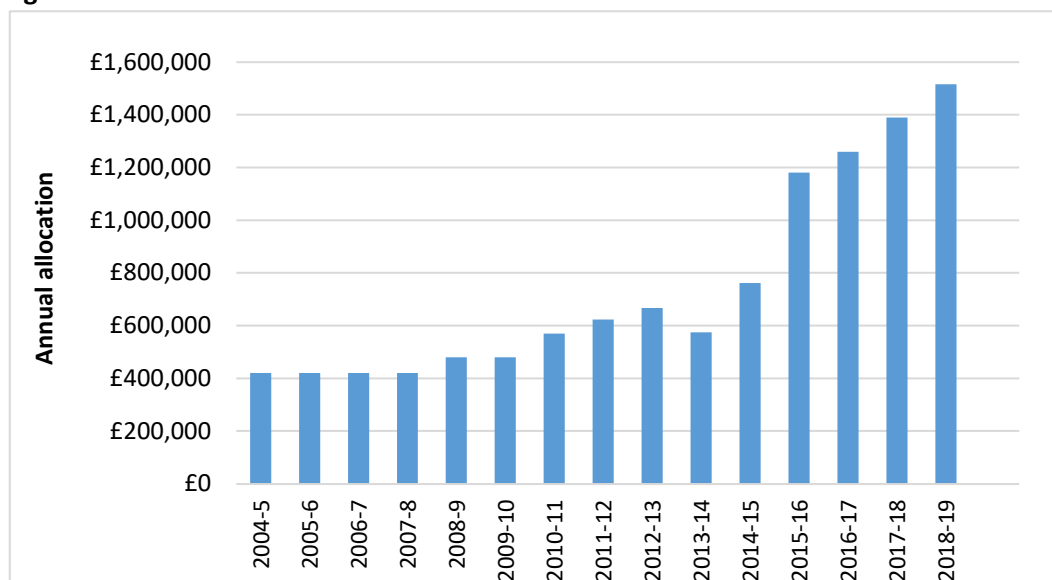
Source: PLA analysis of DCLG data; data missing for 2012-13

8.43 The annual grant allocation (which excludes a local authority contribution) rose steadily from 2008 to 2012, but then fell. It hit a peak of nearly £670,000 in 2012-13 and was around £587,000 in 2014-15 (Figure 8.12b). In 2015 the government announced significant extra resources for DFGs over the following five years and established the Better Care Fund, which also incorporated Social Care Capital Grant until 2016-17. The aim of the fund was to further the integration of social care and health services. Barking and Dagenham's allocation has risen to £1.516M by 2018-19. The Better Care Fund is due to come to an end in 2019-20. While the government has made it clear that DFG funding will continue after that, it is unclear whether there will be a further five year commitment to increased resources.

8.44 However, commentators note that increasing grant allocations from central government do not automatically translate into more DFGs. There are a number of factors

influencing this: as government grant increased, local authorities have cut back their contributions, in a climate of pressure on spending; the average costs of works has increased; and more money is used to pay revenue costs.

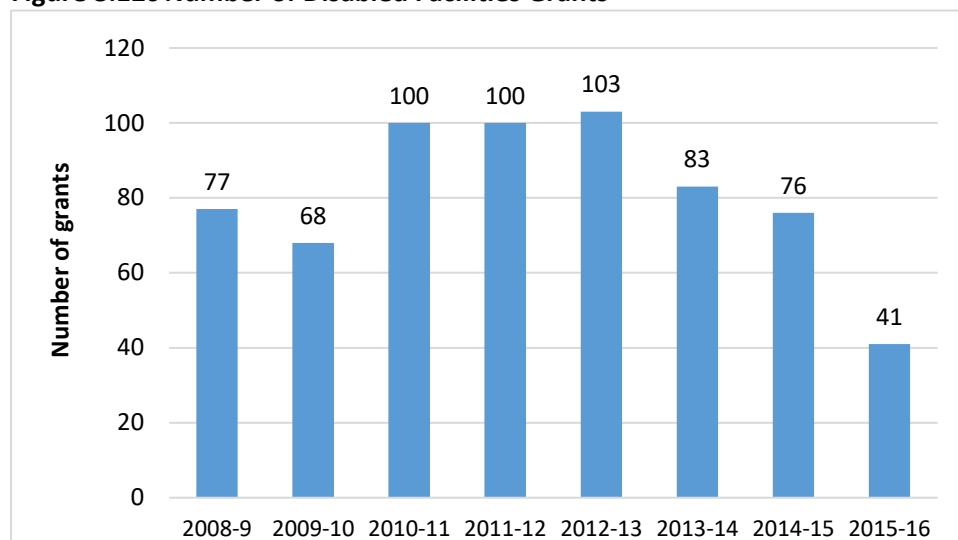
Figure 8.12b Value of Disabled Facilities Grants and Better Care Fund



Source: PLA analysis of DCLG data and CLG / DCLG Grant Determinations

8.45 This is reflected in the number of DFGs awarded, which increased until 2012-13, and has subsequently dropped off. Only 41 grants were made in 2015-16 compared to 102 in 2012-13 (**Figure 8.12c**). We do not have the data for later years, and the authority is currently looking at this.

Figure 8.12c Number of Disabled Facilities Grants



Source: PLA analysis of DCLG data and LBBD

8.46 The authority has an integrated approach to assessing and resourcing the requirements for aids and adaptations. The commissioning team works with Occupational Therapists to assess what adjustments an individual requires. Where local authority tenants are involved, the commissioners work closely with the housing team. The APFG expressed

some concern that Reside were reluctant to let to some disabled people even if DFGs were available, and it was recognised that there are difficulties across all the housing agencies in the authority in ensuring availability of suitable property to meet the needs of people with disabilities.

8.47 There are several other indicators that highlight the housing-related elements of disability.

Council Tax exemptions and disregards

8.48 Households can be exempted from or have a reduced rate of Council Tax for various degrees and aspects of disability (including having to move into residential care). In total there are 334 homes that are in these categories in Barking and Dagenham. In terms of proportions, this is 0.44% of total stock, mid-range among neighbours (ranging from 0.26% in Newham’s to 0.66% in Havering).

Table 8.5 Disability-related Council Tax exemptions, disregards and discounts

Authority	No. properties
Barking and Dagenham	333
Havering	691
Newham	308
Redbridge	631

Source: DCLG Council Tax Base 2017

Disability Living Allowance (DLA) and Personal Independence Payment (PIP)

8.49 Though DLA is being phased out and replaced with Personal Independence Payments (PIP) for some, the historic data and trends are useful in tracking changes in numbers and needs and as a contextual indicator of actual and future potential wheelchair and adaptation needs across the authorities. Higher award DLA is paid to people with a physical disability that affects their ability to walk outdoors and is paid if a person's disability is severe enough for them to have any of the following walking difficulties:

- they are unable or virtually unable to walk
- they have no feet or legs
- the effort of walking could threaten their life or be likely to lead to a serious deterioration in their health.

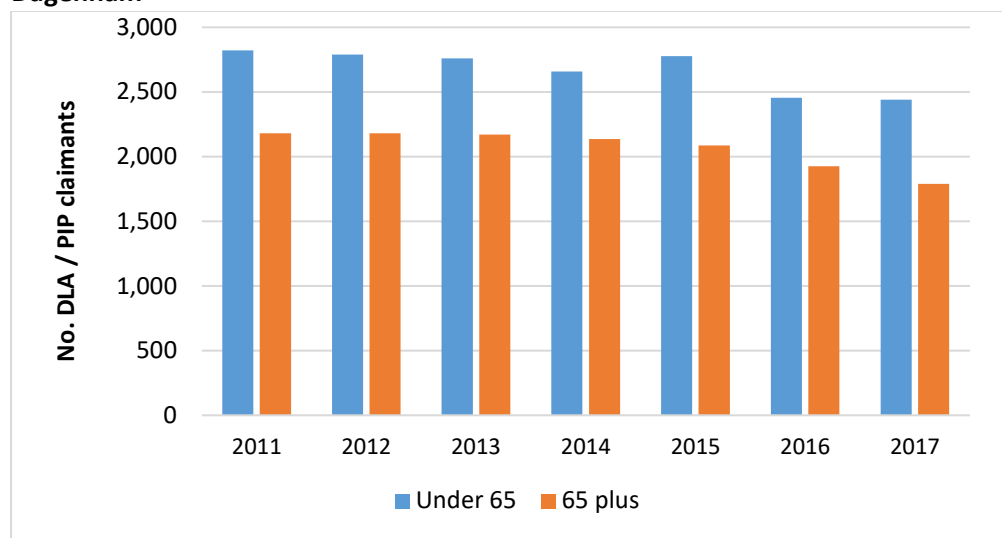
8.50 Higher mobility DLA may also be paid to those with a severe learning impairment that has a physical basis, and those with severe sight impediments, so the figures cannot automatically be assumed to relate to potential wheelchair or adaptation use. PIP paid at the Enhanced rate has similar criteria.

8.51 **Figure 8.13a** tracks the caseload for Barking and Dagenham over the last six years, for those of working age and those of pensionable age. We have limited data for PIP for

2013 onwards, and this has been incorporated. It seems clear that figures for younger age groups been fairly constant, though there are signs of a reduction. Whereas those for the older population overall figures have been decreasing gradually but steadily.

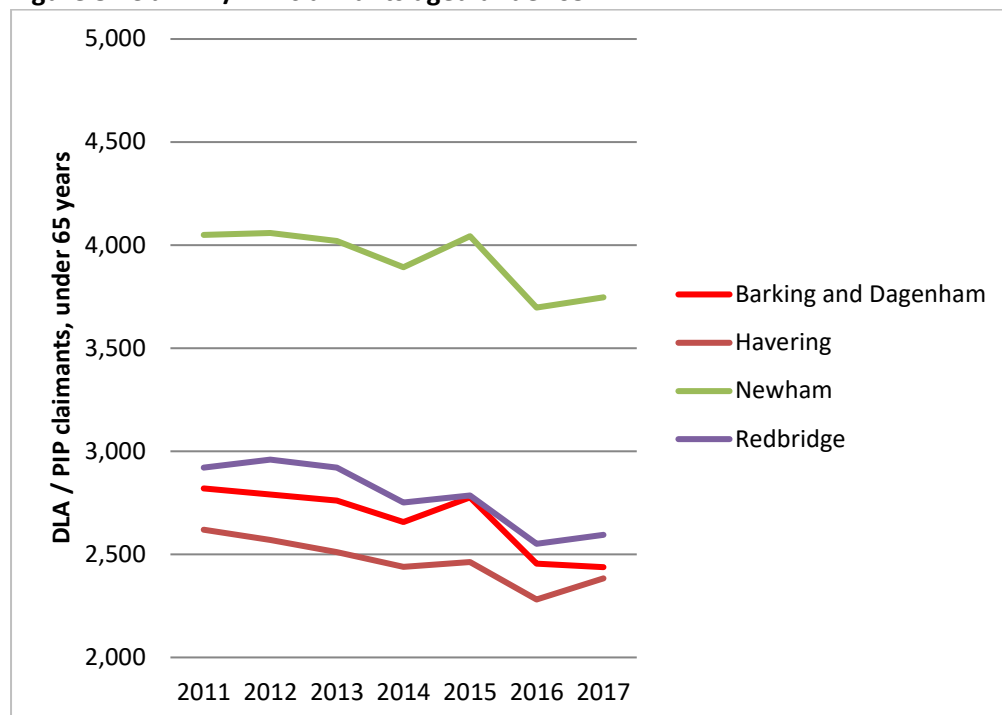
8.52 This reduction among older people is apparent across the neighbours (**Figure 8.13c**). Claims by younger people (**Figure 8.13b**) have been also reducing, though there are signs of small increases in some boroughs in more recent years.

Figure 8.13a Higher rate / enhanced mobility DLA and PIP recipients, LB Barking and Dagenham



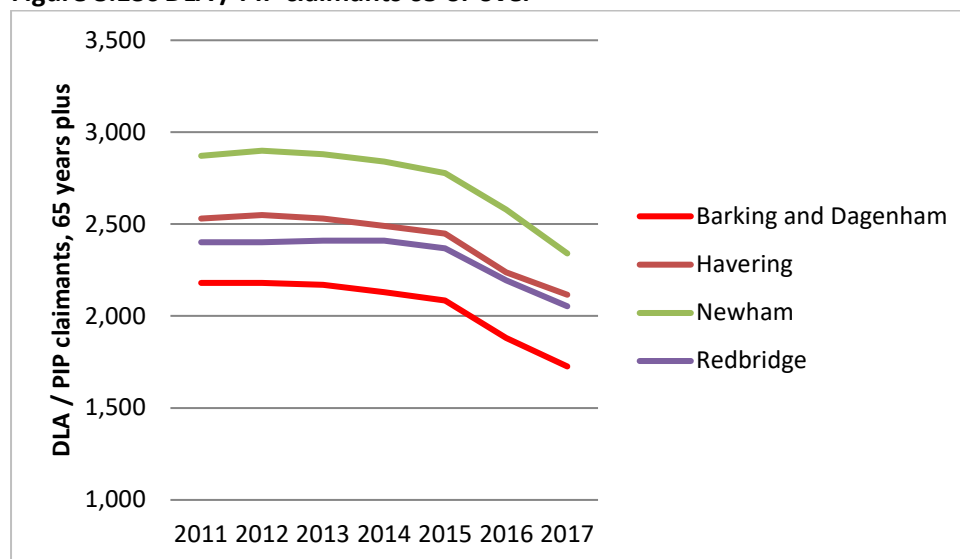
Source: DWP Stat-Explore and Nomis

Figure 8.13b DLA / PIP claimants aged under 65



Source: DWP Stat-Explore and Nomis

Figure 8.13c DLA / PIP claimants 65 or over



Source: DWP Stat-Explore and Nomis

Personal budgets

8.53 Care and support to enable younger people with physical disabilities to remain in their own homes can be funded through a personal budget, giving individuals choice and control over how their care needs are met. As of 2015-16 a total of 413 younger people with physical disabilities received personal budgets, much of which was used to purchase support from personal assistants.

Calculating unmet wheelchair-accessible housing need

8.54 The authority considers that there is not enough readily available wheelchair accessible accommodation to meet demand. This means that (for social rented properties) they have to be adapted when they are required, leading to delays. There is continuing dialogue between the housing and the Occupational Therapy teams to ameliorate this, and the flow of knowledge as to wheelchair accessible property availability is improving.

8.55 The English Housing Survey 2012 estimates that there are 726,000 households where there are wheelchair users, representing 3.3% of all households. The comparative figures for 2007 were 587,000 and 2.8%. Work by South Bank University⁷⁴ re-analysing EHS data has estimated that nationally around 13% of wheelchair-using households have unmet housing requirements; this figure rises to 18% in London (the data cannot be disaggregated to a local authority level).

8.56 Using the more conservative 13% figure, we would estimate that current unmet need for wheelchair accessible accommodation in Barking and Dagenham is 330. Calculations for the borough and surrounding authorities are set out below.

⁷⁴ Mind the Step – an estimation of housing need among wheelchair users in England, Habinteg / South Bank University 2010

Table 8.6 Current unmet wheelchair housing requirements

	A All households*	B Wheelchair needs households (3.3% of A)	C Wheelchair needs households: unmet housing needs (13% of B)
Barking and Dagenham	76,857	2536	330
Havering	96,352	3180	413
Newham	120,133	3964	515
Redbridge	108,922	3594	467

Source: Source: Cobweb Consulting modelling of South Bank University and GLA household projections, 2016-base Central Trend

Meeting accessible housing need

8.57 For those without the means to move to appropriate private sector accommodation or adapt their existing homes to meet wheelchair standards, the principal route into accessible accommodation will be through accessing social housing stock. There is a paucity of data on the amount of fully-wheelchair accessible (or accessible at a lower standard) stock available. There are at least 350 general needs and supported / sheltered housing units described as wheelchair accessible in the last version of the Regulatory and Statutory Return (2011) managed by Registered Providers in Barking and Dagenham.

8.58 Given that the latest data available is from 2011,⁷⁵ the likelihood is that this primarily housing association provision will be over 400 by now.

Table 8.7 Wheelchair accessible stock managed by Registered Providers (2011)

	General needs	Sheltered / supported
Barking and Dagenham	133	217
Havering	59	78
Newham	328	414
Redbridge	69	213

Source: Regulatory and Statistical Return, 2011

8.59 There is limited data available on the amount of local authority stock that is wheelchair accessible. The authority can list 51 units (22 houses and 29 flats in blocks) but at the moment there is not a system for formally noting all such properties, so this figure is probably an undercount

8.60 The fullest indicator of the number of disabled-accessible dwellings coming into use in the social rented sector is the CORE log, which records both the housing needs of new tenants, and the type of property that was let. This covers both general needs housing and supported housing. We have looked at general and supported housing allocation over the last three years available (2014-17) and there are some anomalies that suggest that best use of stock is not always made. We discuss this further below.

⁷⁵ This is from the last Regulatory and Statistical Return collected. This information is no longer collected centrally

8.61 Across 2014-2017, 335 wheelchair accessible dwellings (154 general needs, 181 supported) were let. We found that:

- Of the 154 lettings to wheelchair adapted general needs accommodation, 131 went to those who had did not require wheelchair accessible stock (Table 8.8a).
- In the same period, 4 applicants requiring general needs wheelchair access were let properties that were not wheelchair adapted.
- As regards supported housing lettings, of the 181 lettings into wheelchair accommodation, 78 went to those with no mobility-related requirements at all. 53 went to those requiring level access housing and another 25 went to those with other disability-related requirements (Table 8.8b).
- In the same period, 1 applicant with wheelchair access needs was let a home with aids and adaptations rather than one of a wheelchair-accessible standard.

Table 8.8a Match between those requiring wheelchair accessible accommodation and letting of wheelchair standard homes – general needs

General needs lettings, 2014-2017		Allocatee required wheelchair accessible property?		
		Yes	No	Total
Property let was of wheelchair standard?	Yes	23	131	154
	No	4		

Source: CORE logs. 2014-2017 (GN SR and AR)

Table 8.8b Match between those requiring wheelchair accessible accommodation and letting of wheelchair standard homes – supported and sheltered housing needs

Supported lettings (including sheltered), 2014-2017		Mobility standard of accommodation		
		Wheelchair accessible	Fitted with aids and adaptations	None
Requirements of tenant	Requires wheelchair access	25	1	0
	Requires level access housing	53	31	4
	Other disability related requirements	25	1	0
	No requirements	78	8	453
Total		181		

Source: CORE logs. 2014-2017 (Supported)

8.62 There can be a number of reasons for this apparent mismatch and the fact that a number of wheelchair accessible units went to those that did not need them:

- The need to minimise void periods conflicting with the sometimes long periods that households with wheelchair needs (who may be elderly or with learning difficulties as well) need to prepare for a move.
- The general inflexibility of the nominations / allocations procedures between local authorities and housing associations, with the need to fill the void quickly trumping the need to fill it appropriately.
- Issues around choice and preference – it may be that wheelchair units are not located where individuals with wheelchair housing needs have their networks of support.
- Unrealistic expectations – it may be that applicants still envisage a ‘bungalow’ type unit as what they would be offered, whereas it will be more likely that it would be a flat or maisonette, sometimes lifted and on higher floors.
- ‘Pre-emptive’ allocations – allocating a wheelchair accessible home to a household that does not immediately need it, but is likely to in the foreseeable future.
- Concerns about inaccuracies in the CORE log.

8.63 The issue of inappropriate allocations was raised by the Access and Planning Review Forum (APRF) at the focus group held with them. A long waiting list (400 was quoted) for wheelchair accessible accommodation was noted. They claimed that some accessible homes were being let purely on bedroom need criteria, not disability criteria. It was noted that though it was accepted that the authority had a lot of pre-war properties that were not conducive to good access or adaptation, ‘over-complicated systems then hinder people who need accessible homes further’. It was noted that it could take eleven months to get an Occupational Therapy assessment, and if the council and the NHS disagree on what property is appropriate, it is difficult to negotiate. More consideration at the planning and design stage of accessibility and type of building (e.g. bungalows) was needed

8.64 As regards ensuring that appropriate adaptations are done, the Commissioning Team and housing team have set up a joint panel to ensure that the right adaptations are made for the right households, to avoid scenarios where adapted homes went to those who did not need them. As noted above, knowledge flow is improving, and fewer inappropriate or delayed lettings are occurring.

Conclusion

8.65 In summary there is a ‘flow’ of around 112 social rented wheelchair units into availability per annum, of which some 60 are sheltered or have had some form of support provision attached. Against this, there is the backlog unmet need for 330 wheelchair accessible homes. Further work would be required to look more deeply into the economic circumstances of those requiring such accommodation, to determine how many or what proportion could access market products, but it is clear that more effective use of the social housing wheelchair assets that come into availability should be a priority.

Mental health, drug and alcohol, learning disabilities and complex needs

8.66 While some impairments related to households' housing needs require physical and mobility related adjustments – such as access to accommodation, appropriate positioning of facilities and layout, or improved internal access – there are others that require some form of intervention or support.

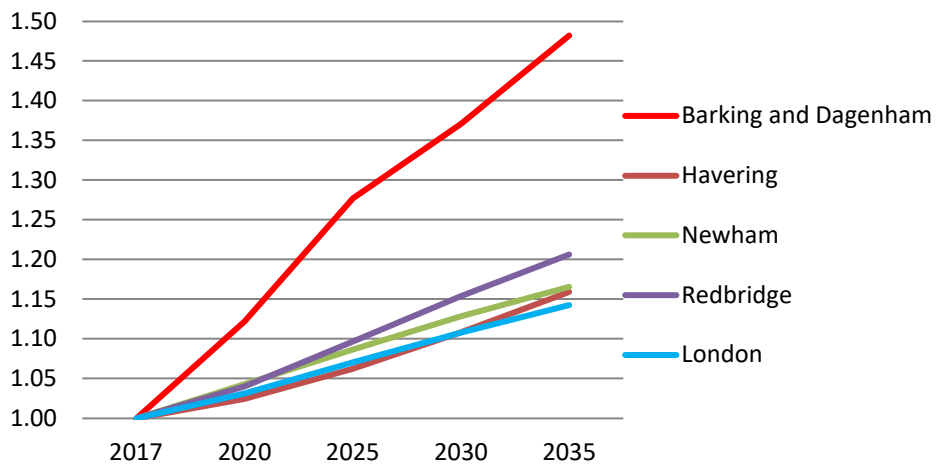
8.67 The data in the following five charts is from the PANSI⁷⁶ database, which records the characteristics of working age residents aged 16 to 64. More data on older people and non-mobility-related disabilities appears in the section on older people. The charts below are designed to see if Barking and Dagenham's profile between 2017 and 2035 differs markedly from that of its neighbours or of London as a whole (which could indicate particular extra demands on services in the future). The charts are indexed with 2017 as based year, so they show percentage increases. For example, the number of people projected to experience early onset dementia is projected to rise by a third by 2035.

8.68 For younger people, we have looked at those with learning difficulties, people with mental health problems, people with drug or alcohol-related problems, younger people affected by early onset dementia and those with autism spectrum conditions who may potentially require specific forms of supported accommodation (**Figures 8.14 a – e**). The profile contrasts strongly with that for older people: because of the relatively young demographic in Barking and Dagenham compared to neighbours (and the London average) the rate of increase for all the factors is faster and sharper than elsewhere. This is especially noticeable for the rate of increase of younger people with learning disabilities.

8.69 Service commissioners and Community Solutions considered that early, holistic and integrated assessment of those likely to be in housing need in the future (including those under 16) was important in ensuring those needing different levels of support were effectively identified and 'did not fall under the radar'. A triage-like system would enable those with medium or lower support needs to access relevant services, while ensuring that those with the highest needs were brought into the full social care system.

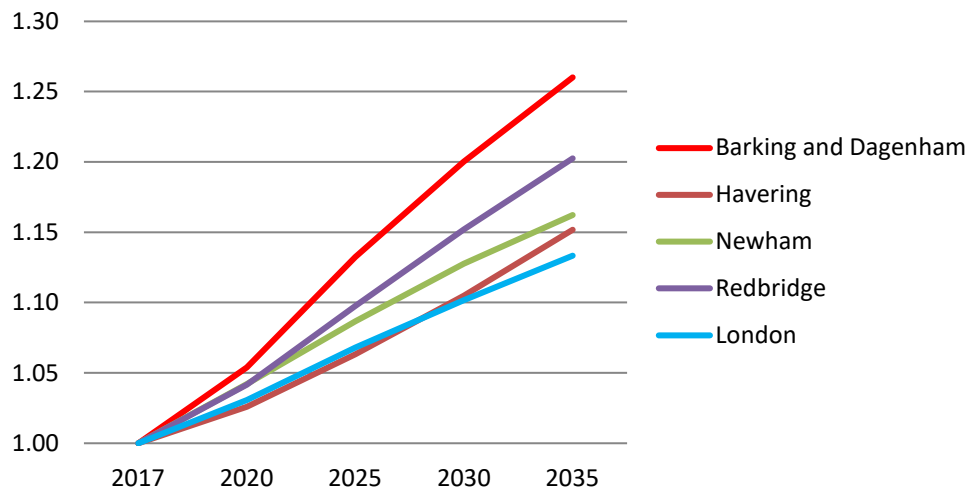
⁷⁶ Projecting Adult Needs and Service Information database.

Figure 8.14a Indexed, increase in persons with learning disabilities aged 18-64



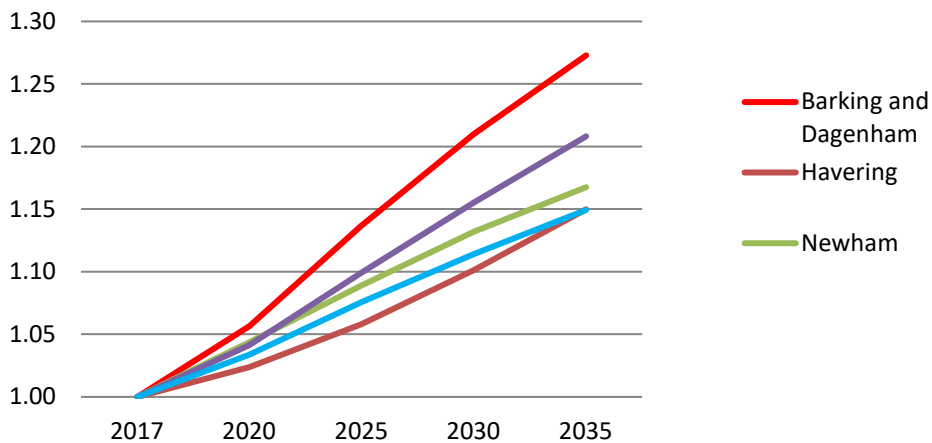
Source: Pansi data, 20178

Figure 8.14b Indexed, increase in persons with common mental health disorders aged 18-64



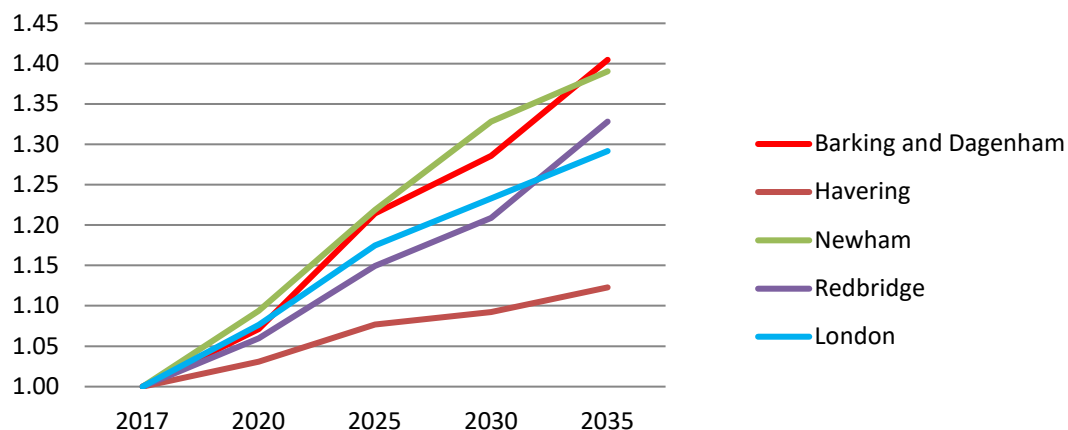
Source: Pansi data, 2018

Figure 8.14c Indexed increase in persons with alcohol or drug dependence aged 30-64



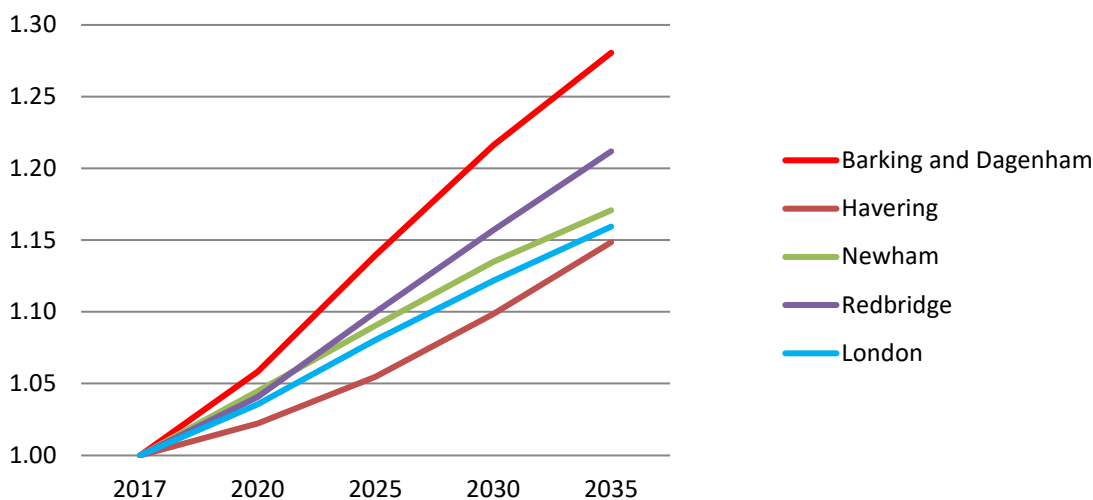
Source: Pansi data, 2018

Figure 8.14d Indexed, increase in persons with early onset dementia aged 30 to 64



Source: Pansi data, 2018

Figure 8.14e Indexed, increase in persons with autism spectrum conditions, 18-64



Source: Pansi data, 2018

Mental health

8.70 It is estimated⁷⁷ that 16% of the 17-74-year-old population in Barking and Dagenham is affected by common mental health disorders, including depression and anxiety. Longer term conditions were running at 4%, similar to London average and below the England average. Some 4% were in contact with secondary mental health services in 2014-15 (slightly below London and national averages).

