

# Local Housing Needs Assessment (LHNA) summary

West of England  
Spatial Development Strategy  
September 2021



## Aims and background of the study

### Why is it needed?

A Local Housing Needs Assessment (LHNA) is needed to understand the housing need of an area. This piece of work has been commissioned to understand the current and future housing needs of the West of England and inform the Spatial Development Strategy for the West of England Combined Authority area. It will also be used by each local authority to inform their Local Plans.

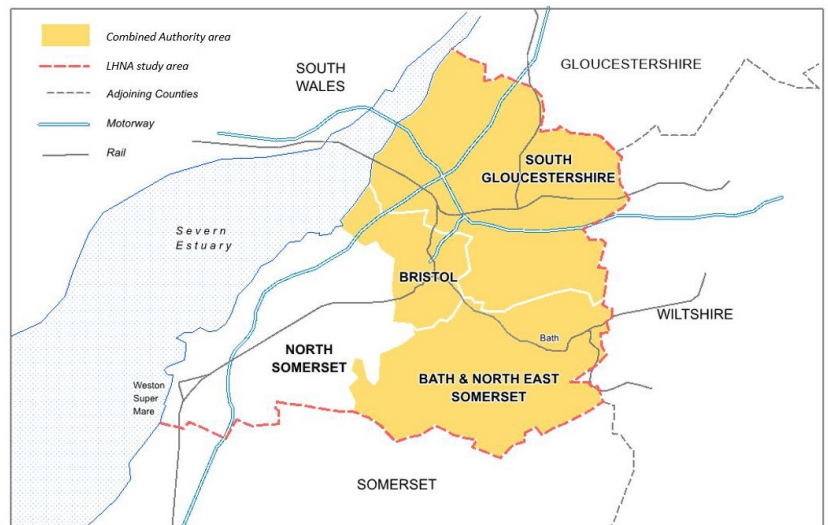


Figure 1. LHNA Study Area

The study covers the West of England region which includes Bath and North East Somerset (B&NES), Bristol, North Somerset and South Gloucestershire local authorities. North Somerset are not included in the Spatial Development Strategy but will use the study to inform their Local Plan.

The Spatial Development Strategy (SDS) will set a framework for future development. The main objective of the SDS is to deliver clean, inclusive growth. National planning policy states that plans must establish a robust housing requirement. This is done through the LHNA. The LHNA helps us understand the size, type and tenure of housing needed for different groups in the community, so these can be planned for.

The LHNA was commissioned by the West of England Combined Authority in the summer of 2020. It was undertaken by Opinion Research Services (ORS) on behalf of the Combined Authority in collaboration with Bath & North Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council.

The SDS plan period will be 20 years, but this hadn't been agreed when the LHNA was commissioned. The LHNA therefore covers both the period 2020-35 and 2020-40 for the Combined Authority area.

The North Somerset Local Plan period is 2023-38 and the LHNA information is provided for North Somerset on this basis.

This summary is focuses on the Combined Authority area over twenty years. The detailed breakdown of findings per local authority can be found in the full LHNA report.

## Approach and methods used

### Step 1: Government policy - Applying the government's standard method

Government policy provides a standard method to calculate the local housing need. The standard method is a formula to work out the minimum number of homes expected to be planned for within each area of England. The formula allows for projected household growth, new households and people moving from outside the area. The LHNA uses the standard method to calculate the local housing need and also looks in more detail at how that need is broken down.

### Step 2: Understanding local need for each local authority

The LHNA then looks at five components of local housing need:

- Local Housing Market
- Demographic projections
- Affordable Housing need
- Overall Housing Need
- Needs of different groups

Understanding the implications of these and how they can be addressed through housing delivery will support the SDS and Local Plans in the delivery of future homes that meet the needs of the population. The boxes below provide a summary of LHNA findings for each of the local authorities in the Combined Authority area. These are a 20-year projection from 2020-40.

#### Bath and North East Somerset

- An overall growth of 8,400 households;
- Just over a third of the household growth is from single person households (mostly from single people aged over 75)
- Couples without dependent children are projected to reduce slightly
- there is a significant growth in the number of families with dependent children
- 93% of the household growth will be from single person households and couples aged over 65. This suggests homes meeting older persons' requirements will be a priority.

#### Bristol

- An overall growth of 33,000 households
- Just over two fifths of the overall household growth is from single person households, with the majority being single people aged between 35 and 54;
- Families with dependent children make up just under a quarter of the overall household growth
- A third of household growth is for households aged over 65
- 75% of household growth is from single person households and couples with children, aged between 35 and 54

### South Gloucestershire

- An overall growth of 20,300 households
- Just under a third of the overall household growth is from single person households (nearly 40% of this is from single people aged over 75)
- Families with dependent children make up 45% of the overall household growth
- 62% of household growth is households aged over 65
- Overall, 88% of the household growth is for households aged over 65, and couples with children aged 35-54. This suggests homes meeting older persons requirements along with family housing should be priorities.



