



Replacement Local Development Plan 2018-2033

Background Paper

July 2019

BP 11: Affordable Housing Needs Calculation

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Summary of main points

There is a fuller explanation of the bullet points listed below within the main body of the report.

What this paper shows

Affordable housing is housing provided to those whose needs are not met by the open market. It includes both social and intermediate housing. It does not include low cost market housing.

The calculation which is included in the Council's 2017-22 Local Housing Market Assessment gives an affordable housing need figure of about 230 for each of the next five years.

Using the new Welsh Government methodology to calculate affordable housing need, the annual need figure would reduce. For the Replacement Local Development Plan preferred growth option this would reduce to 180 a year for the first five years of the Plan Period. This reduction is primarily due to a change in the way existing unmet need is counted. Newly arising need will vary depending on the projection of future household and population growth that is used¹.

The 'bottom line' affordable housing need figure isn't simply about the requirement to build new homes – it's about households in need, and that need can be met by a number of different mechanisms.

Past new housing completion figures show that levels of deliverability for affordable housing are low. The five year average shows that affordable homes accounted for about 26% of all new build – an annual average of 64 houses. This is only about 28% of the total annual need identified by the current housing needs calculation, and 35% of the reduced figure produced by the new calculation methodology and the Replacement Local Development Plan preferred growth option. If we remove the Welsh Government capital grant funded development from the equation, affordable housing delivery levels are significantly reduced, in the last five years an average of fewer than 20 affordable homes a year were built – only 8% of the current annual LHMA and 10% of the target using the new methodology and the preferred growth option.

The provision of affordable housing is a big, complex problem with many elements that affect new build deliverability being outside of the sphere of influence of the local planning authority. Even within the planning system, the powers of local planning authorities are limited.

¹ If using the same projection of future household growth as used in the 2017-22 Local Housing Market Assessment the figure would be about 130 a year for the first five years of the Plan period. The Replacement Local Development Plan uses an updated projection of growth, however.

Data suggest that somewhere between 40%-60% of all households in affordable need who are currently supported are within the private rented sector. (Sources: Housing Benefits statistics and Homelessness data collection, Welsh Government).

The general increase in total housing stock from bringing empty homes back into the housing market should have a positive effect on overall supply pressures. About 10 previously empty homes are brought back into the housing stock as affordable housing units each year.

There is scope to better match housing stock to occupants for all sectors. This could reduce pressures on the housing market, both in terms of affordability and within the housing stock in general. There is evidence of under occupation across all housing sectors.

What this paper doesn't show

A figure for annual new-build requirement for affordable housing need.

Detailed delivery mechanisms or policy recommendations for meeting affordable housing need.

Detailed information about households who are currently housed but are in need of alternative affordable housing provision.

Background

Purpose of this paper

This paper has been produced to provide background information about the affordable housing need calculation and how it affects the Conwy Replacement Local Development Plan 2018-2033 which is produced by Conwy County Borough Council. It will form part of the evidence base for the preferred strategy and deposit stages of the process.

The paper looks to provide a better understanding of the affordable needs calculation and how it relates to the requirement for new-build dwellings in the County Borough. It will inform annual need figures, and suggests delivery mechanisms that may need further consideration alongside any new build provision.

The paper considers both the affordable needs calculation as laid out in the Council's 2017-22 Local Housing Market Assessment (LHMA) and the potential outcomes from adopting the new Welsh Government methodology for calculating housing need. This new methodology is also applied to the growth options that were presented during the key stakeholder participation stage of the Replacement Local Development Plan process. Figures on past delivery of new affordable housing units are also presented for information.

The paper has been produced by Conwy County Borough Council's Corporate Research and Information Unit. The Senior Researcher in the team is a member of Welsh Government's Housing Demand and Need Technical Group, who are responsible for developing the methodology for the new national and regional housing need and demand figures. She also has more than twenty years of experience of working with housing needs assessments, including helping to develop the current methodology used in the Council's LHMA.

Definition of affordable housing

The following definition of affordable housing, which is used throughout this paper, is from Planning Policy Wales' Technical Advice Note 2 (TAN 2) Planning and Affordable Housing.

