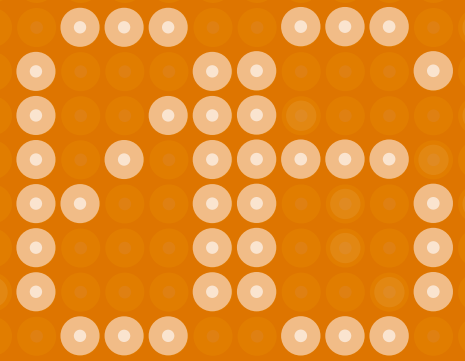


Glasgow and the Clyde Valley Housing Need and Demand Assessment

Technical Report 06

The Approach to Existing Need

May 2015



Contents

1.	Introduction	1
2.	The differences between HNDA 1 and HNDA 2 approach	2
3.	Toolkit Default – HaTAP Backlog Need Figures	2
4.	The GCV Approach	2
5.	Homeless Existing Need Estimate	2
6.	Concealed and Overcrowded Estimate	3
7.	Concealed and Overcrowded element of the analysis	3
8.	Use of Affordability Model for Existing Need	3
9.	Final Existing Need Results	4
10.	Time Period to Clear Existing Need	4

Annex:

- Annex 1: Elements to be included or excluded from Existing Housing Need – Net Requirement
- Annex 2: Homelessness Existing Need Results
- Annex 3: Methodology for Estimating Concealed and Overcrowded Households

1. Introduction

- 1.1 The HNDA Guidance requires an assessment of existing need. It states that ‘an estimate of the existing need for additional housing units should be made. This estimate MUST represent the need for additional homes and NOT detail in-situ or stock management issues which are addressed separately...’ (HNDA Practitioners Guide, 2014, para 4.18).
- 1.2 This technical report sets out the approach the GCV HMP has taken to the calculation of Existing Need.
- 1.3 An Existing Need Working Group was set up under the Housing Sub-Group of the GCV HMP to develop the methodology and assess the level of backlog need.
- 1.4 The new HNDA Guidance was not published at the time of developing this approach to measuring existing need, however there was a regular dialogue between the Existing Need Working Group and the Centre for Housing Market Analyses (CHMA) to ensure that the methodology was consistent with the development of the Guidance. It became an iterative process which allowed the GCV to inform the Guidance published by the CHMA in 2014.
- 1.5 The Existing Need Working Group reported to the Housing Sub-Group at 6 meetings, and directly to the GCV HMP, to ensure that all members were informed and in agreement with the recommendations of the approach to the calculation of Existing Need. The following reports were submitted:
 - **Backlog Need Paper 1¹ – 4/09/13:** Suggested using an adjusted version of the approach used for HNDA1. This was shaped by discussions with CHMA on an acceptable approach and directed by the availability of robust data.
 - **Backlog Need Paper 2 – 25/09/13:** Updated following discussions with CHMA and illustrated the key points to be taken into account when deriving net need figures for the HNDA Tool. Outlined three alternative approaches together with broad pros/cons of each.
 - **Backlog Need Paper 3 – 27/11/13** Agreed the approach for estimating backlog need. This comprised two broad components: a homeless component and a concealed/overcrowded component; and put in place measures to collect the information required to enable the estimates to be produced.
 - **Backlog Need Paper 4 – 28/01/14** Set out an approach for calculating the homeless backlog, and produced provisional estimates for discussion.
 - **Backlog Need Paper 5 – 12/03/14** Introduced a second alternative method for estimating the homeless component (alternative 2) and set out the strengths and weaknesses of each approach. It also provided an update on the overcrowded/concealed component of the backlog.
 - **Backlog Need Paper 6 – 13/05/14** Outstanding data and methodological issues were outlined including using a 3 year average for homeless backlog need estimation, consideration of SG approach to concealed and overcrowded estimate, and consideration of whether the affordability test should be applied to existing need estimate.

¹ The term ‘existing need’ and ‘backlog need’ are both used in these papers to describe ‘Existing Need’ as defined by the HNDA Guidance.

2. The differences between HNDA 1 and HNDA 2 approach

- 2.1 Core Output 4 is produced by the HNDA Tool and is expected to provide an estimate of net additional homes required to meet current and future local needs over the projection period. The CHMA advised that the previous method used in HNDA1 for estimating housing need included elements which did not result in a net requirement for a new housing unit; either because they are factored into future projections; or a move would free up an existing unit for use, e.g. an 'overcrowded household'.
- 2.2 Therefore elements of need (support needs, stock mismatch, poor condition, welfare reform) which are not taken account of within the tool have been considered outwith the tool, and the outcomes reflected in the narrative of the HNDA (specifically linked to Outputs 1 & 3) and will be used to inform LHSs. The CHMA advised that these represent "stock pressures or management issues" and do not constitute a net need for an additional unit of housing, as any move will free up a unit of housing or a case could be dealt with 'in-situ'.

