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**Report To:** Safe, Sustainable Communities Committee      **Date:** 18 January 2011

**Report By:** Corporate Directors, Education & Communities and Regeneration & Environment      **Report No:** E&C;R&E/S&IC; R&P/SSC/01/11/ FJM/RL001

**Contact Officers:** John Arthur and Stuart Jamieson      **Contact No:** 01475 712404

**Subject: Glasgow and the Clyde Valley Housing Need and Demand Assessment – Working Draft Background Report for Consultation**

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### 1.0 PURPOSE

- 1.1 To inform the Committee of publication by the Glasgow and the Clyde Valley Housing Market Partnership of a draft Housing Need and Demand Assessment for consultation and to highlight the outcomes and main issues arising, with reference to Inverclyde.

### 2.0 SUMMARY

- 2.1 Members will recall the reports placed before this Committee over the last two years informing them of the importance of an up to date assessment of housing need and demand to progress and bring forward a new Development Plan (Glasgow and the Clyde Valley Strategic Development Plan and Inverclyde Local Development Plan) and the Council's Local Housing Strategy.
- 2.2 More recently in October, the Committee approved a response to the Glasgow and the Clyde Valley Strategic Development Planning Authority's Strategic Development Plan: Main Issues Report (SDP MIR). Supporting the Plan are 13 Background Reports, one being the draft Glasgow and the Clyde Valley Housing Need and Demand Assessment.
- 2.3 It was noted that due to the complexity of this work and the challenge presented in publishing the HNDA, the publication had been delayed. Since that report, revisions have had to be made to the supporting Strategic Environmental Assessment for the SDP MIR and a decision was taken to publish the revised SEA and the 'working draft' HNDA on 12<sup>th</sup> November. As a result, the public consultation on the SDP MIR and all the supporting documents was extended from 26<sup>th</sup> November to 14<sup>th</sup> January 2011.
- 2.4 The strategic GCV HNDA has been a major undertaking and the working draft published for consultation by the Housing Market Partnership – Core Group, should assist officers to contribute to both the preparation of the GCV SDP Proposed Plan, and this Council's forthcoming Local Housing Strategy and LDP: Main Issues Report, in the spring of 2011. An outline of the draft HNDA and of issues relevant to Inverclyde is attached (Annex 1).

### 3.0 RECOMMENDATIONS

- 3.1 That Committee:
- (a) note the publication of the GCV Housing Need and Demand Assessment (working draft background report) for stakeholder consultation;
  - (b) endorse the conclusions (refer Section 8.0) as a basis for progressing the HNDA to a finalised draft, noting the resourcing of this joint work (Section 5.0); and
  - (c) approve use of the HNDA as an important evidence base for the forthcoming Development Plan (GCV Strategic Development Plan and Local Development Plan) and Inverclyde Council's Local Housing Strategy.

## 4.0 BACKGROUND

4.1 The statutory basis for the Housing Need and Demand Assessment (HNDA) is contained in the Housing (Scotland) Act 2001, which requires local authorities to:

- (a) carry out an assessment of housing provision and provision of related services; and
- (b) prepare, and submit to the Scottish Ministers, a Local Housing Strategy.

The assessment of housing provision must include:

- (i) the nature and condition of the housing stock;
- (ii) the needs of persons in the area for housing accommodation;
- (iii) the demand for, and availability of, housing accommodation; and
- (iv) the needs of persons in the area for, and the availability of, housing accommodation designed or adapted for persons with special needs.

4.2 The Local Housing Strategy (LHS) provides the strategic direction at local authority level for addressing housing need and demand, and informs future investment in housing through the Council's Strategic Housing Investment Plan (SHIP).

4.3 The Scottish Government's housing discussion document 'Firm Foundations' in late 2007 and Scottish Planning Policy (SPP3: July 2008, revised 2010), reinforces the Government's commitment to increasing the supply of new homes, and notes that the planning system should enable the development of well designed, energy efficient, good quality housing in sustainable locations, and should allocate a generous supply of land to meet identified housing requirements across all tenures.

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4.4 The important role of HNDA is identified in these publications and new guidance published in March 2008 provides the means to prepare this principal evidence base for defining housing supply targets in local housing strategies and allocating land in development plans.

4.5 The most significant change with this new Government direction and HNDA guidance is that the assessment should be undertaken at a functional housing market area level (ie. in the city regions at that level, not individual council level); that consideration should be given to the operation of the housing system as a whole, covering all tenures; and that Housing Market Partnerships be established to prepare the HNDA.

4.6 The eight Glasgow and Clyde Valley local authorities have extensive experience of joint working, particularly on the planning side with the GCV Joint Structure Plan, and it was decided that a Housing Market Partnership be formed under the auspices of the GCV SDPA. A Core Group comprised of housing and planning officers from the eight constituent local authorities, the SDPA team and Scottish Government, has been responsible for preparing the GCV HNDA.

4.7 A wider network of stakeholders has been identified which forms the Housing Market Partnership, and this grouping covers a wide range of interests, including housebuilders, 'Homes for Scotland', Registered Social Landlords and particular needs groups concerned with special needs housing. All have been consulted in the production of this draft HNDA and now at this stage in HNDA development, are the main target consultees before finalising the assessment in the new year.

4.8 As indicated, to ensure consistency of approach, the Scottish Government issued HNDA Guidance in 2008 and in the same year the Centre for Housing Market Analysis (CHMA) was established. An important requirement of HNDA, and one which should be satisfied so that the methods employed and the assumptions used in the assessment will not be open to scrutiny and debate at development plan examination, is that the CHMA consider the HNDA to be 'robust and credible'. This is important in aligning the progression of the Development Plan (SDP and LDP) and the LHS.

## The Working Draft GCV HNDA

4.9 It has been noted that the requirements of HNDA Guidance have presented a particular challenge for the Glasgow and Clyde Valley authorities, covering such a complex and diverse housing market area and having to satisfy a wide range of interests within eight local authorities. The HNDA requires of the HMP to produce eight 'core outputs' and meet seven 'process criteria' before having the stamp of 'robust and credible' from the CHMA. Among the issues the HNDA has to address, are:

Refer Annex

- (a) the balance between housing supply and demand/need;
- (b) the scale of need and demand for market and affordable housing (the latter of great concern across all housing policy makers, providers and consumers, and central to the new approach to the HNDA);
- (c) the extent to which affordability is an issue; and
- (d) the extent to which low demand is an issue.

4.10 The draft HNDA is published for consultation to targeted stakeholders with a view to incorporating a wider range of comments and representations in a final draft report. The final HNDA should benefit from these contributions and will enable a more rounded and comprehensive picture of the GCV housing market and its constituent parts – both at Sub Market Area and Local Authority (sub LA) levels - to be agreed in advance of submission to the Scottish Government's CHMA for 'approval'. This consultative process should assist officers to contribute to the preparation of the GCV SDP Proposed Plan, and to the forthcoming Local Housing Strategy and LDP Main Issues Report, in the spring of 2011.

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## 5.0 PROPOSALS

5.1 The strategic GCV HNDA has been a major undertaking and the working draft published by the Housing Market Partnership – Core Group, for consultation at this stage, is very much 'a work in progress'. A detailed outline of the HNDA is attached as Annex 1, its seven chapters after an introduction covering the following matters:

- (a) Chapter 2 – details the procedures adopted by the GCV local authorities, describing the Housing Market Partnership, quality control measures, and intentions for future monitoring and review;
- (b) Chapter 3 – describes the HNDA modelling process and the different work streams involved in the household projections (by tenure) and affordability assessment, and outlines the requirements under each of the 'Core Outputs';
- (c) Chapter 4 – provides a Market Commentary on the trends in the GCV housing system, with particular reference to house price changes and its impact on 'affordability' and an assessment of the impact and implications for the Assessment of the recent recession [*Core Output 2*];
- (d) Chapter 5 – describes the Housing Market Area framework, including definitions of Housing Market Areas and Sub Market Areas;
- (e) Chapter 6 – provides a commentary on demographic changes in the GCV which informs the projections of household formation and change [*Core Output 3*];
- (f) Chapter 7 – summarises the methodology and presents the results of the supply and need/demand comparisons, by tenure and produces the outcomes for housing requirements, by local authorities and HMA [*Core Outputs 5, 6 & 7*]; and
- (g) Chapter 8 – provides a strategic assessment of Household Groups with Specific Housing Requirements [*Core Output 4*].

## 5.2 The HNDA is supported by a series of Technical Appendices, covering:

(1) 'A Housing Market Area Framework': an explanation of the derivation of housing markets, for calculating Private Sector Housing Requirements, and the Local Authority (and sub-LA level), for assessing Affordable (predominantly Social Rented) Housing Sector Requirements.

(2) 'Current Housing Supply/Stock Profile': this provides the base housing stock information for input into the stock projections, with dwellings categorised by tenure, size, type, condition, occupancy and location – together it provides information to meet 'Core Output 1'.

(3) 'Gross/Current Backlog Need': the current housing need position by local authority, with households categorised according to overcrowding, in poor quality dwellings, insecure tenancies and homeless and/or in temporary accommodation.

(4) 'Affordability Analysis': the housing affordability study undertaken by consultants to determine the reasons and choices made by new and migrant households: this was the principal basis on which the assessment concluded the relative future balance of tenures, and for projecting market (owner-occupied and private rented) households; households in social renting; and those who could/could not afford 'intermediate housing', that is in the main, low cost home ownership housing, such as shared ownership and shared equity.

(5) 'House Price Analysis': a detailed monitoring report outlining changes in house prices over the last ten years with a focus on the lower quartile of prices to inform changes in 'affordability' across the City Region.

(6) 'Review of Supply and Need/Demand for Housing': a detailed appendix to support the assessment of housing requirements, for both the private sector (by HMA/SMA) and the affordable (predominantly social rented) sector (by LA area). This appendix also sets out the preliminary findings on the potential of the 'intermediate sector' to meet housing need/demand.

5.3 It can be seen from the above that it is not too much of an exaggeration to say that the final HNDA for the Glasgow and the Clyde Valley City Region will be a major undertaking and a very lengthy report. The 'working draft' produced at this stage covers all the necessary 'core outputs' but does not contain the full requirements for the GCV SDP Proposed Plan nor for the eight Local Authority's LHSs. Further information will need to be finalised on the alternative 'Low-migration Variant Demographic Scenario' and further summary outputs produced on the disaggregation of the results to LA sub area level for LHS purposes, both in terms of the private and affordable housing sectors.

### Planning Scenarios and Key Assumptions

5.4 The GCV SDPA has adopted a 'Planning Scenario' similar to that in the approved 2006 Joint Structure Plan, albeit this forecast based on a 'higher level of net-in-migration' is not expected to return until after 2020, once the full effects of the current economic recession/downturn has ended. The choice of this scenario accords with the GCV Community Planning Partnership vision, and assumes a constant net migration of +1,050 per year for ten years, with a resumption of further trend growth thereafter. This scenario acknowledges the prospect of a lower rate of growth and corresponding lower rate of in-migration in another 'Lower Growth Scenario', in recognition of the Oxford Economics' forecasting study which suggests continuing 'slack' in the jobs market with knock-on consequences for the attraction of the City Region and therefore, low in-migration. This latter Scenario assumes that, after the initial five years or so, the net migration will be constant, at a rate of +1,050 per year, for the projection period to 2025.

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Refer Annex

- 5.5 The 'Planning Scenario' is considered by the GCV SDPA to provide a clearer direction for the local authorities and partners to plan ahead with sustainable economic growth at the centre of the vision. This scenario assumes an improving demand context and therefore a greater degree of flexibility, but despite that the land supply is more than adequate to meet these potential demands. This is particularly important in relation to the Government's expectations in relation to having a 'generous' housing land supply to meet demand for private sector housing, including its desire for more affordable housing to be provided.

