Opinion Research Services

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Cannock Chase Local Housing Needs Assessment

Report of Findings

Final report 05 April 2019
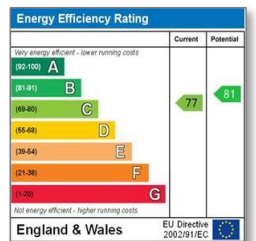
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Introduction

1. Opinion Research Services (ORS) was commissioned by Cannock Chase District Council to prepare a Local Housing Needs Assessment (LHNA) for the local authority area for the years 2018-2036.

2. The Cannock Chase Local Plan (Part 1) was adopted in June 2014 and identified a requirement for 5,300 new homes over the plan period 2006-2028 (241 dpa), with 1,625 of those delivered in the first six years from 2006, leaving 3,675 over the period 2012-2028 (229 dpa). At the same time, a need was identified for 197 affordable dwellings per annum.

Government Policy

3. The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied. A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation.

4. Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *"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"*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation.

5. The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified in the Glossary at Annex 2 that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.

Local Housing Need based on current method

6. The Revised NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for Cannock Chase in 2018 can be established as follows:

Step 1 – Setting the baseline

- » The PPG states that the CLG 2014-based household projections should be used to set the baseline household growth for the local authority area over a 10-year period.

- » These projections identify 42,828 households for Cannock Chase in the current year (2018) increasing to 45,322 households over the 10-year period to 2028.

- » This yields an overall increase of 2,494 households over 10 years, equivalent to a projected average annual household growth of 249 households per year.

Step 2 – An adjustment to take account of affordability

- » The most recent ONS median workplace-based affordability ratio is 6.23 for Cannock Chase, which is the ratio for the previous calendar year (2017).

- » The adjustment factor can therefore be derived as follows:

$$Adjustment\ factor = \left(\frac{6.23 - 4}{4}\right) \times 0.25 = 0.5575 \times 0.25 = 13.94\%$$

- » Applying an uplift of 13.94% to the annual household growth of 249 households per year yields an annual housing need of 284 dwellings.

Step 3 – Capping the level of any increase

- » The most recent strategic policies for housing were adopted in June 2014; less than 5 years ago (at the point of making this calculation) and therefore the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

- » The average annual housing requirement figure set out in the Cannock Chase Local Plan (Part 1) is 241 per year.

- » A cap at 40% above this number would be 337 per year.

- » As the annual housing need (284) is lower than this, the increase is not capped.

- » **The minimum Local Housing Needs figure for Cannock Chase in 2018 is 284 dwellings per year.**

7. Based on these calculations, this Local Housing Need Assessment uses a minimum Local Housing Need figure of 284 dwellings per year.

Housing Tenure Trends

8. Figure 1 and Figure 2 show that the overall balance between owners and renters has changed in 2011 from the position in 1981, with 57% owning in 1981 and 70% owning in 2011. The balance between social rent and private rent has also changed significantly: only 15% of tenants rented privately in 1981 (15% of 43%) whereas 44% rented privately in 2011 (13% of 30%).

Figure 1: **Number of Households by Tenure 1981-2011 (Source: UK Census of Population)**
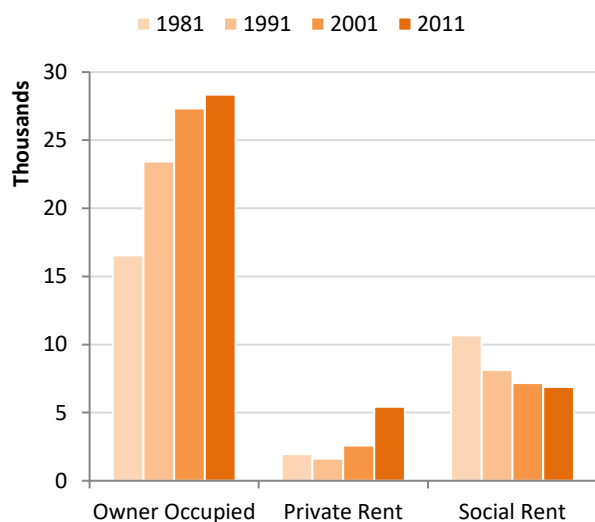
Figure 2: **Percentage of Households by Tenure 1981-2011 (Source: UK Census of Population)**
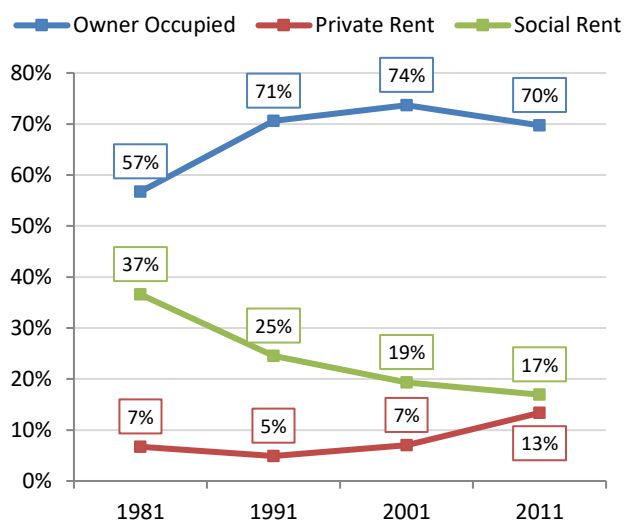
Summary of Housing Costs

9. Figure 3 summarises the weekly costs for the range of different housing options for different property sizes.

Figure 3: **Comparison of weekly housing costs by property size – Cannock Chase (Source: VOA 2017-2018. Note: Property values at 2017/18 levels)**

	Starter Home Initiative (80% equity)	Shared ownership (40% equity)	Median Private Rent	Maximum Local Housing Allowance	Affordable Rent (80% median)
1 bedroom	£96.14	£84.00	£94.75	£90.90	£75.80
2 bedrooms	£105.86	£91.49	£120.74	£113.92	£96.59
3 bedrooms	£172.77	£143.00	£143.74	£129.47	£114.99
4+ bedrooms	£278.63	£224.49	£195.48	£170.67	£156.39

10. The key point of this data is that cost of shared ownership is lower on a weekly basis than the cost of private rent for 1, 2 and 3-bedroom properties. The cost of a starter home is cheaper than private rent for a 2-bedroom property and very similar for a 1-bedroom property. While owner occupiers would still require a deposit and access to a mortgage, the weekly cost of affordable home ownership in Cannock Chase is lower for smaller properties than the cost of renting. On this basis there is no gap between those who can afford private rent and those who can afford to own outright.

11. However, it also implies that within Cannock Chase as a whole there will be households who can afford to rent, but not buy. An increasing number of households in Cannock Chase are having their housing needs met in the private rented sector, but many of these could potentially benefit from low cost home ownership schemes.

Establishing Current Unmet Need for Affordable Housing

12. Households assumed to be unable to afford market housing include:

    » All households that are currently **homeless**;

    » All those currently housed in **temporary accommodation**; and

    » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

13. Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of 2018. Figure 4 sets out the assessment of current affordable housing need for Cannock Chase.

Figure 4:   Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0	0
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0			
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	120		120	120
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	121		121	
Households living in overcrowded social rented housing	317	317	0	
Reduction in spare rooms [Source: DWP Housing Benefit]				
Households likely to move from under-occupied social rented housing	276	276	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	130	6	124	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**964**	**599**	**365**	**120**

14. Our analysis has concluded that **964 households are currently living in unsuitable housing in Cannock Chase and unable to afford their own housing**. Of these households, 599 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing. **There is, therefore, a net need from 365 households** (964 less 599 = 365) **who currently need affordable housing and do not currently occupy affordable housing in Cannock Chase.**

Overall Need for Affordable Housing

15. In addition to those who cannot currently afford market housing, it is also necessary to consider those households who will arise in the future and also those who can afford market rents, but who aspire to home ownership. Figure 5 brings together the information on assessing the unmet need for affordable housing in 2018 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 18-year period 2018-36.

16. In summary, there is a need for:

   » Rented affordable housing = 1,550 dwellings (30%) which Figure 39 shows is almost entirely for households who need housing benefit support to cover social rents;

   » Affordable home ownership = 1,145 dwellings (22%), which includes 434 dwellings (8%) for households unable to afford and 711 dwellings (14%) for renters that aspire to home ownership;

   » Market housing = 2,159 dwellings (42%); and

   » Allowance for C2 provision = equivalent to 256 dwellings (5%); which represents 461 bedspaces.

Figure 5: **Overall need for Affordable Housing (including households unable to afford and those aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need			Affordable Housing Total	Market Housing	TOTAL
	Households unable to afford		Households aspiring to home ownership			
	Rented Affordable Housing	Shared Ownership				
1 bedroom	196	26	116	338	95	**433**
2 bedrooms	932	349	284	1,565	516	**2,081**
3 bedrooms	254	52	274	580	1,547	**2,127**
4+ bedrooms	170	6	38	214	-	**214**
SUB-TOTAL	**1,550**	**434**	**711**	**2,696**	**2,159**	**4,856**
Allowance for C2 provision	-	-	-	-	-	**256**
TOTAL	**1,550**	**434**	**711**	**2,696**	**2,159**	**5,112**
Overall percentage						**-**
1 bedroom	3.8%	0.5%	2.3%	6.6%	1.9%	8.5%
2 bedrooms	18.2%	6.8%	5.6%	30.6%	10.1%	40.7%
3 bedrooms	5.0%	1.0%	5.4%	11.3%	30.3%	41.6%
4+ bedrooms	3.3%	0.1%	0.7%	4.2%	0.0%	4.2%
Allowance for C2 provision	-	-	-	-	-	5.0%
TOTAL	**30.3%**	**8.5%**	**13.9%**	**52.7%**	**42.2%**	**100.0%**

17. It will be important for the local authority to plan for the needs of all households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. **This represents a need for 1,984 dwellings, a net annual need of 110 dwellings per year,** of which at least 1,550 should be rented affordable housing and up to 434 could be provided through shared ownership. This would be completely consistent with the current Cannock Chase policy where the split between social and intermediate housing is 80:20.

18. It will be a policy decision as to how much of the additional need for affordable home ownership from households able to afford market rent should be provided. The results set out in Figure 5 would represent closer to a 60:40 split between social and intermediate housing, which clearly risks underdelivering on social housing if viability is insufficient. However, it does offer more potential to comply with the government's desire to see 10% of all dwellings on large sites be delivered as affordable to own.

19. The identified housing need would need to be considered in the context of economic viability when establishing appropriate targets for affordable housing. The affordable housing target contained within the updated Local Plan will be informed by a whole plan viability assessment, which will determine what can actually be delivered in the District, as a proportion of market housing sites. However, given the evidence it would be appropriate to maximise the amount of affordable housing that is delivered.

Housing for Older People

20. Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.[1]

21. The table below identifies the potential requirement for new specialist housing using the ORS older people housing model. It is based on the growth of 6,050 persons aged 75+ in Cannock Chase.

Figure 6:   Modelled Demand for Older Person Housing in Cannock Chase based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2018	Existing supply 2018	Backlog at start of Plan period	Gross need 2036	New need 2018-36	Total need 2036
Sheltered Housing	Owned	120	1,021	87	+934	1747	+726	+1,660
	Rented	60	510	345	+165	873	+363	+528
Extra Care	Owned	40	340	0	+340	582	+242	+582
	Rented	31	264	124	+140	451	+188	+327
TOTAL		**251**	**2,136**	**556**	**+1,580**	**3,654**	**+1,519**	**+3,098**

22. The analysis of the need for specialist older person housing identifies a backlog of 1,580 dwellings at the start of the Plan period in 2018; this comprises a need for 1,274 owner occupied properties (934 leasehold sheltered housing units and 340 owner occupied extra care homes) and a need for 140 rented extra care homes along with a need for 165 conventional sheltered homes for rent (given a supply of 556 units set against a need for 2,136 units in 2018).

23. Over the 18-year Plan period 2018-36, this analysis identifies an increase in need of around 1,519 additional homes; yielding a total need of around 3,100 dwellings to be provided over the Plan period. The 3,100 dwellings includes around 2,190 sheltered homes (1,660 owner occupied and 530 for rent) and around 910 extra care homes (580 owner occupied and 330 for rent). Most of these properties will already be counted as part of the overall housing need; however, some extra care provision may offset some of the identified need for residential care and would therefore be additional to the household projections.

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[1] 2016 Sub National Population Projections

24.   Of course, it is important that the delivery of specific schemes for specialist older person housing are considered in partnership with other agencies, in particular those responsible for older person support needs. It will also be important to consider other factors and constraints in the market:

Housing for People with Disabilities

25.   The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).[2] Three standards are covered:

   » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties

   » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes

   » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

26.   This data shows that whilst around 4,725 households living in Cannock Chase in 2018 had a health problem that already affected their housing requirement, by 2036 there will be an additional 7,450 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2018 whose health has deteriorated over the Plan period.

27.   Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 7,450 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to 410 households needing to move and the 414 households needing adaptations based on their current health at the start of the Plan period.

Figure 7:   Households with a long-term illness or disability in Cannock Chase in 2018 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households where an existing illness or disability affects their housing need in 2018	
Current home suitable for needs	3,904
Current home requires adaptation	414
Need to move to a more suitable home	407
Total households where a limiting long-term illness or disability affects their housing need in 2018	**4,725**
Existing households in 2018 likely to develop health problems that affect their housing need within 10 years	2,169
Additional households in 2036 projected to experience problems or likely to develop problems within 10 years	5,279
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	**7,448**

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[2] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

28. To provide M4(2) housing for all of the identified need would require housing for up to 7,860 households to be provided. There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 3,015 households and maximum of 7,860 households provide an appropriate range for the local authority to consider.