Affordable housing [is] housing provided to those whose needs are not met by the open market. Affordable housing should:

- *meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices; and*
- *include provision for the home to remain affordable for future eligible households, or if a home ceases to be affordable or staircasing to full ownership takes place, any subsidy should generally be recycled to provide replacement affordable housing.*

This breaks down into two sub-categories:

- ***social rented housing*** – provided by local authorities and registered social landlords where rent levels have regard to the Assembly Government's guideline rents and benchmark rents; and
- ***intermediate housing*** – where prices or rents are above those of social rented housing but below market housing prices or rents. This can include equity sharing schemes (for example Homebuy). Intermediate housing differs from low cost market housing, which the Assembly Government does not consider to be affordable housing for the purpose of the land use planning system.

Section 1 – The affordable housing need calculation

An affordable housing needs calculation looks at existing unmet affordable housing need and potential future need, and calculates an annual estimate of how many households will require help to access affordable housing. This is in addition to households who are already being helped.

2017-22 Local Housing Market Assessment

The calculation which is included in the Council's 2017-22 Local Housing Market Assessment gives **an affordable housing need figure of about 230 for each of the next five years**. This includes households in need of assistance for both social and intermediate housing. Existing need is expected to be discharged in the first five years, and after this time only newly arising need would be dealt with.

The existing needs figure for this calculation, however, includes all households on the Conwy's Common Housing Register (SARTH). Though membership of the register is dependent on meeting strict housing need criteria, not all these households are currently without a home. Most will have accommodation, albeit in inadequate housing, and do not need a new housing unit, just a different one (or appropriate adaptations to their existing home to make it better meet their needs). There has been long-term debate about whether these people should be counted as in strict affordable housing need, and their inclusion in the calculation may serve to inflate the existing need figures. The new Welsh Government housing demand figure does not include most people who are currently housed (even if that housing is inadequate) unless their existing household meets strict overcrowding criteria.

The methodology also includes housing supply within the calculation, looking at existing social housing stock, churn within that stock, and any affordable housing that is already within the planning system (committed affordable housing supply). Figures are sometimes counted in one section of the calculation and then (partially) discounted in other sections, which can lead to double counting.

This methodology, used for Conwy County Borough Council's affordable housing need calculation, is a variant on the methodology first introduced by Welsh Government for the 2008 round of Local Housing Market Assessments (LHMA).

The new Welsh Government housing demand figure

Using the new Welsh Government methodology to calculate affordable housing need, **the annual need figure reduces to about 130 a year** for the first five years of the Plan Period. This reduction is primarily due to a change in the way existing unmet need is counted.

The table below shows how the two methodologies would compare for the current LHMA. It also shows what affordable housing need figures might be for the growth options presented in 'Background Paper 01: Growth Level Options Report' that was prepared for the preferred strategy consultation stage for Conwy County Borough

Council's Replacement Local Development Plan. Under this growth scenario **the annual need figure would be about 180 a year for the first five years of the Plan Period.**

The difference between the Replacement LDP (RLDP) growth option and the figure arising from the new methodology for estimating housing need is driven by the difference in newly arising need. Newly arising need will vary depending on the projection of future household and population growth that is used. Existing unmet need figures remain the same for the new methodology and RLDP growth options.

Table 1: households in need of affordable housing support

Source: Corporate Research and Information Unit, Conwy County Borough Council

	Existing LHMA		RLDP preferred growth option
	Old method	New method	
Requirement first five years (2018/19-2022/23)	1,160	650	910
Annual average first five years	230	130	180
Requirement next 10 years (2023/24-2032/33)	1,530	430	1,240
Annual average next 10 years	150	40	120
Total over plan period	2,690	1,080	2,160

Preferred growth option: employment led projection – 1,850 additional jobs

These figures are for households not dwellings/homes. A household is defined as 'one person living alone; or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area'. Dwellings are the spaces (houses, flats etc.) that these households live in.

This methodology is top-loaded in the first five years of the Plan Period by the inclusion of existing need that is expected to be discharged in this five year period. Overall need is also greatest in the early years of the projection period for newly arising need, so averages are not directly comparable to those in the growth options background papers prepared to accompany the Replacement Local Development Plan.

The new Welsh Government housing demand figures were published on 30th January 2018. They will be used to inform housing policy development and the National Development Framework that Welsh Government is due to publish in 2020. The figures are for households in need, not dwellings/homes. They replace the figures published in 'Housing need and demand in Wales 2006-2026' which was previously used by Welsh Government to set affordable housing delivery targets.

Notes on the methodology for the new housing demand calculation

The methodology for the new housing demand figure is much simpler than the one used in the LHMA affordable housing need calculation. It removes all elements concerning potential housing supply and concentrates solely on demand.