#### Affordability Assumptions and Backlog Need Estimates

Refer Annex

- 5.6 The consultants commissioned to undertake the affordability/tenure assessment applied their analysis to new and emerging households and to households in backlog need. There being a degree of uncertainty over the proportion of income different households in different circumstances are prepared to commit to housing costs, two *Affordability Assumptions*, or thresholds, of 'High' and 'Low', were input into the modelling. The high affordability threshold assumes that households are able to spend more of their income on housing than the low threshold. On these assumptions, it is projected that fewer households will need social rented housing on the 'high' threshold, and more if on the 'low' threshold. The latter assumption has been adopted by the HMP Core Group for the purposes of estimating housing need in the Affordable Housing Sector, but this means that the overall totals do not sum at City Region level – an outcome which will be considered further by the HMP Core Group for the final draft HNDA in spring 2011.
- 5.7 A household's ability to pay for housing was also used to determine those households in Backlog Need who could/could not afford to meet their own needs in the market. An 'Upper' and 'Lower' estimate was modelled, the former denoting the scale of need for all affordable housing (social rented and intermediate (LCHO) products); while the latter estimates the core of need for social rented housing.
- 5.8 A summary of the draft GCV HNDA, in terms of the process, the model and the inputs and assumptions adopted, together with the main outcomes/results for both the GCV level and for Inverclyde, is set out in Annex 1. The main conclusions to be drawn from this are summarised in Section 8.0 below, including an outline summary for the Committee's information, as a basis for taking this forward to the next finalised draft stage. It is anticipated that following the consultation period (ending 14<sup>th</sup> January 2011), the HMP Core Group will finalise the HNDA by end March, for submission to the CHMA and in time for input to the SDP Proposed Plan and its expected approval by the SDPA Joint Committee in June 2011. In so doing this will provide a finalised position ahead of the proposed May SSC Committee date for both the Council's LHS and LDP MIR.

Annex 1

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#### **Funding the GCV HNDA**

- 5.9 The GCV SDPA currently has in post a Project Officer dealing solely with the heavy workload of the HNDA and the stakeholder and consultative duties linked to the successful running of the GCV HMP. The post is a temporary one, having been funded by the eight member authorities for a two-year period, which ends on 31<sup>st</sup> March 2011. The issue of completing the current HNDA project and the longer-term resourcing of this joint partnership working on the GCV HNDA through the GCV SDPA for both planning and housing purposes after 31<sup>st</sup> March, is currently being examined by the SDPA.

#### **6.0 IMPLICATIONS**

- 6.1 There are no legal or personnel implications arising from this report, nor any implications for other Services of the Council.

#### **Finance:**

Financial implications – one-off costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
tbd	tbd	2011/12	tbd	n/a	n/a

Financial implications – annually recurring costs/(savings)

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a	n/a	n/a	n/a	n/a	n/a

6.2 **Equalities:** the report has no impact on the Council's Equalities policy.

## 7.0 CONSULTATION

7.1 **Chief Financial Officer:** no requirement to comment.

7.2 **Head of Legal and Democratic Services:** no requirement to comment.

7.3 **Head of Organisational Development, HR and Performance:** no requirement to comment.

7.4 A workshop was held on 8 December 2010 to inform and aid discussion of the implications of the outcomes of the HNDA for Inverclyde's housing providers. Among those invited were representatives from Registered Social Landlords active in Inverclyde (including River Clyde Homes, Cloch HA and Oak Tree HA), other officers from council services that are likely to be affected by the outcomes/results of the HNDA, and officers from the regional office of the Scottish Government Housing Investment Division. A number of follow-up meetings are to be arranged with some of these stakeholders.

## 8.0 CONCLUSIONS

8.1 The following summarises the key outcomes and results published in the GCV HNDA Working Draft Background Report for Inverclyde. This Summary is based on the more detailed appraisal outlined in the Annex to this report, with the emphasis on outcomes by tenure and the years 2016, 2020 and 2025.

8.2 **Current Housing Stock and Tenure Split:** Inverclyde has a similar tenure split as Glasgow City Region, with a slightly higher proportion of its stock and households in owner-occupation, and less in the two rented sectors, private and social. The vacancy rate in the social rented sector is high, leading to a smaller 'effective' stock in this sector.

8.3 **Population and Household Projections:** the population of Inverclyde is projected to continue to decline, but at a lower rate, while the number of households is projected to increase slightly, under both Scenarios (between 1 & 3%), compared to a growth of between 12 & 14% in the City Region. The majority of that growth continues to be in single-person households (up to a quarter in Inverclyde compared to over one-third in the City Region), while family-sized households are projected to decline by a fifth in Inverclyde compared to less than a tenth in GCV.

8.4 **Backlog (Current) Need:** Inverclyde has over 4,000 households recorded in backlog need, which accounts for less than 6% of the City Region total of nearly 73,000. It is estimated that c. 1/3 of these households could afford LCHO, compared to 1/5 in the City Region as a whole.

8.5 **Affordability and Newly Arising Need:** as a key part of the new HNDA, two assumptions were adopted to determine household's ability to afford owner-occupation, with a higher proportion of in-migrant households calculated able to afford to purchase (c. 56%) compared to new households from within Inverclyde (c. 43%). From these

calculations it was determined what the likely requirement would be for social rented stock, arising from newly emerging households in need and existing households that are likely to fall into need.

Annex

- 8.6 **Estimates of Households Falling into Need:** from the above, under the different scenarios and affordability assumptions, an *average annual flow* was calculated which suggests that between 540 and 650 new and existing households would require social rented housing over the period to 2016, much of this accounted for by the backlog. When estimates of supply are set against this figure, having projected social rented dwelling stock at 2016 and having made allowances for letting management policies of this stock, a net housing need is calculated.
- 8.7 **Projected Net Housing Need:** a net annual need of between 190 and 310, and 260 and 380, based on two backlog need levels (the high one including households that could potentially afford LCHO options), and depending on the two scenarios and affordability assumptions adopted, has been estimated for Inverclyde in the period up to 2016. Even at the lowest estimate, this need is higher than current understandings but is due to the scale of the backlog and the requirement to address it over the first ten years of the HNDA period. The Annex outlines in detail a number of factors that need to be taken into account in interpreting the results from this HNDA for the social rented sector. These considerations relate to both the assumptions used on the need-side and the supply/provision-side of the housing need assessment.
- 8.8 **Projected Owner Occupied Households:** under both scenarios and affordability assumptions, the HNDA shows minimal growth in owner occupation over the projection period. A small increase of up to 3% is projected on the most optimistic Planning Scenario, while other projections show even less of an increase. This result is due to a combination of the very low rate of household formation and the prediction that few new households are likely to be able to afford to buy in the open market.
- 8.9 **Projected Private Rented Households:** linked to some extent to the above outcome regarding the affordability of open market owner-occupation, but with some households retaining the ability to afford to rent, is the potential for the private rented sector to grow. Depending on the scenario and affordability assumptions adopted, the projections show a range of potential outcomes, from minimal growth (under low affordability) to a rapid increase, at least to 2016 (under high affordability and the Planning Scenario).
- 8.10 **Projected Private Sector Households:** taking the two private sectors together (owner-occupied and private rented), indicates even under the more optimistic Planning Scenario, only a small increase of less than 1% and less than 5%, respectively, depending on the affordability assumptions adopted. The overall effect of these projections for tenure balance is that by 2025 there is expected to be little change, with the private sector under the High Affordability Assumption increasing very slightly, while under Low Affordability, it would decline slightly. The converse would occur in terms of the social rented sector.
- 8.11 **Private Sector Housing Requirement – Inverclyde HMA:** the outcome of the HNDA for the Inverclyde HMA shows that there is no requirement to augment the land supply at either 2020 or 2025, there being an adequate supply identified, of over 1,800 at 2020 and over 3,000 at 2025. For the Renfrewshire Sub Market Area (comprising Kilmacolm and Quarriers Village), a similar adequate land supply is the outcome of the HNDA.
- 8.12 **Intermediate Housing Sector (LCHO):** the estimates of those households that could afford low cost home ownership have been calculated as potentials, with a minimum and a maximum level, again depending on the assumptions adopted. The maximum level assumes that all those households which could potentially meet their needs in LCHO do so, while the minimum assumes that there is restricted access and therefore more would require social rented housing. Information is available in the HNDA by Inverclyde sub area, including the potential in Kilmacolm and Quarriers Village, which will be the subject of further investigation for the LHS.

8.13 This part of the HNDA requires further investigation as the estimates used in the model do not take into account the full range of households that would find these 'intermediate (LCHO) products' attractive, if they could afford them. The consultant's study focussed on only new households and did not include existing households looking to change their tenure, which could be as significant. Other considerations include:

- (a) whether households would choose LCHO even if they had the resources;
- (b) whether mortgage finance would be available to those wanting LCHO; and
- (c) the level of subsidy and therefore supply, which will always be limited.

## **Overall Summary**

8.14 The most significant results emerging from the GCV HNDA for Inverclyde in terms of planning for housing can be summarised as follows:

### Total Households

- While the population continues to be projected to decline, albeit at a slower rate, the number of households is projected to increase very slightly, to 2016 and to 2025, under both Scenarios.
- The majority of growth will be in single-person households, with a decline in family-sized households.
- Planning for housing should be based not so much on the assumption that the number of households is not going to decline, but that continuing changes in household type and size need to be provided for.

### Owner Occupation

- Inverclyde has the lowest rate of household formation of the eight councils in the City Region, and coupled with a low percentage estimated able to purchase, this creates a relatively low number of households entering the owner-occupied market.
- Although there will be newly-emerging households able to buy, the overall size of the owner-occupied sector is predicted to remain largely the same and as a result, there is no requirement for additional land for private housing.
- A significant issue remains the higher number of households leaving the owner-occupied sector than newly-forming households entering it. Taken together, these indicators and projections suggest owner-occupation may have peaked in Inverclyde, there being little scope for further increases while household formation remains so low.

Refer to  
Cmte Item 4

### Social Rented Sector

- Under both Scenarios, there is a potential shortfall of social rented housing to meet the needs of households in current need and newly-emerging and existing households in need. This 'shortfall' could be addressed, to an extent still to be investigated, by increasing the number of social rented lets to households on the waiting list (thereby reducing the number of transfer lets), tackling the large number of voids and by re-examining the Re-provisioning Strategy and reassessing the projected social rented stock likely to be available at 2016, and beyond.

### Private Rented Sector

- The private rented sector is projected to grow up to 2016, and to a lesser extent beyond to 2025. There remains uncertainty about the role the sector will play in Inverclyde, the primary one establishing what proportion of income a household is willing to pay towards rent, and the extent to which the private rented sector is seen as an affordable alternative to owner-occupation and social renting.



- A significant proportion of Backlog Need arises from private rented households, suggesting that this sector cannot adequately meet the housing needs of tenants.

### Concluding Comment

- The current tenure balance (owner-occupied/private rented/social rented) is unlikely to change significantly, to 2016 and 2025.

- Still unclear is the impact of the current recession on the results of the HNDA, and whether its impact will be short term or will the changes occurring in the housing market be more longer lasting.

- What is clear is that future changes in the housing market will be much less dramatic than has occurred over the last 20 years, reflecting a housing system which is stabilising rather than changing in terms of tenure balance.

## **9.0 BACKGROUND PAPERS**

9.1 A number of Safe, Sustainable Communities Committee reports over the last few years provide a background to the current published working draft of the HNDA. These are:

- 1) Strategic Housing Function: Update and Work Programme 2008-09 (6 March 2008)
- 2) The Planning (Scotland) Act 2006 and Local Development Plans and Update on the Planning Policy Work Programme 2008-09 (6 March 2008)
- 3) Planning Policy and Housing: Update on Work Programmes and Issues Arising (28 Oct 2008)
- 4) Inverclyde Local Housing Strategy 2004-09 – Monitoring and Update Report 2009 (5 May '09)
- 5) Glasgow and the Clyde Valley Strategic Development Plan: Main Issues Report (26 Oct 2010)

9.2 In addition, there are a number of Scottish Government documents that provide the policy context and guidance for undertaking an HNDA:

- 1) 'Firm Foundations': the Future of Housing in Scotland (The Scottish Government's Discussion 'Green Paper' on the future of housing policy) – December 2007
- 2) Local Housing Strategy Guidance (Scottish Government and COSLA) – April 2008
- 3) Scottish Planning Policy 3 'Planning for Homes' (Revised SPP) – July 2008
- 4) Housing Need and Demand Assessment Guidance (Scottish Government) – March 2008
- 5) Scottish Planning Policy (Consolidated Version) (Scottish Government) – February 2010
- 6) 'Fresh Thinking, New Ideas': national discussion initiated by the Scottish Government (2010), to be followed by a policy paper in early 2011.