29. Further analysis shows that the number of households likely to need wheelchair adapted housing in Cannock Chase is likely to increase by 640 over the 18-year period, equivalent to around 13.5% of the LHN figure. The evidence supports the need for a target of 13% of all housing to meet M4(3) Category 3 requirements.

1. Introducing the Study
Background to the project and wider policy context

Introduction

1.1   Opinion Research Services (ORS) was commissioned by Cannock Chase District Council to prepare a Local Housing Needs Assessment (LHNA) for the local authority area for the years 2018-2036.

1.2   The Cannock Chase Local Plan (Part 1) was adopted in June 2014 and identified a requirement for 5,300 new homes over the plan period 2006-2028 (241 dpa), with 1,625 of those delivered in the first six years from 2006, leaving 3,675 over the period 2012-2028 (229 dpa). At the same time, a need was identified for 197 affordable dwellings per annum. The evidence base for the housing need was the Southern Staffordshire Districts Housing Needs Study and SHMA Update 2012 (NLP), which assessed the need in Cannock Chase to be 250-280 dpa, including 197 affordable dwellings per annum[3].

1.3   However, since the time of the publication of the 2012 SHMA Update and Local Plan, there have been significant changes in data and Government policy, as set out below, which require that the Housing Needs for Cannock Chase are re-considered.

1.4   At present the Council intends to adopt an updated Local Plan in 2021 and for the Plan to run until at least 2036. On that basis, this study provides evidence for the housing needs of Cannock Chase over the period 2018-2036. However, Appendix A also includes the key figures for the period 2018-2038 if the Council choose to seek a Local Plan which runs until 2038.

Government Policy

1.5   The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.

1.6   The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *"the full, objectively assessed needs for market and affordable housing in the housing market area"*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *"should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries"*.

1.7   A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document "Government response to the technical consultation on updates to national planning policy and guidance".

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[3] the 2012 SHMA reported was also supplemented by additional evidence as part of the Local Plan (Part 1) examination in public to take account of the most up to date population and household projections at that time.

1.8 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *"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"*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

1.9 Local planning authorities no longer have to prepare a Strategic Housing Market Assessment (SHMA) for the Housing Market Area (HMA), but they are now expected to produce a Local Housing Need Assessment (LHNA) for their local area in order to assess the size, type and tenure of housing needed for different groups in the community.

1.10 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 60 identifies that *"any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*; and HMAs are still identified as one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making.

1.11 The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified in the Glossary at Annex 2 that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.

1.12 Under the Original NPPF, the need for affordable housing was based on those who could not afford to either buy or rent in the market – so households able to afford market rent would not be counted as part of the affordable housing need, even if they could not afford homeownership. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford homeownership must now be counted.

The Standard Method for Local Housing Need Assessment

1.13 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*, but allowed for adjustment based on local factors: *"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends."* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need adjustments such as market signals uplift and alignment of jobs and workers based on local circumstances.

1.14 On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals.

> » The <u>starting point for calculating the LHN for any area should be the most up to date household projections published by CLG</u>;
>
> » While, deviation from this starting point can be considered, the consultation proposals note that; *There should be very limited grounds for adopting an alternative method which results in a lower nee*d; and
>
> » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.

1.15 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.

1.16 The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies or adjustments which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure if this reflects growth potential, or unmet need from elsewhere. This is confirmed by the PPG on housing and economic needs assessment, which states:

> **When might it be appropriate to plan for a higher housing need figure than the standard method indicates?**
>
> *The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. <u>The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area</u>. It 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.*
>
> *This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*
>
> » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
>
> » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
>
> » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*
>
> *There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. <u>Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests</u>.*
>
> **Paragraph: 010 Reference ID: 2a-010-20190220**

Changes to the Standard Method

1.17 Since the publication of the figures in September 2017 a range of new data has been released which allows for the calculation to be updated. This includes:

- » New affordability data released in March 2018 which relates to 2017;
- » New 2016-based sub-national population projections (SNPP) released in May 2018;
- » A new methodology for calculating household projections released by the Office for National Statistics in June 2018; and
- » New 2016-based household projections released in September 2018.

1.18 The national housing need produced using these new data is lower than previous estimates, falling short of the Governments stated 300,000 dwelling per year target. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published ''Technical consultation on updates to national planning policy and guidance October 2018''.

1.19 At paragraph 19 of the document, MHCLG set out their planned changes to the standard method, explicitly stating that the lower housing numbers that are derived from application of the standard method to the ONS produced 2016-based household projections should not be used, and that these do not qualify as an exceptional circumstance to warrant deviation from the standard method outputs using the CLG 2014-based projections:

> *19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:*
>
> » *1. For the short-term, to specify that <u>the 2014-based data will provide the demographic baseline for assessment of local housing need</u>.*
>
> » *2. To make clear in national planning practice guidance that <u>lower numbers through the 2016-based projections do not qualify as an exceptional circumstance</u> that justifies a departure from the standard methodology; and*
>
> » *3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.*

1.20 Following on from this general context, the consultation asked the following specific questions:

> *Question 1*
>
> *Do you agree that planning practice guidance should be amended to specify that 2014- based projections will provide the demographic baseline for the standard method for a time limited period?*
>
> *Question 2*
>
> *Do you agree with the proposed approach to not allowing 2016-based household projections to be used as a reason to justify lower housing need?*

1.21 After considering the consultation responses received, the "Government response to the technical consultation on updates to national planning policy and guidance" was published on 19 February 2019.

1.22   Despite a majority of consultees disagreeing with the proposal at Question 1, the Government still considers that its proposed approach is the most appropriate in the short-term.

> ***Government response to Question 1***
>
> *Having taken the responses into account, <u>the Government considers that its proposed approach to providing the demographic baseline for the standard method is the most appropriate approach for providing stability and certainty to the planning system in the short-term</u>. This decision has been taken in the context that the standard method does not represent a mandatory target for local authorities to plan for, but the starting point for the planning process. <u>Local planning authorities may decide that exceptional circumstances justify the use of an alternative method</u>, but they will need to identify these reasons and can expect them to be tested by the Planning Inspectorate during the examination of their plans. Local authorities may also not be able to meet their identified housing need in full, for example because of land constraints (such as Green Belt) in their area and it may be that need is better met elsewhere. The proposed approach does not change this.*

1.23   As this makes clear, deviation from the standard methodology will only be considered if exceptional circumstances can be demonstrated.

1.24   The response goes on to say:

> *<u>Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach</u> that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market.*
>
> *A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.*

1.25   The end of the 18-month period that the Government cites (August 2020) will be shortly after the release of the 2018-based Sub National Population Projections which are likely to be published in May 2020, and likely to coincide with the publication of the associated 2018-based Household Projections.[4]

1.26   The Government has made it clear that it does not doubt the accuracy of the ONS 2016-based projections, as stated in the consultation: *"the Government is clear that this does not mean that it doubts the methodological basis of the 2016-based household projections."* (again from the Question 1 response).

1.27   However, in its response to Question 2, the Government has made it clear that the existence of the lower 2016-based projections is not a justification for a lower local housing need assessment, despite further disagreement from respondents to the consultation.

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[4] National population projections are published every two years, with the 2018-based projections expected to be released around October 2019. Sub National Population Projections usually follow approximately 6 months later, and household projections later that same year. The 2016-based SNPP was released in May 2018, and the 2016-based household projections were released in September 2018.

> *Government response to Question 2*
>
> *Taking into account these responses, the <u>Government continues to think that the 2016- based household projections should not be used as a reason to justify lower housing need</u>. We understand respondents' concerns about not using the latest evidence, but for the reasons set out in the consultation document we consider the consultation proposals to be the most appropriate approach in the short-term. <u>We are specifying in planning guidance that using the 2016-based household projections will not be considered to be an exceptional circumstance that justifies identifying minimum need levels lower than those identified by the standard method</u>.*

1.28   It seems likely that the concerns about not using the latest evidence will ultimately be tested in the courts. Whilst there are some uncertainties about the new method for calculating household formation that ONS has introduced for the 2016-based household projections, the 2016-based sub national population projections are based on a method that is largely consistent with that used for the 2014-based population projection but using more up-to-date data and based on improved mid-year population estimates. As part of the 2016-based household projections publication, the ONS included an output which applied the previous CLG 2014-based household formation rates to the new 2016-based population projection (variant output 2) which provides up-to-date figures using the previous method.

1.29   It is also notable that the ONS intends to publish variant outputs for the 2016-based sub-national population projections in April 2019, and has recently consulted users on possible variants to the household projections. It seems likely that comparable variant scenarios will be included as part of the 2018-based projections which will enable the Government to propose an alternative scenario when the standard method is fully revised.

Assessing Housing Needs

1.30   The Revised NPPF no longer requires local planning authorities to produce an SHMA to establish housing need for the HMA, but instead requires authorities to produce a Local Housing Needs Assessment (LHNA) to establish housing need at a local level rather:

> *60. To determine the minimum number of homes needed, strategic policies should be informed by a <u>local housing need assessment, conducted using the standard method in national planning guidance</u> – <u>unless exceptional circumstances justify an alternative approach</u> which also reflects current and future demographic trends and market signals. <u>In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for</u>.*
>
> *61. 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, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> *62. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:*
>
> *a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
>
> *b) the agreed approach contributes to the objective of creating mixed and balanced communities*
>
> **Revised NPPF, paragraph 60-62**

1.31   Therefore, the Revised NPPF does not contain any explicit reference to SHMAs and housing needs are to be established at a local authority level. The SHMA has effectively been replaced by the "Local Housing Needs Assessment".

1.32   However, the concept of the HMA is retained in a Duty to Co-operate context where joint working is required.

Duty to Co-operate

1.33   The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

1.34   The Revised NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *"the homes and jobs needed in the area"*.

> ***Maintaining effective cooperation***
>
> *24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.*
>
> *25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).*
>
> *26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.*
>
> *27. In order to demonstrate effective and on-going joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance, and be made publicly available throughout the plan-making process to provide transparency.*
>
> **Revised NPPF, paragraphs 24-27**

1.35   The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).

1.36   Cannock Chase DC is working with 13 other local authorities as part of the defined Greater Birmingham and Black Country Housing Market Area in order to address the housing needs, and current shortfall, arising. This has most recently been documented in the Strategic Growth Study 2018. In practical terms an overspill of housing met by Cannock Chase will allow for a greater delivery of affordable housing. Cannock Chase are unlikely to be able to meet their own affordable needs fully, so should seek to maximise affordable housing delivery on sites, but must also recognise that any overspill they meet will also include some affordable housing needs from their neighbours.

1.37   The PPG elaborates further on the requirement for a statement of common ground (in the section on Plan-Making, updated 13 September 2018):

> ***Maintaining effective cooperation***
>
> *How are plan-making bodies expected to cooperate?*
>
> *Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.*
>
> *The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to cooperate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.*
>
> **Paragraph: 001 Reference ID: 61-001-20180913**

1.38   In paragraph 61-009 entitled *"Which geographical area does a statement of common ground need to cover?"*, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: *"For example housing market and travel to work areas, river catchments, or landscape areas may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas."*. It goes on to define housing market areas:

> **How can housing market areas be defined?**
>
> *A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:*
>
> *The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
>
> *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
>
> *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*
>
> *Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.*
>
> **Paragraph: 010 Reference ID: 61-010-20180913**

1.39   This definition of a HMA is almost identical to that in the original PPG relating to housing need.

2. Demographic Projections
The starting point for establishing Local Housing Need

Official Projections

2.1 Planning Practice Guidance revised in February 2019 identifies that **Household Projections** provide the baseline for determining the minimum Local Housing Needs figure.

> ***Why are 2014-based household projections used as the baseline for the standard method?***
>
> *The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.*
>
> **Planning Practice Guidance, ID 2a-005-20190220**

2.2 Given this context, Figure 8 sets out the 2014-based household projections. However, household projections can vary considerably at a local level which introduces a risk to the LHN figure. Therefore, Figure 8 also sets out the previous household projections that CLG produced for the area together with the 2016-based ONS household projections, including the associated outputs from the sensitivity analysis undertaken.

Figure 8: Household projections 2018-36 (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Total households		
		2018	2036	Change 2018-36
CLG Household Projections				
2014-based projection: 2014-based population and CLG 2014-based household formation	2009-14	42,827	46,736	+3,909
2012-based projection: 2012-based population and CLG 2012-based household formation	2007-12	42,994	47,340	+4,346
ONS 2016-based Household Projections				
Principal projection: 2016-based population and ONS 2016-based household formation	2011-16	42,465	45,387	+2,922
Sensitivity analysis 1: 2014-based population and ONS 2016-based household formation	2009-14	42,744	46,950	+4,206
Sensitivity analysis 2: 2016-based population and CLG 2014-based household formation	2011-16	42,378	44,833	+2,455

2.3 The CLG 2014-based household projections identify a growth of 3,909 households over the 18-year period 2018-2036 which is notably higher than the ONS 2016-based projections which identified the growth of 2,922 households. The 2016-based figures show less growth due entirely to lower population projections: sensitivity analysis 2 shows that the latest population figures reduces the growth to 2,455 households. The new ONS method for household formation actually yields a higher growth than the legacy CLG method: sensitivity analysis 1 shows that the new method increases the growth based on the previous 2014-base population projection to 4,206 households.

Projected Population Age Profile

2.4   Figure 9 shows the projected change in population by 5-year age band for the 18-year Plan period 2018-36.

2.5   The growth in the older population is greater than the overall population growth (9,060 persons from a total growth of 4,460 persons) is projected to be aged 65 or over, including an increase of 3,160 persons aged 85 or over. This is particularly important when establishing the types of housing required and the need for housing specifically for older people.

