

Report to:

**Cannock Chase
District Council**

**Housing Needs
Assessment**

Final Report

January 2024

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Summary

Background

1. This report provides an updated Housing Needs Assessment (HNA) for Cannock Chase District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
2. The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) – September 2023 at the time of drafting this report – and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
3. The report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – Older and Disabled People; and
 - Section 7 – Other Groups.

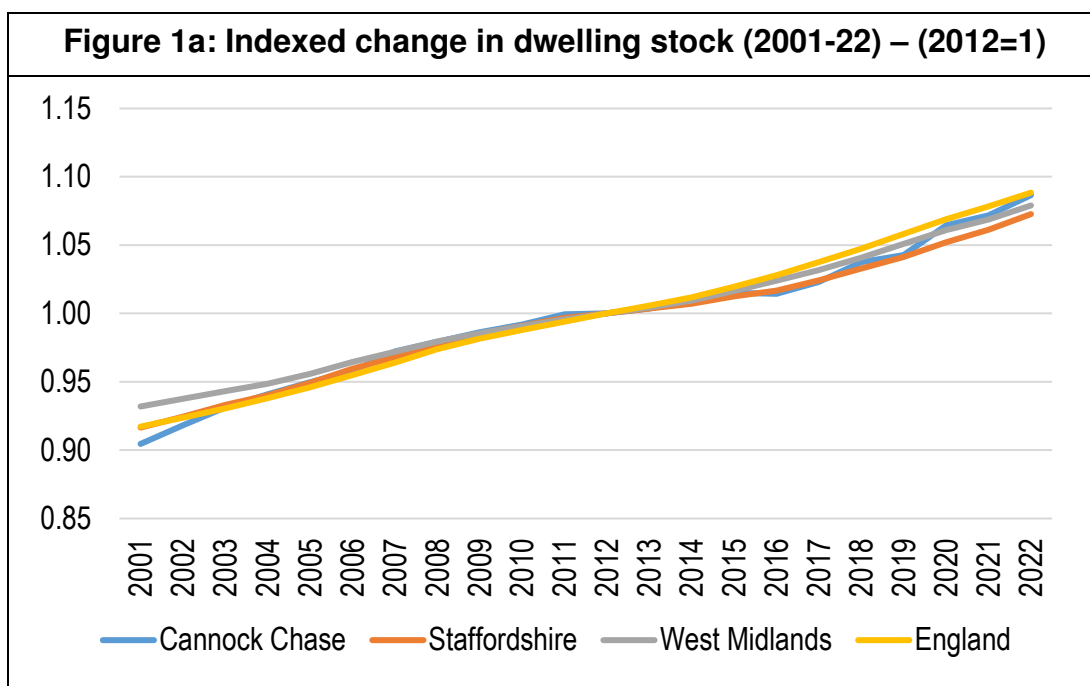
Area Profile

4. Analysis was carried out to provide background information about population and housing in Cannock Chase. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)

5. As of mid-2021, the population of Cannock Chase is 100,600 and since 2011 the District’s population has grown by around 3% which is a lower rate of growth than across the West Midlands and nationally. The age structure of the population shows a low proportion of people in their late teens and early 20s (which will be related to students moving from the area) and a high proportion aged in their 50s. The proportion of older people (aged 65+) is very slightly higher than seen across the region and England.

6. Over the past decade, the District has seen an ageing of the population, with the number of people aged 65 and over increasing by 25%; there have been modest decreases in the number of children and people of ‘working-age’ (taken to be 16-64). Population growth over the past five years or so has largely been driven by internal migration – moves from one part of the UK to another, although there are also positive levels of natural change (births minus deaths) for most years and international migration).

7. ONS dwelling stock data indicates there were 45,500 dwellings in the District as of 2022, a net increase of 3,600 dwellings between 2012 and 2022. This level of stock change is broadly in-line with other areas (virtually identical to the national picture).



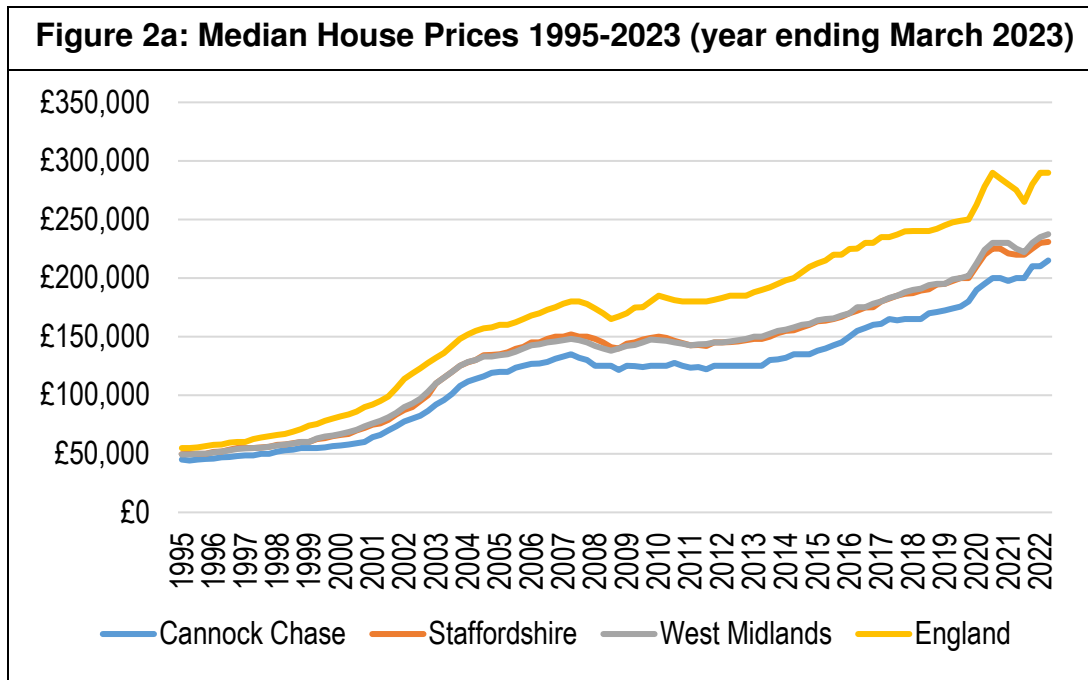
Source: DLUHC (Live Table 125)

Figure 1b: Indexed change in dwelling stock (2001-22) – (2012=1)				
	Cannock Chase	Staffordshire	West Midlands	England
2001	0.905	0.917	0.932	0.917
2002	0.918	0.925	0.937	0.924
2003	0.931	0.933	0.943	0.931
2004	0.941	0.940	0.948	0.938
2005	0.950	0.949	0.956	0.946
2006	0.958	0.960	0.965	0.955
2007	0.972	0.968	0.972	0.964
2008	0.979	0.977	0.979	0.974
2009	0.986	0.985	0.986	0.982
2010	0.992	0.991	0.991	0.988
2011	0.999	0.997	0.996	0.994
2012	1.000	1.000	1.000	1.000
2013	1.004	1.004	1.004	1.006
2014	1.009	1.007	1.009	1.012
2015	1.015	1.013	1.016	1.019
2016	1.015	1.017	1.024	1.028
2017	1.023	1.024	1.032	1.038
2018	1.038	1.033	1.041	1.047
2019	1.043	1.041	1.051	1.058
2020	1.065	1.052	1.061	1.069
2021	1.072	1.061	1.069	1.078
2022	1.087	1.073	1.079	1.088

Source: DLUHC (Live Table 125)

8. Some 68% of all households in the District are owner-occupiers, higher than the national average of 62% (and higher than the West Midlands), consequently the proportion of households living in the social rented (16%) and private rented (16%) sectors is lower than seen in other locations.
9. The housing stock is dominated by semi-detached homes, making up 47% of all dwellings (32% nationally) with the stock overall being of fairly average size in terms of the number of bedrooms (when compared nationally). The District does see relatively high levels of under-occupancy and low levels of overcrowding – 2.2% of households are overcrowded compared to 4.4% nationally.

10. In the year to March 2023 the median house price in Cannock Chase was £215,000. This is below the median house price for comparator areas, and is 26% below the national average. Prices have also been increasing significantly, rising by 72% (£90,000) over the decade to March 2023.



Source: ONS Small Area House Price Statistics

Figure 2b: Median House Prices 1995-2023 (year ending March 2023)

Year ending March	Cannock Chase	Staffordshire	West Midlands	England
1996	£44,500	£50,000	£49,500	£55,000
1997	£46,950	£52,000	£52,000	£58,000
1998	£48,500	£55,000	£55,000	£62,500
1999	£52,950	£58,000	£57,950	£67,000
2000	£55,000	£62,500	£63,000	£75,495
2001	£57,973	£67,000	£68,500	£83,500
2002	£66,000	£76,000	£78,000	£95,000
2003	£80,000	£90,000	£93,000	£118,600
2004	£96,000	£114,950	£115,000	£136,000
2005	£114,000	£130,000	£130,000	£155,000
2006	£120,000	£136,500	£135,000	£160,000
2007	£127,000	£145,000	£143,500	£170,000
2008	£134,998	£152,000	£148,000	£179,995
2009	£125,000	£145,000	£140,000	£170,000
2010	£124,725	£145,000	£143,000	£174,950
2011	£125,000	£149,000	£146,500	£183,000
2012	£124,000	£142,950	£143,500	£180,000
2013	£125,000	£145,400	£145,950	£185,000
2014	£125,000	£148,000	£150,000	£190,000
2015	£135,000	£155,500	£158,000	£200,000
2016	£139,950	£163,500	£164,995	£215,000
2017	£154,950	£172,000	£174,995	£225,000
2018	£165,000	£182,500	£183,000	£235,000
2019	£165,000	£189,195	£191,000	£240,000
2020	£174,000	£197,500	£199,000	£247,500
2021	£195,000	£220,000	£224,000	£278,000
2022	£200,000	£220,000	£225,000	£275,000
2023	£215,000	£231,000	£237,500	£290,000

Source: ONS Small Area House Price Statistics

11. As well as lower house prices, the District typically sees lower private rental costs, with the median private rent for a 2-bedroom home standing at £650 per month in the year to March 2023. Rents overall are around 18% below the national average (compared with 26% when looking at median house prices). Over the past five years rents have increased by around 27%, slightly lower than the increase in house prices over the same period (30%).
12. In line with national trends, affordability in the District has worsened with the workplace based median affordability ratio in Cannock Chase stood at 7.56 in 2022 (10-years previously it stood at 5.61) – this is based on the ratio between median house prices and full-time earnings.
13. The analysis also looked at how key data varied across different parts of the District (based on parishes and the unparished area of the District). There are clearly differences between areas and arguably the differences between locations within the District are greater than differences between the District as a whole and the national picture. Overall, the data points to Cannock Chase as having a range of similar characteristics to the national picture but with variations within the District.

Overall Housing Need

14. The HNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 264 dwellings per annum. This is based on household growth of 216 per annum and an uplift for affordability of 22%.
15. The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF consultation of December 2022 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances.
16. Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Cannock Chase, the revision were very minor and unlikely to have any notable impact on the projections.

17. The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend of significant differences and did not point to any exceptional circumstance.
18. Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable. Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Cannock Chase (noting the premise of the method itself has not been challenged in this report) and that no exceptional circumstances have been identified.
19. On that basis a bespoke demographic projection was developed to look at how the population might change if 264 homes per annum were delivered over the 2021-40 period. This showed continued population growth and an ageing of the population, the same pattern as had been observed for the past decade.

Figure 3: Projected population change 2021 to 2040 by broad age bands – Cannock Chase (linked to delivery of 264 dwellings per annum)

	2021	2040	Change in population	% change from 2021
Under 16	18,035	17,119	-916	-5.1%
16-64	62,850	62,207	-643	-1.0%
65 and over	19,705	27,267	7,562	38.4%
Total	100,590	106,593	6,003	6.0%

Source: Demographic Projections

20. Over the period to 2040, the Council are also planning for an additional 500 dwellings to meet the needs of Greater Birmingham and the Black County, with delivery of additional dwellings potentially leading to slightly stronger population growth than shown in the table above – the table providing an estimate of change set against the Standard Method need rather than a housing requirement or target.

21. The 2019 study also developed a projection linking to the Standard Method with the general outputs and age structures from the two being broadly similar. The projection developed in this report does however show slightly stronger population growth and slightly less ageing, this is likely to be due to use of 2018-based projections which build-in an observed trend of lower improvement to life expectancy in the older person population.

Affordable Housing Need

22. Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
23. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
24. When looking at needs from households unable to buy OR rent, the analysis suggests a need for 290 affordable homes per annum across the District.

Figure 4: Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Cannock (unparished)	16	130	38	184	119	65
Brereton & Ravenhill	3	30	8	42	17	24
Bridgtown	1	10	5	16	9	7
Brindley Heath	0	3	1	4	3	1
Cannock Wood	0	3	0	4	1	3
Heath Hayes & Wimblebury	5	41	13	59	18	41
Hednesford	7	67	19	93	36	57
Norton Canes	3	35	7	45	20	26
Rugeley	9	64	24	96	31	66
District-wide	45	384	115	544	254	290

Source: Affordable Housing Need analysis (see Section 4)

25. Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
26. The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.

27. When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Cannock Chase who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
28. The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
29. However, given the cost of housing locally, it may be difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
30. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
31. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
32. When compared with the 2019 HNA, this study points to a stronger need for housing from households unable to rent in the market (rather than those able to rent but not buy). However, both studies clearly point to a high level of affordable need and for the Council to need to seek to maximise delivery.

Housing Mix

33. Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Cannock Chase is fairly average with around 27% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
34. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
35. In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For general need rented affordable housing there is a clear need for a range of different sizes of homes, including 30% to have at least 3-bedrooms. Our recommended mix is set out below:

Figure 5: Suggested size mix of housing by tenure – Cannock Chase				
	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	10%	20%	20%	55%
2-bedrooms	35%	45%	40%	45%
3-bedrooms	40%	30%	30%	
4+-bedrooms	15%	5%	10%	

Source: Housing Mix analysis (see Section 5)

36. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
37. The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making (larger) AHO genuinely affordable.
38. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
39. Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.
40. When compared with the 2019 study, there are differences in the suggested mix of housing across different tenures. However some general patterns emerge – this includes a mix of larger housing in the market sector and for much of the affordable housing (for those unable to rent) being units of not more than 2-bedrooms. In concluding a suggested mix for rented affordable housing (which does not slavishly follow the modelling outputs) this report boosts the proportion of larger (3+-bedroom units) to reflect lower turnover in these property sizes. The mix of affordable home ownership is similar in the two studies.
41. Given that this study has been able to use more up-to-date information (such as from the 2021 Census) it is suggested that the mix in this report is preferred.

Older and Disabled People

42. A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
43. The data shows that Cannock Chase has a slightly older age structure and higher levels of disability when compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (73% of all older person households are outright owners).
44. The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-40 period include:
- a 38% increase in the population aged 65+ (potentially accounting for over 100% of total population growth);
 - an 59% increase in the number of people aged 65+ with dementia and 50% increase in those aged 65+ with mobility problems;
 - a need for around 1,360 housing units with support (sheltered/retirement housing) – around three-fifths in the affordable sector;
 - a need for around 460 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market);
 - a need for additional nursing and residential care bedspaces; and
 - a need for 565-900 dwellings to be for wheelchair users (meeting technical standard M4(3)).
45. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).

46. Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
47. In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for). To help increase the delivery of specialist housing, the Council could also give thought to allocating sites within the Local Plan – such an approach is considered in Planning Practice Guidance where *‘there is an identified unmet need for specialist housing’*.
48. When compared with the 2019 study, this report suggests a much lower need for housing for older people (notably lower in the case of market housing with support). The 2019 figures look to be driven by prevalence rates in the Housing in Later Life document which are no longer considered relevant. Both studies clearly show a need for more specialist accommodation for older people, but the needs are not likely to be as acute as estimated in the 2019 study. In comparison with this report, the 2019 study does however draw broadly similar conclusions in terms of the need for M4(2) and M4(3) housing.

Other Groups

Private Rented Sector

49. The private rented sector (PRS) accounts for around 16% of all households in Cannock Chase (as of 2021) – a smaller proportion to that seen across the West Midlands, and notably below the national average (21%). The number of households in this sector has grown substantially (increasing by 29% in the 2011-21 period).

50. The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 43% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained elevated.
51. There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
52. This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

53. Local authorities are required to permit a number of plots to meet the need identified on their self and custom build register. Over the last six and a half years around 4 new registrations come on to their register per base period. This indicates future need although if registrations increase so too must supply. To this point supply has been in the region of 7 custom and self-build dwellings per annum. To this point, supply is meeting demand. However, new legislation through LURA tightens up what can be classed as part of the supply and this should be monitored.

Looked after Children

54. The County Council sufficiency strategy highlights that the county has an above-average number of children in care. However, such is the supply in the County they do not consider there to be a deficit of supply. Given this, a lack of projected growth in the number of children and a desire to place children in foster care there is no need to identify further sites for children's care homes.

Student and Service Families

55. Given the lack of higher education and military establishments in the district, there is unlikely to be a need to develop a policy to meet the needs of these specific groups.

1. Background

Introduction

- 1.1 This report provides a Housing Needs Assessment (HNA) for Cannock Chase District Council, updating a report by Opinion Research Services (ORS) in April 2019. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- 1.2 The Council require this evidence to be updated to inform the Regulation 19 version of the Local Plan and typically looks at a 2021-40 period. The end date is to align with the likely end date of the emerging plan, with the 2021 start chosen to align with a good base of data (from the 2021 Census), although it is recognised the plan will actually have a start date of 2018.
- 1.3 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

National Policy Context

- 1.4 The sub-sections below set out an overview of the key national planning policy and guidance in relation to housing need before moving on to look at proposed changes where these are relevant to this study.

National Planning Policy Framework (NPPF)

- 1.5 The latest substantive update of the NPPF was published by Government on 20th July 2021 with a further update in September 2023 (changes relating to renewable energy). Paragraph 7 in the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

- 1.6 The development plan must include strategic policies to address Council’s priorities for the development and use of land in its area. Plans should apply a presumption in favour of sustainable development and for plan-making, this means that the plan should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so.
- 1.7 Paragraph 11 reiterates that “strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless...the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area.”.
- 1.8 In order to support the Government’s objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 1.9 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.
- 1.10 Paragraph 62 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes.

- 1.11 Paragraphs 63 – 65 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.
- 1.12 The NPPF was further amended in December 2023, after this report was drafted. This further amendment largely confirmed suggestions set out in an earlier (December 2022) consultation which is discussed below.

Planning Practice Guidance

- 1.13 Government’s Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing need. Guidance on Housing and economic needs assessments explains that housing need is “an unconstrained assessment of the number of homes needed in an area” and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.
- 1.14 The PPG explains that policy-making authorities are expected to follow the Standard Method for assessing housing need and that the method is designed to identify the minimum number of homes expected to be planned for, addressing both projected household growth and historical under-supply.
- 1.15 The guidance does however note that the use of the standard method for strategic policy making purposes is not mandatory but that alternative methods should only be used in exceptional circumstances and will be tested at examination. Where an authority uses an approach leading to a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. The PPG also notes that any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.

- 1.16 The current guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be used. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. On their own these would not currently constitute exceptional circumstances.

NPPF – Consultation (December 2022)

- 1.17 On the 22nd December 2022 the DLUHC published a new draft NPPF for consultation. This document clearly shows the Government’s direction of travel in terms of planning policy and includes a number of proposals which may be relevant to Cannock Chase.
- 1.18 In paragraph 11 dealing with the presumption in favour of sustainable development additional text has been added to criteria b(ii) along with a new b(iii). The underlined text below shows the proposed changes.

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.; such adverse impacts may include situations where meeting need in full would mean building at densities significantly out of character with the existing area

iii: there is clear evidence of past over-delivery, in terms of the number of homes permitted compared to the housing requirement in the existing plan.; in which case this over-delivery may be deducted from the provision required in the new plan.

- 1.19 Under ‘Examining Plans’ (notably paragraph 35) it is proposed that Local Plans should be positively prepared – *‘providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs so far as possible, taking into account the policies in this Framework’*. The same paragraph sees a watering down of the tests of soundness by removing the requirement for plans to be justified.
- 1.20 Section 5 of the consultation NPPF deals with ‘Delivering a sufficient supply of homes’ and contains a number of proposed changes.

Para 60 - The overall aim should be to meet as much housing need as possible with an appropriate mix of housing types to meet the needs of communities

Para 61 - *The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be – unless exceptional circumstances relating to the particular characteristics of an authority which justify an alternative approach to assessing housing need; in which case the alternative used which should also reflects current and future demographic trends and market signals.*

- 1.21 Finally, in Section 13 'Protecting Green Belt Land' Green Belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need for housing over the plan period.
- 1.22 An accompanying Scope of Consultation document published alongside the consultation NPPF includes some additional information about the direction of travel. Most notable for this project is the suggestion that future estimates of housing need could move away from using the 2014-based subnational household projections (SNHP). Specifically the text says:

The standard method for assessing local housing need was introduced in 2018 to make sure that plan-making by local authorities is informed by an objective assessment of projected household growth and affordability pressures, while speeding up the process of establishing housing requirement figures through local plans. It remains important that we have a clear starting point for the plan-making process and we are not proposing any changes to the standard method formula itself through this consultation. However, we will review the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024.

- 1.23 There is also additional text about being more flexible in the use of the Standard Method. Under the heading of Using an Alternative Method the document states:

Local authorities will be expected to continue to use local housing need, assessed through the standard method, to inform the preparation of their plans; although the ability to use an alternative approach where there are exceptional circumstances that can be justified will be retained. We will, though, make clearer in the Framework that the outcome of the standard method is an advisory starting-point to inform plan-making – a guide that is not mandatory – and also propose to give more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method, such as islands with a high percentage of elderly residents, or university towns with an above-average proportion of students.

Structure of this Report

1.24 This report sets out a number of either linked or distinct sections; these are summarised below with a brief description:

- Section 2 – Area Profile – Provides background analysis including looking at demographic trends, house prices and house price changes;
- Section 3 – Overall Housing Need – Uses the Standard Method to calculate housing need and also develops a population and household projection linking to the assessed housing need;
- Section 4 – Affordable Housing Need – Updates previous analysis about the need for affordable housing and builds on this by considering changes in the NPPF since the previous assessment and more recent Government announcements;
- Section 5 – Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures;
- Section 6 – The Needs of Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
- Section 7 – Other Groups – Provides information about a number of other groups, including the demand for and supply of custom- and self-build housing plots and needs for accommodation for looked after children.

Rounding

1.25 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

Background: Key Messages

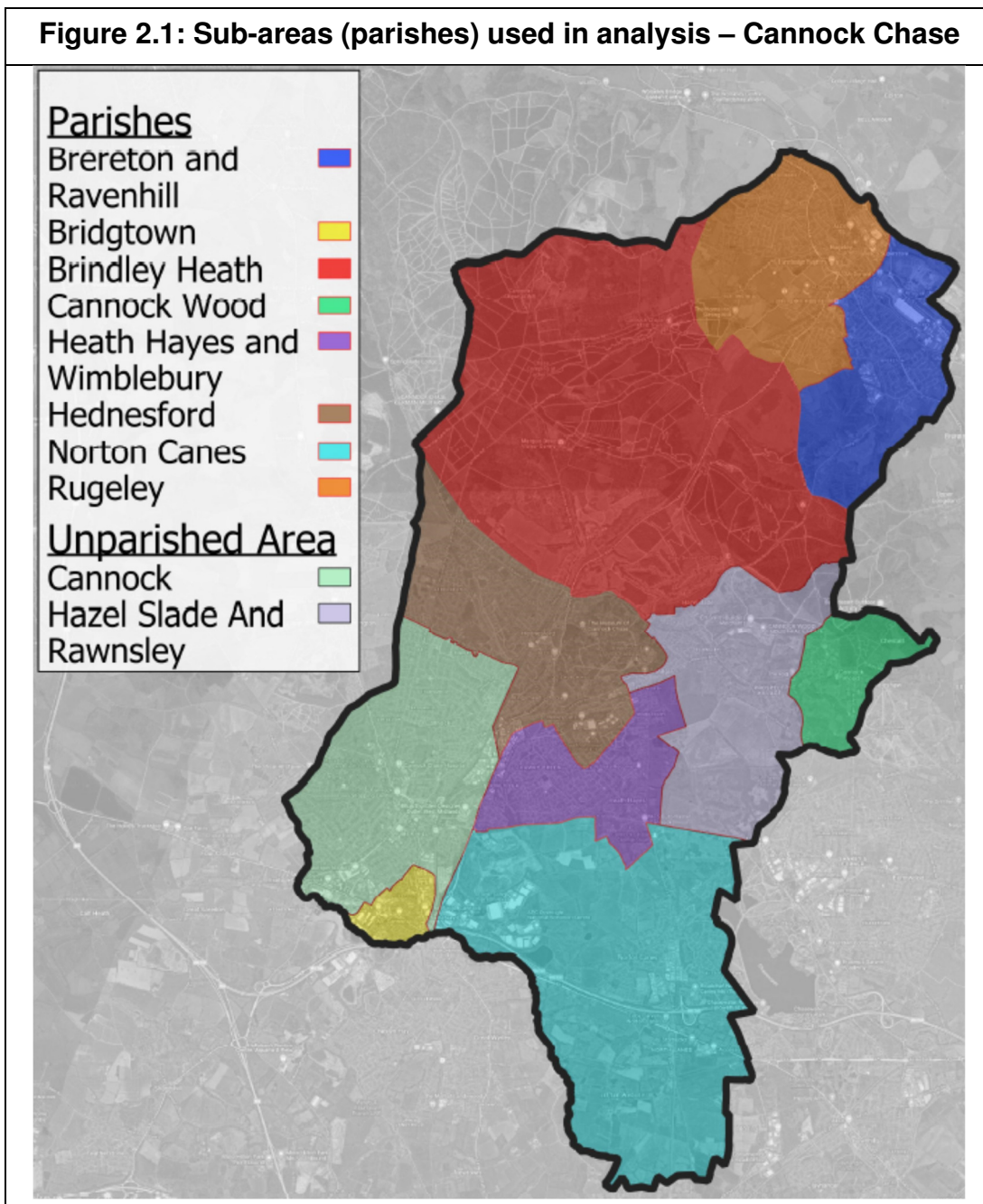
- This report provides an updated Housing Needs Assessment (HNA) for Cannock Chase District Council. This report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) – September 2023 at the time of drafting this report – and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council’s administrative area.
- The report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – Older and Disabled People; and
 - Section 7 – Other Groups.

2. Area Profile

Introduction

2.1 This section provides some background analysis about population and housing in Cannock Chase, with data also provided for each of the eight parishes in the District, plus the unparished area of Cannock (which is mainly Cannock Town, but also includes Hazel Slade and Rawnsley) – this makes a total of nine sub-areas shown in the map below. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:

- Demographic baseline (including data on population age structure and changes)
- Housing stock (including type and tenure)
- Housing market (including data on house prices)



Source: Map produced by Icen Projects

Population

2.2 As of mid-2021, the population of Cannock Chase is estimated to be 100,600; this is a growth of around 3,000 people over the previous decade. This equates to a growth of around 3% since 2011 which is a lower rate of growth than across the West Midlands region (6%) and nationally (6.5%).

Figure 2.2: Population change (2011-21)				
	Population (2011)	Population (2021)	Change	% change
Cannock Chase	97,582	100,590	3,008	3.1%
Staffordshire	849,546	877,856	28,310	3.3%
West Midlands	5,608,667	5,954,240	345,573	6.2%
England	53,107,169	56,536,419	3,429,250	6.5%

Source: Mid-year population estimates

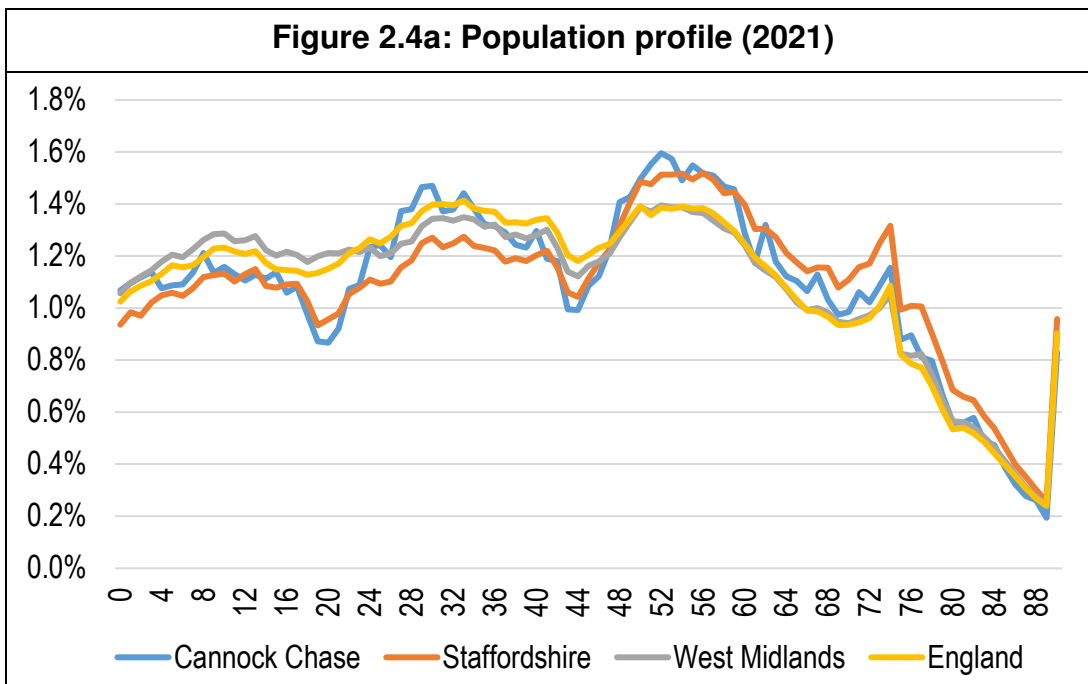
- 2.3 The table below shows the current (2021) population in each of the sub-areas – this is based on the 2021 Census and so totals differ very slightly from those above (which are mid-year estimates). The analysis shows around a third of the population live in Cannock (the unparished area of the District) with the next largest area being Hednesford, with 19% of the population. Brindley Heath and Cannock Wood both contain less than 1% of the District population.