The primary difference in the housing demand calculation is how existing unmet need is measured. No housing register data is included in the count of existing unmet need, as unless these households are also captured by homelessness data or reach strict overcrowding criteria they are deemed to be currently housed (this does not mean they do not need a different home or that their current home meets all their needs, it just means that there is no requirement for **'additional'** housing provision to meet their needs).

Existing unmet need is a snapshot of recent homelessness data (currently this is taken to be the number of households in temporary accommodation at June 2018²) plus 2011 Census data for households that are both overcrowded and concealed.

As with the existing LHMA calculation, newly arising need is based on 2014-based Welsh Government household projections, but deals with each year individually rather than as an average over a five year period. The 10 year migration variant projection is used for both LHMA projections presented in the table above.

The official Welsh Government figures are currently only available for overall housing demand and only at a North Wales regional level. However all the data which went into the model is available at unitary authority level so it is possible to disaggregate the data for the six North Wales local authorities. To disaggregate need by tenure, 100% of unmet existing need due to homelessness is deemed to be affordable need (all social need). 100% of unmet overcrowding/concealed family need is also deemed to be affordable need but is split 50% social housing, 50% intermediate). For newly arising need the methodology for determining households who will be priced out of the market is the same as used in the current LHMA calculation.

Welsh Government will be publishing their housing need figures disaggregated by unitary authority and by tenure/affordability, but this is not expected to be published until after the Replacement Local Development Plan has passed the Preferred Strategy stage.

To calculate an affordable housing need figure at local authority area level from the current data (and ahead of the new Welsh Government methodology for tenure and affordability being developed) a measure of households priced out of the market has been used, similar to that used under the old LHMA methodology. It uses Land Registry houseprice data and CACI PayCheck data that looks at the distribution of household incomes.

² Homelessness data collection, Welsh Government

Section 2 – Provision of new affordable housing units

It is important to note that the 'bottom line' affordable housing need figure isn't simply about the requirement to build new homes – it's about households in need. As well as providing new affordable housing, there are a variety of other ways of helping these households which don't require new building – for example through placement within existing social housing stock; the provision of supported purchase schemes such as that provided through the Tai Teg register; the conversion or adaptation of existing stock to better meet tenants' needs (from stock within both the social sector and the private sector); bringing empty homes back into the housing stock as affordable housing; and through financial support to rent within the private sector (housing benefit).

This does not negate the need to provide a significantly greater number of affordable housing options (particularly as housing costs continue to rise and those with lower incomes are squeezed out of the market), but suggests that methods other than building new housing for social and intermediate tenure need to be employed to meet this need. This may include seeking to influence the type of housing that is built to make it more suitable to those who could potentially be housed in market housing if adequate and appropriate housing was available (for example, encouraging builders to provide more smaller dwellings or to apply Lifetime Homes and Development Quality Requirement standards).

However, examination of affordable housing provision has tended to concentrate on what is delivered through the land-use planning system, and in particular on new-build housing units. This section of the report looks at what has been provided through new-build in Conwy County Borough over the past few years, and considers how and why this has fallen short of meeting affordable housing need targets.

How much affordable housing are we delivering through new provision?

Past new housing completion figures show that levels of deliverability for affordable housing are low.