## Key Findings

The LHNA provides useful information on how the West of England has grown and the current and projected makeup of the region.

The National Planning Policy Framework requires strategic policy makers to follow a standard method to calculate the minimum annual housing need figure. Table 1 sets out the method of calculation to show the housing need within each individual unitary authority. This is calculated by projecting household growth and applying an adjustment to reflect the price of housing locally compared with incomes. A 35% uplift is then applied to the figure for large cities. This applies to Bristol. These figures provide the annual Local Housing Need (LHN) figure. This is then multiplied by the number of years in a development plan (for the SDS this is 20 years).

The LHNA tells us that the growth in the private rented sector in the Combined Authority area is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord (this is much higher than the 13% recorded 10 years previously in 2006-07).

Unitary Authority	Baseline	Affordability Adjustment	Urban Centres Uplift		20-year Local Housing Need
			35% Uplift Applies?	Adjusted Annual LHN	
Bath & North East Somerset	468	648	no	648	12,960
Bristol City	1,824	2,368	yes	3,196	63,920
South Gloucestershire	1,088	1,412	no	1,412	28,240
West of England Combined Authority	3,380	4,428		5,256	105,120

Table 1 (numbers may not add up due to rounding)

The study provides detailed information on the need for Affordable Housing, older people's housing and the proportion of homes that need to be designed specifically for people with reduced mobility.

## Affordable Housing

There is significant need for Affordable Housing across the Combined Authority area. This need is 1,732 affordable homes per year. This includes both those who cannot afford to rent in the market and those who can afford private sector rents but cannot afford to buy. This reflects the updated definition of Affordable Housing in the National Planning Policy Framework. The need for Affordable Housing is particularly high in Bristol, which accounts for 64% of the need across the Combined Authority area.

2020 – 2040	Affordable Housing Need	Market Housing Need	Overall Housing Need
B&NES	38%	62%	100%
Bristol	35%	65%	100%
South Gloucestershire	27%	74%	100%
Combined Authority area	34,647	70,473	105,120
% of Local Housing Need	33%	67%	100%

A breakdown of Affordable Housing need by tenure type and unit split can also be found in the LHNA.

## Older People's housing

The LHNA provides information on the projected housing needs of older people. Sheltered housing is usually self-contained in blocks of flats or bungalows and may have other facilities and a manager or warden. Extra care is independent housing, usually with a range of on-site facilities including care services. Nursing care is not included in these categories. The LHNA projects that 8.3% of the housing need for the Combined Authority area will be for sheltered and extra care housing over the next 20 years.

## Needs of people with a long-term illness or disability

The LHNA sets out the existing and projected future needs of households with a long-term illness or disability in the Combined Authority area. It projects that as many as 54% of the new homes needed over the 20 year period to 2040 should be adapted for people with reduced mobility.

## Issues and Opportunities

The LHNA provides evidence to support the SDS of the social and demographic trends in the sub-region:

- Overall there is a significant growth in the number of households, particularly single-person households
- A large proportion of the growth is for people aged 65+, particularly in B&NES
- The need for homes for families with dependent children is also growing, particularly in South Gloucestershire
- In Bristol, housing for adults aged 35-54 including both single people and couples with children is also significant

The predominant demographic trend is towards an ageing population. The housing offer in the sub-region will need to respond to this by ensuring more housing is suitable for older people. The SDS and Local Plans will need to plan for homes that will meet people's changing needs as they grow older, and that will encourage them to move out of homes that are more suitable for families with children.

## How will the findings be used?

- The LHNA identifies a significant level of housing need in the West of England Combined Authority area - 105,120 homes over the period 2020-40.
- The LHNA provides robust evidence to support plan-making and is the first step in the process of deciding how many homes need to be planned for. The housing need figure is not the same thing as the the housing requirement figure in a development plan, as capacity and deliverability must also be considered.
- The local housing need figure must be calculated at the start of the plan-making process. This number should be kept under review and updated where appropriate.

- The LHNA evidence will underpin planning policy requirements such as Affordable Housing and inform housing strategy.
- It will be used to inform Local Plan policies addressing the size, type and tenure of housing to be provided, and specialist housing such as for older people or those with reduced mobility.

## Next steps

The LHNA will be refreshed before the SDS is published in 2022 (this is to reflect annual changes to the affordability ratios which form part of the calculations). The number of homes needed will therefore change slightly and will be aligned with the SDS plan period 2022-42.

The LHNA has been published for information and to allow interested parties to consider the findings of the report. The draft SDS will be published early in 2022 and will be subject to a 12-week consultation, when residents and businesses across the region will be invited to share their views.

If you wish to be kept up to date with the SDS and strategic planning matters in the West of England please sign up to our strategic planning mailing list [via our webpage](#).