



Canterbury

HOUSING NEEDS ASSESSMENT ADDENDUM

February 2024



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1 INTRODUCTION

Introduction

Context & Requirements

- 1.1 In September 2021, Edge Analytics produced a Housing Needs Assessment (HNA) on behalf of Canterbury City Council. This report presented evidence to identify the market and affordable/social housing needs of the district, as well as the needs of different groups, including students, key workers, people with disabilities and older people.
- 1.2 The Council is now seeking a concise addendum to the HNA, to inform the ongoing development of the Canterbury District Local Plan. Specifically, the Council is seeking data and advice on the following four items:
 - Separate bedroom mix for affordable homes and First Homes.
 - Separate bedroom mix for social and affordable rent.
 - An assessment of the housing needs of 'children in need of social services care', which was included in the June 2023 Department for Levelling Up, Housing & Communities (DLUHC) Chief Planner's Newsletter.
- 1.3 This HNA Addendum has been prepared by Edge Analytics and the Strategic Planning Research Unit (SPRU) at DLP Planning Limited (acting as a subconsultant to Edge Analytics).
- 1.4 Edge Analytics is a Data Science specialist, applying a combination of research, data, technology, and analytical models to generate insight that better informs business planning and decision-making. Edge Analytics has a particular expertise in demographic modelling and forecasting, using its POPGROUP technology to formulate Local Plan evidence for councils across England and Wales. The members of SPRU are experts in the Local Plan making process and the interpretation and presentation of technical findings to support this. They have provided relevant technical guidance and the necessary policy recommendations for this HNA Addendum.

Report Structure

- 1.5 Section 2 of this report presents a summary of the First Homes/Affordable Homes and social/affordable rent bedroom mix. This analysis uses the latest 2021 Census data and house price/affordability measures, in conjunction with the findings of a Stakeholder Engagement event held with Registered Providers, to provide recommendations on the bedroom mix for these products.
- 1.6 Section 3 summarises the findings of the research undertaken to assess the housing needs of children in care, drawing on data from Kent County Council (KCC), the Department for Education (DfE) and the Department for Levelling Up Housing and Communities (DLUHC).
- 1.7 The Appendices summarise the latest house price data and the findings of the Stakeholder Engagement.
- 1.8 Note that this report is intended to be read in conjunction with the 2021 HNA.

2 BEDROOM MIX

Introduction

- 2.1 The 2021 Canterbury HNA presented an assessment of the need for affordable rent and affordable home ownership, indicating a figure of 464 homes per year and a respective split of 66%/34%. Based on local house prices, rents, and affordability, a greater weight was given to social rent rather than affordable rent.
- 2.2 The housing mix profile was generated using the projected household growth (2020–2040) generated by the mid-point between the 2014-based and 2018-based official subnational population projections (SNPP) for Canterbury. To this, the profile of household occupancy by dwelling size, type and tenure from the 2011 Census was applied, updated using Council Taxbase data from 2021 to reflect potential changes to the dwelling mix since the 2011 Census. This analysis proposed a separate bedroom mix for market housing, social and affordable rent (combined), and affordable home ownership. A housing size and type mix profile for Canterbury's four 'sub-geographies' (Canterbury City, Whitstable and Herne Bay, Rural North, and Rural South) was also presented.
- 2.3 The council has subsequently requested consideration of separate policy provisions for bedroom mix for First Homes and other affordable home ownership products be produced as part of the evidence base, as well as a separate bedroom mix for social and affordable rent.
- 2.4 Since the 2021 HNA was completed, data from the 2021 Census has become available, enabling a more up-to-date picture of household occupancy to be obtained, including shared ownership, which was not available separately from the 2011 Census data. Using these data and the latest house price and rental costs data, the previously presented housing split and mix has been reviewed.
- 2.5 A stakeholder engagement workshop was also held with Registered Providers in order to better understand local levels of supply and demand for affordable housing, including First Homes, other affordable home ownership products (including shared ownership), and social and affordable rent. The detailed findings from this engagement are presented in Appendix A.
- 2.6 In this section, the latest 2021 Census household occupancy data is presented, followed by the First Homes/affordable home ownership and the social/affordable rent bedroom mix recommendations. An updated bedroom mix profile is also presented for the four sub-geographies of Canterbury, using the latest 2021 Census data.

A Note on Housing Mix

- 2.7 Note that the overall affordable housing need figure of 464 per year has not been updated as part of this commission and the split between rent and ownership remains at 66%/34% respectively. In the 2021 HNA, the following mix for affordable housing was recommended:
- Social rent = 49%
 - Affordable rent = 17%
 - Affordable home ownership = 34%

- 2.8 With the introduction of First Homes in June 2021,¹ there is a requirement for 25% of all affordable housing delivered by developers through planning obligations to be First Homes. First Homes are a discounted type of market sale housing that should be considered to meet the definition of 'affordable housing' and must be discounted by a minimum of 30% against the market value.²
- 2.9 The Planning Practice Guidance (PPG) on First Homes states that: *"Once a minimum of 25% of First Homes has been accounted for, social rent should be delivered in the same percentage as set out in the local plan. The remainder of the affordable housing tenures should be delivered in line with the proportions set out in the local plan policy."* (PPG ref. ID 70-015-20210524). This indicates that the proportion of social rent accommodation should not be adjusted following the introduction of 25% First Homes, and the other tenures (i.e. affordable rent / affordable home ownership) should be adjusted proportionally.
- 2.10 For Canterbury, with the inclusion of First Homes and based on the original housing split in the 2021 HNA, this therefore results in the following mix profile (Figure 1).

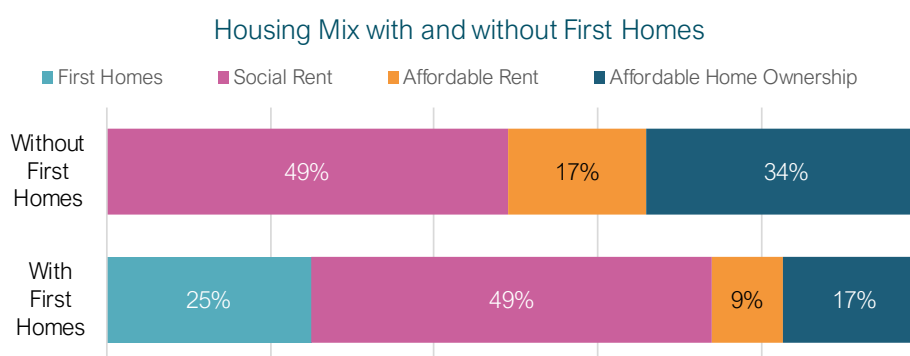


Figure 1: 2021 HNA affordable housing mix
Source: Edge Analytics

- 2.11 In the 2021 HNA, the split between social and affordable rent was derived using housing rents/costs and the relative affordability of each housing option (social rent, affordable rent, entry-level (lower quartile) rents and house prices, median house prices) for households in Canterbury. Whilst the affordable needs calculations themselves (which generated the need figure of 464, 308 for rent and 156 for ownership) have not been updated as part of this commission, the latest house price and rental cost data suggests that the above split (Figure 1) remains appropriate.
- 2.12 The latest data indicates that lower quartile (entry-level) rent has increased from £725 to over £900 (based on online research of available rental properties in Canterbury, excluding student lets, consistent with the approach in the 2021 HNA), affordable rent has decreased slightly (from £630 to £540), and social rent has increased from around £430 to £450 per calendar month. The updated costs data confirms the overall split remains appropriate, with only a slight shift in the split between social and affordable rent. In the 2021 HNA, the overall estimate of need for social/affordable rent (308 per year) was 75%/25% respectively. The updated costs data suggests a similar split, at 71% social rent, and 29% affordable rent. With the updated costs, the housing mix illustration is updated as follows (Figure 2).

¹ [PPG First Homes](#)

² PPG Paragraph 001 Reference ID: 70-001-20210524

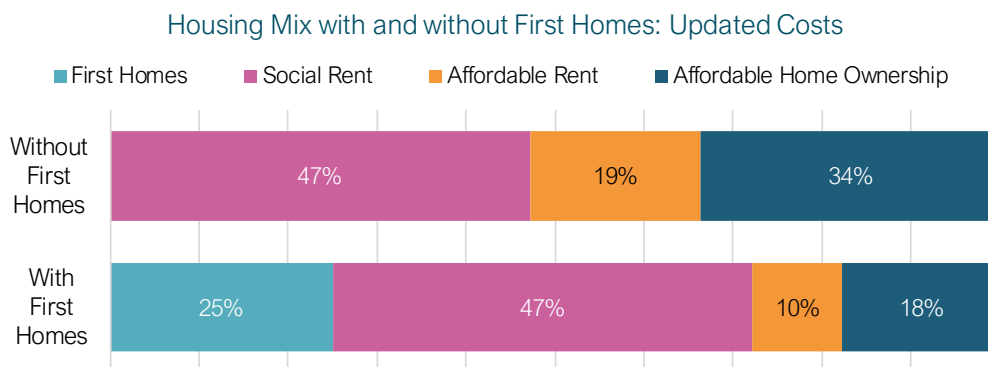


Figure 2: 2021 HNA affordable housing mix with updated housing costs
Source: Edge Analytics

Census Household Occupancy Trends

2.13 Between 2011 and 2021, the number of households in Canterbury increased from 60,771 to 63,792, an increase of 3,021 households (+5.0%) (ONS). As a proportion of all households, private rent has increased, accounting for 21.0% of all households at the 2011 Census, and 22.1% by 2021 (Figure 3). The proportion of households in social rent has remained consistent, at 12.2%, whereas the proportion of owner occupier households has decreased slightly, from 66.8% to 65.7%. In absolute terms, household growth has been highest in the private rented sector (+1,338 households), followed by owner-occupied households (+1,292) and the social rented sector (+391).