### **ATTACHMENT**

Annex 1: Glasgow and the Clyde Valley Housing Need and Demand Assessment – Working Draft Background Report for Consultation : Overview of Process, Outcomes and Main Issues for Inverclyde (December 2010)

(based on the Glasgow and the Clyde Valley Housing Market Partnership HNDA, published on 12<sup>th</sup> November 2010, as a draft background report to support the GCV SDP Main Issues Report)

**GLASGOW AND THE CLYDE VALLEY HOUSING NEED AND DEMAND  
ASSESSMENT – WORKING DRAFT BACKGROUND REPORT FOR CONSULTATION  
OVERVIEW OF PROCESS, OUTCOMES AND MAIN ISSUES FOR INVERCLYDE**

**1.0 INTRODUCTION**

- Status of the Working Draft HNDA Report
- A Complex Undertaking
- An Evidence Base
- Definitions
- Dealing with Uncertainty
- Monitoring and Review
- Approval of the HNDA

**2.0 POLICY BACKGROUND**

**3.0 DEVELOPING THE HNDA PROCESS**

- Housing Market Partnership
- GCV HMP Core Group
- Wider Network
- External Consultants
- Engaging the 'Wider Network' of Stakeholders

**4.0 THE HNDA PROCESS AND OUTPUTS REQUIRED**

- Core Outputs
- Quality Control
  - Affordability/Tenure Choice Analysis
  - Household Groups with Specific Housing Requirements
- Validating the Model

**5.0 OVERVIEW OF HNDA – Data Inputs, Assumptions, Validation Issues and Outputs**

- HNDA Geography and Framework
- Housing Stock and Tenure
- Population and Household Projections
- Current (Backlog) Housing Need
- Affordability and Newly Arising Need
- Affordable Housing Supply
- Net Annual Housing Need
- Private Sector Projections
- Intermediate Housing Sector
- Households with Specific Housing Requirements

**6.0 OUTCOMES OF THE HNDA FOR INVERCLYDE**

- Affordable Housing Sector
- Private Housing Sector
  - Owner Occupied Sector
  - Private Rented Sector
- Comparison of Private Sector Supply and Demand
- Projected Household Tenure

**7.0 CONCLUSIONS AND MAIN ISSUES FOR INVERCLYDE**

**8.0 FURTHER WORK / NEXT STEPS**

**Appendix 1 'Overview of the HNDA Model'**

**GLASGOW AND THE CLYDE VALLEY HOUSING NEED AND DEMAND  
ASSESSMENT – WORKING DRAFT BACKGROUND REPORT FOR CONSULTATION**

**OVERVIEW OF PROCESS, OUTCOMES AND MAIN ISSUES FOR INVERCLYDE**

**1.0 INTRODUCTION**

- 1.1 This is the first comprehensive Housing Need and Demand Assessment (HNDA) for the Glasgow and the Clyde Valley Area, covering all housing tenures across the eight constituent Council areas. Its preparation has required new ways of joint working to integrate planning and housing perspectives, resulting in the establishment of the GCV Housing Market Partnership (HMP).
- 1.2 The HNDA has to serve a range of purposes. As well as being a Background Report (BR10) to the Strategic Development Plan: Main Issues Report, it also provides important supporting evidence for the eight local authorities' Local Housing Strategies and Local Development Plans. Meeting these different requirements has involved complex analysis, at different geographical scales and different projection periods, both in terms of projected demand for private or market housing (owner occupied and private rented), and projected need for affordable housing (social rented and intermediate sector).
- 1.3 A key component of this modelling is the assessment of affordability as a means of identifying the tenure of projected households. Independent consultants were appointed to undertake this specialised component of the analysis, in the process developing an innovative and more sophisticated behavioural model of the housing system.

**Status of the Working Draft HNDA Report**

- 1.4 It is important to say something about the status of the HNDA document published. It is presented by the HMP Core Group as a Working Draft and not all the output generated has been included at this stage, particularly for the purposes of councils' LHSs. The GCV HNDA is predominantly a strategic assessment, so outputs at more detailed geographies such as SHIP sub area level would make the report too voluminous, but these outputs, including the full range of scenarios, are available on request for councils' use.
- 1.5 A wide range of stakeholder organisations as well as interested groups and individuals, have been invited to respond to the draft and offer their comments and suggestions. The closing date for this consultation, which is timed to coincide with the GCV SDP Main Issues Report, is *Friday 14 January 2011*. All responses received will be considered by the HMP Core Group, providing it with a more inclusive appreciation and informed understanding to prepare the final HNDA report. This will then be presented to the constituent Councils for their approval. In spring 2011, the HNDA will then be submitted to the Scottish Government's Centre for Housing Market Analysis.

## A Complex Undertaking

- 1.6 Preparation of the HNDA has been a complex undertaking, made all the more challenging by the economic downturn. However, it is hoped that the HNDA is an important step in planning for the homes households in the Glasgow City Region and Inverclyde in particular, will require. The HNDA provides estimates of the number of additional new homes that are required to meet need and demand for the social and private housing sectors, including affordable housing and housing for particular needs. The estimates are presented at various geographies in order to fulfil strategic planning requirements for each local authority – at housing market and sub-market area levels, which generally cross Council administrative boundaries, as well as at local authority and other sub-area geographies.
- 1.7 Two important caveats should be noted. Firstly, it is not possible to model future policy decisions, but these will impact on actual outcomes. For example, the model identifies potential demand for ‘intermediate housing’ products, but as these require public subsidy in one form or another, outcomes are supply constrained and dependent on public spending plans. Secondly, the economic downturn has introduced significant uncertainty into the housing market, both in terms of demand and supply. Some allowance has been made for this in certain key assumptions, but the full implications of the recession and recovery from it are still by no means clear.

## An Evidence Base

- 1.8 The HNDA serves as a crucial evidence base in preparing the LHS and both the Strategic and Local tiers of the Development Plan. It also needs to be fit for purpose to support specific housing policies such as provision for Affordable Housing that may be required the Local Development Plan.

*“A housing need and demand assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs, meets all of the requirements of the process criteria in the checklists ..... and has made reasonable assumptions based on the information available, which will be confirmed by the Scottish Government.”*

[Scottish Government (2008) HNDA Guidance, page 7]

- 1.9 The core outputs judged necessary as a minimum for the HNDA to be considered ‘robust and credible’ by the Scottish Government’s CHMA, are listed in the HNDA Guidance, and reproduced below in Section 4.0, as is the ‘process criteria’ checklist. The GCV HMP’s HNDA Background Report is structured to meet both the process criteria and core outputs.

## Definitions

- 1.10 To ensure clarity for purposes of technical assessment, the following definitions have been used in the HNDA:

**Housing need** refers to households without housing or living in housing which is inadequate or unsuitable. It is unlikely that these households will be able to meet their needs in the housing market without some assistance.

**Housing demand** is the quantity and type/quality of housing which households wish to buy or rent in a particular area and are able to afford.

**Intermediate housing products** are available at a cost below full market value to meet an identified need and include: subsidised low cost housing for sale (discounted, shared ownership or shared equity); low cost housing without subsidy (entry-level housing for sale) if offered below full market value; and mid market renting.

**Housing market areas** are geographical areas which are relatively self-contained in terms of housing demand, i.e. a large percentage of people moving house or settling in the area will have sought a dwelling only in that area.

### Dealing with Uncertainty

- 1.11 Projections of population, households and of housing need and demand are always subject to a degree of uncertainty – the longer term the projection the greater this becomes. The following factors should be noted in particular:
- ← (i) the 2001 Census, the starting point for a range of population assumptions, is now out of date;
  - ←
  - ← (ii) the impact of inward migration from accession states in the expanded European Union (EU), and whether this will continue;
  - (iii) demographic change in the form of an ageing population may increase the need and demand for housing which has to meet particular needs;
  - ← (iv) the recession has had a significant impact on the housing system, severely reducing new supply and developer capacity, and affecting household demand and need – the long term consequences are not clear; and
  - ←
  - (v) the potential of the ‘intermediate housing’ sector to meet a range of needs and demands, especially in the context of planned fiscal restraint over the next five years.

### Monitoring and Review

- 1.12 The housing system is complex and dynamic and for this reason, it is not possible to provide definitive estimates of demand and need, or a full assessment of market conditions in say five years’ time. However, the HNDA provides valuable insights into how the GCV housing system currently operates and is likely to operate in the future. As such, it can serve as a shared evidence base to inform local authorities and their partners in developing housing supply targets in their LHS, and in allocating land to meet these targets through housing policies in Local Development Plans. It should also inform RSLs business plans.

- 1.13 The GCV HMP will undertake to do a comprehensive review of the HNDA on a five-yearly basis, linked to the review of Development Plans and Local Housing Strategies. This will provide an opportunity to take account of data from the 2011 Census, as well as evidence of changes in demographics, market circumstances and relevant policy impacts, and will ensure that strategic planning for housing across the GCV area is kept as up to date as practicable.
- 1.14 The HMP will also provide a means for the eight authorities to jointly research specific issues or review individual components as appropriate on an interim basis, between formal reviews. This will ensure that the authorities maintain a current and shared understanding of the evolving nature of the GCV housing system.

### **Approval of the HNDA**

- 1.15 The HNDA Guidance suggests that the HMP would sign-off the HNDA. However, given this GCV HNDA is to serve as an evidence base for both the Development Plan (SDP and LDPs) and LHSs, this raises implications for the eight constituent local authorities. The SDPA, as part of the statutory planning system in Scotland, has established procedures and structures for processing strategic planning issues and documents such as the Strategic Development Plan – principally the eight-authority Steering Group and Joint Committee. This mechanism alone would be appropriate for agreeing and ‘signing off’ the HNDA as a key source document for the SDP and LDPs.
- 1.16 However, the HNDA is a statutory requirement under the Housing (Scotland) Act 2001 and is a necessary key building block for the eight authorities LHSs. Therefore, it also requires to be approved by individual Council’s as housing authorities.
- 1.17 The above twin-track approach will be adopted in the New Year, with approval of the finalised draft of the GCV HNDA by the eight Councils and thereafter referred to the SDPA Joint Committee. Once this is concluded, it will be submitted to the CHMA and thereafter, with a ‘stamp of approval’ as ‘robust and credible’; it will be used as an evidence base in the SDP Proposed Plan and the eight LAs LHSs and LDPs.

## 2.0 POLICY BACKGROUND

- 2.1 The statutory basis for the Housing Need and Demand Assessment (HNDA) is contained in the Housing (Scotland) Act 2001, which requires local authorities to:
- (a) carry out an assessment of housing provision and provision of related services; and
  - (b) prepare, and submit to the Scottish Ministers, a Local Housing Strategy.
- 2.2 The Local Housing Strategy (LHS) provides the strategic direction at local authority level for addressing housing need and demand, and informs future investment in housing through the Council's Strategic Housing Investment Plan.
- 2.3 The Planning, etc. (Scotland) Act 2006 introduced a requirement for strategic development plans and local development plans to replace structure plans and local plans, and new Development Plan Regulations (February 2009), confirmed the need for closer linkages between planning and housing policy.
- 2.4 The Scottish Government's housing discussion document 'Firm Foundations' in late 2007 and Scottish Planning Policy (SPP3: July 2008, revised 2010), reinforces the Government's commitment to increasing the supply of new homes, and notes that the planning system should enable the development of well designed, energy efficient, good quality housing in sustainable locations, and should allocate a generous supply of land to meet identified housing requirements across all tenures.

*"Housing need and demand assessment provides the evidence base for defining housing supply targets in local housing strategies and allocating land for housing in development plans.*

*The assessment should be undertaken at a functional housing market area level and consider the operation of the housing system as a whole, covering all tenures".*

[Scottish Government (2010) SPP, paras. 66-91]

- 2.5 LHS Guidance published in July 2008 reiterated the key messages in 'Firm Foundations' and SPP3 on the need for planning and housing to work much closer together to improve understanding of housing systems and to embed this new way of working through HNDAs and the 'new style' local housing strategies.
- 2.6 To ensure consistency of approach, the Scottish Government issued HNDA Guidance in March 2008 and in the same year the Centre for Housing Market Analysis (CHMA) was established. An important requirement of HNDA, and one which should be satisfied so that the methods employed and the assumptions used in the assessment will not be open to scrutiny and debate at development plan examination, is that the CHMA consider the HNDA to be 'robust and credible'. This is important in aligning the progression of the Development Plan (SDP and LDP) and the LHS.

### 3.0 DEVELOPING THE HNDA PROCESS

#### Housing Market Partnership

- 3.1 The GCV authorities have gained considerable experience of successfully working together to deliver the Structure Plan over many years, and this has been built upon for the HNDA. The new Housing Market Partnership (HMP) signals a significant change in approach to strategic planning of housing requirements in the GCV area, in response to recent encouragement from the Scottish Government:

It is clear that if we are to make a step change in housing supply, it must be based on effective strategic planning. This means that housing and planning policies will need to be grounded in a robust and credible understanding of housing markets. They must also be effectively linked to the delivery of housing through planning of land supply, practical land assembly and investment.....

In most cases [development of a strategic approach to housing] will mean working in partnership with two or more local authorities to devise a strategic solution to need across a wider area. This builds on current thinking and best practice in Scotland.