2.6   The growth in the older population is offset by decreases in most other age groups under 65 to give a net population growth of 4,460 persons.

Figure 9:   Cannock Chase population projections 2018-36 by 5-year age cohort based on LHN population projections (Source: ONS SNPP 2014-based and Cannock Chase LHN)
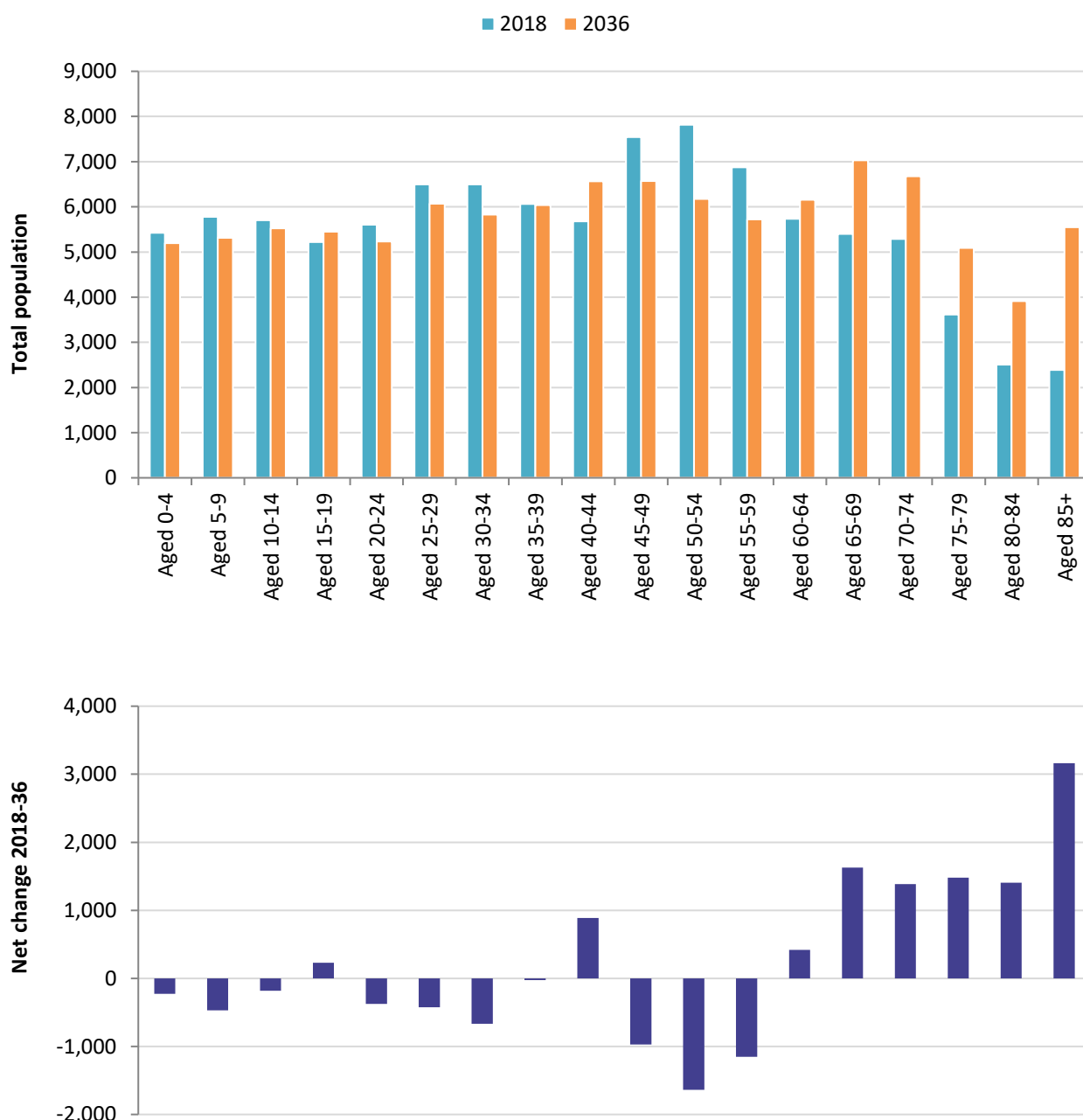
Household Projections by Age

2.7 Figure 10 summarises the total number of households in 2018 and 2036 in terms of the age of household representatives, together with the change in the number of households in each category over the period 2018-36; again covering the 18-year Plan period using 5-year age bands.

2.8 The trend-based household projections identified a growth of around 3,900 households based on the ONS sub-national population projections.

Figure 10: Total projected households for 2018 and 2036 and summary of 18-year change by age of household representative (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2018	1,300	5,600	6,500	8,800	7,600	6,900	4,400	1,800	42,800
2036	1,300	4,900	7,000	7,100	7,100	8,800	6,300	4,200	46,700
TOTAL CHANGE 2018-2036	0	-700	+500	-1,600	-400	+1,900	+1,900	+2,400	+3,900

2.9 Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. the increase in households aged 65+ represents more than 100% of the household growth. Many of these older households will already be established and living in existing homes in Cannock Chase; they will simply get older during the Plan period. It is therefore also important to consider household growth in relation to age cohorts.

2.10 Figure 11 shows the projected number of households in each cohort, showing their age in both 2018 and 2036. The 2018 cohort ages (such as 7-16) were chosen to ensure that the ages in 2036 are commonly used age cohorts such as 25-34.

Figure 11: Total projected households for 2018 and 2036 and summary of 18-year change by age cohort of household representative (Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
Age in 2018	<7	7-16	17-26	27-36	37-46	47-56	57-66	67+	
Age in 2036	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2018	-	300	2,200	5,700	6,900	8,500	7,400	11,800	42,800
2036	1,300	4,900	7,000	7,100	7,100	8,800	6,300	4,200	46,700
TOTAL CHANGE 2018-2036	+1,300	+4,600	+4,800	+1,400	+200	+300	-1,100	-7,600	+3,900

2.11 For example, there were 5,700 households aged 27-36 in 2018 and these same households would be aged 45-54 by 2036. The trend-based projection identified that total number of households aged 45-54 in 2036 would be 7,100; therefore, an extra 1,400 households: partly due to new household formations and partly due to net migration.

2.12 Based on the cohort analysis, it is apparent that around 12,600 extra households aged under 65 (in 2036) will be likely to form in Cannock Chase over the 18-year period 2018-36. We previously noted that the overall growth was 3,900 households over the 18-year period, which is lower than the number of new households forming. The 12,600 extra household aged under 75 are offset against a reduction of 8,700 households aged

75 or over (in 2036). Most of this reduction is due to household dissolution following death (although some may be due to net migration):

» 11,800 households were aged 67+ in 2018, who would be aged 85+ in 2036 if they had survived;

» The projected number of households aged 85+ in 2036 is 4,200, which represents a reduction of 7,600 households whose existing homes would be vacated.

2.13 Whilst the increase in overall households is largely amongst those aged 65+, most of the new households seeking housing will be in their twenties and thirties at the time that they form. However, the total number of new households is likely to be over double the overall household growth; so, it is also important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

Projected Household Types

2.14 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.

2.15 Figure 12 shows the household numbers for 2018 and 2036 based on the trend-based projections by household type and age; together with the net change for each group. This is based on the number in each age category rather than the number in each age cohort, as it is assumed that the housing needs are more likely to be influenced by the actual age rather than the year of birth.

Figure 12: Total projected households for 2018 and 2036 and summary of 18-year change by household type and age of household representative (Note: Figures may not sum due to rounding)

| Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2018									
Single person	360	1,270	1,190	1,860	2,010	2,280	1,880	1,250	12,100
Couple without children	260	1,340	980	2,570	4,370	4,060	2,210	340	16,120
Families with child(ren)	670	2,720	4,130	3,710	640	160	30	20	12,070
Other households	30	230	160	620	530	400	330	220	2,530
TOTAL	**1,300**	**5,600**	**6,500**	**8,800**	**7,600**	**6,900**	**4,400**	**1,800**	**42,800**
Total Households 2036									
Single person	350	1,300	1,530	1,800	2,130	2,770	1,580	2,640	14,100
Couple without children	210	1,070	1,050	1,200	3,640	5,200	4,290	830	17,500
Families with child(ren)	740	2,130	4,240	3,560	720	320	50	80	11,830
Other households	10	360	190	560	620	500	430	650	3,310
TOTAL	**1,300**	**4,900**	**7,000**	**7,100**	**7,100**	**8,800**	**6,300**	**4,200**	**46,700**
Total Change 2018-2036									
Single person	-10	+20	+330	-50	+120	+500	-290	+1,390	+2,000
Couple without children	-50	-280	+70	-1,370	-730	+1,140	+2,080	+500	+1,370
Families with child(ren)	+70	-590	+110	-140	+80	+150	+20	+60	-240
Other households	-20	+130	+30	-70	+80	+100	+90	+430	+780
TOTAL CHANGE	**0**	**-700**	**+500**	**-1,600**	**-400**	**+1,900**	**+1,900**	**+2,400**	**+3,900**

2.16 In summary:

» Single person households represent around half of the overall household growth: an increase of 2,000 over the 18-year period, including 1,390 extra single person households aged 85 or over;

» Couples without dependent children represent a third of the growth: an increase of 3,720 households aged 65+ offset against a reduction of 2,360 younger couples without children;

» There is a small reduction in the number of families with dependent children: a fall of 240 households; and

» The increase in "Other" households represents 20% of the growth.

2.17 Therefore, over 80% of the household growth is associated with households who require smaller dwellings. It is likely that a large proportion of this need will be for affordable housing.

Projected Household Size

2.18 When considering household projections, it is often helpful to review changes to the average household size. Household size is a product of the population and household projections and not a variable used to create them. The data set out in Figure 13 divides the household population by the associated household projection.

Figure 13: Average household size estimates and projections for the period 1991-2041 (Source: CLG estimates 1991-2011; CLG 2016 is 2016-based SNPP with 2014-based CLG rates)
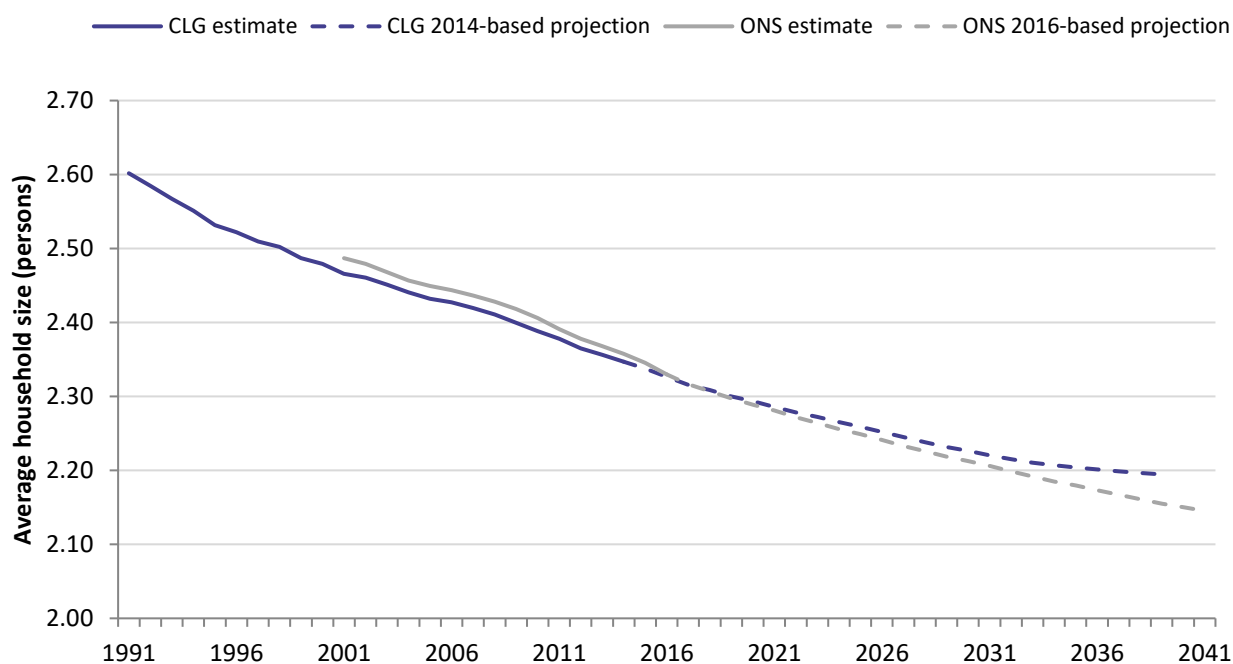
2.19 As can be seen average household sizes have steadily declined in Cannock Chase and are projected to continue falling in future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children living in the household). There is no indication that any past suppressed household formation has been projected forward.

2.20 The ONS projection suggests that household sizes will form faster than previously projected by CLG. These smaller household sizes are the reason for the higher household growth that the ONS 2016-based projections identify in sensitivity analysis 1.

3. Local Housing Need
Establishing the Minimum Local Housing Need figure

Local Housing Need based on current method

3.1   The Revised NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure.

3.2   Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for Cannock Chase in 2018 can be established as follows:

Step 1 – Setting the baseline

» The PPG states that the CLG 2014-based household projections should be used to set the baseline household growth for the local authority area over a 10-year period.

» These projections identify 42,828 households for Cannock Chase in the current year (2018) increasing to 45,322 households over the 10-year period to 2028.

» This yields an overall increase of 2,494 households over 10 years, equivalent to a projected average annual household growth of 249 households per year.

Step 2 – An adjustment to take account of affordability

» The most recent ONS median workplace-based affordability ratio is 6.23 for Cannock Chase, which is the ratio for the previous calendar year (2017).