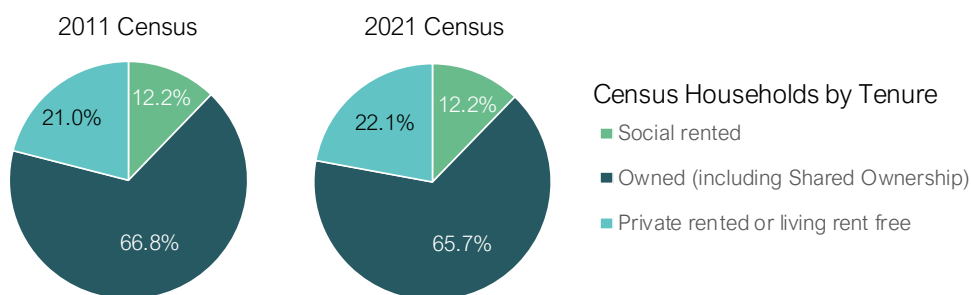


Figure 3: Census household by tenure comparison
Source: ONS

2.14 The proportion of households by bedroom number across all tenures has changed little between the 2011 and 2021 Censuses (Table 1). Growth has been highest in 4+ bedroom households, and lowest in 1-bed households.

Table 1: 2011 and 2021 Census: households by bedrooms.

Bedrooms	2011 Census		2021 Census		Change	
	Households	% share	Households	% share	Total	% Change
1 bed	6,858	11%	7,050	11%	192	2.8%
2 beds	18,526	30%	18,954	30%	428	2.3%
3 beds	21,675	36%	22,530	35%	855	3.9%
4+ beds	13,712	23%	15,258	24%	1,546	11.3%
Total	60,771	100%	63,792	100%	3,021	5.0%

Source: ONS

2.15 In the private rented sector, there has been a slight decrease in the proportion of 4-bed households and an increase in the proportion of 2- and 3-bed households. In absolute terms, household growth between the 2011 and 2021 Census has largely been in 4-bed households in the owner-occupied sector, in which there has also been a decrease in the number of 2-bed households (Figure 4). This is at least in-part likely to reflect changes in the use and tenure of existing housing stock as a function of growth in the private rental sector. In the social rented sector, growth has been highest in 2-bed households.

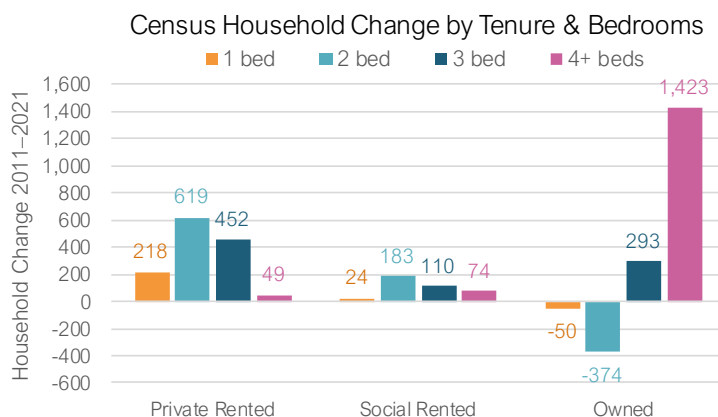


Figure 4: Census household change by tenure and bedrooms
Source: ONS. Note that owned includes shared ownership.

2.16 Within the 2021 Census data, there is also a bedroom breakdown for shared ownership households, which in the previous Census was included within the 'owned' tenure. This suggests that shared ownership households in Canterbury occupy a higher proportion of 2-bed properties compared to other tenures, and a similar proportion of 3-bed households to owned households (Figure 5). The bedroom mix for shared ownership is similar to private rent, albeit with a smaller proportion of 4+ bed households.

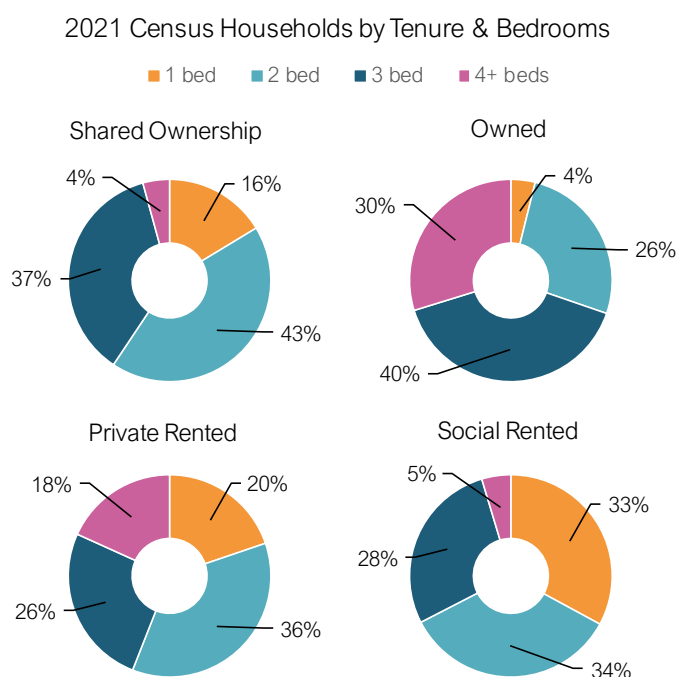


Figure 5: 2021 Census households by tenure and bedrooms
Source: ONS.

Sub-Geography Census Change

2.17 Between the 2011 and 2021 Censuses, the number of households in Canterbury’s four sub-geographies increased (Table 2). Household growth has been highest in the 4+ bed households in the Rural North, Rural South, and in Whitstable and Herne Bay Coastal. In Canterbury City, household growth has been highest in 2-bed households.

Table 2: Household growth by size (bedrooms), 2011–2021 Census, Canterbury sub-geographies

Bedrooms	Change in Number of Households by Size (Bedrooms) 2011–2021				
	Canterbury City	Rural North	Rural South	Whitstable & Herne Bay Coastal	Total
1 bed	205	109	28	-158	184
2 beds	320	-7	-12	124	425
3 beds	177	314	63	303	857
4+ beds	216	479	148	702	1,545
TOTAL	918	895	227	971	3,011

Source: ONS. Note that household growth figures do not sum exactly to the presented district-level figures in Table 1 due to rounding of the data at sub-district geographies (which are defined using an LSOA geography).

2.18 Canterbury City has a higher proportion of 1- and 2-bed households compared to the other sub-geographies (Figure 6). The Rural South and Rural North sub areas have a comparatively high proportion of larger 3 and 4+ bed properties.

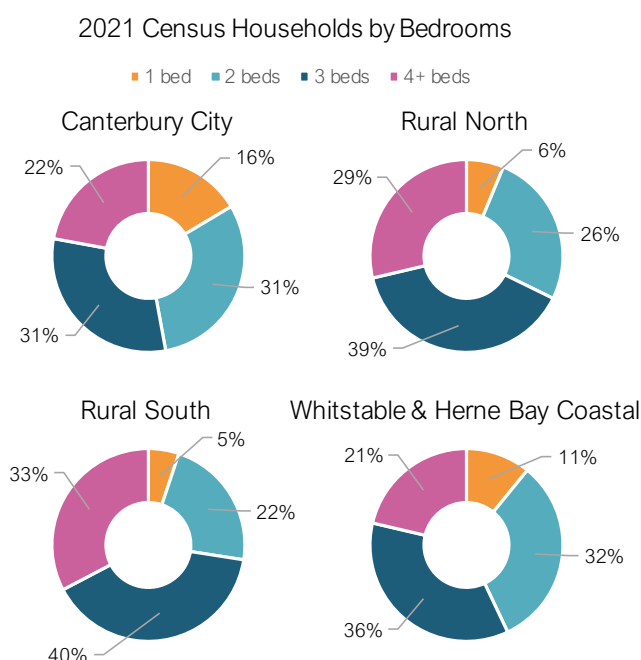


Figure 6: 2021 Census households by tenure and bedrooms: Canterbury Sub-Geographies
Source: ONS.