8.71 Intentional self-harm incidences are running at 101 hospital admittances per 100,00 population in 2015-16, a decline on 2010-11 figures. Under 1% of patients registered with a Barking and Dagenham GP were recorded as having a severe mental illness (0.78%) but the JSNA considers this to be an underestimate as it relies on those actually registering with a GP.

8.72 The JSNA notes that stable and appropriate accommodation is essential to bettering

⁷⁷ LB Barking and Dagenham Joint Strategic Needs Assessment 2017, p45

the outcomes of adults with mental health problems. It goes on to find that around 20% of mental health service users were not in such stable and appropriate accommodation. It also notes that those in touch with secondary mental health services were less likely to be in work than the London average, losing out on the positive impacts that work can have that has been recognised for mental ill-health.

8.73 The LB Barking and Dagenham Mental Health Social Care Team have provided forecasts of the number of service users that will require accommodation over the next three years. These are projected to decrease towards the end of the period as step down services will provide support for those who have been ready for independent accommodation for a while:

- 2018 / 19: 15 1 beds
- 2019 / 20: 20 1 beds
- 2020 / 21: 10 1 beds

8.74 Some of these will be made available through the 'Street Purchase' programme described in 8.99. Currently five flats have been allocated to service users, and 14 are on the waiting list for the next five. Appropriate care packages are put in place for when a tenant moves in. Move on options are being discussed with housing associations and tenders to offer floating support are being agreed, in order to be able to expand the type of accommodation offered.

8.75 The authority is sensitive to the difficulties of managing and containing people with mental health issues in mainstream provision. More work on community development and tenancy sustainment is needed to make such rehousing feasible and successful.

8.76 The priority is also to develop systems to identify 'at risk' groups as early as possible – ideally at the age of 14 – as to whether the person will be able to maintain a tenancy in the future (this also applies to those with learning difficulties and complex needs). One mechanism for doing this is by flagging enrolments at special schools

Learning disabilities and autism

8.77 People with learning disabilities have a significantly reduced ability to understand new and complex information, and to learn new skills; they are therefore likely to be less able to cope independently, including being less able to access and retain independent housing without support. In Barking and Dagenham across all age groups the numbers with those with learning disabilities are projected to increase by 20% by 2030.

8.78 Particular note should be made of the adults aged over 50 with learning or other disabilities who are living with and supported by very elderly parents or carers. Although figures are not available, the fact that more people are living longer means that this cohort is likely to be increasing.

8.79 The JSNA notes that 91% of adults with learning disabilities are in settled accommodation. This is a higher proportion than in London as a whole (70%) and England (75%). Nonetheless it means that 9% are at risk in unsettled accommodation.

8.80 The autism spectrum covers a wide range of conditions, but it does impact on an

individual's ability to interact with those around them and deal with stressful situations. As such it can hinder searching for, acquiring and retaining settled accommodation. As noted in the JSNA 1,250 adults are currently thought to be living with autism, and as shown in **Figure 8.14e**, its prevalence is forecast to increase faster in Barking and Dagenham than in surrounding boroughs.

8.81 Because of benefit caps (the 'bedroom tax'), children with conditions such as ASD and Asperger's are expected to share bedroom accommodation, causing additional stress and inability to cope – which can lead to them moving to in-patient facilities, or presenting more needs than previously anticipated.

8.82 The authority provides a floating support service, to help tenants retain their tenancies and independence, and people with autism are one of the groups supported. One of the issues is that some have lived in specialist accommodation for a long time. The authority is seeking where possible to move them on into independent accommodation with floating support, but there are continuing problems with the supply of accommodation and flow of assessments required to succeed in this. Resolving this is especially important, as the supply of specialist supported accommodation is being wound down, according to stakeholder interviewees:

“Floating support is being stepped up because of less supported accommodation .. the accommodation is also being wound down because of the different type of support now on offer” . Quoted by member, social care commissioners focus group

8.83 There were also comments that the forms of floating support (for all groups, not just those with learning difficulties and on the autism spectrum) needed to be more varied and flexible – for example ,there should be more properties with a 'step – down' system (where support hours could be reduced to 12 or 6 hours rather than an 'all or nothing' 24 hours model.

8.84 Members of the APFG also considered that younger people with learning disabilities did not have enough options to live on their own.

Drug and alcohol dependence

8.85 Drug and alcohol dependence is relevant to housing needs in that it can undermine cognitive and behavioural attributes, leading to difficulties accessing and retaining housing; they can exacerbate other physical conditions such as diabetes and respiratory conditions; and of course the financial cost of dependencies can undermine sensible rent and mortgage payment behaviour. As noted in **Figure 8.14c** the prevalence of dependence in the borough is forecast to increase at a faster rate than neighbouring boroughs or the London average by 2030. Over 15,000 working age adults are projected to have substance dependencies, a 27% increase

8.86 The authority will want to ensure that they take these trends into account when planning to meet the future housing needs of these groups

Vulnerable people and supported housing needs

8.87 All the groups discussed above would count as vulnerable, and a number require or have required forms of supported housing. Like many other authorities, Barking and Dagenham is moving away as far as is possible from specialist forms of supported housing to a model of independent tenancies receiving floating support. Staff involved note that there was a large group 'stuck in the middle' who do not require social care, but do need support to develop the skills to live independently, and retain their tenancies. Generic floating support includes such basics as money management, support in budgeting and paying bills, opening mail, organising and paying for utilities and the like. In parallel specialist support in dealing with medical, mental health or probation / youth offender issues and the like was needed.

8.88 However, it was noted by stakeholders that across the vulnerable groups there will always be a need for some supported accommodation. The focus for these groups should also be to give them the support and education needed to help them move on from 'the system', achieve their goals and ultimately become independent. The majority of the supported housing contracts are for two years, but it is not uncommon for residence in supported housing to turn into four to six years. Many of the people who had been and are in this form of accommodation thought that they would automatically have access to social housing from the council when their supported housing programme was at an end. The absence of this option for many has left them disappointed when they have not been prioritised when competing with other groups. The private rented sector is now the prime destination post supported housing but as many have poor track records in the sector (evictions, arrears) they struggle sometimes to access and retain tenancies, and shuttle between eviction and temporary accommodation.

8.89 Stakeholders working in support services for vulnerable residents noted a rapid increase in private sector rents, and rising debt among service users. Additionally it was commented that rising house prices had encouraged many elderly home-owners to sell up and retire, causing many of their tenants to lose their homes. This is exacerbated by concerns about Universal Credit, which is discouraging those who do remain in the market to let to those vulnerable people on benefits.

8.90 Stakeholders also raised issues about the use of buildings that were formerly used as supported housing accommodation, but which have been 'broken down into multiple fragmented departments' affected by the Social Care Act. The buildings remain and are being redeveloped, but there was concern that they were not being used as temporary accommodation for homeless households. It should be noted that there is no indication that the authority is failing to meet its temporary accommodation obligations for those found to be statutorily homeless and in priority need.

Social Housing is saying that there is a surplus of temporary accommodation when in fact there are people in need that are not being allowed access to this accommodation.

Community Solutions should be bridging this gap, but have not been because they are quite new

Quoted by social services commissioner

8.91 Generally, there was a view from independent agencies that the Council needed to improve liaison and communication with voluntary sector agencies working with vulnerable people in the borough. More one-to-one links with key people were needed rather than 'going through the switchboard' all the time, and in general there was a view that the Council should be more open about letting voluntary agencies 'into the department' to improve liaison. This would enable both sides to understand the others' issues, and help them work together better

Complex needs and disabilities

8.92 A number of interviewees highlighted the existing and growing issue of applicants with complex and multiple needs, among which was a housing requirement. This was particularly linked to families and the younger population, with a high proportion of children with Special Educational Needs and Disabilities (SEND) presenting. As noted in above, early identification and assessment was essential in understanding whether these individuals would ever be able to hold an independent tenancy in the future and, if so, what was the appropriate pathway to follow to that end. This issue was raised at the APRF focus group:

I am really worried. I am a community volunteer mostly with young people. I work with a SEND group and they have been advised that there are more and more severely disabled people coming through the system. Where will they live? Member APRF

8.93 However, the knock-on effect of better and more identification of people with complex needs means that access to mental health services for those with slightly lower needs (who previously would have been picked up) is more difficult. Interviewees stressed the importance of Community Solutions in addressing the needs of this group.

8.94 The other group with complex needs that was highlighted were older BAME residents, and increasing numbers who are presenting with chronic health problems and potential homelessness. It was the view of Commissioners that, in fact, this group may be under-represented. This is possibly because they have had negative experiences of statutory agencies, or they are receiving support from out of borough where their communities are better represented (e.g. the Bengali population in Barking and Dagenham is known to use Tower Hamlets services). The view was that 'it is only a matter of time before this changes', with resulting increasing pressure on Barking and Dagenham services.

8.95 The issue about improving liaison and communication noted in the section on vulnerable people was echoed by agencies working with those with complex needs. Reference was made to a previous initiative – the 'Heart team' which was created to integrate support for those with severe medical and mental health issues. Apparently this initiative was ended during the service restructuring, with the aim of Community Solutions taking on this role. However it was felt that this had not kicked in yet:

... There [needs] to be a greater push from Community Solutions to have the agencies overcome their time constraints in order to enforce working together, to prevent clients slipping through the gaps

Care leavers

8.96 As of May 2017 there were 270 care leavers in various forms of accommodation, with various forms of outreach package⁷⁸. The number of additional Looked After Children (LAC) that will turn 16 and enter the leaving care service is forecast as follows:

- 2017 / 18: 46
- 2018 / 19: 42
- 2019 / 20: 35
- 2020 / 21: 18

8.97 These figures are subject to change as more may move into care (e.g. asylum-seeking children) and some may move out.

8.98 A procurement strategy to ensure a flow of properties and support packages is in place, covering the range of circumstances that may be experienced – from dealing with multiple and complex needs requiring a bespoke approach, to those that can maintain a tenancy independently in the private rented sector, as part of a pathway to independent living. A range of private and voluntary sector providers are part of the procurement framework. The authority uses a detailed forward planning spreadsheet to track the number and type of properties coming on-stream, the appropriate group of service users for each property, and handover details. The Leaving Care Team is also working with housing associations and private landlords to develop an additional range of move on options.

8.99 Additionally, the authority has run a ‘Street Purchase’ scheme, designed to acquire private sector properties for use by care leavers (and, separately, adults with mental health conditions). There are some 40 properties in this scheme so far, spread across the borough.

8.100 Although the Leaving Care Team prefers allocating one bed properties rather than expecting people to share, in practice because of affordability, sharing is often essential when moving on, so sometimes sharing arrangements are accepted. Good quality accommodation above shops and a limited number of tower block placements (provided the numbers are small compared to the general population) are also now made. Care leavers are placed according to age, and level of support required, which may involve taking account of disability, mental health, childcare (for young mothers) and other support needs. There is a specialist route to house young mothers with babies. The Leaving Care Team places around 25 young people into properties over a three month period.

Offenders

8.101 Many ex-offenders and prolific re-offenders have complex drug, alcohol and mental health-related problems which exacerbate their difficulties in finding and retaining stable housing. They are limited in their abilities to search for housing, and need help and advice as well as access to rent deposit schemes

⁷⁸ Cabinet report – Contract for provision of supported and unsupported accommodation with outreach support for care leavers, May 2017

8.102 Agencies working with this group also consider that there is a need for additional supported accommodation, such as forms of hostel, where individuals can learn basic money-management and individual living skills with the assistance of key workers before going into tenancies. Without such skills the tenancies are ‘doomed to fail’.

8.103 The sub-group particularly at risk are those termed ‘non statutory’. These are the people who have completed orders or licences and are no longer part of the Probation system, but still remain vulnerable and in need of support.

8.104 As with other groups, there are concerns about the impact of Universal Credit. It is of particular concern given the low level of knowledge the groups has about what ‘rent’ actually comprises, and its relationship with benefits

No recourse to public funds (NRPF)

8.105 Where households with NRPF have children aged under 18 and are destitute or have insufficient funds to meet children’s needs, they can approach the local authority for assistance. This would normally be in the form of provision of temporary accommodation if the household has no accommodation, and subsistence payments to meet basic requirements.

8.106 As of May 2018⁷⁹ the authority had placed 48 families in short term private sector accommodation. All the families are housed outside the borough because of lack of availability within it. The shortest period a family has been in temporary accommodation is one year, and the longest to date is five years.

8.107 Currently the accommodation is paid for on a ‘spot purchase basis’ though plans are in place to move to contracts. This would enable the Council to have better control of quality and price. It is hard to forecast whether demand will increase, reduce, or remain the same, as a variety of policy and legislative factors are in play, as well as cultural factors.

8.108 There are sometimes issues about providing properties that have suitable adaptations where there are adults or children with disabilities. There are examples where families have gone into assessment units for periods of time, requiring them to leave their properties. They then may have to go into inappropriate temporary accommodation while they look for another suitable home.

LGBT+ housing needs

8.109 A certain amount of information is available from a major LBGT+ community needs assessment carried out in Barking and Dagenham in 2017 which included some questions on housing⁸⁰. The assessment included a survey, to which 108 LGBT+ respondents replied. Nearly half (53 respondents) owned their own homes of whom 48 were fairly or very satisfied with them. Reasons for dissatisfaction were disrepair (1) and not being happy in the community (1). The survey authors commented that the disproportionate numbers of

⁷⁹ LBBB Briefing – Provision of Temporary Accommodation for Families with NRPF, May 2018

⁸⁰ LBBB LGBT+ Community Needs Assessment, November 2017 (draft)

owner-occupiers reflected the demographics of those responding to the survey, implying that they may not have managed to reach other tenures so successfully

8.110 Of the renters, sixteen rent privately (15%), of whom ten are satisfied, and five dissatisfied, due to high costs, poor state of repair, and or neighbour problems. There was one report of homophobia among the group of private renters. Fourteen (13%) rent from the council, of whom eight are satisfied and four dissatisfied). Six rent from a housing association; none were dissatisfied.

8.111 Only one person was found to be homeless; however, associated stakeholder interviews noted that LGBT+ people experience higher vulnerability to homelessness than the general population, and can suffer mistreatment at shelters from other residents.

8.112 Also according to interviewees safe spaces for domestic abuse victims are minimal in the borough and are currently only provide for women, and therefore with a lack of provision for gay and bisexual men and trans people.

8.113 Agencies also noted that there seemed to be a disproportionately large number of people from LGBT+ groups facing possession proceedings in court. These were linked to a range of associated problems: gambling problems, drug and alcohol problems, broken homes and foster placements. Some of the people appearing had moved from temporary tenancies into longer terms tenancies, which tended to fail because they had not been given the required skills and support – such as prioritising payments, manging bills – before they took up their tenancies. As with the offender groups noted above, these tenancies were ‘doomed to fail’. Further investigation into this would be useful – age is likely to be a factor.

8.114 It was noted that the Outside Project (a LGBT+ specialist service in homelessness) developed a presence in the borough in 2017, and have been promoting links with other services, which could form the base for a future support system. The Community Needs Assessment report’s analysis is that despite lack of dedicated LGBT+ services locally, there are embedded cross-referral practices, which enable access to specialist housing and homelessness advice. The Independent Living Agency noted that the LGBT+ communities have not felt as comfortable as others in coming forward to access support because being identified for hate crime, but cross-agency support referrals can help with this.

8.115 There is anecdotal evidence from stakeholders that there is a large group of LBGT+ asylum seekers in the borough, disconnected from support networks.

8.116 There are a series of recommendations in the Community Needs Assessment related to the role of Community Solutions, pan-London services, legal aid and links with other organisations that should be considered as part of future housing strategy development.

Students

Students studying in Barking and Dagenham

8.117 PPG (para 20) addresses student housing requirements as follows:

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 of university-provided accommodation. They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.

8.118 The presence of academic institutions, and students studying and living in an authority area will impact on the local housing market, as well as the economy. There are two main institutions in the borough offering Higher Education (HE). The longer-established is Barking and Dagenham College, which offers undergraduate and postgraduate degrees, as well as professional and technical qualifications. It has 12,000 students, the majority of whom are studying for Further Education (FE) level 2 and level 3 qualifications (i.e. below degree level). Around 300 students graduate at level 4 (undergraduate) per annum. The college has no purpose-built student accommodation, and students are referred to private renting web-sites or lettings agencies if they have accommodation needs.

8.119 The other main HE establishment based in Barking and Dagenham is CU London, a technical and vocational branch of Coventry University, which opened in September 2017. It provides education to undergraduate and master's degree level, with an emphasis towards vocational studies.

8.120 In its first year it enrolled 500 students and plans to more than double this to 1,100 in 2019. Its business plan is based on building to an intake of 3000 students a year by 2021, including a proportion of overseas students, undergraduate and postgraduate. It also plans to increase the level of domestic applicants. The University has been in discussion with the Council over its accommodation needs. As part of this Be First is working up a scheme for 300 units, to be developed by 2021, which would house around 10% of the intake.

8.121 Currently it has no purpose-built student accommodation, but has links with specialist providers Scape and Unite, with accommodation in Mile End and Stratford. Prices start from £245 per week. Otherwise students are referred to private renting web sites and lettings agencies.

Student numbers living in Barking and Dagenham

8.122 We cannot assume that those who study in Barking and Dagenham live in the borough; nor can we assume that all those students who live in in the borough study there. Good transport links into central London where universities are concentrated and relatively low rents may make the borough attractive to student commuters. **Table 8.9** below shows the number of resident students in Barking and Dagenham at the time of the Census – 14,502. It should be noted that in Census terms, 'students' are those in full time education aged 16 plus, so they will include older school and college students most of whom can be assumed to live at home. This group of older school and college students makes up 62% of

the total number of students.

8.123 As can be seen from **Table 8.9** 55% of students live with their parents, reflecting the youthful make-up of the educational environment. There are no purpose-built halls of residence in the borough⁸¹ or dedicated flat complexes yet, though as noted one is proposed. 28% live in 'all student' households, living alone, or are in the 'other household type' category', all of which we assume would be predominantly in the private rented sector (the Census does not provide detailed tenure breakdown for students).

Table 8.9 Student accommodation

Accommodation type	All students	F/t students: In employment	F/t students: Unemployed	F/t students: Economically inactive
Living with parents	8,928	1,527	1,061	6,340
Hall of residence or similar	31	5	8	18
Living in all student household	1,243	445	196	602
Student living alone	453	184	82	187
Family household with spouse, partner or children	1,414	619	150	645
Other household type	2,433	919	323	1,191
Total	14,502	3,699	1,820	8,983

Source: Census LC6108EW

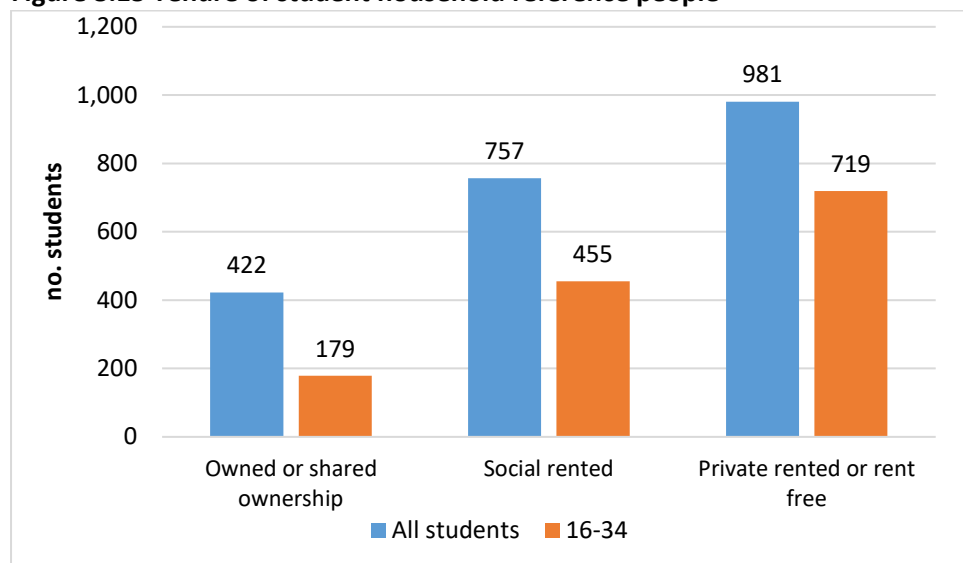
Supply of accommodation

8.124 As noted, there is no dedicated student accommodation in Barking and Dagenham at the moment. Apart from the potential CU London initiative we are not aware of any other purpose-built initiatives under development

8.125 As regards the role of the private rented sector and students, the Census does enumerate by tenure the number of 'household reference persons' – that is, responsible adult within a household, who are students. The numbers are of course substantially lower than actual student numbers, but this does give us an indication of the proportionate use of different sectors by students. **Figure 8.15** below notes the numbers of student-headed households (all students and those aged between 16 and 34) in Barking and Dagenham by tenure. It is immediately apparent that private renting is dominant, especially for younger students, though there is a substantial presence in the social rented sector as well.

⁸¹ We assume the 31 noted under this category are YMCA / YWCA and similar hostel-based accommodation

Figure 8.15 Tenure of student household reference people



Source: Census 2011 Table DC4601EW

Conclusion

8.126 Given that there are likely to be around 6,000 students requiring independent accommodation (i.e. not living with their parents and taking account of CU London’s expansion plans) studying at Barking and Dagenham-based establishments, and at the moment the limited plans for the development of purpose – built accommodation, it could be suggested that there is scope for additional development of this type.

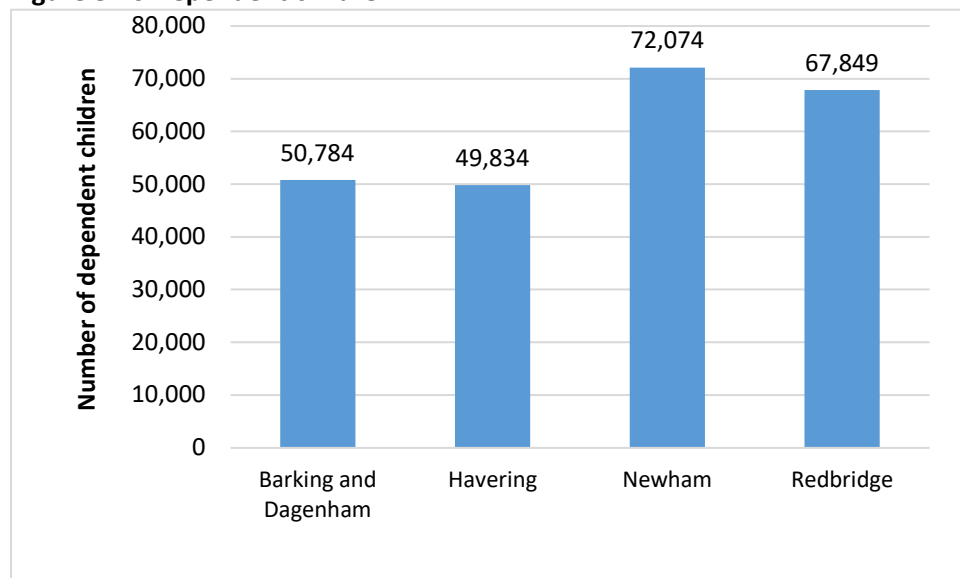
8.127 However, given the relatively low rents in Barking and Dagenham compared to those further towards central London, and the good (and improving) transport connections into Central London it would not be surprising if the borough became more of a hub destination for students studying in more expensive areas. This may result in additional pressure on the private rented sector by students from elsewhere, competing both with local students and other local users of the PRS.

Families

8.128 As noted in Chapter 6, Barking and Dagenham is due to experience significant population growth between 2016 and 2041, much of which will be among working age households (18 to 69). An increase among this group of 55,000 is projected, representing a 46% increase (higher than the overall rate of increase, which is 33%). While in common with other authorities, the proportions of over 65s are forecast to increase, the proportion of younger people – including children – is forecast to decline in the monitoring period in Barking and Dagenham, and hence family formation (assuming ‘family’ is equated with the presence of children) will reduce. Nonetheless, the increase in the absolute number of working age residents noted above will continue to mean that family formation and growth is an important demographic factor. Chapter 6 also notes factors impacting on household size. Chapter 7 discusses how these demographic characteristics and changes translate into affordable housing need, in terms of the type and size of future supply needed, which takes into account the needs of future families. Here, therefore, we will solely look at the current characteristics of family households.

8.129 In terms of the numbers of dependent children (**Figure 8.16**), across the neighbouring authorities, Newham and Redbridge have the highest population, followed by Barking and Dagenham. Note that these figures are minimum: families with more than three dependent children are counted as if there were three.

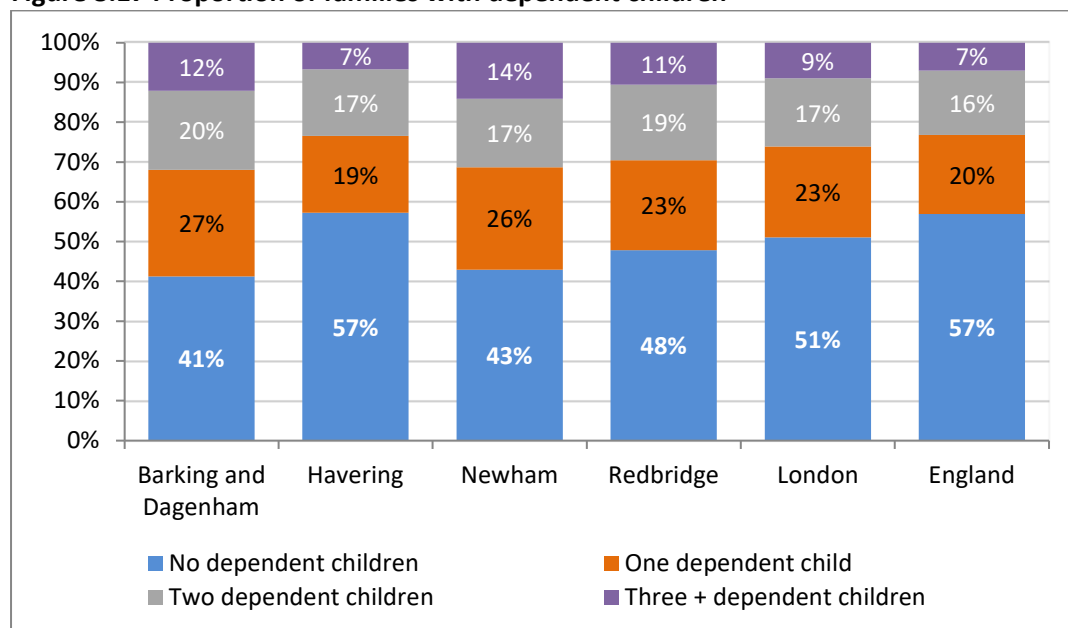
Figure 8.16 Dependent children



Source: Census 2011 Table QS118EW

8.130 However, although figures for dependent children are numerically low for Barking and Dagenham compared to some other neighbours, in terms of proportions the borough has the greatest percentage, compared to the London average of 49%, and the England average of 43%. It has proportionately more than all neighbours (**Figure 8.17**).

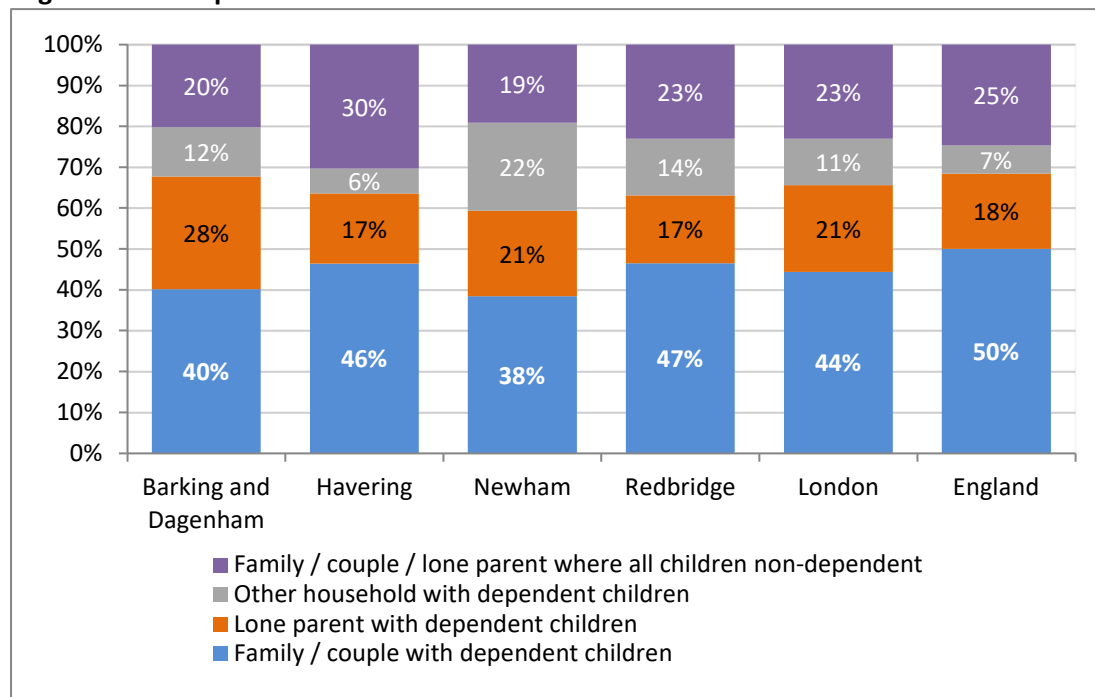
Figure 8.17 Proportion of families with dependent children



Source: Census 2011 Table QS118EW

8.131 As regards family composition (Figure 8.18), Barking and Dagenham has a greater proportion of lone parent-headed families with dependent children (28%) than neighbours, London or England. It has a relatively low proportion of households where all the children are non-dependent (i.e. grown-up children continuing to live with their parents), though this still amounts to 20%. The largest single group, as with the other authorities, are two parent households with dependent children.