3. Toolkit Default – HaTAP Backlog Need Figures

- 3.1 The Homelessness and Temporary Accommodation Pressure (HaTAP) method is the default measure of existing need in the HNDA Tool (HNDA Tool Instructions 2014, Section 2). Partnerships are able to input their own estimates of existing need providing that a justification and methodology for doing so is outlined clearly in the HNDA. The HMP examined the HaTAP approach and its outputs and concluded that whilst it is a useful proxy measure its exclusive focus on homelessness did not fully reflect existing housing need for local authorities in the GCV area.

4. The GCV Approach

- 4.1 The HMP agreed that an alternative methodology for calculating existing need was required and the approach must produce results at LA level, and use nationally available datasets to ensure a consistent approach across the GCV authorities.
- 4.2 Each of the elements of the approach to assessing existing need as outlined in previous HNDA Guidance were considered to identify which elements could contribute to a 'net housing requirement'. The full details of this review of the elements to be included and excluded from the HNDA Tool assessment of existing need can be found in Annex 1.
- 4.3 The GCV HMP agreed upon two elements of 'Existing Need' which will require an additional housing unit. These two elements are:
 - Homeless backlog estimate
 - Estimate of households which are both concealed and overcrowded
- 4.4 The approach to assessing these two elements is outlined below.
- 4.5 The elements not included in the calculation of net need for an additional unit of housing, but which are viewed as relevant to understanding existing housing need, are considered in the HNDA under the Stock Pressures and Specialist Provision chapters.

5. Homeless Existing Need Estimate

- 5.1 The GCV HMP method for calculating the number of households whose needs cannot be met within existing housing provision, uses two key inputs:
 - The number of live homeless cases at end March, averaged over 3 years, to provide an estimate of the number of homeless households in need of housing at a given point.
 - The proportion of homeless applicants rehoused in a 'secure' tenancy (defined as council or RSL tenancy), averaged over 3 years, and in turn the proportion unlikely to be rehoused 'securely', i.e. creating a need for an additional new unit of housing.

(Source for both is HL1 return: Scottish Government - 2010/11; 2011/12 and 2012/13)

- 5.2 The proportion (%) unlikely to be rehoused was then applied to the live cases (average) to give an approximation for the potential number of existing homeless households whose needs would be unmet within existing housing provision, and who therefore require an additional unit of housing. In total there are 4,641 such households across the GCV area.
- 5.3 The GCV HMP considered the merit of using single year data compared to a 3 or 5 year trend average. The HMP agreed a three-year average was preferred as it provides a consistent view of performance over a reasonable time period, reducing the potential for results to be skewed by an exceptional single year - e.g. where delivery of an unusually large development could significantly increase the lets available for that year – and allowing progress and practice regarding housing options in different local authority areas to be taken into account.
- 5.4 The full details of this exercise by local authority are outlined in Annex 2: Homelessness Existing Need Results.

6. Concealed and Overcrowded Estimate

- 6.1 It was considered that those households who were both a concealed household and also in an overcrowded situation, were likely to generate a need for an additional housing unit as:
 - They are unlikely to be counted within the household projections; and
 - They will not release a home for another household's use when they move on.
- 6.2 This information was not readily available at the local level, in the format required. Therefore, households which are both concealed and overcrowded have been estimated from the Scottish Household Survey (SHS) and Scottish House Condition Survey (SHCS). The Scottish Government undertook a bespoke analysis on behalf of the Glasgow and Clyde HMP to produce this information using 2010-2012 data to produce a large enough sample. This was then averaged to give an annual estimate. Using national survey data ensures the results for each local authority area are produced in a consistent manner. In total there are 7,086 such households across the GCV area.
- 6.3 The approach undertaken by the Scottish Government to estimate Concealed and Overcrowded households is detailed in Annex 3.

7. Concealed and Overcrowded element of the analysis

- 7.1 Before 2012, concealed households were identified by a survey question (HC13) in the SHCS which asks if a group of unrelated people shared cooking facilities and shared a living room or sitting room or dining area. This question is no longer part of the SHS/ SHCS question set, and a simplified approach to determining concealed households has been adopted.
- 7.2 The methodology developed by the CHMA identifies dwellings containing more than one family using a simplified method in the SHS. The definition of a concealed household used is taken from the ONS paper (February: 2014) on concealed families (which makes reference to Census data) and which defines a concealed family as “one living in a multi-family household in addition to the primary family, such as a young couple living with parents”.
- 7.3 Whereas ideally all additional households and their composition would be identified, using this method only the presence (or absence) of a concealed family is determined using relationships to the Highest Income Householder (HIH) and their spouse or partner. This is a noted limitation, but is the best available data.