Housing Mix Model

- 2.19 In the 2021 HNA, the recommended housing mix was derived by applying household occupancy assumptions from the 2011 Census and Council Taxbase to the projected household growth (2020–2040) generated by the mid-point between the 2014-based and 2018-based official subnational population projections (SNPP) for Canterbury. This analysis proposed a separate bedroom mix for market housing, social and affordable rent (combined), and affordable home ownership (Table 3). The market housing mix was derived using trends in the private rented and owned sectors, and social/affordable rent was based on the CCC Housing Register. The mix for affordable home ownership was drawn from occupancy trends for all tenures.

Table 3: 2021 HNA bedroom mix recommendation by tenure

Bedrooms	Tenure		
	Market Housing	Social / Affordable Rent	Affordable Home Ownership
1 bed	4%	29%	7%
2 beds	24%	30%	22%
3 beds	46%	28%	51%
4+ beds	26%	13%	20%
Total	100%	100%	100%

Source: Edge Analytics 2021. Note that percentages may not sum due to rounding.

- 2.20 Using the 2021 Census data, as outlined above, the Housing Mix model for Canterbury has been updated. As in the 2021 HNA, the profile of household occupancy by tenure, property type and bedroom number has been derived using commissioned and publicly available tables.³ The modelling is two-step process.
- 2.21 Step 1 of the modelling involves using the latest available 2021 Census datasets to create a cross-classified table showing the distribution of households by tenure (social rent, private rent, owner occupied), accommodation type (detached, semi-detached, terraced, flats), and bedrooms (1-, 2-, 3- and 4-bed). In Step 2, the data from Step 1 is combined with a commissioned table that includes the age of the household head and household category, creating a probability matrix by household type, age, tenure, accommodation type and bedroom number. In the 2021 HNA, this process used 2011 Census data and Council Taxbase data to provide a more up-to-date view on the current dwelling mix in Canterbury, due to the time that had elapsed since the 2011 Census. This step is not required when using the 2021 Census tables.
- 2.22 The resulting probability matrix has been applied to the same POPGROUP household growth profile used in the 2021 HNA (based on a mid-point between the SNPP-2014 and SNPP-2018 scenarios) to produce housing mix profiles by tenure (social rent, private rent, owned), for direct comparability with the outcomes presented in the 2021 HNA. The outcomes of this model update are summarised below, with the implication for each tenure considered. This is followed by a summary of the implications of this update for the four sub-geographies.

³ 2021 Census commissioned table CT210131

Market Housing

- 2.23 Within the 2021 HNA, the bedroom mix for market housing was derived from the profile of occupancy in the owned and private rented sectors combined. Replicating this approach using the latest 2021 Census data produces a similar bedroom mix outcome (Table 4). Given the similarities between these outcomes, it is not considered necessary to recommend an alternative mix for market housing.

Table 4: Market housing bedroom mix comparison

Bedrooms	Market Housing mix, 2021 HNA (2011 Census & Council Tax VOA)	Market Housing, 2023 Addendum (2021 Census)
1 bed	4%	4%
2 beds	24%	27%
3 beds	46%	41%
4+ beds	26%	28%
Total	100%	100%

Source: 2011 Census, Council Tax VOA, 2021 Census, Edge Analytics.

First Homes/Affordable Homes

- 2.24 In the 2021 HNA, the mix profile for affordable home ownership (including First Homes) was derived using a household occupancy profile similar to that derived for all tenures, recognising that affordable home ownership products are available to a range of households. This analysis suggested that, within the affordable home ownership tenure, 29% of need was for 1- and 2-bed properties, and the remaining 71% for 3- and 4-bed properties. Although the implication of the inclusion of First Homes within the overall tenure profile was presented, there was no separate bedroom mix provided for First Homes.

Housing Costs

- 2.25 First Homes are only available to first-time buyers with a combined household income not exceeding £80,000.⁴ These properties are therefore not available to existing owner-occupiers and are more likely to be purchased by those living in rented accommodation, or households that are currently living with family/friends. The bedroom need of these first-time buyers is therefore more likely to be aligned with that of private renters, than with that of social renters or owner occupiers.
- 2.26 Compared to other affordable home ownership products, such as Shared Ownership or Rent to Buy, First Homes are relatively expensive (even after assuming a 30% discount from market value). They are therefore only likely to be available to households towards the upper end of the income range eligible for these products.
- 2.27 In the 2021 HNA, an income profile for Canterbury was generated using TransUnion CAMEO Income data. With a full market value of £312,750,⁵ assuming a 30% First Homes reduction, a 15% deposit and a 3.5 loan to income multiplier, it was determined that a minimum household income of

⁴⁴ PPG Paragraph: 007 Reference ID: 70-007-20210524

⁵ ONS HPSSA, median house price in Canterbury, year ending September 2020.

approximately £52,570 was required to afford a First Home. The latest house price data indicates that house prices have continued to rise, with the median price paid now at £355,000 (as of year ending December 2022)⁶. With the same income and affordability assumptions applied, a household income of around £60,300 would now be required to afford a First Home in Canterbury (assuming a 30% reduction from market value).

2.28 Shared ownership schemes are typically available to all households and involve purchasing a share of the property and paying rent to a landlord on the remaining share.⁷ The income needed to afford shared ownership properties is lower than required to afford a First Home. In the 2021 HNA, based on 2020 house prices, a household income of around £50,800 was required to afford a shared ownership property. Updated to 2022 house prices, an income of £54,800 is now required.

Bedroom Mix

2.29 With First Homes more likely to be bought by households currently in the private rented sector, it is appropriate to consider a bedroom mix profile that is more closely aligned with that of private renters rather than that for all tenures (as was done for all affordable home ownership in the 2021 HNA).

2.30 From the 2021 HNA, the bedroom mix profile for private renters (based on the projected level of household growth in Canterbury and the 2011 Census/Council Taxbase assumptions) produced a bedroom mix outcome with relatively equal split between 2-, 3- and 4+ beds. With the 2021 Census occupancy patterns applied to the household growth 2020–2040, a greater proportion of household growth is in 4+ bed properties (40.2%) (Figure 7).

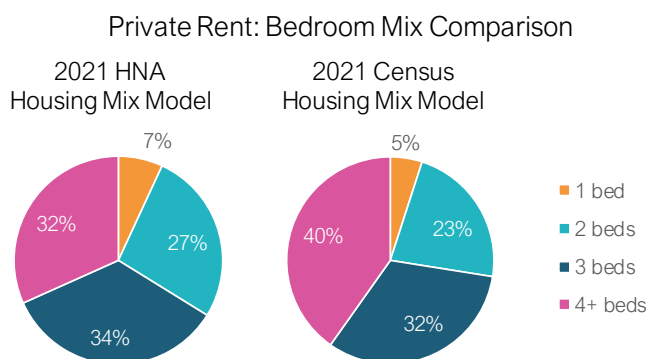


Figure 7: Private rent Census households by bedrooms

Source: ONS, Edge Analytics

2.31 The high level of growth in 4+ bed properties is potentially linked to student HMOs forming a proportion of the private rented stock in Canterbury, although it is not possible to separate this out within the Housing Mix model. Based on the stakeholder feedback, a greater weighting of 4+ bed properties is considered to be prohibitively high from both a viability and deliverability perspective, particularly as the initial sale price cannot be greater than £250,000 once the 30% discount has been applied. First Homes are also intended to be a ‘first step’ on the property ladder and they are subject to eligibility criteria requiring (amongst other things) that purchasers must be first-time buyers as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003. As such, it is reasonable to suggest that First

⁶ ONS HPSSA, year ending December 2022.

⁷ [Shared Ownership](#)

Homes are likely to be more affordable and deliverable as 2-3 beds rather than 4+ bed properties (also given the skew within the 2021 Census Housing Mix towards 4+ bed properties and the likelihood that this is linked to student HMOs).

- 2.32 For affordable home ownership products, including First Homes, a mix profile more aligned with the current pattern of household occupancy in the shared ownership tenure could therefore be appropriate. It is, however, not possible to incorporate the shared ownership characteristics within the Housing Mix Model due to the lack of data granularity from the Census (within the detailed, multivariate and commissioned tables, shared ownership is included within the 'owned' tenure). What the 2021 Census shared ownership data does suggest (see Figure 5), however, is that households in this tenure occupy 2- and 3-bed properties at a higher proportion than private rent households. Therefore, considering a mix profile that is more weighted towards 2- and 3-bed properties is considered to be appropriate for all affordable home ownership products, including First Homes, as shown in Table 5. The Council may wish to consider a more flexible application of these mix recommendations to ensure deliverability in policy terms.