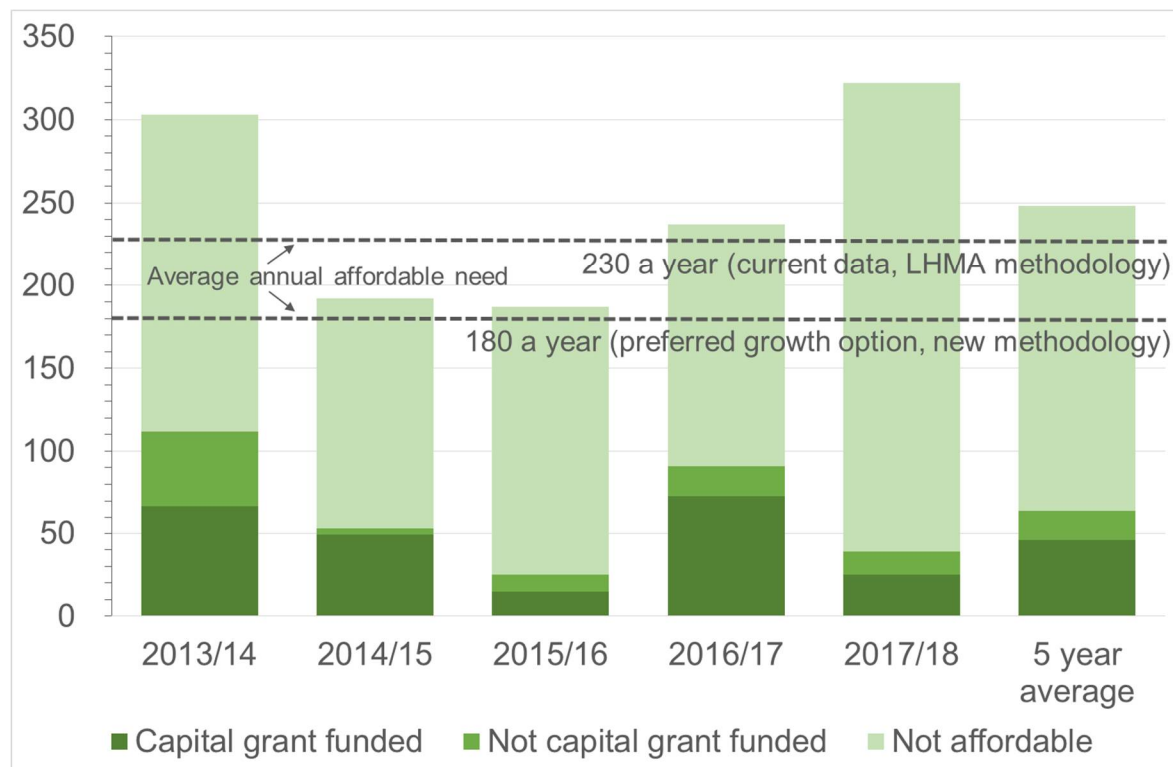
Data from the Joint Housing Land Availability Studies from the past five years show that deliverability has been well below the overall affordable housing need figures shown in table 1 in section 1 of this paper.

Looking at figures from the current Local Housing Market Assessment, the total of around 230 additional households in need of help to find affordable housing each year is almost equal to the five year average total for all new houses that are built each year (about 250 a year) – that is, about 93% of this total build. The figure would be about 52% if using the new Welsh Government housing need methodology, which produces the lower annual requirement of about 130 a year and 74% when using the RLDP preferred growth option requirement of 180 a year. Ideally, given thresholds outlined in the existing and replacement local development plans and Welsh Government's Planning Guidance, the affordable requirement would be at a

maximum of about 20-30% of the new build total. A level close to 100% is not deliverable.

Chart 1: new housing units provided in Conwy County Borough, showing affordable units (capital grant funded and non-capital grant funded) against LHMA affordable housing need requirement

Source: Joint Housing Land Availability Studies, Conwy County Borough Council & Snowdonia National Park Authority



These figures are for social and intermediate housing that required planning permission. Some conversions that did not require planning permission will not be included.

The five year average shows that affordable homes accounted for about 26% of all new build – an annual average of only 64 houses. This is only about 28% of the total annual need identified by the current housing needs calculation, and 35% of the reduced figure produced for the Replacement Local Development Plan preferred growth option.

The majority of housing for affordable need has been delivered with the support of capital grant funding. This is financial support from Welsh Government to help Registered Social Landlords (housing associations) develop new affordable housing for rent or low cost home ownership³. There is no assurance that this type of grant funding will be available in future years. If we remove this Welsh Government funded

³ Capital grant funding includes Social Housing Grant, Recycled Social Housing Grant or Strategic Capital Investment Fund <https://gov.wales/topics/housing-and-regeneration/grants-and-funding/socialhousinggrant/>

development from the equation, affordable housing delivery levels are significantly reduced⁴.

Table 2: number of new housing units provided in Conwy County Borough

Source: Joint Housing Land Availability Studies, Conwy County Borough Council & Snowdonia National Park Authority

	Capital grant funded	Not capital grant funded	Not affordable	All new housing units
2013/14	67	45	191	303
2014/15	49	4	139	192
2015/16	15	10	162	187
2016/17	73	18	146	237
2017/18	25	14	283	322
5 year average	46	18	184	248

The number of new affordable housing units which aren't capital grant funded is particularly low. Deliverability targets for affordable housing from non-grant funded sites is currently set at between 10% and 35% of all housing units, depending on the location of the site⁵. In only two of the past five years has the County Borough-wide figure met even the lowest target of 10% (19% in 2013/14 and 11% in 2016/17) and last year's figure was only 5%. Though the average for the last five years counts 9% of all non-grant funded new build units being affordable units, this figure translates to an average of fewer than 20 units a year – only 8% of the current annual LHMA and 10% of the target using the new methodology and preferred growth option. This is in part due to the overall low level of new house building activity in the County Borough⁶.