Figure 8.18 Composition of families

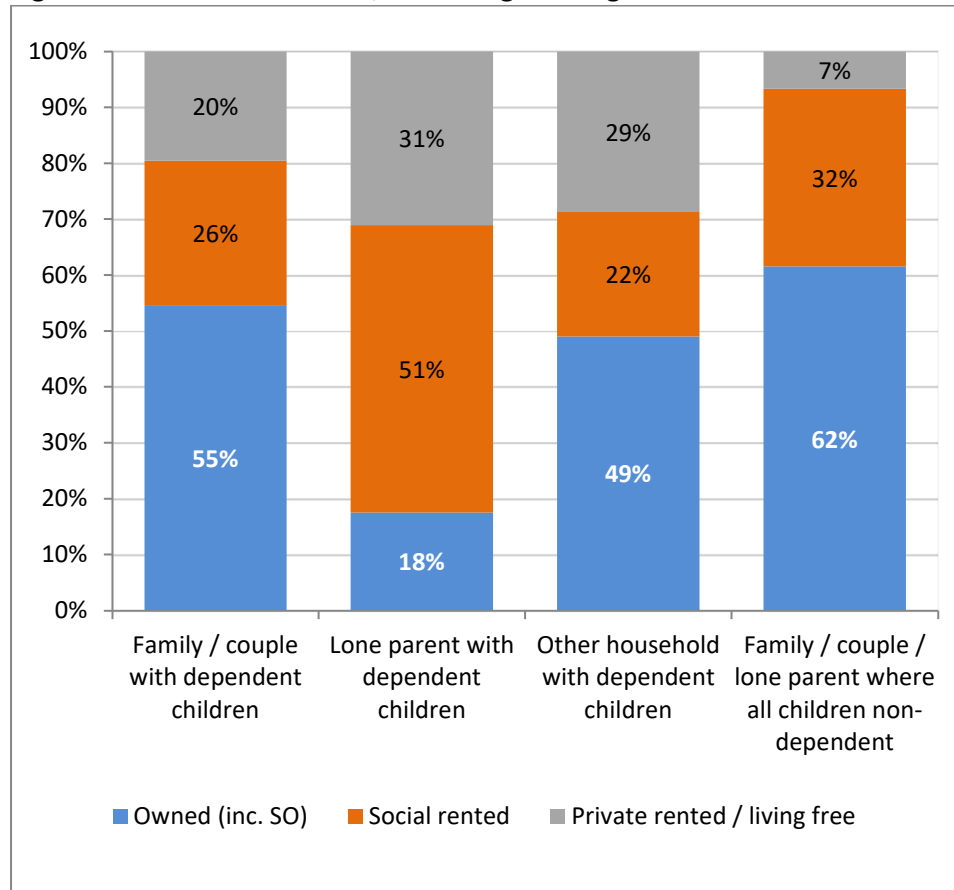


Source: Census 2011 Table KS105EW

8.132 When we look at the tenure of families (Figure 8.19), it is apparent that lone parents with dependent children are more reliant on the social rented sector than other groups, with 51% of such households as council or housing association tenants. Approaching a third are housed in the PRS, while under two in ten own their own homes. Other households with children are more concentrated in owner-occupation, especially the households with non-dependent children (62% - likely to be adult offspring still living with their parents) and other multi-generational households, with 49% of this category in owner-occupation.

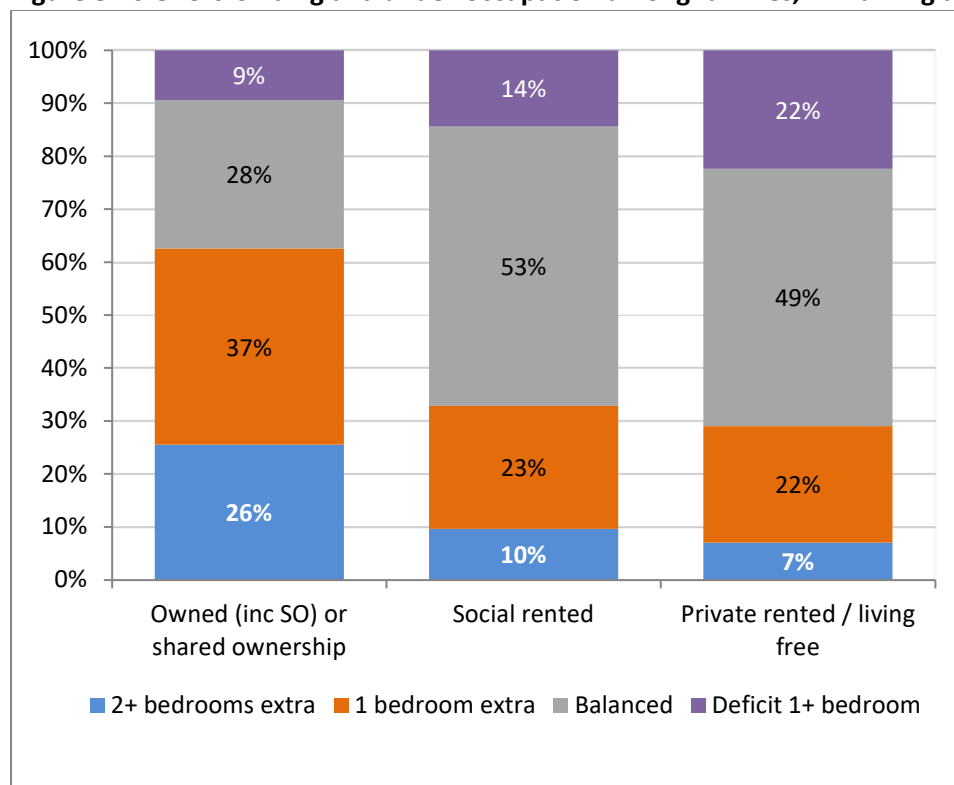
8.133 Figure 8.20 takes this a stage further and looks at the overcrowding or under-occupation across the tenures. Sixty-three percent of owner-occupier families have at least one spare bedroom beyond their basic needs, and only 9% are overcrowded. In contrast, in the social rented sector, 33% of families have surplus bedrooms, and 14% are overcrowded. The fact that there is more under-occupation than overcrowding in the social rented sector suggests that there may be opportunities for rationalisation. The PRS is similar to the social rented sector, but overcrowding is more pronounced (22%).

Figure 8.19 Tenure of families, LB Barking and Dagenham



Source: Census Table DC4105EW1a

Figure 8.20 Overcrowding and under-occupation among families, LB Barking and Dagenham



Source: Census Table DC4105EW1a

Conclusion

8.134 In the longer term, family formation is likely to reduce in Barking and Dagenham, because of the proportionate decline in the number of younger people – including children – forecast in the authority. Nevertheless, the overall number of working-age households is due to increase by 46% in the monitoring period. Chapter 7 discusses the overall housing needs and bedroom size requirements for affordable and market housing for different types of households, including these family households.

8.135 Here we have noted the greater proportion of lone parent headed households in Barking and Dagenham compared to elsewhere, the reliance of this group on the social rented sector, and the consequent likely degree of overcrowding being experienced. We would also note the higher levels of overcrowding in the PRS. Under-occupation is most prevalent in the owner-occupied sector. In the social rented sector there may be opportunities to rebalance overcrowding and under-occupation.

8.136 The fact that a substantial proportion of lone parent families (31%) and ‘other’ households with dependent children (29%) are in the private rented sector may be a significant factor, if the market the sector caters to continues to move away from lower-income, benefit claiming households. If assured shorthold tenancy renewals start to dry up, there may well be implications for homelessness applications. This is discussed further in the section on the private rented sector below.

Private rented sector (PRS)

Introduction

8.137 Unlike the other groups considered in this chapter, the PRS cannot be considered to be a ‘specific group’ in terms of catering to a distinct household or socio-economic bloc. However, PPG (para 020) indicates the PRS should be considered as part of the overall picture when identifying the overall need for different types of housing within the scope of an SHMA.

8.138 The PRS serves a number of functions, one of which is to provide a tenure option for those who cannot afford owner-occupation but are not eligible for the social rented or intermediate housing sectors. The influential though rather dated Rugg and Rhodes report⁸² identified a series of ‘niche’ markets within the PRS, including a luxury end, young professionals, students, a ‘Housing Benefit market’ and temporary accommodation for homeless households. More recent studies have identified a new, burgeoning sub-market termed the ‘working poor’, characterised by high employment levels, prevalence of households with children, low incomes, and low benefit claim levels.⁸³ The most recent study, also by Rugg and Rhodes⁸⁴ concluded that

⁸² Rugg J. and Rhodes D., *The private rented sector: its contribution and potential*, University of York 2008

⁸³ *The private rented sector in South East London and Lambeth*, Cobweb Consulting / SE London Housing Partnership 2014

⁸⁴ Rugg J. and Rhodes D., *The evolving private rented sector; its contribution and potential*, University of York, 2018

- The PRS is complex and evolving; the size of the sector is less important than its configuration and the changing nature of the needs that are being met.
- There are too many households in the sector that would prefer to be in other tenures.
- Many privately renting households may be heading for a long retirement in the sector, with inadequate pensions to cover housing rented at market rates.
- It is uncertain whether housing a large proportion of low income tenants in the PRS is the most cost effective approach to meeting housing need.
- Property conditions in the market remain poor relative to other sectors.
- A disproportionately high percentage of households with babies and infants are living in the PRS.
- The regulatory framework for private renting is out of date, and in need of radical revision.
- The local housing allowance system is based on Broad Rental Market Area boundaries that are wholly out of date.
- Private renting is by no means a marginal activity. There is a need for policy interventions that are more neutral: overtly 'pro' or 'anti' PRS measures always distort the market.

8.139 As the 2017 Housing White Paper made clear, private renting is moving towards the forefront of government housing policy thinking, challenging the traditional pre-eminence of owner-occupation. As well as an expanding role for institutional investors in developing private sector private rented homes, increasingly housing associations and even local authorities are investing in the tenure.

Private renting in Barking and Dagenham

8.140 For purposes of the SHMA, we are most interested in what role the expanding PRS is playing in Barking and Dagenham and in particular whether it still has a role in providing homes for lower income households. As noted in Chapter 4, the PRS has been expanding across London and is now larger than the social rented sector. In the borough, it expanded by three times in numerical size between the 2001 and 2011 Censuses (from 3,500 to 12,300) and at the date of the Census housed 18% of the borough's households. If increases since the 2011 Census have continued at the same rate, it will now provide homes for 18,000 (24% of households) in Barking and Dagenham, approaching the Council sector in size.

Age bands

8.141 In terms of who the sector caters for, it has (at the date of the Census 2011) a relatively young customer base, with 58% household reference persons being under 50, and only 19% aged 65 or more. The largest single group is in the age range 35 to 49 age band. In terms of neighbours, Havering has a significantly older population and Newham has a significantly younger set of residents. In all, Barking and Dagenham has an age profile very close to the overall London average

Table 8.10 PRS age groups

Area	Age 16 to 34	Age 35 to 49	Age 50 to 64	Age 65 and over
Barking and Dagenham	23%	35%	22%	19%
Havering	15%	29%	27%	29%
Newham	30%	36%	21%	13%
Redbridge	19%	34%	26%	21%
London	24%	34%	23%	19%

Source: Census Table DC4601EW

Household composition

8.142 Regarding household composition, the most significant features of **Table 8.11** below are the substantial proportion of households with dependent children living in the PRS in Barking and Dagenham – 56% - substantially higher than the London average (30%). Among these, 24% are lone parents with dependent children. There are implications for Barking and Dagenham’s homelessness and allocations policies if the stability of this group’s residence in the PRS was threatened. The borough has a lower proportion of younger single and couple households (25%) than the London average (41%) and most neighbours. There are also relatively low proportions of students and older people in the sector.

Table 8.11 Household composition in PRS

Household composition	Barking and Dagenham	Havering	Newham	Redbridge	London
One person 65+	2%	4%	2%	3%	3%
One person under 65	16%	27%	15%	18%	24%
Couple both / other all 65+	0%	1%	0%	1%	1%
Couple, no children	9%	14%	9%	13%	17%
Couple, dependent children	22%	17%	19%	24%	16%
Couple, all children non-dependent	1%	2%	1%	2%	1%
Lone parent, dependent children	24%	20%	9%	16%	9%
Lone parent, children non-dependent	2%	3%	2%	2%	1%
Other, with dependent children	10%	4%	13%	9%	5%
Other, all f/t students	1%	0%	5%	2%	3%
Other	11%	7%	24%	11%	20%

Source: Census 2011 Table DC4101EW

8.143 The authority has 11% of PRS households categorised as ‘Other’. ‘Other’ households tend to be multi-adult sharing households. Their growth has been a common feature observed in a number of London HMAs over the last few years, and are an indicator of the economic driver forcing younger adults to club together to afford to rent in London, as a necessary alternative to either buying or renting self-contained homes.

8.144 The 10% of households classified as ‘other with dependent children’ is an indicator of multi-generational households which could be a reaction to economic necessity or a cultural feature.

Ethnicity

8.145 When we look at the ethnic make-up of the PRS in Barking and Dagenham and neighbours, we can see the borough's particular type of diversity illustrated. As can be seen from **Table 8.12** below, there is a substantial presence – nearly 30% - of Black households in the sector compared to the London average and neighbours. Eighteen percent are from Asian backgrounds (similar to the London average but much lower than Newham and Redbridge). Taking other groups into account, the White community is substantially under-represented in the PRS compared to the London average..

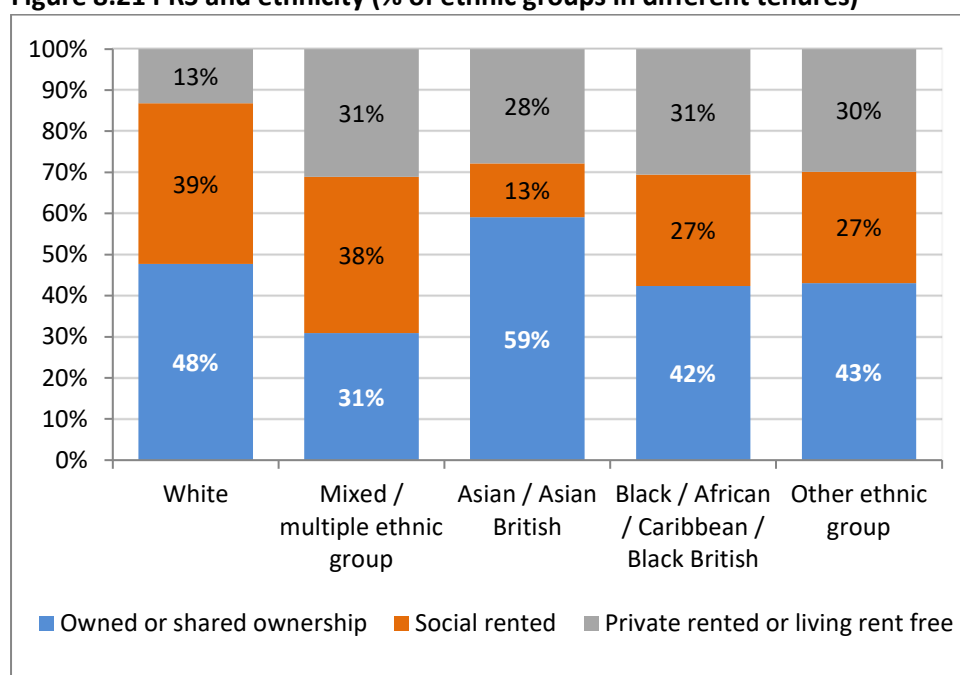
Table 8.12 PRS and ethnicity (% household representative persons)

	Barking and Dagenham	Havering	Newham	Redbridge	London
White	47%	83%	38%	44%	64%
Mixed/multiple ethnic group	4%	2%	3%	3%	4%
Asian/Asian British	18%	6%	38%	39%	17%
Black/African/Caribbean/Black British	29%	8%	17%	12%	11%
Other ethnic group	2%	1%	4%	3%	5%

Source: Census 2011 Tables LC 4201EW and QS 211EW

8.146 **Figure 8.21** looks at the ethnicity data in another way and asks 'how reliant are members of different ethnic communities on the PRS?' White groups are the least reliant, with only 13% of their population having that as a tenure. All the other groups have a similar proportion of households in the sector though it is clear that their presence in other tenures is much more variable (to be discussed below).

Figure 8.21 PRS and ethnicity (% of ethnic groups in different tenures)



Source: Census 2011 Tables LC 4201EW and QS 211EW

Economic activity, occupation and industry

8.147 Local PRS residents show lower economic activity rates than the London average and those of all their neighbours (**Table 8.13**). There is a well below-average rate for full time employment and a higher than London average rate for part time work. The borough has twice the London average of unemployment. Economic inactivity rates are also substantially higher, mainly comprising people who are looking after the home or who are disabled.

Table 8.13 PRS and economic activity

	Barking and Dagenham	Havering	Newham	Redbridge	London
Economically active	75%	76%	83%	79%	84%
Employed or self-employed, f/t	46%	54%	52%	53%	64%
Employed or self-employed, p/t	17%	13%	18%	17%	12%
Employed full-time students	3%	1%	6%	3%	3%
Unemployed (excluding full-time students)	8%	7%	6%	6%	4%
Unemployed full time students	1%	2%	0%	0%	0%
Inactive (exc. students)	22%	23%	13%	19%	13%
Retired	5%	9%	4%	6%	5%
Inactive other (sick, disabled, at home etc.)	17%	14%	9%	12%	8%
Inactive full-time students	3%	1%	4%	2%	3%
Inactive other plus unemployed	25%	21%	15%	19%	12%

Source: Census 2011 Table DC 4601EW

8.148 **Table 8.14** shows that the PRS is catering for rather fewer residents at the wealthier end of the occupational spectrum – groups 1 and 2 - (21%), compared to all neighbours, as well as being well below the London average (44%).

8.149 Further down the spectrum, there is a slightly higher proportion in the small employer and self-employed category (15%), and greater proportions in the routine or semi-routine professions (28%) compared to the London average of 16%. Finally, 13% of PRS residents have either never worked or are long-term unemployed, a higher figure than that of neighbours of the London average (6%).

Table 8.14 PRS and occupation, % working age population

	Barking and Dagenham	Havering	Newham	Redbridge	London
1. Higher managerial, administrative and professional occupations	7%	9%	9%	14%	18%
2. Lower managerial, administrative and professional occupations	14%	20%	16%	20%	26%
3. Intermediate occupations	9%	15%	8%	10%	9%
4. Small employers and own account workers	15%	12%	15%	14%	11%
5. Lower supervisory and technical occupations	7%	8%	7%	6%	6%
6. Semi-routine occupations	15%	14%	13%	12%	9%
7. Routine occupations	13%	11%	11%	8%	7%
8. Never worked and long-term unemployed	13%	8%	9%	10%	6%
L15 Full-time students	7%	2%	11%	6%	7%

Source: Census 2011 Table LC 4605EW

8.150 The nature of the current socio-economic position of the borough's PRS residents is confirmed when we examine the industries in which they work. 21% work in the category 'Finance, Real Estate, Professional and Administrative activities', which characterises the London industrial profile (discussed in Chapter 4). This compares to the 31% of PRS residents in this category across London. There is over representation in construction, and average amounts in distribution, hotels. A higher than average proportion – 23% - work in public administration, education and health services (including care workers and teachers).

Table 8.15 PRS and industry, % working age population

	Barking and Dagenham	Havering	Newham	Redbridge	London
Agriculture, energy and water	1%	2%	1%	1%	1%
Manufacturing	4%	5%	3%	3%	3%
Construction	12%	13%	12%	10%	7%
Distribution, hotels and restaurants	21%	19%	29%	21%	20%
Transport and communication	12%	10%	11%	14%	13%
Financial, Real Estate, Professional and Administrative activities	21%	22%	24%	25%	31%
Public administration, education and health	23%	24%	16%	21%	19%
Other	5%	6%	5%	5%	7%

Source: Census 2011 Table LC 4602EW

8.151 The overall picture, then, is of a private rented sector whose most significant components are relatively young residents, who tend to be in younger families with dependent children (and especially lone parents). There are lower proportions of younger single people and childless couples than the typical London pattern. There is a significant BAME presence, especially of Black groups, and the sector had lower economic activity and employment rates than average. Employment tends to be in the lower strata in terms of occupation type and industry, and therefore relatively low earnings could be expected.

8.152 Some of these factors were reflected in the results of the Housing Needs Survey carried out in conjunction with the SHMA. Some features were:

- PRS residents were relatively young (under 50)
- 'Other White' groups were highly reliant on the sector (55%)
- Mobility was high, with the majority living in their homes for under two years, and over half expecting to move within two years
- Most were employed, and were less likely than other renters to get benefits
- Nearly 70% were paying between £225 and £375 a week in rent
- The higher the PRS resident's income, the lower the proportion paid in rent
- Only 7% preferred the sector to other tenures

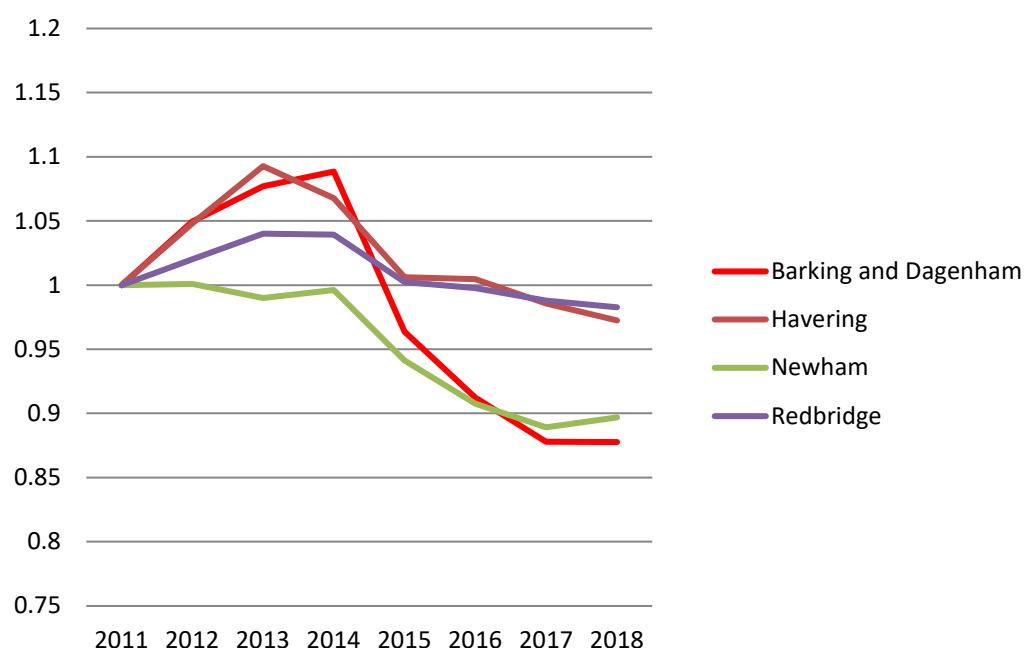
The Housing Benefit market

8.153 The number of PRS households that landlords are willing to let to if they need to access Housing Benefit (HB) has been falling since the impact of the welfare reforms that were begun in 2011, where caps to Local Housing Allowances were introduced. Post 2011 a range of other measures, including caps on overall HB payable, reductions to the support

that younger people can receive, and the introduction of Universal Credit have been rolled out. The cumulative impact has been a reduction by 7% of the number of HB claimants across London (and therefore a loss of these tenancies to those with lower incomes who would in the past have accessed the sector). The impact has been much more severe in some boroughs than others – especially those in inner and central London, where initial rents were very high.

8.154 However, there has also been a substantial effect on HB claims in Barking and Dagenham and neighbouring boroughs from PRS tenants. Numbers have fallen considerably since 2011, reducing from 7,023 to 6,164 in 2018 – a 12% reduction. As can be seen from **figure 8.22**, this has been the sharpest fall-off in claims compared to neighbouring authorities.

Figure 8.22 Indexed changes in PRS Housing Benefit claim rates



Source: DWP StatExplore

8.155 Nonetheless, Council officers consider that there is still a role for the PRS in letting to those on HB. This is discussed further below in the section on homelessness and temporary accommodation, but there still remains a role in letting to non-homeless households on low incomes as well.

8.156 A more detailed study of the PRS would be required to fully-understand the dynamics of this, and why Barking and Dagenham has been more affected than elsewhere. One clue might be the relatively recent but sharp increase in prices and affordability ratios in the borough noted in Chapter 6 (**Figures 6.7 and 6.8**) as Barking and Dagenham has been recognised as accessible by those priced out of more central London boroughs. This has possibly lead to an influx of relatively well-off professional renters who have rapidly displaced more established, lower-income renters.

8.157 This analysis is reinforced by Barking and Dagenham stakeholder comments and

experience from other parts of London, which suggest that landlords are pulling out of the Housing Benefit market because of the reduced rents that claimants can pay, whilst simultaneously finding increased demand from younger professionals on incomes high enough to afford more expensive rents, but not high enough to consider owner occupation. Barking and Dagenham was considered by lettings agents affordable to people who previously would have chosen to live in inner London, but for whom the commute into the centre was acceptable. As one lettings agent put it:

If you are a landlord and you have a property, you look at the opportunities you have available. If there is an option to rent to a professional, that is working and has an income coming in, or the alternative is someone who is on benefits who is not working – you would go with the professional. The benefits are out of your control – if housing benefits decide not to pay they won't pay. I would suggest and think the landlord would choose the working professional over the people on housing benefit.

8.158 This was also linked to the borough becoming more accessible and a psychosocial change in attitudes which saw Barking and Dagenham as 'part of London' rather than outside it. Agents also noted there had been a substantial increase in the number of sharers. As one put it:

This [sharing] has increased a lot over the last 3 years. Singles or couples often with a friend too. It makes the rent easier to manage when split between them – people can't afford the rent on their own/as a couple etc. This is likely to carry on and happen more. Landlords have to be open to this type of arrangement. In these cases credit checks are done on all parties and all have to pass checks."

8.159 Linked to this was a rise in the number of less scrupulous landlords "sticking up partitions and making two beds into threes, and three beds into fours and ramming families in" according to one interviewee. However, there were some indications from stakeholder interviewees that the market was starting to slow down, and that prices had dropped a little. But:

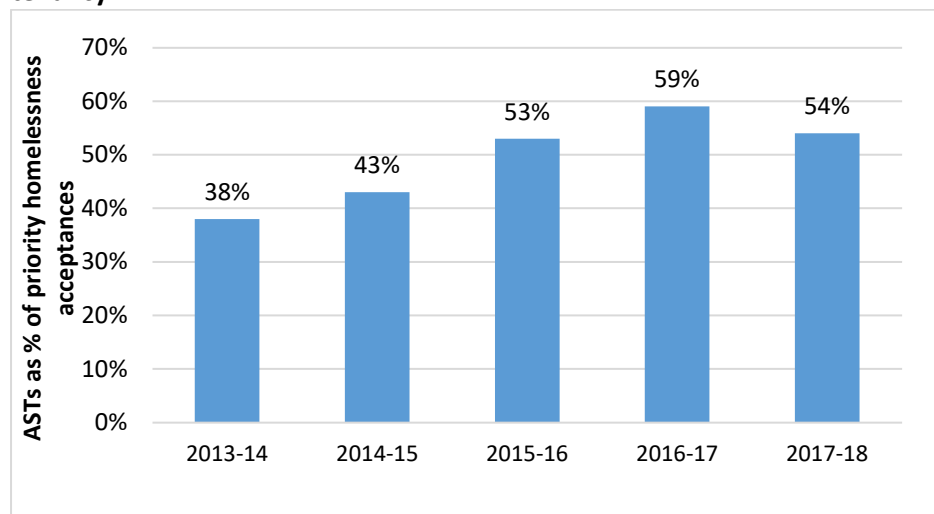
The market is still good if the property is of the right price and condition' – I think the standard is really important – it doesn't matter if it's a house or flat as such but it has to be of a certain standard really

8.160 Looking ahead, agents noted the substantial slowdown in the Buy to Let Market, but also a proliferation of smaller-scale 'cottage' landlords, some of who had moved out of the borough and were renting out their original homes, or those who had been left a property by a parent, and who found it more worthwhile to rent it out than sell it.

Homelessness and temporary accommodation (TA)

8.161 There is evidence that the loss of tenancies in the PRS are impacting on homelessness. The proportion of priority acceptances of those losing their PRS tenancies because of the ending of ASTs, or other reasons (e.g. ending of tied accommodation arrangements,) increased from 38% in 2013-2014 to 59% in 2017-2018. There are indications that the rate is reducing, but it still remains as the reason for over half (54%).