Table 5: First Homes/Other Affordable Home Ownership Products bedroom mix recommendations

Bedrooms	Mix Recommendation ⁸	Affordable Home Ownership (2021 HNA)
1 bed	16%	7%
2 beds	43%	22%
3 beds	37%	51%
4+ beds	4%	20%

Social & Affordable Rent

- 2.33 In the 2021 HNA, the social/affordable rent bedroom mix was derived from the CCC Housing Register, rather than from the 2011 Census/Council Taxbase approach, to better align with the latest level of identified need. The bedroom mix for social and affordable rent was presented together, due to a lack of separate affordable rent occupancy data and data on the needs of those seeking affordable rent.
- 2.34 Feedback from stakeholders has also indicated that it is not practicable to implement a different bedroom mix for social rent and affordable rented products, as the people occupying these properties ultimately have similar needs and will likely come from the same Housing Register list.
- 2.35 Using the CCC Housing Register bedroom need suggested a more equal split between 1-, 2- and 3-beds compared to the 2011 Census data, and a larger proportion of 4+ beds (13%). Updating the Housing Mix model with the latest 2021 Census data results in a far higher proportion of 1-bed households (48%) compared to the 2011 Census-led approach, or the bedroom mix implied by the CCC Register (Figure 8).

⁸ Range generate from outputs in preceding Figure 5.

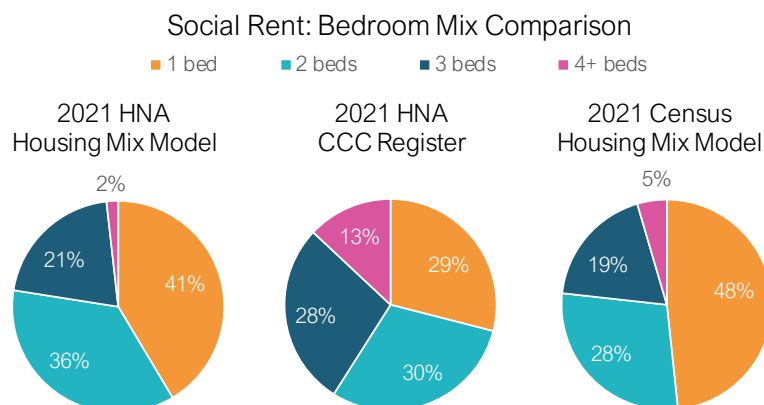


Figure 8: Social rent bedroom mix comparison
Source: ONS, Edge Analytics

2.36 Considering the implications of these different mix calculations, we suggest that a policy mix recommendation for social and affordable rent as set out in the table below may be appropriate. This most closely reflects the outcomes of the 2021 Census Housing Mix Model, however some flexibility may need to be applied to ensure this is deliverable in policy terms. This is particularly important in the context of the stakeholder feedback received which indicated that 1-bedroom-only schemes are particularly challenging to both manage and deliver. Greater flexibility on the proportion of 1-bed and 2-bed units delivered within a single scheme may need to be applied.

Table 6: Social/affordable rent bedroom mix recommendations

Bedrooms	Mix Recommendation
1-bed	48%
2-beds	28%
3 beds	19%
4+ beds	5%

Sub-Geography Bedroom Mix

2.37 Using the updated 2021 Census Housing Mix model, the bedroom mix implied by the projected household growth across the four sub-geographies has been estimated using the same approach as at district-level. The sub-geography analysis is presented for **market housing only**, based on occupancy trends in the 'owned' and 'private rent' tenures.

2.38 Over the 2020–2040 plan period, household growth is projected in all areas, apart from in 1-bed households in Canterbury, where the number of households is projected to decline by 8% (Table 7). This is linked to the changing (ageing) profile of the resident population.

Table 7: Sub-geography household growth by number of bedrooms

Sub-Geography	Household Growth 2020–2040				
	1 bed	2 beds	3 beds	4+ beds	Total Household Growth
Canterbury City	-8%	2%	17%	18%	10%
Rural North	33%	36%	39%	40%	38%
Rural South	21%	23%	22%	16%	20%
Whitstable & Herne Bay Coastal	11%	18%	18%	12%	16%

- 2.39 Translating this into a bedroom mix profile (as per the approach taken above, which presents the proportionate split of household growth across each size), results in the figures shown in Table 8. The modelling outcomes imply that there would be no additional need for 1-bed market properties in Canterbury City.

Table 8: Sub-geography bedroom mix profile for market housing

Sub-Geography	Bedroom Mix Profile				
	1 bed	2 beds	3 beds	4+ beds	Total
Canterbury City	-10%	6%	53%	51%	100%
Rural North	4%	23%	41%	32%	100%
Rural South	4%	24%	44%	28%	100%
Whitstable & Herne Bay Coastal	5%	34%	42%	18%	100%

- 2.40 It is clear that this modelled housing mix profile for Canterbury City (which projects a negative need for 1-bedroom properties) cannot be directly translated into a policy recommendation. It is necessary to ensure that any policy is deliverable in real terms, including considering whether it is suitable and viable for the geography of Canterbury City. For example, it may be the case that in real terms there is still a need to deliver 1- and 2-bedroom properties in Canterbury City, taking into account circumstances such as affordability constraints (particularly upon younger households) and any demand for new models of delivery such as build-to-rent. More generally, the circumstances of flatted development are such that it is likely to include a high proportion of 1-bed and 2-bed properties. For mixed-tenure development this would conventionally include provision for both market units and any affordable units for which there is an evidenced 1-bed and 2-bed need in all sub-geographies.
- 2.41 Market demand and actual patterns of delivery within Canterbury City may also be affected by the migration patterns of older households within the wider geography of Canterbury and whether patterns of supply in other sub-geographies achieve the mix indicated by the evidence base in terms of housing need. Therefore, a suggested policy alternative may be to apply the district wide recommended market housing mix to Canterbury City, as set out in Table 9 below.
- 2.42 Given the uncertain context for actual patterns of market supply and demand relative to the sub-geography evidence base for needs by housing mix, it is recommended that the Council undertakes monitoring of completions and commitments by sub-geography and as part of the submission Plan

provides an indication of the overall expectations of delivery by housing mix over the plan period (including completions to-date).

Table 9: Sub-geography bedroom mix recommendations for market housing

Sub-Geography	Bedroom Mix Recommendations				
	1 bed	2 beds	3 beds	4+ beds	Total
Canterbury City	4%	24%	46%	26%	100%
Rural North	4%	23%	41%	32%	100%
Rural South	4%	24%	44%	28%	100%
Whitstable & Herne Bay Coastal	5%	34%	42%	18%	100%

Summary Recommendations

- 2.43 The recommended bedroom mix for **Canterbury district** by tenure, reflecting the latest 2021 Census data, is set out in the table below.

Table 10: HNA Addendum bedroom mix policy recommendation by tenure

Bedrooms	Tenure		
	Market Housing	Social / Affordable Rent	First Homes / Affordable Home Ownership
1 bed	4%	48%	16%
2 beds	24%	28%	43%
3 beds	46%	19%	37%
4+ beds	26%	5%	4%

- 2.44 The recommended bedroom mix by **sub-geography** is set out in the table below.

Table 11: Sub-geography bedroom mix recommendations for market housing

Sub-Geography	Bedroom Mix Recommendations				
	1 bed	2 beds	3 beds	4+ beds	Total
Canterbury City	4%	24%	46%	26%	100%
Rural North	4%	23%	41%	32%	100%
Rural South	4%	24%	44%	28%	100%
Whitstable & Herne Bay Coastal	5%	34%	42%	18%	100%

3 THE HOUSING NEEDS OF CHILDREN IN CARE

Introduction

- 3.1 Paragraph 62 of the NPPF states that when assessing the housing needs of an area, the local planning authority is responsible for determining the size, type and tenure needed for different groups in the community when forming planning policies and decisions⁹. Whilst this does not currently include children in care, the Minister of State for Housing and Planning, Rachael Maclean, referred to Paragraph 62 within a written ministerial statement directed at local planning authorities.¹⁰ This stated that local planning authorities should consider whether it is appropriate to include accommodation for children in need of social services care as part of that assessment. This message was reiterated in the June 2023 DLUHC Chief Planner's Newsletter¹¹.
- 3.2 Following the release of the Chief Planner's newsletter, Canterbury City Council (CCC) has sought to include an assessment of the housing needs of children in need of social services care as part of their HNA addendum.
- 3.3 Currently, The Sufficiency Duty requires that local authorities that have a 'corporate parenting' responsibility should assess the current and future accommodation requirements for children in care and care leavers.¹² Kent County Council (KCC) has a corporate parenting responsibility for all children in care in Canterbury.¹³ KCC published its Sufficiency Strategy, which summarises the county-level accommodation profile for children in care, along with the forecasted numbers of children in care in 2027.¹⁴ As CCC does not have this corporate parenting responsibility, this section of the Addendum provides an overview of the relevant information at County-level with reference to specific data for accommodation within Canterbury where available.
- 3.4 Informed by national statistics published by the Department for Education (DfE) and the KCC Sufficiency Strategy, Edge Analytics has summarised the current profile of children in care, their housing requirements and potential future changes to this.