Limited powers of local planning authorities and constraints on their ability to deliver affordable housing

The provision of affordable housing is a big, complex problem with many elements that affect new build deliverability being outside of the sphere of influence of the local planning authority. The capacity of local developers is key, for example, as the overall build number is the main determinant of how many affordable units can be

⁴ Welsh Government's recently published independent review of affordable housing supply has recommended a review of how affordable housing capital costs are financed (May 2019). <https://gov.wales/independent-review-affordable-housing-supply-report>

⁵ Llandudno, Penrhyn Bay, Rhos on Sea = 35%; Conwy, Llandudno Junction, Glan Conwy, Llanrwst = 30%; Llanfairfechan, Penmaenmawr, Colwyn Bay, Dwygyfylchi, Llanddulas, Llysfaen = 20%; Abergel, Towyn, Kinmel Bay = 10%

⁶ Other possible reasons for low deliverability levels suggested by Planning Officers within the Council include financial viability of development sites; other planning obligations having priority; issues around land disposal; infrastructure and other constraints; market conditions; lack of evidence regarding the planning application and/or site to help determine requirements.

provided. Conwy County Borough only has a handful of active private developers who tend towards medium scale sites, which have limited affordable development potential. No big national developers are currently active within the area.

Land prices can also have a big impact on the viability of affordable housing, and perversely the granting of planning permission can raise land prices by over 100 times its pre-permission agricultural value⁷. Land costs can be equal to half of total construction costs.

Changes within the wider national/international economy also influences affordability, both in the specific definitions used within this paper and the wider understanding of market affordability. Household incomes as well as housing costs fluctuate with economic upturns and downturns, making levels of affordability somewhat fluid. In large part, local planning authorities are unable to influence or predict these economic shifts.

Even within the planning system, the powers of local planning authorities are limited. Planning officers within the Council highlighted the following issues that could help improve housing delivery.

At a national level

Housing delivery could be improved by:

- simplifying the planning system, particularly for allocated sites
- aligning the Highway (Section 278) process with planning permission
- better collaboration with utility providers
- reduce the regulatory burden – for example, Sustainable Drainage Systems (SuDS), sprinklers
- streamline the compulsory purchase order (CPO) process for allocated sites
- shorten the appeal process
- introduction of a vacant land tax

At a local level

There are limited powers to ensure delivery of residential development on allocated sites. Whilst compulsory purchase powers offer one opportunity to progress sites, the process is complicated and time consuming. However, the review of the Local Development Plan further opens up opportunity to explore policy options to provide greater certainty on the delivery of sites. For example, the Replacement Local Development Plan (RLDP) and sites assessment process has taken a frontloading approach and is further exploring policies to deallocate and replace sites during the Plan Period. To ensure the Plan has enough flexibility to ensure delivery it will also include a high level of contingency to take account of sites that may not come forward for various reasons. It is also evident that there is a need for viability to be effectively incorporated early in the plan process in order to ensure that development plans are robust and to enable development to be delivered in line with the local authority vision.

⁷ Land value estimates for policy appraisal 2017, Ministry for Housing Communities and Government (English data – no Welsh data currently available)

Policies are also being explored through the RLDP, in consultation with the registered social landlords (RSLs), to provide greater flexibility and options for delivering higher levels of affordable housing on proposed sites. Whilst this approach is still subject to viability evidence which is still being gathered, it will provide RSLs with an exceptional policy option to submit sites on suitable greenfield lands outside of settlement boundaries where they provide for higher levels of affordable housing (for example a level of 50%). These options are still under review and will be consulted upon as the RLDP progresses.

Local authorities need to develop deliverable strategies for disposal of land which is in public ownership, in order to support effective affordable housing delivery. The process for releasing Council owned sites for affordable housing requires improving to ensure that the political process does not introduce additional delays or prevent residential development on allocated and non-allocated sites.

This evidence clearly shows that new house building alone is not going to be sufficient to meet affordable housing need, and that other delivery mechanisms, such as those outlined in section 3 of this paper will need to be employed.