[Scottish Government, 2007, *Firm Foundations*, Discussion Document]

While joint approaches in some parts of the country are well developed, greater co-operation on housing provision will be important to achieving the delivery of the housing supply increase which is needed. Local authorities are encouraged to explore new and enhanced ways of joint working within wider housing market areas.

[Scottish Government and CoSLA, 2008, *Local Housing Strategy Guidance*, para. 20]

Housing market areas may significantly overlap and will rarely coincide with local authority boundaries. Local authorities are therefore encouraged to co-operate regionally in housing market partnerships, which may also include other organisations such as housing associations and developers.

[Scottish Government, 2010, *Scottish Planning Policy*, Housing, para. 68]

- 3.2 The GCV HMP aims are:

- ← \* to share information and intelligence, including relevant contextual material and policy information;
- ←
- ← \* to assist with the development of an HNDA and to ensure its findings are disseminated and regularly reviewed; and
- ←
- ← \* to support core members in the analysis and interpretation of housing market intelligence.
- ←

- 3.3 The GCV HMP therefore seeks to develop a clear *shared understanding* of the operation of the housing market across the City Region. In addition a *long term* strategic view is required which addresses both the interaction of *various tenures* in the housing system and the actual dynamics of housing systems, which operate across *local authority administrative boundaries*.



- 3.4 The GCV HMP also aims to encourage and support dialogue between various players at regional level; in doing so a greater *multi-disciplinary perspective* on the operation of the housing system/market, complementing existing activity at local authority level is achieved.

### **GCV HMP Core Group**

- 3.5 A Core Group comprised of housing and planning officers from the eight constituent local authorities, the SDPA team and Scottish Government, Housing and Investment Division has been responsible for preparing the GCV HNDA. Two sub groups support the work of, and report to, the HMP Core Group:

← \* the *Planning Sub Group* addresses technical Planning issues, and is made up  
← of planning officers representing the eight GCV authorities; and

\* the *Housing Sub Group* addresses technical Housing issues, and is made up of housing officers representing the eight GCV authorities.

Throughout the preparation of the HNDA, the process involved a strong partnership approach, involving planning and housing staff from all eight authorities.

### **Wider Network**

- 3.6 Beyond the core membership it is recognised that there is a *Wider Network* of key stakeholder/interest groups with a contribution to make including, social and private landlords, developers and builders, funders, and representatives of particular housing needs groups. Some of these have an interest in the supply side of housing, while others are concerned with aspects of need/demand. The HMP has sought to complement rather than replicate the well developed existing consultation structures for both the LHS and LDP processes in each authority.
- 3.7 The HMP Core Group is accountable, through the GCV SDPA Steering Group to the GCV SDPA Joint Committee. The HMP Core Group ensured progress on key tasks for the HNDA by means of a detailed work programme, reviewed on a monthly basis. A progress report on the HNDA has been a standing item on the agendas of both the Steering Group and Joint Committee.
- 3.8 The majority of the research and analysis supporting the HNDA has been conducted by staff of the eight constituent authorities. Two senior planning analysts with Glasgow City Council provided 'internal consultancy' particularly in relation to demographic projections, testing of housing market system geography, and housing supply/demand comparison. The core GCVSDPA team provided support with coordination and administration, wider engagement and technical work. The authorities funded a temporary post of HNDA Project Manager to promote and coordinate activities.
- 3.9 As well as being consistent with the HNDA Guidance, this approach has provided the following benefits:

- ← \* improved understanding of components, such as current/backlog need, through
- ← jointly debating issues relating to methodology, data sources and their
- ← limitations, assumptions required, and the explanation of differences between
- ← authorities;
- ← \* enhanced understanding of the GCV housing system; and
- ← \* combining the experience gained by planning and housing professionals in the
- ← strategic analysis of housing market issues.

### **External Consultants**

- 3.10 As part of the wider technical work for the Strategic Development Plan, GCV SDPA commissioned Oxford Economics in May 2009 to provide an overview of the economic implications of the recession, and again in February 2010 to provide more detailed economic modelling. This provided useful context for the HNDA as well as informing specific decisions, such as on migration assumptions.
- 3.11 It was also considered appropriate to appoint specialist external consultants, to undertake the task of modelling the Affordability Analysis for the HNDA, leading to tenure projections. Tribal Group with Optimal Economics was commissioned, working closely with the GCV HMP to develop an innovative approach which sought to increase understanding of household behaviour in housing markets.
- 3.12 As well as quantitative data derived from analytical work and modelling, the HMP Core Group sought to complement this with more qualitative information in order to highlight specific issues and provide a better understanding and commentary on the operation of the GCV housing system. Much of this additional commentary came from interviews with a range of external stakeholders.
- 3.13 The HNDA also drew on the expertise of consultants *Oxford Economics*, *Tribal Group/Optimal Economics*, as well as the *CHMA*. The *Council of Mortgage Lenders (CML)* was contacted through its consultant in Scotland, who provided CML documents and briefing papers to assist us in better understanding relevant specific aspects of the housing market.

### **Engaging the 'Wider Network' of Stakeholders**

- 3.14 Given the scale and diversity of the GCV area, the HMP has operated a 'Core + Network' structure, enabling it to manage both the technical work involved in preparation of the HNDA, and wider engagement activity. The HMP Core Group has sought to engage with a wider network of stakeholders in various ways, including face-to-face meetings, briefing seminars on key issues, by way of a summary leaflet, and as a virtual network using an HNDA page on the GCV website. It also maintains dialogue with the GCV LHS Group and the CHMA.
- 3.15 The majority of the larger housing developers active in the Glasgow City Region are members of the representative trade body, *Homes for Scotland*. Engagement with this key group of stakeholders included briefing meetings on the role of the HNDA and the process being adopted for the City Region. Homes for Scotland has also discussed with the HMP Core Group the implications of the recession for the industry, and local authorities have also had local

- consultation/engagement with developers related to their specific local circumstances.
- 3.16 *Registered Social Landlords* (RSLs) are important stakeholders, of which there are over 100 active in the City Region. As well as having a local community focus, the group also includes a number of national and specialist housing associations. There are two large stock transfer associations: River Clyde Homes (established to take transfer of the majority of Inverclyde Council's housing stock) and Glasgow Housing Association (established to take Glasgow City Council's housing stock). It was agreed that all local authorities should use their usual liaison mechanisms to keep RSLs in their area up to date and engage with the HNDA process. In practice, various components of the HNDA have necessitated requests for data as input to the analyses, including Inverclyde Council.
- 3.17 In relation to social housing nationally and regionally, the *Scottish Federation of Housing Associations* was consulted and representatives of six national or regional associations and several local associations attended a meeting in January 2010. The *Glasgow and West of Scotland Forum of Housing Associations*, who represent a number of RSLs, most of whom are community-based associations in Glasgow City, has also been given a briefing seminar.
- 3.18 The private rented sector of the market is growing in significance. It is very diverse ranging from landlords with a single property to let, to companies with substantial property portfolios. Contact was made with the representative body, the *Scottish Association of Landlords*.
- 3.19 An important function of the HNDA is to assess the range of particular needs arising in Household Groups with Specific Housing Requirements, including older people households, those with disabilities or long term limiting illness, students, minority ethnic communities, Gypsies/Travellers and travelling show people. Representatives from these organisations were involved in the engagement process: *Age Scotland, Glasgow Centre for Population Health, Inclusion Scotland, Ownership Options Scotland, Positive Action in Housing, Scottish Women's Aid, Showmen's Guild of Great Britain (Scottish Section), and West of Scotland Regional Equality Council*.
- 3.20 A number of housing associations have developed considerable expertise and experience in meeting particular needs, the following assisting with issues relating to their specific area of expertise: *Access Apna Ghar Housing [part of Sanctuary Group], Arklet HA, Equality Scotland [an initiative of Trust, Hanover Scotland and Bield HAs], Govanhill HA, and Southside HA*.

## 4.0 THE HNDA PROCESS AND OUTPUTS REQUIRED

- 4.1 An Overview of the HNDA Model is illustrated as **Appendix 1** in the form of a flow-block diagram. The key components are described briefly below, together with an indication of the Core Output to which they contribute.

### **Core Outputs**

#### ***Stock Profile***

- 4.2 This part of the HNDA examines the existing housing stock in the GCV area, and produces CORE OUTPUT 1: Estimates of current dwellings in terms of size, type, condition, tenure, occupancy and location.

#### ***Market Commentary***

- 4.3 A market commentary assesses recent developments in the GCV housing market and projected drivers of change. This produces CORE OUTPUT 2: Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability.

#### ***Demographic Projections of Population and Households***

- 4.4 The projections underpin subsequent components of the model. Two projection (Planning) Scenarios have been identified for the HNDA, using different assumptions relating to migration: a Lower Migration Scenario [also known as Scenario A] which assumes that, after the initial five years or so, the net migration will be constant, at a rate of -1,050 per year, for the remainder of the projection period to 2025; and a Planning Scenario [known as Scenario C] which assumes a constant net migration of +1,050 per year for ten years, with a resumption of further trend growth thereafter. The ten year delay before improvement in migration resumes has been incorporated in the planning scenario in response to the *economic appraisal* by Oxford Economics, and is due to the economic downturn.
- 4.5 The HNDA provides a commentary on the patterns of *Demographic Change in the GCV Area* and a technical appendix provides details on population and household projections. The report by Oxford Economics, *Economic Outlook and Scenarios for the Glasgow and Clyde Valley City-Region*, is published as Background Report BR05 to the GCV Strategic Development Plan: Main Issues Report. This produces CORE OUTPUT 3: Estimate of total future number of households.

#### ***Household Groups with Specific Housing Requirements***

- 4.6 The HNDA identifies and assesses in some detail household groups with specific housing requirements, and this produces CORE OUTPUT 4: Estimate of household groups who have specific housing requirements e.g. families, older people, minority ethnic groups, disabled people, young people, etc.

### ***Current/Backlog Need***

- 4.7 This component examines those households considered to be currently in housing need (at March 2009), including the various categories of household identified in the HNDA Guidance: homeless, concealed, overcrowded, with support needs, in poor quality accommodation, and experiencing harassment. A technical appendix details the approach adopted, methodology and results, together with the assumptions made by each authority. This produces CORE OUTPUT 5: Estimate of current number of households in housing need.

### ***Affordability Study/Tenure Assessment***

- 4.8 The HMP Core Group commissioned consultants Tribal Group with Optimal Economics to undertake this analysis. It is a key component of the HNDA model, allowing an assessment to be made of tenure of newly arising and migrant households, and those currently in housing need (backlog need). The consultants have developed an innovative behavioural economics approach to tenure analysis, which attempts to more accurately reflect the complex decisions made by households in relation to their housing requirements at different stages in life. It incorporates also inter-tenure flows recognising the dynamic and inter-connected nature of the housing system. This contrasts with the conventional and more static approach, using assumed income: house price ratios to determine affordability thresholds.
- 4.9 The assessment was applied to new and emerging households and to households in backlog need. Outputs from this component of the modelling work were used as inputs to the market and affordable sector supply and demand/need comparisons. The Study explored also the future potential for demand in the relatively new 'intermediate' housing sector.
- 4.10 A technical appendix comprises the Final Report of the Affordability Study by Tribal/Optimal Economics, detailing the methodology, assumptions and results. In addition, a technical appendix on *House Price Analysis* provides contextual information.

### ***Affordable Sector Housing Needs Assessment***

- 4.11 This component adopts a methodology consistent with the approach detailed in the HNDA Guidance, using outputs from the Affordability Study/Tenure Assessment and the assessment of Current/Backlog Need to quantify projected households unable to meet their needs in the market and thus requiring social rented housing. Consideration is also given to the potential future role of the 'intermediate' housing sector – principally shared equity/shared ownership – to meet some of these needs. A detailed explanation of the methodology and results may be found in another technical appendix, entitled '*Review of Supply and Demand/Need for Housing*'. This produces CORE OUTPUT 6: Estimate of future households that will require affordable housing.

### **Market Sector Housing Demand Assessment**

- 4.12 This component incorporates local and mobile demand within the context of the Housing Market Framework identified for the GCV area, and described in Chapter 5. Market housing includes both owner occupied and privately rented housing. As the HNDA Guidance provides limited direction on a preferred approach to assessing market housing demand, the ‘all stock, all households’ approach previously developed for the GCV Structure Plan has been adopted, using outputs from the Affordability Study/Tenure Assessment to quantify projected demand. The approach compares projected households with projected supply to reveal shortfalls (or surpluses). It incorporates local and mobile demand within the context of the Housing Market Framework identified for the GCV area. A detailed explanation of the methodology and results is covered in two technical appendices ‘A Housing Market Framework’, and the above named ‘Review of Supply and Demand/ Need for Housing’. This produces CORE OUTPUT 7: Estimate of future households requiring market housing.