8. Use of Affordability Model for Existing Need

- 8.1 The GCV HMP agreed upon a core assumption that households identified as in existing need are unable to meet their needs within the existing housing market. Therefore, the HMP considered that the vast majority of the households included in the existing need calculation will require social or below market rent accommodation. The HMP concluded that the default affordability model would not be applied to existing need and that all existing need would be allocated to the social rented/below market rented sector in the HNDA Tool.

9. Final Existing Need Results

9.1 The results for Existing Need by local authority are set out in Table 1 below.

Table 1: Existing Need (Backlog) results by local authority

Local Authority	Homeless Existing Need	Overcrowded <u>and</u> Concealed Existing Need	Total Backlog (Homeless Existing Need + Overcrowded <u>and</u> Concealed Existing Need)	% of Existing (Backlog) Need within GCV Area
East Dunbartonshire	258	0	258	2
East Renfrewshire	48	154	202	2
Glasgow City Council	2,507	3,170	5,677	48
Inverclyde Council	120	0	120	1
North Lanarkshire Council	548	1,675	2,223	19
Renfrewshire Council	206	372	578	5
South Lanarkshire Council	629	1,561	2,190	19
West Dunbartonshire Council	325	154	479	4
GCV Total	4,641	7,086	11,727	100

10. Time Period to Clear Existing Need

10.1 The HNDA Tool default time period to clear existing need is five years. This can be varied in the tool as required. It is considered that for most local authorities in the GCV area that existing need will be cleared in a five year time period. However, both Glasgow City and North Lanarkshire Councils consider that ten years is a more realistic time period for them to clear existing need given its scale, and this has been incorporated into the HNDA Tool.

Annex 1 – Elements to be included or excluded from Existing Housing Need – Net Requirement

HNDA Core Output	Approach	Data Sources	Reflects Net Housing Need?	Constraints
Output 4 – Estimate of the additional homes required across the projection period, and by tenure (market, private rent, intermediate market, and social rent).	Homeless Households (Live Cases – minus proportion of annual relets) + Households who are Concealed <u>and</u> Overcrowded	HL1/ LA Lettings/ SCORE Scottish Household or House Condition Survey/ Census/ Waiting List	Yes. Alternative to HaTAP – to be included in Tool Yes. To be included in Tool	Point in time analysis. To provide net figure - take into account lets available. Data sources allowing analysis of both elements by household is limited. <i>Advice sought from CHMA</i> . Won't be available at local level for some authorities. Proxy may be required to reduce double counting?
Output 1 & 3 – Evaluation of current housing stock profile and pressures; Consideration of the role of, and gaps in provision for, “specialist” housing;	(As above)+ Households living in Poor Quality Housing (BTS critical elements - affect habitation only) + Insecure or Temporary Accommodation + Support Needs (particular need for specialist housing, or require adaptation)	LA Data/ Scottish House Condition Survey/ Local Condition Survey HL2/ Local Stock and Waiting List Data Scottish Household or House Condition Survey/ Local Waiting List and Stock Data/ Other Research	Minimal numbers (if any). Deal with outwith Tool, as required for LHS. No. Outwith Tool – Required for LHS No. Outwith Tool – Required for LHS	Likely to be very small numbers – would require local analysis and quality of data varies greatly; agreement to consider outwith tool. Demolitions taken account of in stock profile. Agreement is required on definition, to ensure consistency in data gathering and analysis produced. Agreement is required on definition, to ensure consistency in data gathering and analysis produced. Triangulation between local and national data required.

	+			
	Poor Quality Housing (Demolitions, Failing SHQS (poor condition only), other Serious Disrepair)	Scottish House Condition Survey/ Local Condition Surveys/ Other Local Data	No. Outwith Tool – Required for LHS	Agreement is required on definition, to ensure consistency in data gathering and analysis produced. Triangulation between local and national data required.
	+			
	Harassment	Local Data	No. Outwith Tool – Required for LHS	Likely to be very small numbers. Agree approach.
	+			
	Stock Mismatch Pressures / 'Other' / Welfare Reform etc	Local Stock and Waiting List Data/ Housing Benefit Data	No. Outwith Tool – Required for LHS	Approach needs to be agreed to ensure consistency. Large element of 'other' households included in HNDA 1 Backlog for some LAs – agree relevance.