» The adjustment factor can therefore be derived as follows:

$$Adjustment\ factor = \left(\frac{6.23 - 4}{4}\right) \times 0.25 = 0.5575 \times 0.25 = 13.94\%$$

» Applying an uplift of 13.94% to the annual household growth of 249 households per year yields an annual housing need of 284 dwellings.

Step 3 – Capping the level of any increase

» The most recent strategic policies for housing were adopted in June 2014; less than 5 years ago (at the point of making this calculation) and therefore the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

» The average annual housing requirement figure set out in the Cannock Chase Local Plan (Part 1) is 241 per year.

» A cap at 40% above this number would be 337 per year.

» As the annual housing need (284) is lower than this, the increase is not capped.

» **The minimum Local Housing Needs figure for Cannock Chase in 2018 is 284 dwellings per year.**

3.3   Based on these calculations, this Local Housing Need Assessment uses a minimum Local Housing Need figure of 284 dwellings per year. However, the Government has confirmed that it intends to comprehensively review the standard method over the next 18 months, so it may be necessary to update the LHNA if the Government chooses to adopt a different approach following the proposed review of the formula.

Disaggregating the minimum Local Housing Need figure

3.4   The minimum LHN figure for Cannock Chase in 2018 is 284 dwellings per year. This yields an overall minimum housing need of 5,112 dwellings over the 18-year Local Plan period 2018-2036.

3.5   Whilst the LHN is informed by the trend-based household projections, the affordability uplift means that the number of dwellings is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation.

3.6   Figure 14 sets out the separate elements that will contribute to the LHN. These include:

   » Households growth over the 18-year plan period based on trend-based projections;

   » Institutional population growth over the 18-year plan period needing communal accommodation that will be counted within the housing supply;

   » Dwellings without a usually resident household (either vacant homes or second homes);

   » Additional dwellings to respond to housing market pressure.

Figure 14: Elements of housing need 2018-2036 (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

Element of Housing Need	Calculation	Equivalent Housing Need (dwellings)
Projected household growth over the 18-year period 2018-2036	46,736 - 42,827= **3,909 households**	4,021
Projected institutional population growth needing communal accommodation over the 18-year period 2018-2036;[5] equivalised based on the average of 1.8 persons per household as set out in the Housing Delivery Test measurement rule book (para 11)[6]	1,211 - 763 = 448 persons 448 ÷ 1.8 = **249 households**	256
18-year housing need based on the Standard Method calculation	**284 x 18 = 5,112 dwellings**	**5,112**
Allowance to respond to housing market pressures enabling more households to form than projected by the trend-based projections	5,112 - 4,021 - 256 = **835 dwellings**	835

3.7   On this basis, we can conclude that the LHN figure for Cannock Chase in 2018 incorporates an uplift of 835 dwellings. This will provide housing for 812 households in addition to the trend-based projection of 3,909 households over the period 2018-36, equivalent to an increase of 20.8%.

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[5] Institutional population figures are included in the detailed modelling data from the CLG 2014-based household projections
[6] PPG Paragraph: 043 Reference ID: 3-043-20180913 links to Census data at local authority level, which suggests using a local ratio in place of the rounded national ratio of 1.8 pph. The local ratio for Cannock Chase is 1.86 pph. Using this ration would give a projected institutional population growth of 241 households and 248 dwellings; the difference between the numbers based on the two different ratios is minimal.

4. Local Housing Market

Housing options and cost of housing in Cannock Chase

Housing Tenure Trends

4.1 The national trends are evident in the local data for Cannock Chase. Figure 15 to Figure 17 show that the overall balance between owners and renters has changed in 2011 from the position in 1981, with 57% owning in 1981 and 70% owning in 2011. The balance between social rent and private rent has also changed significantly: only 15% of tenants rented privately in 1981 (15% of 43%) whereas 44% rented privately in 2011 (13% of 30%).

Figure 15: **Number of Households by Tenure 1981-2011 (Source: UK Census of Population)**
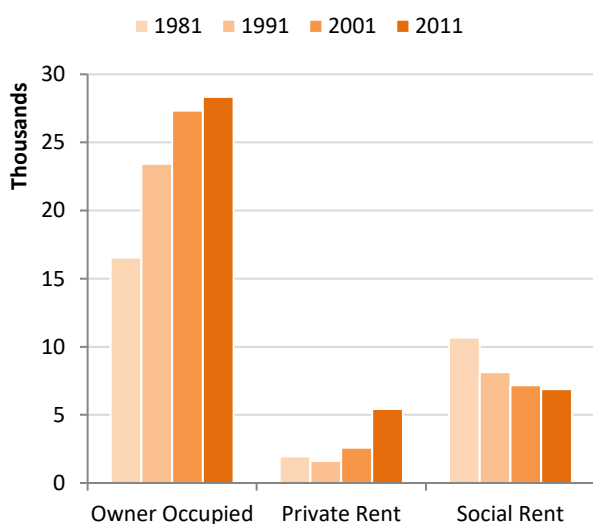
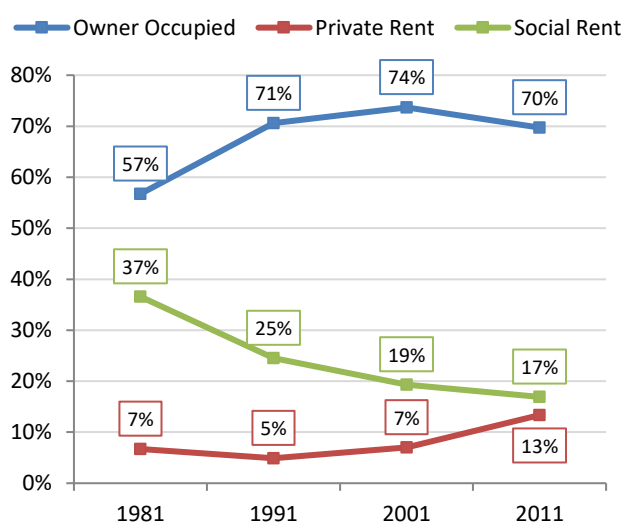**Figure 16:** **Percentage of Households by Tenure 1981-2011 (Source: UK Census of Population)**

Figure 17: Households by Tenure 1981-2011 (Source: UK Census of Population)

Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	16,545	23,433	27,336	28,354	+6,888	+3,903	+1,018
Private rent	1,956	1,625	2,594	5,430	-331	+969	+2,836
Social rent	10,667	8,141	7,172	6,880	-2,526	-969	-292
TOTAL	**29,168**	**33,199**	**37,102**	**40,664**	**+4,031**	**+3,903**	**+3,562**
Owner occupied	56.7%	70.6%	73.7%	69.7%	+171%	+100%	+29%
Private rent	6.7%	4.9%	7.0%	13.4%	-8%	+25%	+80%
Social rent	36.6%	24.5%	19.3%	16.9%	-63%	-25%	-8%

Housing Stock by Size

4.2   Figure 18 shows the housing stock of Cannock Chase by tenure and number of bedrooms. The owner occupied stock is dominated by 3 bedroom properties, but both the private and social rented stock are on average smaller.

Figure 18:   Housing Stock by Size and Tenure (Source: UK Census of Population 2011)

| Number of Bedrooms	Tenure		
	Owner occupied	Private rent	Social rent
1 bedroom	717	1,057	2,621
2 bedrooms	6,125	2,074	2,082
3 bedrooms	15,613	1,988	2,031
4 bedrooms	5,099	245	122
5+bedrooms	800	66	24
TOTAL	**28,354**	**5,430**	**6,880**
1 bedroom	2.5%	19.5%	38.1%
2 bedrooms	21.6%	38.2%	30.3%
3 bedrooms	55.1%	36.6%	29.5%
4 bedrooms	18.0%	4.5%	1.8%
5+bedrooms	2.8%	1.2%	0.3%

Cost of Home Ownership

4.3   House price trends (2001-2018) are shown in Figure 19 based on lower quartile house prices. Of course, the value of money has also changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in house prices since 2001.

4.4   It is evident that real house prices in Cannock Chase increased substantially in the period 2001-2008 (from £68,000 to £148,000 at 2018 values, a real increase of 118%). Values reduced to around £122,000 by the start of 2009 and continued to decline over the period to 2013 reaching a low point of £107,000; but have since increased to a value of £134,000 by mid-2018.

Figure 19: Real House Price Trends: Lower Quartile Prices adjusted to 2018 values using CPI (Source: ONS; Bank of England)
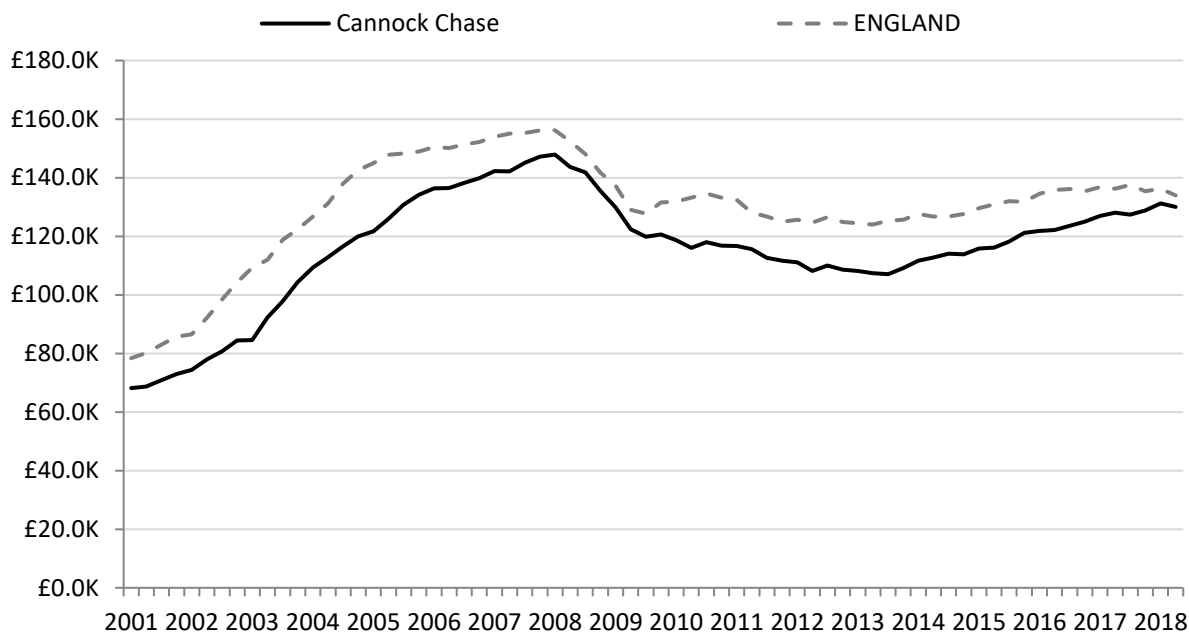
4.5 Figure 20 shows the lower quartile house prices by bedroom size for Cannock Chase. The data shows both the lower quartile price for existing properties and also new build dwellings. When considering first time buyers in particular, many of the purchasers are likely to be newly forming households seeking one and two bed properties.

Figure 20: Lower quartile prices for existing dwellings and newly built dwellings (2017-18) by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)
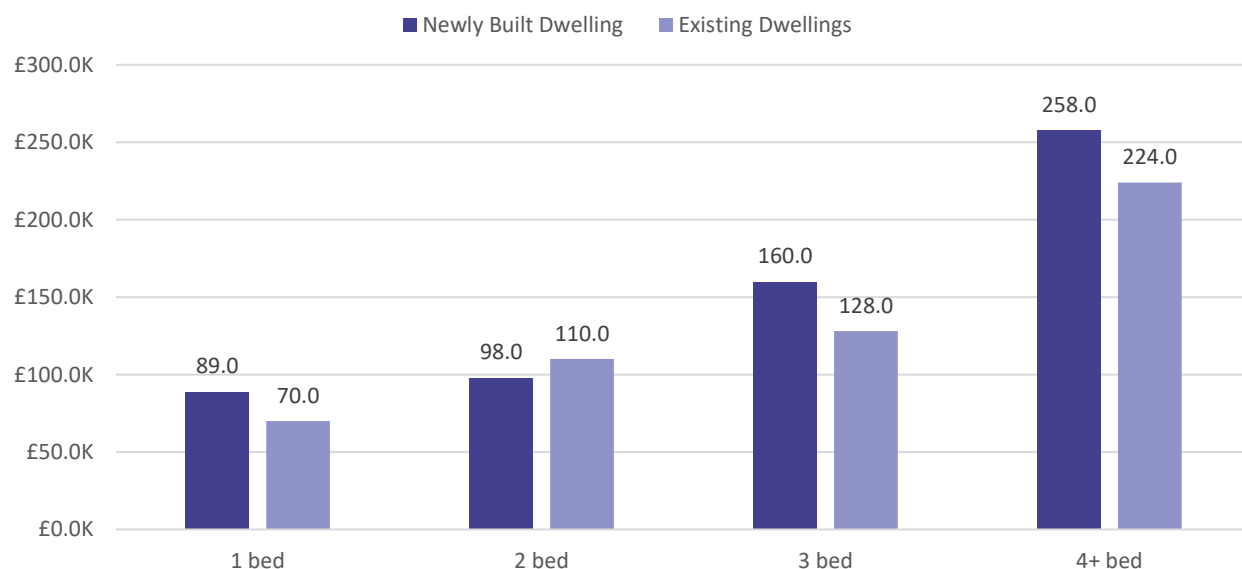
4.6 The degree to which new build properties are more expensive than existing homes varies considerably by size of dwelling. This is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character. It is notable that the lowest quartile price for newly-built two bed homes is lower than the lower quartile for existing dwellings. This is likely to be due to many of the existing dwellings being houses whereas many new two bed properties will be apartments.