Figure 2.3: Population by sub-area (2021)		
	Population	% of population
Cannock (unparished)	31,582	31.4%
Brereton & Ravenhill	7,027	7.0%
Bridgtown	2,093	2.1%
Brindley Heath	855	0.9%
Cannock Wood	888	0.9%
Heath Hayes & Wimblebury	13,429	13.4%
Hednesford	18,714	18.6%
Norton Canes	8,329	8.3%
Rugeley	17,627	17.5%
TOTAL	100,544	100.0%

Source: Census (2021)

Age Structure

- 2.4 The figure below shows the age structure by single year of age (compared with a range of other areas). From this it is clear that Cannock Chase has a similar age profile to other areas, with the main difference being seen in late teens and early 20s – this will be linked to the student population and reflecting the lack of a University in the District.



Source: Mid-year population estimates

Figure 2.4b: Population profile (2021)				
	Cannock Chase	Staffordshire	West Midlands	England
0-4	5.5%	5.0%	5.6%	5.4%
5-9	5.7%	5.4%	6.2%	5.9%
10-14	5.6%	5.6%	6.3%	6.0%
15-19	5.1%	5.2%	6.0%	5.7%
20-24	5.2%	5.2%	6.1%	6.0%
25-29	6.7%	5.8%	6.2%	6.5%
30-34	7.0%	6.3%	6.7%	7.0%
35-39	6.4%	6.0%	6.5%	6.7%
40-44	5.7%	5.7%	6.1%	6.4%
45-49	6.3%	6.2%	6.2%	6.3%
50-54	7.7%	7.5%	6.9%	6.9%
55-59	7.5%	7.4%	6.7%	6.8%
60-64	6.1%	6.5%	5.7%	5.8%
65-69	5.3%	5.7%	4.9%	4.9%
70-74	5.3%	6.0%	4.9%	4.9%
75-79	4.0%	4.7%	3.9%	3.7%
80-84	2.7%	3.1%	2.6%	2.5%
85+	2.3%	2.7%	2.5%	2.5%
TOTAL	100.0%	100.0%	100.0%	100.0%

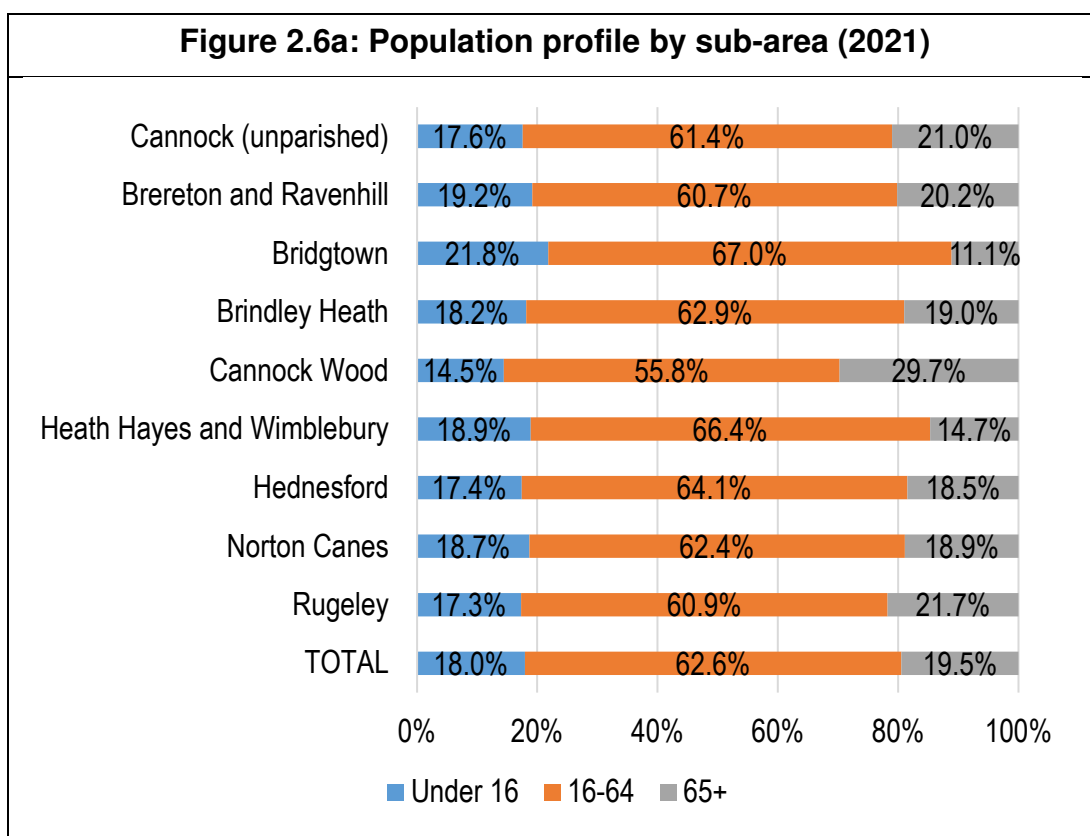
Source: Mid-year population estimates

- 2.5 The analysis below summarises the above information (including total population numbers for Cannock Chase) by assigning population to three broad age groups (which can generally be described as a) children, b) working age and c) pensionable age). This analysis highlights the broad similarity between Cannock chase and other locations – the data does highlight a slightly older age profile across Staffordshire.

Figure 2.5: Population profile (2021) – summary age bands					
	Cannock Chase		Staffordshire	West Midlands	England
	Population	% of population	% of population	% of population	% of population
Under 16	18,035	17.9%	17.1%	19.3%	18.5%
16-64	62,850	62.5%	60.7%	61.9%	63.0%
65+	19,705	19.6%	22.3%	18.9%	18.5%
All Ages	100,590	100.0%	100.0%	100.0%	100.0%

Source: Mid-year population estimates

2.6 The figure below shows the population profile by sub-area (from the 2021 Census). This shows some differences between locations – particularly with regard to the proportion of the population aged 65 and over – this ranges from 11% in Bridgtown up to 30% in Cannock Wood.



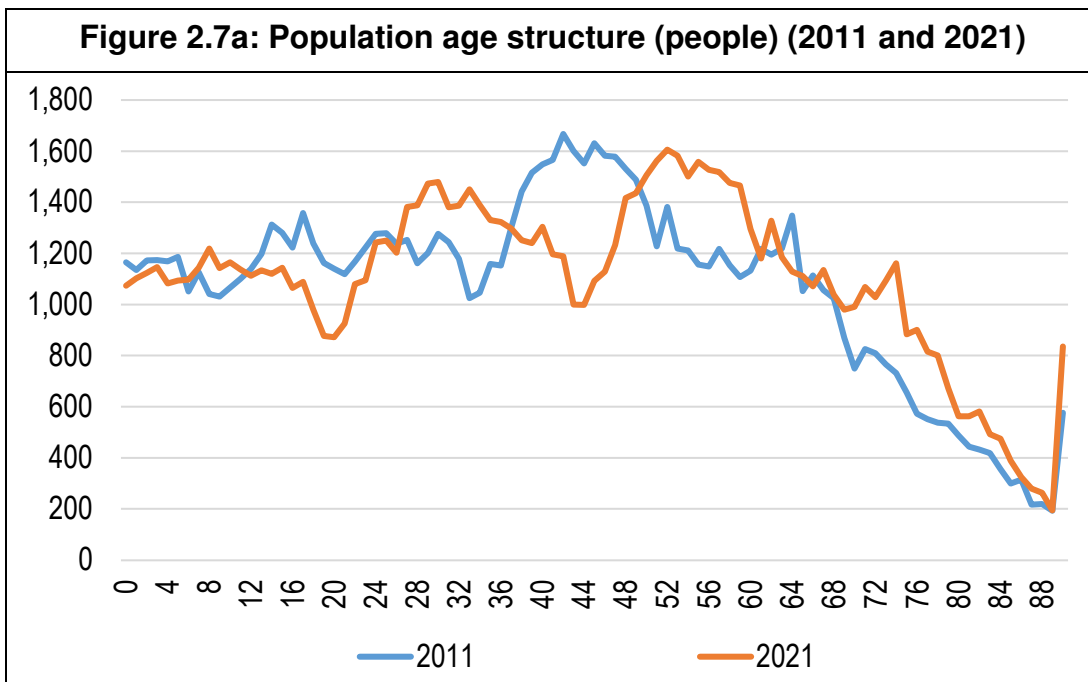
Source: Census (2021)

Figure 2.6b: Population profile by sub-area (2021)			
	Under 16	16-64	65+
Cannock (unparished)	17.6%	61.4%	21.0%
Brereton and Ravenhill	19.2%	60.7%	20.2%
Bridgtown	21.8%	67.0%	11.1%
Brindley Heath	18.2%	62.9%	19.0%
Cannock Wood	14.5%	55.8%	29.7%
Heath Hayes and Wimblebury	18.9%	66.4%	14.7%
Hednesford	17.4%	64.1%	18.5%
Norton Canes	18.7%	62.4%	18.9%
Rugeley	17.3%	60.9%	21.7%
TOTAL	18.0%	62.6%	19.5%

Source: Census (2021)

Age Structure Changes

- 2.7 The figure below shows how the age structure of the population has changed in the 10-year period from 2011 to 2021 – the data used is based on population so will also reflect the increase seen in this period. There have been some changes in the age structure, including increases in the population in their 50s; the number of people aged 65 and over also looks to have increased notably. Where there are differences, it is often due to cohort effects (i.e. smaller or larger cohorts of the population getting older over time).



Source: Mid-year population estimates

	2011	2021
0-4	5,815	5,528
5-9	5,435	5,695
10-14	5,814	5,668
15-19	6,262	5,153
20-24	5,925	5,216
25-29	6,131	6,697
30-34	5,769	7,087
35-39	6,567	6,442
40-44	7,934	5,685
45-49	7,809	6,303
50-54	6,425	7,756
55-59	5,784	7,544
60-64	6,111	6,116
65-69	5,115	5,334
70-74	3,879	5,341
75-79	2,850	4,072
80-84	2,137	2,672
85+	1,820	2,286
TOTAL	97,582	100,595

Source: Mid-year population estimates

- 2.8 The information above is summarised into three broad age bands to ease comparison. The table below shows a decrease in both the Under 16 and 16-64 age groups and a notable increase (of 25%) in the 65+ age group.

	2011	2021	Change	% change
Under 16	18,344	18,035	-309	-1.7%
16-64	63,437	62,850	-587	-0.9%
65+	15,801	19,705	3,904	24.7%
TOTAL	97,582	100,590	3,008	3.1%

Source: Mid-year population estimates

Components of Population Change

- 2.9 The table below consider the drivers of population change 2001 to 2021 – this is data published prior to any corrections due to the 2021 Census and shows ONS monitoring of population estimates. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).
- 2.10 There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated (this is only calculated for the 2001-11 period). There are also ‘other changes’, which for Cannock Chase are relatively low (and in both a positive and negative direction depending on the year) – these changes are often related to armed forces personnel or boarding school pupils.
- 2.11 The data shows natural change to generally be dropping over time – there are now more deaths than births in the District and migration is variable, with no clear trend – it is however clear that migration, and particularly internal (domestic) migration has been the main driver of population change in the District over the past 5-years or so.
- 2.12 The analysis also shows (for the 2001-11) period a modest positive level of UPC, this suggests when the 2011 Census was published ONS had previously underestimated population change.

Figure 2.9: Components of population change, mid-2001 to mid-2021 – Cannock Chase						
	Natural change	Net internal migration	Net inter-national migration	Other changes	Other (unattributable)	Total change
2001/2	242	483	-61	1	170	835
2002/3	208	374	6	-15	178	751
2003/4	196	61	-33	10	194	428
2004/5	207	189	12	-1	186	593
2005/6	242	-229	18	-4	192	219
2006/7	267	-23	-35	-13	204	400
2007/8	235	105	43	-2	227	608
2008/9	314	-26	-12	1	238	515
2009/10	352	-221	28	-6	231	384
2010/11	334	-23	56	8	309	684
2011/12	327	0	36	-13	0	350
2012/13	364	-229	19	20	0	174
2013/14	315	-9	74	22	0	402
2014/15	138	-273	101	16	0	-18
2015/16	115	-272	148	32	0	23
2016/17	138	351	111	13	0	613
2017/18	120	750	126	-13	0	983
2018/19	139	411	88	15	0	653
2019/20	75	499	130	18	0	722
2020/21	-23	1,109	2	-9	0	1,079

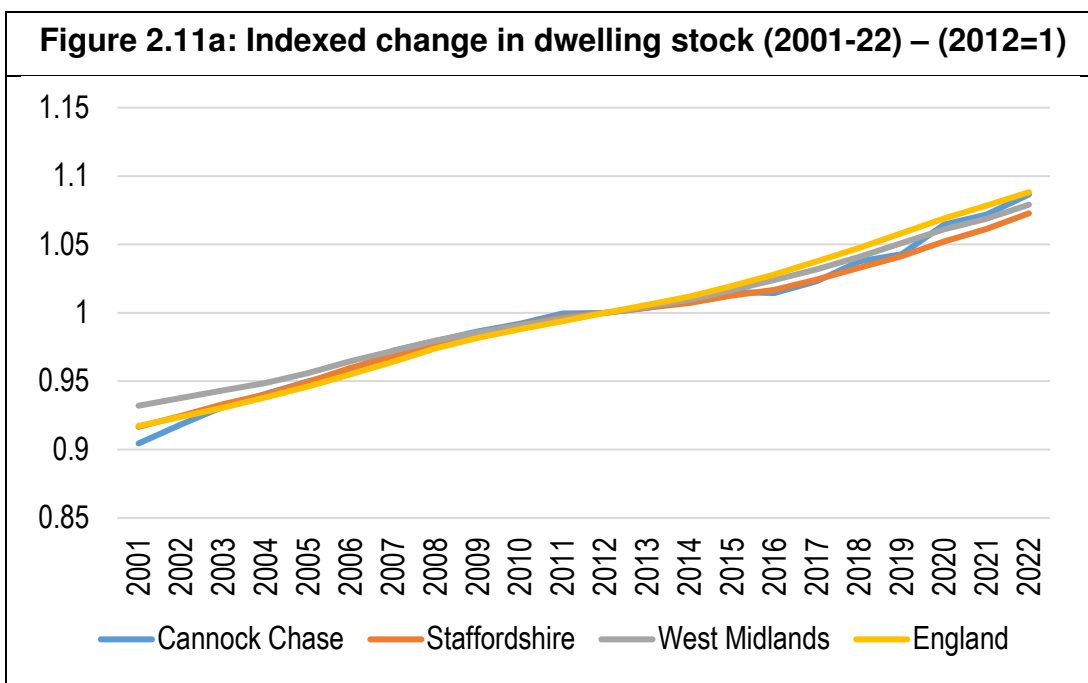
Source: ONS

Housing Stock

2.13 As of 2022 there were 45,500 dwellings in Cannock Chase, an increase of 3,600 over the 10-year period from 2012 – this represents a 9% increase in the number of homes, slightly higher than seen across Staffordshire and the West Midlands and in line with the national average. The figure below the table shows dwelling growth in Cannock Chase generally following patterns in other locations – at least back to 2001.

Figure 2.10: Change in dwellings (2012-22)				
	Dwellings (2012)	Dwellings (2022)	Change	% change
Cannock Chase	41,840	45,462	3,622	8.7%
Staffordshire	368,473	395,268	26,795	7.3%
West Midlands	2,386,934	2,575,688	188,754	7.9%
England	23,116,851	25,160,404	2,043,553	8.8%

Source: DLUHC (Live Table 125)



Source: DLUHC (Live Table 125)

Figure 2.11b: Indexed change in dwelling stock (2001-22) – (2012=1)				
	Cannock Chase	Staffordshire	West Midlands	England
2001	0.905	0.917	0.932	0.917
2002	0.918	0.925	0.937	0.924
2003	0.931	0.933	0.943	0.931
2004	0.941	0.940	0.948	0.938
2005	0.950	0.949	0.956	0.946
2006	0.958	0.960	0.965	0.955
2007	0.972	0.968	0.972	0.964
2008	0.979	0.977	0.979	0.974
2009	0.986	0.985	0.986	0.982
2010	0.992	0.991	0.991	0.988
2011	0.999	0.997	0.996	0.994
2012	1.000	1.000	1.000	1.000
2013	1.004	1.004	1.004	1.006
2014	1.009	1.007	1.009	1.012
2015	1.015	1.013	1.016	1.019
2016	1.015	1.017	1.024	1.028
2017	1.023	1.024	1.032	1.038
2018	1.038	1.033	1.041	1.047
2019	1.043	1.041	1.051	1.058
2020	1.065	1.052	1.061	1.069
2021	1.072	1.061	1.069	1.078
2022	1.087	1.073	1.079	1.088

Source: DLUHC (Live Table 125)

- 2.14 By using Census data about the number of households and dwellings it is possible to estimate the number of vacant homes in the District and how this has changed from 2011 to 2021. In 2011, there were 40,664 households in the District, implying a vacancy rate of 2.8%; by 2021 there were 43,458 households and a slightly higher implied vacancy rate of 3.1%. This suggests the proportion of vacant homes has not increased significantly; in contrast the proportion of vacant homes nationally is estimated to have increased from 4.0% to 6.0% over the 2011-21 decade.

	2011	2021
Cannock Chase	2.8%	3.1%
Staffordshire	3.3%	4.0%
West Midlands	3.4%	4.8%
England	4.0%	6.0%

Source: DLUHC (Live Table 125) and Census

2.15 The table below shows estimates of vacant homes by sub-area from the Census – with rates varying from 1.5% in Cannock Wood, up to 6.3% in Bridgtown.

	Households	Dwellings	% vacant
Cannock (unparished)	14,070	14,635	3.9%
Brereton & Ravenhill	2,963	3,082	3.9%
Bridgtown	990	1,057	6.3%
Brindley Heath	355	363	2.2%
Cannock Wood	389	395	1.5%
Heath Hayes & Wimblebury	5,456	5,555	1.8%
Hednesford	8,129	8,331	2.4%
Norton Canes	3,533	3,630	2.7%
Rugeley	7,606	7,804	2.5%
TOTAL	43,491	44,852	3.0%

Source: Census (2021)

Tenure

2.16 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers in a regional and national context. The proportion of households living in both the social rented sector (which includes affordable rent) and private rented accommodation is lower than observed nationally. The figures for private rent include a small number of households categorised as living rent free.

Figure 2.14: Tenure (2021)					
	Cannock Chase		Staffordshire	West Midlands	England
	Households	% of households	% of households	% of households	% of households
Owns outright	14,719	33.9%	39.4%	34.4%	32.5%
Owns with mortgage/loan	14,736	33.9%	31.8%	29.2%	29.8%
Social/affordable rented	7,032	16.2%	14.1%	18.2%	17.1%
Private rented	6,972	16.0%	14.6%	18.1%	20.6%
TOTAL	43,459	100.0%	100.0%	100.0%	100.0%

Source: 2021 Census

2.17 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows data from the 2011 and 2021 Census. From this it is clear that there has been notable growth in the number of households who are outright owners and a modest decline in owners with a mortgage. The private rented sector has also seen a notable increase over time (of 28%) and there has been little change in the number in social rented housing.

Figure 2.15: Change in tenure (2011-21) – Cannock Chase				
	2011	2021	Change	% change
Owns outright	12,388	14,719	2,331	18.8%
Owns with mortgage/loan	15,966	14,736	-1,230	-7.7%
Social/affordable rented	6,880	7,032	152	2.2%
Private rented	5,430	6,972	1,542	28.4%
TOTAL	40,664	43,459	2,795	6.9%

Source: Census (2011 and 2021)

2.18 The figure below shows the tenure split by sub-area – this shows owner-occupation to be the main tenure in all areas apart from Bridgtown (where only 44% of households owner-occupy). The proportion of households living in social rented housing varies across locations, from 4.7% in Cannock Wood, up to 27% in Brindley Heath. There are also wide variations in the proportion of households living in the private rented sector, ranging from 8% in Cannock Wood, up to 30% in Bridgtown.

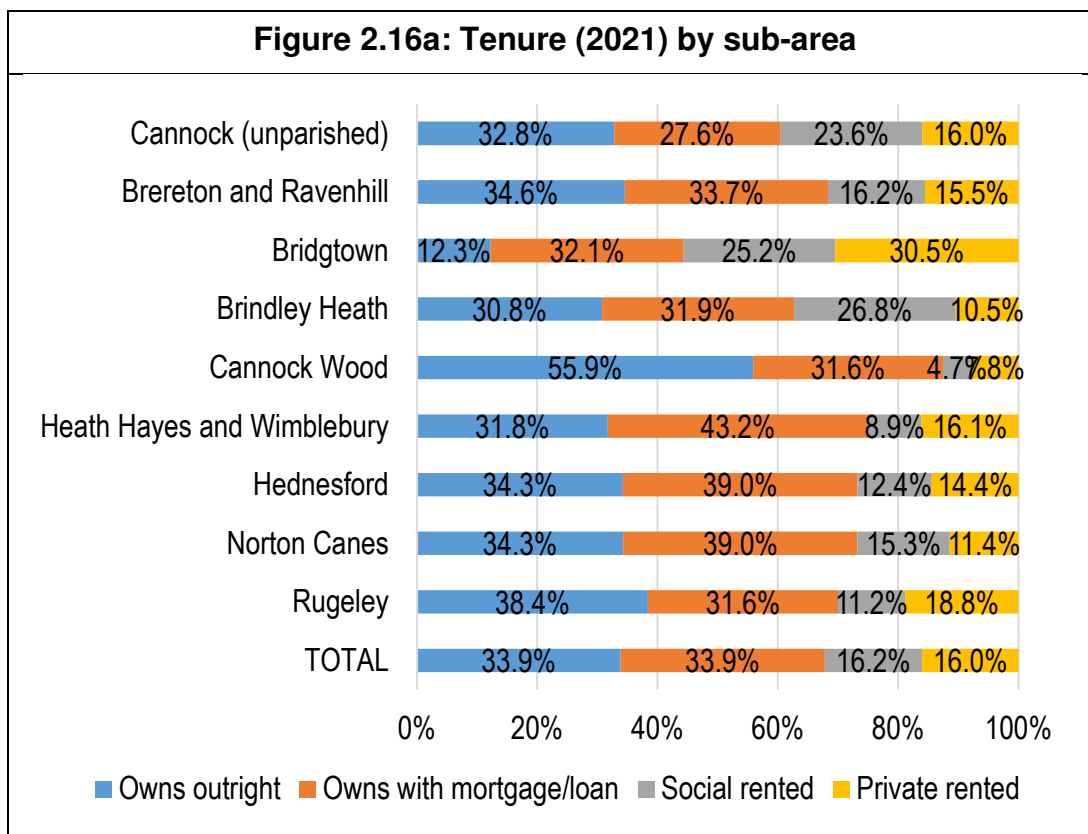


Figure 2.16b: Tenure (2021) by sub-area

	Owns outright	Owns with mortgage /loan	Social rented	Private rented
Cannock (unparished)	32.8%	27.6%	23.6%	16.0%
Brereton and Ravenhill	34.6%	33.7%	16.2%	15.5%
Bridgtown	12.3%	32.1%	25.2%	30.5%
Brindley Heath	30.8%	31.9%	26.8%	10.5%
Cannock Wood	55.9%	31.6%	4.7%	7.8%
Heath Hayes & Wimblebury	31.8%	43.2%	8.9%	16.1%
Hednesford	34.3%	39.0%	12.4%	14.4%
Norton Canes	34.3%	39.0%	15.3%	11.4%
Rugeley	38.4%	31.6%	11.2%	18.8%
TOTAL	33.9%	33.9%	16.2%	16.0%

Source: Census (2021)

Dwelling Type

2.19 The 2021 Census shows semi-detached homes were the most common dwelling type within Cannock Chase at 47% of total dwelling stock, significantly above the national average for this built-form (31%). Flats/maisonettes are least common at 11.5% (this includes 0.1% of dwellings recorded as 'other').

	Cannock Chase		Staffordshire	West Midlands	England
	Dwellings	% of dwellings	% of dwellings	% of dwellings	% of dwellings
Detached	13,006	29.9%	34.2%	24.5%	22.9%
Semi-detached	20,293	46.7%	38.2%	37.6%	31.5%
Terraced	5,183	11.9%	16.5%	21.5%	23.0%
Flat/other	4,977	11.5%	11.1%	16.3%	22.6%
TOTAL	43,459	100.0%	100.0%	100.0%	100.0%

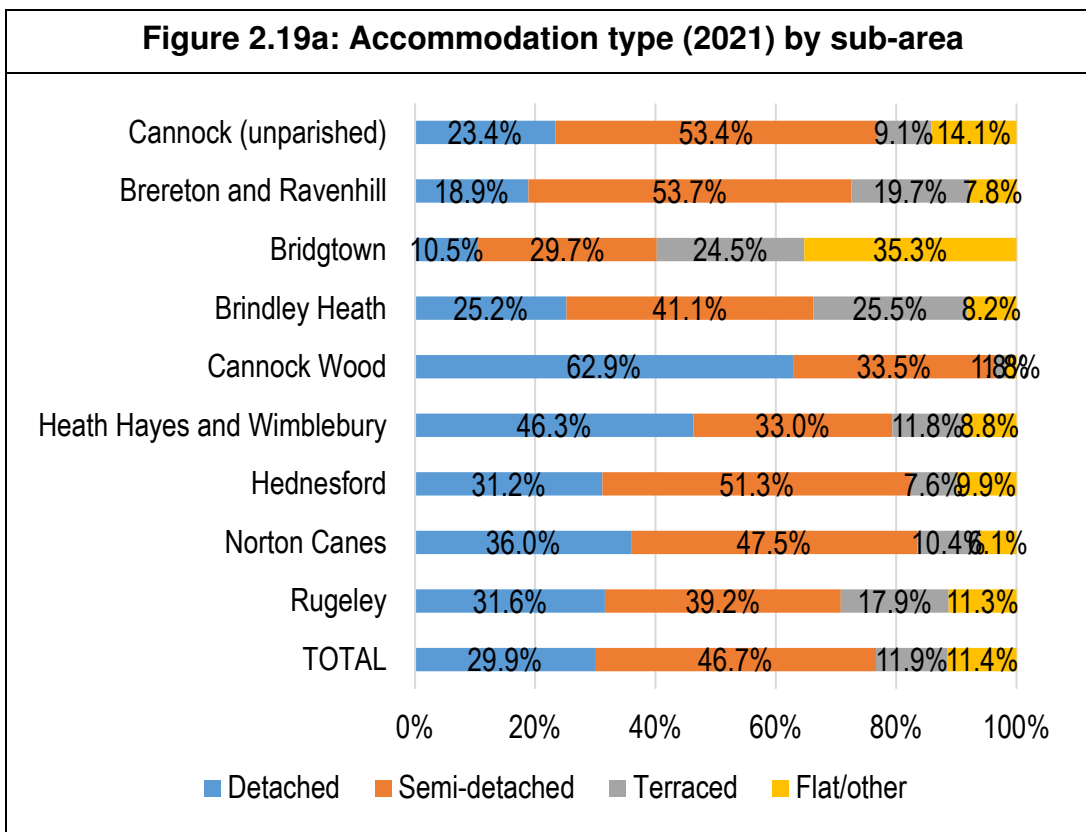
Source: Census (2021)

2.20 The Census can also be used to look at changes in dwelling types over the 2011-21 decade. This shows increases for all built-forms with the number of detached homes increasing by 8.3% - this represents 36% of additional dwellings – 37% of additional homes shown by the Census are semi-detached. The data points to delivery in the 2011-2021 period as broadly following the profile of the existing stock.

	2011	2021	Change	% change	% of change
Detached	12,012	13,006	994	8.3%	35.6%
Semi-detached	19,248	20,293	1,045	5.4%	37.4%
Terraced	4,797	5,183	386	8.0%	13.8%
Flat/other	4,607	4,977	370	8.0%	13.2%
TOTAL	40,664	43,459	2,795	6.9%	100.0%

Source: Census (2011 and 2021)

2.21 The figure below shows accommodation type and sub-area – this shows the main type of housing in most locations is semi-detached. Cannock Wood sees very high proportions of detached homes (and few terraces or flats) whilst over a third of stock in Bridgtown is flatted.