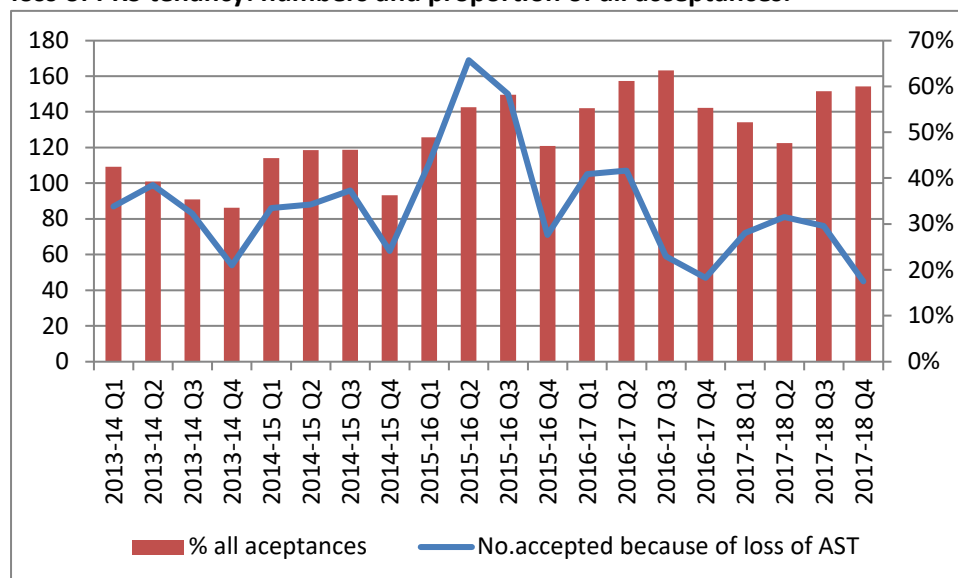
Figure 8.23 Annual proportion of priority homelessness acceptances for reason of loss of PRS tenancy



Source: DCLG P1E data

8.162 In terms of the actual numbers of ex-PRS tenants' acceptances, this hit a peak in 2015-16 (**Figure 8.24**) but has now reduced substantially (though as noted above, proportionately it remains a prime cause). The reasons for this reduction can be speculated upon: it echoes a general reduction in homelessness acceptances, possibly indicating a tightening of policies by the authority; it could also represent the partial withering away of the cheaper end of the PRS, leading to fewer households in place to actually to lose their tenancies. Further research would be required to understand the dynamics in place in the sector.

Figure 8.24 Quarterly priority need homelessness acceptances for reasons of loss of PRS tenancy: numbers and proportion of all acceptances.



Source: DCLG P1E data

8.163 The other factor of relevance is the role the PRS has had in helping provide temporary (and more recently permanent) accommodation for statutorily homeless households. London authorities in particular have relied on a variety of leasing schemes, or PRS managing agency schemes, to provide temporary accommodation. Barking and Dagenham has been no exception. Figure 8.25 shows how use escalated from 2014 and has continued to increase since then. Unlike some other authorities, Barking and Dagenham seems to have retain the more traditional forms of private sector leasing and has avoided the more expensive form of nightly rates paid directly to landlords, which other authorities are having to cope with.

8.164 The use of local private rented stock as temporary accommodation is a double-edged sword: on the one hand it reduces reliance on inadequate B&B's and other temporary accommodation; on the other hand, it effectively reduces the supply of lower-end private rented accommodation available to the other groups discussed in this section. It is worth noting that the leasing agents we interviewed who currently engage with the Council on temporary and permanent options for homeless people were clear and confident of their value to the Council, in keeping down bills for B&B and expensive hostels. They were complimentary about the efficiency and effectiveness of working with the Council, and would 'stick with them' rather than going into the open market because of the security and guarantee of rent being paid, in spite of the fact that the borough was paying less than other authorities.

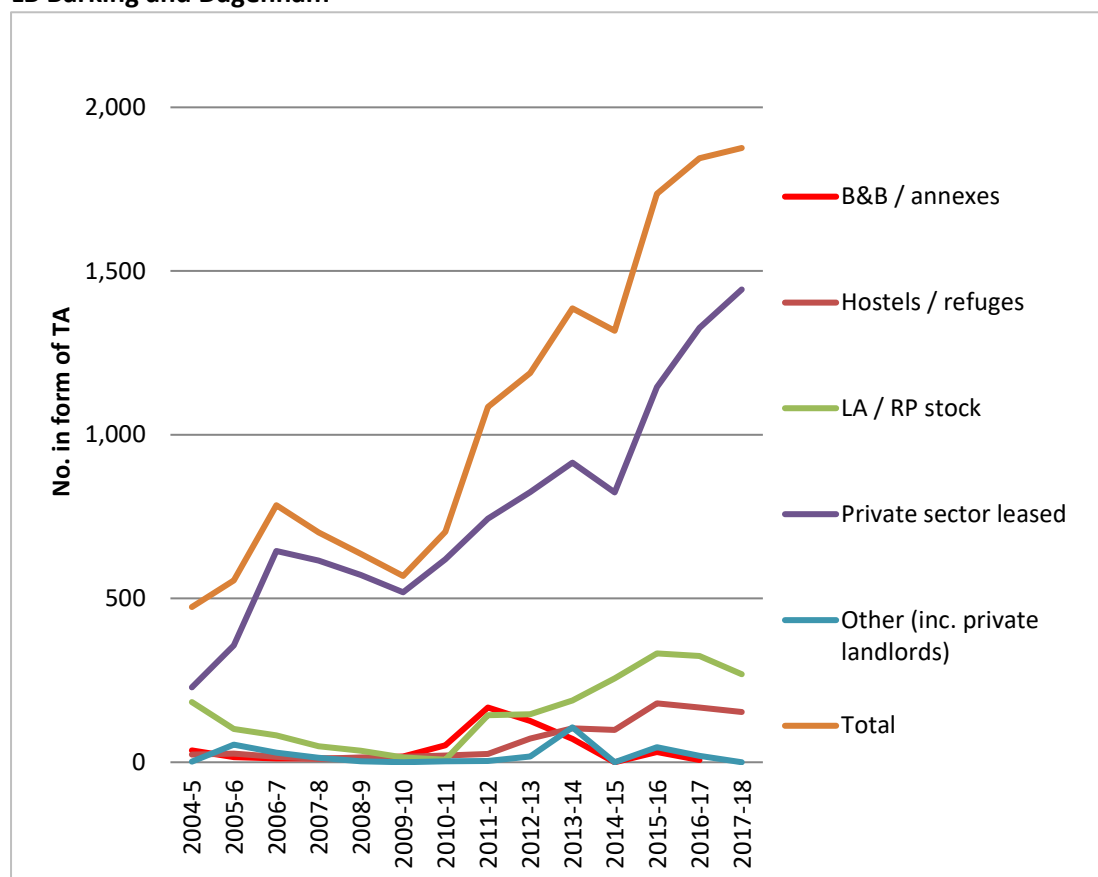
8.165 They also noted that demand from the Council for different property types had changed, with an increased call for one-bedroom properties (this was linked in the interviewees minds to the changed legislative requirements relating to vulnerable people). However demand for two and three beds was still strong.

Conditions in the PRS

8.166 Issues around stock condition and particular that of HMOs are discussed primarily in Chapter 4. Here we note the views of agencies working with PRS tenants. They have seen a reduction in their caseload dealing with disrepair issues, primarily because tenants (including social housing tenants) believe nothing can be done. The position is of course exacerbated by the restrictions on legal aid availability for disrepair cases:

No matter how long they report it nothing seems to get done. They lose the will to go on and take any proactive steps through lawyers to enforce their rights CAB worker

Figure 8.25 The use of the private sector for temporary accommodation in LB Barking and Dagenham



Source: DCLG Live Table 784

Sub-market renting and Build to Rent

8.167 As noted in Chapter 2, government policy is encouraging the development of private rented schemes, both at market and sub-market rents, under the Build to Rent initiative now incorporated in the National Planning Policy Framework. As well as market rented schemes a new category of Affordable Private Rent has been brought into the definition of 'affordable housing'. This is expected to have rents of no more than 80% of market value, and offer tenancies of at least three years.

8.168 Barking and Dagenham having been very actively promoting development of Build to Rent originally through private developer-led initiatives and more recently through their wholly-owned development company, Be First, and the parallel wholly-owned local housing company, Reside.

8.169 Developer and private sector led developments completed, under development or at planning stage include Abbeville Apartments, 100 one to three bed units developed by Grainger near Barking station; Barking Wharf (Countryside and Notting Hill Developments) where around 600 one to three apartment for rent are planned; and the former Abbey Sports Centre, where 150 private rented units have had planning permission. Additionally the major Barking Riverside development has included 60 private rented units in stage one, and there are plans for the tenure to have a significant role in future stages.

8.170 Reside and Be First initiatives include developments that incorporate rent levels of 50%, 65%, 80% of full market rent, as well as full market rent units. As such, some will be classed as 'affordable', under the new NPPF definitions. Developments include Abbey Road Park (in association with EcoWorld) where 600 hundred units are planned, Weavers Quarter, where 60 rented homes are available in its initial phase; and William Street Quarter, a 200 home development. Other schemes are being considered at Thames View East, The Leys, Chadwell Heath, and elements of the Gascoigne Estate regeneration. There are in total 44 sites that are being reviewed for development, and in total Reside plans to bring a further 3,000 homes into its portfolio between 2018 and 2023. At least some elements of these developments will be for market or sub-market rent, though detailed figures will be generated on a project by project basis, depending on viability and business plan considerations.

8.171 It is difficult to forecast how much of a temporary phenomenon Build to Rent is likely to be, in Barking and Dagenham, and in London as a whole. The increasing land values the authority is experiencing may stimulate a return to owner-occupation as a preferred development option for investors. On the other hand, a number of commentators have noted that the uncertainties surrounding Brexit and the nervousness that buyers may feel about home ownership in this environment may signal that PRS investment is a safer berth. And more fundamentally, in terms of housing need, there are increasing questions about the relationship between government investment in affordable housing and government support for private renting that will need careful consideration in the near future.

Conclusion

8.172 The PRS is likely to continue to grow proportionately as a sector but is not likely to expand significantly as a resource for lower-income households. The increasing popularity of Barking and Dagenham as a destination for those who cannot afford to buy or rent in central London, but nonetheless are on relatively high incomes means that the market generally will move to higher-end clients. Increasingly landlords, including new, large-scale landlords, will be catering for professional and higher income groups. At the moment there is still scope for the authority to use the PRS via the Homelessness Persons service as a housing resource for some households, through use as temporary accommodation. However the environment for doing this is becoming more difficult. It will be essential for the authority to maintain strong relationships with the landlords it currently works with and ensure that the incentives scheme is adequate.

8.173 What was striking and concerning in our research was the substantial reliance the vast majority of commissioners, in-house and external care, housing and support agencies had on the PRS – for the housing of every category of vulnerable, mentally ill, homeless, and young persons in housing need. The widely-hoped for solution expressed by all external and internal agencies was greater access to truly affordable, rented homes for these client groups. It was hoped that the new Council structures and functions embedded in Be First and Reside would start delivering these extra required units, and there was considerable frustration that this flow does not yet seem to be materialising.

Armed services personnel

8.174 As part of the implementation of the Localism Act 2011 as it relates to how authorities manage their housing allocation policies, Supplementary Guidance issued by the DCLG in December 2013 encouraged authorities to adopt a two-year residency test for allowing applications, but stated that authorities “must make an exception for certain members of the regular and reserve Armed Forces.”⁸⁵ This includes allowing applications to any authority within a five year period after discharge, in cases where spouses or civil partners leave service accommodation after bereavement related to service in the armed forces, or where service or reserve service personnel need to move because of serious injury, medical condition or disability sustained as a result of their service.

8.175 Barking and Dagenham introduced amendments to their allocation policies, to give reasonable preference to the groups covered by the guidance, and waive the local connection criteria. Currently there are two households on the Housing Register with an ‘Armed Forces’ tag, and their needs comprise:

- 1 bed - 1 household
- 2 bed – 1 household

8.176 CORE lettings data over the last three years shows that there have been 10 lettings to armed forces or injured reservist applicants. The bedsize breakdown is as follows:

- 1 bed - 7 households
- 2 bed – 2 households
- 3 bed – 1 household

8.177 Given their integration into the mainstream housing allocations system, and the relatively low demand, there do not seem to be additional uncatered for requirements for this group.

8.178 However, according to the estimates from the CHAIN database⁸⁶, there were 40 rough sleepers in Barking and Dagenham in 2017-18, four of whom (10%) had an ex-armed forces background. Rough sleepers’ needs are recognised in the previous Housing Strategy 2011-17 in a London-wide context. There is one voluntary sector-run night shelter that caters for this group. Any new housing strategy should revisit the needs of rough sleepers as the authority has experienced the second fastest growing rate of street homelessness since 2014-15 in London (though a small reduction has been noted over the last year)⁸⁷.

People wishing to build their own homes

8.179 National Planning Policy Guidance notes the government’s desire to enable more people to build their own homes and to make this form of housing a mainstream housing option.

⁸⁵ DCLG, *Providing social housing for local people*, December 2013, para 18

⁸⁶ CHAIN Borough report 2017-18 – Outer London

⁸⁷ CHAIN Borough report 2017-18 – Outer London

8.180 The Self-Build and Custom Housing Building Act 2015 came into force in April 2016. Among other measures, it places a duty on local authorities to keep a register of individuals and community groups who have expressed an interest in acquiring land to bring forward self-build and custom-build projects and to and to have regard to and make provision for the interests of those on such registers in developing their housing initiatives and their local plans (including such data in SHMAs). It is expected that the authority will grant permission for as many serviced plots to meet demand. It also allows volume house builders to include self-build and custom-build projects as contributing towards their affordable housing obligations, when in partnership with a Registered Provider.

8.181 Revised regulations came into force in October 2016⁸⁸. In effect, these give authorities the option to set up a two-part register that is more sophisticated than the initial model. Authorities are able to set up local eligibility tests against two criteria: having a local connection, and being able to demonstrate they have the resources to purchase land for their own self-build project. Only those who meet these criteria and enter Part 1 of the register would be entitled to access to development permissions. The regulations also make provision for authorities to appeal to the secretary of state for exemptions from the duty to provide serviced plots where demand on housing land supply is constrained.

8.182 As of December 2017 118 individuals and two organisations had expressed interest in self-build or custom build in Barking and Dagenham. At this point we do not have a breakdown of how much of this interest is from local individuals or organisations, and how much is from outside the borough. We suggest that the authority undertake this analysis and depending on the outcome, consider whether it merits setting up a two part register, and incorporating this decision into planning and site allocation policy.

Gypsies, Travellers and Travelling Showpeople

8.183 The SHMA did not consider Gypsies, Travellers and Travelling Showpeople as LB Barking and Dagenham have undertaken a separate Gypsies and Travellers Needs Assessment.

⁸⁸ http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksi_20161027_en.pdf
http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksiem_20161027_en.pdf

Annex 1 Glossary

Abbreviations and glossary	
AMR	Authority Monitoring Report (previously Annual Monitoring Report) is produced by each authority under the terms of the Localism Act 2011 to report on performance against Local Plan targets, including data on housing development.
APRF	Access and Planning Review Forum
ASB	Anti-social behaviour
AST	Assured Shorthold Tenancy
BAME	Black Asian and Minority Ethnic
BRMA	Broad Rental Market Area – geographical area defined by the Valuation Office Agency for the purpose of setting Local Housing Allowance rates
CHAIN	Combined Homelessness and Information Network – a multi-agency database recording information about people sleeping rough in London
CIL	Community Infrastructure Levy – levy on new development to help support development of local facilities
CLA	Children Looked After – those in local authority care including foster homes; formerly known as Looked After Children
CLG	Communities and Local Government – former name of the DCLG
Concealed households	The Census definition is ‘a family living in a multi-family household, in addition to the primary family’. This excludes now-adult offspring of families, who may still be living with them. We have included elements of this group in our calculations of housing need
CORE	Continuous Recording System – monitoring system recording details of social / affordable / intermediate and supported lettings
CU	Coventry University – who have a campus and are planning a residential hall in LB Barking and Dagenham
CURDS	Centre for Urban and Regional Development Studies, University of Newcastle
DCLG	Department for Communities and Local Government
DFG	Disabled Facilities Grant
DLA	Disability Living Allowance – tax-free benefit payable to some people to help with the extra costs associated with disability; now being phased out and replaced with Personal Independence Payments
DWP	Department of Work and Pensions
EAC	Elderly Accommodation Counsel – holders of database on older persons’ accommodation
EHCS	English House Condition Survey
EiP	Examination in Public (of a Local Plan, or local planning document)
EHS	English Housing Survey (replaced the EHCS)
Extra Care housing	Types of self-contained and independent housing developed for frailer older people, with varying levels of care available on-site
FALP	Further Alterations to the London Plan, 2014 – a set of amendments to the London Plan, now incorporated
FE	Further Education
GLA	Greater London Authority
HCA	Homes and Communities Agency – the funding and regulatory body for Registered Providers; replaced by Homes England in January 2018
HA	Housing Association
HB	Housing Benefit

HE	Higher Education
HESA	Higher Education Statistics Agency – holding data on universities and colleges
HHSRS	Housing Health and Safety Rating System – augmented and replaced the Decent Homes Standard
HMA	Housing Market Area - the geographical area to which a SHMA or housing market assessment should relate
HMO	House (or Houses) in Multiple Occupation
HNS	Housing Needs Survey
HRR	Household Representative Rate t Term included in Census 2011, replacing former term 'Head of Household' and using a concept of Household Representatives to help enumerate the number of households in an area
HPSSA	House Price Statistics for Small Areas - produced by the ONS
HSSA	Housing Strategy Statistical Appendix – now replaced by the LAHS
JSNA	Joint Strategic Needs Assessment – focussed on health and social care needs
LAR	London Affordable Rent (one of Mayor's policy rents)
LAHS	Local Authority Housing Statistics
LHA	Local Housing Allowance – maximum levels of rent by bedsize eligible for Housing Benefit, based on BRMA geographical areas
(Housing) LIN	Housing Learning and Improvement Network – source of data and information on older person's housing
LLHPD	Census term – Long-term Limiting Health or Physical Disability
LLR	London Living Rent (one of Mayor's policy rents}
LQ	Lower Quartile (of incomes, rents or house prices)
LSOA	Lower Super Output Area – second smallest spatial measurement used in Census (average 672 households)
MHCLG	Ministry for Housing, Communities and Local Government – replaced the DCLG in 2018
MSOA	Medium Super Output Area – larger spatial measurement used in Census (average 3,245 households)
NHPAU	National Housing and Planning Advice Unit
NPPF	National Planning Policy Framework – sets out the Government's planning policies for England, including housing planning policies, and sets out the requirement for local authorities to undertake SHMAs as part of the evidence base for Local Plans
NROSH	National Register of Social Housing – a database of details of individual local authority and Registered Provider accommodation; discontinued 2012
NRPF	No recourse to public funds
OA	Output Area – smallest spatial area used in Census
OAN	Under the version of the NPPF in force until July 2018 the Objective Assessment of Need was a methodology for the assessment of requirement for future housing development, of all types and tenures
ONS	Office for National Statistics
PANSI	Projecting Adult Needs and Services Information system – database of demographic information on working age adults with disabilities
PAS	Planning Advisory Service – issues advice on interpretation of NPPF and PPG
PIP	Personal Independence Payments – replacing DLA
POPPI	Projecting Older People Population Information system – database of demographic information on older people
PPG (or NPPG)	Planning Policy Guidance – provides more detailed guidance on the scope and methodology for SHMAs (sometimes known as NPPG)
PRD	Preserved Development Rights – fast-track planning powers to convert office to

	residential accommodation
PRS	Private rented sector
RP	Registered Provider – a provider of social affordable housing and intermediate housing, registered with Homes England. This includes housing associations (RSLs) and some private bodies.
RSL	Registered Social Landlord; primarily Housing Associations, now subsumed under the Registered Provider label
RSR	Regulatory and Statistical Return - for housing associations – now replaced by SDR
RtB	Right to Buy
S.106	Legally-binding planning obligations entered into between developers and local authorities under the terms of the Town and Country Planning Act 1990; they can include provision of affordable housing, among other infrastructure enhancements, as a condition of development.
SDR	Statistical Data Return - replaced the RSR
SCS	Stock Condition Survey
SEND	Special Educational Needs and Disabilities
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment – part of the housing evidence base to feed into the Local Plan
SHOP	Strategic Housing for Older People resource pack and toolkit
SNPP	Sub-national population projections
Social sector	We use this terms to describe the collective local authority and Registered Provider sector housing
SPG	Supplementary Planning Guidance (issued by the Mayor of London)
Starter Homes	Homes to be developed and sold at 80% of their market value to first time buyers, capped at £450,000 in London and £250,000 elsewhere. Under the 2016 Housing and Planning Act these qualify as part of affordable home supply.
TA	Temporary accommodation
TTWA	Travel to Work Area – a geographic area based on the relative self- containment of the workforce (i.e. the proportion that both live and work within an area)
UC	Universal Credit – being rolled out, to replace a range of benefits including Housing Benefit
VOA	Valuation Office Agency – the service responsible for setting Local Housing Allowances in Broad Rental Market Areas

Annex 2 Sample profile

The survey was subject to quota requirements for age, ethnic group and tenure to ensure that the sample was representative of the Borough. **Tables A, B and C** show both aggregated categories against the targets set and expanded figures.

Table A Age group				
	Achieved %	Target %		Achieved %
16 – 24	5	4	16 – 24	5
25 – 34	20	21	25 – 34	20
35 – 49	33	32	35 – 49	33
50 – 64	23	23	50 – 64	23
65+	19	20	65 – 74	10
			75 – 84	6
			85+	3

Base: all respondents (1702)

Table B Ethnic group				
	Achieved %	Target %		Achieved %
			White	
White British	57	60	English/Welsh/Scottish/Northern Irish/ British	57
Other White	10	7	Irish	1
Black	17	17	Gypsy or Irish Traveller	<1
Asian	13	12	Any other White background (write in)	10
Mixed/Other	3	4	Mixed/multiple ethnic group	
			Mixed White & Black Caribbean	1
			Mixed White & Black African	1
			Mixed White & Asian	<1
			Any other mixed/multiple ethnic background	<1
			Asian/Asian British	
			Indian	2
			Pakistani	5
			Bangladeshi	4
			Chinese	1
			Any other Asian background	1
			Black/ Black British	
			Black Caribbean	5
			Black African	12
			Any other Black background	<1
			Any other ethnic group	
			Arab	<1
			Any other ethnic group	<1

Base: all respondents (1702)

Table C Tenure				
	Achieved %	Target %		Achieved %
Owned outright	19	17	Owned outright	19
Owned with a mortgage	28	30	Owned with a mortgage	28
A shared ownership home	2	2	A shared ownership home	2
Rented from a Housing Association	5	5	Rented from a Housing Association	5
Rented from Barking and Dagenham council	28	28	Rented from Barking and Dagenham council	28
Rented from a private landlord	18	18	Rented from a private landlord	18
			Provided by an employer	0
			Or are you homeless and in temporary accommodation	<1

Base: all respondents (1702)

Other profile data was collected and is shown in the following tables.

Table D Gender	
	%
Male	43
Female	57
Transgender	0

Base: all respondents (1702)

Table E Sexual orientation	
	%
Heterosexual/Straight	99
Gay/Lesbian	<1
Bisexual	0
Prefer not to say	1

Base: all respondents (1702)

Table F Religious belief	
	%
Agnostic	<1
Atheist	1
Buddhist	<1
Christian (all denominations)	64
Hindu	1
Jewish	<1
Muslim	14
Sikh	1
No religion	16
Other (write in)	<1
Prefer not to say	2

Base: all respondents (1702)

All respondents were also asked if anyone within their household was pregnant and this was found to be the case in 38 households (2% of the total)

Annex 3 Housing Needs Survey questionnaire

Barking and Dagenham Housing Needs Survey 2018 final draft

Good am/pm/evening, my name is and I work for Perspective Research Services, an independent market research company. We have been asked by Barking and Dagenham Council to undertake a survey of local residents to find out about housing needs. This will help to inform the council's future housing policy. Would you be willing to take part? The survey would take between 15 and 20 minutes and any information you provide will be treated in the strictest confidence. Residents who complete the survey will have the opportunity to be entered into a prize draw with a prize of £100.

INTERVIEWER: establish that the respondent is the householder, joint householder or the spouse/partner of the householder.

I need to explain that under Data Protection rules you have the right to:

- Access any personal data held by us
- Withdraw your consent to use your personal data
- Object to processing of your personal data

During the survey, we will want to collect some information from you that is classified as 'sensitive' because it relates to income and payments. Please can you confirm that you give your consent for this information to be collected?

Point number

--	--	--

Post code

--	--	--	--	--	--

Quota questions

I have to obtain a good mixture of people who live in the area. So first I need to ask you a few questions to make sure it is OK for me to carry on with the interview.

Q1 Into which of these age groups do you and your spouse/partner (if you have one) fall?

	You	Spouse/partner
16 – 24	1	1
25 – 34	2	2

35 - 49	3	3
50 - 64	4	4
65 – 74	5	5
75 – 84	6	6
85 or over	7	7
Prefer not to say	8	8
No spouse/partner		9

Q2 Which of these best describes the ethnic groups to which you and your spouse/ partner (if you have one) belong? Use showcard

White	You	Spouse/partner
English/Welsh/Scottish/Northern Irish/British	1	1
Irish	2	2
Gypsy or Irish Traveller	3	3
Any other White background (write in)	4	4
Mixed/multiple ethnic group		
Mixed White & Black Caribbean	5	5
Mixed White & Black African	6	6
Mixed White & Asian	7	7
Any other mixed/multiple ethnic background	8	8
Asian/Asian British		
Indian	9	9
Pakistani	10	10
Bangladeshi	11	11
Chinese	12	12
Any other Asian background	13	13
Black/ Black British		
Black Caribbean	14	14
Black African	15	15
Any other Black background	16	16
Any other ethnic group		
Arab	17	17
Any other ethnic group	18	18
Prefer not to answer	19	19
No spouse/partner		20

Q3a Is the property ..?

Owned outright	1
Owned with a mortgage	2
A shared ownership home	3
Rented from a Housing Association	4
Rented from Barking and Dagenham Council	5
Rented from a private landlord	6
Provided by an employer	7
Or are you homeless and in temporary accommodation	8
Other (please explain)	9

INTERVIEWER: check quota and proceed if correct

Q3b (For those renting from a private landlord), which of these would apply to your household?

My household has sole use of its own kitchen and bathroom	
My household has its own kitchen and bathroom and we have chosen to live together (flat/house share)	
My household shares a kitchen and bathroom with another household we/I have not chosen to live with	

Current home

Thank you. Now I would like to ask you a little more about your current home.

Q4. What type of accommodation does your household currently live in?

INTERVIEWER: Ensure you probe and clarify. Especially between codes 5 & 6 and 7 & 8.

Detached house	1	Flat/maisonette in a block with more than 3 floors	8
Semi-detached house	2	Flat/maisonette in a converted house	9
Terraced or mews house (inc. end terrace)	3	Sheltered or retirement accommodation	10
Bungalow	4	Supported accommodation	11
Bedsit	5	Live/work unit	12
Studio	6	Caravan or mobile home	13
Flat/maisonette (in a block with up to 3 floors)	7	Other (please specify)	14

Q5 How many bedrooms do you have?

INTERVIEWER: how many bedrooms an estate agent would say it had so if a bedroom is used as an office, count it as a bedroom

Q6 How long have you lived in your current home?

Less than 12 months	1
1 – under 2 years	2
2 – 5 years	3
6 – 10 years	4
Longer than 10 years	5
Can't recall	6

Q7 How many people, including yourself, live in your home?

DP ANSWER MUST BE at least one

Q8a Which of these options best describes the composition of your household?

(Dependent children are those up to the age of 18 years)

Single adult	1
One adult with one or more dependent children	2
Two adults only, who are married or living as a couple,	3
Two adults who are married or living as a couple, with 1 or more dependent children	4
Other situation with dependent children	5
Other situation without dependent children (including where grown-up children remain at home)	6

DP Q8a v Q8b – IF SINGLE ADULT OR TWO ADULTS ONLY NO 0-9/ 10-15/16-18 ETC

MUST BE AT LEAST ONE ANSWER FOR 18+

Q8b How many males and females are there in each of these age groups?

	0-9	10-15	16-18	18+
Male				
Female				

DP: If at Q8b there is more than one person 16+ ask

Q8c And among those aged 16+, how many couples are there?

INTERVIEWER: number of couples, not number of people

--

DP: ASK Q9A IF Q3A IS CODE 4/5/6 OR 8.

For all those who are renting

Q9a. What is your current weekly or monthly rent payment for your home (including any service charge)? This is the full amount paid by your household rather than your individual contribution (if you receive Housing Benefit or Local Housing Allowance please state the full rent charged by the landlord before any refunds). Interviewer, try to get exact amount and specify whether weekly or monthly figure. If unknown, code to band below.

USE SHOWCARD if coding to bands

--

Week	Month	Week	Month
Under £50	Under £200	£187.51-£225	£751-£900
£50.01-£75	£201-£300	£225.01-£300	£901-£1200
£75.01-£100	£301-£400	£300.01-£375	£1201-£1500
£100.01-£125	£401-£500	£375.01-£500	£1501-£2000
£125.01-£150	£501-£600	£500.01 +	£2001+
£150.01-£187.50	£601-£750	Don't know/refused	

Q9b. Is your household currently under notice of possession?

Yes.....		No.....		Don't know.....	
----------	--	---------	--	-----------------	--

Q9c. How likely is it that your tenancy will not be renewed when it comes to an end? Would you say it is ...

Likely to be renewed.....		Not likely to be renewed.....	
Don't know.....		Not applicable / Don't want it to be renewed.....	