Section 3 – How else we can we meet the need

Evidence about how we currently meet affordable need outside of the social housing sector is presented below, together with broad suggestions about other means of support.

Provision within the private rented sector

Conwy County Borough has a high reliance on the private rented sector in its housing stock. This sector accounts for about 19% of the housing stock across Conwy County Borough or about 10,600 dwellings in total. This is well above the Welsh average of 14%⁸. The private rented sector has grown significantly over the last couple of decades, rising from a total of about 7,100 dwellings in 2001 – an increase of 49%. This is much faster growth than in other sectors – total dwelling stock increased by 19% in the same period and social housing stock by only 7%. The private rented sector also grew fastest on an all-Wales level, increasing its stock by 33%, so though the issue is accentuated in Conwy County Borough due to the structure of our housing stock, this growth in the private rented sector is part of a national trend.

We do not have firm evidence on the number of people in the private rented sector who need help to afford housing, but data suggest that somewhere between 40%-60% of all households in affordable need who are currently supported are within the private rented sector.

- 43% of households receiving Housing Benefit are in the private rented sector (over 3,350 households at August 2018)⁹.
- For 2017/18 the figures for Conwy County Borough saw 53% of homelessness relief cases dealt with within the private rented sector – a total of 94 cases¹⁰.
- For the same period 64% of homeless prevention cases were dealt with within the private rented sector – a total of 84 cases.
- These figures are high when compared to national rates, where 30% of relief cases and 40% preventions were dealt with within the private rented sector. This difference is in part a reflection of the low proportion of social housing / high proportion of private rented sector housing that is available within Conwy County Borough's housing stock.

The private sector therefore has a significant and potentially increasing role to play in providing affordable housing in the County Borough.

The importance of the private rental sector in the delivery of affordable housing has already been recognised by Welsh Government. The 2014 Housing Act (Wales)¹¹ gave local government new powers which broadened their ability to help households in need find accommodation in the private rented sector, both through the tools they

⁸ Dwelling stock estimates 2015/16, Welsh Government

⁹ DWP benefits data, Stat-Xplore

¹⁰ Homelessness data collection, Welsh Government

¹¹ <https://gov.wales/topics/housing-and-regeneration/legislation/housing-act>

were able to use to prevent homelessness, and the type of housing they could use to relieve homelessness. Recent Welsh Government legislation has put measures in place to help with security of tenure and to help protect both tenant and landlord rights, which has in part been driven by a desire to improve conditions for our more vulnerable households who are likely to be in need of affordable housing support. Further measures to help with housing affordability are currently going through the legislative process, for example the Renting Homes (Fees etc.) (Wales) Bill¹².

Returning empty homes into the housing market

Conwy County Borough Council has undertaken a considerable amount of work to identify empty homes and work with owners to bring these back into the housing market. Though not all properties will be suitable to meet affordable needs, the general increase in total housing stock should have a positive effect on overall supply pressures. About 10 previously empty homes are brought back into the housing stock as affordable housing units each year¹³. Of the 28 empty properties returned into use through the Council's intervention in the most recent period (year to 1st April 2019), 19 were returned to the general housing market, and eight were affordable housing.

Under occupancy

When providing for existing and future housing demand there is scope to better match housing stock to occupants for all sectors. This could reduce pressures on the housing market, both in terms of affordability and within the housing stock in general. There is evidence of under occupation across all housing sectors.

Social housing stock

- In February 2019 about 40% of all applicants on the Common Housing Register wanted one bedroom properties. This is a mismatch with supply, as only 16% of social housing dwellings in Conwy CB are one bedroom properties. The high number in this category includes existing social housing tenants who wish to down-size their accommodation, as they are currently subject to reductions in their housing benefit entitlement due to the spare bedroom subsidy (also called the 'bedroom tax').
- Only 26% of applicants needed housing with three or four bedrooms. Currently three and four bed roomed properties make up 53% of social housing stock in Conwy CB.
- In August 2018 there were 494 households in social housing in Conwy County Borough who were subject to this reduction.

¹² <https://beta.gov.wales/written-statement-introduction-renting-homes-fees-etc-wales-bill>

¹³ Conwy CBC CAMMS performance management system key performance indicator M3.1b 'Number of new affordable housing units which were previously empty homes.'