Income Needed for Home Ownership

4.7 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).

4.8 For example, taking an existing 1-bedroom property:

» The lower quartile price recorded was £70,000;

» Based on a 90% loan-to-value mortgage, a deposit of £7,000 would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £63,000;

» Using a mortgage income multiplier of 3.5x would therefore need an annual income of £18,000.

4.9 To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £3,500 (equivalent to 5% of the overall price) but the income required would increase to £19,000 per year. Borrowing at a 4.0x income multiplier would reduce the income needed; but households would still need an income of between £15,750 and £16,625 based on a 5-10% deposit. Therefore, to purchase an existing 1-bedroom property at an overall cost of £70,000 is likely to require an annual income of at least £15,750 (assuming a 10% deposit and a 4.0x multiplier); but with less deposit and a lower income multiplier an income of up to £19,000 per year could be needed.

4.10 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership.

4.11 Based on these assumptions, Figure 25 shows the household income levels needed to buy 1 and 2 bedrooms properties in terms of both existing dwellings and newly built dwellings in the local authority area. When purchasing larger homes, households will typically have larger deposits available which often include equity from the sale of a smaller property. On this basis, it is relatively artificial to consider incomes in isolation.

Figure 21: **Annual income required to afford proprieties based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)**

Annual Income Needed to Own at Lower Quartile Prices	Single Bedroom Properties	Two Bedroom Properties
Existing dwelling	£18,000	£28,300
Newly built dwelling	£22,900	£25,200

Cost of Renting

4.12   Figure 22 sets out the weekly rents for different property sizes. This includes:

>> Median and lower quartile private rent;

>> Local Housing Allowance (LHA) maximum (previously based on the 30th percentile private rent, however more recent increases have based on CPI and rates were frozen in the July 2015 Budget);

>> Affordable rent, based on 80% of the median private rent;[7] and

>> Social rent, based on existing average rents.

Figure 22:   Weekly rent thresholds 2018 (Source: Private Rental Market Statistics, Valuation Office Agency; Homes and Communities Agency. Note: Private rent data excludes housing benefit funded tenancies)

Weekly Rent £	Private Rent		Maximum Local Housing Allowance	Affordable Rent (80% median)	Social Rent
	Median	Lower Quartile			
Room only	-	-	£67.00	-	-
1 bedroom	£94.75	£88.60	£90.90	£75.80	£66.32
2 bedrooms	£120.74	£111.62	£113.92	£96.59	£75.31
3 bedrooms	£143.74	£127.73	£129.47	£114.99	£79.61
4+ bedrooms	£195.48	£172.60	£170.67	£156.39	£86.25

4.13   The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). Whilst BRMAs do not align with local authority boundaries, the Mid Staffs BRMA covers the Cannock Chase local authority area.

4.14   It is evident that for most property sizes, the median private rent is the highest followed in turn by the maximum LHA, lower quartile private rent, affordable rent and target social rent. The only exception to this is four bedroom properties, where the LHA threshold is marginally lower than lower quartile private rent. Whilst the other LHA rates are marginally higher than the equivalent lower quartile private rents, it is important to note that the private rent figures exclude housing benefit funded tenancies. Therefore, there would appear to be only limited opportunity for an increase in the number of households in receipt of housing benefit given that lower quartile rents are already close to the maximum housing benefit.

4.15   Affordable rents (at 80% of median private rent) are currently below the maximum LHA rate for all property sizes in the area, but this relationship could change in future. The Welfare Bill requires social landlords to reduce their rents by 1% every year for four years, whilst LHA rates generally increase in line with CPI (although they were updated by a fixed 1% in 2014/15 and 2015/16); so together these changes will typically increase the "gap" for existing Affordable Rent properties. However, the rent for new properties is based on market rents; so if market rents increase faster than the maximum LHA, it is possible that new Affordable Rent properties could have rents that are higher than the LHA.

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[7] Throughout this document, Affordable Rents are shown inclusive of service charge. This is consistent with the HCA "*2011-15 Affordable Homes Programme – Framework*", which says:
>   *"Gross market rents are generally expressed inclusive of any service charges."* (para 3.3)
>   *"Providers will be able to let a property at an Affordable Rent (inclusive of service charges, where applicable) of up to 80% of the gross market rent which reflects the property size and location"* (para 3.4)

4.16   The Local Housing Allowance Guidance Manual (April 2014)[8] confirms that *"the LHA arrangements apply to HB customers in the deregulated private sector only"*; where HB refers to Housing Benefit, so the LHA rate does not apply to Affordable Rent, and households are currently able to claim housing benefit to cover the full cost of Affordable Rent (where they were entitled to do so based on their circumstances). However, whilst housing associations could set rents above the maximum LHA, many operate a rent policy where rent levels must be within the LHA for the area concerned – partly due to perceived risks of future welfare reforms (which could change the rules) but also to keep properties as affordable as possible.

4.17   This is particularly relevant as all households claiming out-of-work benefits are subject to a cap of £384 per week (for lone parents and couples living outside of London) or £257 per week (for single people living outside of London), which could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their Broad Rental Market Area.

Income Needed to Rent Housing

4.18   The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)[9] stated:

> *"A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income"* (page 42)

4.19   However, this previous Guidance was rescinded in March 2014 following the publication of the Original NPPF and the launch of the new Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that "*care should be taken … to include **only those households who cannot afford** to access suitable housing in the market*" [ID 2a-020-20190220] (emphasis added).

4.20   Results from the English Housing Survey (EHS) 2015-16[10] provides information about the percentage of gross household income that households currently spend on their housing costs[11]:

» For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and

» For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

4.21   The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that

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[8] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/324708/lha-guidance-manual.pdf (para 1.070)
[9] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance
[10] https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report
[11] "Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16"

some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.

4.22 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately currently spend 41% of their gross income on average, there must be many households currently spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions).

4.23 On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

4.24 As an example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier:

» The lower quartile weekly rent recorded was £88.60;

» Based on a 35% income multiplier, a weekly income of £253 would be needed which equates to a gross annual income of £13,200.

4.25 To rent the same property based on a 25% income multiplier would increase the gross income required to £18,480 per year whereas households with an annual income of £10,270 per year could afford the rent if 45% of their income was allocated to housing costs. Therefore, to rent a self-contained 1-bedroom property in Cannock Chase at an overall cost of £88.60 per week is likely to require an annual income of at least £13,200 (assuming a 35% multiplier); although it is evident that the required income is very sensitive to the multiplier used.

4.26 Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental income needed. Based on this assumption, Figure 42 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent.

Figure 23: **Annual income required to afford to rent proprieties at the lower quartile and median price based on 35% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2017 to March 2018)**

Annual Income £	Private Rent		Affordable Rent (80% of median)	Social Rent
	Median	Lower Quartile		
1 bedroom	£14,120	£13,200	£11,290	£9,880
2 bedrooms	£17,990	£16,630	£14,390	£11,220
3 bedrooms	£21,410	£19,030	£17,130	£11,860
4+ bedrooms	£29,120	£25,710	£23,300	£12,850

4.27 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.

4.28 Considering some examples of disposable income:

» A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 41.4% of their net income, which would leave £9,880 (£189 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24; so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income;

» A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income, which would leave £12,559 (£241 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income.

4.29 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take account of different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for different types of household on different incomes, based on the rents for suitable housing in terms of the number of bedrooms needed.

4.30 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 24 sets out the incomes for housing benefit eligibility for different types of households.

Figure 24: Maximum annual income for households in receipt of housing benefit support by household type (Source: ORS based on Department for Work and Pensions data)

	Maximum Annual Income for HB support	Mid Staffs BRMA
ROOM ONLY	Single person aged 16-24	£8,370
	Single person aged 25-34	£9,162
1 BEDROOM PROPERTIES	Single person aged 35+	£11,104
	Couple (both aged under 18)	£11,854
	Couple (one or both aged 18 or over)	£13,281
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£16,439
	Lone parent (aged 18 or over) with 2 children	£19,927
	Couple (aged 18 or over) with 1 child	£18,616
	Couple (aged 18 or over) with 2 children	£22,104

Identifying the Gap for Affordable Home Ownership

4.31 When identifying the need for Affordable Home Ownership (AHO) including Starter Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs. Figure 25 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents in Cannock Chase.

Figure 25: **Annual income thresholds for different housing options in single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)**

Annual Income Needed to Own at Lower Quartile Prices		Single Bedroom Properties	Two Bedroom Properties
Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£22,900	£25,200
	Existing dwelling	£18,000	£28,300
Minimum income needed for rent to be less than 35%	Median private rent	£14,120	£17,990
	Lower quartile private rent	£13,200	£16,630
	Affordable rent (80% of median)	£11,290	£14,390
	Social rent	£9,880	£11,220
Maximum income for Housing Benefit support	Upper end of range	£13,281	£22,104
	Lower end of range	£11,104	£16,439

4.32 There is a clear income gap between being able to afford market rent and being able to afford home ownership, though this is particularly the case when considering 2-bed housing. Households with incomes around £16,600 can afford to rent a 2-bed property in the area; but require incomes of £25,200 to afford to buy a property in the area. On this basis, there is a wide income range that could benefit from Affordable Home Ownership products if these could be provided at an appropriate price.

4.33 The cost of AHO products would need to be less than the purchase cost for market housing; however, the income needed to buy an AHO product may be higher than the income needed for market rent. This recognises that some households who could afford market rent would prefer to own their own home, and the NPPF encourages local authorities to widen opportunities for home ownership.

Starter Home Initiative

4.34 The Housing and Planning Act 2016 furthered the Government policy of encouraging home ownership through promoting Starter Homes to provide properties that are more affordable for first time buyers. The Act defines a Starter Home as a new dwelling, only available for purchase by qualifying first-time buyers, which is to be sold at a discount of at least 20% of the market value and for less than the price cap (£250,000 in Cannock Chase) and is subject to restrictions on sale or letting for the initial 5-year period of occupancy. The Act also includes clauses stating that local authorities will have a general duty to promote the supply of Starter Homes through planning.

4.35 Figure 26 sets out the weekly costs for Starter Home Initiative based on the same property values considered when analysing low cost home ownership housing options.

Figure 26: Starter Home Initiative (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest. Property values at 2017/18 levels)

	Property Value	80% Equity Share	10% Deposit	Weekly Mortgage Costs
1 bedroom	£89,000	£71,200	£7,120	£96.14
2 bedrooms	£98,000	£78,400	£7,840	£105.86
3 bedrooms	£159,950	£127,960	£12,796	£172.77
4+ bedrooms	£257,950	£206,360	£20,636	£278.63

4.36   The Revised NPPF changed the definition of affordable housing to include Starter Homes and limited purchasers to non-owners aged 23-40 years. The Revised NPPF defined several other forms of Affordable Home Ownership (AHO) as affordable housing: Discounted market sales housing sold at a discount of at least 20% below local market value (with eligibility criteria); other affordable forms of home ownership such as shared ownership, relevant equity loans, low cost homes for sale (at a price equivalent to at least 20% below local market value); and rent to buy.

Low Cost Home Ownership

4.37   A range of Low Cost Home Ownership (LCHO) products have been developed to assist households into homeownership. Figure 27 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

» 40% equity share purchased by the occupier;

» 10% of the equity purchased is available as a deposit;

» Mortgage costs base based on a 30-year repayment mortgage at 6.25% interest;[12]

» Rent based on 2.75% of the retained equity paid each year; and

» Service charge of £10 per week.

4.38   Based on this model, it is evident that the weekly costs are lower than the equivalent median private rent and lower than the maximum LHA for 1-bed and 2-bed properties, similar to the median for 3-bed and higher for 4+ bed properties.

Figure 27: Shared ownership costs (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week, property values calculated on new-build only at 2017/18 levels)

	Property Value	40% Equity Share	10% Deposit	Weekly Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	£89,000	£35,600	£3,560	£45.84	£28.16	£10.00	£84.00
2 bedrooms	£98,000	£39,200	£3,920	£50.48	£31.01	£10.00	£91.49
3 bedrooms	£159,950	£63,980	£6,398	£82.38	£50.61	£10.00	£143.00
4+ bedrooms	£257,950	£103,180	£10,318	£132.86	£81.63	£10.00	£224.49

4.39   Figure 28 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents.

---

[12] Note that shared ownership mortgages typically have higher interest rates; a longer term is assumed to minimise monthly costs

Figure 28:   Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Property values at 2017/18 levels. Cells highlighted in yellow are above the LHA rate but below median private rent, cells in red are above the equivalent median private rent. Cells which are green are lower than the equivalent maximum LHA)

Total Weekly Cost £	Property Value	Equity Share					
		25%	**30%**	**35%**	**40%**	**45%**	**50%**
1 bedroom	89,000	73.85	77.24	80.62	84.00	87.39	90.77
2 bedrooms	98,000	80.31	84.04	87.76	91.49	95.21	98.94
3 bedrooms	159,950	124.76	130.84	136.92	143.00	149.08	155.16
4+ bedrooms	257,950	195.07	204.88	214.68	224.49	234.29	244.10

4.40   It would appear that an equity share of up to 50% would be appropriate for smaller properties, however for 3-bed properties, equity shares of more than 40% tend to yield weekly costs that are higher than private rents. Nevertheless, there may be a role for LCHO products at higher equity shares targeted at households able to afford private rent but unable to afford home ownership.

Summary of Housing Costs

4.41   Figure 29 summarises the weekly costs for the range of different housing options discussed above for each property size.