Annex 2: Homelessness Existing Need Results

**Homeless Existing Need - Using % of applicants housed,
3 year average**

	EDC	ERC	GCC	IC	NLC	RC	SLC	WDC	GCV
Proportion of applicants housed	63	54	29	57	51	55	49	60	
BN2a - Number of LC left without housing = the backlog	258	48	2,507	120	548	206	629	325	4,641
Proportion of GCV Average	5.5%	1.0%	54.0%	2.6%	11.8%	4.4%	13.5%	7.0%	100%

Annex 3 – Methodology for Estimating Concealed and Overcrowded Households

Before 2012, concealed households were identified by a survey question asking if a group of unrelated people shared cooking facilities and shared a living room or sitting room or dining area. This question (HC13) was asked up to 2011 in the SHCS but is not part of the SHS collection.

This methodology identifies dwellings containing more than one family using a simplified method in the Scottish Household Survey (SHS). Whereas ideally we would identify all additional households and their composition, using this method we determine only the presence (or absence) of a concealed family using relationships to the Highest Income Householder (HIH) and their spouse or partner.

The definition of a concealed household is taken from the ONS paper on concealed families which makes reference to census data².

A family is defined as a group of people who are either:

- a married, same-sex civil partnership, or cohabiting couple, with or without child(ren),*
- a lone parent with child(ren),*
- a married, same-sex civil partnership, or cohabiting couple with grandchild(ren) but with no children present from the intervening generation, or*
- a single grandparent with grandchild(ren) but no children present from the intervening generation.*

Children in couple families need not belong to both members of the couple. For single or couple grandparents with grandchildren present, the children of the grandparent(s) may also be present if they are not parents or grandparents of the youngest generation present.

Using this definition, Scottish Government (Centre for Housing Market Analysis) has constructed the following methodology on behalf of the Glasgow and Clyde Valley Market Partnership, to determine the presence of one or more concealed family.

² <http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales/-/sty-what-does-the-2011-census-tell-us-about-concealed-families.html?format=print>

SHS RELATIONSHIP MATRIX

For each occupant of the dwelling their relationships to other members are recorded using the following categories:

Value	Label	Relationship Type
1	Husband or wife	partner
2	Cohabiting partner	
3	Legally recognised civil partner	
4	Son or daughter (including adopted)	offspring
5	Step son or step daughter	
6	Foster child	
7	Son-in-law or daughter-in-law	offspring-in-law
8	Parent (including adopted)	parent
9	Step parent	
10	Foster parent	
11	Parent-in-law	
12	Brother or sister (including adopted)	sibling
13	Half brother or sister	
14	Foster brother or sister	
15	Step brother or sister	
16	Brother-in-law or sister-in-law	sibling-in-law
17	Grand parent	grandparent
18	Grand child	grand child
19	Other relative	other rel
20	Unrelated	unrelated

Using the broader “relationship type” categories we can determine whether there are multiple households in a dwelling.

Usually 2 or more relationship types indicate a concealed family, with the following exceptions:

- Partner and
 - Offspring or offspring-in-law
 - **strictly one** parent

- **strictly one** grandparent
 - grandchild
- Offspring and offspring-in-law
- Parent(s)
 - Sibling
 - sibling-in-law
- Sibling or sibling-in-law and grandparent(s)

Where all cohabitants are “Unrelated” no concealed families are registered. This is due to the explicit request to exclude Houses of Multiple Occupation (HMOs) from the number of concealed households.

Relationship to Partner/Spouse - In some cases the child of the partner or spouse is categorised as “unrelated” to the highest income householder. This has been accounted for in my methodology.

Results for Overcrowded and Concealed Households Existing Need

Overcrowded and Concealed Estimate

	EDC	ERC	GCC	IC	NLC	RC	SLC	WDC	GCV
Overcrowded Households	140	774	10,516	811	4,959	2,681	4,730	1,057	25,668
Concealed Households	583	621	10,147	281	3,336	1,036	4,156	816	20,976
Concealed AND Overcrowded (double counting ie. existing need)	0	154	3,170	0	1,675	372	1,561	154	7,086
Proportion of GCV Average	0%	2%	45%	0%	24%	5%	22%	2%	100%



Clydeplan

Lower Ground Floor, 125 West Regent Street, Glasgow G2 2SA

0141 229 7730 • info@clydeplan-sdpa.gov.uk • www.clydeplan-sdpa.gov.uk