Private rented housing stock

- Though not subject to the spare room subsidy reduction, there are caps on housing related benefits payments that are determined by the number of bedrooms a household lives in. If there are not enough smaller properties to meet the needs of smaller households who rely on benefits to help pay their rent, then they must meet the 'additional' costs of 'extra' bedrooms through their other benefit payments. The situation is particularly severe for single people under the age of 35 who are only entitled to a shared accommodation rate for housing costs, which is £56.77 a week in Conwy CB (February 2019).
- The Council can possibly help this situation by facilitating the provision of smaller rental properties (through licensing arrangements for shared-occupancy of existing properties for example, or by supporting the development of suitable new build buy-to-let properties).

Housing stock in general

- The County Borough is significantly over provided with larger properties that are under occupied. Using a very simplified measure of under occupation, data from the 2011 Census shows there were over 26,000 households living in accommodation that had more bedrooms than inhabitants. This was 50.8% of all households, and included 4,650 households containing only one or two residents who were living in dwellings containing four or more bedrooms¹⁴. A crude estimate from the same data source suggests that in 2011 there were at least 31,000 more bedrooms in residential properties in Conwy County Borough than there were people usually resident in the area.
- Both Welsh Government's 2014-based projections and the in-house projections produced for the Replacement Local Development Plan evidence base show that average household size is likely to reduce over the life of the Plan. For all growth options one and two person households make up nearly all of the projected increase in household numbers between 2018 and 2033¹⁵.
- As well as meeting newly arising need, concentrating new provision towards smaller dwellings increases the potential to make more affordable housing available in the County Borough. Within the market, smaller properties are usually cheaper, and generally meet the needs of newly forming households/first time buyers better than larger dwellings. Within the social housing sector, providing smaller dwellings could help meet the needs of households who have faced cuts to benefits as a result of the introduction of the under occupancy charge (the so called bedroom tax) and thus need to move to smaller accommodation.

¹⁴ 2011 Census table DC4405EW: Tenure by household size by number of bedrooms. The calculation allocated each household member a bedroom of their own, making no adjustments for couples or siblings who might share a room. Any dwelling with more bedrooms than occupants was considered under occupied.

¹⁵ Background paper 01: Growth level options report, Conwy CBC Replacement Local Development Plan, October 2018

- Though market choice means many households will opt to remain in/move to accommodation that is larger than their 'on paper' need, consideration could also be given to providing the types of housing that would support and encourage people to move out of current accommodation that is too big for their needs, including owner-occupiers. This may include considerations of size, location, or specialist housing requirements. Freeing up currently under occupied housing can improve the overall churn within the housing market, which can make more housing choices available to households across all sectors.
- It may also be that some of our existing older stock does not fit the way people want to live in the 21st century and we may need creative planning and design solutions to make these properties suitable for the needs of the County Borough's current and future residents.

Help to become home owners

A number of schemes exist that support people in intermediate affordable housing need to become home owners. Examples include shared ownership schemes and shared equity schemes such as Homebuy (which is accessible through the Tai Teg register). Properties purchased through these schemes can be within existing housing stock as well as being general market new-build housing or housing built specifically to meet the needs of such schemes.

Though outside the definition of affordable housing need being discussed in this paper, support for the development of *market affordable* housing schemes can also help relieve pressures on intermediate need because a) potential buyers of market affordable housing may otherwise be in competition for accommodation in the private rented sector that could meet affordable need b) the boundaries between intermediate affordable need and market affordable need are fuzzy, and timely help for households in the market affordable need group may help avoid them shifting into the intermediate affordable need group. This help could be provided through support for private sector new-build schemes, or could be about the promotion of financial products available within the mortgage industry, for example.

Households who are currently housed but in need of (alternative) help with affordable housing

Though membership of the Conwy Common Housing Register is dependent on meeting strict housing need criteria, not all these households are currently without a home. Most will have accommodation, albeit in inadequate housing, and do not need a new housing unit, just a different one (or appropriate adaptations to their existing home to make it better meet their needs). In February 2019 at least 82% of households on the SARTH register currently had a permanent home (about 940 out of a total of 1150 households on the register).

Although generally not counted as part of the requirement for new or additional provision¹⁶, the Council still has a duty towards these people, and in the longer term consideration needs to be given to how these people can be adequately housed. As stated at the start of section 2 of this report, there is a need to provide a significantly greater number of affordable housing options (particularly as housing costs continue to rise and those with lower incomes are squeezed out of the market).

¹⁶ And therefore not necessarily counted in some of the evidence presented in this paper, in particular the new methodology for calculating housing need