DP: Ask q10 if q3a is code 2 or 3 (q10 different wording for each code, see note below)

For all those paying a mortgage,

Q10 If you own your property, how much are your monthly mortgage payments? **Interviewer, try to get exact figure. If unknown, code to band. Use showcard if coding to bands**

DP: for those who are in shared ownership properties (response 3 at Q3a), the wording should be Q10 If you have a shared ownership home can you tell me the total amount of your mortgage and rent payments? Can you script to bring this up or do we need to give the interviewers separate instructions?

--

Under £500 per month	£1501-£1750 per month	
£501-£750 per month	£1751-£2000 per month	
£751-£1000 per month	£2001-£2250 per month	
£1001-£1250 per month	£2251-£2500 per month	
£1251-£1500 per month	£2501+ per month	
	Don't know/refused	

All respondents

Q11 Thinking about the fuel you use to heat and run your home, do you spend more than 10% of your total income on fuel or not.

Yes		No		Don't know	
-----	--	----	--	------------	--

Q12a How many cars or vans are kept by members of your household?

--

DP = if 0 at Q12A go to Q13a, otherwise go to q12b

Q12b Where do you park when you are at home?

On the street (permit required)	
On the street (no permit required)	
In a garage	
In a public car park	
In a private car park (e.g. a car park designated for residents of a block of flats)	

Elsewhere (please write in)	
-----------------------------	--

Disability

Q13a Is there anyone in your household whose day to day activities are limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes	1
No	2

Q13b Have you had any adaptations to your home to increase mobility or accessibility and

Q13c Do you think you will need to in the next five years?

	Have had adaptations	Will need adaptations
Yes	1	1
No	2	2
Unsure		3

DP: If yes to Q13a, ask 14 and 15. If no to Q13a, go on to 16

Q14 Are any of the following needed to address the needs of household members?

	Already have	Need	No need
Level access to front door			
Level floors within the home ie flat or bungalow with no stairs			
Accessible toilet and/or washing facilities			
A level access shower			
Personal care with washing and dressing			
A personal emergency alarm			
Domestic help with cleaning, shopping or laundry			
Meals on wheels/help with food preparation			
Handrails inside or outside			
Other support to live independently			
Support in finding services that meet your culturally specific needs (including physical and mental health, community services, advocacy, translation services, etc)			
Support to make your home safe and secure			

Q15 Does anyone in your household use a wheelchair

DP multiple response

Yes – outside the home	
------------------------	--

Yes – inside the home	
No	

The next section is about your future housing needs and intentions

Q16a Looking ahead, how likely is it that your household will move to another property within the next five years? Would you say it is ..

Very likely	1
Fairly likely	2
Unsure	3
Not very likely	4
Most unlikely	5

DP: If code 1 or 2 at Q16a ask Q16b, all others to Q17a.

Q16b What are your reasons for wanting to move? **INTERVIEWER:** Probe fully, use pre-codes if appropriate, otherwise write in verbatim

DP multiple response

Need a larger property	1
Need a smaller property	2
Want to reduce housing costs	3
Need to reduce energy costs	4
To move to a different area for employment reasons	5
To move to a different area to be nearer family and friends	6
Access problems with current home (e.g. too many stairs)	7
To be nearer shops and services	8
To obtain more care or support for health or age reasons	9
Relationship change (marriage/divorce/moving in with someone)	10
Other reason (please explain)	

Q16c Are there any barriers which prevent you from moving?

Yes	1	No	2
-----	---	----	---

DP: if 16c =1, ask 16d. If 16c=2, go to 17a

Q16d What are the barriers, please explain?

INTERVIEWER: Do not prompt, probe fully. Use pre-codes if appropriate otherwise write in full answer

DP: multiple response

Can't afford a different home	
Suitable home not available	
Would have to move away from family ties to find home	
Would have to move away from local job or schools to find	

home	
Don't know	
Other (write in)	

Q17a Is there anyone within your current household who will need or want to move into separate accommodation and form a new household in the next five years?

Yes	1	Q17b
No	2	See note after Q17

DP: if 17a=1, ask 17b. If 17a=2 refer back to 16a and if 16a=1 or 2, go to Q18; otherwise go to Q33

Q17b Why will they be seeking separate accommodation?

INTERVIEWER: Probe fully, use pre-codes if appropriate, otherwise write in verbatim

DP multiple response

Becoming independent from family home	1
To be nearer employment	2
To obtain a more suitable property	3
To obtain more care or support	4
To get on the property ladder	5
Marriage/living with a partner	6
Current accommodation not affordable	7
Other reason (please explain)	

Q17c How many separate homes will be needed by those looking to move out?

Q17d Will the member (s) of your household who is/are going to leave be able to afford any of the following *without claiming Housing Benefit* ?

DP: multiple response

To rent from a private landlord	
To rent from a Housing Association	
To buy in the open market	
To part buy/part rent an 'affordable' home	
Can't afford any of these options	
Don't know	

DP: Q18 – Q32 to be looped for each household planning to move. If code 1 or 2 at Q16a and/or Q17a is code 1. Others go to Q33

Min of 1 household max of 3 allowed

This section is to obtain more detail on the possible household moves or new households forming

	Household 1	Household 2
--	----------------	----------------

Q18 What household is planning to move? Is this...

The current household moving?	1	1
Someone moving out to form a new household?	2	2
No other households moving/new households – go to Q33		3

Q19 How many people will be in the household requiring accommodation?

--	--

Q20 And how many will there be of each of the following? Please put in number

Adult couples (<i>number of couples, not number of adults</i>)		
Single adults 16 or over		
Boys 10 – 15		
Girls 10 – 15		
Boys 0 – 9		
Girls 0 – 9		

Q21 What type of household will it be?

Single adult	1	1
One adult with one or more dependent children	2	2
Two adults only, who are married or living as a couple,	3	3
Two adults who are married or living as a couple, with 1 or more dependent children	4	4
Other situation with dependent children	5	5
Other situation without dependent children (including where grown-up children	6	6

remain at home)		
-----------------	--	--

Q22 What will be the minimum number of bedrooms required?

--	--

Q23 What type of property would the household *prefer* to have?

DP: multiple response

Detached house	1	1
Semi-detached house	2	2
Terraced or mews house	3	3
Bungalow	4	4
Flat or apartment	5	5
Studio	6	6
Sheltered or retirement accommodation	7	7
Nursing or care home	8	8
Supported accommodation	9	9
Other (please specify)	10	10

Q24 What type of property would the household *expect* to have?

DP: multiple response

Detached house	1	1
Semi-detached house	2	2
Terraced or mews house	3	3
Bungalow	4	4
Flat or apartment	5	5
Studio	6	6
Sheltered or retirement accommodation	7	7
Nursing or care home	8	8
Supported accommodation	9	9

Q27a In what area would the household prefer to live?

DP: multiple response

Remain in Barking and Dagenham	1	1
Newham	2	2
Havering	3	3
Redbridge	4	4
Elsewhere in London	5	5
Essex	6	6
Elsewhere in the UK	7	7
Outside the UK	8	8
Don't know	9	9
DP If Q27a = 1 ask Q27b, others to Q28.		
Q27b If you want to stay in Barking and Dagenham, which area would you prefer to live in?		
DP: multiple response		
(Space for up to four areas – write in names)		
DP If Q18 = 2 ask Q28, others to Q29.		
Q28 What is likely to be the working status of members of the new household?		
28a First Member		
Working full time		1
Working part time		2
Registered unemployed and looking for work		3
Looking after home or family full time and not seeking work		4
Student/full time education		5
Unable to work due to long-term sickness/disability		6
Retired		7

Don't know at this stage		8
28b Second member(if applicable)		
Working full time		1
Working part time		2
Registered unemployed and looking for work		3
Looking after home or family full time and not seeking work		4
Student/full time education		5
Unable to work due to long-term sickness/disability		6
Retired		7
Don't know at this stage		8

DP: if Q26=1,2 or 3 ask Q29 (Can you route from multiple response questions? If not, should we move current 25/26 to immediately before Q29 and allow the interviewer to determine routing?)

Q29 If the household is hoping to buy a property, or have a shared ownership property, what is the maximum they could afford?

Up to £150,000	1	1
From £150,001 - £200,000	2	2
From £200,001 - £250,000	3	3
From £250,001 - £300,000	4	4
From £300,001 - £400,000	5	5
From £400,001 - £500,000	6	6
Over £500,000	7	7
Don't know	8	8

DP: if Q26= 4,5,6 or 7, ask Q30 (same comment as above)

Q30 If they are hoping to rent, what is the maximum amount of rent they could afford each month?

Household	Household
1	2

Less than £400 per month	1	1
£401 - £600 per month	2	2
£601 - £700 per month	3	3

£701 - £800 per month	4	4
£801 - £900 per month	5	5
£901 - £1000 per month	6	6
£1001 - £1200 per month	7	7
£1201 - £1400 per month	8	8
£1401 - £1600 per month	9	9
More than £1600 per month	10	10
Don't know	11	11

Q31 Is the household currently on the Housing Register?

Yes	1	1
No	2	2
Don't know	3	3

Q32 Into which of these bands will the gross income (before tax and NI, etc) for the household fall? That is the total income from employment and benefits before any deductions but *excluding* Housing Benefit.

INTERVIEWER: use showcard

Per month

Per year

Under £800	Under £9,600	1	1
£801-£1,199	£9,600 - £14,399	2	2
£1,200-£1,599	£14,400 - £19,199	3	3
£1,600-£1,999	£19,200 - £23,999	4	4
£2,000-£2,399	£24,000 - £28,799	5	5
£2,400-£2,799	£28,800 - £33,599	6	6
£2,800 - £3,199	£33,600 - £38,399	7	7
£3,200 - £3,599	£38,400 - £43,199	8	8
£3,600 - £3,999	£43,200 - £47,999	9	9
£4,000 - £4,399	£48,000 - £52,799	10	10
£4,400 - £6,249	£52,800 - £74,999	11	11
£6,250 - £8,332	£75,000 - £99,999	12	12

£8,333 or over	£100,000 or over	13	13
Don't know	Don't know	14	14

Council Housing Strategy

All respondents to answer

Q33 This is a list of some of the things that the Council could deal with in its Housing Strategy. Could you select up to four that you think are the most important for the Council to work on.

DP: Rotate order of problems. NB same number must stay associated with problem whatever the order eg 'Build more homes' must always be 1 etc MAX OF 4 ANSWERS

INTERVIEWER: show participant the screen to act as showcard

1	Build more homes	
2	Improve the homes that the Council owns	
3	Deal with poor private landlords	
4	Ensure rents in the properties that it builds are affordable	
5	Make sure that communities work well together	
6	Ensure that homes and communities are safe	
7	Ensure that communities have good transport, education, health employment and recreation facilities	
8	Ensure that Council services are good quality and helpful	
9	Help households buy their first home	
10	Make sure that there is good parking available	
11	Deal with antisocial behaviour including noise, fly tipping and graffiti	
12	Encourage more shops and restaurants	
13	Provide more housing and housing services for older and disabled people	
14	Unable to select any	

Finally, a little more about you and your household, to ensure we have talked to a good cross section of residents

Q34 Are you ..?

Male	1
Female	2

Q35 What is your sexual orientation?

Heterosexual/Straight.....	
Gay/Lesbian.....	
Bisexual	
Transgender	
Other (<i>please write in</i>)...	

Prefer not to say	
-------------------	--

Q36 Which of the following best describes your religious beliefs?

INTERVIEWER: use showcard

Agnostic	1
Atheist	2
Baha'i	3
Buddhist	4
Christian (all denominations)	5
Hindu	6
Humanist	7
Jain	8
Jewish	9
Muslim	10
Sikh	11
No religion	12
Other (write in)	13
Prefer not to say	14

Q37 Could you tell me the employment status of yourself and your spouse/partner (if you have one)

	You	Spouse/partner
Full time employee (30+ hours).....	1	1
Part time employee (up to 30 hours).....	2	2
Self-employed.....	3	3
In full time education (age 16+) or training.....	4	4
Looking after home or family.....	5	5
Unemployed and available for work.....	6	6
Unable to work through disability.....	7	7
Retired from work.....	8	8
Prefer not to say	9	9
No spouse/ partner		10

DP If either or both are employed or self employed (code 1, 2 or 3), ask Q38 and Q39 as appropriate. If neither is working, go to Q40.

Q38 Which of these best describes the nature of the occupations of those who are working?

INTERVIEWER: use showcard

	You	Spouse/partner
Manager, director, senior official	1	1
Professional occupations	2	2
Associate professional and technical	3	3
Administrative and secretarial	4	4
Skilled trades	5	5
Caring, leisure and other service occupations	6	6

Sales and customer service	7	7
Process, plant and machine operatives	8	8
Elementary occupations	9	9
Refused	10	10
No spouse/partner or he/she does not work		11

Q39. And could you tell me in which sector they work?

INTERVIEWER: use showcard

	You	Spouse/partner
Education	1	1
Admin (office work)	2	2
Manufacturing	3	3
Construction	4	4
Retail	5	5
Utilities	6	6
Recreation and leisure	7	7
Health care	8	8
Social care	9	9
Transport	10	10
IT and Communication	11	11
Hospitality (hotels and restaurants)	12	12
Other public sector	13	13
Other private sector	14	14
Refused	15	15
No spouse/partner or he/she does not work		16

Q40 Does anyone in the household receive any of the following benefits?

INTERVIEWER: use showcard

Income Support	1	Disabled Living Allowance / Personal Independence Payment	9
Housing Benefit	2	Attendance Allowance	10
Local Housing Allowance	3	Carers Allowance	11
Council Tax Support	4	Other disability-related benefits	12
State Pension	5	Child Benefit	13
Pension Credit	6	Child Tax Credit	14
Jobseekers Allowance	7	Working Tax Credit	15
Employment and Support Allowance	8	Universal Credit	16
		None of these	17

Q41 What is your household's total income before tax? This should include income from employment, savings, shares and benefits (excluding Housing Benefit and Disability Living Allowance) (try to get exact figure, code to bands if not known). Write in whether it is a weekly monthly or annual figure INTERVIEWER: use showcard if coding to bands

Exact figure	
---------------------	--

Week	Month		Week	Month	
A. Under £125	Under £500		G. £751-£875	£3,001-£3,500	
B. £126-£250	£501-£1,000		H. £876-£1,000	£3,501-£4,000	
C. £251-£375	£1,001-£1,500		I. £1,001-£1,250	£4,001-£5,000	
D. £376-£500	£1,501-£2,000		J. £1,251-£1,875	£5,001-£7,500	
E. £501-£625	£2,001-£2,500		K. Above £1,875	Above £7,500	
F. £626-£750	£2,501-£3,000		Refused/Don't know		

Thank you for taking part in this survey. May I take your name and contact details which may be needed for back checking (interviewer explain) and to enter you into the prize draw. They will not be used in any other way or passed on unless you give permission.

Respondent name	
Address	
Telephone	
Email	

Q42 There may be some focus groups or other research to follow up on issues raised in this survey. This would give you a chance to have more of a say on things which were important to you. Would you be willing to be contacted again to see if you would like to take part?

Yes		No	
-----	--	----	--

Q43 And finally, would you like to be entered into the prize draw?

Yes		No	
-----	--	----	--

The research company will randomly select the winner and pass to the Council only the name and contact details of the winner.



STRATEGIC HOUSING MARKET ASSESSMENT UPDATE

BARKING AND DAGENHAM BOROUGH COUNCIL

Cobweb Consulting

February 2020

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EXECUTIVE SUMMARY

Introduction

1. In April 2019 Cobweb Consulting were commissioned by Barking and Dagenham Borough Council to undertake an update of the Strategic Housing Market Assessment (SHMA) they had carried out in 2018-19.
2. Since the SHMA was completed, there have been significant changes to the NPPF and to [NPPG](#). The key element is a new standard method for assessing future housing requirements, to replace the previous approach for assessing the Objectively Assessed of Housing Needs.
3. Most of the material in the 2018 SHMA was still relevant: this commission is an update rather than a full SHMA. This update focusses on the assessment of housing needs, affordable housing requirements, and housing requirements for specific groups.
4. This document therefore should be considered an extension of the original SHMA rather than a replacement for it. It does not duplicate those parts of the original SHMA that remain extant, and therefore it should be read alongside the original document.
5. It is also produced in the context of the authority's Inclusive Growth Strategy which is centred around fostering a distinctive and sustainable approach to growth, which improves prosperity, wellbeing and participation for all residents, and wrestles with the root causes of and consequences of poverty. These principles are applied to four significant areas of inclusive growth, including building homes for local people and other working Londoners. It will incorporate other aspects of housing strategy.

National Planning Policy context

6. National planning policy has recently undergone major revision with a revised National Planning Policy Framework (NPPF) (February 2019)⁸⁹. The NPPF and planning practice guidance (NPPG) no longer refer to an objective assessment of need (OAN) or to the preparation of a strategic housing market assessment. They require local authorities to base their planning policies on assessed housing need, calculated using a new standardised national methodology, together with an assessment of affordable housing need. The starting point for the standardised national methodology is to use the 2014 –based official household projections rather than the most recent household projections.
7. The standardised national methodology for identifying housing need which should be followed unless there are strong local circumstances which suggest an alternative approach. A higher figure than that suggested by the standard methodology will be deemed sound by an Inspector, but a lower figure will need to be supported by robust evidence.
8. Constraints on provision such as land availability or infrastructure should not be taken into account when estimating need, although they are of course relevant in developing policies.
9. Total housing need should be broken down by age group, type of household, size of household, tenure, and any special requirements (such as those of disabled people).

⁸⁹ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

10. A separate and detailed approach to assessing the need for affordable housing is also set out in PPG. This has not changed substantially from previous guidance.
11. Additional guidance on the needs of some specific groups has also been issued.

The London Context

12. A new version of the London Plan has been published and subjected to public scrutiny. The report of the panel was published in 2019. The Panel Report⁹⁰ considered the GLA's SHMA methodology and accepted it as appropriate in the London context, but the Plan only examines housing need at a London-wide level. The Draft New Plan proposed a higher ten year target for the borough over the period 2019-2029 (22,640, equivalent to 2,264 per annum, compared to the current target of 12,355). However the panel report recommended that the Mayor should reduce the target to 19,440 (in the light of proposed changes to the Plan's policy on small housing sites).
13. The Mayor of London is currently considering the Panel report.

Housing need in Barking and Dagenham

14. The new standard methodology for the assessment of housing need is described in detail in PPG. The starting point is the 2014-based set of official household projections.
15. **Applying the formula set out in PPG to this household projection, together with the applicable capping arrangements, produces minimum household need of 2,225 dwellings per annum.**
16. Following the approach set out in previous PPG produces an estimate of the Objective Need for Housing (OAN) of 1,844 households per annum. This is 17% lower than the estimate of need using the current guidance.
17. The NPPF and revised PPG specify that local authorities should use the new standardised need assessment methodology⁹¹ to calculate the level of housing need unless there are exceptional circumstances. No exceptional circumstances have been identified in Barking and Dagenham.
18. The assessment of need figure (as calculated by the standard method) is an important consideration, but a range of other matters, including the requirement for affordable housing and the availability of sites for housing will need to be taken into account by the Council in arriving at a decision about the target level of new housing provision to be included in its Local Plan.
19. The recommended breakdown of dwellings by **size in new build stock, other than that being provided to meet the need for affordable housing is as follows: one-bedroomed units 20%; two-bedroomed units 50%; three-bedroomed units 20%; and units with four or more bedrooms 10%.**
20. The current level of housing completions in the authority is below the London target (which is itself under review) and well below the level of need produced using the standard methodology.

⁹⁰ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/inspectors-report>

⁹¹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Affordable housing need in Barking and Dagenham

21. The need for affordable housing differs from total housing need. Assessed need, whether calculated through the new standardised methodology, or the former OAN process, is an assessment of the amount of *additional* housing stock required to cater for future household growth. The affordable housing requirement estimates the total amount of *affordable* housing required, which could be met in a variety of ways in addition to building more homes (for example, by acquiring private stock for use as affordable housing).
22. The estimates of backlog and new housing need were not updated and gross need remains at 3,163 dwellings per annum.
23. An estimated 2,091 households per annum cannot afford to pay the market entry threshold cost and therefore need affordable housing. Deducting affordable supply, mainly through relets, **leaves net affordable need of 1,581 units per annum.**
24. Four other affordable housing thresholds were also identified. The lowest cost threshold was based on current social rent levels in the social rented sector in the borough. 201 households could not even afford these rents
25. 358 households could afford a social rent, or in some cases a slightly higher rent, but not the London Affordable Rent threshold for the borough.
26. The next threshold was set at the average London Living Rent threshold for wards across the borough. 265 households could afford the London Affordable Rent threshold but not the London Living Rent.
27. The next threshold was set at the estimated cost of acquiring a 25% share in a typical London Shared Ownership Scheme. 359 households could afford the London Living Rent threshold but not the purchase of a 25% share in a London Shared Ownership scheme.
28. This leaves another 188 households who could afford the purchase of a 25% share in a London Shared Ownership scheme but not the private rented sector lower quartile rent for the borough.
29. These numbers should not be treated as exact, because a household near any one of the thresholds might shift its demand by devoting more of its income towards housing.
30. 33% of net affordable need is for two-bedroomed units; 26% is for three-bedroomed units; 33% is for units with four bedrooms or more; and 8% is for one-bedroomed units.
31. The following chart summarises the process of calculating affordable need.

Figure E.1 Affordable housing needs calculation

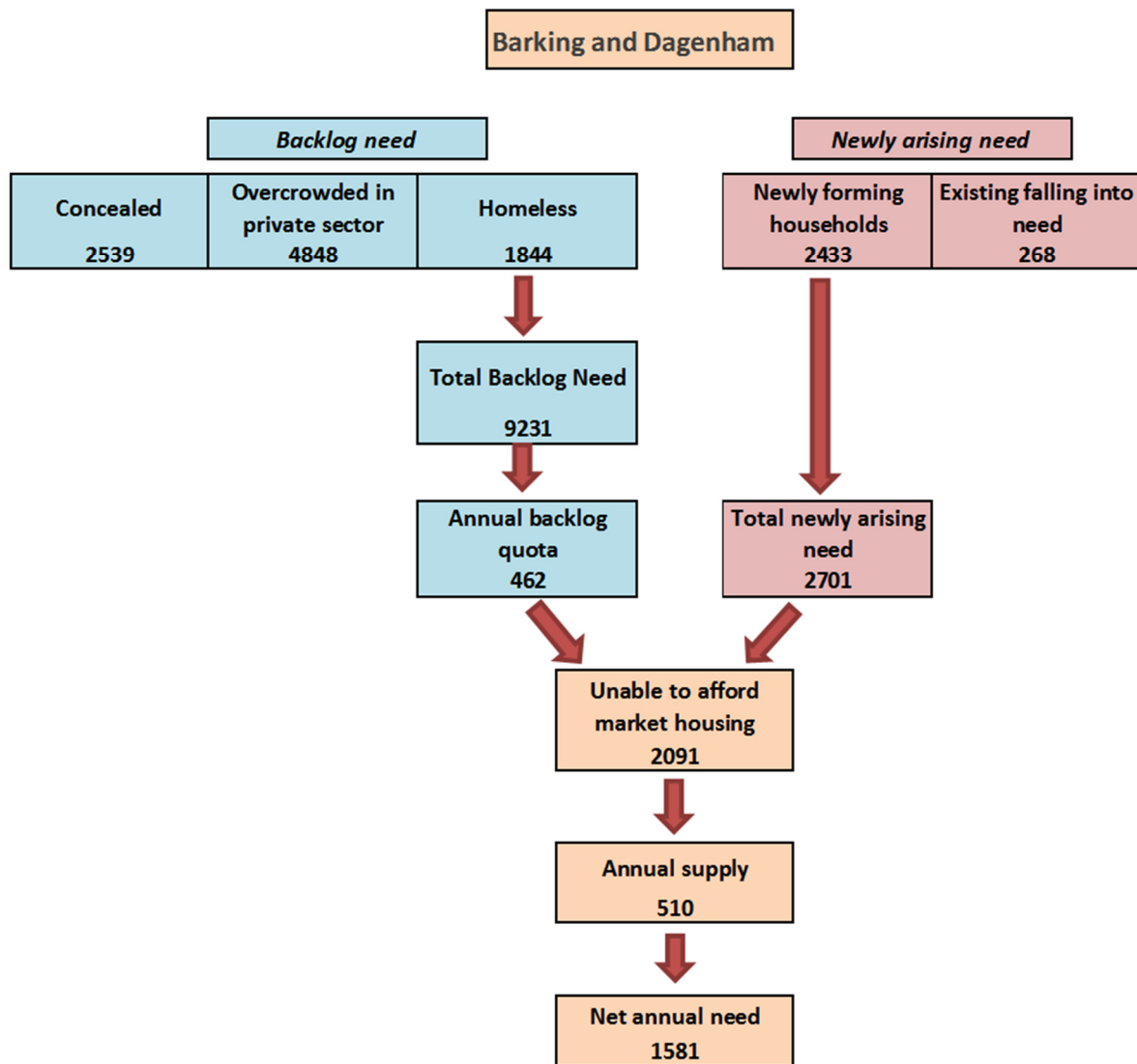


Table E.1 Net annual need for affordable homes

		Annual need	Annual supply	Surplus (+) or shortfall (-)	Percentage
Cannot afford social rent	1 Bed	63	0	63	4%
	2 Beds	64	0	64	4%
	3 Beds	68	0	68	4%
	4+ Beds	5	0	5	0%
	Total	201	0	201	13%
Can afford a social rent but not London Affordable Rent	1 Bed	130	126	3	0%
	2 Beds	388	139	249	16%
	3 Beds	102	57	45	3%
	4+ Beds	64	2	61	4%
	Total	683	325	358	23%
Can afford London Affordable Rent but not London Living Rent	1 Bed	64	57	7	0%
	2 Beds	106	59	47	3%
	3 Beds	40	35	6	0%
	4+ Beds	213	7	206	13%
	Total	423	158	265	17%
Can afford London Living Rent but not London Shared Ownership at 25% purchase level	1 Bed	0	0	0	0%
	2 Beds	184	0	184	12%
	3 Beds	287	0	287	18%
	4+ Beds	98	0	98	6%
	Total	569	0	569	36%
Can afford London Shared Ownership at 25% purchase level but not lower Quartile Market Rent	1 Bed	62	4	58	4%
	2 Beds	0	19	-19	-1%
	3 Beds	6	4	2	0%
	4+ Beds	147	0	147	9%
	Total	215	27	188	12%
All who cannot afford the Lower Quartile Market Rent	1 Bed	318	187	131	8%
	2 Beds	742	217	525	33%
	3 Beds	504	96	408	26%
	4+ Beds	527	10	517	33%
	Total	2091	510	1581	100%

Due to rounding, components of need may not sum exactly to the total shown in the table.

Housing requirements of specific groups

Older people

32. By 2041 the number of those aged 65 or over in Barking and Dagenham is projected to be 34,142. This represents a 72% increase on 2016, similar to those in the main SHMA figures.
33. The rate of increase of the 75 or over and 85 or over groups in the population is projected to be lower, at 64% and 37% respectively.
34. There is projected to be a 66% increase in the number of households containing those aged 65 or over, and again a lower rate of increase for the oldest group (33% for those aged 85 plus).
35. At the moment supply of and demand for sheltered accommodation is considered to be adequate, though condition is an issue. A Stock Condition Survey currently underway should provide evidence to target asset investment strategy. the moment supply and demand are roughly in balance.
36. There is currently considered to be a deficit of extra care accommodation. But plans to develop a further 180 units will mean there should be 356 units by 2028. This should be enough to meet forecast need
37. If there is adequate supply of suitable alternative accommodation for older people to move into, we consider that some 708 homes could be made available for general needs housing requirements.

Students

38. The authority is fully-engaged in discussions with Coventry University about accommodation requirements for students on its campus, with the active involvement of Be First as development agent.
39. Responding to more modest growth proposals than originally forecast a 100 unit scheme of purpose built student accommodation is being planned, rather than the 300 unit scheme noted in the main SHMA
40. It would be sensible for the authority to approach Barking and Dagenham College about its students housing needs, if it has not already done so.
41. Those wishing to build their own homes
42. There are 301 individuals and four housing associations registered on the borough's self-build register.
43. There is not full information available on the existence of a local connection for the majority of registrants, and no information on solvency for 45% of registrants.
44. The authority should collect this extra information quickly, and on the basis of findings, decide whether or not to press forward with developing a two-part register, which would give priority access to those with a local connection to serviced plots
45. The duty to provide service plots to qualifying individuals and groups can be met by making appropriate sites generally available during a particular period; they do necessarily have to be earmarked for self-build.

Those wishing to build their own homes

46. There are 303 individuals and four housing associations registered on the borough's self-build register.
47. Initial analysis suggests sufficient permissions have been granted to meet the demand for self-build and custom housebuilding as measured by the register.
48. There is not full information available on the existence of a local connection for the majority of registrants, and no information on solvency for 45% of registrants.
49. We suggest (as we did in the original SHMA) that the Council consider setting up a two part register, using local connection and financial solvency tests to enable local demand to be satisfied first

Chapter 1

Introduction

Background

1.1 In April 2019 Cobweb Consulting were commissioned by Barking and Dagenham Borough Council to undertake an update of the Strategic Housing Market Assessment (SHMA) they had carried out in 2018-19.

1.2 Since the SHMA was completed, there have been significant changes to the NPPF and to [NPPG](#). The key element is a new standard method for assessing future housing requirements, to replace the previous approach for assessing the Objectively Assessed of Housing Needs. NPPG has also expanded on the requirements for assessing the needs of some specific groups

1.3 Most of the material in the 2018 SHMA was still relevant: this commission is an update rather than a full SHMA. This update focusses on the assessment of housing needs, affordable housing requirements, and housing requirements for specific groups.

1.4 This document therefore should be considered an extension of the original SHMA rather than a replacement for it. It does not duplicate those parts of the original SHMA that remain extant, and therefore it should be read alongside the original document. Chapters 2, 6 and 7, and those sections of chapter 8 dealing with older people, students and self-builders in the original SHMA have been largely replaced by this study.