Figure 29:   Comparison of weekly housing costs by property size – Cannock Chase (Source: VOA 2017-2018. Note: Property values at 2017/18 levels)

	Starter Home Initiative (80% equity)	Shared ownership (40% equity)	Median Private Rent	Maximum Local Housing Allowance	Affordable Rent (80% median)
1 bedroom	£96.14	£84.00	£94.75	£90.90	£75.80
2 bedrooms	£105.86	£91.49	£120.74	£113.92	£96.59
3 bedrooms	£172.77	£143.00	£143.74	£129.47	£114.99
4+ bedrooms	£278.63	£224.49	£195.48	£170.67	£156.39

4.42   The key point of this data is that cost of shared ownership is lower on a weekly basis than the cost of private rent for 1, 2 and 3-bedroom properties. The cost of a starter home is cheaper than private rent for a 2-bedroom property and very similar for a 1-bedroom property. While owner occupiers would still require a deposit and access to a mortgage, the weekly cost of affordable home ownership in Cannock Chase is lower for smaller properties than the cost of renting. On this basis there is no gap between those who can afford private rent and those who can afford to own outright.

4.43   However, it also implies that within Cannock Chase as a whole there will be households who can afford to rent, but not buy, such as those requiring 4+ bedrooms. As was discussed in more detail in Figure 16, the private rented sector in Cannock Chase rose from 7% of households in 2001 to 17% in 2011. Therefore, an increasing number of households in Cannock Chase are having their housing needs met in the private rented sector, but many of these could potentially benefit from low cost home ownership schemes.

5. Affordable Housing Need
Identifying households who cannot afford market housing

Introduction

5.1 The definition of affordable housing was changed by the Revised NPPF, with a specific emphasis now placed on affordable homeownership. Annex 2 of the Revised NPPF now defines affordable housing as being:

> ***Affordable housing***
>
> *Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*
>
> **Revised NPPF, Annex 2**

5.2 To reflect this change, relevant paragraphs of PPG have also been updated as follows. The changes between the archived PPG and the current revision are highlighted below:

> ***How can the current unmet gross need for affordable housing be calculated?***
>
> *Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:*
>
> » *the number of homeless households;*
>
> » *the number of those in priority need who are currently housed in temporary accommodation;*
>
> » *the number of households in over-crowded housing;*
>
> » *the number of concealed households;*
>
> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes, **either to rent, or to own, where that is their aspiration**.*
>
> **Planning Practice Guidance, ID 2a-020-20190220**
> Emphasis added shows change introduced in September 2018

5.3 On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

Establishing the Need for Affordable Housing to Rent and to Own

5.4 Demographic projections provide the basis for identifying the LHN for all types of housing, including both market housing and affordable housing. There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing; however, when considering the needs of households who can afford to rent but would prefer to own, it is necessary to further develop the existing methods given that PPG provides no additional guidance on this need should be assessed.

5.5 Figure 30 illustrates the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that can't afford market rent need to be added to the needs of those that can afford market rent but who want to own but can't afford to buy.

**Figure 30: Establishing the need for market and affordable housing**
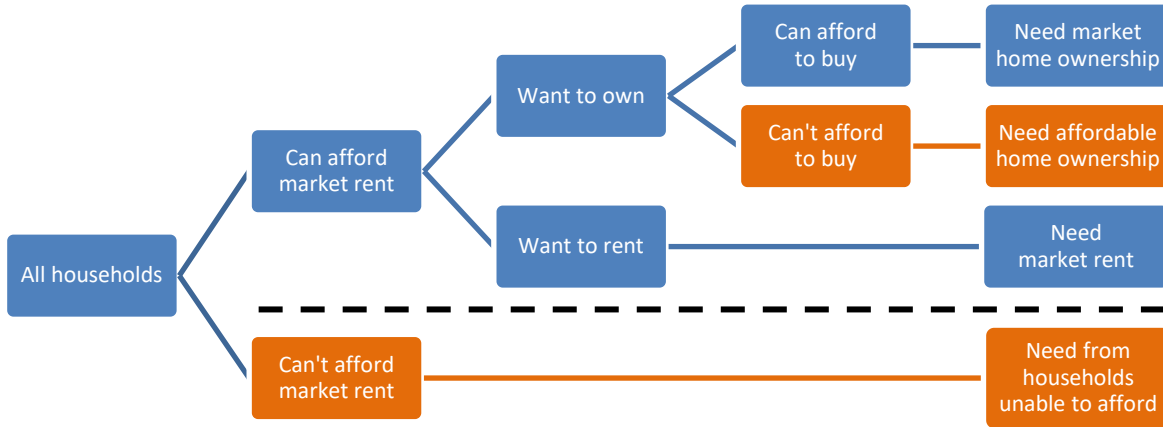
Home Ownership Trends

5.6 The emphasis on households that cannot afford to own their home reflects the Government's concerns about the proportion of owner occupiers having reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 68.7% in 2006 to 65.3% in 2011 and reduced yet further to 62.6% by 2016. Over the same period 2006-2016, the proportion of households renting from a social landlord also reduced from 19.0% to 17.1% whilst the proportion renting privately increased from 12.3% to 20.3%.

5.7 The proportion of owner occupiers also varies notably by age. Younger age groups have typically been less likely to own their home than older households; however, the proportions of younger households owning their homes has reduced at a faster pace. In contrast, the proportion of older households (aged 65 or over) owning their home has been increasing (Figure 31).

Figure 31: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)
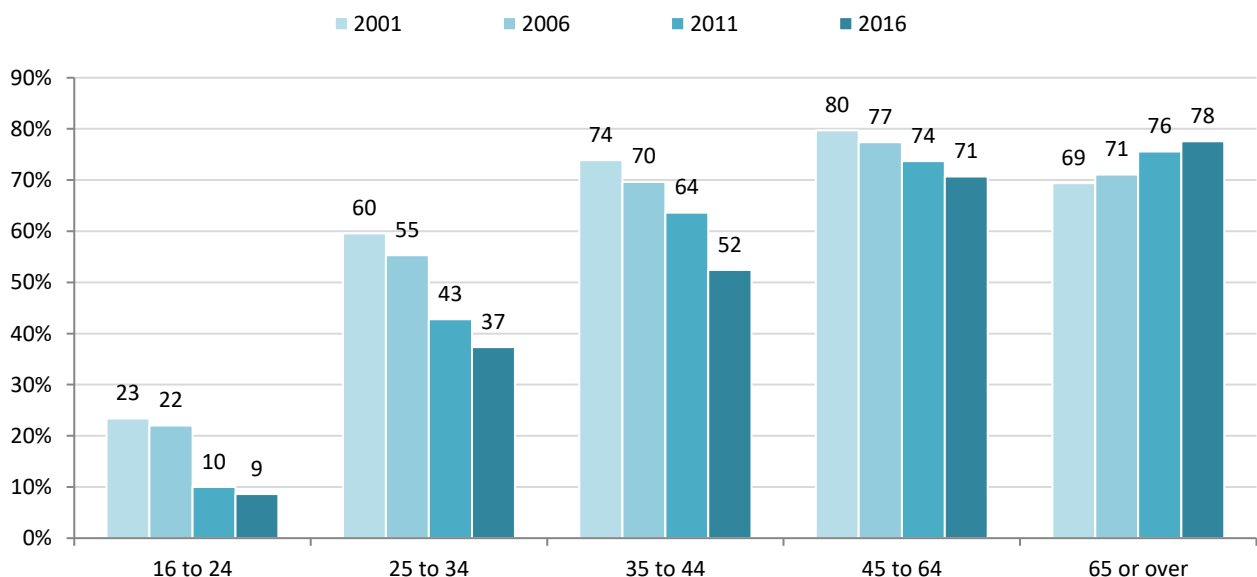
Affordable Housing Need: Households Unable to Afford

5.8 PPG notes that affordable housing need is based on households *"who lack their own housing or who cannot afford to meet their housing needs in the market"* [ID 2a-019-20190220]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but can't afford to buy. Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying <u>or</u> renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.

5.9 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

> ### How is the total annual need for affordable housing calculated?
>
> *The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.*
>
> **Planning Practice Guidance, ID 2a-024-20190220**

Current Unmet Need for Affordable Housing

5.10 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

> ### How can the current unmet gross need for affordable housing be calculated?
>
> *Strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:*
>
> » *the number of homeless households;*
>
> » *the number of those in priority need who are currently housed in temporary accommodation;*
>
> » *the number of households in overcrowded housing;*
>
> » *the number of concealed households;*
>
> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*
>
> *Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*
>
> **Planning Practice Guidance, ID 2a-020-20190220**

Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

5.11 Households assumed to be unable to afford housing include:

» All households that are currently **homeless**;

» All those currently housed in **temporary accommodation**; and

» People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

5.12 Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of 2018.

5.13 Less than a quarter of households currently living in **overcrowded** housing (based on the bedroom standard)[13] are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.

5.14 Our analysis counts the needs of all households living in overcrowded rented housing when establishing the need for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Cannock Chase.

5.15 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.

5.16 When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).

5.17 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). The needs of these households are counted when establishing the need for affordable housing.

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[13] The definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended). The bedroom standard allocates a separate bedroom to each: married or cohabiting couple; adult aged 21 years or more; pair of adolescents aged 10-20 years of the same sex; pair of children aged under 10 years regardless of sex.

5.18   Figure 32 sets out the assessment of current affordable housing need for Cannock Chase.

Figure 32:   Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0	0
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0			
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	120		120	120
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	121		121	
Households living in overcrowded social rented housing	317	317	0	
Reduction in spare rooms [Source: DWP Housing Benefit]				
Households likely to move from under-occupied social rented housing	276	276	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	130	6	124	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**964**	**599**	**365**	**120**

5.19   Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that **964 households are currently living in unsuitable housing in Cannock Chase and unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

5.20   Of these households, 599 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 365 households** (964 less 599 = 365) **who currently need affordable housing and do not currently occupy affordable housing in Cannock Chase** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

5.21   This number includes 120 households that would not be counted by the household projections because of their being homeless or concealed households. There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households.

5.22   Providing the 365 net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of **245 households** (365 less 120 concealed households) that are currently need affordable housing who are unable to afford.

Projected Future Affordable Housing Need

5.23   In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

> ***How can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?***
>
> *Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.*
>
> **Planning Practice Guidance, ID 2a-021-20190220**

5.24   The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and LHN. The Model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.[14] The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

5.25   Whilst PPG identifies that *"projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need"* [ID 2a-021-20190220], **the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.

5.26   The affordability percentages in Figure 33 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing <u>or</u> receive housing benefit to enable them to afford market housing.

**Figure 33: Assessing affordability by household type and age (Source: Census 2011 and DWP)**

	Under 25	25-34	35-44	45-54	55-64	65+
Percentage unable to afford market housing						
Single person household	41%	22%	26%	35%	35%	33%
Couple family with no dependent children	18%	6%	8%	9%	9%	13%
Couple family with 1 or more dependent children	46%	26%	13%	10%	15%	35%
Lone parent family with 1 or more dependent children	79%	86%	53%	43%	41%	54%
Other household type	36%	45%	22%	21%	22%	15%

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[14] Detailed data from CLG 2014-based household projections and sources identified in Figure 22, Figure 27, Figure 32 and Figure 33

Establishing the Future Affordable Housing Need for Households Unable to Afford

5.27   When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a *"gross annual estimate"* [ID 2a-021-20190220] suggesting that *"the total need for affordable housing should be converted into annual flows"* [ID 2a-024-20190220].

5.28   Figure 34 shows the age structure of each of the components of household change. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 34:   Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)
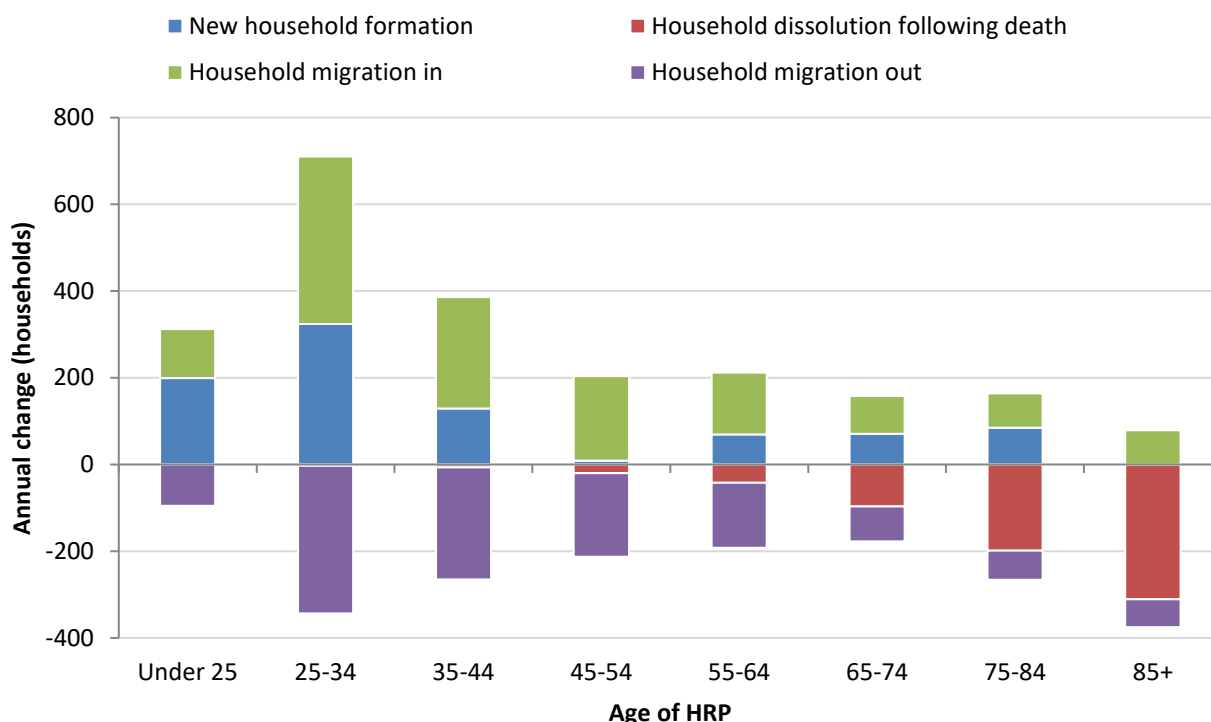
5.29   Together with information on household type, this provides a framework for the Model to establish the proportion of households who are unable to afford their housing costs, identified in Figure 33.