### **Quality Control**

- 4.13 It is important that the outputs of the HNDA are both valid and reliable, as they form the key evidence base for both Strategic and Local Development Plans and for Local Housing Strategies. The HMP Core Group devoted considerable time and attention to detail to ensure the quality of results. A four stage approach was adopted:
- I. getting the methodology and modelling processes right – where appropriate agreeing the use of ‘procedure notes’ and data gathering *pro formas* to ensure improved consistency between the eight authorities;
  - II. collecting the best available data;
  - III. using alternative approaches or data sources for triangulation purposes, and
  - IV. checking the credibility of our interpretation of results by comparison between authorities or against qualitative information or other means.
- 4.14 The guiding principle is one of openness about data sources and their limitations, referencing information, and acknowledging assumptions required and judgements made. The Technical Appendices to the HNDA provide full details of validation procedures for various stages of the assessment.
- 4.15 For the most part the Scottish Government’s HNDA Guidance (2008) served as the methodological handbook, and the HMP Core Group is confident that the assessment fulfils the spirit of the Guidance in delivering all the Core Outputs and meeting the Process Criteria (refer to Appendix 1). In two areas, new approaches were developed that are considered to be at least as robust and credible as those in the Guidance: Affordability Analysis and Household Groups with Specific Housing Requirements. In both cases, the HMP Core Group liaised closely with the Scottish Government’s representative on the Core Group and with the CHMA to ensure the validity of the approach taken.

### Affordability/Tenure Choice Analysis

- 4.16 In attempting to determine levels of housing need and demand, it is important to analyse the likely ability of households to meet their own housing requirements in the market now and in the future, so that housing need can be determined. Those households without the means to meet their own housing needs will therefore be dependent on social rented housing. A similar affordability test has to be applied both to backlog need and to projected households. For GCV purposes it seemed important also to try to ascertain the likely extent to which the private rented sector and the intermediate sector could potentially be expected to contribute to meeting housing need/demand.
- 4.17 In previous work on the Structure Plan an approach was adopted that focussed on the proportion of households likely to require private sector housing, predominantly owner occupation. The remaining households were treated as a residual and assumed to require social rented housing. This created a projected tenure ratio based on historic patterns of tenure change. Local Housing Strategies adopted a different approach, focussing on new households and attempting to measure 'affordability' using the ratio of household income to house price and applying affordability thresholds (e.g. 3.5 times gross household income for single earner households, 2.9 times for double income households, or up to 25% of gross household income for private rental).
- 4.18 The HNDA Guidance advises the use of *'Income: House Price Ratios'* and *'Affordability Thresholds'*. As this is a rather complicated area of analysis, the HMP Core Group appointed consultants Tribal Group with Optimal Economics so that their specialist expertise could be used. The approach, fully explained in a technical appendix *'Affordability Analysis'*, seeks to model the behaviour and housing choices made by households in different age cohorts. It recognises, for instance, the inter-tenure moves which occur, particularly among households in the 25-35 age band, as many move from an initial temporary period of private rental into long term settled tenure of owner occupation. Income is also identified as a relatively weak predictor of tenure compared to employment status. Developing this new approach was time-consuming and challenging. The task completed, the HMP Core Group is satisfied that its decision to deviate from the Guidance in this way was fully justified by gaining a more sophisticated understanding of the operation of different aspects of the GCV housing market.

### Household Groups with Specific Housing Requirements

- 4.19 The HNDA Guidance is limited with regard to the very broadly defined and diverse category known as Household Groups with Specific Housing Requirements. Reference was therefore made to previous guidance issued by the former Communities Scotland in *'Local Housing Systems Analysis: Good Practice Guide (Sept 2004), Chapter 11 'Care Housing Needs Assessment'* in developing an approach to meet the GCV's requirements for the HNDA. It should be noted that the HNDA is concerned with supply and demand of housing to meet these needs, rather than with support services.

### Validating the Model

- 4.20 Any such modelling work is only as good as the methodology adopted, the sources of data, and the assumptions and judgements applied. The HMP Core Group adopted a rigorous approach to the work, and all data sources, their limitations and assumptions adopted are identified and explained in the relevant chapters of the Background Report and its technical appendices.
- 4.21 Additional steps were also taken to triangulate our results at specific stages, for example in relation to backlog need, and in terms of population and household projections. These steps are detailed in the appropriate technical appendices.
- 4.22 The 'All stock - All households' approach referred to above (para 4.17) adopted for private sector/market housing, produces a residual figure which can be categorised as non-market housing. These figures were compared with the figures from the Housing Needs Assessment approach adopted for the affordable sector, consistent with HNDA Guidance. In doing so, discrepancies were identified. As both model components use largely the same inputs, in terms of household projections and inter-tenure flows, additional work had to be undertaken to explain these differences, which has added to the length of time on the assessment.
- 4.23 The key difference relates to the modelling of household terminations and inter-tenure flows. These have been modelled by Tribal/OE based on behavioural assumptions. In the case of the social rented sector, household terminations and outflows usually give rise to a re-let of the vacated property. Recent turnover rates are available to help inform projected future supply, and are used in the Housing Needs Assessment; such data is unavailable for the private sector. This is discussed more fully in the technical appendix '*Review of Supply and Demand/Need for Housing*'.



## 5.0 OVERVIEW OF HNDA: GLASGOW AND THE CLYDE VALLEY AND INVERCLYDE – Data Inputs, Assumptions, Validation Issues and Outputs

### HNDA Geography and Framework

- 5.1 The finalised version of the HNDA will produce a housing requirement for all tenures, including a quantitative current and future social housing requirement for Inverclyde and its constituent sub areas. However, as the HNDA is a strategic assessment, it is not appropriate for LHS/SHIP sub areas to be used as geographic outputs as this would provide too much detail for this type of exercise. This will be taken forward by the respective local authorities following this working draft consultative stage.
- 5.2 The private housing requirement will continue to be at Housing Market and Sub-Market Area level however, for the social rented sector, this is not the appropriate geography for LHS and SHIP planning. Assessing the requirement for the social rented sector at HMA/SMA level would mask issues and problems and may not accurately reflect the level of housing need in certain areas. It was decided to split the Inverclyde HMA in two to create an Inverclyde West and Inverclyde East, which would provide a better output for the social rented housing requirement for the purpose of the HNDA. The existing LHS/SHIP sub areas are smaller nested areas within the HNDA sub areas and make up these new HNDA geographies.
- 5.3 The HNDA geographies represent areas which have similar housing market characteristics, particularly in the social rented sector. West Greenock, particularly as it contains the Greenock West End Conservation Area, shares housing market similarities and relationships more with the settlements of Gourrock, Inverkip and Wemyss Bay than the greater part of Greenock. Therefore, Inverclyde West comprises these areas and Inverclyde East consists of the rest of Greenock along with Port Glasgow. Kilmacolm & Quarrier's Village consists of an HNDA sub area on its own: the same area as that covered by the Renfrewshire Sub Market Area for Development Plan purposes. Table 1 and accompanying Map 'Inverclyde: Planning and Housing Geographies', illustrates these geographies.

**Table 1: Inverclyde Planning and Housing Geographies**

HSMA Geography	HNDA Geography	LHS/SHIP Sub Areas
Inverclyde	Inverclyde East	Port Glasgow
		Greenock Central East
		Greenock South West
	Inverclyde West	West Greenock
		Gourrock
		Inverkip and Wemyss Bay
Renfrewshire	Kilmacolm and Quarrier's Village	Kilmacolm and Quarrier's Village

## Housing Stock and Tenure

- 5.4 The Council Tax Register (Scottish Assessors), provided by the Scottish Government for the eight local authorities in the GCV area, was used to count the total stock and tenure information. Landlord Registration data was used to estimate the size of the private rented stock in each local authority. Owner-occupied stock was then estimated by subtracting all of the rented stock (social and private) from the total stock. The stock information relates to 31 March 2008, but this has been rolled forward to 30 June to ensure consistency with the population base date for the projections. Results for Inverclyde and the GCV Region are in Table 2.

**Table 2: Stock by Tenure for Inverclyde and GCV Region: 2008**

	Social Rent Sector	Owner occupied Sector	Private Rented Sector	Total
<b>Inverclyde</b>	11,566 (29%)	25,557 (65%)	2,213 (6%)	39,336
<b>GCV Region</b>	251,263 (30%)	521,697 (63%)	56,112 (7%)	829,072

- The tenure of the stock for Inverclyde follows a similar pattern to the tenure breakdown for the GCV Region.
- The % of owner occupation is slightly higher for Inverclyde than for the GCV Region and % social renting is slightly less.

- 5.5 Households are derived from total stock by subtracting vacant and other non-effective stock and adding an allowance for sharing households.

**Table 3: Stock Vacancy Rate by Tenure for Inverclyde and GCV Region: 2008**

	Social Rent Sector	Owner occupied Sector	Private Rented Sector	Total
<b>Inverclyde</b>	12.4%	1.7%	5.0%	<b>5.0%</b>
<b>GCV Region</b>	4.8%	1.6%	5.0%	<b>2.8%</b>

- Inverclyde has a higher vacancy rate in the social rented sector than the GCV Region as a whole.
- The vast majority of vacant social rented stock is owned by River Clyde Homes and is awaiting demolition.
- The proportion of private sector vacant properties in Inverclyde is in line with the GCV Region proportion.

**Table 4: Households by Tenure for Inverclyde and GCV Region: 2008**

	Social Rent Sector	Owner occupied Sector	Private Rented Sector	Total
<b>Inverclyde</b>	10,050 (27%)	25,003 (67%)	2,103 (6%)	37,156
<b>GCV Region<sup>1</sup></b>	237,946 (30%)	513,450 (64%)	53,311 (7%)	804,707

<sup>1</sup> Percentages do not add up to 100% because of rounding

- In terms of households, Inverclyde has a higher proportion of households in owner occupation (and the private sector).
- Inverclyde has a lower proportion of households in the social rented sector than the GCV Region.
- GCV Region tenure-split is likely to be dominated by Glasgow's tenure figures.

### Population and Household Projections

5.6 Tables 5 – 10 below provide details of population and household projections for the Inverclyde Council area and for the GCV area as a whole at the key dates of 2016 (coinciding with the end of the five-year planning cycle for the LHS) and at 2025 (coinciding with the end of the SDP forward planning cycle) for comparison purposes. Commentary on the information presented is given at the foot of each table.

**Table 5: HNDA Population Projections for Inverclyde and GCV Region**

	2008 Base	2016	2025
<b>Inverclyde</b>			
Scenario A	80,780	77,754 (-3.7%)	74,038 (-8.3%)
Scenario C	80,780	78,213 (-3.2%)	75,510 (-6.5%)
<b>GCV Region</b>			
Scenario A	1,755,310	1,769,690 (+0.8%)	1,778,181 (+1.3%)
Scenario C	1,755,310	1,782,088 (+1.5%)	1,822,048 (+3.8%)

- For both scenarios, the population of Inverclyde is projected to decline which is counter to the overall GCV projection of population growth.

5.7 To understand the factors behind population decline, Table 6 illustrates the components of population change for Inverclyde and the GCV Region for the years 2001 – 2008, and projected to change annually up to 2025.

**Table 6: Annual Average Components of Population Change – Inverclyde and the GCV Region: 2001 – 2008, 2008 – 2016 and 2016 - 2025**

	Estimate	Planning Scenario		Lower Migration Scenario	
	2001 - 2008	2008-2016	2016-2025	2008-2016	2016-2025
<b>Inverclyde</b>					
<b>TOTAL CHANGE<sup>2</sup></b>	-481	-321	-320	-378	-413
<b>NATURAL CHANGE<sup>3</sup></b>	-210	-108	-127	-115	-150
<b>NET MIGRATION<sup>4</sup></b>	-271	-213	-173	-263	-263

<sup>2</sup> The total of natural change and net migration.

<sup>3</sup> The difference between births and deaths. A negative figure implies there are more deaths than births.

<sup>4</sup> The difference between in-migration and out-migration. A negative figure implies there are more people leaving an area than people migrating into an area.

<b>GCV Region</b>					
<b>TOTAL CHANGE</b>	729	3,347	4,440	1,798	943
<b>NATURAL CHANGE</b>	-636	2,299	2,519	2,178	1,994
<b>NET MIGRATION</b>	1,364	1,049	1,921	-381	-1,051

- Net migration is the dominant component of population change in Inverclyde i.e. more people are leaving the area than moving into the area.
- Deaths are projected to outnumber the number of births in Inverclyde thus creating a negative natural change.
- The rate of population decline is projected to decrease under both scenarios compared with the 2001-08 annual change.
- For the GCV Region, positive natural change will continue to be the dominant component of population change.
- For the GCV Region, net migration is positive for the Planning Scenario but it is projected to be negative for the Low Migration Scenario, although both scenarios have projected positive natural change.