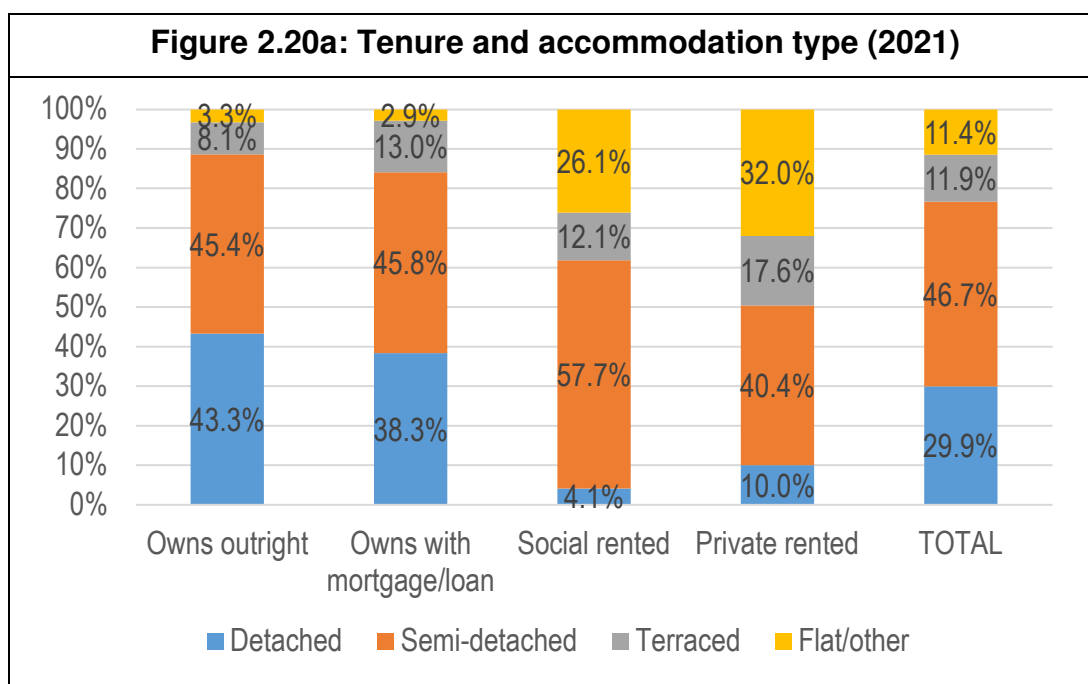
Source: Census (2021)

Figure 2.19b: Accommodation type (2021) by sub-area

	Detached	Semi-detached	Terraced	Flat/other
Cannock (unparished)	23.4%	53.4%	9.1%	14.1%
Brereton and Ravenhill	18.9%	53.7%	19.7%	7.8%
Bridgtown	10.5%	29.7%	24.5%	35.3%
Brindley Heath	25.2%	41.1%	25.5%	8.2%
Cannock Wood	62.9%	33.5%	1.8%	1.8%
Heath Hayes & Wimblebury	46.3%	33.0%	11.8%	8.8%
Hednesford	31.2%	51.3%	7.6%	9.9%
Norton Canes	36.0%	47.5%	10.4%	6.1%
Rugeley	31.6%	39.2%	17.9%	11.3%
TOTAL	29.9%	46.7%	11.9%	11.4%

Source: Census (2021)

2.22 The figure below shows a cross-tabulation of tenure and accommodation type. This clearly shows the majority of owners (notably outright owners) as living in detached and semi-detached homes, whereas the social rented sector has a significant stock of semi-detached homes and also flats. The private rented sector also sees a high proportion of flats (32% of households) as well as a notable proportion of semi-detached homes.



Source: Census (2021)

Figure 2.20b: Tenure and accommodation type (2021)

	Detached	Semi-detached	Terraced	Flat/other	TOTAL
Owns outright	43.3%	45.4%	8.1%	3.3%	43.3%
Owns with mortgage/loan	38.3%	45.8%	13.0%	2.9%	38.3%
Social rented	4.1%	57.7%	12.1%	26.1%	4.1%
Private rented	10.0%	40.4%	17.6%	32.0%	10.0%
TOTAL	29.9%	46.7%	11.9%	11.4%	29.9%

Source: Census (2021)

Bedrooms (accommodation size)

2.23 The analysis below shows the number of bedrooms available to households as of the 2021 Census. The analysis shows stock in the District as having a high proportion of 3-bedroom homes (48% of all dwellings). Overall, the average number of bedrooms in a home is 2.72, lower than both the County (2.83) and regional (2.76) average and virtually identical to the national position. The actual average number of bedrooms will actually be higher than these figures as the Census data has a cut-off at 4+-bedrooms (and for the purposes of calculating an average 4+-bedroom homes are treated as having 4-bedrooms).

	Cannock Chase		Staffordshire	West Midlands	England
	Households	% of households	% of households	% of households	% of households
1-bedroom	4,423	10.2%	7.6%	9.7%	11.6%
2-bedrooms	10,818	24.9%	24.5%	24.8%	27.3%
3-bedrooms	20,744	47.7%	45.2%	45.6%	40.0%
4+-bedrooms	7,472	17.2%	22.7%	19.9%	21.1%
TOTAL	43,457	100.0%	100.0%	100.0%	100.0%
Ave. bedrooms	2.72		2.83	2.76	2.71

Source: Census (2021)

2.24 The table below shows how the number of bedrooms has changed over the 2011-21 decade for the whole of the District. This shows that around two-fifths of the change is accounted for by 4+-bedroom homes and a further two-fifths homes with 3-bedrooms. The number of 1- and 2-bedroom homes only increased by 4% over the period.

	2011	2021	Change	% change	% of change
1-bedroom	4,395	4,423	28	0.6%	1.0%
2-bedrooms	10,281	10,818	537	5.2%	19.2%
3-bedrooms	19,632	20,744	1,112	5.7%	39.8%
4+-bedrooms	6,356	7,472	1,116	17.6%	40.0%
TOTAL	40,664	43,457	2,793	6.9%	100.0%

Source: Census (2011 and 2021)

Overcrowding and Under-Occupation

2.25 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The box below shows how the standard is calculated, this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

For the purposes of the bedroom standard a separate bedroom shall be allocated to the following persons –

- (a) A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
- (b) A person aged 21 years or more
- (c) Two persons of the same sex aged 10 years to 20 years
- (d) Two persons (whether of the same sex or not) aged less than 10 years
- (e) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years
- (f) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.

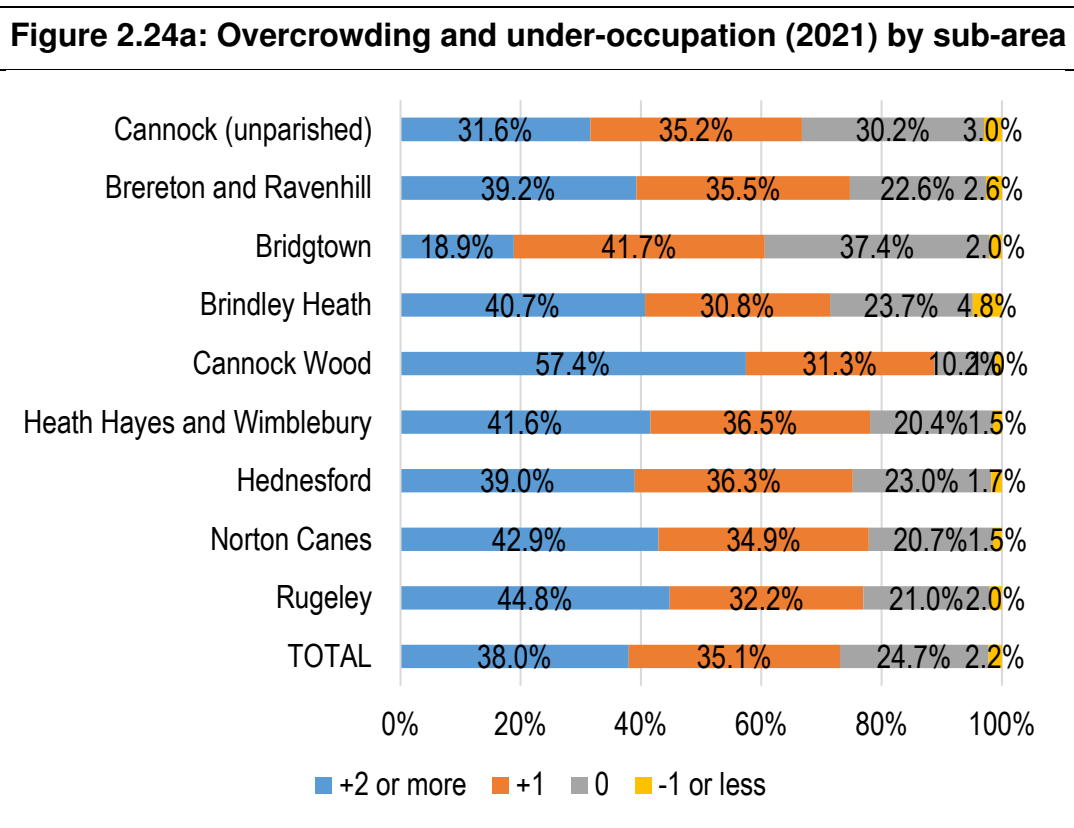
2.26 The analysis shows that levels of overcrowding in Cannock Chase are low in a national context with only 2.2% of households being overcrowded in 2021 (compared with 4.4% nationally). This level of overcrowding is also well below the regional average. Levels of under-occupation are also relatively high with around 38% of households having a rating of +2 or more – higher than seen nationally.

Figure 2.23: Overcrowding and under-occupation (2021) – bedroom standard

	Cannock Chase		Staffordshire	West Midlands	England
	Households	% of households	% of households	% of households	% of households
+2 or more	16,522	38.0%	43.2%	37.0%	35.6%
+1 or more	15,232	35.0%	34.3%	33.3%	33.2%
0	10,757	24.8%	20.5%	25.4%	26.8%
-1 or less	948	2.2%	1.9%	4.3%	4.4%
TOTAL	43,459	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

2.27 The figure below shows overcrowding and under-occupation by sub-area. This shows low levels of overcrowding across the District with Brindley heath the only location with a higher rate than seen nationally. Most locations have a high level of under-occupancy; Cannock Wood in particular stands out as seeing 57% of households living in homes with at least two spare bedrooms.



Source: Census (2021)

Figure 2.24b: Overcrowding and under-occupation (2021) by sub-area

	+2 or more	1	0	-1 or less
Cannock (unparished)	31.6%	35.2%	30.2%	3.0%
Brereton and Ravenhill	39.2%	35.5%	22.6%	2.6%
Bridgtown	18.9%	41.7%	37.4%	2.0%
Brindley Heath	40.7%	30.8%	23.7%	4.8%
Cannock Wood	57.4%	31.3%	10.2%	1.0%
Heath Hayes & Wimblebury	41.6%	36.5%	20.4%	1.5%
Hednesford	39.0%	36.3%	23.0%	1.7%
Norton Canes	42.9%	34.9%	20.7%	1.5%
Rugeley	44.8%	32.2%	21.0%	2.0%
TOTAL	38.0%	35.1%	24.7%	2.2%

Source: Census (2021)

2.28 The table below shows how levels of overcrowding and under-occupancy have changed in the 2011-21 decade. This shows a significant increase in the number of household under-occupying homes and a notable reduction in overcrowding.

Figure 2.25: Change in overcrowding and under-occupation (2011-21) – Cannock Chase				
	2011	2021	Change	% change
+2 or more	14,155	16,522	2,367	16.7%
+1 or more	14,675	15,232	557	3.8%
0	10,616	10,757	141	1.3%
-1 or less	1,218	948	-270	-22.2%
TOTAL	40,664	43,459	2,795	6.9%

Source: Census (2011 and 2021)

House Prices

2.29 In the year to March 2023 the median house price in Cannock Chase was £215,000 – this is below the average seen in the benchmark areas, including being some 26% below the national average.

Figure 2.26: Median House Prices (Year ending March 2023)		
	Price	Difference from England
Cannock Chase	£215,000	-26%
Staffordshire	£231,000	-20%
West Midlands	£237,500	-18%
England	£290,000	-

Source: ONS Small Area House Price Statistics

2.30 At a sub area level Cannock Wood sees the highest median prices at £372,000 with the lowest in Brereton & Ravenhill at £194,100. This will be in part due to the mix of housing in these areas; Cannock Wood being dominated by larger detached stock.

	Median price
Cannock (unparished)	£197,100
Brereton & Ravenhill	£194,100
Bridgtown	£201,600
Brindley Heath	£226,100
Cannock Wood	£371,800
Heath Hayes & Wimblebury	£226,500
Hednesford	£229,000
Norton Canes	£264,500
Rugeley	£206,100
TOTAL	£215,000

Source: Land Registry Price Paid data

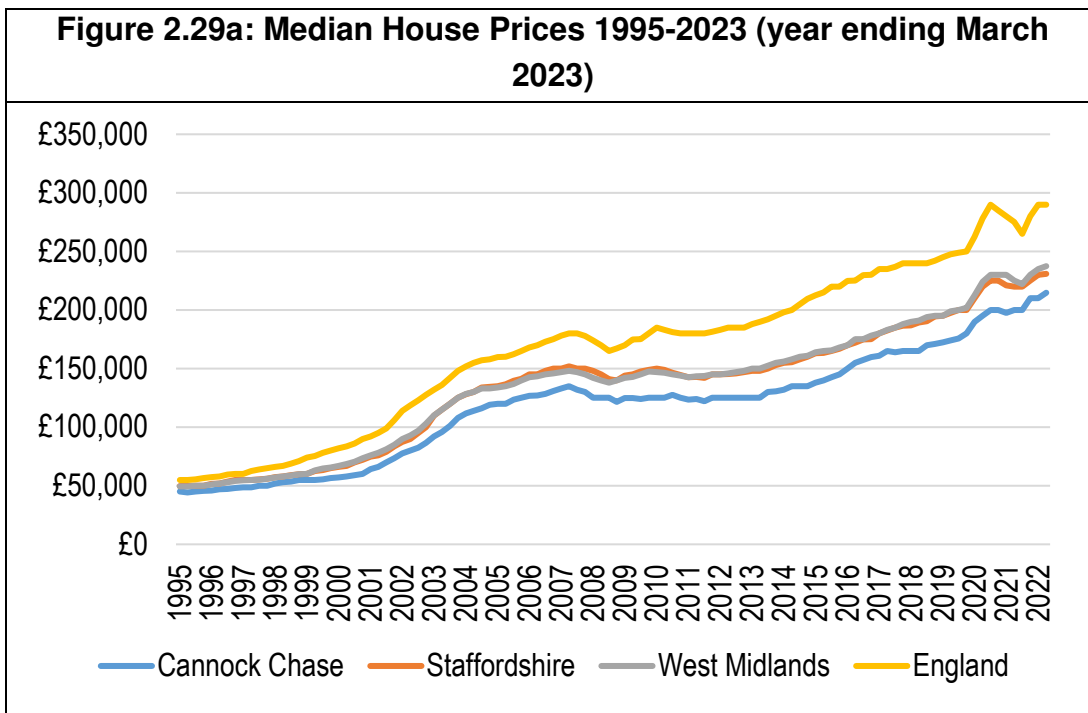
2.31 The table below shows median prices by dwelling type. This shows some significant differences between prices in Cannock Chase and other areas (notably nationally).

	Flat/ Maisonette	Terraced	Semi- Detached	Detached	All Sales
Cannock Chase	£101,300	£175,000	£207,000	£319,000	£215,000
Staffordshire	£122,000	£170,000	£220,000	£350,000	£231,000
Differential	-£20,700	£5,000	-£13,000	-£31,000	-£16,000
West Midlands	£133,500	£193,000	£240,000	£390,000	£237,500
Differential	-£32,200	-£18,000	-£33,000	-£71,000	-£22,500
England	£232,000	£240,000	£274,000	£440,000	£290,000
Differential	-£130,700	-£65,000	-£67,000	-£121,000	-£75,000

Source: ONS Small Area House Price Statistics

House Price Changes

2.32 The figure below shows growth in the median house price over the period since 1995. House prices in Cannock Chase closely followed the national trend across England over time, with stronger price growth in the pre-recessionary period between 2003 and 2008, a dip during the recession and a strong increase to 2020 before seeing some variation over the last couple of years or so.



Source: ONS Small Area House Price Statistics

Figure 2.29b: Median House Prices 1995-2023 (year ending March 2023)				
Year ending March	Cannock Chase	Staffordshire	West Midlands	England
1996	£44,500	£50,000	£49,500	£55,000
1997	£46,950	£52,000	£52,000	£58,000
1998	£48,500	£55,000	£55,000	£62,500
1999	£52,950	£58,000	£57,950	£67,000
2000	£55,000	£62,500	£63,000	£75,495
2001	£57,973	£67,000	£68,500	£83,500
2002	£66,000	£76,000	£78,000	£95,000
2003	£80,000	£90,000	£93,000	£118,600
2004	£96,000	£114,950	£115,000	£136,000
2005	£114,000	£130,000	£130,000	£155,000
2006	£120,000	£136,500	£135,000	£160,000
2007	£127,000	£145,000	£143,500	£170,000
2008	£134,998	£152,000	£148,000	£179,995
2009	£125,000	£145,000	£140,000	£170,000
2010	£124,725	£145,000	£143,000	£174,950
2011	£125,000	£149,000	£146,500	£183,000
2012	£124,000	£142,950	£143,500	£180,000
2013	£125,000	£145,400	£145,950	£185,000
2014	£125,000	£148,000	£150,000	£190,000
2015	£135,000	£155,500	£158,000	£200,000
2016	£139,950	£163,500	£164,995	£215,000
2017	£154,950	£172,000	£174,995	£225,000
2018	£165,000	£182,500	£183,000	£235,000
2019	£165,000	£189,195	£191,000	£240,000
2020	£174,000	£197,500	£199,000	£247,500
2021	£195,000	£220,000	£224,000	£278,000
2022	£200,000	£220,000	£225,000	£275,000
2023	£215,000	£231,000	£237,500	£290,000

Source: ONS Small Area House Price Statistics

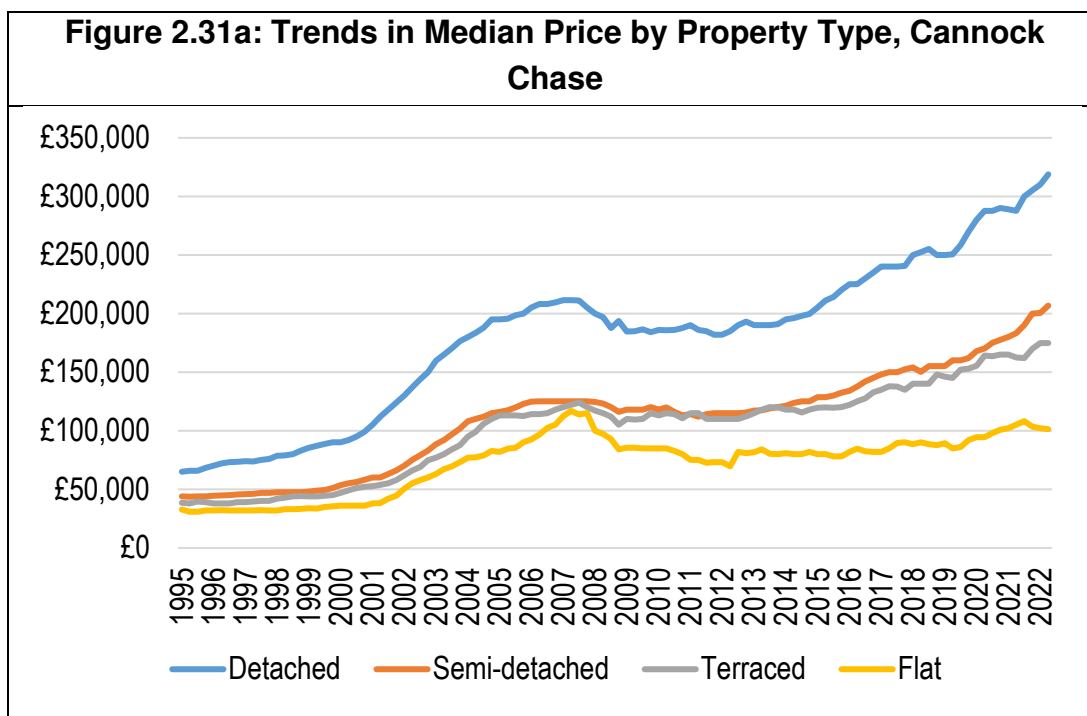
2.33 Relative to other areas, percentage house price increases in Cannock Chase have been higher than seen across other locations, however in actual cost terms, the change in Cannock Chase has been slightly lower than seen across the region and nationally.

Figure 2.30: Median House Price Change year ending March 2013 to year ending March 2023

	Year ending March 2013	Year ending March 2023	Change	% change
Cannock Chase	£125,000	£215,000	£90,000	72%
Staffordshire	£145,400	£231,000	£85,600	59%
West Midlands	£145,950	£237,500	£91,550	63%
England	£185,000	£290,000	£105,000	57%

Source: ONS Small Area House Price Statistics

2.34 Trends in the values of different types of properties in Cannock Chase are shown in the figure below. It shows that in the longer-term, the strongest value growth has been for detached properties although all dwelling types have seen increased values. It is also notable that all dwelling types saw a drop in price through the early part of the 2008 recession, but that flats look to have been particularly affected by this and have seen less of a recovery than other dwelling types.



Source: ONS Small Area House Price Statistics

Figure 2.31b: Trends in Median Price by Property Type, Cannock Chase				
Year ending March	Detached	Semi-detached	Terraced	Flat
1996	£65,650	£43,650	£38,000	£31,000
1997	£72,000	£44,750	£38,000	£32,250
1998	£73,600	£46,000	£39,450	£31,995
1999	£79,000	£47,500	£42,700	£33,000
2000	£87,000	£48,950	£44,000	£33,625
2001	£92,000	£55,000	£49,000	£35,973
2002	£112,000	£59,995	£53,625	£38,038
2003	£137,000	£74,950	£65,950	£55,000
2004	£164,950	£92,000	£80,000	£67,250
2005	£183,500	£110,000	£99,000	£77,250
2006	£195,500	£117,500	£113,000	£84,725
2007	£208,000	£124,995	£114,000	£96,500
2008	£211,500	£125,000	£122,000	£116,975
2009	£196,950	£123,000	£115,000	£97,100
2010	£184,750	£118,000	£109,500	£85,500
2011	£185,750	£119,975	£115,000	£85,000
2012	£186,000	£112,000	£115,000	£75,000
2013	£185,000	£115,000	£109,995	£69,500
2014	£190,000	£117,500	£118,000	£84,000
2015	£196,000	£123,750	£118,000	£80,000
2016	£210,998	£128,500	£119,750	£80,000
2017	£225,000	£137,500	£125,000	£84,475
2018	£239,950	£150,000	£138,000	£85,000
2019	£252,500	£150,250	£139,950	£90,000
2020	£250,500	£160,000	£145,000	£85,000
2021	£287,500	£170,000	£163,998	£94,475
2022	£287,500	£183,250	£162,500	£105,000
2023	£319,000	£207,000	£175,000	£101,250

Source: ONS Small Area House Price Statistics

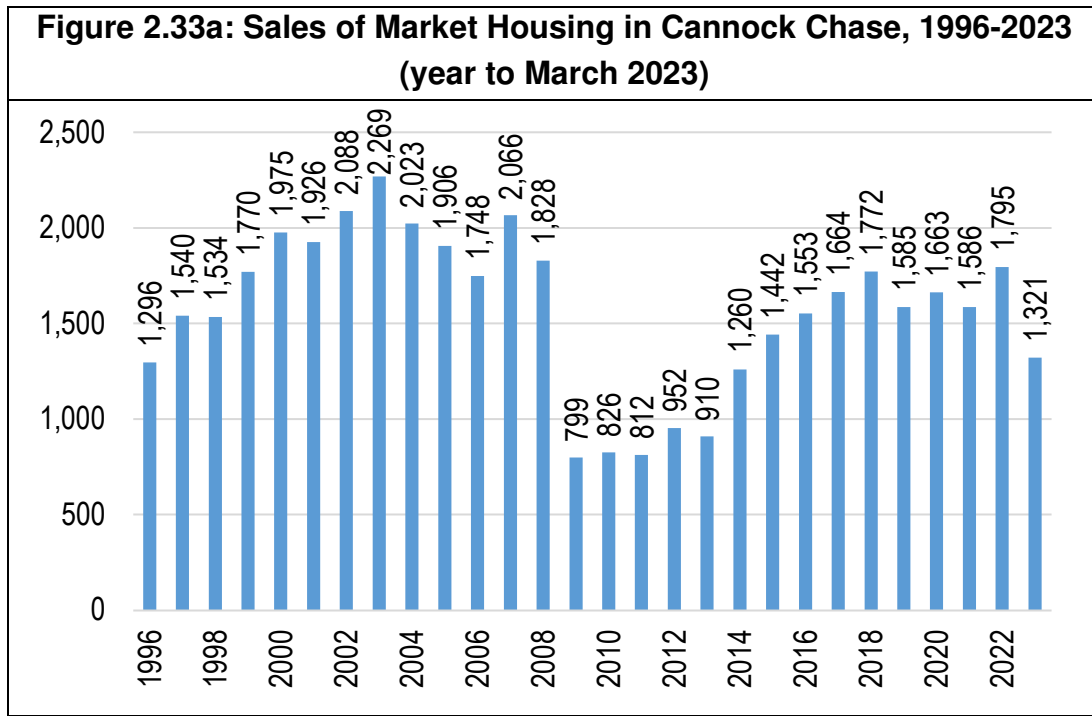
2.35 The table below shows data for the last decade (to March 2023) – this shows all house types increasing by a broadly similar percentage, with the percentage increase for flats being somewhat lower – pointing to a general lower market demand for flats.

Figure 2.32: Median House Price Change year ending March 2013 to year ending March 2023 by dwelling type – Cannock Chase				
	Year ending March 2013	Year ending March 2023	Change	% change
Detached	£185,000	£319,000	£134,000	72%
Semi-detached	£115,000	£207,000	£92,000	80%
Terraced	£109,995	£175,000	£65,005	59%
Flat	£69,500	£101,250	£31,750	46%

Source: ONS Small Area House Price Statistics

Sales

- 2.36 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of ‘effective demand’ for market housing. Sales volumes averaged about 2,000 per annum over the 10-year period to 2008. They fell dramatically as a result of the ‘credit crunch’, before picking up from 2012 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing in Cannock Chase have however been trending down since 2018 (with the exception of a high number in 2022 which will be linked to the stamp-duty holiday).
- 2.37 The drop in sales volumes seen since 2018 is likely to have been influenced by the effects of macro-economic uncertainty on the market – linked to Brexit – coupled with changes to mortgage interest relief which have affected the buy-to-let market. The most recent data will also be starting to pick up the impact of the war in Ukraine and associated ‘cost of living crisis’ including increased interest rates. The number of sales could also be influenced by higher or lower numbers of newbuild properties in different periods, although newbuild homes typically only comprise a small proportion of all sales.



Source: ONS Small Area House Price Statistics

Figure 2.33b: Sales of Market Housing in Cannock Chase, 1996-2022 (year to March 2023)	
Year	Sales
1996	1,296
1997	1,540
1998	1,534
1999	1,770
2000	1,975
2001	1,926
2002	2,088
2003	2,269
2004	2,023
2005	1,906
2006	1,748
2007	2,066
2008	1,828
2009	799
2010	826
2011	812
2012	952
2013	910
2014	1,260
2015	1,442
2016	1,553
2017	1,664
2018	1,772
2019	1,585
2020	1,663
2021	1,586
2022	1,795
2023	1,321

Source: ONS Small Area House Price Statistics

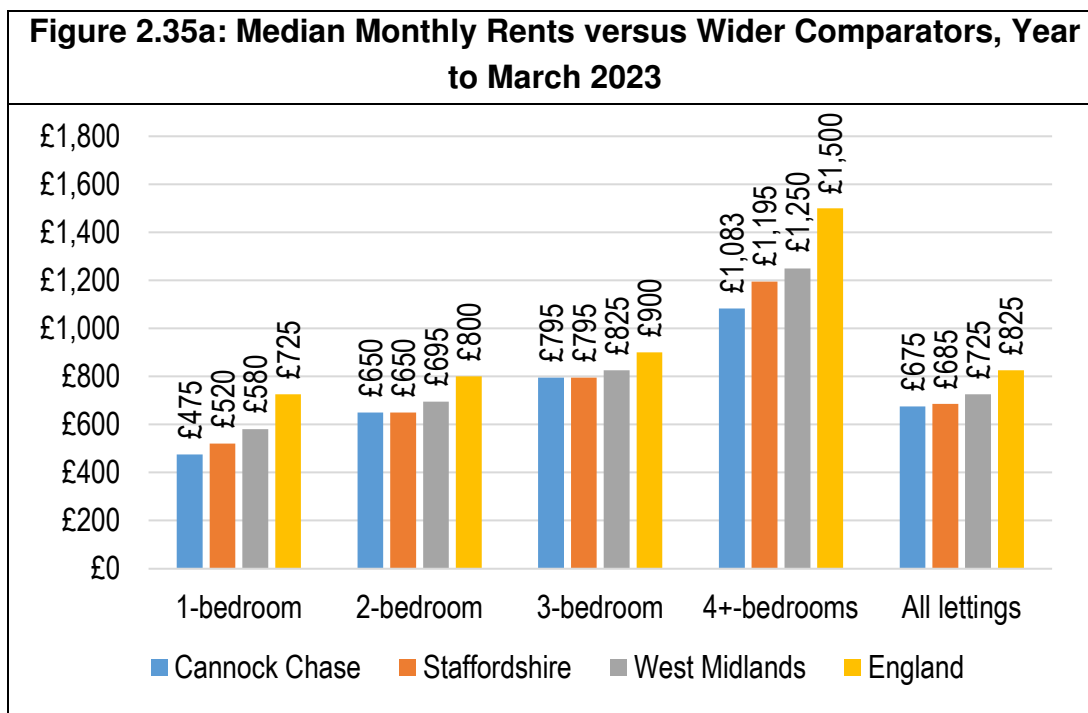
Private Rental Values

2.38 The analysis below reviews current private rents in Cannock Chase against the District, regional and national average. The data is drawn from the ONS Private Rental Market Statistics. Median monthly rents vary from £475 for 1-bedroom to £1,083 for 4+-bedroom properties in the District. It should be noted these figures are for all private rents, and not just new tenancies.