Report structure

1.5 The rest of this report is structured as follows:

- Chapter 2 The policy context
- Chapter 3 Housing needs assessment
- Chapter 4 Affordable housing needs
- Chapter 5 The housing requirements of specific groups.

Acknowledgements and authorship

1.6 We would like to thank our project manager, Ross Graham, Strategy and Commissioning Officer at Barking and Dagenham Borough Council. Michael Westbrook, Head of Housing and Assets Strategy, Hong Chen, Be First Planning Policy, and other colleagues at the Council who provided advice and information.

1.7 This report was researched and written by Danny Friedman and Philip Leather of Cobweb Consulting.

Chapter 2

The policy context

Key messages

- National planning policy has recently undergone major revision with a revised National Planning Policy Framework. This requires local authorities to base their planning policies on assessed housing need, calculated using a new standardised national methodology, together with an assessment of affordable housing need.
- NPPF and planning practice guidance no longer refer to an objective assessment of need (OAN) or to the preparation of a strategic housing market assessment.
- The NPPF and PPG have been revised to include a requirement to use the 2014-based official household projections as the starting point for the standardised national methodology.
- Our examination of mid-year population estimates for years since the 2014-based households projections (produced by MHCLG) shows that the assumptions underlying those projections are out of line with actual rates of population change.
- National Planning Practice Guidance (PPG) sets out a standardised national methodology for identifying housing need which should be followed unless there are strong local circumstances which suggest an alternative approach. A higher figure than that suggested by the standard methodology will be deemed sound by an Inspector, but a lower figure will need to be supported by robust evidence.
- Constraints on provision such as land availability or infrastructure should not be taken into account when estimating need, although they are of course relevant in developing policies.
- Total housing need should be broken down by age group, type of household, size of household, tenure, and any special requirements (such as needs for people with disabilities or wheelchair users).
- A separate and detailed approach to assessing the need for affordable housing is also set out in PPG. This has not changed substantially from previous guidance.
- The Council's developing Inclusive Growth Strategy is centred around fostering a distinctive and sustainable approach to growth, which improves prosperity, well-being and participation for all residents, and wrestles with the root causes of and consequences of poverty.

Introduction

2.1 This chapter highlights the key aspects of planning policy and guidance which this Strategic Housing Market Assessment (SHMA) Update for Barking and Dagenham has taken into account.

2.2 The National Planning Policy Framework (NPPF), originally published in 2012, sets out the government's principles and policies relating to planning. After remaining unchanged since its initial

publication, the NPPF was revised after consultation in July 2018 and revised again in February 2019.

The previous National Planning Policy Framework (2012)

2.3 The first NPPF published in 2012, introduced a presumption in favour of sustainable development as the underlying feature of planning policy, and set out an intention on the part of the government to secure a significant increase in the supply of housing through the planning system.

2.4 The NPPF and planning practice guidance formally required in each area, local planning authorities to prepare a Strategic Housing Market Assessment (SHMA). The purpose of an SHMA was to develop a clear understanding of housing needs in an area, with neighbouring planning authorities working together where Housing Market Areas (HMAs) crossed their boundaries. The SHMA was required to provide a full assessment of the need for both market housing and affordable housing, which would provide the basis for local plan policies relating to future housing supply and to the proportion of affordable housing in new developments. Where it was not practicable to meet need, local authorities were required to work in partnership with neighbouring authorities to ensure that their need was met elsewhere. This requirement replaced strategic planning for housing left by the abolition in 2010 of the system of Regional Spatial Strategies, except in London where the London Plan fulfilled this function.

2.5 Online Official Planning Practice Guidance (PPG) followed in 2014, replacing previous published guidance. The new guidance was intended to be lighter touch. It specified that an SHMA should cover the relevant Housing Market Area (HMA), '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'. HMA boundaries were not set by the government or in PPG, so their identification formed an important part of any SHMA.

2.6 The SHMA was required to include an objective assessment of housing need (OAN) based on robust evidence. The OAN was not to take account of constraints such as land availability, as these would be addressed when developing policies to meet need, at a subsequent stage. SHMAs were required to be thorough but proportionate, and to build where possible on secondary information sources rather than primary surveys. Local planning authorities were recommended to use the method set out in PPG to calculate OAN, with any departures fully explained and justified.

2.7 PPG was updated at intervals but few changes were made to the guidance on housing need. However, there was considerable volume of additional practice on Examination in Public of Local Plans; Appeals against the refusal of individual planning applications; and the development of Neighbourhood Plans. In addition, a body of case law emerged where applicants, local authorities or the Secretary of State sought clarification through the Courts of the definition of OAN, and the process of its calculation.

2.8 As a result, by 2017, the assessment of the OAN within an SHMA had become a complex and time-consuming process. The starting point was projected future household growth, but PPG, EIP Inspectors' reports, and legal judgments created a series of adjustments to OAN to take account of factors such as suppressed household formation, the contribution of housing to economic growth,

the need to provide affordable housing, and the need to take account of market signals. Taking 'market signals' as one example, there was no precise guidance in PPG over the calculation of an appropriate adjustment to OAN. Reports were prepared by practitioner groups suggesting percentage adjustments to demographic growth, but these were not necessarily supported by clear evidence, and were interpreted in different ways by local authorities, developers and planning inspectors.

2.9 Planning Practice Guidance also included details of the required approach to the assessment of affordable housing need, but this had changed only slightly from the well-established approach used in pre-2014 circulars and guidance. The requirement for local authorities to consider the viability of their policies for affordable housing provision by private developers reduced the importance of the assessment of affordable housing.

The revised NPPF

2.10 The increasing concern at the cost of preparation and the extended timetable for public examination of planning policies setting out future housing requirements was one of the factors which led the government to make revisions to the NPPF, published in 2018. The government considered, rightly or wrongly, that delays in the preparation and revision of development plans were partly caused by the complexity of the process of deriving OAN had a significant negative impact on the level of new supply and delivery. In addition, the government considered that some local authorities were arriving at policies for future housing provision which did not meet their needs fully, and that, in aggregate, local authority assessments did not provide for the level of housing which the government considered was necessary.

2.11 To address this concern, in 2017 the government published a standard methodology for the assessment of housing need that they sought to introduce. The existing term, OAN, was not employed to describe the assessment. After consultation, a new NPPF, published in July 2018, included the requirement for local authorities to use this approach to calculate housing need in all cases, other than in exceptional circumstances. The detail of the standard methodology was set out in a subsequent amended version of NPPG in September 2018.

2.12 The NPPF was then revised again in February 2019, accompanied by a revised version of PPG. The main purpose of this revision was to specify that the standard methodology should be based on the MHCLG 2014-based household projections for each local authority, rather than on the most up to date official 2016-based household projections.

2.13 The NPPF no longer refers to Housing Market Areas, or even to the need to carry out a strategic housing market assessment (SHMA), although it still expects that local authorities will develop a good understanding of their local housing market or markets as the basis for developing policy. In response to government concerns about the lack of collaboration between local authorities in cases where needs could not be fully met within the areas, the NPPF stressed that local authorities were expected to take into account any needs from neighbouring areas which could not be met in those areas. The new guidance also re-emphasised that the size, type and tenure of housing needed for a variety of specific groups should be assessed and reflected in planning policies.

Planning Practice Guidance

2.14 The NPPF sets the requirement for planning authorities to prepare assessments of housing need. Planning Practice Guidance provides the detail on how to carry these out:

- 1 An assessment of housing need, based on the standard methodology set out in the PPG, unless there are clear reasons for adopting an alternative (NPPF para 60 and PPG *Housing and economic needs assessment*⁹² para 001 Reference ID: 2a-001-20190220); and
- 2 An assessment of the current number of households and projected number of households who lack their own housing and who cannot afford to meet their housing needs in the market (NPPF paras 61-64 and PPG guidance paras 018 Reference ID: 2a-018-20190220 to 024 Reference ID: 2a-024-20190220).

2.15 The steps to derive the minimum annual local housing need are set out in Paragraph: 004 Reference ID: 2a-004-20190220 of the PPG. Step 1 is to derive the annual average number of net additional households expected to form over a ten-year period starting at the current year from the relevant official projections. In Step 2, this figure is adjusted using a formula based on the level of affordability of housing in each area. In Step 3, the resulting figure is assessed to see whether it may be subject to capping.

2.16 The guidance indicates that the standard assessment should be made at the start of the plan-making process and that it should be revised when appropriate. The Office for National Statistics ([ONS](#)) publishes revised affordability data annually, and updates of household projections every two years.

2.17 The guidance stresses that the standard assessment is an estimate of the minimum level of need in an area, and it refers to circumstances when there may be a higher level of need (Paragraph: 010 Reference ID: 2a-010-20190220), for example:

- when economic growth strategies are in place requiring additional housing to support them;
- where strategic infrastructure improvements, especially to transport infrastructure, are planned which provide the opportunity for higher growth or require higher growth to make them viable;
- or where one authority has agreed to take on unmet need from other areas.

The needs of specific groups of households

2.18 The guidance on the needs of specific groups of households has been expanded beyond that in the previous version of PPG. There are new specific sections on older people and people with disabilities, students, self-builders, and rural housing issues. The guidance now notes that the need for housing for particular groups of people may exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method, because the needs of particular groups may be calculated having consideration to the whole population of an area as a baseline, as

⁹² All subsequent references to paragraphs from PPG relate to the *Housing and economic needs assessment* section of the guidance so the title of the section is omitted in these references. The guidance is published online and is subject to continuous amendment. Paragraph references are correct at 14-07-2019.

distinct from projected new households which form the baseline for the standard method. Hence, when producing policies to address the need of specific groups, authorities will need to consider how the needs of individual groups can be addressed within the constraint of the overall need established. The need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should also be considered separately from overall need (Paragraph: 017 Reference ID: 2a-017-20190220).

Affordable housing

2.19 The guidance on the need for affordable housing (PPG guidance paras 018 Reference ID: 2a-018-20190220 to 024 Reference ID: 2a-024-20190220) has remained largely unchanged. This need should be calculated by estimating the backlog of need from people who currently occupy unsuitable housing (or who cannot form separate households) and are unable to afford market housing, together with an estimate of the future numbers in affordable need, both new households and existing households falling into need. From this should be deducted the current and future supply of affordable housing. Affordable housing need may be disaggregated into categories based on the ability to afford different types of housing such as social rented housing or intermediate housing, but not, at least at present, housing provided by the private rented sector.

Further changes to NPPF and PPG

2.20 The standard method for assessing housing need as set out in the 2010 versions of NPPF and PPG required the use of the most up to date official household projections for each area. Until September 2018, these were the 2014-based household projections prepared by MHCLG. In 2018, the Office of National Statistics took over responsibility for the preparation of official projections of households and introduced a number of changes to the methodology which are shown in the table below.

Table 2.1 Changes to household projections methodology

Element of method	2014-based household projections	2016-based household projections	Rationale for methodological changes
Calculating base household representative rates (HRRs) ¹	Used data from the 1971, 1981, 1991, 2001 and 2011 Censuses, supplemented by Labour Force Survey (LFS) data.	Uses data from the 2001 and 2011 Censuses only. HRRs broken down by age and sex are smoothed across age groups.	Census years prior to 2001 define household reference person (HRP) ² used in the calculation of HRRs based on the oldest male, whereas the 2001 and the 2011 definition is based primarily on economic activity, which makes these historical data less comparable. Using only 2001 and 2011 Census data requires fewer complex adjustments to the methodology to account for the different definitions.
Projecting HRRs	HRRs were projected forward using a combination of two fitted trends, combined using assumptions based on Labour Force Survey (LFS) data.	HRRs are projected forward using a two-point exponential model.	A combination of two trends were needed in the 2014-based projection to smooth out irregularities with historical census points (prior to 2001). As the 2016-based projection used the 2001 and 2011 censuses, a two-point exponential trend was considered appropriate. The exponential model was already used in stage two ³ of the 2014-based methodology and in the production of household projections for Wales, Scotland and Northern Ireland.

Element of method	2014-based household projections	2016-based household projections	Rationale for methodological changes
Number of years HRRs are projected for	Projected for the entirety of the projection period.	Projected 2001-2021, then held constant for the remainder of the projection.	Given we are using a shorter trend for projecting HRRs because of the changing HRP definition, limiting the use of this projected trend to a maximum of 10 years forward mitigates the risks of projecting forward a potentially more uncertain trend for the entire projection period. Therefore, the 2016-based household projections method assumes that these trends continue for a maximum of another 10 years (that is, from 2011 to 2021).
Marital status projections	Included in model and breakdowns of numbers of households.	Excluded from model and breakdowns of numbers of households.	Marital status projections were excluded from the 2016-based household projections because the most recent marital status projections are 2008-based. These are unlikely to reflect more recent trends in marital and relationship status. There are currently no plans to recommence production of official marital status projections.
Age groups used in projection	Stage one used quinary age bands from ages 15 to 19 years through to 85 years and over. Stage two used the following age bands: 15-24, 25-34, 35-44, 45-54, 55-59, 60-64, 65-74, 75-84, 85+.	Uses 16 to 19 years age band instead of 15 to 19 years, after which quinary age bands are used for 20 to 24 years through to 90 years and over.	The age groups were changed in response to consultation feedback that the age groups used in 2014-based method were not appropriate for young adults, students and the elderly population. Those consulted felt there is greater variation in how households were formed for these age groups. The change to the older age groups also provides consistency with the age breakdowns used in the mid-year estimates and SNPPs, which include breakdowns for 85 to 89-year-olds and those aged 90 years and over.
Survey data	LFS data used to determine the weights to combine the HRRs using two fitted trends.	The Annual Population Survey (APS) is used in the checks to ensure that the minimum number of adults and children implied by the projected household type breakdown for each geography and year does not exceed the number of adults and children in the projected household population.	The APS was used instead of the LFS in the 2016-based household projections to provide data used in the minimum adults and children checks because it has a larger sample size and therefore is considered more reliable when broken down to smaller population subgroups. The LFS was not needed to combine the two trends of HRRs in the 2016-based method as they were projected using a two-point exponential model.

Element of method	2014-based household projections	2016-based household projections	Rationale for methodological changes
Prison population adjustments	In previous sets of household projections for England, one-off adjustments have been made to the prison population (which are excluded from the household population), using MYEs components of change, to better reflect the growth of the prison population (for example, for young males in the years 2002 to 2008 for the 2008-based household projections).	Data about the prison population from the Ministry of Justice has been used to update the number of prisoners in the population for the years 2012 to 2016.	As a high proportion of change in the prison population is because of legislative change concerning custody, sentence lengths and prison openings and closures, rather than demographic patterns, it was considered impractical to build this into the model for projecting the prison population. Instead efforts have been made to update the prisoner numbers until the base year of the projection, to better reflect changes in the prison population.

Source: Office for National Statistics and Ministry of Housing, Communities and Local Government. Notes 1. The household representative rate (HRR) is the proportion of people in a particular demographic group who were the household reference person (HRP). 2. The HRP is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household. The 2016-based household projections use the 2011 Census definition of HRP; that is, the eldest economically active person in the household, then the eldest inactive person if there was no economically active person. 3. Stage 2 of the household projections methodology provides breakdowns of the projected number of households by household type.

2.21 In September 2018 ONS published a new set of official household projections, based on population projections using 2016 as the base date. The updated projections showed a significant reduction in the projected annual average level of household growth in many areas across the country. Therefore the application of the data to the standard method would have resulted in a reduction in the national aggregate level of housing need.

2.22 In October 2018 the government issued a consultation paper ([Technical consultation on updates to national planning policy and guidance](#)) under which it proposed that NPPF and PPG should be amended to require local authorities to continue to use of the 2014 projections. The government also announced its intention to review the methodology used in the production of official household projections. The NPPF and PPG were updated with the changes in February 2019

LB Barking and Dagenham’s Inclusive Growth and Housing Strategies

2.23 The Council’s developing Inclusive Growth Strategy is centred around fostering a distinctive and sustainable approach to growth, which improves prosperity, wellbeing and participation for all residents, and wrestles with the root causes of and consequences of poverty. These principles are applied to four significant areas of inclusive growth: building homes for local people and other working Londoners; delivering jobs in a thriving and inclusive local economy; creating a sense of place where aspirational and resilient neighbourhoods are fostered and transitioning our borough to a low-carbon future through the ambition to become the ‘green capital of the capital’

Implications

2.24 The objective of this study is to produce estimates of future housing need. NPPF clearly requires that these should be based on the standard methodology, unless exceptional circumstances apply. This study complies with this requirement outlining full explanation of the components of the estimate and the sources used. However, to ensure that the study provides a full understanding of the demographic and other factors influencing housing need, and the factors influencing affordability, we have undertaken a detailed review of these factors and considered the impact of alternative scenarios. By doing so, it also puts the housing need figure from the standard methodology in context and ensures that decisions made on housing provision within the local plan are as fully informed and future-proofed as possible.

Chapter 3

Housing Need Assessment

Key messages

- This chapter provides an assessment of the level of housing need in Barking and Dagenham using the standard national methodology.
- **The new standard methodology produces minimum household need of 2,225 dwellings per annum.**
- The approach set out in previous PPG produces an updated estimate of the Objective Need for Housing (OAN) of 1,844 households per annum.
- This is 17% lower than the estimate of need produced using current guidance.
- The current level of housing completions in the authority is below the London target, which is in itself subject to current review, and well below the level of need produced using the standard methodology.
- NPPF and revised PPG require that local authorities should use the new Standardised Need Assessment Methodology to calculate the level of housing need in their areas unless there are exceptional circumstances. No exceptional circumstances have been identified in Barking and Dagenham.
- The assessment of need figure is an important consideration in local planning, but a range of other matters, including the requirement for affordable housing and the availability of sites for housing will need to be taken into account by the Council in arriving at a decision about the target level of new housing provision to be included in its local plan.
- **The recommended breakdown of dwellings by size in the new build stock, other than that being provided to meet the need for affordable housing, is 20% one-bedroomed units, 50% two-bedroomed units, 20% three-bedroomed units, and 10% four-bedroomed units.**

Introduction

3.1 Local authorities were required by the new NPPF issued in July 2018 to assess need using a standard national methodology which is set out in detail in official guidance, unless there were exceptional circumstances for using an alternative. In February 2019, the government published further changes to NPPF and PPG. The Barking and Dagenham SHMA, completed in late 2018 and published earlier in 2019, was not able to take full account of these changes. This update does so, but should be read in conjunction with Chapters 6 and 7 of the SHMA.

3.2 The frequency of the changes to NPPF and PPG after a long period of stability introduces an element of uncertainty into estimates of housing need. To address this, this chapter firstly sets out the results of using the most recent version of the standard national methodology for assessing housing need at the time of writing. As well as using the 2014 household projections required by NPPF, the chapter also shows the assessed need using the most recent 2016 projections produced by the Office of National Statistics and the most recent comprehensive set of projections produced by the Greater London Authority. It then goes on to compare the results of these assessments with the former objective assessment of need (OAN) which was produced under the previous guidance,

and with recent completion levels, although the latter are of course, not estimates of need. We consider that having this range of estimates available will provide the Council with the best advice on how to proceed in setting future targets for housing provision in the area.

The Standard Assessment of Need: Step 1

The approach to be followed is set out in revised PPG published in February 2019. Step 1 is to ‘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.’ (PPG on *Housing and economic Needs Assessment* Paragraph: 005 Reference ID: 2a-005-20190220 Revision date: 20 02 2019). The guidance specifies the use of the 2014-based household projections and the CLG Live Table from which they are to be drawn. However, to provide a full picture, this step was carried out for the MCHLG 2014-based projections, the 2016-based official ONS projections, and the most recent GLA household projections. **Table 3.1** below shows the calculation, with the baseline of annual growth set out in the final column.

Table 3.1 Household projections and annual average growth

	2019	2029	Annual Average Growth
ONS 2016-based	79,126	91,076	1,195
GLA 2017-based central trend	81,718	96,707	1,499
MHCLG 2014-based	81,896	97,790	1,589

Sources: ONS, 2016-based household projections; MHCLG 2014-based household projections. Household numbers are not rounded until the final stage of the calculation.

3.3 The 2014-based projections show a baseline need of 1,589 households per annum whilst the newer ONS 2016-based projections show a lower level of need, 1,195 per annum, a reduction of 394 households per annum. The GLA’s 2017-based central trend projection produces an estimate of annual average growth (1,499 households per annum) which is lower than that derived from the CLG 2014-based projections, but closer to it than to the projection made by ONS. GLA produces two other variant projections, referred to as the short term and long term trend projections. The main difference between the three GLA projections lies in the length of the time series of migration data incorporated in the population projections which underlie them. The central trend projections, shown in the table above, use migration data over a ten year period, ending at the base year for the projections. The short term projection uses migration data covering a five year period and the long term projection uses a twelve year period. The short term projection produces an annual estimate of growth very similar to that for the central trend projection (1,500 households per annum). The long term projection produces an estimate closer to that produced by the 2016-based ONS projections (1,167 households per annum).

3.4 The differences between these projections are large difference. They are accounted for by both differences in the underlying population projection used and by differences in the assumptions made about the propensity of the population to form separate households, which is determined through a series of estimated household formation rates. The differences in methodology between the 2016-based ONS projections and the 2014-based CLG projections are set out in a paper by ONS⁹³

⁹³ See ONS, *Comparing the differences between the 2014-based and 2016-based household projections for local authorities in England* available at

and were summarised in **Chapter 2, Table 2.1**. GLA have also published a detailed paper on the methodology of their trend-based population and household projections⁹⁴. The 2014-based **household** projections produced by MHCLG take as their starting point ONS mid-year estimates up to 2013, and the ONS 2014-based **population** projections. Household formation rates were projected using data from the 1971, 1981, 1991, 2001 and 2011 Censuses, supplemented by Labour Force Survey (LFS) data. The 2016 household projections produced by ONS took as their starting point mid-year estimates up to 2016 and the ONS 2016-based population projections. However the household representative rates were derived from the 2001 and 2011 Censuses only. As a result, the rising rates of household formation apparent in the 1971-1991 Censuses were not taken into account, because they were no longer apparent, especially by 2011.

3.5 Taking population first, the most recent ONS population projections (the 2016-based projections) suggest lower population growth in Barking and Dagenham in the period up to 2039 than the previous (2014-based) projections. By 2039, the last year for which data is available from both sets of projections, the population of Barking and Dagenham is projected to be 14,600 less in the 2016-based projections than it was in the previous 2014-based projections, a reduction of 5%. These official population projections are based on assumptions about births, deaths and migration and revisions in the assumptions made about these lead to differences between projections over time. More recent projections are more accurate than older ones, as they use more recent data on demographic trends.

3.6 Differences between projections in the short and medium term are more important than the long-term picture, which in any set of projections is likely to be less accurate. The standard national methodology, for example, only requires consideration of projected household growth for the next ten years to 2029, but is used to estimate growth over the whole of a local plan period, more typically 20 years. The differences in population between the 2014-based and 2016-based projections begin in 2016, although paradoxically at that point, the 2016-based projections show a larger population. By 2029, the 2016-based projections are 6,300 persons lower than the 2014-based projections.

3.7 As well as publishing projections of recent and future population, ONS produces estimates (referred to as mid-year estimates or MYEs) of the population in recent years (**Table 3.2**). These are more accurate than the projections, as they are based on recorded trends rather than projected trends. All three sets of population projections (the ONS 2014-based and 2016-based, and the GLA 2017-based) over-estimate the population of Barking and Dagenham in 2017. This over-estimate has been built into the projections and carried through into the household projections.

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/articles/comparingthedifferencesbetweenthe2014basedand2016basedhouseholdprojectionsforlocalauthoritiesinengland/2019-08-27>

⁹⁴ See *Update 2017-12 GLA Trend-based Projection Methodology 2016-based population projections*, GLA November 2017 available at <https://data.london.gov.uk/dataset/projections-documentation>

Table 3.2 Comparison of population estimates and projections

	2014	2015	2016	2017
Mid Year estimates	198,650	203,101	208,182	210,711
ONS 2014-based SNPP	198,300	202,800	206,900	211,000
ONS 2016-based SNPP			208,200	212,100
GLA 2017-based central trend	199,032	203,488	208,561	211,094

Sources: ONS 2014 and 2016 based sub-national population projections; ONS mid-year population estimates, via NOMIS; GLA Datastore.

3.8 Past migration trends are a significant influence on population, and through this, household projections. Table 3.3 shows trends in internal and international migration flows since 2008-09 in the borough. The composition of these inflows and outflows has been relatively consistent over the period, with net inflows from abroad and net outflows to the rest of the UK. The scale of net international migration reduced in the 2011-14 period but has subsequently increased. The net internal outflow has shown greater fluctuations, but has increased markedly in recent years. In 2016-17 it exceeded the inflow from international migration for the first time in several years and this position was maintained in 2017-18. If this situation continues, migration will tend to reduce the future population (though of course natural change as a result of the balance of births and deaths may still lead to a net overall increase). A return to previous trends with higher net inflows from international migration would mean that migration would again contribute to population growth. The impact of the UK's departure from the European Union, and the future trajectory of the national economy will have an important impact on this.

3.9 The MHCLG 2014-based household projections specified in PPG are derived from 2014-based population projections prepared by ONS. These assume an increase in the level of net outflow from Barking and Dagenham to the rest of the UK of 700 per annum in 2014, rising to 2,600 by 2039, but since 2016, net internal outflow has considerably exceeded even the 2039 assumption. For international migration, the projection assumes a reduction in the net inflow from 2,700 in 2014 to 1,900 in 2039, but since 2014 the net inflow has exceeded that projected by the base year. This will bring about an overestimate of future population growth and future household numbers. This will be relatively small in the early years of the period but much greater as time passes.

3.10 The 2016-based population projections, not recommended for use by PPG, also diverge from recent trends. They assume that the net internal outflow from the borough to the rest of the UK will increase from 1,200 to 3,200 over the 2016-2041 period, and that the net international inflow will fall from 2,600 to 2,100 over the same period. However, as would be expected from more up to date projections, they more closely reflect current trends than the 2014-based projections, especially in relation to the international net inflow.

Table 3.3 International and internal migration trends

	Population	Long-Term International Migration			Internal Migration (within UK)		
		Inflow	Outflow	Net inflow	Inflow	Outflow	Net inflow
2008-09	177,580	3,679	948	2,731	11,107	10,737	370
2009-10	182,838	3,878	574	3,304	11,228	11,361	-133
2010-11	187,029	3,160	586	2,574	10,840	11,487	-647
2011-12	190,663	2,479	815	1,664	11,975	12,527	-552
2012-13	194,576	2,269	753	1,516	12,354	12,612	-258
2013-14	198,650	3,426	742	2,684	12,928	14,046	-1,118
2014-15	203,101	3,898	616	3,282	12,923	14,099	-1,176
2015-16	208,182	4,689	799	3,890	12,687	14,263	-1,576
2016-17	210,711	4,185	959	3,226	13,681	17,037	-3,356
2017-18	211,998	3,846	967	2,879	14,258	18,401	-4,143

Source: ONS, Local Area Migration Indicators, UK available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/localareamigrationindicatorsunitedkingdom>

3.11 The second set of differences between the projections relates to household formation rates. Household projections apply a range of estimated household formation rates to the population to calculate the number of households which will be formed from that population. The 2016-based projections, for example, have formation rates for 16 age groups, broken down by gender, and by year – a total of 800 rates, which may also be further broken down by marital status and household type. **Table 3.4** below compares some of the rates used in the 2014 and 2016 based official projections. It shows that the differences are very substantial for people in the 35-64 age groups. The rates used in the MHCLG 2014-based projection are higher for males and lower for females than those used by ONS, but as there are more male household representatives than female, the MHCLG-2014-based rates generate more households. We can summarise these differences by looking at the overall average household size for each household projection. In both 2019 and 2029 the average household size for the ONS 2016-based projection is higher (resulting in fewer projected households) than that produced by the MHCLG 2014-based projections.

Table 3.4 Comparison of household formation rates

		2016-based		2014-based		Percentage Point Difference	
		2019	2039	2019	2039	2019	2039
Male	20-24	15%	14%	16%	16%	1	2
	25-29	31%	30%	43%	40%	12	10
	30-34	48%	47%	72%	73%	23	26
	35-39	61%	59%	80%	76%	19	17
	40-44	68%	67%	86%	86%	18	19
	45-49	72%	71%	89%	89%	17	17
	50-54	75%	74%	90%	88%	15	14
	55-59	75%	75%	91%	89%	16	14
	60-64	75%	75%	96%	96%	21	21
	65-69	73%	73%	97%	96%	23	23
	70-74	82%	83%	98%	97%	16	14
	75-79	87%	88%	98%	97%	11	10

	80-84	92%	93%	99%	98%	7	5
Female	20-24	22%	22%	25%	27%	3	5
	25-29	33%	33%	29%	31%	-4	-2
	30-34	41%	41%	33%	38%	-7	-2
	35-39	48%	49%	36%	40%	-12	-9
	40-44	54%	55%	39%	43%	-16	-12
	45-49	57%	58%	35%	39%	-22	-20
	50-54	57%	58%	37%	41%	-19	-17
	55-59	55%	56%	37%	40%	-18	-16
	60-64	53%	53%	41%	48%	-12	-5
	65-69	48%	47%	45%	50%	-3	3
	70-74	52%	50%	49%	55%	-3	5
	75-79	61%	59%	55%	52%	-5	-7
	80-84	74%	74%	71%	65%	-9	-11

Source: MHCLG, 2014-based household projections and ONS, 2016-based household projections

3.12 A key issue in assessing housing need relates to the cause of the decline in household formation rates. Is this a result of changing household preferences, such as sharing by groups of unrelated individuals, or the result of increasing affordability problems, or simply a lack of supply, making it harder for individuals wishing to live on their own or to afford to do so. The latter might be termed suppressed household formation.