For the Final Draft GCV HNDA for submission to the CHMA, and in advance of the submission of the GCV SDP Proposed Plan for approval by the GCV SDPA Joint Committee, and each Council's endorsement in advance of the preparation of their draft LHSs and LDP Main Issues Reports, a full assessment will be made of the current HNDA projections for the City Region comparing them with the approved 2006 GCV Joint Structure Plan.

**Table 7: HNDA Household Projections for Inverclyde and GCV Region**

	<b>2008 Base</b>	<b>2016</b>	<b>2025</b>
<b>Inverclyde</b>			
Scenario A	37,156	37,632 (+1.3%)	37,560 (+1.1%)
Scenario C	37,156	37,856 (+1.9%)	38,231 (+2.9%)
<b>GCV Region</b>			
Scenario A	804,709	854,918 (+5.9%)	901,052 (+12.0%)
Scenario C	804,709	859,147 (+6.3%)	918,408 (+14.1%)

- The above table shows that the Inverclyde Council area is projected to have a much slower rate of household growth than the GCV area as a whole.
- It is important to note that the projected *growth* in the number of households in Inverclyde is set against a backdrop of continuing decline in the total population.

**Table 8: Single Person Household Projections for Inverclyde and GCV Region**

	2008 Base	2016	2025
<b>Inverclyde</b>			
Scenario A	14,419	16,179 (+12.2%)	17,660 (+22.5%)
Scenario C	14,419	16,256 (+12.7%)	17,935 (+24.4%)
<b>GCV Region</b>			
Scenario A	305,517	358,093 (+17.2%)	410,370 (+34.3%)
Scenario C	305,517	359,174 (+14.9%)	416,564 (+36.3%)

- The make-up of households is changing over time and the largest growth in Inverclyde is anticipated to be in the number of single person households, both at 2016 and at 2025.
- This projected growth in single person households will have significant implications for future housing provision and for the delivery of services.
- In addition to the growth in single person households it must be noted that demographic changes will result in increasing numbers of older households (Table 10 below).

**Table 9: Family sized Household Projections for Inverclyde and GCV Region**

	2008 Base	2016	2025
<b>Inverclyde</b>			
Scenario A	9,573	8,376 (-12.5%)	7,477(-21.9%)
Scenario C	9,573	8,455 (-11.6%)	7,726 (-19.3%)
<b>GCV Region</b>			
Scenario A	214,496	203,502 (-5.1%)	196,559 (-8.4%)
Scenario C	214,496	205,349 (-4.3%)	202,869 (-5.4%)

- The most significant projected change in the Inverclyde population is the fall in the number of family sized households as shown in Table 9 above.
- The comparison with GCV as a whole shows a reduction of between 14% and 19% in family sized households over the period up to 2025 and this change is linked to ongoing out-migration from Inverclyde.
- This projected reduction in family sized households will have significant implications for future housing provision, for the local economy in terms of lower tax contributions, and for the delivery of services.
- Measures are being taken by Inverclyde Council to arrest the decline in this segment of the population and to attract new family sized households to live and work within the Inverclyde area.

**Table 10: Household Projections for 60 years + (Age of Household Reference Person) for Inverclyde and GCV Region**

	2008 Base	2016	2025
<b>Inverclyde</b>			
Scenario A	13,133	14,157 (+7.8%)	16,331 (+24.4%)
Scenario C	13,133	14,156 (+7.8%)	16,385 (+24.8%)
<b>GCV Region</b>			
Scenario A	251,367	271,070 (+7.8%)	324,797 (+29.2%)
Scenario C	251,367	274,426 (+9.2%)	326,522 (+29.9%)

- The projection of 60 year+ households in Inverclyde is in line with the GCV Region projection.
- The small difference between the scenarios indicates that migration is more likely to comprise younger person households than older person households.

### Current (Backlog) Housing Need

5.8 An assessment of current need was undertaken by local authorities at LA sub area and LA level which followed the method set out in the HNDA Guidance. The main data source for this was the waiting list of the largest provider of social housing in each local authority (in Inverclyde's case River Clyde Homes' waiting list was used) with additional information from other local RSL's waiting list with an assumption of 70% overlap deducted, local condition surveys and homelessness data. Social renters and in-situ solutions were netted out. The Technical Appendix gives a full explanation of the assessment of backlog need. Table 11 below shows the current housing need for Inverclyde and for the GCV Region.

**Table 11: Total Current (Backlog) Need for Inverclyde and GCV Region**

	Homeless and in temp accomm	In-secure Tenure	Concealed Households	Over-crowding	Support Needs	Poor Quality	Harassment	Other Categories	Total Current Need
Inverclyde	243 (6%)	-	838 (20%)	1,653 (40%)	455 (11%)	925 (22%)	-	-	4,117
GCV Region	7,185 (10%)	5,382 (7%)	23,881 (33%)	8,614 (12%)	7,467 (10%)	9,992 (14%)	103 (1%)	10,213 (14%)	72,837

- Inverclyde current (backlog) need is 5.6% of the GCV Region backlog need total.
- Inverclyde has a far higher proportion (40%) of overcrowded households than the GCV Region (12%) - this is a reflection of the number of 'concealed' extended families that are sharing accommodation with others thus creating overcrowding.
- The proportion of concealed households appears to be lower in Inverclyde (20%) than the GCV Region (33%) – this is currently being investigated by Inverclyde Council and local RSLs as these results do not reflect local experience and perceptions of the prevalence of these households.
- Backlog need assessment is based on the waiting list and is therefore subject to influence from differences in local authority / RSL allocation policies.

- 5.9 For the GCV Region, the current (backlog) housing need as a proportion of households at 2009 ranges from 6% in North Lanarkshire (9,041 households) to 11% in Inverclyde (4,117 households) and West Dunbartonshire (4,517 households). The average proportion of Backlog Need in the GCV area is 9%.
- 5.10 An affordability test was applied to households in backlog need (refer to paragraphs 5.11 – 5.12 below) to give an indication of how many households could meet their needs in the market. A household's ability to pay for private renting and Low Cost Home Ownership (LCHO) were used to help identify those who could/could not afford to meet their own needs in the market. Upper estimates of backlog need have been reached when households who can afford private market renting have been deducted and lower estimates of backlog need have been reached when the numbers of households who can afford LCHO have been deducted from the gross backlog need figures. Table 12 shows the income distribution that was used to assess how many households in need could afford private renting and LCHO options. The household income of new households entering the social rented sector (letting data from SCORE) was used as a proxy for household income of households in current (backlog) need.

**Table 12: Income Distribution of New Tenants in the Social Rented Sector (proxy for households in current need)**

	Percentile								Count
	10	20	30	40	50	60	80	90	
Inverclyde	£3,120	£4,160	£5,460	£8,320	£9,672	£11,700	£16,640	£21,867	119
GCV Region	£3,120	£3,344	£4,680	£6,240	£7,211	£9,360	£14,040	£18,200	4,707

- The median income (50%) of households in the social rented sector is higher in Inverclyde than compared to the GCV Region.
- In the GCV Region, North Lanarkshire has the highest median income at £11,700 and Glasgow has the lowest median income at £6,802.

Once the number of households that could afford options was calculated, they were taken out of the total current (backlog) need calculation to give a net figure, as outlined in Table 13 below.

**Table 13: Net Current (Backlog) Need for Inverclyde and GCV Region**

	Backlog Need	Lower Estimate of Backlog Need	Upper Estimate of Backlog Need	Afford Private Rent	Afford LCHO
Inverclyde	4,117	2,761	3,536	581	1,356
GCV Region	72,837	58,035	66,674	6,163	14,802

- Upper estimate is essentially need for affordable housing, i.e. predominately social rented housing but also intermediate housing.
- Lower estimate is essentially the need for social rented housing.
- The HNDA Guidance recommends partnerships require a ten year period to clear backlog need therefore, a flow of 354 (upper) and 276 (lower) each year for 10 years has been factored into the housing needs assessment.

## Affordability and Newly Arising Need

- 5.11 As indicated in paragraph 4.8, the HMP Core Group commissioned consultants Tribal Group with Optimal Economics to undertake an affordability assessment of newly arising households, migrant households, households in housing need (backlog need) and, to project the tenure of all households. Most of their analysis was not based on the more conventional and static approach of 'income and price ratios' but was based on the modelling of households' behaviour and the decisions they make at different stages in their lives. Following a quite complex analysis of tenure and household characteristics, Tribal/Optimal Economics concluded that the fundamental drivers of a household being able to purchase is the age of a household's reference person and household income. Tribal/Optimal Economics then calculated the percentage of households under age 35 becoming owner occupiers and then adjusted the percentage based on how an area's average household income relates in the average household income at the national level.
- 5.12 Relatively robust data is available for the owner occupied sector, however, the private rented sector is much smaller and Tribal/Optimal Economics had to adopt an income/house rent ratio for this sector. There is some uncertainty over the proportion of income private rented households are prepared to commit to housing costs due to the wide variation of tenants in this sector. Therefore, high and low affordability thresholds of 25%, 33% or 40% have been considered depending on the local authority:
- The low affordability assumption assumes households are able to spend up to 25% of their income on PRS (or 33% if they live in Glasgow or East Dunbartonshire)
  - The high affordability assumption assumes that households are able to spend 33% of their income on PRS (or 40% if they live in Glasgow or East Dunbartonshire).
- 5.13 HNSA guidance recommends a 25% affordability assumption but Tribal/Optimal Economics suggested 33% was a more realistic assumption based on their own analysis and studies in the GCV area.
- 5.14 Table 14 shows the results for Tribal/Optimal Economics affordability analysis for new and in-migrant households.

**Table 14: New and In-migrant Households Able to Purchase**

	Inverclyde	Inverclyde East	Inverclyde West	Kilmacolm
% New households able to purchase	43%	36%	54%	60%
% In-migrant households able to purchase	56%	48%	71%	79%

- The percentage of newly formed households able to purchase ranges from 41% in Glasgow to 74% for East Renfrewshire.
- In-migrant households able to purchase ranges from 46% for West Dunbartonshire to 84% for East Renfrewshire.



- 5.15 As part of the established housing needs assessment model as outlined in the HNDA guidance, it was necessary to calculate the number of newly emerging households in need and existing households that are going to fall into need in the future. The household tenure projections produced by Tribal/Optimal Economics provide the estimates for both parts of future housing need: *Stage 1* of the Tribal/Optimal Economics study provides the proxy for new households falling into need; and *Stage 2* provides the proxy for existing households falling into need, i.e. existing households moving to social rented housing.
- 5.16 The number of new households requiring affordable/social rented housing was calculated by deducting the number of new households that could afford to purchase and the number of new households that could afford private renting from the total number of new households per year, to give a residual figure for affordable/social rented housing. Given the social rented sector (i.e. households falling into need is a residual of households able to afford market housing from the total number of new households), the number correlates directly to the number of households able to afford private renting.

**Table 15: Proportion of New Households aged 35 or less able to afford to rent in the PRS, under different affordability assumptions<sup>5</sup>**

	25% income to rent ratio	33% income to rent ratio	40% income to rent ratio
Inverclyde	55%	70%	85%

- For the 25% income to rent ratio, Glasgow has the lowest proportion of households that could afford private renting (35%) and East Renfrewshire has the largest proportion (65%).
  - For the 33% income to rent ratio, the same local authorities have the lowest (55%) and highest (85%) proportions respectively.
- 5.17 Tribal/Optimal Economics have assessed that 43% of new households are able to purchase housing and that between 55% - 70% of households are able to afford private renting, which leaves a residual of between 30% and 45% of new households who require social rented housing each year. For other local authorities in the GCV Region, this percentage ranges from 35%-45% for Glasgow and 20%-30% for East Dunbartonshire.
- 5.18 Table 16 illustrates the total (new and existing) number of households falling into need from 2008 – 2016. C2 Low Affordability (shaded grey) indicates the preferred (and published) position of the GCV HMP Core Group for the social rented sector.