Profile of Children in Care

Number & Rates of Children in Care

- 3.5 There are currently 82,170 'looked after children' across England, as identified in national statistics

⁹ [NPPF September 2023](#)

¹⁰ [Minister of State for Housing and Planning Statement](#)

¹¹ [DLUHC Planning Newsletter](#)

¹² [The Sufficiency Duty](#)

¹³ [Social care and health services in Canterbury](#)

¹⁴ [Kent County Council's Sufficiency Strategy](#)

published by the DfE.¹⁵ By definition, “a child is looked after by a local authority if they are provided with accommodation for a continuous period of more than 24 hours; are subject to a care order or are subject to a placement order”.¹⁶ The number of children looked after (CLA) in England increased by over 10,500 between 1994 and 2000 (Figure 9). Between 2000 and 2008, the number of CLA remained relatively constant (annually, around 60,000 children were in care on 31st March during this time period). Since 2008, there has been a 38% increase in the total number of CLA in England.

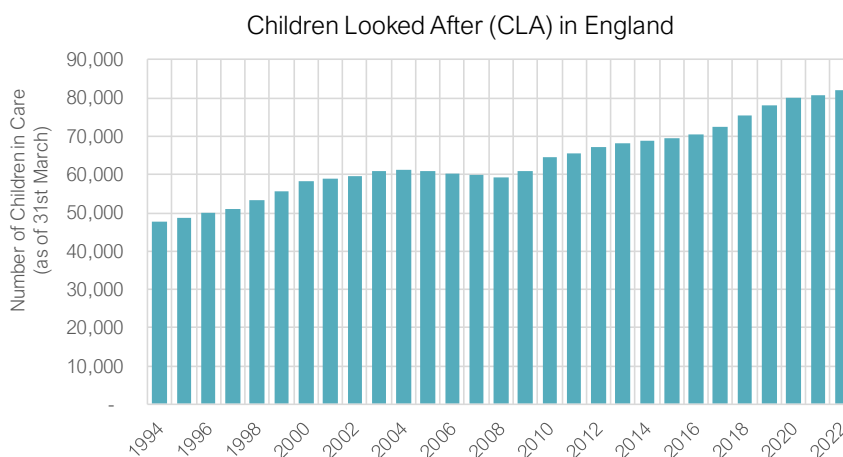


Figure 9: CLA in England on 31st March (1994–2022)
Source: DfE

3.6 This picture has been reflected across the South East (Figure 10).¹⁷ Contrastingly, the number of CLA in Kent has fluctuated between 2008–2022, with a clear ‘spike’ of 2,314 children within Kent in 2016. Note that the national and regional statistics (collected by Ofsted via an annual CLA data return, also known as the SSDA903) are not available at district-level, and so the numbers and rates of CLA within Canterbury are not publicly available and, due to data sharing restrictions, were not available from either KCC, nor from Ofsted.

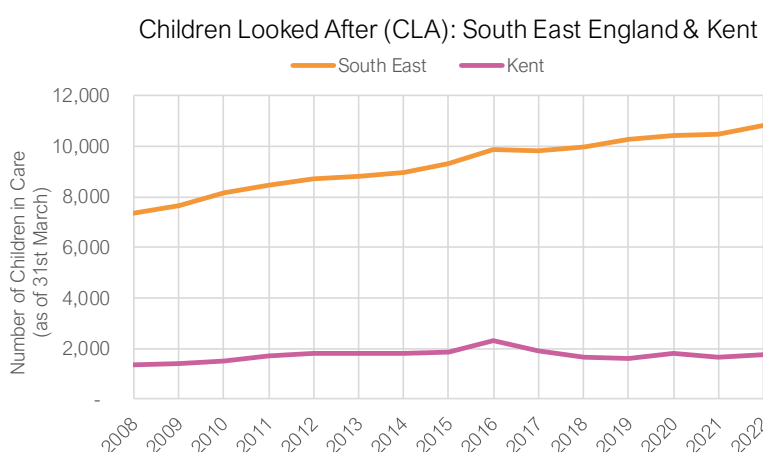


Figure 10: CLA in the South East and Kent on 31st March (2008–2022)
Source: DfE

¹⁵ [National statistics published by the Department for Education](#)

¹⁶ DfE [A guide to looked after children statistics in England](#)

¹⁷ Sub-national data for children in care is not available for years prior to 2008.

- 3.7 The increases in the number of CLA between 2008 and 2022 in the South East reflects the national (England) trend (Figure 11). This demonstrates that the rise in the number of CLA cannot alone be attributed to an increase in the population of children. Rates within the South East have remained lower than the national average for England between 2008 and 2022 (41 to 56 CLA per 10,000 children in Kent, compared to 54 to 70 CLA per 10,000 children in England). Similarly, the fluctuating number of CLA within Kent also aligns with the changes in the rates of CLA per 10,000 children, which also saw a spike in 2016 of 70 per 10,000 children. Prior to 2016, the rate of CLA within Kent remained lower than the national average.

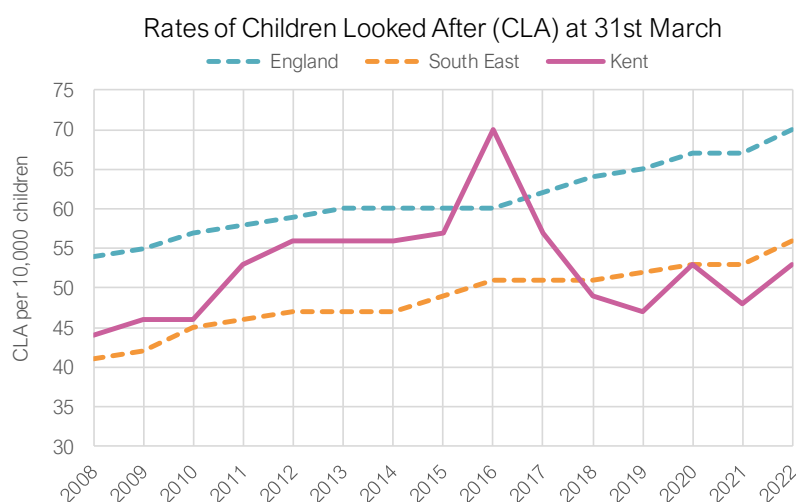


Figure 11: Rate of CLA per 10,000 children (2008–2022)

Source: DfE

- 3.8 As of 2022, the CLA rate within Kent was 53 per 10,000 children, whereas the regional rate for the South East was 56 per 10,000 children, and the national rate for England was 70 per 10,000 children.¹⁸

Unaccompanied Asylum-Seeking Children in Care

- 3.9 The spike in the total number of CLA in 2016 in Kent is a result of an increased number of unaccompanied asylum-seeking children (UASC).¹⁹ Statistics published by DfE show that the number of UASC increased by 57% in England, 100% in the South East and 137% in Kent between 2008 and 2022 (Figure 12). Of the 4,340 UASC on March 31st, 2016, within England, 20% (868) were in the care of KCC.
- 3.10 The disproportionate increases in UASC prompted the introduction of the National Transfer Scheme (NTS) in July 2016²⁰. The NTS protocol (with amendments in 2018) ensures that there is a fair distribution of UASC across all authorities. The current expectation is that no local authority should have a UASC population that is greater than 0.1% of its general child population. This threshold came into effect in August 2022, increasing from the previous 0.07% threshold that was set in July 2021.

¹⁸ Note that the 2022 rates are not comparable to rates for earlier years, as the earlier years rates are based upon population estimates released in 2021, yet to be revised following the 2021 Census. The rates will be revised by the DfE, following the release of rebased MYE's.

¹⁹ [Kent County Council 2016 Report on Children in Care](#)

²⁰ [The National Transfer Scheme](#)

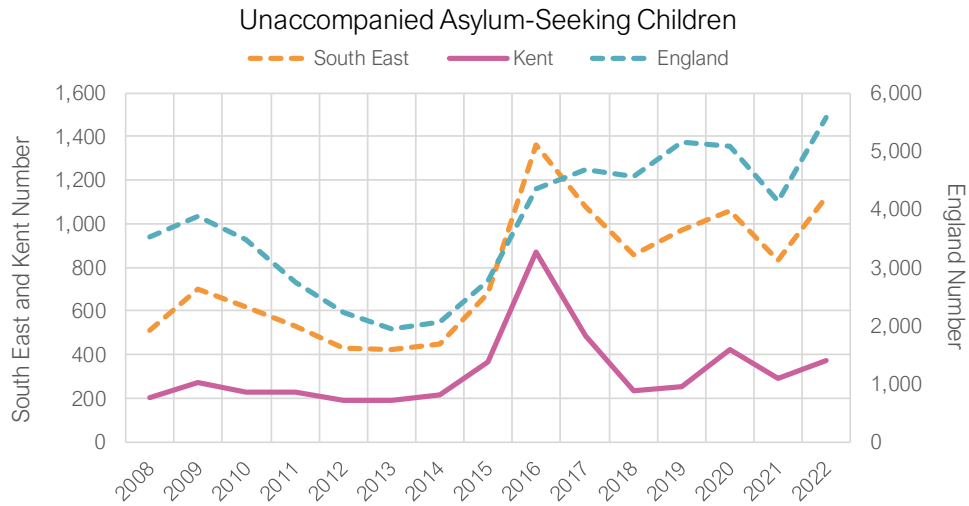


Figure 12: USAC in England, the South East and Kent (2008–2022)
Source: DfE

3.11 There was a decrease in the rate of children in care in Kent in 2021 (Figure 13), which may be partially attributed to the decreased numbers of UASC who were allowed into the country during the COVID-19 lockdowns during 2020. Analysis published by Ofsted indicated that an additional reason for the overall lower number of children in care in this pandemic year was the reduced contact between children and schools, health visitors, midwives, and nurses, who usually raise concerns about a child who may need to enter the care system²¹.