	Mean	Lower Quartile	Median
1-bedroom	£487	£433	£475
2-bedrooms	£646	£595	£650
3-bedrooms	£794	£710	£795
4+-bedrooms	£1,139	£950	£1,083
All Lettings	£685	£550	£675

Source: ONS Private Rental Market Statistics

2.39 The median rent for all properties is 7% lower than the West Midlands average and 18% below the England average. Rents in Cannock Chase for all property sizes are all below the national average (and below the averages for other areas studied below). It is however notable that the difference between rent levels in Cannock Chase and other areas is not as great as for house prices – for example, the average house price in Cannock Chase is 26% lower than the national average.



Source: ONS Private Rental Market Statistics

Figure 2.35b: Median Monthly Rents versus Wider Comparators, Year to March 2023

	Cannock Chase	Staffordshire	West Midlands	England
1-bedroom	£475	£520	£580	£725
2-bedroom	£650	£650	£695	£800
3-bedroom	£795	£795	£825	£900
4+-bedrooms	£1,083	£1,195	£1,250	£1,500
All lettings	£675	£685	£725	£825

Source: ONS Private Rental Market Statistics

2.40 Analysis below has also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 27%. The strongest growth has been for larger (3- and 4+-bedroom) although figures for any specific period will be influenced by the types of property let.

Figure 2.36: Median Rental Change in Cannock Chase, 2017/18 – 2022/23				
	2017/18	2022/23	Change	% Change
1-bedroom	£412	£475	£63	15%
2-bedrooms	£525	£650	£125	24%
3-bedrooms	£625	£795	£170	27%
4+-bedrooms	£850	£1,083	£233	27%
All Lettings	£530	£675	£145	27%

Source: ONS Private Rental Market Statistics

- 2.41 The table below compares changes in overall median private sector rents in Cannock Chase with other locations. Interestingly all areas have seen a similar increase (in the range of £110-£150 or 19%-27% per month).

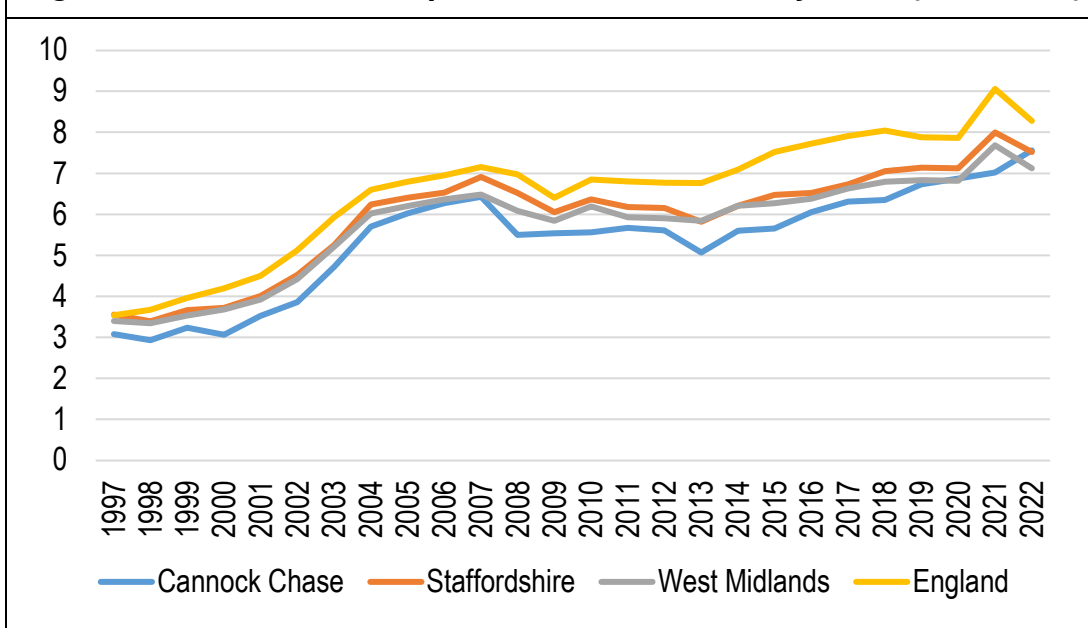
Figure 2.37: Median Rental Change in a range of areas, 2017/18 – 2022/23				
	2017/18	2022/23	Change	% Change
Cannock Chase	£530	£675	£145	27%
Staffordshire	£575	£685	£110	19%
West Midlands	£595	£725	£130	22%
England	£675	£825	£150	22%

Source: ONS Private Rental Market Statistics

Market Affordability

- 2.42 The figure below shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in the District. In all areas affordability has worsened between 1997 and 2022, Cannock Chase now sees an affordability ratio of 7.56, lower than the national average of 8.28.
- 2.43 Over the past decade (2012-22) the affordability ratio has worsened in Cannock Chase (going from 5.61 to 7.56) – a 35% increase. Over the same period, the ratio increased by 21% across the West Midlands and 22% nationally.

Figure 2.38a: Median Workplace Based Affordability Ratio (1997-2022)



Source: ONS, Housing Affordability in England and Wales

Figure 2.38b: Median Workplace Based Affordability Ratio (1997-2022)

	Cannock Chase	Staffordshire	West Midlands	England
1997	3.08	3.55	3.40	3.54
1998	2.93	3.39	3.35	3.67
1999	3.23	3.66	3.53	3.96
2000	3.06	3.72	3.68	4.19
2001	3.52	4.01	3.92	4.50
2002	3.86	4.52	4.42	5.12
2003	4.72	5.25	5.21	5.93
2004	5.70	6.24	6.02	6.60
2005	6.02	6.40	6.20	6.79
2006	6.27	6.53	6.36	6.95
2007	6.43	6.91	6.48	7.15
2008	5.50	6.52	6.08	6.97
2009	5.54	6.05	5.84	6.40
2010	5.56	6.36	6.19	6.85
2011	5.67	6.18	5.93	6.80
2012	5.61	6.15	5.90	6.77
2013	5.07	5.82	5.84	6.76
2014	5.60	6.21	6.21	7.09
2015	5.65	6.47	6.27	7.52
2016	6.05	6.52	6.38	7.72
2017	6.31	6.73	6.63	7.91
2018	6.35	7.05	6.79	8.04
2019	6.73	7.14	6.83	7.88
2020	6.87	7.12	6.82	7.86
2021	7.02	8.00	7.69	9.06
2022	7.56	7.52	7.12	8.28

Source: ONS, Housing Affordability in England and Wales

Area Profile: Key Messages

- Analysis was carried out to provide background information about population and housing in Cannock Chase. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)
- As of mid-2021, the population of Cannock Chase is 100,600 and since 2011 the District's population has grown by around 3% which is a lower rate of growth than across the West Midlands and nationally. The age structure of the population shows a low proportion of people in their late teens and early 20s (which will be related to students moving from the area) and a high proportion aged in their 50s. The proportion of older people (aged 65+) is very slightly higher than seen across the region and England.
- Over the past decade, the District has seen an ageing of the population, with the number of people aged 65 and over increasing by 25%; there have been modest decreases in the number of children and people of 'working-age' (taken to be 16-64). Population growth over the past five years or so has largely been driven by internal migration – moves from one part of the UK to another, although there are also positive levels of natural change (births minus deaths) for most years and international migration).
- ONS dwelling stock data indicates there were 45,500 dwellings in the District as of 2022, a net increase of 3,600 dwellings between 2012 and 2022. This level of stock change is broadly in-line with other areas (virtually identical to the national picture).
- Some 68% of all households in the District are owner-occupiers, higher than the national average of 62% (and higher than the West Midlands), consequently the proportion of households living in the social rented (16%) and private rented (16%) sectors is lower than seen in other locations.
- The housing stock is dominated by semi-detached homes, making up 47% of all dwellings (32% nationally) with the stock overall being of fairly average size in terms of the number of bedrooms (when compared nationally). The District does see relatively high levels of under-occupancy and low levels of overcrowding – 2.2% of households are overcrowded compared to 4.4% nationally.

Area Profile: Key Messages (cont...)

- In the year to March 2023 the median house price in Cannock Chase was £215,000. This is below the median house price for comparator areas, and is 26% below the national average. Prices have also been increasing significantly, rising by 72% (£90,000) over the decade to March 2023.
- As well as lower house prices, the District typically sees lower private rental costs, with the median private rent for a 2-bedroom home standing at £650 per month in the year to March 2023. Rents overall are around 18% below the national average (compared with 26% when looking at median house prices). Over the past five years rents have increased by around 27%, slightly lower than the increase in house prices over the same period (30%).
- In line with national trends, affordability in the District has worsened with the workplace based median affordability ratio in Cannock Chase stood at 7.56 in 2022 (10-years previously it stood at 5.61) – this is based on the ratio between median house prices and full-time earnings.
- The analysis also looked at how key data varied across different parts of the District (based on parishes and the unparished area of the District). There are clearly differences between areas and arguably the differences between locations within the District are greater than differences between the District as a whole and the national picture. Overall, the data points to Cannock Chase as having a range of similar characteristics to the national picture but with variations within the District – in particular the parish area of Cannock Wood is quite distinct, with notably higher house prices and a stock strongly focussed on detached homes.

3. Overall Housing Need

Introduction

- 3.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. For completeness, the section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable. A projection has also been developed to consider the implications of housing delivery in-line with the Standard Method, this projection looks at a 2021-2040 period. The end date is to align with the likely end date of the emerging plan, with the 2021 start chosen to align with a good base of data (from the 2021 Census), although it is recognised the plan will actually have a start date of 2018.

Standard Method

- 3.2 The analysis below considers the level of local housing need for Cannock Chase using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

Step One: Setting the Baseline

- 3.3 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2023 to 2033. This results in growth of 2,157 households (216 per annum) over the ten-year period.
- 3.4 Although this figure is calculated over a ten-year period from 2023 to 2033, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

Step Two: Affordability Adjustment

- 3.5 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 3.6 The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government's Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Cannock Chase, the ratio for 2022 was 7.56, giving an uplift of 22% - this leads to a housing need of 264 dwellings per annum.

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Step Three: The Cap

- 3.7 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
 - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.

- 3.8 The last Local Plan was adopted in 2014 and is therefore more than 5-years old (and so housing need cannot be capped against this plan). Given the affordability ratio is below 40% there is no capping relevant for Cannock Chase, therefore the housing need figure remains at 264 per annum – this is slightly below the equivalent figure calculated in the 2018 HNA (284 dwellings per annum).

Step Four: Urban Uplift

- 3.9 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.” (Paragraph: 035 Reference ID: 2a-035-20201216). Cannock Chase is not listed within the top 20 urban areas in the country and therefore there is no additional uplift.

Standard Method Calculation using 2014-based Household Projections

- 3.10 The table below works through the Standard Method calculations for the District and shows a need for 264 dwellings per annum.

Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections	
	Cannock Chase
Households 2023	44,148
Households 2033	46,305
Change in households	2,157
Per annum change	216
Affordability ratio (2022)	7.56
Uplift to household growth	22%
Uncapped need (per annum)	264

Source: Derived from a range of ONS and MHCLG sources

Divergence from the Standard Method (Exceptional Circumstances)

- 3.11 The table above sets out housing need using the Standard Method and whilst this is a relevant consideration Planning Practice Guidance does allow for divergence from these figures (in both an upward and downward direction) where exceptional circumstances can be demonstrated. An important start point is to understand Government Guidance on this topic. This can be found in Planning Practice Guidance 2a and below are some key quotes for the purposes of this document.

“Is the use of the standard method for strategic policy making purposes mandatory?”

No, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances.” - Paragraph: 003 Reference ID: 2a-003-20190220.

“If authorities use a different method how will this be tested at examination?”

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.” - Paragraph: 015 Reference ID: 2a-015-20190220 (whole paragraph not replicated).

- 3.12 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method ‘*does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates*’.

- 3.13 Regarding demographic trends and projections, the guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where relevant. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. The PPG does not specifically set out examples of exceptional circumstances but it is considered that there are likely to be two main considerations:
- Firstly that demographic data on which projections are based is demonstrably wrong and cannot realistically be used for trend-based projections on which the Standard Method is based; and
 - Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.
- 3.14 The analysis below principally focuses on population projections as these are the main driver of household growth. The analysis additionally does not seek to challenge the market signals (affordability) element of the Standard Method.

Data used in 2014-based projections

- 3.15 On the 22nd March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.
- 3.16 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Cannock Chase and if updated information point to the 2014-based projections as being substantially wrong.

3.17 The table below shows estimated population in 2014 from the original and revised MYE. For the whole of the Council area the revised population estimate for 2014 is slightly lower than for previous data (data used for the 2014-SNPP). This would suggest the 2014-based projections slightly overestimated population growth. However, the scale of difference is not at all substantial and would be unlikely to have a notable impact on projections.

Figure 3.2: Original & Revised Estimate of Population in 2014			
	Original estimate	Revised estimate	Difference
Cannock Chase	98,549	98,508	-41

Source: ONS

Demographic Trends

3.18 The analysis below looks at population trends across the Council area. Two main sources are initially used, these are:

- MYE (unadjusted) – unadjusted ONS mid-year population estimates (MYE) – these are estimates of population made by ONS through its tracking of births, deaths and migration from 2021. This is an important source as the data contained within this data source (notably about migration) is likely to be used by ONS as part of the next round of population projections (2021-based SNPP); and
- MYE (Census adjusted) – these are estimates of population in 2021 that take account of 2021 Census data. Essentially, ONS use the Census (which dates from March 2021) and roll forward to a mid-year estimates based on births, deaths and migration in the 3 month period. The Census adjusted MYE replace the unadjusted figures as the ONS view of population in 2021.

3.19 Eventually, ONS will revise the full back series of data from 2011 to take account of the new 2021 MYE. However, at the time of writing this had not been done and so there are only two reasonable data points (2011 and 2021) – much of the analysis to follow therefore looks at trends in this 10-year period.

- 3.20 Above it was noted that one exceptional circumstance might be that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014 and that this is locally exceptional. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.
- 3.21 The table below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of the Council area to reach 100,600 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (102,600). Following publication of the 2021 Census, ONS has revised downwards its estimate of population in 2021 to 100,600, a figure identical to what the 2014-SNPP had projected. There is clearly nothing exceptional about this finding in either an upward or downward direction.

Figure 3.3: Estimated Population in 2011 and 2021 -range of sources				
	2011	2021	Change	% change
2014-based SNPP/SNHP	97,582	100,581	2,999	3.1%
MYE (unadjusted)	97,582	102,563	4,981	5.1%
MYE (Census adjusted)	97,582	100,590	3,008	3.1%

Source: ONS

- 3.22 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census, this is shown in the table below. This shows across the Council area that household growth in the 10-year period to 2021 was projected to be at a similar level in the 2014-SNHP and the Census (very slightly lower in the Census). Again, there is clearly nothing exceptional emerging from this analysis.

Figure 3.4: Estimated Households in 2011 and 2021 – range of sources				
	2011	2021	Change	% change
2014-based SNHP	40,749	43,645	2,896	7.1%
Census	40,664	43,458	2,794	6.9%

Source: ONS

Developing a Projection linking to the Standard Method

- 3.23 The data above suggests a target derived from the Standard Method is a reasonable number to use in estimating housing need for the District and it is worthwhile looking at how population might change if providing this level of homes. A bespoke projection has been developed, linking to provision of 264 dwellings per annum, and this projection is then used for other analysis in the report (including looking at the mix of housing) – the projection looks at demographic change over the 2021-40 period.
- 3.24 A scenario has been developed which flexes migration to and from the District such that there is sufficient population for 264 additional homes each year. The modelling links to 2018-based population and household projections and also rebases population and households to the levels shown in the 2021 Census.
- 3.25 Within the modelling, migration assumptions have been changed so that across the Borough the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 3.26 In developing this projection a population increase of around 6,000 people is shown, with population growth shown in the 65 and over age band – a projected increase of 38% in this age band from 2021 numbers, with this age group accounting for in excess of 100% of all population growth. Both the Under 16 and 16-64 populations are projected to see modest declines in numbers over the period studied.

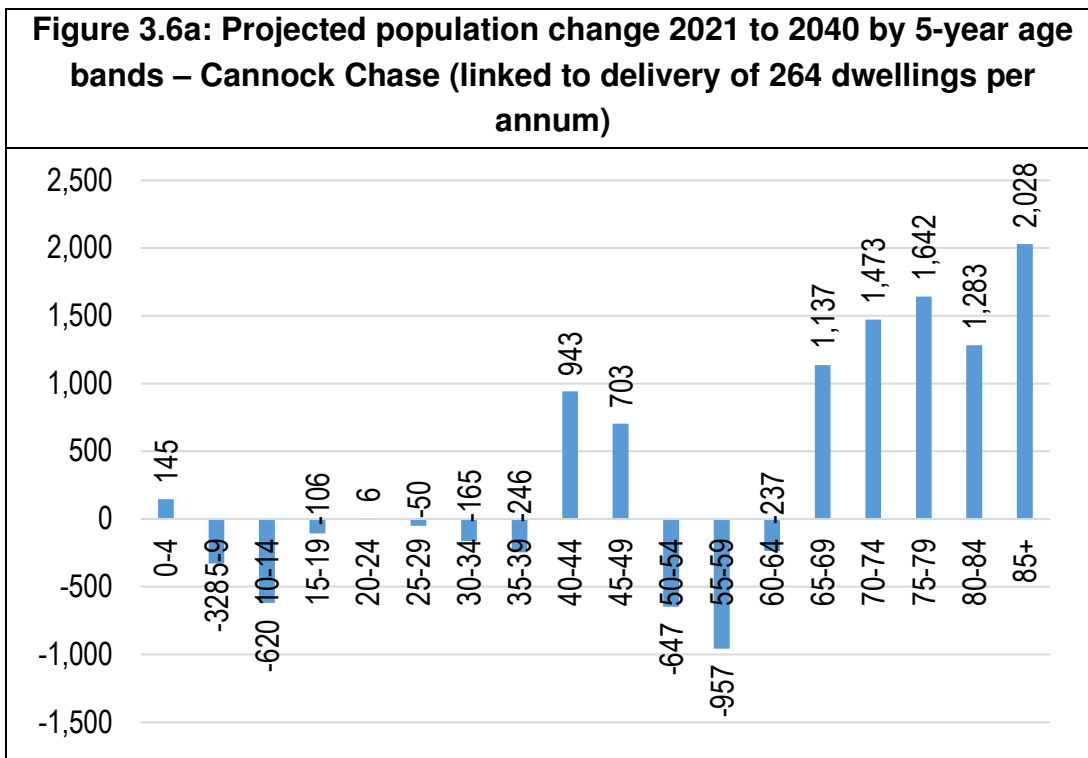
Figure 3.5: Projected population change 2021 to 2040 by broad age bands – Cannock Chase (linked to delivery of 264 dwellings per annum)				
	2021	2040	Change in population	% change from 2021
Under 16	18,035	17,119	-916	-5.1%
16-64	62,850	62,207	-643	-1.0%
65 and over	19,705	27,267	7,562	38.4%
Total	100,590	106,593	6,003	6.0%

Source: Demographic Projections

- 3.27 Over the period to 2040, the Council are also planning for an additional 500 dwellings to meet the needs of Greater Birmingham and the Black County, with delivery of additional dwellings potentially leading to slightly stronger population growth than shown in the table above – the table providing an estimate of change set against the Standard Method need rather than a housing requirement or target.

Comparison with 2019 HNA

- 3.28 The 2019 HNA also developed a projection linking to the Standard Method (see Section 2 of that report). The 2019 projection looked at a slightly different time period (2018-36) but does show a broadly similar trend to that in this report. The 2019 study suggested population growth of 4,500 people and again with the population aged 65 and over accounting for more than 100% of this figure (9,100 people).
- 3.29 Therefore, whilst there are some similarities in the studies, this update actually model for stronger population growth and less ageing of the population – this is likely to be driven by this report being able to access 2018-based population projections which do build in the national (and local) trend of lower improvements to life expectancy and therefore some slowing down of an ageing population structure.
- 3.30 For reference the figure below shows population growth as projected in this study by five-year age bands. This can be directly compared with a similar figure in the 2019 HNA (Figure 9 on page 22).



Source: Demographic Projections

Figure 3.6b: Projected population change 2021 to 2040 by 5-year age bands – Cannock Chase (linked to delivery of 264 dwellings per annum)	
	Population change
0-4	145
5-9	-328
10-14	-620
15-19	-106
20-24	6
25-29	-50
30-34	-165
35-39	-246
40-44	943
45-49	703
50-54	-647
55-59	-957
60-64	-237
65-69	1,137
70-74	1,473
75-79	1,642
80-84	1,283
85+	2,028

Source: Demographic Projections

Overall Housing Need: Key Messages

- The HNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 264 dwellings per annum. This is based on household growth of 216 per annum and an uplift for affordability of 22%.
- The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the NPPF consultation of December 2022 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances.
- Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Cannock Chase, the revision were very minor and unlikely to have any notable impact on the projections.
- The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources, these did not show a clear trend of significant differences and did not point to any exceptional circumstance.
- Data about household growth from the Census also showed a similar pattern to that in the 2014-based projections, again pointing to the projections underpinning the Standard Method as remaining reasonable. Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Cannock Chase (noting the premise of the method itself has not been challenged in this report) and that no exceptional circumstances have been identified.
- On that basis a bespoke demographic projection was developed to look at how the population might change if 264 homes per annum were delivered over the 2021-40 period. This showed continued population growth and an ageing of the population, the same pattern as had been observed for the past decade.
- Over the period to 2040, the Council are also planning for an additional 500 dwellings to meet the needs of Greater Birmingham and the Black Country, with delivery of additional dwellings potentially leading to slightly stronger population growth than shown in the table above – the table providing an estimate of change set against the Standard Method need rather than a housing requirement or target.

Overall Housing Need: Key Messages (cont...)

- The 2019 study also developed a projection linking to the Standard Method with the general outputs and age structures from the two being broadly similar. The projection developed in this report does however show slightly stronger population growth and slightly less ageing, this is likely to be due to use of 2018-based projections which build-in an observed trend of lower improvement to life expectancy in the older person population.

4. Affordable Housing Need

Introduction

- 4.1 This section provides an assessment of the need for affordable housing in Cannock Chase. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 4.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need from households unable to buy OR rent housing and secondly from households able to rent but not buy. For convenience these analyses are labelled as a need for ‘social/affordable rented housing’ and ‘affordable home ownership’ although in reality it is possible for a home ownership product to fit into the rented category (as long as the price is sufficiently low) or for a rented product (such as rent-to-buy) to be considered as affordable home ownership.
- 4.3 The analysis also considers First Homes, which looks likely to become a new tenure (potentially replacing other forms of affordable home ownership). Further information about First Homes was set out in a Planning Practice Guidance in May 2021.

Methodology Overview

- 4.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks a need for ‘affordable housing for rent’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;

- **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
- **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
- **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.

4.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

4.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.

4.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.

4.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.

4.9 The analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).

- 4.10 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 4.11 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 4.12 The analysis below considers the entry-level costs of housing to both buy and rent across the District. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.
- 4.13 Data from the Land Registry for the year to March 2023 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £90,000 for a second-hand flat and rising to £268,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £170,000. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership properties.

Figure 4.1: Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to March 2023 – Cannock Chase	
	Lower quartile price
Flat/maisonette	£90,000
Terraced	£150,000
Semi-detached	£180,000
Detached	£268,000
All dwellings	£170,000

Source: Land Registry

- 4.14 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £85,000 for a 1-bedroom home, rising to £300,000 for homes with 4-bedrooms.

Figure 4.2: Estimated lower quartile cost of housing to buy by size (existing dwellings) – year to March 2023 – Cannock Chase	
	Lower quartile price
1-bedroom	£85,000
2-bedrooms	£150,000
3-bedrooms	£190,000
4-bedrooms	£300,000
All Dwellings	£170,000

Source: Land Registry and Internet Price Search

- 4.15 A similar analysis has been carried out for private rents. For this, reference has been made to Office for National statistics (ONS) data (which covers a 12-month period to March 2023) supplemented by a review of available properties through an internet search – these latter figures provide an indication of current costs to access the market, whereas the ONS data includes existing tenancies which may be at a lower rent. The analysis shows an average lower quartile cost (across all dwelling sizes) of £725 per month.

Figure 4.3: Lower Quartile Market Rents – Cannock Chase	
	Lower Quartile rent, pcm
1-bedroom	£550
2-bedrooms	£690
3-bedrooms	£850
4-bedrooms	£1,100
All properties	£725

Source: ONS and internet private rental cost search

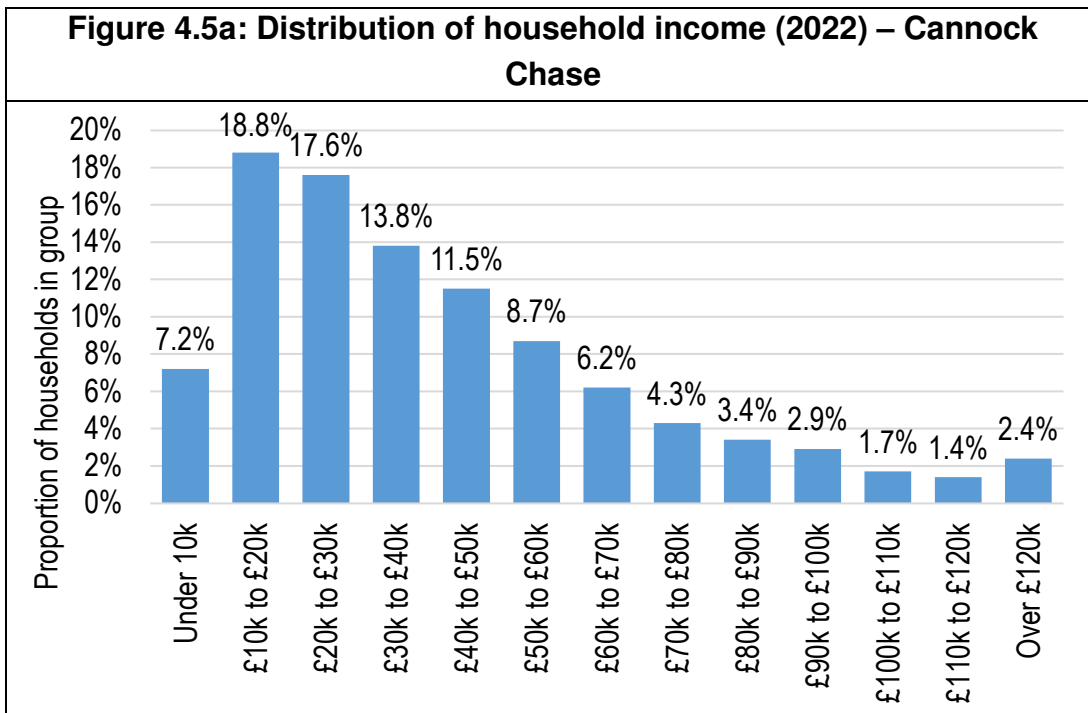
- 4.16 It is of interest for this study to see how prices and rents vary by location. The table below shows an estimate of the overall lower quartile house price and private rent in each of the sub-areas; this is based on Land Registry data for prices and analysis of online data on available lettings which has then been adjusted to be consistent with the data from ONS. The analysis shows some variation in prices and rents, with prices (and rents) estimated to be highest in Cannock Wood. The lowest prices and rents were found to be in Bridgtown.

Figure 4.4: Lower Quartile Prices and Market Rents, by sub-area		
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Cannock (unparished)	£162,000	£715
Brereton & Ravenhill	£166,000	£760
Bridgtown	£154,000	£620
Brindley Heath	£183,000	£850
Cannock Wood	£274,000	£1,175
Heath Hayes & Wimblebury	£181,000	£700
Hednesford	£177,000	£720
Norton Canes	£200,000	£820
Rugeley	£165,000	£750
TOTAL	£170,000	£725

Source: Internet private rental cost search and Land Registry

Household Incomes

- 4.17 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates updated to a 2022 base using data from the Annual Survey of Hours and Earnings (ASHE). Additional data from the English Housing Survey (EHS) has been used to provide information about the distribution of incomes.
- 4.18 Drawing this data together an income distribution for all households across the District has been constructed for 2022. The figure below shows that around a quarter of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £42,200, with a median income of £34,400; the lower quartile income of all households is estimated to be £19,400.