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<sup>5</sup>

The rent levels are based on the LHA rates, at June 2008. Incomes are for households aged 35 and under, from SHS 2005/06, uplifted to 2008 prices

**Table 16: Social Rented Sector Inflows 2008-2016 (new households and existing households)**

	New Households	In-Migrant Households	Inter-Tenure Moves From Private Rented	Inter-Tenure Moves from Owner-Occupied	Total Inflows	Average annual flow into SRS
C2 (Low Affordability)	3,190	802	851	400	5,244	655
C2 (High Affordability)	2,127	802	966	402	4,297	537
A1 (Low Affordability)	3,170	790	845	399	5,204	651
A1 (High Affordability)	2,113	790	960	401	4,264	533

- It is important to note the difference in new households requiring social rented housing for the two private rented affordability scenarios; for C2 the difference is 1,063 households from 2008-2016, averaging 133 households per year.
- C2 Low Affordability – fewer households going into social renting correlates with more households going to private renting because households are willing to allocate more of their income to paying rent.
- C2 Low Affordability is the preferred scenario/assumption of the GCV HMP Core Group for the social rented sector.
- Understanding how much income households are willing to allocate to rent in the private sector is critical to assessing the inflows into the social rented sector.

### Affordable Housing Supply

- 5.19 The affordable housing supply component of the established housing needs assessment model largely follows the HNDA Guidance by assessing projected stock levels of affordable housing (predominately social rented) stock, future void levels in the social rented sector, the analysis of past relet trends (turnover) and, projecting them forward to give annual supply of social rented stock to meet housing need. Table 17 shows projected social rented stock in Inverclyde at 2016.

**Table 17: Projected Social Rented Stock in Inverclyde: 2016**

Stock Component	Stock No.	Annual average
Stock 2008	11,566	-
Projected Completions 2008 -2016	1,345	168
Projected Demolitions 2008 -2016	2,920	487
Projected RTB 2008 -2016	319	40
Projected Social Rented Stock	9,672	-
Estimated Void Rate at 2016	3.6%	-
Estimated Void Stock at 2016	348	-
Lettable Social Rented Stock at 2016	9,324	-

Sources of information: (refer over)

*Stock 2008 – locally collected data and APSR*  
*Projected Completions – Draft Inverclyde HLA 2009*  
*Projected Demolitions - locally collected from RCH and Cloch HA September 2009*  
*Projected RTB – local data and assumption September 2009*  
*Estimated void level – based on current social rented levels minus voids in current stock for demolition September 2009*

- Social rented stock is projected to decrease by 1,894 properties by 2016 (2008 base)
- Projection includes RCH Reprovisioning Programme (2008 base) of social rented completions and demolitions.

- 5.20 It is important to note that a key assumption underpinning the social rented stock projection at 2016 is that the reprovisioning programme will have been completed, i.e. all of the planned demolitions will have been undertaken and all of the planned new build will have occurred. The projection assumes that there will be no stock vacant for demolition at 2016 and that the only void properties will be letting voids associated with normal letting churn. As the projection assumes the reprovisioning programme will be complete at 2016 with no vacant stock for demolition, then the projection assumes that all properties in the social rented sector are 100% compliant with the Scottish Housing Quality Standard (SHQS).
- 5.21 The projection of social rented supply is based upon past letting trends and projected social rented stock. The average percentage of past lets to new tenants (homelessness and from the waiting list) is projected forward throughout the projection period. This is an established approach as set out in the HNSA Guidance. Table 18 shows the percentage social rented lets to new tenants from the waiting list, homelessness lets and lets to current social rented tenants (transfers) in Inverclyde from 2006/07 to 2009/10.

**Table 18: Breakdown of Social Rented Lets: 2006/07-2009/10**

	2006/07	2007/08	2008/09	2009/10	Average
Total Lets	816	828	834	1,047	881
New tenant lets	48%	45%	47%	50%	48%
Homeless Lets	18%	14%	20%	20%	18%
Transfer Lets	34%	42%	33%	30%	34%
New and homeless lets % of stock	5.1%	4.8%	5.5%	7.4%	5.9%

- Over the past four years, an average of 34% of social rented stock that becomes available to let goes to current social rented tenants (transfers) - this equates to 299 lets per year resulting in an average of 582 properties going towards meeting housing need on an annual basis.
- This also equates to an average of 5.9% of the social rented stock per year going towards meeting the needs of households on the waiting list and homeless households – this percentage has been projected forward to give an estimate of the social rented stock available to meet projected need.
- Inverclyde has one of the lowest % of stock going to new tenants in the GCV Region – the percentage ranges from 5.2% in East Dunbartonshire to 8.4% in Renfrewshire.

- *In terms of transfer lets, Inverclyde has the highest percentage in the GCV Region; Glasgow has the second highest with 32%; the lowest is 14% in West Dunbartonshire.*
- *What this means in Inverclyde is that a higher proportion of social rented stock is let to transfer tenants and as a consequence less stock is allocated to households in housing need compared to other local authorities in the GCV Region.*
- *Inverclyde's and Glasgow's high level of transfer lets is likely to be a consequence of the large scale regeneration programmes in both local authorities, but this requires further examination.*
- *As in line with the HNDAs guidance, the average percentage let has been projected forward, therefore the high transfer let % is implicit in the projection.*

### **Net Annual Housing Need**

- 5.22 Net annual housing need is estimated by summing the annual quota of current housing need to the annual newly arising need and by then subtracting the future annual supply of affordable housing from this total. A negative figure implies a net surplus of affordable housing. As current social renters have been netted out of the backlog need and transfer lets have been excluded from the supply analysis, the net need figure produced by the assessment should be considered in addition to the need (in the social rented sector) that was previously identified before stock transfer and now forms the basis of the reprovisioning programme.

### **Private Sector Projections**

- 5.23 As indicated (section 3.0) the previous GCV Structure Plan tenuring methodology has been replaced by an Affordability Study undertaken by Tribal/Optimal Economics. For the purposes of the comparison of supply and demand two tenure categories are required, the private and social rented sectors. Owner occupied and private rented sectors are combined to present the private sector.
- 5.24 Two affordability assumptions have been applied to the Household Tenure Projections: *Low and High Affordability*. The high affordability scenario assumes a willingness to spend a higher proportion of income on private rent, which results in a larger private sector, and low affordability assumes that households will spend a lower proportion of their income on private rent. This results in a smaller private rented sector and a correspondingly larger social rented sector.

### **Intermediate Housing Sector**

- 5.25 In undertaking their Affordability Study, Tribal/Optimal Economics were also asked to identify "of those households unable to meet their housing need in the open market, how many could afford to meet their need using intermediate housing products". For the purposes of the HNDAs, the HMPCG defined the Intermediate Sector as subsidised low cost home ownership (LCHO).

5.26 In their study, Tribal/Optimal Economics identified the Scottish Government's Low Cost Initiative for First Time Buyers (LIFT) scheme as the most appropriate way to explore 'intermediate housing'. LIFT provides a range of assistance to new home buyers including new supply, shared equity and open market shared equity. Estimates for a potential intermediate sector should be treated with caution as:

- the intermediate sector is relatively new so limited statistical information is available;
- there is a lack of understanding of the choices people will make;
- even if intermediate products are available, households may not choose to take up the product;
- supply is limited and dependent on a degree of subsidy;
- the Tribal/Optimal Economics approach is limited, as it focuses on new households only: Intermediate sector housing may be attractive to existing households, thus it could free-up currently occupied social rented or private rented houses, as well as meeting some of the housing requirements of new households;
- access to mortgage finance may hinder households moving into this sector; and finally
- access to wealth (i.e. initial deposit) has not been taken into account in the analysis.

### **Households with Specific Housing Requirements**

5.27 The HNDA provides an overview of the main issues to be considered in addressing the housing requirements of households with specific needs, using published national data where appropriate to ensure consistency. The HNDA outcomes provide a basis which each of the GCV authorities can use to refine their individual assessments of need and to develop housing and planning policies that are appropriate to their local circumstances. The LHS and the LDP will address these specific requirements through the housing targets and the housing support elements of the LHS, and through land use planning in the LDP. Inverclyde Council is currently assessing future housing support needs and the need for suitable accommodation for a wide range of client groups in response to anticipated demographic changes and in light of higher than average levels of disability and limiting long-term illness. The findings of this research will help to inform the LHS 2011 – 2016 and the forthcoming LDP MIR.

## 6.0 OUTCOMES OF THE HNDA FOR INVERCLYDE

6.1 The assessment of housing need and demand has been a rigorous and considered process that has followed the HNDA guidance with additional modelling work necessary for the private sector. The data inputs and assumptions are based on housing market analysis and a number of potential scenarios of what could happen to the market. It is at this point that it is important to note that the outcomes presented represent a number of views based on these assumptions and are not necessarily a 'definitive' view. To understand the outcomes it is important to recognise the assumptions that underlie the outcomes. The tables below show some of the outcomes of the HNDA with some explanatory commentary.

### Affordable Housing Sector

6.2 As previously noted, the GCV HMP has defined the Affordable Housing Sector as the social rented and the intermediate sector, combined.

6.3 The results for Inverclyde from the established housing need model, as outlined in the HNDA guidance, for the two migration Scenarios, the two private rented Affordability Assumptions, and for two Low and High Estimates of Backlog Need are shown in Table 19. The results shaded grey are the GCV SPDA Joint Committee's Preferred (Planning) Scenario and Affordability Assumption, adopted for the SDP Main Issues Report (September 2010). For presentation purposes, the table presents results for the period 2008-2016 only, which ties-in with the end of the five-year LHS. Further information on net housing need from 2016 to 2025 is available on request.

**Table 19: Inverclyde Net Housing Need: 2008-2016**

	High Backlog Need		Low Backlog Need	
	Total Net Need	Annual Net Need	Total Net Need	Annual Net Need
<b>C Low affordability</b>	<b>3,026</b>	<b>378</b>	2,480	310
<b>C High affordability</b>	2,080	260	1,534	192
<b>A Low affordability</b>	2,987	373	2,441	305
<b>A High affordability</b>	2,046	256	1,500	188

6.4 Both sets of assumptions and scenarios show a net housing need for Inverclyde, however the range of need is significantly different depending on the affordability assumption used and the level of backlog need used. The high backlog need input contains households that could potentially afford LCHO products while the low backlog need input set of figures show the number of households requiring social rented housing. The results show the impact of the private rented affordability assumption on the number of households requiring social rented housing: for C2 (both high and low backlog need) the difference is 946 households between 2008 and 2016 (i.e. 118 households per annum). The

results show how little difference there is between the two migration scenarios for Inverclyde once the data has been inputted into the model.

- 6.5 At this point it is important to stress the assumptions that underpin the model and the factors that are driving the results. Although the gross backlog need is one of the highest proportionately in the GCV Region, once households that are able to afford to make other arrangements have been deducted, the net backlog need is in line with backlog need identified in past studies<sup>6</sup>. New households unable to afford market housing are only slightly higher than the authorities in the GCV Region (apart from West Dunbartonshire and Glasgow) but not high enough to create high net need for housing.
- 6.6 The primary component which is underpinning the net housing need figure is the availability of affordable housing supply, in particularly social rented stock. On current projected stock levels and current projected letting rates, there will be an annual supply of approximately of 550-576 lets (excluding transfers) per annum. Given the annual net backlog need ranges from 276 – 354 per annum and newly arising need ranges from 515 – 546 per annum, there is insufficient supply to meet future housing need. On current plans, social rented stock is projected to decline at 2016 and there is a high number of lets to transfers tenants i.e. households in regeneration areas thus creating less stock available to new and existing households in need. It is likely that by addressing the issues of current supply, measures could contribute to meeting the net housing need identified in Table 19.
- 6.7 In terms of the type of need, i.e. the household type and household size requiring social rented housing, then further work needs to be undertaken by the GCV HMP and the local authority to establish the level of mismatch between need and current property type and size.
- 6.8 The net need for affordable housing (predominately social rented housing) does not therefore necessarily directly translate into a requirement for new build affordable/social rented housing. As indicated above, it is necessary to consider the factors driving the figures, in particular social rented housing supply such as the number of lets available to new tenants and the amount of social rented stock calculated at 2016. It should be made clear however, that effort has been taken to net-out social renters, in-situ solutions and affordability from the calculation.
- 6.9 As indicated in paragraph 5.22, the net need shown in Table 19 should be considered in addition to what has already been identified as part of the reprovioning programme. All of the demolitions and new build from the programme have been built into the assessment so the net need refers to newly forming households and existing households from outwith the social rented sector that are in housing need currently or will fall into need in the future.
- 6.10 As noted above, the affordable housing sector has been defined as social rented sector and intermediate housing sector combined (i.e. households that could

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<sup>6</sup> Housing Needs Affordability Study, Arneil Johnston, 2005 and Local Housing Need and Affordability Model for Scotland (2005 based), Communities Scotland (Prof Glen Bramley, Dr Noah Kofi Karley, David Watkins, School of the Built Environment, Heriot-Watt University), 2006

potentially afford LCHO products). Table 20 shows the maximum potential number of *newly forming households* that have been assessed as being unable to access market housing (private rented and owner occupation), but who could afford LCHO, up to 2016.