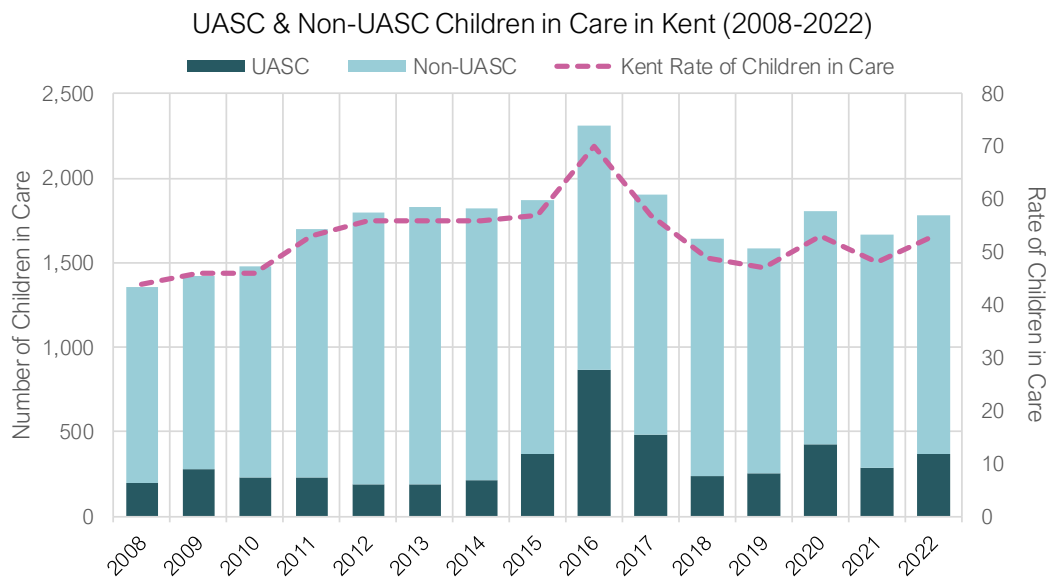


Figure 13: Rate and count of children in care in Kent (as of 31st March), disaggregated by UASC/non-UASC
Source: DfE

²¹ [Ofsted Analysis](#)

Communal Establishment Population

- 3.12 Whilst there is no data available from DfE or Ofsted on children in care in Canterbury, the Census provides information on the population 'not in households', or the communal establishment population. Communal establishments include student halls of residence, boarding schools, care homes, children's homes, or any other establishment providing residential accommodation with full-time or part-time supervision.
- 3.13 The communal establishment population data can be disaggregated by accommodation type. Table 12 summarises the communal establishment population resident at each Census within the South East, Kent, and Canterbury. The data indicates that there were no children's home residents present within Canterbury at the 2001 Census. However, at the 2011 Census there were 11 children's home residents, and, by the 2021 Census, there were 18. The communal establishment population data by type is not available at a further disaggregation, e.g., by age or sex. It may be that staff members resident at the children's homes at the time of the Censuses were included in the counts.

Table 12: Census communal establishment population: Children's Homes

Census	Children's Home Population		
	Canterbury	Kent	South East
2001	0	46	107
2011	11	88	96
2021	18	199	615

Source: ONS

Children's Care Homes Accommodation

- 3.14 Although data on the number of children in care in Canterbury is not available, data provided by KCC indicates there are 11 children's Residential Homes in Canterbury, registered for a total of 54 beds. This indicates a greater number of places for children in care than indicated by the 2021 Census data (see Table 12 above)
- 3.15 Ofsted collects information on social care providers, such as children's homes. The latest release, from July 2023²², details the social care provider types at a district level (including Canterbury). Nationally, there were 3,119 children's homes open on 31st March 2023. Since 2021, the number of children's homes has increased by 49% and the number of places by 12% (Figure 14).
- 3.16 Within Kent, the Ofsted data released at provider level shows that there were 87 children's homes open as of 31st March 2023, with a total of 454 places available. Three of these were children's homes located within Canterbury, with a total of 20 places available. This data broadly aligns with the 2021 Census communal population data, displayed above in Table 12, which recorded 18 residents at children's homes within Canterbury.

²² [July 2023 Data Release](#)

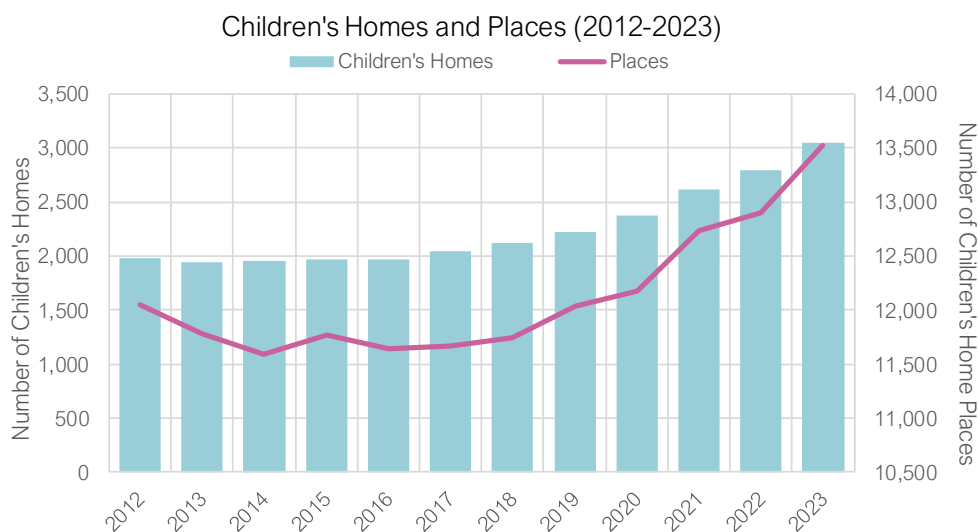


Figure 14: Children's homes and places as of March 31st (2012-2023)
Source: Ofsted

Care Leavers

3.17 All local authorities have a legal obligation to support young people making the transition from care to independence, with support available until the age of 25.²³ Within Canterbury, this is the responsibility of KCC (as the authority with corporate parenting responsibility). The destination of care leavers is released following the annual SSDA903 data collection (note that the data release does not capture every care leaver). Most care leavers aged 17 to 21 in Kent resided in independent living accommodation as of 2022 (Table 13); this can include social housing, although no further breakdown within the data is provided, and KCC state that this "...should not be relied on, in all but a few cases", due to the length of time it can take to access local authorities' housing registers.²³

Table 13: The destination of care leavers aged 17 to 21 in Kent (2022)

Destination	Count	Destination	Count
Independent living	755	Other accommodation	27
With parents or relatives	147	In custody	24
Semi-independent	130	No fixed abode/homeless	22
Supported lodgings	119	Foyers*	19
With former foster carers	101	Emergency accommodation	14
Community home	38	Residence not known	9

Source: SSDA903. *Foyers provides supported housing for people aged 16-25 in Medway.

Care Leavers Accommodation Policy Change

3.18 In March 2023, the UK government announced that from October 2023 onwards, all accommodation for care leavers aged 16 to 17 must be regulated and registered with Ofsted²⁴. Currently, care leavers aged 16+ can live in unregulated accommodation (referred to as 'semi-independent' accommodation).

²³ KCC [Care leavers local offer](#)

²⁴ [Government bans unregulated accommodation for young people in care.](#)

According to Become, a charity for children in care and young care leavers, unregulated accommodation may sometimes include tents, caravans, hostels, or canal barges.²⁵ This change in regulation is expected to increase the demand for appropriate accommodation for care leavers and should be taken into consideration by planning authorities.

- 3.19 Figure 15 demonstrates that there is a national trend in England of care leavers increasingly living in semi-independent living accommodation that is not subject to regulation, published as part of an *ad hoc* statistical release by the ONS.²⁶ Such annual trends are not publicly available at smaller geographies such as the South East, Kent, or Canterbury.