3.13 Defining, measuring and tackling suppressed household formation raises many difficulties. Affordability is inevitably a constraint on household formation in any housing market – the question is at what stage do affordability problems become problematic, and lead to overcrowding, or levels of dwelling occupancy which cause other problems?

3.14 These are complex issues. In its 2017 *White Paper Fixing our broken housing market*, the government decided that it wished to increase supply with the aim of improving affordability, and through this to permit more households to form. It did so through introducing a national supply target above that which would be derived from household projections alone. This is a pragmatic policy response which recognised the difficulty of precise calculations of suppressed household formation but which determined and set a definitive target.

3.15 In that sense the government's requirement that local planning authorities should set aside the most up to date projections and use outdated projections is mistaken, as it relies on both inaccurate population projections and household formation trends which are out of date. To meet the objective of compensating for household formation which has been suppressed by affordability problems (if this has occurred) it would have been far more appropriate to have simply increased the size of the 'adjustment factor' to be applied to the base projections in Step 2 (covered below).

3.16 To comply with NPPF and PPG the projected average annual household growth over a 10 year period from 2019 derived from the MHCLG 2014-based household projections is 1,589.

The Standard Assessment of Need: Step 2

3.17 Step 2 of the standard assessment of need requires the calculation of a median workplace based affordability ratio for Barking and Dagenham, which is then used to calculate an **adjustment**

factor. This is applied to the average annual projected household growth figure calculated in step 1 to produce a **minimum annual housing need estimate**.

3.18 PPG specifies that the most recent median workplace-based affordability ratio, published by the Office for National Statistics a local authority level, should be used. Data for 2018, published in March 2019, is the most recent available⁹⁵. For Barking and Dagenham, the 2018 ratio is 10.12. This compares to ratios of 12.99 for London as a whole and 7.18 for England and Wales. The ratio for Barking and Dagenham is the second lowest in London, that is to say the borough is the second-most affordable. However, across England and Wales as a whole the borough ranks 112th out of 346 local authorities in terms of affordability problems. The formula for calculating the adjustment factor is:

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

3.19 The first stage in calculating the adjustment factor is to subtract 4.0 from the workplace-based affordability ratio, leading to a figure of 6.12. In stage 2 this is divided by 4, giving a result of 1.53. The third stage is to multiply this by 0.25, giving a result of 0.38. The fourth and final stage is to add 1.0 to this result to give a final adjustment factor of 1.38 for Barking and Dagenham, based on 2018 data.

3.20 If applied to baseline household growth, the adjustment factor gives minimum annual household need of 2,197, based on the MHCLG 2014-based household projection. Using the 2016-based ONS household projections would produce a much lower minimum annual household need figure of 1,652. The GLA central trend household projection produces annual need of 2,072 dwellings per annum.

The Standard Assessment of Need: Step 3

3.21 Step 3 of the standard method is to apply capping to the minimum annual household need figures calculated in Step 2. In Barking and Dagenham, the capped figure is the higher of (a) 140% of the figure calculated in Step 1, namely 1,589 x 1.40 = 2,225; or (b) the figure set out in the most recent adopted local plan, 1,190 per annum⁹⁶.

3.22 Using the methodology for the standard assessment of need set out in NPPF and PPG, we advise that minimum annual new household need is 2,225 per annum. This assessment follows the approach set out in NPPF and in more detail in PPG. Alternative estimates are provided by the use of the ONS 2016-based household projections (1,652), and by the Greater London Authority's central trend household projection (2,072). Both of these have the advantage of using more up to date assumptions and data than the MHCLG projection, but would require exceptional circumstances to justify their use. An example of such circumstances would be where local trends had influenced

⁹⁵ The data may be found at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>, Table 5c.

⁹⁶ Barking and Dagenham Borough Council, *Planning for the future of Barking and Dagenham: Core Strategy* Policy CM2, para 4.2.1, p.26, adopted July 2010.

demographic change in an exceptional way. As far as we are aware there are no exceptional circumstances which apply to Barking and Dagenham to suggest using these alternatives.

Objective Assessment of Need (Previous approach)

3.23 The previous version of PPG, replaced in September 2018, set out an approach to housing need which required the calculation of an Objective Assessment of Need (OAN). The previous SHMA included this assessment. For comparative purposes, this estimate has been updated where more recent data sources are available, and **Table 3.5** below sets out the updated results. The SHMA used GLA household projections in preference to those produced by MHCLG or ONS. The use of the most recent GLA projection produces an increase in the annual dwelling requirement of 54, after taking account of the effect of a decrease in need arising from homelessness.

Table 3.5 Objective Assessment of Need

		SHMA estimate, dwellings per annum	Update of SHMA estimate
Step 1: Backlog need	Homeless	194	153
	Concealed	2,539	2,539
	Total backlog	2,733	2,692
	Annual backlog	137	135
Step 2: New household formation 2019-2039	Net new households per annum	1,369	1,413
	Backlog plus new household formation	1,506	1,547
Step 3: Allowances	Allowance for vacancies (1.3%)	15	21
	Allowance for second homes (0.1%)	2	2
Basic demographic OAN	Households per annum	1,523	1,569
Step 4: OAN after adjustment to take account of market signals at 17.5%	Households per annum	1,790	1,844

3.24 The revised estimate of OAN is 17% less than that derived from the standard methodology, but as it used a now replaced methodology, there is no case for using this as the target.

Other considerations when determining the future level of housing provision

3.25 The number of housing completions in the authority over the 2008-2018 period has been consistently below target, and the proportion of completions which were affordable has varied substantially from year to year (**Table 3.6**). From 2014 onwards the authority worked on the basis of a higher housing number of 1,236 dwellings per annum as set out in the London Plan but completion levels have fallen well below this. In its 2016-17 Authority Monitoring Report, the council noted that unimplemented planning permissions exist for many homes, and the issue is not a lack of sites but the slow rate of delivery due to development viability. In 2017 the Council established the Be First Regeneration Company with the aim of creating 50,000 new homes in the Borough over the next 20 years, an average rate of 2,500 dwellings per year. This suggests that the housing need estimate to

be adopted by the Council should be at or higher than the level determined through the Government's standard housing need methodology.

Table 3.6 Housing supply and housing targets

	Total (net additional dwellings)	Affordable	Affordable as % of net additional dwellings	Housing Target
2008-09	391	157	40	1,190
2009-10	207	24	12	1,190
2010-11	338	143	42	1,065
2011-12	378	113	30	1,065
2012-13	506	243	48	1,065
2013-14	868	588	68	1,065
2014-15	512	14	3	1,236
2015-16	789	325	41	1,236
2016-17	612	199	32	1,236
2017-18	591	191	32	1,236
Total	5192	1997	38	

Sources: London Development Database, and Barking and Dagenham Council, AMR 2016/17 and previous reports available at <https://www.lbbd.gov.uk/monitoring-and-evidence-base-library> Note: the affordable housing figures are net of demolitions.

3.26 **Chapter 4** below considers the need for affordable housing within the Borough. Not surprisingly given the high prices and rents in the authority, there is a significant need for affordable housing. The Council has a reasonable track record in securing affordable housing, with almost 2,000 affordable completions over the 2012-2017 period. In addition to setting targets for the proportion of new homes which take the form of affordable housing, the Council may wish to consider boosting overall housing supply targets specifically in order to increase the supply of affordable housing.

Required size of market housing

3.27 The NPPF, supported by PPG, requires a breakdown of the size requirement for market housing. If actual occupancy levels within the existing market sector stock are compared to a measure such as the bedroom standard⁹⁷, it is clear that the existing stock is significantly under-occupied, especially in the owner occupied sector (**Table 3.7**). This would suggest that a concentration on smaller dwellings in future market provision would lead in the long run to a better overall match with the bedroom standard.

⁹⁷ The minimum standards set under Part 10, Housing Act 1985 to determine the numbers of bedrooms required by different types of households, below which they are categorised as overcrowded.

Table 3.7 Occupancy rating by tenure

	2+ bedrooms more than BS	1 bedroom more than BS	Matching BS	1+ bedrooms less than BS
Social tenants	10%	23%	53%	14%
Private tenants	7%	22%	49%	22%
Owner occupiers	26%	37%	28%	9%
All households	17%	30%	40%	13%

Source: ONS, 2011 Census, Table DC4105EW1a - Tenure by occupancy rating (bedrooms) by household composition

3.28 In practice, the bedroom standard plays no part in determining actual occupancy patterns in the private sector. These are determined by the operation of the market, with households consuming the amount of space which they can obtain and afford. However, affordability pressures have already exerted an influence on household space consumption decisions in London, for example through the conversion of housing built for single family occupation into smaller flats. Worsening affordability might increase the demand for smaller units, but might require larger units more suitable for sharing, if fewer single adult households could afford smaller units. An increase in private renting would increase the demand for smaller units as occupancy levels in the sector tend to match household size more closely than in the owner occupied sector. In the owner occupied sector, households generally might wish to occupy dwellings with more bedrooms, more bathrooms and other facilities, and spaces for home working or other leisure activities, if they can afford to. Conversely, more old people might seek to downsize to smaller units if purpose built housing for older people were to become more popular. Lastly, the need for the borough to make the most effective use of land to meet housing need could require the provision of a higher proportion of small units than current demand suggests, as a deliberate policy decision. These conflicting trends are further constrained by the fact that the overall size profile of the dwelling stock can change only slowly over time as a result of new additions and conversions. On balance, however, they suggest that a concentration on smaller dwelling units would be the most likely to contribute to reducing under-occupation and improving the affordability of housing in the private sector.

3.29 **Table 3.8** shows the size breakdown of the occupied stock by tenure in 2011. Relatively few households in the owner occupied sector occupy one-bedroomed units, suggesting that the current demand is limited. Some increase in the proportion of the new build private sector stock in the form of one bedroomed units might therefore be appropriate, but the proportion could be increased to 20%, approximately as it is in the existing stock. Two bedroomed units currently make up 35% of the existing private stock, and an increase in this proportion would contribute to both the reduction of under-occupation and the improvement of affordability. It is recommended that 50% of new build stock should be of two bedrooms. Three-bedroomed dwellings currently form the largest proportion of the dwelling stock (47%). There is clearly a strong demand for these dwellings but a reduction in the proportion in the new build stock to 20% would contribute to improving affordability. Less than 10% of the dwelling stock is in the form of units with four bedrooms or more. If 10% of new dwellings were of this size, this would acknowledge the continuing demand for this type of dwelling but contribute to increased densities and improved affordability by limiting the level of such provision.

Table 3.8 Number of bedrooms in existing stock

	1	2	3	4	5
Owner occupier	5%	32%	53%	7%	2%
Private tenant	21%	42%	31%	4%	1%
All private	10%	35%	47%	7%	2%

Source: ONS, 2011 Census Table DC4405EW - Tenure by household size by number of bedrooms

3.30 This breakdown of housing requirement by size applies to that element of annual housing need in the borough which is not met through the provision of affordable housing, rather than to the whole annual housing requirement.

Dwelling type

3.31 The current mix of dwellings by *size* provides some guidance on the required mix in the future, because there is an obvious link between household size/type and dwelling size, albeit one which is overlain and blurred by incomes, aspirations and allocation policies. There is no similar determinant of the demand for dwellings of different *types*. Pressures on land are reflected in the proportion of purpose-built flats and apartments in the new build sector, and this pressure is likely to continue.

Conclusion

3.32 **NPPF and revised PPG specify that local authorities should use the new standardised need assessment methodology to calculate the level of housing need in their areas in order to inform the setting of a level of provision for new housing in their local plans, unless there are exceptional circumstances. This leads to an annual housing need level of 2,225 dwellings in Barking and Dagenham.** Councils are required to use the 2014-based household projections prepared by MHCLG rather than the up to date 2016-based projections prepared by the Office of National Statistics.

3.33 The Standardised Assessment leads to a higher estimate of housing need than that produced using either the 2016-based official projections, or the GLA's central trend household projection. NPPF is clear that the 2014-based projections should be used, other than in exceptional circumstances. The GLA central trend estimate of need (2,072) is relatively similar to that produced using the 2014-based MHCLG projections, and does not justify its use as an alternative. Future assumptions about migration are one of the factors leading to differences between housing need estimates in household projections. Recent migration trends in the borough have been reasonably stable, so there is no case for diverging from the recommended 2014-based projections to take account of them. It would be prudent, however, to keep these trends under review given the current uncertainties around future international migration into the UK and around the future trajectory of the national economy.

3.34 The recommended breakdown of dwellings by size in the new build stock, other than that being provided to meet the need for affordable housing, **is 20% one-bedroomed units, 50% two-bedroomed units, 20% three-bedroomed units, and 10% four-bedroomed units.** Although this does not match the current pattern of stock, it will contribute to a reduction in under occupation in the authority, and to the improvement of affordability by creating more lower cost dwellings, and higher densities, especially if a higher proportion is also provided in the form of flats and apartments.

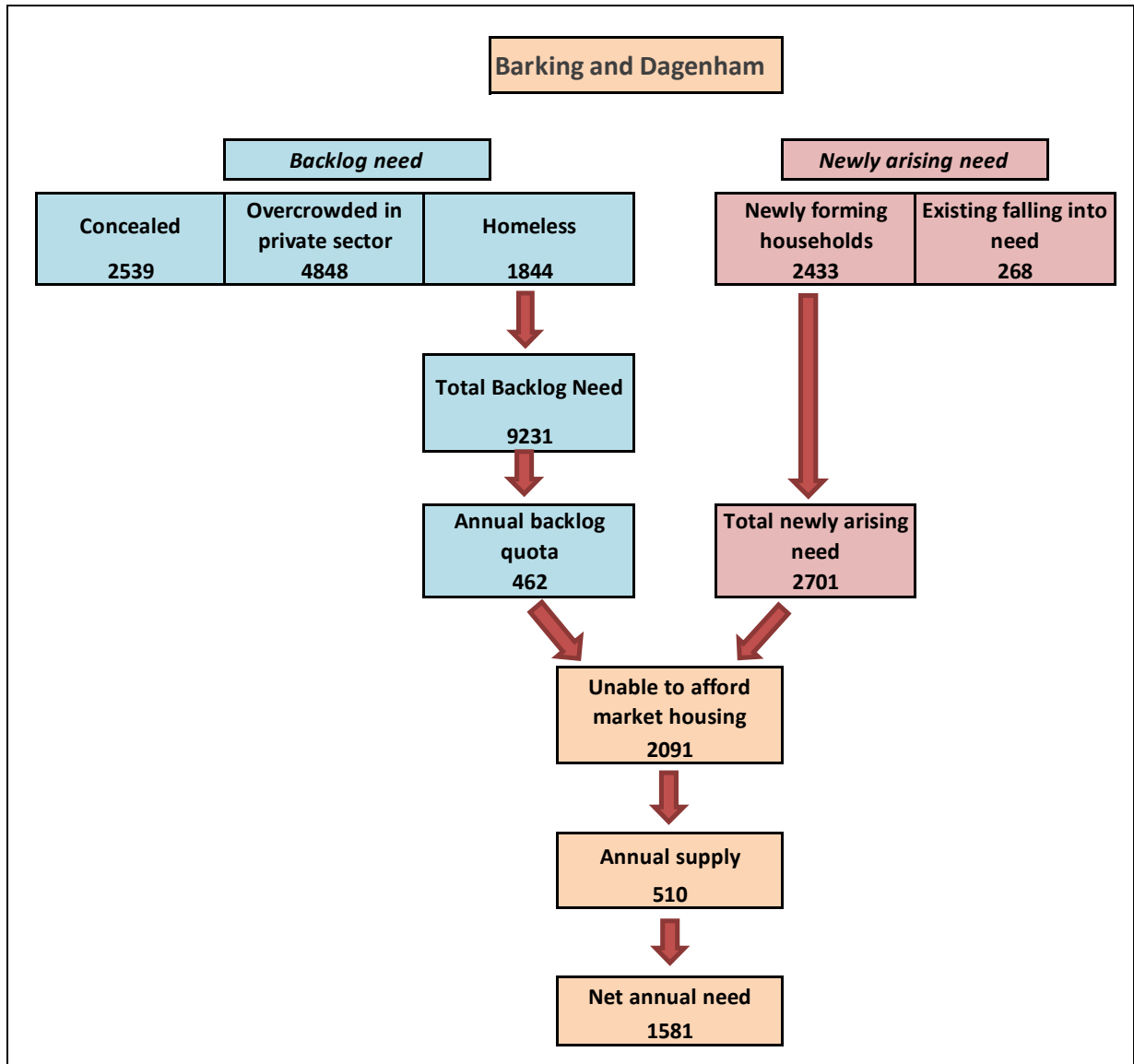
Chapter 4

Affordable housing need

Key messages

- This chapter updates some aspects of the estimated requirement for affordable dwellings in Barking and Dagenham, using a spreadsheet model based on official Planning Practice Guidance.
- The need for affordable housing differs from total housing need. Assessed need, whether calculated through the new standardised methodology, or the former OAN process, is an assessment of the amount of *additional* housing stock required to cater for future household growth. The affordable housing requirement estimates the total amount of *affordable* housing required, which could be met in a variety of ways in addition to building more homes (for example, by acquiring private stock for use as affordable housing).
- The estimates of backlog and new housing need were not updated and gross need remains at 3,163 dwellings per annum. To assess the number of these households unable to afford market housing, updated estimates were obtained of the distribution of household incomes in the authority, and of the incomes of the specific groups defined in Guidance as potentially in need. Household incomes were compared with the threshold entry cost for market housing, to give an estimate of the number of households in need of affordable housing, broken down by bedroom requirements.
- **An estimated 2,091 households per annum cannot afford to pay the market entry threshold cost and therefore need affordable housing. Deducting affordable supply, mainly through relets, leaves net affordable need of 1,581 units per annum.**
- Four other affordable housing thresholds were also identified. The lowest cost threshold was based on current social rent levels in the social rented sector in the borough. 201 households could not even afford these rents (the estimates of incomes include housing benefits) suggesting that the housing benefit system is not helping all households to fully meet their housing costs, and that some low income households will need to spend a higher proportion of their income on housing than assumed.
- 358 households could afford a social rent, or in some cases a slightly higher rent, but not the London Affordable Rent threshold for the borough.
- The next threshold was set at the average London Living Rent threshold for wards across the borough. 265 households could afford the London Affordable Rent threshold but not the London Living Rent.
- The next threshold was set at the estimated cost of acquiring a 25% share in a typical London Shared Ownership Scheme. 359 households could afford the London Living Rent threshold but not the purchase of a 25% share in a London Shared Ownership scheme.
- This leaves another 188 households who could afford the purchase of a 25% share in a London Shared Ownership scheme but not the private rented sector lower quartile rent for the borough.

- These numbers should not be treated as exact, because a household near any one of the thresholds might shift its demand by devoting more of its income towards housing.
- **33% of net affordable need is for two-bedroomed units; 26% is for three-bedroomed units; 33% is for units with four bedrooms or more; and 8% is for one-bedroomed units.**
- The following chart summarises the process of calculating affordable need.



Introduction

4.1 This chapter concerns the requirement for affordable dwellings as distinct from the overall need for housing set out in Chapter 3 of this report. Affordable housing need was estimated in Chapter 7 of the SHMA, and this report updates two components of this estimate. Firstly, it uses more recent data on local incomes, and secondly it amends the cost thresholds used to estimate affordable need to align them with those used in the London Plan.

Household incomes and the ability to afford housing

4.2 Local data on household incomes is not readily available in the form required to produce estimates of the ability of households to afford different types of housing. Several commercial companies produce local estimates of the distribution of household incomes, and incomes produced by one company, CACI Paycheck, were used in the SHMA. This report uses the latest 2019 CACI Paycheck data to update estimates of affordable housing need. Table 4.1 below shows the latest data. The mean 2019 income is higher than that used in the SHMA, but the lower quartile threshold is very similar.

Table 4.1 Incomes and housing cost assumptions

Point in distribution (percentile) ⁹⁸	£ Income level at that point	£ Maximum housing costs per annum	£ Maximum affordable house price	£ Maximum monthly rent including service charges
10	9542	3340	74219	278
20	13836	4843	107613	404
25 (lower quartile)	15886	5560	123560	463
30	17892	6262	139156	522
40	22192	7767	172605	647
50 (median)	27148	9502	211150	792
60	32952	11533	256290	961
70	40032	14011	311361	1168
75 (upper quartile)	44392	15537	345273	1295
80	49448	17307	384599	1442
90	64822	22688	504168	1891

The proportion of households unable to afford market housing

4.3 A number of changes were made to the thresholds used to assess affordability to align them with those used in the London Plan. As before, and in line with official guidance, the threshold used for access to the market was the lower quartile cost of buying on the open market or of renting, whichever was the cheaper, with mortgage costs converted to monthly costs on the basis of the assumptions relating to deposit and interest rates set out above. The lower quartile thresholds derived for market prices and rents in the borough are shown in Table 4.2, broken down by bedroom

⁹⁸ The 10th percentile is the income level below which 10% of households will be found, with 90% at or above this level; the 20th percentile is the income level below which 20% of households will be found, etc. The median is the point in the middle of the distribution with 50% of households above and 50% below this level.

requirement. The lower quartile thresholds are the latest published by the Valuation Office Agency and update those used in the SHMA. As they are higher, they lead to an increase in affordable housing need if taken in isolation. Taken in combination with the changes to household incomes shown in Table 4.1, there is a small (2%) increase in overall affordable housing need.

4.4 At each bedroom size the lower quartile rent threshold is cheaper than the cost of buying at the lower quartile price, with the exception of 2-bed units where it is slightly higher. For consistency, the lower quartile rent threshold has been used at all bedroom sizes. As a result, households at the margin of those deemed able to afford market housing will only be able to rent rather than to buy. The table also shows four other cost levels for affordable housing. These are:

- Current rents in the social rented sector, derived from published national data on local authority lettings;
- A threshold based on the London Affordable Rent 2019-20 Benchmarks, published by GLA level;
- A threshold based on the London Living Rent 2019-20 ward average for the borough, published by GLA;
- A threshold based on the costs of London Shared Ownership, assuming purchase of a standard 25% share. This cost includes rent and service charges as well as mortgage costs.

4.5 These four thresholds, taken together, provide a wide range of potential housing costs for comparison with incomes.

Table 4.2: Market and affordable threshold prices/rents

Beds	Market solutions		Affordable housing solutions			
	Buying at lower quartile threshold price (£ per month)	Renting in the market: lower quartile threshold rent (£ per month)	Renting at current average social rents (£ per month)	Renting at London Affordable Rent level (£ per month)	Renting at London Living Rent level (£ per month)	London shared ownership 25% purchase cost (£ per month)
1	994	965	355	672	754	867
2	1,105	1,185	416	712	838	1,064
3	1,684	1,422	461	751	922	1,270
4+	2,795	1,656	480	791	1,006	1,400

Source: HM Land Registry, VOA, GLA.

4.6 Table 4.3 summarises shows the number and percentage of households in need who are able/unable to afford market housing at the thresholds shown in Table 4.2. Thirty-four percent of households in need cannot afford to access market housing at the thresholds shown. This means that 2,091 (3,163-1,072) units of affordable housing are required annually to meet need, before taking account of the annual supply through relets. Those needing social rented housing form the largest sub-group, with 683 households only able to afford a social rent. A further 201 households are estimated to be unable to afford even a social rent, when benefit income is taken into account.

In these cases, benefit entitlement does not cover all their rental costs. Some 423 households could afford the London Affordable Rent level, 569 the London Living Rent level, and 215 a 25% purchase of a London Shared ownership product.

Table 4.3 Summary of ability to afford market and affordable housing cost thresholds

Affordability	In each category		Cumulative	
	Number	Percent	Number	Percent
Can afford Lower Quartile Market Rent	1072	34%	1072	34%
Can afford London Shared Ownership at 25% purchase level but not lower Quartile Market Rent	215	7%	1287	41%
Can afford London Living Rent but not London Shared Ownership at 25% purchase level	569	18%	1856	59%
Can afford London Affordable Rent but not London Living Rent	423	13%	2279	72%
Can afford a social rent but not London Affordable rent	683	22%	2962	94%
Can only afford rent below Social Rent	201	6%	3163	100%

Source: Cobweb Consulting affordable housing model. Note that the number of households in each category includes some whose capacity to pay for housing falls close to the thresholds (as well as others whose capacity falls closer to the centre of the range for that band). There is likely to be some flexibility over the appropriate solution for households falling close to the thresholds. The numbers in the table may differ slightly from those in the text due to rounding.

Net affordable need

4.7 No revisions have been made to affordable supply. If this is subtracted from affordable need, this results in an estimate of net annual need for affordable housing of 1,581 units. Table 4.4 shows this total and provides a breakdown of net need by type and size of housing. The requirement for housing at social rent or above, but below the London Affordable Rent threshold, is 559 units per annum or 36% of the total need. Around half of this need is for 2-bedrooms. There is a net need for 265 units with rents above the London Affordable Rent but below the London Living Rent threshold. This constitutes 17% of net need. The largest category of affordable need (569 dwellings per annum or 36% of net affordable need) is from households which can afford the London Living Rent thresholds but not the cost of buying a 25% share in a London Shared Ownership scheme. Finally, 188 households (12% of net need) is from households who can afford the London Shared Ownership thresholds but not the lower quartile rent level.

Table 4.4 Future annual need for affordable homes

		Annual need	Annual supply	Surplus (+) or shortfall (-)	Percentage
Cannot afford social rent	1 Bed	63	0	63	4%
	2 Beds	64	0	64	4%
	3 Beds	68	0	68	4%
	4+ Beds	5	0	5	0%
	Total	201	0	201	13%
Can afford a social rent but not	1 Bed	130	126	3	0%
	2 Beds	388	139	249	16%

		Annual need	Annual supply	Surplus (+) or shortfall (-)	Percentage
London Affordable Rent	3 Beds	102	57	45	3%
	4+ Beds	64	2	61	4%
	Total	683	325	358	23%
Can afford London Affordable Rent but not London Living Rent	1 Bed	64	57	7	0%
	2 Beds	106	59	47	3%
	3 Beds	40	35	6	0%
	4+ Beds	213	7	206	13%
	Total	423	158	265	17%
Can afford London Living Rent but not London Shared Ownership at 25% purchase level	1 Bed	0	0	0	0%
	2 Beds	184	0	184	12%
	3 Beds	287	0	287	18%
	4+ Beds	98	0	98	6%
	Total	569	0	569	36%
Can afford London Shared Ownership at 25% purchase level but not lower Quartile Market Rent	1 Bed	62	4	58	4%
	2 Beds	0	19	-19	-1%
	3 Beds	6	4	2	0%
	4+ Beds	147	0	147	9%
	Total	215	27	188	12%
All who cannot afford the Lower Quartile Market Rent	1 Bed	318	187	131	8%
	2 Beds	742	217	525	33%
	3 Beds	504	96	408	26%
	4+ Beds	527	10	517	33%
	Total	2091	510	1581	100%

Due to rounding, components of need may not sum exactly to the total shown in the table.

4.8 The split of need between categories of supply should be treated with some caution, as household incomes form a continuous distribution rather than being clustered around the threshold income levels required to afford particular types of housing. Some households will be close to the various thresholds, and could change category if they were to spend slightly more on housing than the model assumes. Likewise the breakdown of need by bedroom requirement is based on the bedroom standard and some households might desire more or fewer bedrooms than the standard allows.

Required type, and size of affordable housing

4.9 Table 4.5 shows the required breakdown of need in terms of dwelling size. It shows need as estimated in the 2018 SHMA and as revised in this update. The required size breakdown for all housing need (including both backlog need and newly forming households) is shown in column 7. The size breakdown for those in need who require affordable housing, because they cannot afford market purchase or rent, is shown in column 8. Finally, column 9 shows the required breakdown after the regular supply of affordable housing through relets is netted off. In terms of dwelling size,

the largest categories of net need are for two-bedroomed units (33% of net need), and four or more bedroomed units (33% of net need). The need for units with three bedrooms is lower (26%), and only 8% of net need is for one-bedroomed units. This last percentage may be influenced by the available supply of one-bedroomed supported housing units, and should therefore be treated with caution. For the lower cost affordable housing options, demand is dominated by two-bedroomed units. In the higher cost categories (London Affordable Rent and above) the demand for four or more bedroomed units is greater.

Table 4.5 Required size of affordable housing

2018 SHMA	Numbers				Percents			
		All need	Gross affordable	Supply affordable	Net affordable	All need	Gross affordable	Net affordable
All who cannot afford market rent	1 Bed	606	309	187	121	19%	15%	8%
	2 Beds	998	729	217	512	32%	35%	33%
	3 Beds	992	503	96	407	31%	24%	26%
	4+ Beds	566	526	10	516	18%	25%	33%
	Total	3163	2067	510	1557	100%	100%	100%
2019 Update								
All who cannot afford market rent	1 Bed	606	318	187	131	19%	15%	8%
	2 Beds	998	742	217	525	32%	35%	33%
	3 Beds	992	504	96	408	31%	24%	26%
	4+ Beds	566	527	10	517	18%	25%	33%
	Total	3163	2091	510	1581	100%	100%	100%

4.10 These proportions provide guidance for decisions on the target mix of new affordable housing supply going forward. They should not be applied rigidly however, as some households have incomes close to the cost thresholds for each type of affordable provision, others may wish to spend more or less of their income on housing costs than we have assumed, and some may need to occupy more, or fewer, bedrooms than assumed.

Conclusion

4.11 This chapter has presented the updated results from a model which assesses the requirement for affordable housing in the borough, independently calculated using a methodology based on updated official Planning Practice Guidance. The overall net annual need for affordable housing has changed only slightly from that set out in the SHMA – from 1,557 to 1,581 affordable units per annum. The updated estimate of income showed somewhat higher average levels, thereby reducing affordable need, but this was more than offset by the impact of higher lower quartile private rents, leading to a small overall increase in need of 24 units (less than 2%). The estimates could therefore be affected by changes in the relationship between incomes and prices/rents in the future.