Source: Derived from a range of data including ONS, ASHE and EHS

Figure 4.5b: Distribution of household income (2022) – Cannock Chase	
	% of households in band
Under 10k	7.2%
£10k to £20k	18.8%
£20k to £30k	17.6%
£30k to £40k	13.8%
£40k to £50k	11.5%
£50k to £60k	8.7%
£60k to £70k	6.2%
£70k to £80k	4.3%
£80k to £90k	3.4%
£90k to £100k	2.9%
£100k to £110k	1.7%
£110k to £120k	1.4%
Over £120k	2.4%
TOTAL	100.0%

Source: Derived from a range of data including ONS, ASHE and EHS

- 4.19 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each location, the table also shows the variance in incomes from the District average. There is some variation in the estimated incomes by area, with Cannock Wood having the highest incomes and the unparished area of Cannock lowest.

Figure 4.6: Estimated average (median) household income by sub-area (2022)		
	Median income	As a % of District average
Cannock (unparished)	£30,000	87%
Brereton & Ravenhill	£31,200	91%
Bridgtown	£30,600	89%
Brindley Heath	£34,100	99%
Cannock Wood	£45,200	131%
Heath Hayes & Wimblebury	£42,400	123%
Hednesford	£37,200	108%
Norton Canes	£36,200	105%
Rugeley	£35,200	102%
TOTAL	£34,400	-

Source: Derived from a range of data including ONS, ASHE and EHS

Affordability Thresholds

4.20 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).

4.21 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).

- 4.22 Lower quartile rent levels in Cannock Chase are slightly below average in comparison to other locations (ONS data points to a lower quartile rent of £550 in existing tenancies, compared with £595 across the West Midlands and £625 nationally). This would suggest that a proportion of income to be spent on housing could be towards the bottom end of the range (the range being from 25% to 40%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £725 pcm rent would imply a gross household income of about £29,000 (and in net terms the rent would likely be around 36% of income).
- 4.23 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 4.24 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.
- 4.25 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 4.26 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a notable 'gap' in all areas across the District, particularly locations with higher house prices. The information in the tables below is taken forward into further analysis in this section to look at affordable needs in different locations.

Figure 4.7: Estimated Household Income Required to Buy and Privately Rent by sub-area			
	To buy	To rent (privately)	Income gap
Cannock (unparished)	£32,400	£28,600	£3,800
Brereton & Ravenhill	£33,200	£30,400	£2,800
Bridgtown	£30,800	£24,800	£6,000
Brindley Heath	£36,600	£34,000	£2,600
Cannock Wood	£54,800	£47,000	£7,800
Heath Hayes & Wimblebury	£36,200	£28,000	£8,200
Hednesford	£35,400	£28,800	£6,600
Norton Canes	£40,000	£32,800	£7,200
Rugeley	£33,000	£30,000	£3,000
District-wide	£34,000	£29,000	£5,000

Source: Based on Housing Market Cost Analysis

Need for Social/Affordable Rented Housing

4.27 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in the District. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

4.28 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

Figure 4.8: Main Sources for Assessing the Current Need for Affordable Housing		
	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing ¹	2021 Census table RM099	Analysis undertaken by tenure
Concealed households ²	2021 Census table RM009	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

- 4.29 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.
- 4.30 The table below sets out the categories in the PPG and estimates of the number of households within each need category. This shows an estimated need from around 2,400 households. The data draws on a number of sources, including the 2021 Census.

¹ <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2199>

² <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2109>

Figure 4.9: Estimated housing need by category of household		
	Households	% of households
Concealed/homeless household	450	18.4%
Households in overcrowded housing	960	39.3%
Existing affordable housing tenants in need	153	6.3%
Households from other tenures in need	881	36.1%
TOTAL	2,444	100.0%

Source: Derived from a range of sources

4.31 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households it is assumed incomes will be low and households unlikely to be able to afford to rent privately.

4.32 The table below shows over two-fifths of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 1,332 households. The estimate above can be compared with data from the Council's Housing Register, which at April 2022 had a total of 1,096 applicants.

Figure 4.10: Estimated housing need and affordability by tenure			
	Number in need	% unable to afford	Current need after affordability
Owner-occupied	663	4.9%	32
Affordable housing	558	84.9%	474
Private rented	774	48.6%	376
No housing (homeless/concealed)	450	100.0%	450
TOTAL	2,444	54.5%	1,332

Source: Derived from a range of sources

- 4.33 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 858. For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2021-40, the need is annualised by dividing by 19 (to give an annual need for 45 dwellings across all areas). This does not mean that some households would be expected to wait 19-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.
- 4.34 The table below shows this data for sub-areas – this includes the number in need (once taking account of affordability), the number once excluding housing in affordable housing and the annual figure this represents.

Figure 4.11: Estimated current housing need by sub-area			
	Number in need	Excluding those in affordable housing	Annualised (/19) 2021-40
Cannock (unparished)	544	301	16
Brereton & Ravenhill	102	64	3
Bridgtown	31	16	1
Brindley Heath	21	7	0
Cannock Wood	9	8	0
Heath Hayes & Wimblebury	129	101	5
Hednesford	192	132	7
Norton Canes	96	65	3
Rugeley	208	162	9
District-wide	1,332	858	45

Source: Derived from a range of sources

Newly-Forming Households

- 4.35 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

- 4.36 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 4.37 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 4.38 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 4.39 The assessment suggests overall that around half of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 384 newly forming households that will have a need per annum on average across the District.

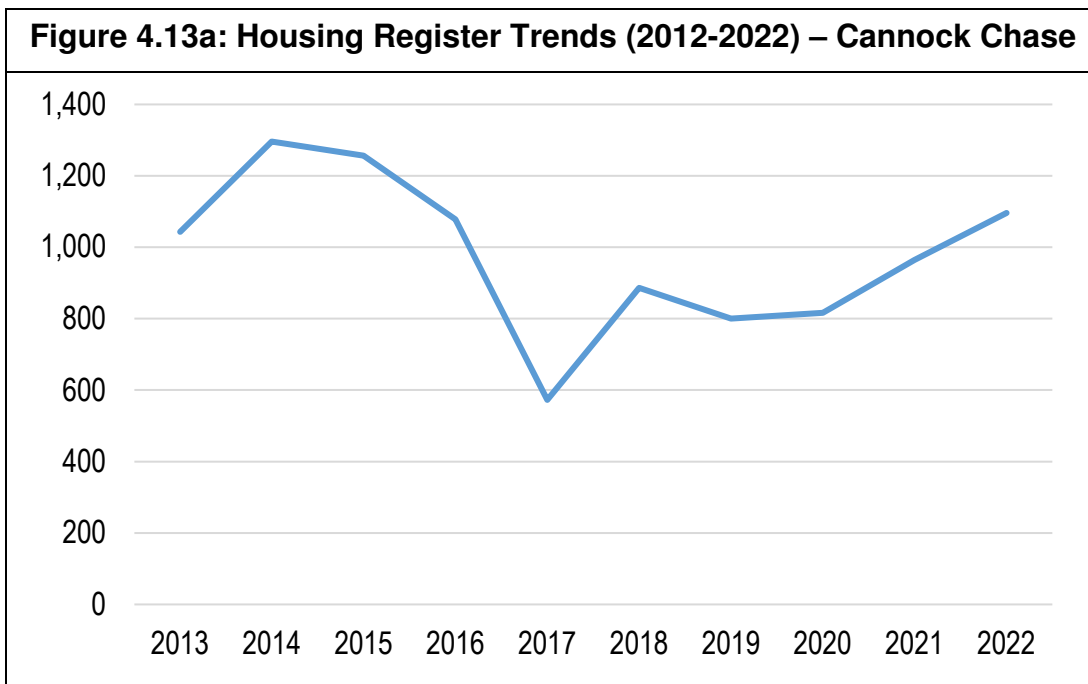
Figure 4.12: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)			
	Number of new households	% unable to afford	Annual newly forming households unable to afford to rent
Cannock (unparished)	232	56.0%	130
Brereton & Ravenhill	53	57.3%	30
Bridgtown	21	48.2%	10
Brindley Heath	6	58.3%	3
Cannock Wood	5	62.5%	3
Heath Hayes & Wimblebury	106	38.0%	41
Hednesford	146	46.0%	67
Norton Canes	65	53.6%	35
Rugeley	126	50.6%	64
District-wide	761	50.4%	384

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 4.40 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings in social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS), Continuous Recording of Sales and Lettings (CoRe) and information provided by the Council.
- 4.41 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that ‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’.

4.42 In addition, analysis has considered trends in the Housing Register, recognising an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa). Over the past decade, the number of households on the Register has been variable, but with no clear trend. Therefore no further adjustments have been made from estimates based on past lettings.



Source: DLUHC Live Table 600

Figure 4.13b: Housing Register Trends (2012-2022) – Cannock Chase

	Number on Housing Register
2012	1,043
2013	1,296
2014	1,256
2015	1,078
2016	573
2017	886
2018	800
2019	816
2020	964
2021	1,096
2022	1,043

Source: DLUHC Live Table 600

- 4.43 Following the analysis through suggests a need arising from 115 existing households each year across the District with the table below showing how this is estimated to vary across sub-areas.

Figure 4.14: Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum)		
	Total Additional Need	% of total
Cannock (unparished)	38	33.3%
Brereton & Ravenhill	8	7.0%
Bridgtown	5	4.3%
Brindley Heath	1	0.5%
Cannock Wood	0	0.4%
Heath Hayes & Wimblebury	13	11.3%
Hednesford	19	16.4%
Norton Canes	7	6.0%
Rugeley	24	20.8%
District-wide	115	100.0%

Source: Derived from a range of sources

Supply of Social/Affordable Rented Housing Through Relets

- 4.44 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 4.45 The Practice Guidance suggests that the estimate of likely future relets from the social/affordable rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (LAHS, CoRe and Council data) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.46 On the basis of past trend data it has been estimated that 254 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

Figure 4.15: Analysis of Past Social/Affordable Rented Housing Supply, 2019/20 – 2021/22 (average per annum) – Cannock Chase					
	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2019/20	535	80.9%	433	66.0%	286
2020/21	408	76.5%	312	62.3%	194
2021/22	600	69.2%	415	67.5%	280
Average	514	75.2%	387	65.6%	254

Source: CoRe

4.47 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2021 (Census data).

Figure 4.16: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)		
	Annual supply	% of supply
Cannock (unparished)	119	47.1%
Brereton & Ravenhill	17	6.8%
Bridgtown	9	3.6%
Brindley Heath	3	1.3%
Cannock Wood	1	0.3%
Heath Hayes & Wimblebury	18	7.0%
Hednesford	36	14.1%
Norton Canes	20	7.7%
Rugeley	31	12.1%
District-wide	254	100.0%

Source: CoRe/Census (2021)

4.48 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Social/Affordable Housing

4.49 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 290 dwellings per annum across the area – an affordable need is seen in all sub-areas. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Figure 4.17: Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Cannock (unparished)	16	130	38	184	119	65
Brereton & Ravenhill	3	30	8	42	17	24
Bridgtown	1	10	5	16	9	7
Brindley Heath	0	3	1	4	3	1
Cannock Wood	0	3	0	4	1	3
Heath Hayes & Wimblebury	5	41	13	59	18	41
Hednesford	7	67	19	93	36	57
Norton Canes	3	35	7	45	20	26
Rugeley	9	64	24	96	31	66
District-wide	45	384	115	544	254	290

Source: Derived from a range of sources

4.50 These figures can also be standardised based on the size of each location (in this case linked to the number of households shown in the 2021 Census). This shows for example that the supply in Brindley Heath is able to meet around 77% of needs arising, whilst in Cannock Wood it is only 16% - it should be noted these are both relatively small areas with low needs (in numeric terms). Focussing on larger areas, the analysis shows a supply equal to 65% of the gross need in the Cannock (unparished) area, pointing to a greater stock of rented affordable housing in this area. Rugeley on the other hand sees a supply equivalent to only around a third of the estimated gross need. Rugeley also has a high net need per 1,000 households (with the figure for Cannock (unparished) being notably lower than the District average).

Figure 4.18: Estimated level of Housing Need per annum

	Total Need	Supply	Net Need	% of net shortfall	Supply as % of need	Net need per 1,000 households
Cannock (unparished)	184	119	65	22%	65%	4.59
Brereton & Ravenhill	42	17	24	8%	42%	8.14
Bridgtown	16	9	7	2%	57%	6.97
Brindley Heath	4	3	1	0%	77%	2.89
Cannock Wood	4	1	3	1%	16%	9.06
Heath Hayes & Wimblebury	59	18	41	14%	30%	7.54
Hednesford	93	36	57	20%	38%	7.05
Norton Canes	45	20	26	9%	43%	7.29
Rugeley	96	31	66	23%	32%	8.66
District-wide	544	254	290	100%	47%	6.67

Source: Derived from a range of sources

4.51 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the District as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

The Relationship Between Affordable Need and Overall Housing Numbers

4.52 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

‘The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes’

4.53 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the OAN (calculated through demographic projections) and the affordable need. There are a number of reasons why the two cannot be ‘arithmetically’ linked.

4.54 Firstly, the modelling contains a category in the projection of ‘existing households falling into need’; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains ‘newly forming households’; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.

4.55 The analysis estimates an annual need for 290 rented affordable homes, which is notionally 110% of a Local Housing Need of 264 dwellings per annum (as calculated using the Standard Method). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

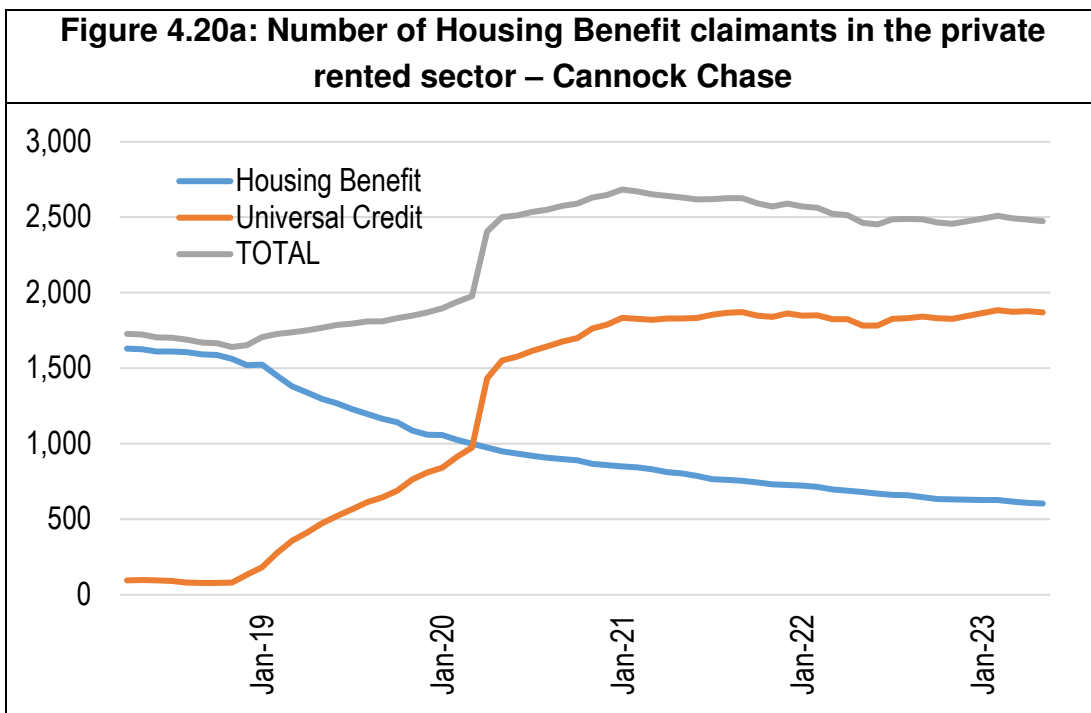
- 4.56 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 154 homes per annum across the District – notionally 58% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 4.57 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as additional to that estimated through demographic projections (including the Standard Method).

Figure 4.19: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Cannock Chase		
	Including existing households	Excluding existing households
Current need	45	24
Newly forming households	384	384
Existing households falling into need	115	0
Total Gross Need	544	407
Re-let Supply	254	254
Net Need	290	154

Source: Derived from a range of sources

- 4.58 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household's income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 4.59 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.
- 4.60 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.
- 4.61 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: 'Affordable housing: housing for sale or rent, for those whose **needs are not met by the market**' [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.

- 4.62 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of May 2023, it is estimated that there were around 2,500 benefit claimants in the private rented sector in Cannock Chase. From this, it is clear that the PRS contributes to the wider delivery of ‘affordable homes’ with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 4.63 It should however be noted that it may be difficult for households to access private rented housing where they are reliant on HB/UC. In some cases Local Housing Allowance (LHA) levels will be low compared to the rent being sought and there will also be cases where landlords do not let homes to households claiming benefits (LHA levels are discussed later in this section). Therefore, whilst the private rented sector does release some pressure from affordable housing, it should not be considered as an affordable tenure.
- 4.64 The figure below shows the trend in the number of claimants in the District. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 1,700 households).



Source: Department of Work and Pensions

Figure 4.20b: Number of Housing Benefit claimants in the private rented sector – Cannock Chase			
	Housing Benefit	Universal Credit	TOTAL
May-18	1,625	97	1,722
Aug-18	1,607	81	1,688
Nov-18	1,561	81	1,642
Feb-19	1,449	278	1,727
May-19	1,296	472	1,768
Aug-19	1,197	613	1,810
Nov-19	1,086	762	1,848
Feb-20	1,025	914	1,939
May-20	949	1,551	2,500
Aug-20	906	1,644	2,550
Nov-20	867	1,762	2,629
Feb-21	844	1,826	2,670
May-21	802	1,828	2,630
Aug-21	760	1,866	2,626
Nov-21	731	1,840	2,571
Feb-22	713	1,849	2,562
May-22	679	1,783	2,462
Aug-22	658	1,830	2,488
Nov-22	631	1,826	2,457
Feb-23	626	1,884	2,510
May-23	605	1,869	2,474

Source: Department of Work and Pensions

- 4.65 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivery affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.

- 4.66 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 4.67 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 4.68 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations, along with an understanding of demographic trends and economic growth.

Split Between Social and Affordable Rented Housing

- 4.69 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 4.70 The table below shows current rent levels in the District for a range of products along with relevant local housing allowance (LHA) rates (All of the District is within the Mid Staffs Broad Rental Market Area (BRMA) for the purposes of LHA). Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents (as derived earlier in this section). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than lower quartile market rents.

- 4.71 The LHA rates for all sizes of home are below lower quartile market rents. This does mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent (even where they can find a landlord willing to accept benefit tenants).

Figure 4.21: Comparison of rent levels for different products – Cannock Chase				
	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (Mid Staffs)
1-bedroom	£329	£409	£550	£424
2-bedrooms	£393	£507	£690	£549
3-bedrooms	£439	£577	£850	£648
4-bedrooms	£501	£655	£1,100	£848
All	£405	£523	£725	-

Source: RSH, market survey and VOA

- 4.72 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the tables below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes. This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 74% of a current lower quartile rent.

Figure 4.22: Difference between rent levels for different products – Cannock Chase			
	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	81%	60%	74%
2-bedrooms	77%	57%	74%
3-bedrooms	76%	52%	68%
4-bedrooms	77%	46%	60%
All	78%	56%	72%

Source: RSH, market survey and VOA

- 4.73 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 18% of households who cannot afford to rent privately could afford an affordable rent, with a further 16% being able to afford a social rent (but not an affordable one). A total of 67% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

Figure 4.23: Estimated need for affordable rented housing (% of households able to afford)	
	% of households able to afford
Afford affordable rent	18%
Afford social rent	16%
Need benefit support	67%
All unable to afford market	100%

Source: Affordability analysis

- 4.74 The finding that only 18% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 4.75 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.

- 4.76 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes (and particularly socially rented housing) are likely to be required.

Establishing a Need for Affordable Home Ownership

- 4.77 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including 'households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home'. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 4.78 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 4.79 The analysis has been developed in the context of First Homes with the Government proposing that 25% of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes (from the relevant PPG (70-001)) can be found later in this document.

Gross Need for Affordable Home Ownership

- 4.80 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the District – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.

- 4.81 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 44% already have sufficient income to buy a lower quartile home, with 8% falling in the rent/buy 'gap'. The final 49% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 4.82 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in, or who might be expected to access, this sector (e.g. newly forming households).

Figure 4.24: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Cannock (unparished)	40%	6%	54%
Brereton & Ravenhill	41%	4%	55%
Bridgtown	43%	11%	46%
Brindley Heath	40%	4%	56%
Cannock Wood	32%	9%	60%
Heath Hayes & Wimblebury	52%	12%	36%
Hednesford	46%	10%	44%
Norton Canes	38%	10%	51%
Rugeley	47%	5%	48%
District-wide	44%	8%	49%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 4.83 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.84 To study current need, an estimate of the number of household living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2021 Census there were some 6,100 households living in the sector across the District (renting from private landlord or letting agency).
- 4.85 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (3,700 households if applied to Cannock Chase) and of these some 40% (1,470 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.86 As noted above, on the basis of income it is estimated that around 8% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 112 affordable home ownership units (6 per annum if annualised over a 19-year period).
- 4.87 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 69 dwellings (60 from newly forming households and 9 from existing households in the private rented sector).

- 4.88 Bringing together the above analysis suggests that there is a need for around 74 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum across the District. This is before any assessment of the potential supply of housing is considered.

Figure 4.25: Estimated Gross Need for Affordable Home Ownership (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Cannock (unparished)	1	14	2	18
Brereton & Ravenhill	0	2	0	3
Bridgtown	0	2	1	3
Brindley Heath	0	0	0	0
Cannock Wood	0	0	0	0
Heath Hayes & Wimblebury	1	14	2	17
Hednesford	1	16	2	19
Norton Canes	0	7	1	8
Rugeley	1	6	1	8
District-wide	6	60	9	74

Source: Derived from a range of sources

Potential Supply of Housing to Meet the Affordable Home Ownership Need and Net Need

- 4.89 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.
- 4.90 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2022 of 297 homes. If these homes were to turnover at around 3% (an estimate of typical turnover nationally) then they would be expected to generate around 9 resales each year. These properties would be available for these households and can be included as the potential supply.

- 4.91 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Cannock Chase there were a total of 1,247 resales (i.e. excluding newly-built homes) in the last year (year to March 2023) and therefore around 312 would be priced below the lower quartile. This is 312 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is in excess of the level of need calculated.
- 4.92 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyer with a mortgage buy at or below the lower quartile³. Other recent data suggests that first time buyers account for around half of home purchase loans⁴ with a total of around 65% of all homes being bought with a loan (35% as cash buyers⁵).
- 4.93 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% × 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.
- 4.94 We can therefore now provide three supply estimates which can be considered in the context of the estimated need. These are:
- Only count the supply from affordable home ownership resales (9 per annum);
 - Include the supply from affordable home ownership and half of resales of lower quartile homes (165 per annum (156+9)); and
 - Include the supply from affordable home ownership and all resales of lower quartile homes (321 per annum (312+9)).

³ https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf

⁴ <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

⁵ <https://www.ft.com/content/e0ad2830-094f-4e61-acaa-d77457e2edbb>

- 4.95 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 66 dwellings per annum and this becomes a surplus if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there is a substantial surplus of affordable home ownership shown.

	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	74	74	74
LCHO supply	9	165	321
Net need	66	-90	-246

Source: Derived from a range of sources

- 4.96 Focussing on the first of the three scenarios above (as this is the only one showing any net need) the table below shows a need for affordable home ownership in most areas, but particularly larger settlements, likely to be linked to concentrations of private rented accommodation in these locations.

	Total Gross Need	Supply	Net need
Cannock (unparished)	18	4	14
Brereton & Ravenhill	3	1	2
Bridgtown	3	0	3
Brindley Heath	0	0	0
Cannock Wood	0	0	0
Heath Hayes & Wimblebury	17	1	16
Hednesford	19	2	17
Norton Canes	8	1	7
Rugeley	8	1	7
District-wide	74	9	66

Source: Derived from a range of sources

4.97 Overall, the analysis shows it is difficult to conclude what the need for affordable home ownership is (and indeed if there is one). However, it is possible that delivery of affordable home ownership (including First Homes) could help to 'loosen up' the supply of second-hand homes at the bottom end of the market (e.g. below lower quartile) as they will provide a wider choice and additional 'competition'.

Implications of the Analysis

4.98 Given the analysis above, it would be reasonable to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is largely based on only considering supply from resales of affordable housing. If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut.

4.99 Regardless, it does seem that there are many households in Cannock Chase who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can to some extent be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 35% from 2011 to 2021 (following a much higher increase in the 2001-11 period) – the increase in private renting is however likely to also reflect an increased need for social housing (as evidenced by the notable increase in the number of benefit claimants in the sector).

4.100 Over the same period (2001-11 and 2011-21), the number of owners with a mortgage has decreased. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

4.101 On this basis, and as previously noted, it seems likely in Cannock Chase that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).

- 4.102 The NPPF (last updated in July 2021) gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 4.103 Firstly regarding the 10%, it is not clear that this is the best solution in the District. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would 'significantly prejudice the ability to meet the identified affordable housing needs of specific groups'. In Cannock Chase, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.
- 4.104 Regarding the 25% of affordable housing as First Homes, it is not clear how much scope there is to challenge the 'minimum of 25%' although it is noted the PPG (70-001) states that First Homes '*should account for at least 25% of all affordable housing*' rather than 'must'. It will also be important to understand what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 4.105 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.

- 4.106 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.107 There may also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 4.108 In addition, it should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required. Where a household taking up AHO is a newly-forming household (e.g. having been living with parents) this still does not impact on overall needs, as such a household may have been expected to move to private rented accommodation were the ownership option not available.

How Much Should Affordable Home Ownership Homes Cost?

- 4.109 The analysis and discussion above suggest there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Council may need to consider some additional homes on larger sites as some form of affordable home ownership (AHO).
- 4.110 The analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about Rent to Buy housing.

4.111 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market. However, bigger discounts can affect the viability of affordable housing for rent.

Discounted Market Sales Housing (focussing on First Homes)

4.112 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes. The key parts of this guidance are set out below:

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

4.113 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).

4.114 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:

- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Cannock Chase is £690 per month;
- On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,300 per month to afford ($£690/0.3$) or £27,600 per annum; and
- With an income of £27,600, it is estimated that a household could afford to buy a home for around £138,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a 4.5 times mortgage multiple – calculated as $£27,600 \times 4.5/0.9$.

4.115 Therefore, £138,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Cannock Chase. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. In reality, there will be a range of incomes in the rent/buy gap and so some households could afford a higher price; however, setting all homes at a higher price would mean that some households will still be unable to afford.

4.116 On this basis, it is considered reasonable to look at the cost of First Homes as a range, from the equivalent private rent figure up to a midpoint of the cost of open market purchase and the relevant private rented figure (for a 2-bedroom home this is £150,000, giving a midpoint of £144,000). The use of a midpoint would mean that only around half of households in the rent/buy gap could afford, and therefore any housing provided at such a cost would need to also be supplemented by an equivalent number at a lower cost (which might include other tenures such as shared ownership).

4.117 The table below set out a suggested purchase price for affordable home ownership/First Homes in Cannock Chase by size. The table also shows an estimated Open Market Value (OMV) if these prices were considered to be 70% of OMV. Focussing on 2-bedroom homes, it is suggested that an affordable price is between £138,000 and £144,500 and therefore the open market value of homes would need to be in the range of £197,100 and £205,700 (if discounted by 30%). Only a single set of values are given for 1-bedroom homes as the income required for this size is calculated to be lower for purchase than rent.

Figure 4.28: Affordable home ownership prices – Cannock Chase

	LQ rent – equiv. purchase price	Midpoint purchase price	OMV required - midpoint	OMV required – PRS
1-bedroom	£85,000		£121,400	
2-bedrooms	£138,000	£144,000	£197,100	£205,700
3-bedrooms	£170,000	£180,000	£242,900	£257,100
4+-bedrooms	£220,000	£260,000	£314,300	£371,400

Source: Derived from a range of sources

4.118 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove and other websites with the table below providing a general summary of existing schemes.

4.119 This analysis is interesting as it shows the median newbuild price for all sizes of homes is above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the bottom end of the price range could potentially be discounted by 30% and considered as affordable (apart from 3-bedroom homes).

4.120 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – proving a discount of 30% will not automatically mean it becomes affordable housing.

Figure 4.29: Estimated newbuild housing cost by size – Cannock Chase			
	No. of homes advertised	Range of prices	Median price
1-bedroom	6	£110,000-£115,000	-
2-bedrooms	10	£140,000-£325,000	£235,000
3-bedrooms	23	£280,000-£490,000	£325,000
4+-bedrooms	29	£360,000-£500,000	£450,000

Source: Internet Property Search

Key Points in Relation to First Homes

- 4.121 The paragraphs below seek to answer a series of questions in relation to First Homes. This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decisions to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.
- *Is there a justification for a discount of greater than 30%, if so, what should it be?*
- 4.122 There is certainly a case to seek a discount in excess of 30% - a higher discount will make homes cheaper and therefore potentially open up additional households as being able to afford. However, providing a higher discount may have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market). The Council could therefore investigate higher discounts, but it is not recommended to seek a higher figure unless this can be proven to not impact on overall affordable delivery.
- *Is the maximum price of £250K after discount an appropriate maximum sales value?*
- 4.123 The table above shows that all of the affordable prices (with the exception of 4-bedroom homes) sit well below the £250,000 cap and therefore it is arguable that a lower cap would be appropriate. It is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (focus likely to be on 2- and 3-bedroom homes – see section on Housing Mix) and this gives further reason for looking at a lower cap.