Figure 15: Care leavers destination in England: independent and semi-independent accommodation.
*not subject to children's homes regulations. Source: ONS

Future Needs

KCC Sufficiency Strategy

- 3.20 KCC's Sufficiency Strategy provides a forecast of the expected change in the number of children in care, care leavers, children in need and child protection, and UASC in Kent over the 2021–2027 period. This data is summarised by the number of young people accommodated in each service (Figure 16). Note that there is no disaggregation of children in care and care leavers. The KCC Sufficiency Strategy also does not include a breakdown of the forecast number of children in care/care leavers and UASC by district.
- 3.21 By 2027, it is forecast that there will be growth in the number of young people living in supported homes, shared housing, supported living for those aged 18+, internal fostering and the 'other' category (which excludes child protection/children in need living with family). Conversely, there is expected to be a decrease in the number of young people living in care homes (which covers children aged 5 to 18), external fostering, semi-independent accommodation (aged 16+ only), and the Young Persons Supported Accommodation and Floating Support System (YPSAFSS).

²⁵ [Unregulated accommodation, Become.](#)

²⁶ [Ad hoc data release into care leaver destinations, England.](#)

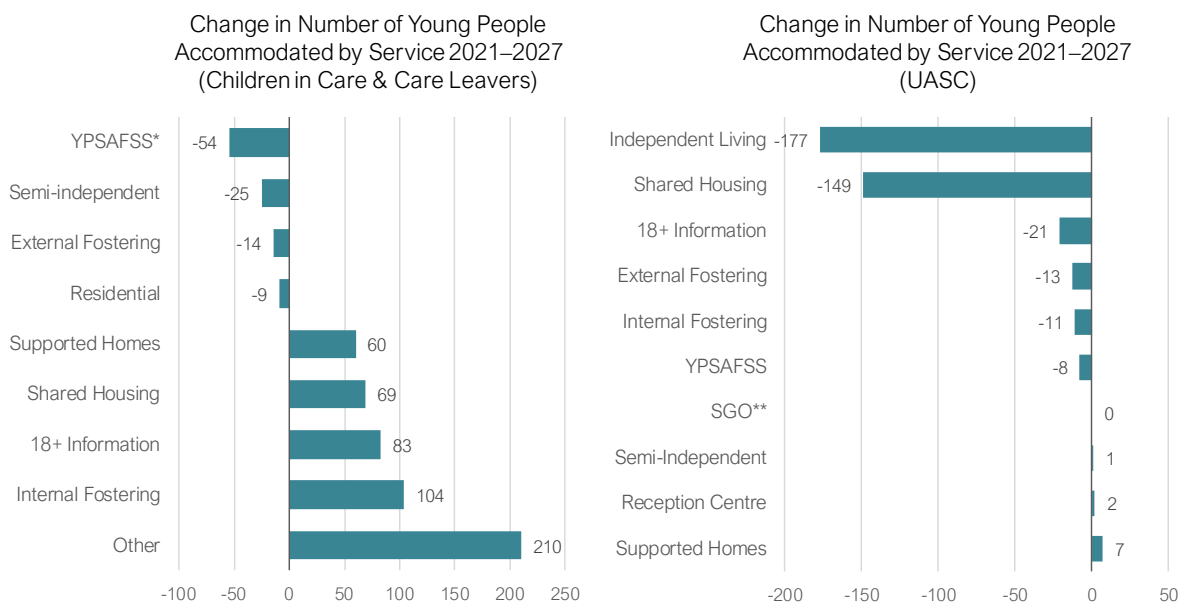


Figure 16: Forecast change in the number of children in care, care leavers, children in need and children protection UASC, 2021–2027. Source: KCC Sufficiency Strategy. *Young Persons Supported Accommodation and Floating Support System (YPSAFSS), ** Special Guardianship Order (SGO)

3.22 The number of UASC is forecast to decrease by over 370 between 2021 and 2027. KCC states in the sufficiency strategy documentation that the UASC forecast was modelled based on the 0.07% of UASC that local authorities should take into their care, but since the publication of the sufficiency strategy, the UASC threshold has increased to 0.1% of the general child population (see paragraphs 3.9 to 3.11).

Summary

3.23 Kent County Council (KCC) has a corporate parenting responsibility for all children in care in Canterbury and is required to assess the current and future accommodation requirements for children in care and care leavers. There is limited data available on Canterbury’s children in care and care leavers populations. Statistics for Kent provide an insight into the current profile of children in care at a wider county level.

3.24 As of 2022, the Children Looked After (CLA) rate within Kent was 53 per 10,000 children, whereas the regional rate for the South East was 56 per 10,000 children, and the national rate for England was 70 per 10,000 children.²⁷

3.25 Data provided by KCC indicates there are 11 children’s Residential Homes in Canterbury, registered for a total of 54 beds. However, this suggests a greater number of places for children in care than indicated by both the 2021 Census data (18 children) and Ofsted data (which indicates three children’s homes in Canterbury offering a total of 20 places).

²⁷ Note that the 2022 rates are not comparable to rates for earlier years, as the earlier years rates are based upon population estimates released in 2021, yet to be revised following the 2021 Census. The rates will be revised by the DfE, following the release of rebased MYE’s.

- 3.26 In terms of future needs, KCC's Sufficiency Strategy forecasts a growth in the number of young people living in supported homes, shared housing, supported living for those aged 18+, internal fostering and the 'other' category by 2027, and a decrease in the number of young people living in care homes, external fostering, semi-independent accommodation, and the Young Persons Supported Accommodation and Floating Support System.
- 3.27 In March 2023, the UK government announced that from October 2023 onwards, all accommodation for care leavers aged 16 to 17 must be regulated and registered with Ofsted²⁸. This change in regulation is expected to increase the demand for appropriate accommodation for care leavers and should be taken into consideration by planning authorities.
- 3.28 As CCC does not have corporate parenting responsibility (this is the responsibility of KCC), there are no specific policy recommendations to be made regarding children in care and care leavers. However, CCC may wish to consider the inclusion of a permissive policy allowing appropriate accommodation to come forward through the planning system to meet the needs of both children in care and care leavers as identified at a county level, particularly those which require specific land use changes, including residential care homes, shared housing (HMOs) and other forms of supported accommodation consistent with legislative requirements for increased regulation.

²⁸ [Government bans unregulated accommodation for young people in care.](#)

Appendix A

STAKEHOLDER ENGAGEMENT

The following provides a summary of headline findings from the stakeholder engagement activity undertaken with Registered Providers (RPs) to inform the preparation of this Housing Needs Assessment Addendum. This feedback was gathered via email and through an online workshop session held in November 2023.

Affordable Housing Tenure Split

- Initial thoughts on tenure affordable housing split proposed is that these are broadly the same as those required by another local authority.
- Inclination is that no-one wants to see First Homes at all and that delivery of these should be left to the developer.
- RPs are looking increasingly at rent to buy products.
- Some shared ownership schemes aren't selling (particularly flats) so some RPs looking at converting these to rent-to-buy in order to dispose of them.
- There is a stronger market for affordable houses than flats generally.
- RPs would try to negotiate delivery of First Homes as shared ownership where possible as shared ownership properties help subsidise the delivery of affordable/social rental properties. First Homes need to be part of the local plan but need to have flexibility because they are not likely to be delivered.
- Shared ownership is vital in houses, but shared ownership flats are difficult to sell.
- Viability makes delivery of First Homes by most RPs a non-starter. If they are included in the S106, RPs tend to ask the developer to pick these up.
- Currently developments in the district have been viable due to the higher house prices. However, the introduction of First Homes and biodiversity net gain of 20% are likely to reduce our financial offer to Landowners.
- In the current market, affordable rent is the only way to make things happen with S106.
- LPAs need to be flexible in terms of the types of affordable houses that are delivered on site.
- People are looking into future needs and aspire to live in houses rather than flats.
- 9% draft policy requirement for shared ownership:
 - This may cause issues in terms of viability.
 - A 50/50 split or as close to as possible to this would be preferable to make it more viable. Can bolster this with additionality but it would be a bit of a challenge.
 - For smaller sites, RPs probably wouldn't even consider trying to deliver these sites if requirement was just 9%.
 - Also an issue with regards to s106 delivery.
 - This will affect our land offer.
 - We are currently not taking purely S106 AH. We are delivering whole sites or on large sites additional AH that will provide at least 50 shared ownership homes. If we go back to taking just S106 sites; 9% shared ownership would not work for our sales team.

- Our preference is for social rent and shared ownership as these tenures are grant funded through our HESP programme. We will also provide affordable rented homes where there is no grant available.
- We have not yet delivered any First Homes but on new opportunity sites with the 25% requirement they have affected our financial models negatively. This means that the land payments need to be reduced. The impact could be that landowners become reluctant to sell and their land is worth less than previously. We would prefer to remove the First Homes requirement and would therefore seek developments that can be delivered as 100% AH to remove this requirement.