Chapter 5

The housing requirements of specific groups

Key points

Older people

- By 2041 the number of those aged 65 or over in Barking and Dagenham is projected to be 34,142. This represents a 72% increase on 2016, similar to those in the main SHMA figures.
- The rate of increase of the 75 or over and 85 or over groups in the population is projected to be lower, at 64% and 37% respectively.
- There is projected to be a 66% increase in the number of households containing those aged 65 or over, and again a lower rate of increase for the oldest group (33% for those aged 85 plus).
- At the moment supply of and demand for sheltered accommodation is considered to be adequate, though condition is an issue. A Stock Condition Survey currently underway should provide evidence to target asset investment strategy. the moment supply and demand are roughly in balance.
- There is currently considered to be a deficit of extra care accommodation. But plans to develop a further 180 units will mean there should be 356 units by 2028. This should be enough to meet forecast need
- If there is adequate supply of suitable alternative accommodation for older people to move into, we consider that some 708 homes could be made available for general needs housing requirements.

Students

- The authority is fully-engaged in discussions with Coventry University about accommodation requirements for students on its campus, with the active involvement of Be First as development agent.
- Responding to more modest growth proposals than originally forecast a 100 unit scheme of purpose built student accommodation is being planned, rather than the 300 unit scheme noted in the main SHMA
- It would be sensible for the authority to approach Barking and Dagenham College about its students housing needs, if it has not already done so.

Those wishing to build their own homes

- There are 303 individuals and four housing associations registered on the borough's self-build register.
- Initial analysis suggests sufficient permissions have been granted to meet the demand

for self- build and custom housebuilding as measured by the register.

- There is not full information available on the existence of a local connection for the majority of registrants, and no information on solvency for 45% of registrants.
- We suggest (as we did in the original SHMA) that the Council consider setting up a two part register, using local connection and financial solvency tests to enable local demand to be satisfied first

Introduction

5.2 As required in the brief for this SHMA update, this chapter updates the sections on the housing requirements of older households, students, and those wishing to build their own homes.

Older households

Introduction

5.3 Since the full SHMA was finalised, there have been a number of developments relating to older persons housing that mean it is appropriate to update this section. The first and main development was a redrafting of the section in PPG relating to housing for older and disabled people⁹⁹. Additionally, the Older Persons Housing Pathway referred to in the SHMA has been expanded, though its role is being merged into a more general approach to housing for vulnerable groups, and data from the Sheltered Housing Stock condition survey also referred to is now in. There are also updated demographic data sources available, from POPPI (Projecting Older People Population Information System), and from the GLA for population and the MHCLG for household data projections.

Planning Policy Guidance

5.4 The new version of PPG expands its coverage of the housing needs of older people. It recognises that older people will have diverse housing needs. It notes the range of data sources that can be used to assess needs (all of which were used in the SHMA) and suggests that indicative figures, or ranges of figures for the number of units of specialist older persons housing that will be needed over the local plan period. It notes that some needs are best met through the provision of aids and adaptations into existing accommodation, and that plan-makers should identify the role that general housing has in meeting older people's housing needs.

5.5 It also sets out a typology of different forms of specialist accommodation for older people, ranging from age-restricted general market housing appropriate for those over 55, through to residential care and nursing homes. In terms of site allocation for such schemes factors such as proximity to good public transport, local amenities, health services and town centres should be taken into account.

5.6 One of the issues that planning authorities have sometimes found problematic is the

⁹⁹ Housing for older and disabled persons – guides Councils in preparing policies on housing for older and disabled people, June 2019, MHCLG

assessment of whether a particular scheme should be categorised as C2 (primarily a residential institutions) or C3 (dwelling houses). The new PPG is not particularly helpful, simply saying ‘consideration could, for example, be given to the level of care and scale of communal facilities provided’¹⁰⁰.

5.7 The new guidance also elaborates on inclusive and age-friendly design of buildings and public spaces, and environments and housing sensitively planned and designed to meet the needs of people with dementia.

5.8 It also suggests an assessment of the potential for the development of specialist accommodation to free up homes for general needs housing use – this is considered later in this section

Strategic context

5.9 The SHMA noted that the most recent Barking and Dagenham Housing Strategy ran from 2012-2017 included an older person’s housing strategy, and described its features.

5.10 It also noted the development of an Older People’s Pathway, to cover the next ten years. Since the SHMA further work has been undertaken on the Pathway¹⁰¹. The Vision accompanying it:

- Stresses its role in enabling independence, health and well-being for as long as possible
- Providing a full-range of housing options, irrespective of tenure
- Maximising use of existing stock
- Encouraging an integrated approach alongside social care and health assessments
- Promoting the development of modern affordable, mixed tenure accommodation built to high standards
- Promoting well-being among older people, and reducing or delaying the need for residential and / or nursing accommodation
- Includes plans within the Pathway include the provision of an additional 180 extra care places

5.11 These principles and objectives within them are being taken forward as part of a wider strategic programme the authority will be running around housing for vulnerable groups.

5.12 In our view, the analysis, vision and concrete plans for additional provision within the Pathway document encompasses the expanded approach to meeting older people’s housing needs through a range of different options, mechanisms, and forms of provision suggested by the revised Planning Policy Guidance.

Demographic context

5.13 We have updated the demographic projections in this section, using the most recent GLA 2017-base population projections, central trend. Overall, these show little difference from the

¹⁰⁰ PPG Para 014

¹⁰¹ LB Barking and Dagenham – Towards a better housing pathway for older people.

figures in the SHMA – the three percentage point (pp) reduction in the proportion of under 15s (from 26% to 23%) is confirmed, as is a slightly smaller decline – one pp - in the proportion of young adults. These are offset by increases in older age groups. GLA projects a three pp increase in those aged 65 and over between 2016 and 2041 from 10% to 13%. Additionally, particularly in the context of the new PPG's mention of this group, the proportion of those aged 55 to 64 is forecast to increase by two pps.

5.14 The ageing profile is common to many areas. Though the proportion of older people is lower in Barking and Dagenham than in most areas of London and England, nevertheless the changes projected are significant, leading to an increase in the number of people aged 75 or more of 6,100 between 2016 and 2041 under the GLA projections. For the 85+ age group who are most likely to make serious demands on care and related services, the GLA projects an increase of just over 1,100 people between 2016 and 2041. It can be noted that these increases are slightly lower than those in the SHMA, which were based on 2016 projections

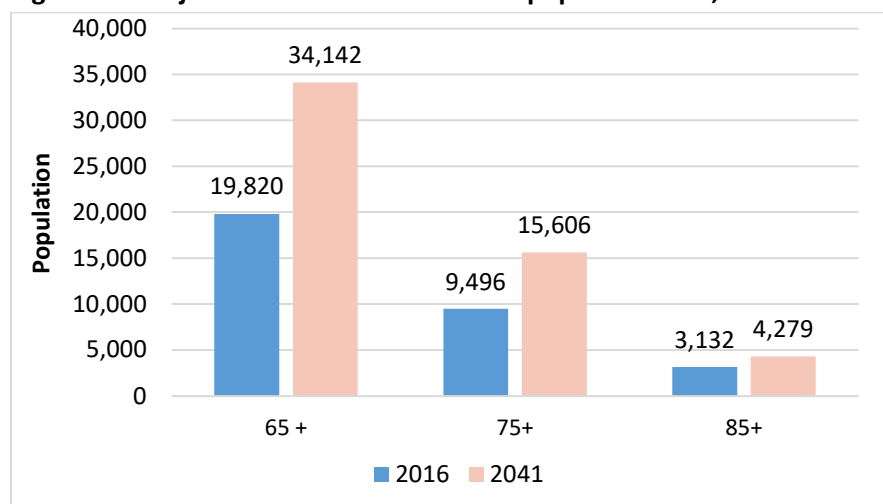
5.15 Currently, the borough has the highest proportion of those aged 0 to 19 in the UK (32%). More than one in four (26%) residents are aged 0 to 14, compared with 18% across England. People aged 18-69 will therefore form the core of the working age population over much of the projection period, taking account of changes in participation in education and assumed later retirement. In Barking and Dagenham the number of people in this age band is projected by GLA to increase by 44,000 up to 2041, an increase of 34%, a similar rate to that of the population as a whole (33%). However, this increase is lower than that forecast in the 2016 figures.

Population of older persons

5.16 If we look at the overall numbers of those aged 65 or more, we can see that there is an increase of over 14,300 projected, between 2016 and 2041. This represents a 72% increase on 2016 figures, similar to those in the SHMA. However, the 2017 GLA projections come out with rather different figures for those aged 75 plus and those aged 85 plus. The equivalent figures for those aged 75 plus are a 6,110 increase (a 64% increase, compared to the 69% increase projected in the SHMA) and for 85 plus, a 1,147 increase (a 37% increase compared to the 58% increase in the SHMA).

5.17 This reconfirms the differences between Barking and Dagenham's demographic structure and that of its neighbours, noted in the SHMA, with a relatively low rate of increase among the oldest groups, and most of the numerical increase in the 65 to 74 group.

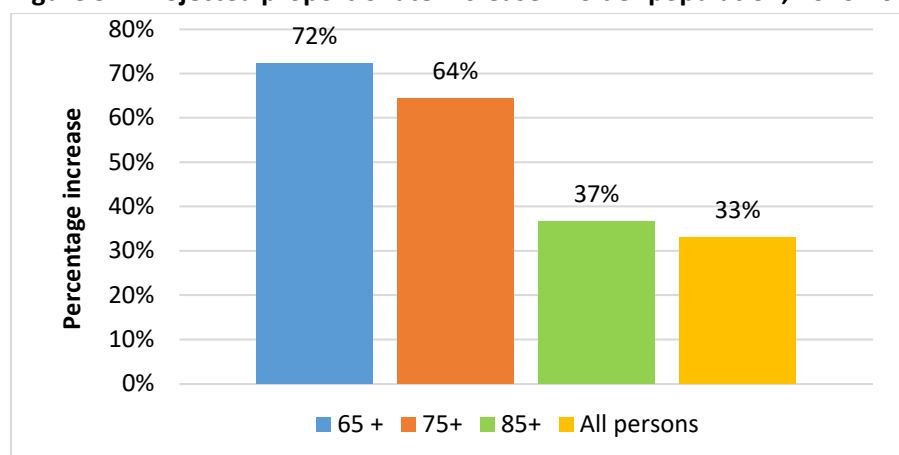
Figure 5.1 Projected numerical increase in population 65+, 2016-2041



Source: GLA population projections, 2017 base, Central Trend

5.18 Breaking down the rate at which the population is ageing into different age bands we can see (Figure 8.2) that generally Barking & Dagenham’s oldest population (85 plus) is increasing at a slower rate than among the neighbours. This again has implications for the ability of the local workforce to meet care and support needs in the future, with the authority (relatively) less impacted than surrounding boroughs. The ‘All persons’ block shows the overall projected increase for all age groups.

Figure 5.2 Projected proportionate increase in older population, 2016-2041



Source: GLA population projections, 2017 base, Central Trend

Households containing older persons

5.19 In terms of the increase in the number of households that will hold this population¹⁰², updated figures based on ONS 2016-base sub-national figures are now available (instead of the 2014-base figures), covering the period 2016 to 2041:

¹⁰² ‘Household’ in this sense is one categorised where the household reference person is aged 65 or more, or 85 or more, as appropriate

Table 5.1 Projections of households aged 65 or over

	2016	2041	Increase	% increase
Barking and Dagenham	15,000	25,000	10,000	66%
Havering	30,000	45,000	15,000	50%
Newham	15,000	34,000	19,000	126%
Redbridge	23,000	38,000	15,000	65%
London	678,000	1,197,000	519,000	77%

Source: ONS / MHCLG 2016-based Live Table 414 taken from ONS website

5.20 As in the original SHMA Newham is projected to experience the sharpest increase in households headed by over 65s, and the 126% increase is higher than that forecast in the 2014-base figures. Barking and Dagenham sees a two-thirds increase in numbers, similar to that indicated in the SHMA, and lower than the London average

5.21 The number of households headed by over 85s is projected to increase by 33% in Barking and Dagenham, the slowest trajectory among all the neighbours, and much slower than the London rate, which is projected to more than double. It is also a lower projection than that in the 2014-base figure (which was a 44% increase). Newham again is projected to see the sharpest increase among neighbours, with a faster rate of increase than that demonstrated in the 2014-base data.

Table 5.2 Projections of households aged 85 or over

	2016	2041	Increase	% increase
Barking and Dagenham	3,000	4,000	1,000	33%
Havering	5,000	10,000	5,000	100%
Newham	2,000	5,000	3,000	150%
Redbridge	4,000	7,000	3,000	75%
London	103,000	212,000	109,000	106%

Source: ONS / MHCLG 2016-based Live Table 414 taken from ONS website

5.22 Other features and characteristics of older person's households such as size, tenure, overcrowding, under-occupation and ethnicity have not changes since the main SHMA was drafted, and should be taken from there.

Older persons and health issues

5.23 There are a range of health issues that impact on the housing needs of older people. Those related to mobility issues and requirements for physically-accessible housing are discussed in the section on Households with disabled members and wheelchair requirements in the original SHMA. Here we note some other health issues that may impact on housing requirements.

5.24 The 'Towards a Better Pathway for Older People' document summarises some key indicators of the fact that Barking and Dagenham residents are less healthy and have lower healthy life expectancy than the London average – indeed, life expectancy is the lowest in London.

Table 5.3 Life expectancy

	Barking and Dagenham		London	
	Male	Female	Male	Female
Life expectancy	77.5 years	81.9 years	80.4 years	84.2 years
Healthy life expectancy	58.2 years	60.7 years	63.5 years	64.4 years

Source: Towards and Better Pathway for Older People, LB Barking and Dagenham. 2018

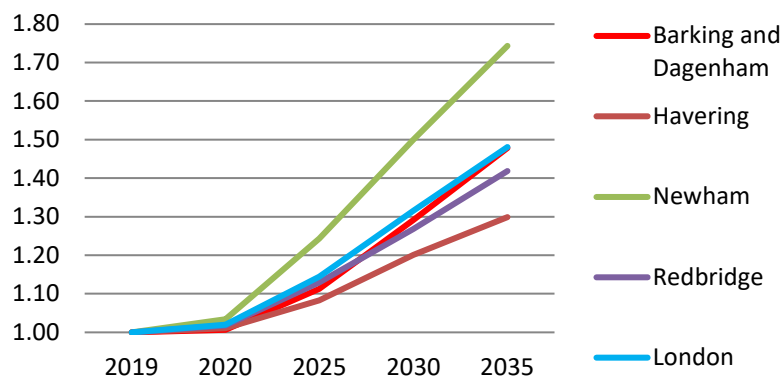
5.25 When we look at the prevalence of specific relevant conditions relating potentially to the housing requirements of older people, there are a number for which local projections have been undertaken. These include those related to mental health and physical conditions. From the range of data available we have selected four to illustrate how Barking and Dagenham’s future projections of numbers experiencing these conditions compare to neighbouring authorities and London. They are: depression, learning difficulties, dementia and heart attacks.

5.26 The relevant housing response will vary depending on condition. For those with dementia the authority is keen to develop dementia friendly neighbourhoods, to increase quality of life and reduce high hospital emergency admission rates. For depression, as well as medical interventions, more integrated neighbourhoods and closer community ties can help reduce loneliness. The rate of increase of older people with learning disabilities is a product of people generally living longer, but there are issues around what happens to adults with learning disabilities when their ageing carers die. Preventing heart attacks is primarily a public health issue, but the housing contribution would be more suitable accommodation for those with a history of or vulnerable to the condition.

5.27 We covered this area in the main SHMA, but are updating the charts below because the data source, POPPI, has been updated with 2019 baseline figures, and revised demographic projections with a 2016 ONS base. This means that overall numbers are slightly lower than those in the previous 2014-based projections. The charts below are designed to see if Barking and Dagenham’s profile between 2019 and 2035 differs markedly from that of its neighbours or of London as a whole (which could indicate particular extra demands on services in the future). The charts are indexed with 2019 as the base year, so they show percentage increases. As can be seen from Figures 5.3a to 5.3.d in most cases the borough’s projections are in the mid-range of local neighbours and are very close to the London average, with the exception of dementia, which is below the London average and that of neighbours. Nonetheless, in themselves, they are high, with an increase of around 50% on most counts by 2035. These projections should feed into future housing, care and health strategies.

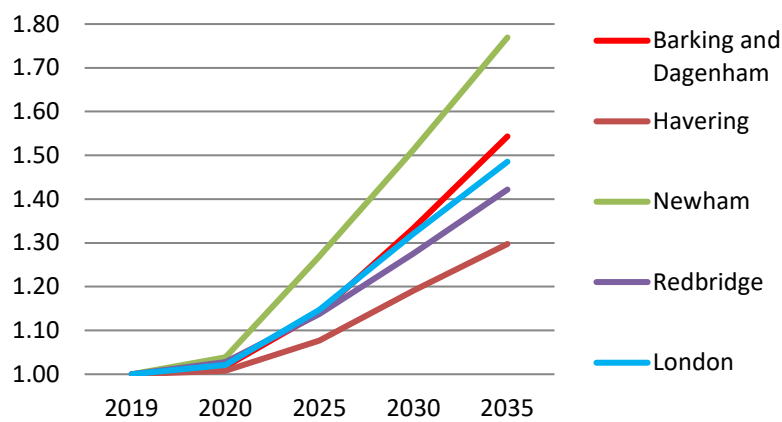
5.28 In more detail, the dementia rate has increased with the new dataset. The rate for learning difficulties is now slightly above the London average. The rates for depression and heart attacks are slightly down.

Figure 5.3a Indexed increase in older persons with depression



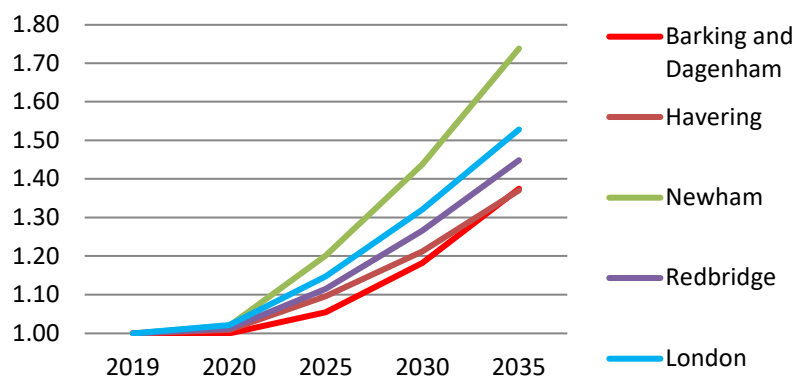
Source: POPPI 2018 ¹⁰³

Figure 5.3b Indexed increase in older persons with learning difficulties



Source: POPPI 2018

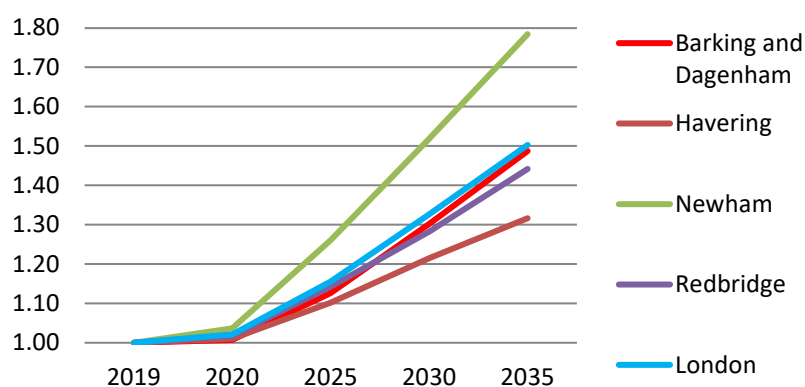
Figure 5.3c Indexed increase in older persons with dementia



Source: POPPI 2018

¹⁰³ We use POPPI (Projecting Older People Information System) and its sister database PANSI (Projecting Adult Needs and Service Information) extensively in this section. While there have been criticisms of the models because they rely on extrapolating national data at a local level, and on historical time series, they are widely used (including by the NHS) and represent the best datasets available.

Figure 5.3d Indexed increase in older persons experiencing heart attacks



Source: POPPI 2018

Supply of older persons' housing

5.29 Estimating supply is not a very precise science, particularly because of the move away from standard 'sheltered' schemes to more flexible and integrated housing and support options, as well as the development of Extra Care schemes that blur the boundaries between housing and care-based accommodation. There is no official data that summarises either social or private sector supply. The best source of data is the Elderly Accommodation Counsel¹⁰⁴ (EAC) statistical base. This has been used in GLA commissioned studies¹⁰⁵ to estimate of housing demand and supply for older persons at a local authority level. This modelling is based on the assumption that 15% to 20% of over 65 year olds would move if suitable accommodation existed. It also modelled the propensity of older owner occupiers to afford their own future housing solutions, through buying outright into specialist retirement accommodation, and also through equity share.

5.30 The studies also noted that, across London, there were significant amounts of existing affordable rented stock earmarked for frail elderly households that were not fit for purpose. This resulted in 50% of such stock being discounted for modelling purposes. It can be noted that the total specialist stock available across London fell by 600 units between 2015 and 2017.

5.31 The authority has provided an in-house estimate of the supply of sheltered accommodation, which is considered to be around 854, across 31 schemes and 23 sites. Of this, 717 places are managed by the council (not all in the best condition). As noted there is a stock condition survey underway, though only the raw data is available at the moment. In addition there are 176 units of extra care operated by housing associations in four schemes. The authority considers that the extra care provision does not represent what a new model of such provision should look like or achieve.

¹⁰⁴ <http://www.eac.org.uk/>

¹⁰⁵ *Assessing potential demand for older persons housing in London*, Three Dragons and Celandine Research, March 2014 and update (including assessment of need for care homes and dementia housing), November 2017

Net future demand for older persons' specialist housing

Sheltered housing

5.32 We noted the GLA study on demand and supply in the previous paragraph, and discussed its local implications in the main SHMA. An alternative approach is suggested by the Housing LIN study¹⁰⁶ on estimating future housing requirements for older people. This approach has been referenced in the updated PPG. Their approach is based on assessing the prevalence of those aged over 75 in the population, with required provision for rented sheltered housing based on 60 units per 1,000 over 75s. For Barking and Dagenham, based on these figures, current figures are 569 units, rising to 936 units by 2041. This excludes private sector provision of leased accommodation, but this will be influenced by the lower level of owner occupation noted below. This approach is consistent with that taken in the authority's Older Persons Pathway documentation. LB Barking and Dagenham has provided an in-house estimate of the future demand for older persons housing. In terms of sheltered housing, the supply is considered to be adequate, with the main issue being the condition and quality of the stock.

Extra Care housing

5.33 There is considered to be a deficit of Extra Care accommodation and, based on data from the Housing Learning and Information Network, it is estimated that the requirement is for an additional 180 units between 2018 and 2028. Three schemes each of 60 units are currently being considered. Assuming these are delivered, this means that there will be a total supply of 356 Extra Care units by 2028. In terms of tenure, the authority is diverging from the GLA estimates, because of the relatively low level of owner-occupation among older people. Based on Census 2011 data 46% of older people in the borough were home owners (compared to 64% in London and 74% in England), and the authority has determined that there is a requirement for 30% market sales rather than the 70% suggested by the GLA study. Given the overall pattern of an owner occupier sector reducing in size we would concur with this cautious approach, though the authority will want to review the split periodically during the planning period to check that market conditions and signals are not changing.

5.34 Stakeholders also flagged up the need for a diverse range of sheltered and Extra Care provision, including two-bedroom plus provision, where a partner may have specific health needs requiring a separate bedroom. They also considered that provision should be made for specialist support (e.g. for mental health needs) in Extra Care provision.

Specialist housing requirement and overall housing requirement

5.35 The updated PPG for older persons housing contains this new requirement:

How should plan-making authorities count specialist housing for older people against their housing requirement? Plan makers will need to count housing provided for older people against their housing requirement. For residential institutions, to establish the amount of accommodation released into the housing market, authorities should base calculations on the average

¹⁰⁶ Understanding local demand from older people for housing, care and support. Housing LIN, undated

number of adults living in households using Census data (para 16a Housing for Older and Disabled People PPG).

5.36 We interpret this exercise taking two stages:

First: Examine the Census data to see how the households containing over 75s are composed, focussing on single people (as these are the only ones that will release a home if they move)

- In 2011 there were 4,750 households in Barking and Dagenham comprising a single person aged 75 or more, and another 4,864 with two people aged 75 plus, making up 7% households all together (Census 2011 table QS110EW).

Second: Apply the likelihood of moving to more suitable accommodation figures to the number of single person households aged 75 plus and compare with potential provision

- Using the GLA assessment of the likelihood of moving if suitable accommodation were available¹⁰⁷ noted above, we will use the lower figure (15%) as the GLA includes all over 65s, not just 75 plus. Fifteen percent of 4,245 single households amounts to some 708 properties that would be freed up if these households were able to move into more suitable accommodation.

5.37 This figure of 708 is undoubtedly very crude, as, firstly it is based on 2011 data, and the number of single person over 75 households will have increased. And it may be the case that some of the two person households may also move out of their existing homes. And finally, it implies that there will be available specialist stock for these households to move into.

5.38 With a projected number of rented extra care spaces to be 356, an adequate supply of social rented sheltered accommodation, and market provision across all specialist sectors, our assessment is that the 708 figure is reasonably robust.

Students

5.39 Student housing requirements were fully-discussed in the main SHMA. Since then, the new PPG has addressed the assessment of student housing requirements as follows:

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

¹⁰⁷ *Assessing potential demand for older persons housing in London*, Three Dragons and Celandine Research, March 2014 and update (including assessment of need for care homes and dementia housing), November 2017

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. (Paragraph: 004 Reference ID: 67-004-20190722).

5.40 As noted in the main SHMA, the authority is already fully-engaged in discussions with one of the main higher educational institutions in the area, the CU (Coventry University) technical and vocational centre. Indeed, the Council's own development arm, Be First, was engaged in drawing up plans for 300 units of purpose-built student accommodation.

5.41 Since then the University has amended, has amended its plans for developing purpose built student accommodation, and Be First is now working on a smaller, 100 unit scheme. has now been reduced to 100 units.

5.42 This reduction follows a contraction in the institution's expansion plans. At the time the original SHMA was drawn up, CU intended to build to an intake of 3,000 students by 2021 (starting with 500 in 2017). This aim has now been moderated to a target intake of 2,500 by 2024.

5.43 This reduction mirrors that seen across London (noted in the main SHMA), which has experienced lower than forecast increases in student numbers.

5.44 In the spirit of the new PPG, it would be sensible for the authority to approach the other main higher education institution in the borough, Barking and Dagenham College, to discuss their students' accommodation requirements, if this has not already been done.

People wishing to build their own homes

5.45 As noted in the original SHMA, the Self-Build and Custom Housing Building Act 2015 places a duty on local authorities to keep a register of individuals and community groups who have expressed an interest in acquiring land to bring forward self-build and custom-build projects and to have regard to and make provision for the interests of those on such registers in developing their housing initiatives and their local plans (including such data in SHMAs).

5.46 Revised regulations came into force in October 2016¹⁰⁸. In effect, these give authorities the option to set up a two-part register that is more sophisticated than the initial model. Authorities are able to set up local eligibility tests against two criteria: having a local connection, and being able to demonstrate they have the resources to purchase land for their own self-build project. Only those who meet these criteria and enter Part 1 of the register would be entitled to access to development permissions. The regulations also make provision for authorities to appeal to the secretary of state for exemptions from the duty to provide serviced plots where demand on housing land supply is

¹⁰⁸ http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksi_20161027_en.pdf
http://www.legislation.gov.uk/uksi/2016/1027/pdfs/uksiem_20161027_en.pdf

constrained. The revised PPG stresses that there should be consultation on setting up two-part registers.

5.47 The revised PPG also stresses that individuals must have primary input into the final design and layout of their homes, thus hopefully plugging a loophole used by developers to label anything sold off-plan as ‘self-build’.

5.48 We now have some additional information about the number and nature of applicants on the register. Applicants are divided into time bands termed ‘base periods’, and different base periods have different dates by when permissions should be granted. The base period and application position is:

Base period	Period covered	Individuals registered	Associations registered (units in brackets)	Date by which sufficient permissions must be granted
1	1/4/2016-30/10/2016	145	2 (22)	30/10/2019
2	31/10/2016-30/10/2017	106	2 (3)	30/10/2020
3	31/10/2017-30/10/2018	44	0	30/10/2021
4	31/10/2018-to date	8	0	30/10/2022

5.49 It should be noted that for some base periods information about local connection has not yet been collected. However, on first indications, it appears that only 22% of individuals do have a local connection. Additionally, 45% of individuals failed to supply information on the private finance they could bring to the project, or the amount of mortgage they would require, suggesting that at least some of those would fail the solvency criterion were it to be applied.

5.50 Initial analysis suggests sufficient permission have been granted to meet the demand for self- build and custom housebuilding as measured by the register. However, if the Council plans to identify specific sites as suitable for self-build and custom housebuilding, it would be advisable to prioritise people with a local connection to Barking and Dagenham.

5.51 We therefore suggest (as we did in the original SHMA) that the Council consider setting up a two part register, using local connection and financial solvency tests to divide eligible applicants. This does not necessarily imply that none of those on Part two would be able to access plots, but it does mean that the Council will be able to prioritise more easily.

5.52 We also suggest that an exercise is conducted urgently to check local connection and financial solvency of all applicants, but particularly those in base period 1.

5.53 In terms of bringing forward serviced plots, the authority now understands that (unless associated with seeking planning permission in association with a Community Investment Levy exemption) it is not necessary to formally label particular plots or sites as ‘self-build’ only, but that all suitable permissions) granted during a base period can count towards potential provision. This could include allowing opportunities for self-build as part of mixed developments on larger sites.