4.124 A lower cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration). Looking at the affordable prices, it is considered that a cap of something in the region of £200,000 might be appropriate (based on the highest 3-bedroom figure with a slight upward adjustment to future-proof). This could help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.

- *Is the national threshold of £80,000 for household income appropriate*

4.125 To study the income threshold analysis has been provided below to consider the likely incomes required to afford both the lower end and midpoint Affordable Price. This is shown in table above and shows even the most expensive price would only require an income of about £52,000 – with an income of up to £36,000 shown for 3-bedroom homes. It should however be noted that these findings are based on a specific set of assumptions about mortgage multiples and deposit availability (10% deposit and a 4.5 times mortgage multiple) and in reality individual households will have their own specific circumstances.

4.126 That said, it is considered that an £80,000 threshold looks to be too high; households with that level of income would be expected to readily buy a home in the area without the need for any discount. On balance, and looking at the figures in the round (and recognising that there may be relatively few 4-bedroom homes delivered) it is considered that an income cap of around £40,000 might be appropriate across the District.

Figure 4.30: Incomes Required to Afford First Homes		
	Affordable Price (lower end)	Affordable Price (midpoint)
1-bedroom	£17,000	
2-bedrooms	£27,600	£28,800
3-bedrooms	£34,000	£36,000
4+-bedrooms	£44,000	£52,000

Source: Derived from a range of sources

- *What is the level of need for such products?*

4.127 In some ways, this is a difficult question to answer. The analysis is clear that there are likely to be a number of households whose incomes sit in the range of being able to afford to privately rent, but not being able to buy a home. It can be concluded that as long as First Homes are made available for an affordable price, it is likely there will be a strong demand (although some households in the rent/buy gap may not choose a discounted product given that the discount is held in perpetuity). Alternatively, it is possible that First Homes will see demand from those who can technically afford housing in the existing market – this would not be meeting a need but would arguably provide some demand for this type of home.

4.128 Regardless of the need/demand, it is not recommended that the Council seek to reduce the amount of social/affordable rented homes by prioritising First Homes. The evidence does not support the Councils in seeking more than 25% of affordable housing as First Homes. Indeed, on the basis of the analysis in this section it is suggested the Council should investigate seeking a lower proportion than the 25% (possibly seeking 0% and only allowing First Homes where they are needed to support viability). As noted previously, the PPG on First Homes says 25% of affordable housing ‘should’ be First Homes and not ‘must’ be and so such an approach of a lower figure (given the evidence) looks reasonable.

- *Should the Council set local eligibility criteria?*

4.129 First Homes are designed to help people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. The Council can therefore prioritise key workers for First Homes (for the first three months of marketing), and are encouraged to do so, especially if they have an identified local need for certain professions.

4.130 To ensure First Homes are available to local residents and workers a local connection eligibility criteria could be used. This could be in-line with any criteria within local allocations policy and for example could require potential purchasers to demonstrate that they:

- Live in the Council area (for a period of time (possibly 2-years));
- Work over 16 hours a week in the area, or
- Have a close relative (parent, adult son or daughter or adult sibling) who has lived in the area for a period of time.

4.131 Additional preference could be given to essential workers. Annex 2 of the NPPF also includes the needs of essential local workers *'Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers' [emphasis added]. Essential local workers are defined as 'Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'.*

Shared Ownership

4.132 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a 'New Model for Shared Ownership' in early 2021 (following a 2020 consultation) – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.

4.133 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below looks at what the OMV would need to be with equity shares of 50% and 25% and uses the following key assumptions used in the analysis are:

- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4% (this is based on typical longer-term interest rates and it is noted at the time of writing that such a figure is unlikely to be achieved); and
- It is also assumed that shared ownership would be priced for households towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

4.134 The tables below test the costs of a 50% equity share shared ownership and the 25%. Focussing on 2-bedroom homes this shows to be genuinely affordable the OMV would need to sit in the range of £196,000-£237,300. This does suggest it might be difficult to make shared ownership affordable (given current estimates of newbuild costs). That said, shared ownership should be positively encouraged by the Council (rather than other forms of housing such as First Homes) as outgoings are likely to be lower.

Figure 4.31: Estimated OMV of Shared Ownership with a 50% Equity Share by Size – Cannock Chase

	1-bedroom	2-bedrooms	3-bedrooms	4-bedrooms
Open Market Value	£156,200	£196,000	£241,300	£312,200
Share	50%	50%	50%	50%
Equity Bought	£78,100	£98,000	£120,650	£156,100
Mortgage Needed	£70,290	£88,200	£108,585	£140,490
Monthly Cost of Mortgage	£371	£466	£573	£742
Retained Equity	£78,100	£98,000	£120,650	£156,100
Monthly Rent on Retained Equity	£179	£225	£276	£358
Total Cost per month	£550	£690	£850	£1,100

Source: Data based on Housing Market Cost Analysis

Figure 4.32: Estimated OMV of Shared Ownership with a 25% Equity Share by Size – Cannock Chase

	1-bedroom	2- bedrooms	3- bedrooms	4- bedrooms
Open Market Value	£189,300	£237,300	£292,300	£378,400
Share	25%	25%	25%	25%
Equity Bought	£47,325	£59,325	£73,075	£94,600
Mortgage Needed	£42,593	£53,393	£65,768	£85,140
Monthly Cost of Mortgage	£225	£282	£347	£450
Retained Equity	£141,975	£177,975	£219,225	£283,800
Monthly Rent on Retained Equity	£325	£408	£502	£650
Total Cost per month	£550	£690	£850	£1,100

Source: Data based on Housing Market Cost Analysis

4.135 In terms of current shared ownership schemes in the District, at the time of drafting we could find five homes (most already sold subject to contract). A summary of these schemes is shown below. Interestingly, in most cases the OMV does point to such housing as being relatively affordable and does suggest that shared ownership could work in the District.

Figure 4.33: Examples of recent sales of shared ownership				
Location	Property type	Price	Share	OMV
Rugeley	3-bed detached	£112,000	40%	£280,000
Cannock	3-bed terrace	£100,000	50%	£200,000
Cannock	1-bed flat	£50,000	40%	£125,000
Cannock	2-bed flat	£46,000	40%	£115,000
Cannock	1-bed flat	£37,500	50%	£75,000

Source: Internet Price Search

Rent to Buy

- 4.136 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home⁶. Initially (typically two years but this can be extended) a home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided is saved in order to put towards a deposit on the purchase of the same or another property – the purchase can include buying through shared ownership.
- 4.137 What is not clear from information available is what happens to the home if the occupant is unable to buy a home and vacates the property (i.e. is it still offered to another applicant at a rent 20% below market value) or what happens to any receipts if the home is sold. On this basis, whilst rent-to-buy may provide a route into home ownership for some households it will be important to check any proposals carefully, and to ensure any discount or funding is held in perpetuity where public grant funding is provided (this would be necessary to meet the requirements of the NPPF).

Comparison with 2019 HNA

- 4.138 Section 5 of the 2019 HNA studied the need for affordable housing and like this study looked separately at the need from households unable to afford anything in the market and those able to rent but not buy.
- 4.139 Figure 36 on page 47 of the 2019 HNA highlights an affordable need from 107 households per annum – this being the need from households unable to buy or rent in the market (and defined as a need for social/affordable rented housing in this study). This figure looks to be significantly lower than the 290 estimated above, however, it can be noted that the 2019 HNA included a supply from private rented housing (supported through benefits). If this is excluded, Figure 40 on page 50 shows the like-for-like estimate of need would be around 213 per annum.
- 4.140 A figure of 213 per annum is still below the 290 in this study, but it needs to be remembered that the number of household living in benefit supported private rented accommodation has increased substantially from 2018 levels (the base date of the 2019 study) – numbers increasing from around 1,700 to 2,500. This does point to an increased need over time.

⁶ <https://www.gov.uk/rent-to-buy>

- 4.141 Overall, it looks as if there has been a clear increase in the need for affordable housing for those who cannot afford to rent privately without some form of subsidy.
- 4.142 When looking at the types of housing needed for households unable to rent, the 2019 study suggested some 67% of households in need could not afford a social rent without subsidy – this is exactly the same proportion as this study suggests. The 2019 study also considered shared ownership as a possible solution to the needs of this group whereas this study looks at shared ownership under the banner of affordable home ownership. In reality, it would be possible to provide shared ownership at a cost affordable to those unable to afford to rent and we would expect this cost to be somewhere between the market and an affordable rent.
- 4.143 Overall, this study confirms the findings of the 2019 study in that there is a significant need within the affordable need (those unable to afford to rent) for housing at social rents.
- 4.144 The 2019 study also looked at needs from households able to rent but not buy (described as ‘households aspiring to home ownership’). In Figure 45 (page 54) the need is put at 711 dwellings over 18 years (around 40 per annum). This study has been less definitive about affordable home ownership needs with a maximum need for 66 dwellings per annum derived (but quite possibly no need).
- 4.145 Overall, the analysis would point to some similarities between the studies (it is not clear how the 2019 HNA dealt with market supply) and in both cases the analysis points to stronger needs from households unable to rent housing than from those able to rent but not buy.

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy OR rent, the analysis suggests a need for 290 affordable homes per annum across the District.
- Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at AHO products, the analysis is inconclusive about the scale of the need. Although the evidence does suggest that there are many households in Cannock Chase who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably First Homes and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.

Affordable Housing Need: Key Messages (cont...)

- However, given the cost of housing locally, it may be difficult for affordable home ownership products to be provided and be considered as 'genuinely affordable'. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- When compared with the 2019 HNA, this study points to a stronger need for housing from households unable to rent in the market (rather than those able to rent but not buy). However, both studies clearly point to a high level of affordable need and for the Council to need to seek to maximise delivery.

5. Housing Mix

Introduction

5.1 This section considers the appropriate mix of housing across Cannock Chase, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

5.2 The number of families in Cannock Chase (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 11,900 as of the 2021 Census, accounting for 27% of households; this proportion is similar to that seen across the County, region and nationally.

	Cannock Chase		Staffordshire	West Midlands	England
	No.	%	%	%	%
Married couple	5,409	12.4%	13.4%	14.2%	14.4%
Cohabiting couple	2,900	6.7%	5.3%	4.8%	4.5%
Lone parent	2,822	6.5%	5.8%	7.4%	6.9%
Other households	817	1.9%	1.8%	3.0%	2.7%
All other households	31,510	72.5%	73.6%	70.6%	71.5%
Total	43,458	100.0%	100.0%	100.0%	100.0%
Total with dependent children	11,948	27.5%	26.4%	29.4%	28.5%

Source: Census (2021)

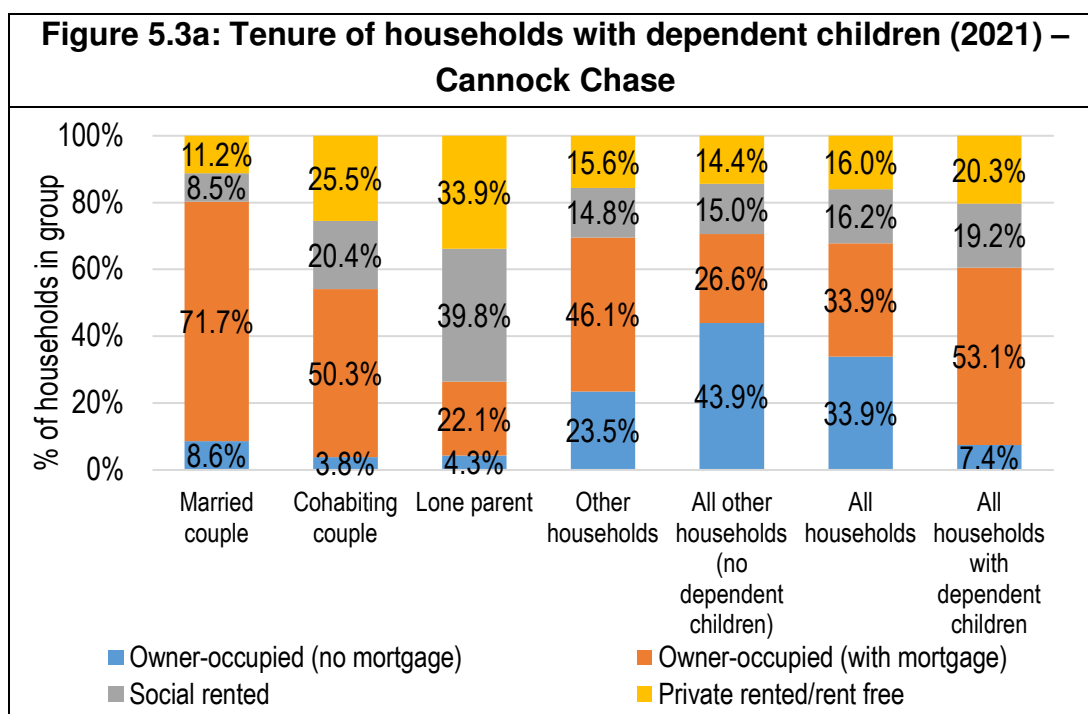
5.3 The table below shows the same information for each of the sub-areas. There is some variation in the proportion of households with dependent children, ranging from 21% in Cannock Wood, up to 32% in Brindley Heath and Heath Hayes & Wimblebury.

Figure 5.2: Households with dependent children (2021) – sub-areas

	Married couple	Co-habiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Cannock (unparished)	10.3%	6.2%	6.9%	1.9%	74.7%	100.0%	25.3%
Brereton & Ravenhill	12.3%	7.4%	7.0%	2.1%	71.3%	100.0%	28.7%
Bridgtown	10.0%	11.1%	9.2%	1.0%	68.7%	100.0%	31.3%
Brindley Heath	14.1%	6.8%	9.0%	2.5%	67.6%	100.0%	32.4%
Cannock Wood	15.7%	3.3%	1.3%	0.8%	78.9%	100.0%	21.1%
Heath Hayes & Wimblebury	17.2%	7.0%	6.4%	1.7%	67.8%	100.0%	32.2%
Hednesford	13.4%	6.9%	5.5%	1.5%	72.8%	100.0%	27.2%
Norton Canes	13.5%	7.2%	6.8%	1.9%	70.7%	100.0%	29.3%
Rugeley	11.8%	6.3%	6.2%	2.2%	73.4%	100.0%	26.6%
TOTAL	12.5%	6.7%	6.5%	1.8%	72.5%	100.0%	27.5%

Source: Census (2021)

5.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. In Cannock Chase, only 26% of lone parent households are owner-occupiers compared with 80% of married couples with children.



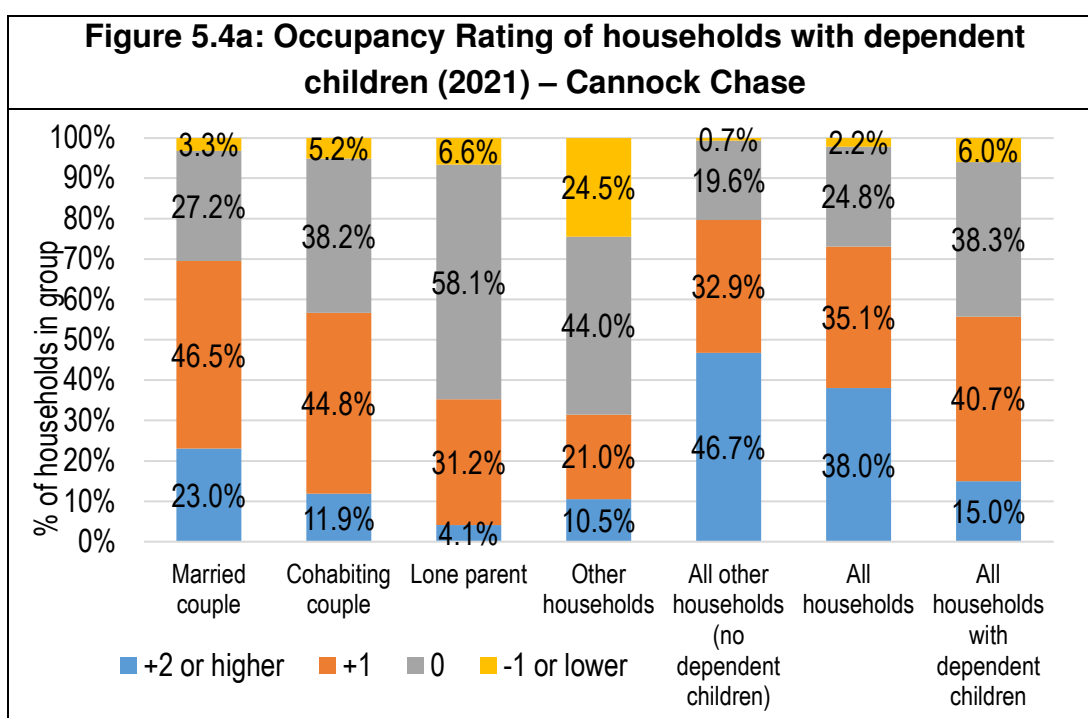
Source: Census (2021)

Figure 5.3b: Tenure of households with dependent children (2021) – Cannock Chase

	Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Social rented	Private rented/rent free	TOTAL
Married couple	8.6%	71.7%	8.5%	11.2%	100.0%
Cohabiting couple	3.8%	50.3%	20.4%	25.5%	100.0%
Lone parent	4.3%	22.1%	39.8%	33.9%	100.0%
Other households	23.5%	46.1%	14.8%	15.6%	100.0%
All other households (no dependent children)	43.9%	26.6%	15.0%	14.4%	100.0%
All households	33.9%	33.9%	16.2%	16.0%	100.0%
All households with dependent children	7.4%	53.1%	19.2%	20.3%	100.0%

Source: Census (2021)

5.5 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children with 7% of all lone parents and 25% of ‘other’ households being overcrowded. Overall, some 6% of households with dependent children are overcrowded, compared with 0.7% of other households. Levels of under-occupancy are also notably lower in households with dependent children. In the figure below ‘-1 or lower’ indicates at least one fewer bedrooms than needed, a figure of ‘+1’ indicates one more bedroom than needed – a full definition of the bedroom standard can be found in Section 2.



Source: Census (2021)

Figure 5.4b: Occupancy rating of households with dependent children (2021) – Cannock Chase

	+2 or higher	+1	0	-1 or lower	TOTAL
Married couple	23.0%	46.5%	27.2%	3.3%	100.0%
Cohabiting couple	11.9%	44.8%	38.2%	5.2%	100.0%
Lone parent	4.1%	31.2%	58.1%	6.6%	100.0%
Other households	10.5%	21.0%	44.0%	24.5%	100.0%
All other households (no dependent children)	46.7%	32.9%	19.6%	0.7%	100.0%
All households	38.0%	35.1%	24.8%	2.2%	100.0%
All households with dependent children	15.0%	40.7%	38.3%	6.0%	100.0%

Source: Census (2021)

The Mix of Housing

- 5.6 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 5.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period (taken to be 2021-40 to be consistent with other analysis in this report).
- 5.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+ bedroom homes (making up 78% of the total in this tenure group, although a similar proportion to that seen across the region). The profile of the social rented sector is broadly similar across areas (slightly more 1-bedroom homes in Cannock Chase) whilst the private rented sector is slightly smaller than other locations. Observations about the current mix feed into conclusions about future mix later in this section.

Figure 5.5: Number of Bedrooms by Tenure, 2021					
		Cannock Chase	Staffordshire	West Midlands	England
Owner-occupied	1-bedroom	2%	2%	2%	4%
	2-bedrooms	20%	19%	19%	21%
	3-bedrooms	55%	50%	52%	46%
	4+-bedrooms	23%	29%	27%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.99	3.07	3.04	3.01
Social rented	1-bedroom	36%	30%	29%	29%
	2-bedrooms	33%	37%	35%	36%
	3-bedrooms	29%	31%	32%	31%
	4+-bedrooms	3%	3%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	1.99	2.06	2.12	2.10
Private rented	1-bedroom	18%	14%	17%	21%
	2-bedrooms	39%	39%	37%	39%
	3-bedrooms	38%	38%	37%	29%
	4+-bedrooms	5%	9%	10%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.30	2.42	2.40	2.30

Source: Census (2021)

Overview of Methodology

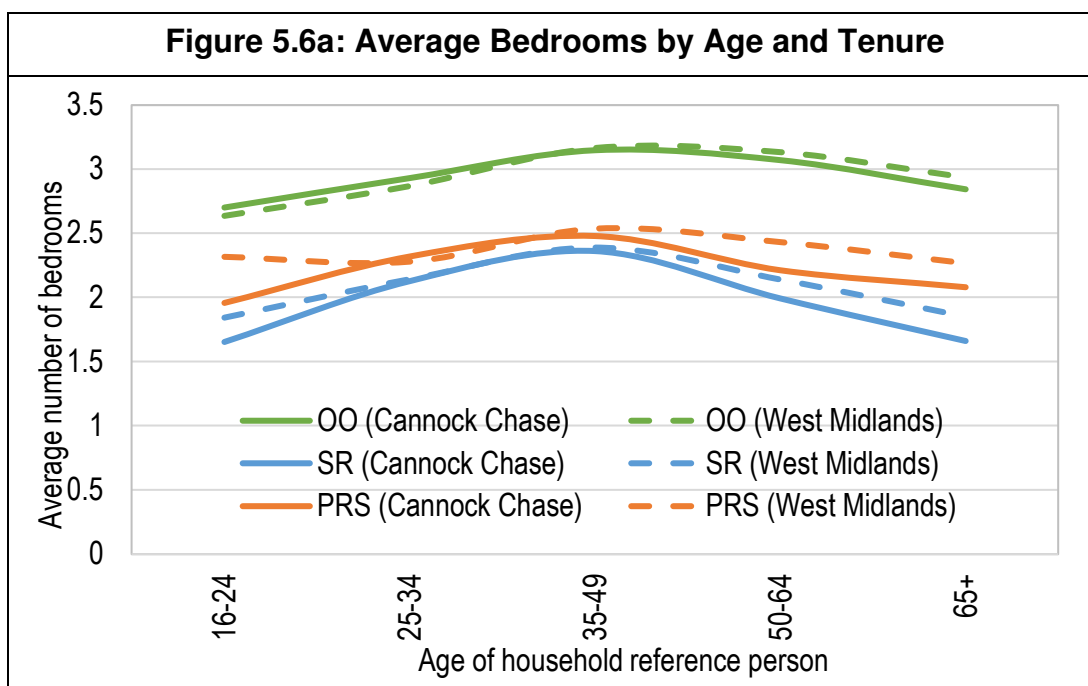
5.9 The method to consider future housing mix looks at the ages of Household Reference Persons (HRPs)⁷ and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

⁷ A HRP is defined (by ONS) as the household member who owns the accommodation; is legally responsible for the rent; or occupies the accommodation as reward of their employment, or through some relationship to its owner who is not a member of the household. If there are joint householders, the one with the highest income is the HRP. If their income is the same, then the eldest one is the HRP. The HRP is an individual person within a household used to act as a reference point for producing further statistics. Previously the HRP might have been described as the 'head of household'.

Understanding How Households Occupy Homes

- 5.10 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 5.11 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.
- 5.12 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller level access homes would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 5.13 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 5.14 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).

5.15 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Cannock Chase and the West Midlands region. In all sectors the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies only modest differences between Cannock Chase and the region with both following similar patterns by age in all tenures.



Source: Census (2021) – OO=owner-occupier; SR=social rent, PRS=private rented sector

Figure 5.6b: Average Bedrooms by Age and Tenure in Cannock Chase and the West Midlands

	Owner-occupied		Social rented		Private rented	
	Cannock Chase	West Midlands	Cannock Chase	West Midlands	Cannock Chase	West Midlands
16-24	2.70	2.64	1.65	1.84	1.96	2.32
25-34	2.93	2.87	2.13	2.14	2.32	2.28
35-49	3.15	3.16	2.36	2.39	2.48	2.54
50-64	3.07	3.13	1.99	2.14	2.21	2.43
65+	2.84	2.94	1.66	1.85	2.08	2.27

Source: Census (2021)

5.16 The analysis uses the existing occupancy patterns at a local level as a start point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing

Changes to Households by Age

5.17 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in most age groups and in particular older age groups. The number of households headed by someone aged 50-64 is however projected to decrease over the period studied.

Figure 5.7: Projected Change in Household by Age of HRP in Cannock Chase (linked to Standard Method)				
	2021	2040	Change in Households	% Change
Under 25	971	973	2	0.2%
25-34	6,250	6,139	-111	-1.8%
35-49	10,386	11,273	887	8.5%
50-64	13,093	11,927	-1,166	-8.9%
65-74	6,231	7,841	1,609	25.8%
75-84	4,906	7,049	2,143	43.7%
85+	1,677	3,183	1,505	89.7%
TOTAL	43,514	48,384	4,870	11.2%

Source: Demographic Projections

Initial Modelled Outputs

- 5.18 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.
- 5.19 The analysis for rented affordable housing can also draw on data from the local authority Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes and with over a fifth of households requiring 3+-bedroom accommodation. The figures exclude 41 cases where no size requirement data was available.

	Number of households	% of households
1-bedroom	382	36.2%
2-bedrooms	444	42.1%
3-bedrooms	191	18.1%
4+-bedrooms	38	3.6%
TOTAL	1,055	100.0%

Source: LAHS

- 5.20 The table below show the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	3%	24%	55%	17%
Affordable home ownership	19%	37%	37%	6%
Affordable housing (rented)	35%	33%	29%	3%

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

- 5.21 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).
- 5.22 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2021) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).
- 5.23 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2021, there were 25,600 households with some degree of under-occupation and just 300 overcrowded households.

Figure 5.10: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector)					
Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	9,487	5,442	14,929
+1	0	4,682	4,755	1,241	10,678
0	634	1,014	1,690	202	3,540
-1	26	91	155	34	306
TOTAL	660	5,787	16,087	6,919	29,453

Source: Census (2021)

5.24 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Figure 5.11: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector)

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	451	53	504
+1	0	928	613	75	1,616
0	2,411	1,222	822	51	4,506
-1	86	159	147	13	405
TOTAL	2,497	2,309	2,033	192	7,031

Source: Census (2021)

Figure 5.12: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector)

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	888	201	1,089
+1	0	1,732	1,091	115	2,938
0	1,206	899	568	38	2,711
-1	59	90	77	8	234
TOTAL	1,265	2,721	2,624	362	6,972

Source: Census (2021)

5.25 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy rating and a further 12.5% (i.e. an eighth) to a '0' rating. For households with one spare bedroom, 12.5% are assigned to a '0' rating (with the others remaining as '+1'). These do need to be recognised as assumptions, but can be seen to be reasonable as they do retain some degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).

5.26 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

Figure 5.13: Adjusted Modelled Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	11%	37%	42%	11%
Affordable home ownership	23%	41%	30%	6%
Affordable housing (rented)	36%	34%	25%	5%

Source: Housing Market Model (with adjustments)

5.27 Across the District, the analysis points to just over a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below.

5.28 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.

Figure 5.14: Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Cannock Chase				
Age of HRP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	22%	38%	31%	8%
65 and over	53%	47%		
All affordable housing (rented)	36%	34%	25%	5%

Source: Housing Market Model (with adjustments)

5.29 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 290 dwellings per annum) with additional data from CoRe about the sizes of homes let over the past three years.

5.30 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation where it is estimated the supply is only around 17% of the need arising each year, whereas for 1-bedroom homes around 60% of the need can be met.

Figure 5.15: Need for rented affordable housing by number of bedrooms					
	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	156	92	64	22.2%	58.8%
2-bedrooms	219	108	111	38.1%	49.5%
3-bedrooms	139	48	91	31.4%	34.7%
4+-bedrooms	29	5	24	8.3%	16.9%
Total	544	254	290	100.0%	46.6%

Source: Derived from a range of sources

Indicative Targets for Different Sizes of Property by Tenure

5.31 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/affordable rented

- 5.32 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (typically homeless households are more likely to be younger single people).
- 5.33 As noted, the conclusions also consider the Housing Register and also take account of the current profile of housing in this sector. In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

General Needs

- 1-bedroom: 20%
- 2-bedroom: 40%
- 3-bedroom: 30%
- 4+-bedroom: 10%

Housing for Older People

- 1-bedroom: 55%
- 2+-bedroom: 45%

Affordable Home Ownership

- 5.34 In the affordable home ownership and market sectors a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 20%
- 2-bedroom: 45%
- 3-bedroom: 30%
- 4+-bedroom: 5%

Market Housing

5.35 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). The conclusions have also slightly boosted figures for larger (4+-bedroom) homes and away from 1-bedroom accommodation to provide more flexibility and to recognise the potential for a general increase in home working (and therefore households seeking an extra room/bedroom to use as office space). This sees a slightly larger recommended profile compared with other tenure groups:

- 1-bedroom: 10%
- 2-bedroom: 35%
- 3-bedroom: 40%
- 4+-bedroom: 15%

5.36 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Council area) – demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

5.37 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

5.38 The analysis above has focussed on overall District-wide needs with conclusions at the strategic level. It should however be recognised that there will be variations in the need within areas due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to model smaller-area housing mix although the report does contain a range of data that can help inform specific local issues (including data about household composition, current housing mix and overcrowding/under-occupation). Below are some points for consideration when looking at needs in any specific location:

- a) Whilst there are modest differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
- b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
- c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock;
- d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function) whereas a more suburban/rural site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level; and
- e) Viability will also be a consideration in some instances such as sites subject to delivery of significant infrastructure where a particular mix might be required to achieve a viable site and to ensure the delivery of affordable housing.