Bedroom Mix: First Homes & Affordable Homes to Buy

- Greatest demand for shared ownership properties is 2 and 3 beds.
- Very limited demand for 4+ bed shared ownership properties due to affordability. Try to push four beds into rental not as popular as expected.
- Very limited demand for 1-bed flats across all tenure types. Over 20% flats in S106 puts off RPs.
- There is likely to be push back from developers in terms of the delivery of First Homes generally.
- Need to adjust the initial draft recommended First Homes 4+ bedroom percentage to take account of student HMOs.
- If schemes are for 100% affordable, RPs would expect the First Homes requirement to be removed.
- The Affordable Home Ownership (including first homes) mix in policy DS2 will cause viability issues. As there is a 51% need for three-bedroom properties, we would have no option but to provide three-bed First Homes. The problem with this is if the home exceeds the price cap of £250,000, after the 30% discount is applied, we will have to absorb this value 'gap'. In a high value area like Canterbury this gap could be c.£50,000 per home. The Government have made it clear that First Homes are only intended to be the first rung on the property ladder and not a long-term investment, and they do not expect large properties to be delivered as First Homes. This policy would also create the consequence of a First Home purchaser buying a home for £250,000 and then being able to sell it at market value with the 30% discount (uncapped) thereby pocketing the 'gap' funding that the RP covered.

Bedroom Mix: Social & Affordable Rent

- Need to consider the mix and whether the high proportion of 1-beds required in draft policy is appropriate/deliverable. RPs unlikely to be able to deliver more than 20% 1-bed flats on a site.
- Some authorities have nine 1-bed flats in a block, which can cause management issues. Even 1-beds at affordable rent are not actually affordable particularly to young people and people on Universal Credit. Want a mix of 1 and 2 beds.
- 1-beds are challenging for the deliverability process. Accessibility needs to be considered important to consider the transport links (particularly for young people).

- Don't feel there is a need for a differentiated bedroom mix between social rent and affordable rented products, as the people occupying these properties come from the same list.
- Viability: it is better to deal with affordable rent; everything is capped at LHA rates, so it should be deliverable.
- The AH rented mix has relatively a high proportion of 1beds for rent. Although we understand that these are currently needed, we would query if this would provide a sustainable mix in the future. Our Housing Management team find estates with a high proportion of 1bed homes can be very challenging to manage. This is because the tenants requiring 1bed accommodation often have multiple support needs and we have had to deal with ASB on estates with too many vulnerable tenants living near each other. To mitigate future issues, we usually design apartment blocks with a mix of one- and two-bedroom flats, preferably with a higher proportion of two beds.
- The mix presented in the Draft Local Plan in policy DS2 would ensure an equal mix of one and two bed flats in blocks which is not our preferred model. As the two-bed requirement in draft policy DS2 is quite low it is unlikely that we could provide any two-bedroom houses as we would need to maximise the number of flats (for reasons given above).
- It is likely that we would try to negotiate a lower proportion of one bed flats on all developments so it is likely that this policy mix will cause some friction and inconsistency.
- Suggestions:
 - CCC reduce the proportion of one-beds to a more manageable percentage. 15% would be our preference.
 - We could provide more intensive management but would require a lot of information from the council about the history of tenants with a one-bedroom need.
 - Our lettings team usually require a Local Lettings Plan for more sensitive lettings for estates with a high proportion of one beds.
 - Would the council consider allowing some one-bedroom flats to be offered to more experienced transfer tenants, rather than assuming 100% nomination rights on the first letting?
 - Could flexibility be included in policy DS2 to allow an alternative mix on the condition that the alternative units are larger? This would prevent smaller (cheaper) units being offered, although this would offer no incentive to a commercial developer who is unlikely to offer more than the minimum.
- Another consideration for CCC is that there is no differentiation between two bed flats and houses in the policy. This means that the s.106 AH will only provide the cheaper option (flats) and there will be no more 2 bed houses delivered through s.106.

Older Persons Housing

- Most of the RPs spoken to did not deliver specialist older persons accommodation.
- One RP offered independent living accommodation but noted that they hadn't delivered any in the south of England anytime recently.
- More funding or grants need to be available to RPs to offset their costs in delivering older persons housing would help make such schemes more viable.

Comments received from another RP who does deliver Retirement Living (age restricted, independent living) and older persons Extra Care accommodation in Canterbury include:

- Extra Care is usually challenging to be competitive on land led opportunities due to the size of the non-income deriving spaces such as hair salons, café, assisted bathrooms and guest rooms. Therefore we typically find these opportunities from LA disposals where the requirement is to specifically deliver an Extra Care affordable housing scheme. So, from this perspective there is a lack of opportunity from Canterbury CC disposals.
- I am assuming other LAs demonstrate Best Value for the disposal (with a lesser land receipt compared to being openly marketed) due to the specific housing need that would be provided and social value. Sometimes the LA would also further subsidise the delivery of the schemes. Extra Care schemes might also be deliverable as part of a requirement within a larger masterplan site. We are not aware of any in Canterbury CC.
- We are eligible for CIL relief however I understand that CIL relief might only be agreeable for strategic sites in Canterbury CC. We would also need specific wording within the S106 agreement to ensure that we can secure Homes England grant on all of the homes. This is for both Retirement Living and Extra Care.
- For any disposals from the council we would need to include the condition for Homes England grant funding; the current 2021-26 programme requires completions for March 2026. Whilst we would take the risk through the planning system, it would be a challenge to deliver the scheme by this milestone until a further funding programme beyond 2026 is announced. This is of course relevant at a national level.

Other Comments

- There is a need for CIL relief for schemes that deliver affordable housing – the plan should be more explicit about that.
- Having CIL relief on fully affordable schemes helps bring the scheme forward.
- Would like to see a financial incentive i.e. payment in lieu of funding to support S106 viability.

Appendix B HOUSE PRICES

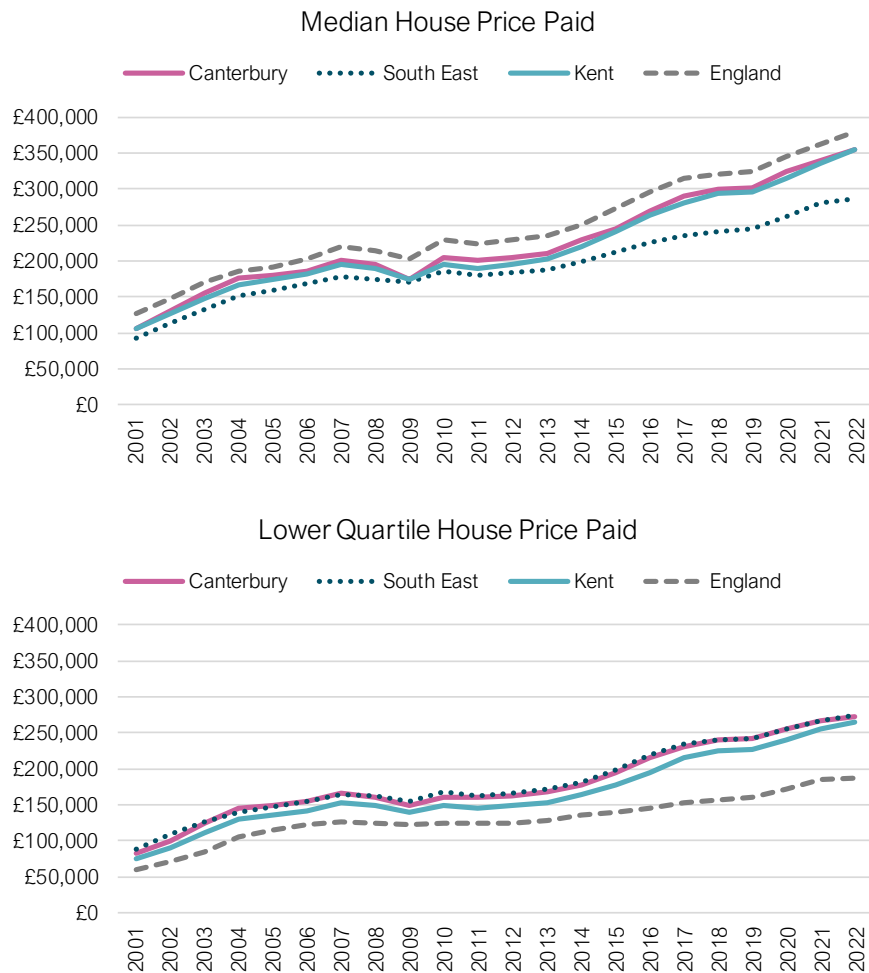


Figure 17: Lower Quartile and Median House Price Paid, Year Ending December
 (Source: ONS HPSSA 9 and 15)



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