5.30   The Model identifies an average of 862 new households projected to form in Cannock Chase each year, and of these 33% are unable to afford their housing costs which represents 285 households each year. The Model separately considers new households migrating to the area and identifies that a lower proportion of these households are unable to afford (26%); although this still represents 360 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support**. Together, there are 645 new households each year who are unable to afford their housing costs.**

5.31   PPG also identifies that in addition to the needs of new households, it is also important to estimate *"the number of existing households falling into need"* [ID 2a-021-20190220].   Whilst established households that continue to live in Cannock Chase will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model, and it is estimated that an average of **147 established households fall into need each year** in Cannock Chase.

5.32 Whilst the PPG recognises that established households' circumstances can deteriorate such that they fall into need, it is also important to recognise that established households' circumstances can improve. For example:

» When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).

» Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

5.33 These improved circumstances can therefore reduce the need for affordable housing over time. The Model identifies that the circumstances of 200 households improve each year such that they become able to afford their housing costs despite previously being unable to afford. Therefore, considering the changing needs of existing households overall, **there is a net <u>decrease</u> of 53 existing households** (200 minus 147 = 53) **needing affordable housing each year**.

5.34 PPG identifies that *"there will be a current supply of housing stock that can be used to accommodate households in affordable housing need"* and that it is necessary to establish *"the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need"* [ID 2a-022-20190220]. It is also important to recognise that not all households that are unable to afford housing are allocated affordable housing immediately and some of these households will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections.

5.35 The Model identifies 751 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright; however, 182 are unable to afford market housing: most living in social rented housing. The Model separately identifies that an average of 1,262 households will leave the area each year, including 323 unable to afford their housing costs. Some will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting (although some might prefer to stay if housing costs were cheaper or more affordable housing was available). **Together, there are 505 households each year who will vacate affordable dwellings or will no longer be waiting for a home.**

5.36 Figure 35 summarises each of the components that contribute to future affordable housing need.

Figure 35: Components of average annual household growth 2018-36 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	862	577	285	33%
Households migrating in to the area	1,368	1,008	360	26%
All new households	**2,230**	**1,585**	**645**	**29%**
Household dissolutions following death	751	569	182	24%
Households migrating out of the area	1,262	939	323	26%
All households no longer present	**2,013**	**1,508**	**505**	**25%**
Household growth	**+217**	**+77**	**+140**	**65%**
Existing households falling into need	-	-147	+147	100%
Existing households climbing out of need	-	+200	-200	0%
Change in existing households	**-**	**+53**	**-53**	**-**
Average annual future need for market and affordable housing 2018-36	**+217**	**+130**	**+87**	**40%**

Overall Affordable Housing Need for Households Unable to Afford

5.37 Figure 36 brings together the information on assessing the unmet need for affordable housing in 2018 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 18-year period 2018-36.

Figure 36: Assessing total need for market and affordable housing (Source: ORS Housing Model)

	Housing Need (households)		Overall Housing Need
	Market housing	**Affordable housing**	
Unmet need for affordable housing in 2018 (see Figure 32)			
Total unmet need for affordable housing (a)	-	964	964
Supply of housing vacated (b)	245	599	844
Current housing need (c) = (a) - (b)	**-245**	**+365**	**+120**
Projected future housing need 2018-36 (see Figure 35)			
Average annual housing need (d)	130	87	217
Future housing need (e) = (d) x 18	**2,345**	**1,564**	**3,909**
Total need for market and affordable housing (f) = (c) + (e)	**2,100**	**1,929**	**4,029**
Average annual household growth (g) = (f) / 18	+117	+107	+224
Proportion of overall need for market and affordable housing	52%	48%	100%

5.38 Overall, there is a need to provide affordable housing for 1,929 households unable to afford to rent or buy over the Plan period 2018-36 (48% of the projected growth) which equates to 107 households per year. Adding an allowance for vacancies (based on Census 2011 rates for dwellings without a usually resident household) to take account of transactional voids and also longer-term voids associated with major works across the stock, this **identifies a total affordable housing need of 1,984 dwellings in addition to the current stock, a net annual need of 110 dwellings per year**. Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

5.39 We would note that the Southern Staffordshire Districts Housing Needs Study and SHMA Update 2012 identified a need for 197 affordable homes per annum in Cannock Chase. This was based upon a backlog of need of 419 households in total, compared to the equivalent figure of 365 in this study. However, the backlog was treated as being resolved in 5 years in the SHMA Update 2012, so added 84 households a year to the affordable housing need, but for any subsequent years there would be no further backlog to address. For this assessment we have sought to resolve the backlog over 20 years, at a rate of 18 households per annum. The impact of resolving the backlog of need in the SHMA Update 2012 over 20 years would have been to reduce its annual impact on affordable housing need from 84 households, to 21 households, giving a net need for affordable housing of 134 dwellings. This change alone explains much of the variation between the two studies.

5.40 We would also note that, in March 2014, the government produced new guidance on conducting housing needs assessments in the form of '*Guidance for Housing and economic development needs assessments'* and it was this guidance which underwrote the SHMA Update 2012. Paragraph 22-29 of this guidance covered affordable housing needs and it included a number of significant changes since the 2007 SHMA Practice Guidance which would have been in place in 2010.

5.41   In particular the 2007 SHMA Practice Guidance defined affordability as, '*A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their gross household income.*'[15]

5.42   However, paragraph 22 of the 2014 PPG stated that plan makers should only counting a household as being in need of affordable housing when they are, '*…households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.*'

5.43   There is a very clear distinction between these two definitions of affordability, with the 2007 SHMA practice guidance offering a very strict test of affordability based upon a fixed percentage of income spent on rents. Meanwhile, the 2014 PPG offered a much looser definition of affordability based upon not being able to afford market housing. In practice this change in emphasis led to fewer households being considered as being in housing need based upon affordability.

5.44   Added to this effect, the Localism Act 2011 provided new opportunities for local authorities to reconsider their local housing needs, in particular their housing registers. Since 2011, housing registers across the country have typically fallen as local authorities have re-evaluated their policies locally.

5.45   The combined impact of these changes was that households who may have appeared to be in affordable housing need in an area in the SHMA Update 2012 will now not appear to require affordable housing. This doesn't necessarily reflect a change in their circumstances, simply that definitional changes imply that households who were previously counted as being in affordable housing need are no longer counted as such.

5.46   Further to this point, PPG was updated in September 2018 and further updated in February 2019 to consider changes in the definition of affordable housing introduced in the NPPF 2018. This further changes the type of household considered to be in affordable housing need and these changes are considered later in this report.

5.47   Figure 37 sets out the housing mix in terms of property type and size. **Almost a fifth of the affordable housing need (19%) is for flats and the remainder for houses (57% 2-bed, 15% 3-bed and 9% 4-bed+).** Whilst the need for affordable housing with four or more bedrooms is 9% of the overall need, this still represents a need for 176 large affordable homes that need to be provided over the 18-year period 2018-36. Much of this need will be from existing households living in overcrowded accommodation.

Figure 37: Assessing affordable housing mix (Source: ORS Housing Model)

		Current Housing Need			Future Housing Need	Overall Housing Need	
		Gross Need	Supply	Net Need		N	%
Flat	1 bedroom	48	103	-56	277	222	**11%**
	2+ bedrooms	178	128	49	102	151	**8%**
House	2 bedrooms	455	87	367	763	1,131	**57%**
	3 bedrooms	265	296	-131	436	306	**15%**
	4+ bedrooms	147	2	145	31	176	**9%**
Total Dwellings		**993**	**616**	**+375**	**1,609**	**1,984**	**100%**

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[15] Department of Communities and Local Government, Strategic Housing Market Assessments Practice Guidance Version 2, page 42.

Affordable Housing Tenure

5.48   Within the overall need of 1,984 affordable homes identified, it is possible to consider the mix of different affordable housing products that would be appropriate based on the mix of households needing affordable housing. In order to profile affordability, income data from the English Housing Survey and ONS Survey of Personal Incomes has been combined and modelled to establish the income distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

5.49   Figure 38 illustrates the affordability of households needing affordable housing by property size based on the assumption that up to 35% of gross household income (excluding housing benefit) is available for housing costs. This identifies those able to afford shared ownership, affordable rent and social rent (all without housing benefit subsidy) and those that would need financial support to afford social rent.

Figure 38:   Affordability of households needing affordable housing by property size 2018 (Note: Weekly costs based on data in Figure 22 and Figure 27)
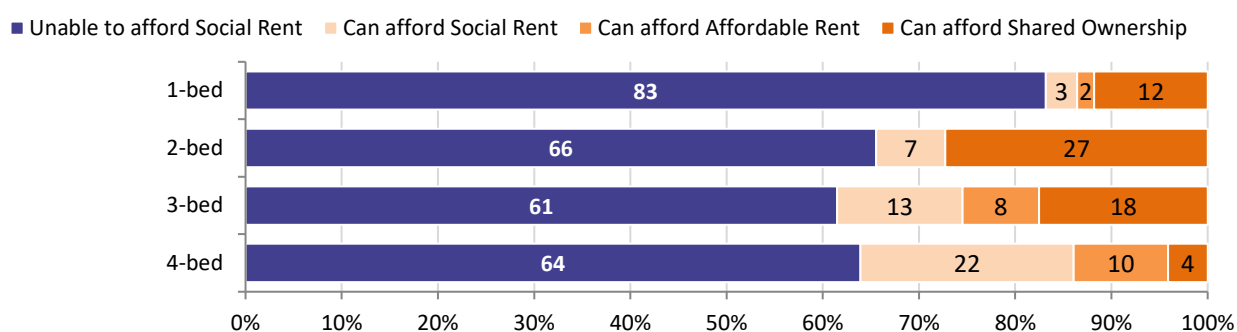
5.50   Figure 39 sets out the affordable housing mix, which identifies that two thirds of the households unable to afford and in need of affordable housing would not be able to afford the relevant Social Rent for a property of the size needed: 1,323 households (67%) based on up to 35% of income being spent on housing costs.

5.51   Providing new affordable rented housing based on Social Rents would enable around 180 households to pay their rent without housing benefit support that could not afford to do so if new housing was provided as Affordable Rent. If new affordable rented housing was provided with Affordable Rents (based on 80% of median private rent), these households would continue to depend on housing benefit.

5.52   Around 481 households in need of affordable housing could afford either Affordable Rent (without housing benefit support) or the weekly costs of Shared Ownership (based on a 40% equity share). Most of these households could afford either of these products, given the similarities in the weekly costs identified.

Figure 39:   Affordable housing mix by household affordability to 2018-2036 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Unable to afford Social Rent	Can afford Social Rent	Can afford Affordable Rent	Can afford Shared Ownership	TOTAL
1 bedroom	184	7	4	26	**222**
2 bedrooms	839	92	0	349	**1,281**
3 bedrooms	187	41	25	52	**306**
4+ bedrooms	112	40	18	6	**176**
TOTAL	**1,323**	**180**	**47**	**434**	**1,984**
Overall percentage	*67%*	*9%*	*2%*	*22%*	***100%***

Future Policy on Housing Benefit in the Private Rented Sector

5.53   The Model recognises **the importance of housing benefit and the role of the private rented sector**. The Model assumes that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not in the control of the Council.

5.54   It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

5.55   The model adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The model does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

5.56   To sensitivity test this position, Figure 40 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector. If no households were to receive housing benefit support in the private rented sector, nine tenths of the growth in household numbers would need affordable housing. In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.

Figure 40:   Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2018-36 and associated number of affordable dwellings

■ Households able to afford market housing   ■ Households needing affordable housing

	Households able to afford market housing	Households needing affordable housing	
50% increase	76%	24%	1,000 dwellings
25% increase	64%	36%	1,500 dwellings
No change	52%	48%	2,000 dwellings
25% reduction	40%	60%	2,500 dwellings
50% reduction	28%	72%	3,000 dwellings
75% reduction	17%	83%	3,500 dwellings
100% reduction	5%	95%	3,900 dwellings

5.57   Considering the aspirations of households living in the private rented sector with housing benefit support, we can identify that 934 households plan to move to rented affordable housing. Meeting the aspirations of these households would increase current affordable housing need by 961 dwellings; with an equivalent reduction in the need for market housing, as the private rented homes that they occupy are vacated.

Affordable Housing Need: Households Aspiring to Homeownership

5.58 Considering aspirations for home ownership, English Housing Survey data identifies that just over a quarter (28.8%) of those currently renting privately plan to stay in that tenure in the long-term compares to over three quarters (77.0%) of those households in social rent. Over half (53.5%) of all households who rent privately and almost a fifth (18.1%) of those in social rented housing aspire to homeownership.

Figure 41: Long-term Tenure Plan by Current Tenure (Source: English Housing Survey 2013-14)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

5.59 Considering the long-term expectations of the different types of households who currently live in the private rented sector, Figure 42 compares the expectations of those who are currently in receipt of housing benefit with those who are paying their own rent.

5.60 For those households paying their own rents, 65% expected to become owner occupiers, 24% expected to remain in the private rented sector and only 6% expected to move to the social rented sector. Therefore, there is a much higher expectation of moving to owner occupation and a much lower expectation of moving to social rent, particularly for couples aged under 60. Tenants aged 60 years or over who are paying their own rent are more likely to expect to move to social rent, but they do represent a relatively small number of households.