- 5.39 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site in a similar location might provide a mix which includes more homes for younger/smaller family households and childless couples.
- 5.40 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Built-Form

- 5.41 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 5.42 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the Council area as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 5.43 The table below shows a notable proportion of homes in Cannock Chase are bungalows (13% of all flats and houses). Around half have 2-bedrooms with the remainder broadly split between 1-bedroom and 3+-bedroom homes (the 1-bedroom homes being largely in Council ownership). A slightly lower proportion (9%) of homes across England are bungalows.

Figure 5.16: Number of dwellings by property type and number of bedrooms (March 2020)						
	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	1,520	2,850	1,210	170	20	5,760
Flat/Maisonette	2,800	2,100	130	30	170	5,230
Terraced house	70	2,030	3,440	140	10	5,700
Semi-detached house	10	3,750	12,400	770	20	16,950
Detached house	-	430	5,350	4,630	100	10,510
All flats/houses	4,400	11,160	22,530	5,740	320	44,150
Annexe	-	-	-	-	-	30
Other	-	-	-	-	-	70
Unknown	-	-	-	-	-	70
All properties	-	-	-	-	-	44,300

Source: Valuation Office Agency

- 5.44 In general, discussions with local estate agents (discussions nationally) find that there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 5.45 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).
- 5.46 As a new build option, bungalows are often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.

- 5.47 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 5.48 Overall, the Council could consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive and this may limit opportunities for development – particularly in more urban locations.
- 5.49 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger ‘family-sized’ accommodation (with 3+-bedrooms).

Flats versus Houses

- 5.50 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.
- 5.51 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Cannock Chase, the West Midlands and England. This shows a low proportion of flats in Cannock Chase (19% of all 2-bedroom homes). This would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

Figure 5.17: Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)			
	Cannock Chase	West Midlands	England
Owner-occupied	9%	16%	25%
Social rented	21%	45%	48%
Private rented	38%	40%	52%
All (2-bedroom)	19%	30%	38%

Source: 2021 Census

5.52 For completeness, the table below shows the proportion of flats in Cannock Chase for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats – particularly in the market sector.

Figure 5.18: Proportion of homes that are a flat, maisonette or apartment (by tenure and dwelling size)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	50%	9%	0%	0%
Social rented	53%	21%	1%	6%
Private rented	85%	38%	3%	5%
All	62%	19%	1%	1%

Source: 2021 Census

5.53 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing.

Comparison with 2019 HNA

5.54 Within Section 5 of the 2019 HNA a modelled mix of housing for different tenures is provided and this can be compared with figures in this study. An almost direct comparison can be made between 2019 and this study with two points to be noted: a) the 2019 study included shared ownership as a separate tenure (for households unable to rent) and in the table below these figures are included affordable housing (rented) category and b) the 2019 study did not separate out general needs from older persons housing and so the combined figure above has been used.

5.55 The table below shows a comparison between the figures and it is clear there are some notable differences. In the market, the 2019 study suggested 72% of the need being for 3-bedroom homes and 0% for homes with 4+-bedrooms – figures in this study being 42% and 11% respectively (55% and 17% before any adjustments are made for overcrowding and under-occupancy). For affordable home ownership, the figures are quite similar, with a clear focus on a need for 2- and 3-bedroom homes. In the affordable housing sector (housing for those unable to afford market rents) the 2019 study shows around two-thirds of the need being for 2-bedroom homes, with lower proportions of 1-bedroom and 3+-bedroom when compared to this study.

		1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	This study	11%	37%	42%	11%
	2019 study	4%	24%	72%	0%
Affordable home ownership	This study	23%	41%	30%	6%
	2019 study	16%	40%	39%	5%
Affordable housing (rented)	This study	36%	34%	25%	5%
	2019 study	11%	65%	15%	9%

Source: 2019 data from HNS

5.56 There are clearly differences between the studies although some general patterns emerge – this includes a mix of larger housing in the market sector and for much of the affordable housing (for those unable to rent) being units of not more than 2-bedrooms. The mix of affordable home ownership is similar in the two studies. Given that this study has been able to use more up-to-date information (such as from the 2021 Census) it is suggested that the mix in this report is preferred.

Housing Mix: Key Messages

- Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Cannock Chase is fairly average with around 27% of all households containing dependent children in 2021 (compared with around 29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
- In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For general need rented affordable housing there is a clear need for a range of different sizes of homes, including 30% to have at least 3-bedrooms. Our recommended mix is set out below:

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	10%	20%	20%	55%
2-bedrooms	35%	45%	40%	45%
3-bedrooms	40%	30%	30%	
4+-bedrooms	15%	5%	10%	

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

Housing Mix: Key Messages (cont...)

- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making (larger) AHO genuinely affordable.
- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.
- When compared with the 2019 study, there are differences in the suggested mix of housing across different tenures. However some general patterns emerge – this includes a mix of larger housing in the market sector and for much of the affordable housing (for those unable to rent) being units of not more than 2-bedrooms. In concluding a suggested mix for rented affordable housing (which does not slavishly follow the modelling outputs) this report boosts the proportion of larger (3+-bedroom units) to reflect lower turnover in these property sizes. The mix of affordable home ownership is similar in the two studies.
- Given that this study has been able to use more up-to-date information (such as from the 2021 Census) it is suggested that the mix in this report is preferred.

6. Older and Disabled People

Introduction

6.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Change

6.2 At a national level, the population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Cannock Chase are presented.

Current Population of Older People

6.3 The table below provides baseline population data about older persons in Cannock Chase and compares this with other areas. The table shows the District has a slightly older age structure than seen regionally or nationally with 20% of the population being aged 65 and over. Compared with Staffordshire the proportion of older people is relatively low.

	Cannock Chase	Staffordshire	West Midlands	England
Under 65	80.4%	77.7%	81.1%	81.5%
65-74	10.6%	11.7%	9.9%	9.8%
75-84	6.7%	7.8%	6.5%	6.2%
85+	2.3%	2.7%	2.5%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	19.6%	22.3%	18.9%	18.5%
Total 75+	9.0%	10.5%	9.0%	8.7%

Source: ONS

- 6.4 The table below shows the same data for the nine sub-areas. This is based on the 2021 Census and so is very slightly different to mid-year population estimates (MYE) as shown above. The analysis points to some variation in the proportion of older people, this being notably higher in Cannock Wood (lowest in Bridgtown).

	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
Cannock (unparished)	79.0%	11.3%	7.3%	2.4%	100.0%	21.0%	9.7%
Brereton & Ravenhill	79.8%	10.5%	7.2%	2.6%	100.0%	20.2%	9.7%
Bridgtown	88.6%	5.3%	4.3%	1.8%	100.0%	11.4%	6.1%
Brindley Heath	80.8%	12.9%	4.4%	1.9%	100.0%	19.2%	6.3%
Cannock Wood	70.2%	15.1%	9.7%	5.1%	100.0%	29.8%	14.8%
Heath Hayes & Wimblebury	85.3%	9.1%	4.2%	1.4%	100.0%	14.7%	5.6%
Hednesford	81.6%	10.3%	6.2%	2.0%	100.0%	18.4%	8.1%
Norton Canes	81.2%	9.9%	6.8%	2.1%	100.0%	18.8%	8.9%
Rugeley	78.2%	11.5%	7.7%	2.6%	100.0%	21.8%	10.3%
TOTAL	80.6%	10.6%	6.6%	2.2%	100.0%	19.4%	8.9%

Source: 2021 Census

Projected Future Change in the Population of Older People

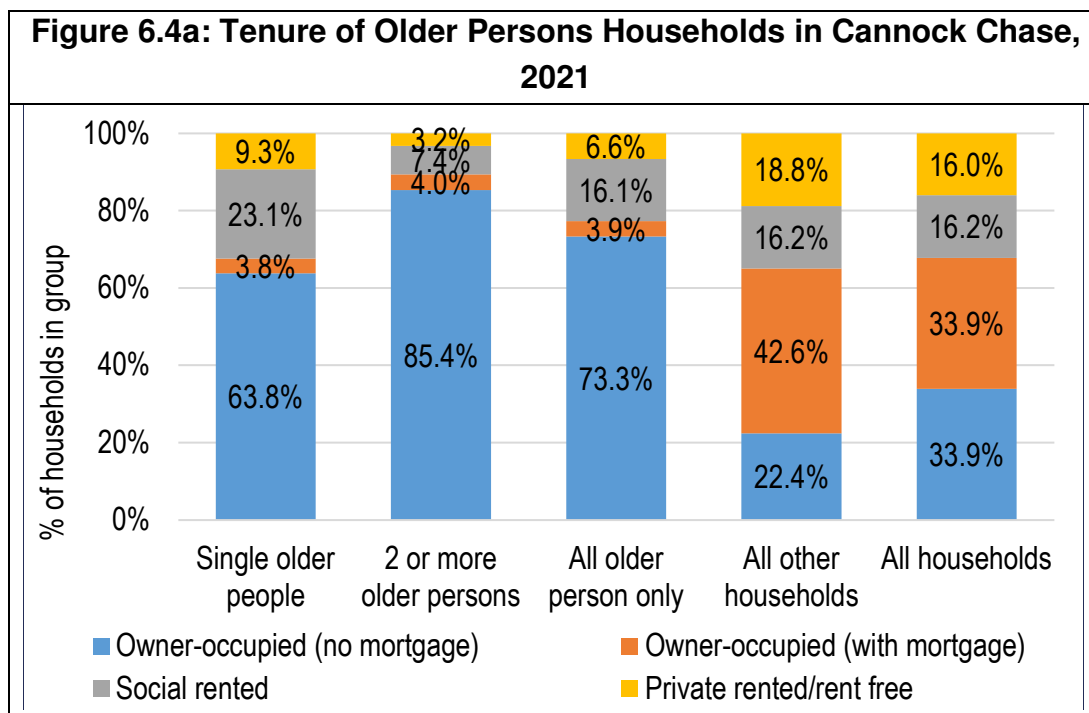
- 6.5 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Cannock Chase is projected to see a notable increase in the older person population. The projection linked to the Standard Method shows a projected increase in the population aged 65+ of around 38% - the population aged Under 65 is in contrast projected to see a modest decrease (2% decline).
- 6.6 In total population terms, the projections show an increase in the population aged 65 and over of 7,600 people. This is against a backdrop of an overall increase of 6,000 – population growth of people aged 65 and over therefore accounts for over 100% of the total projected population change.

Figure 6.3: Projected Change in Population of Older Persons, 2021 to 2040 – Cannock Chase (linking to Standard Method)				
	2021	2040	Change in population	% change
Under 65	80,885	79,326	-1,559	-1.9%
65-74	10,675	13,284	2,609	24.4%
75-84	6,744	9,669	2,925	43.4%
85+	2,286	4,314	2,028	88.7%
Total	100,590	106,593	6,003	6.0%
Total 65+	19,705	27,267	7,562	38.4%
Total 75+	9,030	13,983	4,953	54.8%

Source: Demographic projections

Characteristics of Older Person Households

- 6.7 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (77% of older person households), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 16% of older persons households live in the social rented sector and the proportion of older person households living in the private rented sector is relatively low (about 7%).
- 6.8 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.



Source: 2021 Census

Figure 6.4b: Tenure of Older Persons Households in Cannock Chase, 2021

	Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Social rented	Private rented/rent free	TOTAL
Single older people	63.8%	3.8%	23.1%	9.3%	100.0%
2 or more older persons	85.4%	4.0%	7.4%	3.2%	100.0%
All older person only	73.3%	3.9%	16.1%	6.6%	100.0%
All other households	22.4%	42.6%	16.2%	18.8%	100.0%
All households	33.9%	33.9%	16.2%	16.0%	100.0%

Source: 2021 Census

Prevalence of Disabilities

6.9 The table below shows the proportion of people who are disabled under the Equality Act drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 36% of households in the District contain someone with a disability. This figure is higher than seen across other areas. The figures for the population with a disability show similar trends in comparison with other areas – some 20% of the population having a disability.

Figure 6.5: Households and People with a Disability, 2021				
	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Cannock Chase	15,692	36.1%	20,325	20.2%
Staffordshire	125,826	33.5%	164,750	18.8%
West Midlands	820,676	33.8%	1,077,479	18.1%
England	7,507,886	32.0%	9,774,510	17.3%

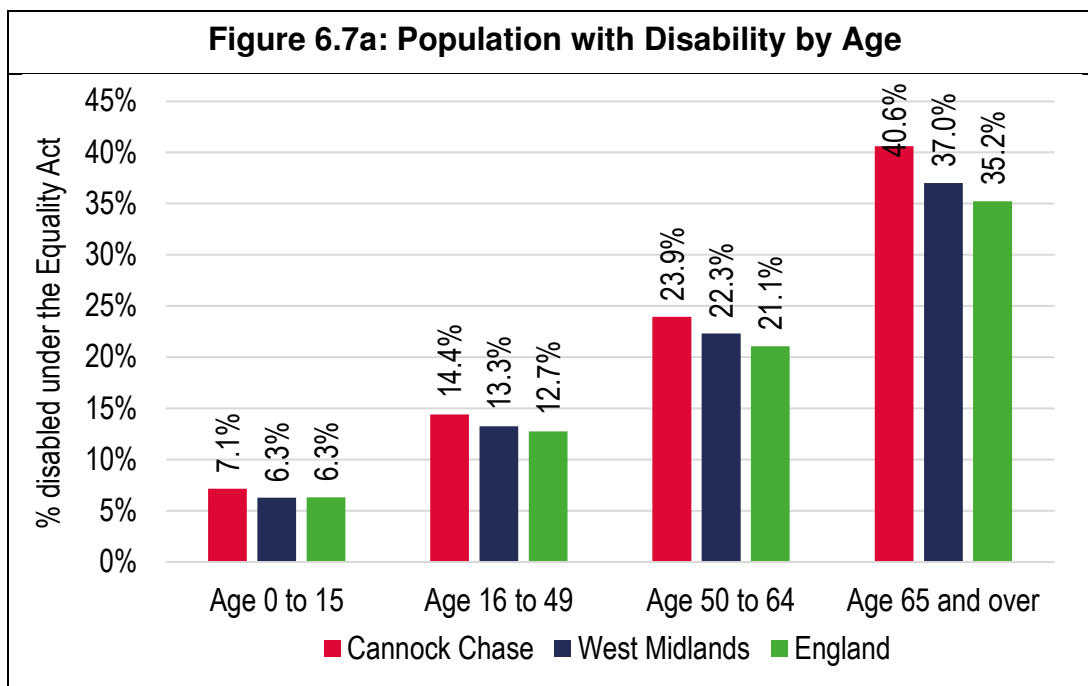
Source: 2021 Census

6.10 The table below shows the same information for sub-areas – this shows a higher proportion of population and households in Cannock with a disability and lower proportions in Heath Hayes & Wimblebury.

Figure 6.6: Households and People with a Disability, 2021 – sub-areas				
	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Cannock (unparished)	5,659	40.2%	7,323	23.2%
Brereton & Ravenhill	1,136	38.4%	1,480	21.1%
Bridgtown	329	33.6%	409	19.7%
Brindley Heath	134	37.9%	179	21.1%
Cannock Wood	127	32.9%	151	17.1%
Heath Hayes & Wimblebury	1,617	29.6%	2,192	16.3%
Hednesford	2,754	33.9%	3,480	18.6%
Norton Canes	1,185	33.7%	1,528	18.4%
Rugeley	2,775	36.4%	3,571	20.3%
TOTAL	15,716	36.1%	20,313	20.2%

Source: 2021 Census

6.11 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows higher levels of disability in each age band within Cannock Chase when compared with the regional and national position.



Source: 2021 Census

	Cannock Chase	West Midlands	England
Age 0 to 15	7.1%	6.3%	6.3%
Age 16 to 49	14.4%	13.3%	12.7%
Age 50 to 64	23.9%	22.3%	21.1%
Age 65 and over	40.6%	37.0%	35.2%

Source: 2021 Census

Health Related Population Projections

6.12 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.

- 6.13 Of particular note are the large increases in the number of older people with dementia (increasing by 59% from 2021 to 2040 and mobility problems (up 50% over the same period). Changes for younger age groups are smaller (negative), reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 26% of total projected population growth.

Figure 6.8: Projected Changes to Population with a Range of Disabilities – Cannock Chase					
Disability	Age Range	2021	2040	Change	% Change
Dementia	65+	1,189	1,892	703	59.1%
Mobility problems	65+	3,198	4,793	1,595	49.9%
Autistic Spectrum Disorders	18-64	575	569	-6	-1.1%
	65+	168	235	67	40.1%
Learning Disabilities	15-64	1,486	1,470	-16	-1.1%
	65+	376	517	141	37.6%
Impaired mobility	16-64	3,284	3,160	-124	-3.8%

Source: POPPI/PANSI and Demographic Projections

- 6.14 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 6.15 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

Need for Specialist Accommodation for Older People

- 6.16 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 6.17 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 6.18 There are a number of ‘models’ for considering older persons’ needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.
- 6.19 Whilst there are no definitive rates, the PPG [63-004] notes that *‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool)’*. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.
- 6.20 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are ‘outdated’ but also noting that the rates from 2011/12 were ‘not substantiated’. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.

- 6.21 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 6.22 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Figure 6.9: Range of suggested baseline prevalence rates from a number of tools and publications			
Type/Rate	SHOP@ (2008) ⁸	Housing in Later Life (2012) ⁹	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Housing LIN

⁸ Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

⁹ https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

6.23 In interpreting the different potential prevalence rates it is clear that:

- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;
- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

6.24 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care – in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.

6.25 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).

- 6.26 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Cannock Chase, the data shows slightly worse health in the older person population and so a modest increase has been made to the prevalence rates.
- 6.27 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Cannock Chase is the 126th most deprived local authority in England (out of 317) – i.e. a higher than average level of deprivation – this suggests a greater proportion of affordable housing than a local authority in the middle of the range (for housing with support and housing with care).
- 6.28 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).
- 6.29 Overall, the analysis suggests that there will be a need for housing with support (retirement/sheltered housing) with around three-fifths in the affordable sector. The analysis also points to a strong potential need for housing with care (e.g. extra-care) in both the market and affordable sectors (two-thirds market housing). The analysis also suggests a need for some additional nursing and residential care bedspaces.

Figure 6.10: Specialist Housing Need using adjusted SHOP@Review Assumptions, 2021-40 – Cannock Chase							
		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2040	Shortfall/surplus by 2040
Housing with support	Market	47	94	423	329	232	562
	Affordable	82	357	745	388	409	797
Total (housing with support)		129	451	1,168	717	641	1,359
Housing with care	Market	25	41	224	183	123	306
	Affordable	22	146	197	51	108	159
Total (housing with care)		47	187	421	234	231	464
Residential care bedspaces		41	221	374	153	205	358
Nursing care bedspaces		47	342	421	79	231	309
Total bedspaces		88	563	794	231	436	668

Source: Derived from Demographic Projections and Housing LIN/EAC

- 6.30 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to 'rightsize' which can help improve their quality of life.
- 6.31 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the 'top-end' of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Adult Social Care Engagement

- 6.32 We engaged with the County Council's Adult Social Care team to understand their current policy towards older persons' care. Notes from this meeting are summarised below.

- 6.33 The Council undertook a major Extra Care program which began in 2007 to develop sites on their own land. There are 27 extra-care schemes in Staffs with three in Cannock Chase. However, some sites may not have been in ideal locations, leading to issues with managing nomination rights. The council does not commission sheltered accommodation but oversees housing placements.
- 6.34 The county council's strategy is not yet finalised, and engagement with the main social care partners is ongoing. Overall, the current policy supports market housing with care and housing with support but does not involve direct investment.
- 6.35 They have projections of need which are based on demographic projections and also ensure continued rates of prevalence.
- 6.36 However, the County Council were keen to stress that the level of care provided in extra-care needs to be better mandated within future schemes. Specifically, there is a need for providers to agree to provide 24/7 care and for care provision to evolve with the resident as required. This is supported by the PANSI data which shows the growth in complex needs.
- 6.37 This includes the provision of scheduled and unscheduled care. There is also a need to ensure that a wider range of specialist care is provided for example for dementia care. Although they recognise that issues arise with large care packages impacting staffing and recruitment.
- 6.38 Although the County Council have nomination rights in several extra-care developments until recently they have not been utilising that fully. That said, most extra-care schemes in Cannock are at capacity.
- 6.39 This placement issue is particularly the case for those with complex needs who sometimes end up in residential care without needing it. In some cases, this is because their social workers prefer the greater surety of care that residential brings over extra-care when their capacity for complex needs is limited.
- 6.40 There are also issues with the age and quality of some of the older schemes and if compliance with energy performance standards and building standards is to be achieved then some of the existing stock will need to be replaced.

- 6.41 New homes will also need to comply with these standards and they welcome the view that 100% of new homes should be built to M4(2) standards as this will allow adaptation which will see more people living in their own homes for longer.
- 6.42 If this is the case then new developments should be prioritised in areas which have access to healthcare, community facilities, and good public transport. There is also a desire in Cannock to have facilities that the community can access.
- 6.43 Although most development will be for one person consideration of 2-bedroom units due to an ageing population with more couples also needs to be addressed.

Wheelchair User Housing

- 6.44 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them ‘visitable’ for wheelchair users and data about wheelchair users by tenure.
- 6.45 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Figure 6.11: Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
24 and under	99.4%	0.3%	0.0%	0.3%	100.0%
25-34	99.3%	0.3%	0.1%	0.2%	100.0%
35-49	98.2%	0.5%	0.1%	1.2%	100.0%
50-64	96.9%	0.7%	0.4%	2.0%	100.0%
65 and over	93.1%	0.9%	0.4%	5.6%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

6.46 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population. The data estimates a total of 1,815 wheelchair user households in 2021, and that this will rise to 2,260 by 2040.

Figure 6.12: Estimated number of wheelchair user households (2021-40) – Cannock Chase

	Prevalence rate (% of households)	Households 2021	Households 2040	Wheelchair user households (2021)	Wheelchair user households (2040)
24 and under	0.7%	971	973	7	7
25-34	0.7%	6,250	6,139	45	44
35-49	1.9%	10,386	11,273	197	214
50-64	3.3%	13,093	11,927	426	388
65 and over	8.9%	12,814	18,072	1,140	1,608
All households	-	43,514	48,384	1,815	2,260

Source: Derived from a range of sources

- 6.47 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully ‘visitable’ – this is around 25% of wheelchair user households.
- 6.48 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for around 900 additional wheelchair user homes in the 2021-40 period. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) leads to a need estimate of 565 homes. These figures equate to a need for 30-47 dwellings per annum.

Figure 6.13: Estimated need for wheelchair user homes, 2021-40			
	Current need	Projected need (2021-40)	Total current and future need
Total	454	446	899
@ 25% of projection	454	111	565

Source: Derived from a range of sources

- 6.49 Furthermore, information in the EHS (for 2018/19) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users (including 2.2% using a wheelchair indoors), compared with 3.1% of owner-occupiers (0.7% indoors). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Figure 6.14: Proportion of wheelchair user households by tenure of household reference person – England

	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	96.9%	0.5%	0.2%	2.4%	100.0%
Social sector	92.9%	1.6%	0.6%	4.8%	100.0%
Private renters	98.8%	0.1%	0.1%	0.9%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.50 To meet the identified need, the Council could seek a proportion (maybe up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (say 10%). These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.
- 6.51 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 6.52 It is worth noting that the Government has reported on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds¹⁰.
- 6.53 The key outcome is: *'Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes'*. This change is due to shortly be implemented through a change to building regulations.

¹⁰ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

- 6.54 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating ‘M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand’.
- 6.55 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 9-years old but do still provide an indication of the relative costs of different options.

Figure 6.15: Access Cost Summary					
	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi- Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

- 6.56 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.
- 6.57 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Comparison with 2019 HNA

6.58 Section 6 of the 2019 HNA also included estimates of the need for specialist housing for older people and the need from wheelchair users and so a direct comparison can be made between the studies.

6.59 The table below shows estimates of the need for housing with care and housing with support in two broad tenures in the two studies. The figures provided are to the whole period studied in each of the reports (2018-36 in 2019 and 2021-40 in this study). The figure shows much higher needs suggested in the 2019 study and particularly high needs for market housing. The 2019 figures look to be driven by prevalence rates in the Housing in Later Life document discussed earlier in this section and which are no longer considered relevant.

6.60 Therefore it can be concluded that both studies clearly show a need for more specialist accommodation for older people, but that the needs are not likely to be as acute as estimated in the 2019 study.

Figure 6.16: Comparison between this study and 2019 on estimated need for older persons housing			
		This study	2019 study
Housing with support	Market	562	1,660
	Affordable	797	528
Housing with care	Market	306	582
	Affordable	159	327

Source: 2019 data from Figure 49 (page 62)

6.61 The 2019 study also looked at the need for M4(2) housing and attempted to quantify the need (which has not been done in this report). The 2019 study did identify a significant need for M4(2) and so it is clear that both studies would support the current conclusion of seeking 100% of housing as M4(2) as a start point.

6.62 Finally, in terms of M4(3) wheelchair user housing, the 2019 report identified a need from 640 households over the 2018-36 period. This is within the range of 565-899 set out above, and whilst the methodology used is not identical, it is clear that both report do project a similar level of need.

Older and Disabled People: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows that Cannock Chase has a slightly older age structure and higher levels of disability when compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (73% of all older person households are outright owners).
- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2021-40 period include:
 - a 38% increase in the population aged 65+ (potentially accounting for over 100% of total population growth);
 - an 59% increase in the number of people aged 65+ with dementia and 50% increase in those aged 65+ with mobility problems;
 - a need for around 1,360 housing units with support (sheltered/retirement housing) – around three-fifths in the affordable sector;
 - a need for around 460 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around two-thirds market);
 - a need for additional nursing and residential care bedspaces; and
 - a need for 565-900 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.

Older and Disabled People: Key Messages (cont...)

- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for). To help increase the delivery of specialist housing, the Council could also give thought to allocating sites within the Local Plan – such an approach is considered in Planning Practice Guidance where *‘there is an identified unmet need for specialist housing’*.
- When compared with the 2019 study, this report suggests a much lower need for housing for older people (notably lower in the case of market housing with support). The 2019 figures look to be driven by prevalence rates in the Housing in Later Life document which are no longer considered relevant. Both studies clearly show a need for more specialist accommodation for older people, but the needs are not likely to be as acute as estimated in the 2019 study. In comparison with this report, the 2019 study does however draw broadly similar conclusions in terms of the need for M4(2) and M4(3) housing.

7. Other Groups

Introduction

7.1 This section of the report considers a range of other groups set out in the NPPF and PPG. This includes the private rented sector (and build-to-rent) housing, the need for self- and custom-build development, students and service personnel.

Private Rented Sector (including Build-to-Rent)

Background Data

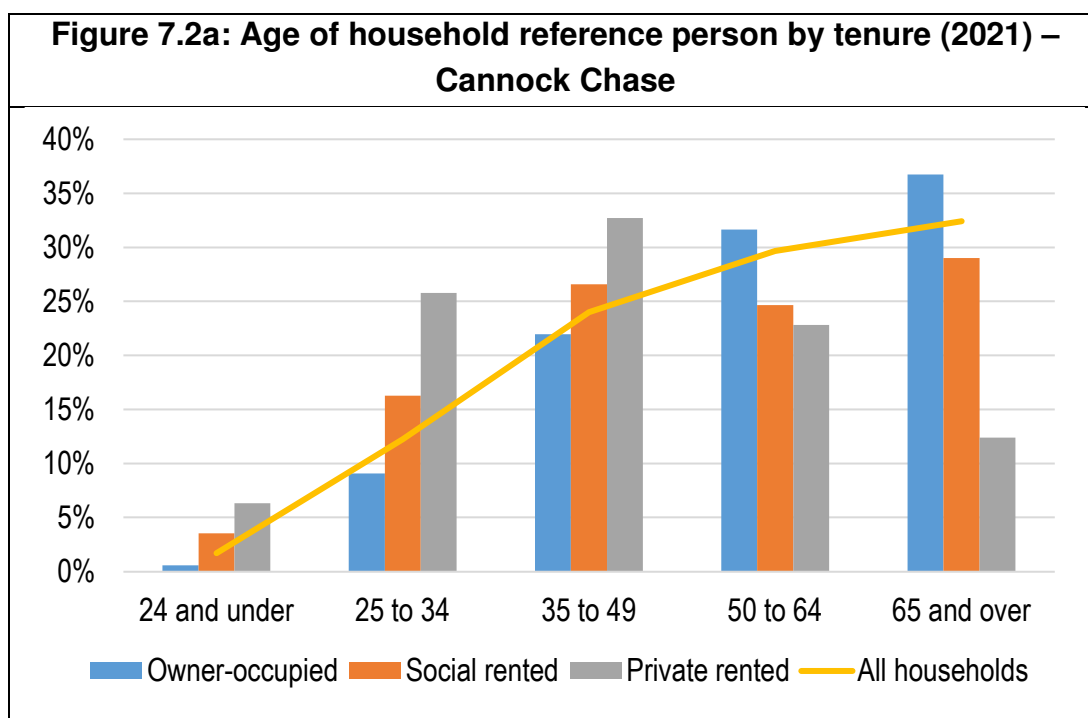
- 7.2 As set out earlier in this report the PRS accounts for 16% of all households in the district (6,972 households). Between 2011 and 2021 the tenure grew faster than any other at 28.5% or 1,500 households. This report also examined the rental market which, in summary, highlights the following key points:
- Overall median rents in the district are £675 per calendar month which is 7% lower than the West Midlands average and 18% below the England average.
 - Median monthly rents vary from £475 for 1-bedroom to £1,083 for 4+-bedroom properties in the District.
 - Lower quartile monthly rents vary from £433 for 1-bedroom to £950 for 4+-bedroom properties in the District.
 - Between 2017/18 and 2022/23 rents in the district increased by 27% or £145. This was a faster rate of growth than County, Region and Country.
- 7.3 Earlier in this report we also identified the role the PRS has in providing affordable housing. Since the start of the pandemic around 2,500 homes in the PRS have been supported by either housing benefit or universal credit with a housing element.
- 7.4 The table below shows the composition of households living in the private rented sector (and compared with other tenures). This shows a particularly high proportion of households with dependent children, making up 35% of the PRS and younger single person households (30% of the sector).