**Table 20: Newly-forming Households in Need that could afford LCHO – Planning Scenario (C2)**

	Low PRS Affordability	High PRS Affordability
<b>Inverclyde</b>	2,127	1,064
<b>GCV Region</b>	27,109	5,574

*\*Results for the Low migration Scenario (A) are available on request.*

- 6.11 Tribal/Optimal Economics assess that 85% of newly forming households could afford LCHO (note limitations indicated at paragraph 5.24). It has been assumed in the analysis that if a household could afford a market tenure (i.e. owner occupation and private renting) then they will choose to enter that tenure.
- 6.12 Tribal/Optimal Economics also assessed the number of households in need that could afford LCHO, as indicated in Table 21 below.

**Table 21: Existing Households in Housing Need that could afford LCHO**

	Households
<b>Inverclyde</b>	1,356
<b>GCV Region</b>	14,802

- 6.13 Again, it is worth highlighting these are only 'potential' figures for the reasons outlined in paragraph 5.24. The HMP Core Group is in the process of considering the implications of these results and should report more definitively in the Final Draft HNDA.

### **Private Housing Sector**

- 6.14 The private housing sector is comprised of owner occupation and private renting. As indicated, the demand for market housing has been derived from Tribal/Optimal Economics' tenure projection model which was undertaken at local authority level. A comparison of supply and demand requires to be undertaken at HMA/SMA level, in accordance with established procedures. For the private sector, the preferred scenario of the GCV HMP Core Group, and the SDPA Joint Committee is C High Affordability projection.

### **Owner Occupied Sector**

- 6.15 Table 22 shows the results of the Tribal/Optimal Economics Affordability Study for the owner occupied sector at 2020 and 2025.



**Table 22: Inverclyde Owner Occupied Household Projection Results**

Scenario and assumption	2008 Base	2020	2025
C Low affordability	25,003	25,069 (+0.3%)	25,044 (+0.2%)
C High affordability		25,563 (+2.2%)	25,726 (+2.9%)
A Low affordability		24,832 (-0.7%)	24,601 (-1.6%)
A High affordability		25,324 (+0.1%)	25,277 (+1.1%)

\* Refer to notes over/

- The figures include projected RTB sales which gives a tenure shift from social renting to owner occupation.
- Projected RTB sales 2008 – 2016 are 425.
- Projected RTB sales 2008 – 2025 are 535.
- Excluding RTB sales, growth in owner occupation is minimal.

### Private Rented Sector

- 6.16 Given that the HNDA contains two private rented sector affordability assumptions, it is important to show the impact this makes on the private rented sector and its relationship with net housing need, as outlined in Table 23 below. It should be noted that High Affordability assumes a household is willing to allocate a higher proportion of their income to paying private rent therefore more households can afford and choose to live in this sector.

**Table 23: Inverclyde Private Rented Household Projection Results**

Scenario and assumption	2008 Base	2016	2020	2025
C Low affordability	2,103	2,146	2,162	2,205
C High affordability		2,603	2,624	2,648
A Low affordability		2,119	2,121	2,130
A High affordability		2,571	2,576	2,560

- Low Affordability assumption gives minimal growth in private rented sector from 2008 to 2025.
- High Affordability assumption gives a rapid increase in households in the private rented sector from 2008 to 2016; while growth slows after 2016.
- Rapid growth in private rented households correlates with less households requiring social rented housing because households are willing to allocate a higher proportion of their income (33%) to paying private rent.

- 6.17 The results for the total private sector projections (owner occupation and private renting together) are outlined in Table 24.

**Table 24: Total Private Sector Housing Projection Results**

Scenario and assumption	2008 Base	2020	2025
C Low affordability	27,106	27,231 (+0.5%)	27,249 (+0.5%)
C High affordability		28,187 (+4.0%)	28,374 (+4.7%)
A Low affordability		26,953 (-0.6%)	26,731 (-1.4%)
A High affordability		27,900 (+2.9%)	27,837 (+2.7%)

### Comparison of Private Sector Supply and Demand

- 6.18 In order to establish if there is a requirement for additional land for private housing at 2020 and 2025, the projected effective private stock is compared with projected demand.
- 6.19 The Inverclyde HMA is treated as a self-contained market area, so the comparison is between total demand and effective stock. Table 25 shows that in the Inverclyde HMA no shortfall in supply emerges at 2020 or 2025. There is therefore an adequate supply of land already identified. The large surplus in 2025 arises due to the surplus at 2020 being carried forward to help meet demand in the period, 2020-25. Kilmacolm and Quarrier's Village fall within the Renfrewshire HSMA, the supply-demand comparison for which is shown in Table 26.

**Table 25: Private Supply - Demand Comparison for Inverclyde HMA**

Year	Demand at Year End	Effective Stock at Year End	Surplus
2020	26,500	28,320	1,820
2025	26,677	29,865	3,188

**Table 26: Private Supply-Demand Comparison for Renfrewshire HSMA**

Year	Demand at Year End	Effective Stock at Year End	Surplus
2020	72,047	79,816	7,769
2025	73,829	83,184	9,355

- 6.20 Focusing on the end of the projection period at 2025, there are no projected shortfalls in supply at any stage of the supply/demand comparison in the GCV Region. There is therefore sufficient land currently allocated for private sector housing to meet demand. 97,000 private sector units are required to be built in the period 2009-2025 in the GCV Region and as an estimate, there will be approximately 6,000 units completed in the region (although this varies across the projection period).

### Projected Household Tenure

- 6.21 Tables 27 and 28 show the household tenure for Inverclyde and for the GCV Region at 2016 and 2025, as projected by Tribal/Optimal Economics.

**Table 27: Projected Household Tenure of Inverclyde**

Scenario C2 High Affordability			
Year	Private Sector	Social Rented Sector	Number of households
2008	73%	27%	37,156
2016	74%	26%	37,761
2025	74%	26%	38,230
Scenario C2 Low Affordability			
2016	72%	28%	37,761
2025	71%	29%	38,230

**Table 28: Projected Household Tenure of GCV Region**

<b>Scenario C2 High Affordability</b>			
<b>Year</b>	<b>Private Sector</b>	<b>Social Rented Sector</b>	<b>Number of households</b>
2008	70%	30%	804,709
2016	73%	27%	859,140
2025	74%	26%	918,398
<b>Scenario C2 Low Affordability</b>			
2016	71%	29%	859,143
2025	72%	28%	918,395

- For Inverclyde, the High Affordability assumption shows the private sector will have a slightly higher proportion of households in 2016 and 2025 than in 2008 - this correlates with the social rented sector % decreasing slightly. However, as the number of households is projected to increase, this will mean there is an increase of households requiring social rented sector housing (including backlog need).
- For the GCV Region, the High Affordability assumption shows a larger increase in the percentage of households in the private sector and as with Inverclyde, by 2025 there will be a tenure split of 74% and 26% for the private sector and social rented sector respectively.

## 7.0 CONCLUSIONS AND MAIN ISSUES FOR INVERCLYDE

- 7.1 As outlined in this report, the process and outputs of the HNDA are complex and require careful analysis and consideration. The interpretation of the HNDA outputs for Inverclyde is summarized below.

### **Total Households**

- 7.2 A critical component of the assessment is the projection of the number of households in Inverclyde. Although the population is projected to decline (albeit at a slower rate than in previous years) the number of households is projected to increase very slightly up to 2016 and to 2025, under both Scenarios. The HNDA is concerned with the housing of *households* not population numbers and what is clear from the projections is that the size of households is going to change in the future, i.e. there will be more single-person households and a declining number of family-sized households.
- 7.3 This presents not only a challenge for housing and planning policy but for the Council as a whole and in particular, the regeneration strategy in Inverclyde. The findings suggest that '*planning for housing*' should be based on the assumption that the number of households in Inverclyde is going to increase over the short to medium term, and the focus for housing policy should be to address the varied accommodation requirements arising due to changes in household type and size, including the projected increases in the elderly population.

### **Owner Occupation**

- 7.4 Owner occupation is projected to have minimal growth over the assessment period to 2025 (under the Planning Scenario), and for the Low Migration Scenario, no growth is projected (if RTB is excluded). Inverclyde has the lowest level of household formation rate in the GCV Region and coupled with a relatively low % of new households able to purchase, creates a relatively low number of households entering the owner occupied sector. Additionally, the number of out-migrant households leaving the owner occupied sector is higher than the number of in-migrant households entering the sector in Inverclyde.
- 7.5 Looking to the future, these factors combine to create very modest growth in the sector. Given also that the percentage of households in the owner occupied sector in Inverclyde (Table 4) is currently slightly higher than the GCV Region average percentage, it is possible that the level of owner occupation in Inverclyde (and in the GCV Region) has reached its limit. The HNSA suggests that there is little scope for further increase given the current weakness in the local (and national) economy, together with the underlying social-economic characteristics of households, including a higher than average level of worklessness.

### **Social Rented Sector**

- 7.6 In relation to the required housing stock to meet future housing requirements, the assessment indicates there will be a shortfall of social rented housing to meet the needs of households in current need and newly emerging and existing households falling into need. This shortfall could potentially be reduced, to some extent, by increasing the number of social rented lets to households on the waiting list (thus reducing the number of transfer lets) and reassessing the projected social rented stock at 2016 and beyond. This finding suggests there could be more households requiring social rented housing at 2016 than the Council and its housing partners are currently planning for.
- 7.7 The high number of transfer lets (and potentially the amount of social rented stock) is connected to the social rented reprovisioning programme and it may be that the programme, which focuses on existing tenants in this sector, has been undertaken to the detriment of meeting the new needs and existing needs of households outside of the sector. What is not clear from the assessment is the type of households that could be the subject of this predicted shortfall of social rented housing, i.e. young households requiring starter properties, family sized housing, housing for older persons and households with specific housing requirements. This will be considered by the Council in the forthcoming LHS.

### **Private Rented Sector**

- 7.8 Throughout the GCV Region and in Inverclyde, under the High Affordability assumption, there is projected growth in the private rented sector, especially over the period to 2016, less so beyond to 2025. There is uncertainty about the role this sector will play in the housing market in Inverclyde. The main uncertainty is in establishing the proportion of income a household is willing to pay towards rent. What is clear from the assessment is that the affordability/unaffordability of this sector correlates strongly with households' entering social rented housing.

Further work needs to be undertaken to establish the reasons why households enter the sector and whether the sector is being used as an alternative for households requiring social rented housing.

- 7.9 The relationship between private renting and social renting, as well as owner occupation, needs examined further for the LHS. This raises an issue as to whether the sector is able to, or can, meet the housing needs of tenants. Given that a proportion of the backlog need arises from private rented households, then this suggests that the private rented sector, in part, is not meeting the housing needs of tenants.

### **Concluding Comment**

- 7.10 The tenure structure of Inverclyde is unlikely to change significantly, to 2016 and 2025. With the small growth in the overall number of households as indicated above and in section 5.0, there are likely to be more households requiring social rented housing and a continuing growth in the number of households willing to rent privately. Although there are newly emerging households able to purchase, the overall size of the private sector is predicted to remain largely the same, thus creating no additional land requirement for private housing.
- 7.11 What is unclear from the work undertaken is the impact of the recent recession on the results and how much the current uncertainty in the economy and the housing market is influencing the results of the assessment. The question arises: will the impact be short term or has the recession/economic downturn and related financial crisis fundamentally changed the housing market for the longer term (in particular access to finance) and the tenure choices households' make?
- 7.12 What is clear is that future changes in the housing market will be much less dramatic than has occurred over the last 20 years, reflecting a housing system which is entering a period of greater stability.

## **8.0 FURTHER WORK/NEXT STEPS**

- 8.1 The following is a summary of further work required by the HMP Core Group and for Inverclyde officers in relation to this authority, and the next steps to be taken in response to the HNDA results and outcomes.
- *Work plan for completing Final Draft HNDA for submission to CHMA*
  - *Work for the SDP Proposed Plan, and our forthcoming LHS and LDP MIR*
  - *Research into private rented sector and its role in Inverclyde housing system*
  - *Scenario planning – an examination of the different scenarios for affordable housing supply*
  - *Local analysis of households with specific housing needs*
  - *Analysis of the projected shortfall of social rented stock, by size and by type*
  - *The future role of LCHO in the Inverclyde housing system*
  - *Review and reassess aspects of the RSL Reprovisioning Programme.*