Figure 7.1: Household composition by tenure (2021) – Cannock Chase

	Owner-occupied	Social rented	Private rented	Total
Single person aged 66+	12.5%	17.9%	7.3%	12.6%
Single person aged <66	11.6%	22.4%	30.3%	16.4%
Couple aged 66+	13.2%	4.6%	2.0%	10.0%
Couple, no children	22.3%	9.5%	16.4%	19.3%
Couple, dependent children	20.1%	15.0%	19.3%	19.1%
Couple, all children non-dependent	9.5%	4.6%	2.4%	7.6%
Lone parent, dependent children	2.5%	16.0%	13.7%	6.5%
Lone parent, all children non-dependent	3.7%	6.2%	3.3%	4.0%
Other households with dependent children	1.9%	1.7%	1.8%	1.9%
Other households	2.6%	2.2%	3.5%	2.7%
Total	100.0%	100.0%	100.0%	100.0%
Total households	29,454	7,029	6,972	43,455
Total dependent children	24.5%	32.6%	34.9%	27.5%

Source: Census (2021)

7.5 Private renters are younger than social renters and owner occupiers. In 2021, the average age of household reference persons (HRPs) in the private rented sector was 45 years (compared with 58 years for owner occupiers and 53 for social renters). Nearly two-thirds (65%) of private rented sector HRPs were aged under 50 compared with 46% of social renters and 32% of owner occupiers.



Source: Census (2021)

Figure 7.2b: Age of household reference person by tenure (2021) – Cannock Chase

	Owner-occupied	Social rented	Private rented	All households
24 and under	0.6%	3.5%	6.3%	1.7%
25 to 34	9.1%	16.3%	25.8%	12.2%
35 to 49	22.0%	26.6%	32.7%	24.0%
50 to 64	31.6%	24.6%	22.8%	29.6%
65 and over	36.7%	29.0%	12.4%	32.4%
Total	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

7.6 The tables below show the size and type of accommodation in the PRS compared with other sectors. From this it can be seen that the profile PRS generally sits somewhere between that of owner-occupation and social renting. For example, the PRS has a higher proportion of detached homes than the social rented sector, but fewer than owner-occupiers.

- 7.7 When looking at the size of accommodation, it is clear that the PRS is strongly focussed on 2- and 3-bedroom homes (making up 77% of all households in this tenure). The owner-occupied sector in contrast is dominated by 3+-bedroom homes (78% of the total in this tenure) whilst social renting has the highest proportion of 1-bedroom homes (36%).

Figure 7.3: Accommodation type by tenure (households) – Cannock Chase				
	Owner-occupied	Social rented	Private rented	Total
Detached	40.8%	4.1%	10.0%	29.9%
Semi-detached	45.6%	57.7%	40.4%	46.7%
Terraced	10.6%	12.1%	17.6%	11.9%
Flat/other	3.1%	26.1%	32.0%	11.4%
Total	100.0%	100.0%	100.0%	100.0%
	29,453	7,028	6,972	43,453

Source: Census (2021)

Figure 7.4: Accommodation size by tenure (households) – Cannock Chase				
	Owner-occupied	Social rented	Private rented	Total
1-bedroom	2.3%	35.5%	18.2%	10.2%
2-bedrooms	19.6%	32.8%	39.0%	24.9%
3-bedrooms	54.6%	28.9%	37.7%	47.7%
4+-bedrooms	23.5%	2.7%	5.2%	17.2%
Total	100.0%	100.0%	100.0%	100.0%
	29,459	7,030	6,969	43,458

Source: Census (2021)

- 7.8 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The analysis shows that levels of overcrowding in the PRS are higher than for households generally, with 3.4% of households being overcrowded in 2021 (lower than the 5.8% figure in social rented accommodation, but notably above the owner-occupied figure of 1.0%). Levels of under-occupation are slightly higher than in the social rented sector, with around 58% of households having at least one spare bedroom (87% in the owner-occupied sector).

Figure 7.5: Overcrowding and under-occupation by tenure (households) – Cannock Chase				
	Owner-occupied	Social rented	Private rented	Total
+2 or more	50.7%	7.2%	15.6%	38.0%
+1 or more	36.2%	23.0%	42.1%	35.0%
0	12.0%	64.1%	38.9%	24.8%
-1 or less	1.0%	5.8%	3.4%	2.2%
Total	100.0%	100.0%	100.0%	100.0%
	29,455	7,032	6,972	43,459

Source: Census (2021)

Build-to-Rent

- 7.9 In respect of Build to Rent, the Housing White Paper (February 2017) was clear in 2017 that the Government wanted to build on earlier initiatives to attract new investment into large-scale housing which is purpose-built for market rent (i.e., Build to Rent).
- 7.10 At that time, the Government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.
- 7.11 This was realised through the publication of the revised NPPF (February 2019) which recognises the emergence of the strength of the private rented sector. The Framework, which continues to recognise the role of the private rented sector in the current September 2023 version, says the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including those people who rent their homes (as separate from those in affordable housing need) (paragraph 62).
- 7.12 The Framework’s glossary also introduces a definition for Build to Rent development, thus recognising it as a sector. It represents development which is constructed with the intention that it will be let rather than sold:

“Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development”.

7.13 The benefits of Build to Rent are best summarised in the Government’s A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are wide-ranging but can include:

- Helping local authorities to meet demand for private rented housing whilst increasing tenants’ choice “as generally speaking tenants only have the option to rent from a small-scale landlord”.
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
- Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build-for-sale and affordable housing; and
- Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

7.14 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

7.15 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Turning to the present and the latest market insight on Build to Rent as it begins to mature and strengthen as a development sector, the Savills UK Build to Rent Market Update¹¹ for Q2 2023 states that the market now had 88,100 completed units, 53,500 under construction and 111,800 in the development pipeline, a total of 253,400 units.

7.16 The British Property Federation (“BPF”), London First and UK Apartment Association (“UKAA”) recently published (November 2022) a report¹² profiling those who live in Build to Rent accommodation in England.

7.17 Around 40% of residents were aged between 25 and 34, which is broadly similar to the in the wider private rented sector market. This age group also coincides with one of the largest age groups in PRS in Cannock Chase.

¹¹ https://www.savills.co.uk/research_articles/229130/347183-0

¹² <https://bpf.org.uk/our-work/research-and-briefings/who-lives-in-build-to-rent-2022/>

- 7.18 The survey-based data identified that incomes are similar to those in private rented sector accommodation with 18% earning between £26,000 and £32,000, and 23% earning between £32,000 and £44,000. Around 65% of households in Cannock earn over £26,000 while around 40% earn over £32,000.
- 7.19 The report noted that Build to Rent (BtR) has comparable levels of affordability but is notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of these household types within the Build to Rent sector.
- 7.20 This is unlikely to be the case in Cannock Chase as typically BtR residents spend between 28% and 33% of their income on accommodation. Based on median incomes in Cannock Chase this would equate to between £732 and £863 pcm which is considerably more than median rental homes (£675). Although some build-to-rent developers are inclusive of bills and do provide a wider range of facilities.
- 7.21 The report also identified that BtR residents are professionally diverse and employed in many different industries. It was noted (from the sample in the study) that 17% of residents are employed in the public sector, which is very similar to the proportion across the private rented sector generally (put at 19% in this research). The report suggests this points to BtR as being suitable for key workers.
- 7.22 It is our understanding that there has been limited activity in the way of existing and forthcoming Build to Rent development in Cannock Chase.
- 7.23 According to the British Property Federation, there is only one development of Build to Rent Accommodation in the district and this is at the Fallows and Deer Rise development to the north of the Town which provides 98 units. Although this source does include such developments as extra-care etc.
- 7.24 Nationally, it is clear that the sector is growing however given the low levels of private renting relatively low rent we do not consider that demand from developers in the district will be significant. That said a policy response may be worthwhile.

Build-to-Rent – Policy Response

- 7.25 The PPG on Build to Rent recognises that where a need is identified that local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent. While no to limited need has been identified in the district we think it would be prudent for the Council to consider a policy nevertheless to respond to future applications.
- 7.26 In preparing the Local Plan Review, the Council could include a policy on Build-to-Rent development to set out parameters (such as design, contract lengths, space standards, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc.), regarding how schemes would be considered, with the expectation that there is likely to be some activity moving forward – and this policy should also deal with how affordable housing policies would be applied.
- 7.27 Given that the sector is still evolving, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development. The Framework’s definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.
- 7.28 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector. The viability of Build to Rent development will however differ from that of a typical mixed tenure development in the sense that returns from the Build to Rent development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are sold.
- 7.29 In general terms, it is expected that a proportion of Build to Rent units will be delivered as ‘Affordable Private Rent’ housing. Planning Practice Guidance¹³ states that:

“The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.”

¹³ ID: 60-002-20180913

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”

- 7.30 The Council should have regard to the PPG on Build-to-Rent developments. This states that at least 20% of the units within a Build to Rent development should be let as Affordable Private Rented units at a discount of 20% to local market rents. We would advise that this is capped at Local Housing Allowance rates for it to be truly affordable.

Agency Engagement

- 7.31 To inform this study with an up-to-date picture of the lettings market in Cannock Chase we have engaged with local lettings agents. This engagement took place in December 2023. The findings should be treated as anecdotal evidence and in some cases contradict the quantitative evidence. This may be due to agents only operating in certain markets. The agents that we engaged with were from:
- Bairstow Eves;
 - Chattings;
 - Webbs; and
 - Dixons.
- 7.32 One agent described the market as “exceptionally buoyant” but warned that over the last year, the supply is down 10% - 25%. As a result of the lack of supply and increased mortgage costs rents have increased by between 10% and 12% over the last year, which is on top of a 10% increase the year before.
- 7.33 The supply has fallen as landlords have been selling up due to increased interest rates and legislation. Demand has been increasing for several reasons including those being evicted by landlords selling up.

- 7.34 Other reasons for increased demand include interest rates and high deposit requirements due to the cost of living crisis prohibiting people from buying. One agent also suggested that since the pandemic people have seen renting as being a more flexible option for their lifestyle.
- 7.35 To illustrate the demand one agent said that if a two-bedroom flat came onto the market it would receive 40-60 enquiries, 5-10 views and 4-5 applications and would be let within 2-3 days. The asking price is usually met and is pretty accurate and flats rarely go for above the asking price. Only around 1% of rents were ever negotiated.
- 7.36 One agent suggested that between 40% and 50% of tenants were new to the area. This includes many moving from Birmingham and the Black Country as well as from overseas. One agent highlighted the increased number of people from Hong Kong wishing to rent.
- 7.37 Typically 12-month contracts are offered to tenants and residencies usually last between 12 and 24 months (2x12-month contract). Although, in most cases, a 6-month break clause is also offered, particularly for new tenants.
- 7.38 While prices have gone up so too has quality as landlords seek to address the greater demands of those who would normally have bought a house. One agent described most of the stock in the district as of a decent standard.
- 7.39 A lot of the demand is from young families and professional couples as such 2-bedroom flats and 3-bedroom homes are in most demand. The demand for 2-bedroom flats is being driven by its lower price point but similar size to a 3-bedroom home.
- 7.40 None of the agents thought there was a great demand from older people downsizing. However, on the rare occasion that a bungalow came onto the market then they would see a level of interest.
- 7.41 There is also a gap in the market for larger-family homes to rent. One agent suggested that the demand for 3-bedroom homes is actually for those who would really need a 3-4 bedroom home with larger living rooms but the increase in rents is making people downgrade their expectations.

- 7.42 The HMO market is also strong, particularly if the accommodation is of good quality. Many of the HMO tenants are new to the area or are only there for a few months on a working contract. This includes many social care workers and retail workers.
- 7.43 One agent believed that as long as the price was realistic there could be a market for build-to-rent properties in the district. This was because they did let a lot of rooms with ensuite facilities. However, they added that there is not a great deal between an HMO room rent and a 2-bed flat (£100-£200 per month), although he recognised that bills were included.
- 7.44 Another agent noted an increase in demand from room shares in comparison to five years ago. The appeal was for people seeking lower-cost housing including overseas workers. As bills were also included this took some of the stress of renting away.
- 7.45 One agent suggested that the market was fairly even across the district with no areas seeing a downturn, while another suggested the market in Cannock and the south of the district is much stronger than in Rugeley.
- 7.46 This strength of the Cannock market was due to its connectivity and direct employment opportunities. The opening of McArthur Glen has created a large influx of jobs. There are also many other job opportunities in industrial and warehousing roles along the motorways.
- 7.47 Fradley industrial estate was noted as it drew people in from the Black Country. One agent suggested that people from Wolverhampton and Walsall regularly moved to Cannock as it was seen as “an upgrade” due to its less urban feel and its access to the Chase and other rural areas.
- 7.48 Although the market has changed recently one agent noted that many HS2 workers sought rental accommodation in Cannock Chase. While another suggested that there was some demand from students in their placement year working in the industrial estates.
- 7.49 The district's proximity to Birmingham was also a factor in the increased demand with many people moving out of the city in search of cheaper and larger accommodation. Also, increased levels of working from home meant that people could live further away from their office and do not necessarily want to live in a big city. This movement is also supported by the district's good connectivity.

- 7.50 One agent suggested that Cannock was a good central ground for couples that work in different locations such as Lichfield and Walsall. Another cited the town's regeneration plans as being attractive to newcomers when it was once just seen as a cheap option.
- 7.51 It was estimated that between 20% and 30% of tenants are NHS workers with more working in the social care sector. In relation to the private sector social and healthcare, this was being driven by multiple new care facilities in the district.
- 7.52 However, the agents did note that not many Fire Brigade or Police staff were tenants. It was also confirmed that there is no student demand or military demand for rental accommodation in Cannock Chase. There may therefore be some limited demand for key-worker housing in the district.

Private Rented Sector – summary

- 7.53 The private rented sector (PRS) accounts for around 16% of all households in Cannock Chase (as of 2021) – a smaller proportion to that seen across the West Midlands, and notably below the national average (21%). The number of households in this sector has grown substantially (increasing by 29% in the 2011-21 period).
- 7.54 The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 43% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained elevated.

- 7.55 There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- 7.56 This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

- 7.57 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) ("the 2015 Act") provides a legal definition of 'self-build and custom housebuilding' which are where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 7.58 Self-build and Custom-build dwellings differ in the way the construction is managed. The National Custom & Self Build Association (NaCSBA) defines self-build as 'projects where someone directly organises the design and construction of their new home'. Custom-build dwellings are less intensive in that a single developer does much of the construction work with input from the end homeowner.
- 7.59 The Government has long had a clear agenda for supporting and promoting the self-build and custom-building sector; and sees that its growth can help support increased product diversity and housing delivery. Local authorities are required by the 2015 Act to maintain and publicise a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land to build their own self-build and custom homes.

- 7.60 The Housing and Planning Act 2016 (“the 2016 Act”), which received Royal Assent on 12th May 2016, formally introduced the ‘Right to Build’. It has placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period (commencing on 31st October 2016). The fundamental intention is to increase the supply of land for those considering self and custom-build.
- 7.61 The Levelling Up and Regeneration Act (LURA) 2023 tightened up the definitions regarding what can be considered appropriate supply for self and custom housebuilding. The Act now requires local authorities to only count planning permissions as part of self-build supply if they are specifically for self-build development.
- 7.62 This means supply permissions are likely to be required to be secured for this purpose either through a condition attached to the planning permission or a legal agreement between the applicant and the council.
- 7.63 Using data from the government’s right to build register monitoring, we have analysed the numbers of individuals and groups joining in the relevant base periods. The data indicates 23 individuals on the Register as of October 2022, no groups are registered. There have been an average of 4 new registrants each year compared to an average of 7 permissions granted for self or custom build dwellings (although this potentially uses the older definition).

Figure 7.6: Self- and Custom-Build Need shown by the Register – Cannock Chase		
	Registrations	Permissions
Base Period 1 (16 August 2015 to 30 th October 2016)	4	-
Base Period 2 (31 st October 2016 to 30 th October 2017)	5	15
Base Period 3 (31 st October 2017 to 30 th October 2018)	4	12
Base Period 4 (31 st October 2018 to 30 th October 2019)	1	7
Base Period 5 (31 st October 2019 to 30 th October 2020)	2	6
Base Period 6 (31 st October 2020 to 30 th October 2021)	5	0
Base Period 7 (31 st October 2021 to 30 th October 2022)	2	4
Total	23	44
Average per base period <i>(Total/6.5)</i>	4	7

Source: Government Right to Build Register Monitoring

- 7.64 We have also sought alternative views on the demand for custom and self-build housing in Cannock Chase from NaCSBA, however this showed that there was no demand recorded in the district.
- 7.65 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector. The PPG¹⁴ is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are several measures which can be used to do this, including but not limited to:
- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;

¹⁴ Paragraph: 025 Reference ID: 57-025-20210508

- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested; and
- working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

7.66 The existing Cannock Chase Local Plan (2014) does not include specific policies seeking the provision of self and custom-build housing. The Regulation 19 Draft Plan makes mention in paragraph 6.100 that the council recognises the contribution self and custom-build dwellings make to housing supply, and states that the Council identifies single plots for residential development that would be suitable for self and custom build. However, there is no specific policy that supports custom-build development.

7.67 Government policy and legislation is generally seeking to encourage and support self-build development and it is appropriate for this to be reflected in local plan policies. Indeed an increasing number of local planning authorities have adopted *specific* self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply.

7.68 There are also a number of appeal decisions in the context of decision-making which have found that paragraph 11(d) of the Framework is engaged in the absence of specific policy on self-build housing when this is the focus of a planning application. The inclusion of such a policy is therefore advisable in local plans.

7.69 A specific policy would typically express support for self-build and custom housebuilding and require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots and/or allocation of sites solely for the use.

Self- and Custom-Build – summary

7.70 Local authorities are required to permit a number of plots to meet the need identified on their self and custom build register. Over the last six and a half years around 4 new registrations come on to their register per base period. This indicates future need although if registrations increase so too must supply. To this point supply has been in the region of 7 custom and self-build dwellings per annum. To this point, supply is meeting demand. However, new legislation through LURA tightens up what can be classed as part of the supply and this should be monitored.

Looked after Children

7.71 The Care Standards Act 2000 defines Children's Home stating 'an establishment is a children's home... if it provides care and accommodation wholly or mainly for children'. 'Wholly or mainly' means that most of the people who stay at a home must be children.

7.72 Key legislation relating to the accommodation and maintenance of a looked-after child is defined and outlined in Sections 22A to 22D of the Children Act 1989. The legislation provides a framework within which decisions about the most appropriate way to accommodate and maintain children must be considered:

- Section 22A of the Children Act 1989 imposes a duty on the responsible authority when a child is in their care to provide the child with accommodation.
- Section 22B of the Children Act 1989 sets out the duty of the responsible authority to maintain a looked-after child in other respects apart from providing accommodation.
- Section 22C of the Children Act 1989 sets out how a looked-after child is to be accommodated.
- Section 22D of the Children Act 1989 imposes a duty on the responsible authority to formally review the child's case before making alternative arrangements for accommodation.
- Section 22G of the Children Act 1989 requires local authorities to take strategic action for those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their local authority area.

- 7.73 In a Written Ministerial Statement¹⁵ (WMS) made in May 2023, the Housing and Planning Minister reminded local authorities of their requirement to assess the housing needs of different groups in the community including “accommodation for children in need of social services care”.
- 7.74 The WMS statement said, “Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs and all parties in the development process should work together closely to facilitate the timely delivery of such vital accommodation for children across the country.”
- 7.75 The WMS followed on from the Department of Education Implementation Strategy¹⁶ to fix children’s social care from February 2023. The “Stable Homes Built on Love“ Strategy has undergone a recent consultation the results of which have not yet been published.
- 7.76 The strategy outlines an ambition to transform Children’s Care through six pillars. The first of these pillars makes it clear that providing support to families is the first priority. This ensures that children can remain in their family home for as long as possible (Pillar 1) and then within their wider family if this is not possible (Pillar 3).
- 7.77 If both the immediate and wider family cannot look after a child then Pillar 4 seeks to ensure that “when care is the best choice for a child, it is critical that the care system provides stable, loving homes close to children’s communities.”
- 7.78 To achieve this the strategy aims to increase and support foster carers; develop a programme to support improvements in the quality of leadership and management in the children’s homes sector and pathfind Regional Care Cooperatives to plan, commission and deliver care places.
- 7.79 The report sets out a mission to “see an increase of high-quality, stable and loving homes available for every child in care, local to where they are from”. To do this it suggests that an immediate action is to “boost the number of the right homes in the right places available for children as a matter of urgency.”

¹⁵ <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

¹⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147317/Children_s_social_care_stable_homes_consultation_February_2023.pdf

- 7.80 The strategy notes “Local authorities have primary responsibility for the children in their care. This includes ensuring there is sufficient accommodation locally to meet the range of needs of children in care in their area” and that there is a “statutory duty to ensure there is sufficient provision for their children in care”.
- 7.81 It also states that the DfE “will continue to build on our work reforming supported accommodation for 16- to 17-year-olds. Semi-independent provision, including supported lodgings, can be the right option for some older children, but only where it is high-quality and the young person is ready for the level of independence it promotes.”
- 7.82 The Department will also continue “with the Children’s Home Capital Programme, which has seen £259 million of capital funding invested to increase provision in local authority-run open and secure children’s homes. We are working with local authorities to create new children’s homes and increase provision in their local area.”
- 7.83 At a similar time, the government also launched a consultation on the “Children’s Social Care National Framework¹⁷” and the “Children’s Social Care Dashboard”. The Framework sets out some of the outcomes to be measured including Outcome 4 relating to those seeking to ensure “children in care and care leavers have stable, loving homes children in care and care leavers have stable, loving homes”.
- 7.84 The indicators include the percentage of children in care living in foster care and living in residential care and the distance of placements from home. This is important to ensure stability of schooling and contact with their siblings. The framework recognises that this will mean prioritising foster homes rather than residential homes.
- 7.85 The outcome can also be achieved by leaders undertaking “sufficiency planning and work with other local authorities and partners to jointly invest in care options that meet the future needs of children.”

¹⁷ https://consult.education.gov.uk/children2019s-social-care-national-framework/childrens-social-care-national-framework/supporting_documents/Childrens%20Social%20Care%20National%20Framework%20Consultation%20Document%20February%202023.pdf

County Council Policy

7.86 In two-tier locations such as Cannock Chase, the responsibility for children’s services falls with the County Council. The County Council’s sufficiency strategy¹⁸ “Homes for Children in Our Care” published earlier in 2023 sets out their strategy to ensure that their duty to provide sufficient care accommodation for children with care is met. This is not broken down by local authority. By the end of 2026, the strategy is to:

- “See our children living locally in the right home to meet their needs.
- Eliminate the use of unregistered placements.
- Increase the number of children and young people returning home if it is safe to do so.
- The right children in the right place at the right time.”

7.87 The sufficiency strategy highlights that the county has an above-average number of children in care (80 children per 10,000 as opposed to the national average of 70 children per 10,000). The number of children in care is also rapidly increasing (20% year on year) in comparison to the rest of the country (8.3%).

7.88 There are currently 5 residential care homes owned by the county one of which has three beds while the other four have four beds. These provide short and long-term care, for children with physical and learning disabilities and emergency placement care one of which is in Cannock Chase. None of these homes are operating at full capacity (although the County Council has advised they are not far off capacity). In addition, the strategy notes:

*“Externally, there are circa 500 residential beds within Staffordshire (excluding Stoke on Trent). Excluding placements for children and young people with physical disabilities and residential schools, the Local Authority only have 36% (41 of 113) of our residential children and young people living within Staffordshire. **The two figures suggest there is enough sufficiency in Staffordshire for our children and young people to remain here as part of their own communities rather than move out of county.**”*

¹⁸ <https://www.staffordshire.gov.uk/Care-for-children-and-families/Lookedafterchildren/Documents/SUFFICIENCY-STRATEGY-HOMES-FOR-CHILDREN-IN-OUR-CARE-2023.pdf>

- 7.89 The excess capacity within the residential care provision has resulted in neighbouring authorities placing more children within the county than Staffordshire places itself. The strategy also notes that there is an increasing number of children with multiple and complex needs who may not be able to have their needs met locally. It also reports on several issues about residential care which include:
- Low levels of sufficiency for homes that can meet the needs of children with complex behavioural and mental health needs.
 - Pressures with sufficiency for young adults (16 Plus) with complex needs (learning difficulties, physical disabilities and mental health) not old enough for adult social care services, but minimal options for children's residential care;
 - Our children and young people are remaining in residential care for too long;
 - Lack of emergency provision; and
 - An increase in children aged 12 and under living in residential care due to the lack of foster care sufficiency.
- 7.90 To solve these issues the county council need to utilise their internal residential provision to better meet needs. This includes ensuring greater levels of access to the existing accommodation. Although the overall goal is to see a "Reduction of children and young people living in residential care".
- 7.91 Through engagement The County Council also confirmed that their priority is recruiting more foster carers. They also have a large drive to increase familial care (where it is safe to do so) through intensive support strategies and respite care.
- 7.92 The County Council did not highlight any issues with the existing supply as they are all of "a good standard". However, it was noted that the complexity of need for Children in Care is deepening for example those with challenging behaviours.
- 7.93 These children are increasingly hard to place and those that are placed are seeing the breakdown of their foster care in increasingly regularity. This, coupled with the wider decline in the number of people willing to foster, makes it easier to place these children in residential care.
- 7.94 The number of disabled children requiring care in the County is relatively low and the council is meeting this need through long-term placements and respite care.

- 7.95 While the Council do place Children outside of the County (in some cases for their own safety) these are not in great numbers and when they are placed outside of the County it is usually quite local.
- 7.96 While the County Council do not currently have a policy or plans to develop more children's care homes they are exploring all options.

Demographic Change

- 7.97 The population projections linked to the Standard Method show a potential decrease in those aged under 18. From this perspective, there is likely to be a very limited need for additional placements. However, if trends in increasing demand continue there will still be a need despite limited population change.
- 7.98 Furthermore, the County Council policy (and national best practice) is to see a "Reduction of children and young people living in residential care" and this will be through ensuring that children are firstly cared for in the home and secondly within a foster home. The success of this strategy will ultimately determine the true need for children's care homes in Cannock Chase.
- 7.99 The WMS statement said, "Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs".
- 7.100 In the unlikely scenario that additional supply for children is required, the Council should seek to include such accommodation as part of wider, appropriately located, housing allocations or larger permissions.
- 7.101 The current best practice is to deliver these 3-4 bedroom "ordinary homes" on sites in with most appropriate locations according to Ofsted's Location Assessment¹⁹. In summary, this includes ensuring safeguarding concerns are met and that children have access to services.
- 7.102 There will also be a need for supported accommodation for young adults and the Council should work with Registered Providers to explore opportunities to provide this through developer contributions and in the existing stock.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/339545/Children_s_homes_regulations_amendments_2014.pdf

Students

7.103 There are no Higher Education providers/facilities in the district and the 2021 Census only reports four all-student households in Cannock Chase. There is therefore no justification for a specific policy relating to student housing in the district.

Service Families

7.104 Ministry of Defence (MOD) statistics report that there have been no currently serving military personnel located in Cannock Chase since 2012 (although there will be some veterans). However, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that service personnel (including bereaved spouses or civil partners) are not subject to typical 'local connection' policies used by local authorities.

7.105 This means that ex-service personnel would not suffer a disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy. Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

7.106 Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.

Other Groups: Key Messages

Private Rented Sector

- The private rented sector (PRS) accounts for around 16% of all households in Cannock Chase (as of 2021) – a smaller proportion to that seen across the West Midlands, and notably below the national average (21%). The number of households in this sector has grown substantially (increasing by 29% in the 2011-21 period).
- The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 43% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained elevated.
- There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Other Groups: Key Messages (cont...)

Self- and Custom-Build Housing

- Local authorities are required to permit a number of plots to meet the need identified on their self and custom build register. Over the last six and a half years around 4 new registrations come on to their register per base period. This indicates future need although if registrations increase so too must supply. To this point supply has been in the region of 7 custom and self-build dwellings per annum. To this point, supply is meeting demand. However, new legislation through LURA tightens up what can be classed as part of the supply and this should be monitored.

Looked after Children

- The County Council sufficiency strategy highlights that the county has an above-average number of children in care. However, such is the supply in the County they do not consider there to be a deficit of supply. Given this, a lack of projected growth in the number of children and a desire to place children in foster care there is no need to identify further sites for children's care homes.

Student and Service Families

- Given the lack of higher education and military establishments in the district, there is unlikely to be a need to develop a policy to meet the needs of these specific groups.