5.61 For those in receipt of housing benefit, a total of 28% of households had a long-term expectation that they would be owner occupiers, 42% expected to remain in the private rented sector and 25% expected to move to social rent. Therefore, a significant number of the households in receipt of housing benefit expected to move to social rent. Couples and lone parents with dependent children were less likely to expect to remain in the private rented sector.

**Figure 42: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
(Source: English Housing Survey 2013-14. Note: Own includes shared ownership)**

Household type	PRS tenants without HB				PRS tenants in receipt of HB			
	Own	Private rent	Social rent	Other	Own	Private rent	Social rent	Other
One person aged 60+	16.2%	38.1%	16.7%	29.1%	4.8%	66.3%	24.2%	4.7%
Couple, no dependent child(ren) aged 60+	13.9%	54.2%	18.2%	13.6%	0.0%	70.8%	29.2%	0.0%
Sub-total	**15.4%**	**43.9%**	**17.3%**	**15.7%**	**3.5%**	**67.5%**	**25.5%**	**3.4%**
One person under 60	56.7%	34.1%	5.1%	4.2%	13.5%	47.7%	30.3%	8.5%
Couple, no dependent child(ren) under 60	76.9%	17.1%	4.0%	1.8%	26.0%	58.8%	10.5%	4.7%
Couple with dependent child(ren)	71.7%	19.6%	6.4%	2.3%	53.3%	28.5%	15.9%	2.3%
Lone parent with dependent child(ren)	59.6%	19.8%	8.8%	12.0%	33.1%	31.9%	31.6%	3.4%
Other multi-person households	66.7%	24.8%	2.4%	6.2%	21.3%	44.8%	26.0%	7.9%
Sub-total	**65.2%**	**23.2%**	**4.7%**	**3.8%**	**32.7%**	**37.1%**	**25.5%**	**4.7%**
Total	**64.8%**	**24.5%**	**5.6%**	**5.0%**	**27.9%**	**42.1%**	**25.5%**	**4.4%**

Additional Need for Affordable Homeownership

5.62 Figure 17 identified that the number of households living in private rented housing in Cannock Chase more than doubled from 2,594 households in 2001 to 5,430 households in 2011; an increase of 2,836 households, with many in younger age groups would have previously been owner occupiers when homeownership was more affordable.

5.63 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS, Figure 43 establishes the number of existing households likely to aspire to homeownership that have not been counted in the affordable housing need.

Figure 43: Households currently living in the Private Rented Sector and paying their own rent that aspire to homeownership (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	90	370	160	50	30	30	730
Couple without children	60	290	40	100	50	20	570
Families with child(ren)	100	240	170	60	0	0	560
Other households	40	0	10	20	10	0	80
Total	280	900	380	230	90	50	1,940
Percentage of households	*15%*	*47%*	*20%*	*12%*	*4%*	*3%*	*100%*

5.64 Based on this analysis, we can estimate that there is a total of around 1,940 households currently resident in Cannock Chase who cannot afford to own their own home but would aspire to do so. Almost half of these households are aged 25-34 with the substantial majority (81%) aged under 45. If these 1,940 households owned their own homes, the percentage of owner occupiers in the area would be 4.5% points higher. This is comparable with the reduction observed between the 2001 and 2011 Census, when the percentage of owner occupiers reduced from 73.7% to 69.7% (Figure 17).

5.65 In addition to the current need, it is also important to consider the 2014-based household projections for the period 2018-2036. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 1,330 households that form over the 18-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration.

5.66 Figure 44 brings together the information on assessing the unmet need for affordable housing in 2018 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 18-year period 2018-36.

Figure 44: Assessing total need for market and affordable housing (Source: ORS Housing Model)

	Housing Need (households)		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to affordable home ownership	
Current housing need in 2018	365	1,940	2,305
Future housing need 2018-36	1,564	1,330	2,894
Total need for affordable housing	1,929	3,270	5,199

5.67 We can therefore conclude that the overall need for affordable housing would comprise a total of 5,199 households over the 18-year period 2018-2036, which represents a need for 5,347 dwellings (taking account of a proportion of dwellings without a usually resident household based on 2011 Census data). This is higher than the overall growth of 3,909 households projected by the 2014-based household projections and the minimum LHN figure of 5,112 dwellings. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by PPG.

> **How does the housing need of particular groups relate to overall housing need calculated using the standard method?**
>
> *The need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.*
>
> *When producing policies to address the needs of specific groups strategic policy-making authorities will need to consider how the needs of individual groups can be addressed within the overall need established.*
>
> *The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

5.68 Given that the need for affordable housing and affordable homeownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.

5.69 It will be important for the local authority to plan for the needs of all households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need for 1,984 dwellings, of which at least 1,550 should be rented affordable housing and up to 434 could be provided through shared ownership. This would be completely consistent with the current Cannock Chase policy where the split between social and intermediate housing is 80:20.

5.70 It will be a policy decision as to how much of the additional need for affordable home ownership from households able to afford market rent should be provided. It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford to rent their own homes, but who aspire to home ownership. It is not clear if:

» The households would choose Affordable Home Ownership in newbuild housing if it was available, or whether they would they will seek to meet their needs in the cheaper second hand housing market;

» Many households will not need affordable home ownership because they will eventually progress in home ownership without financial assistance; and

» Affordable Home Ownership can be delivered at prices that are truly affordable in Cannock Chase.

5.71 However, the LHN figure incorporated an uplift of 835 dwellings (Figure 14) for households not included in the trend-based projection. This additional housing should arguably be provided as affordable housing to

enable these additional households to form. A total of 120 additional households have already been counted in the current need for affordable housing from households unable to afford (Figure 32), which equates to 124 dwellings. The remaining 711 dwellings could provide for a proportion of the identified need for affordable home ownership within the overall need established. Figure 45 provides a breakdown of the minimum LHN of 5,112 dwellings between market and affordable housing on this basis. This would represent closer to a 60:40 split between social and intermediate housing, which clearly risks underdelivering on social housing if viability is insufficient. However, it does offer more potential to comply with the government's desire to see 10% of all dwellings on large sites be delivered as affordable to own. The viability assessment for the updated Local Plan will determine the actual affordable housing target for the District (as a proportion of market housing sites) and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence.

5.72 In summary, there is a need for:

» Rented affordable housing = 1,550 dwellings (30%) which Figure 39 shows is almost entirely for households who need housing benefit support to cover social rents;

» Affordable home ownership = 1,145 dwellings (22%), which includes 434 dwellings (8%) for households unable to afford and 711 dwellings (14%) for renters that aspire to home ownership;

» Market housing = 2,159 dwellings (42%); and

» Allowance for C2 provision = equivalent to 256 dwellings (5%); which represents 461 bedspaces.

Figure 45: Overall need for Affordable Housing (including households unable to afford and those aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need			Affordable Housing Total	Market Housing	TOTAL
	Households unable to afford		Households aspiring to home ownership			
	Rented Affordable Housing	Shared Ownership				
1 bedroom	196	26	116	338	95	**433**
2 bedrooms	932	349	284	1,565	516	**2,081**
3 bedrooms	254	52	274	580	1,547	**2,127**
4+ bedrooms	170	6	38	214	-	**214**
SUB-TOTAL	**1,550**	**434**	**711**	**2,696**	**2,159**	**4,856**
Allowance for C2 provision	-	-	-	-	-	**256**
TOTAL	**1,550**	**434**	**711**	**2,696**	**2,159**	**5,112**
Overall percentage						**-**
1 bedroom	3.8%	0.5%	2.3%	6.6%	1.9%	8.5%
2 bedrooms	18.2%	6.8%	5.6%	30.6%	10.1%	40.7%
3 bedrooms	5.0%	1.0%	5.4%	11.3%	30.3%	41.6%
4+ bedrooms	3.3%	0.1%	0.7%	4.2%	0.0%	4.2%
Allowance for C2 provision	-	-	-	-	-	5.0%
TOTAL	**30.3%**	**8.5%**	**13.9%**	**52.7%**	**42.2%**	**100.0%-**

5.73 The identified housing need would need to be considered in the context of economic viability when establishing appropriate targets for affordable housing. However, given the evidence it would be appropriate to maximise the amount of affordable housing that is delivered.

Essential Local Workers

5.74   Annex 2 of the Revised NPPF also includes the needs of essential local workers.

> *Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.*

5.75   This definition is very close to the definition of Key Workers which was used prior to the Original NPPF. Importantly, it is not going to be possible to be considered as an essential local worker in need without also being considered as being in need because you can't afford to own your own property.

5.76   Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.

6. Needs of Different Groups

Identifying the need for different types of housing

Introduction

6.1 Paragraph 61 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers each group in turn.

> *61. 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, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> **Revised NPPF, paragraph 61**

The Private Rented Sector

6.2 The growth in the private rented sector in Cannock Chase has been considered as part of the housing trends section, Figure 15 to Figure 17. This showed the sharp growth which has occurred in the sector in recent years.

6.3 The English Housing Survey (EHS) 2016-17 identified that 20% (4.7 million) of households were renting from a private landlord, much higher than the rate of 13% a decade earlier in 2006-07. The EHS also shows that households aged 25-34 were more likely to be renting privately (46%) than buying a home, up from 27% in 2006-07. Owner occupation in this age group dropped from 57% to 37% over the same 10-year period. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting.

6.4 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

> *Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. Market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

6.5 Growth in the Sector seems likely to continue, driven by a combination of demand and supply factors:

» Increasing demand from more households;

» Recent reductions in incomes (in real terms);

» Affordability of owner occupation reducing;

    » Changing Bank lending practices;

    » Pensions reform: pension drawdowns invested in BTL property.

6.6   The growth of the Sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032.[16] On this basis, the number of households renting privately could double again over the next twenty years.

6.7   As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.

6.8   The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)[17]:

> *"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. … We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating."* (paragraphs 4.152-154)

6.9   Importantly, the Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

6.10   Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[18] (including the Build to Rent investment scheme[19]). The Government published "Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities" in March 2015[20], and the Foreword by the Minister stated:

> *"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

6.11   Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing

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[16] http://news.rla.org.uk/rpi-rent-revolution/
[17] http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf
[18] https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment
[19] https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence
[20] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

The Future Role of the Private Rented Sector

6.12 PRS is an important tenure that has grown since 1991 to house a significant proportion of households in Cannock Chase. At the same time, young households have been less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting polices and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.

6.13 Further, there have been other recently announced changes (Starter Homes, Right to Buy for housing association tenants) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first time buyers. This duty to promote the supply of Starter Homes alongside the definition in the Revised NPPF of Starter Homes as 'affordable housing' has led to speculation that the promotion of Starter Homes will restrict the supply of affordable housing for rent for reasons such as a preference among developers to develop Starter Home property for sale rather than affordable housing for rent.

6.14 As is shown in Figure 44 there are many households residing in the private rented sector in Cannock Chase who aspire to home ownership. If affordable to own homes could be provided for this group it would help to reduce the size of the private rented sector.

6.15 However, If the new supply of affordable homes changes to include a large proportion of Starter Homes or other affordable to own properties, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under RTB), then demand for PRS stock may continue or increase further. This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.

6.16 In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

Student Housing

6.17 PPG includes specific reference to identifying the needs of students:

> *Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus … They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

6.18 There is no university in Cannock Chase. The nearest universities are the University of Wolverhampton and Staffordshire University in Stoke-on-Trent. Neither have a campus or student accommodation in Cannock Chase; the nearest sites are in Stafford, where both have a presence.

Housing for Older People

6.19 Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.[21]

6.20 Given this context, PPG recognises the importance of providing housing for older people:

> *The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care, registered care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector. Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards also provide useful evidence for policy-making authorities. The assessment can also set out the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities will therefore need to identify the role that general housing may play as part of their assessment.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

6.21 The 2014-based projections identify that the population of Cannock Chase is likely to increase from 99,600 persons to 104,100 persons over the 18-year period 2018-36; an 18-year increase of 4,460 persons.

6.22 The population in older age groups is projected to increase substantially during this period, with an increase in the population aged 65 or over of 9,060, offset by a reduction of 4,600 amongst under 65s. Of this 9,060 growth, over two thirds are projected to be 75+ (6,050 persons). This is particularly important when establishing the types of housing required and the need for housing specifically for older people. Whilst most of these older people will already live in the area and many will not move from their current homes; those that do move home are likely to be looking for suitable housing.

6.23 Staffordshire County Council produced a countywide evidence base for the need for older person accommodation in 2018[22]. This considered the potential shortfalls in accommodation across the county until 2037. A Cannock Chase specific version of the report will be produced later in 2019.

6.24 The Housing Learning and Improvement Network (LIN) published *"More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people"* [23] in February 2008; and subsequently published the *"Strategic Housing for Older People (SHOP)"* [24] resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for a range of specialist older person housing products, based on the population aged 75 or over and have been utilised by ORS as part of the evidence base for many adopted Local Plans.

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[21] 2016 Sub National Population Projections
22 Staffordshire County Council Staffordshire Evidence Base: Extra Care and Care Homes April 2018
[23] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf
[24] http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf

Figure 46:   Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+						
Leasehold Schemes for the Elderly (LSE)	75	-	**75**	120	-	**120**
Conventional Sheltered Housing	-	50	**50**	-	60	**60**
Sheltered 'plus' or 'Enhanced' Sheltered	10	10	**20**	10	10	**20**
Extra care	12.5	12.5	**25**	30	15	**45**
Dementia	-	10	**10**	-	6	**6**
TOTAL	**97.5**	**92.5**	**180**	**160**	**91**	**251**

6.25   These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures.

6.26   The More Choice, Greater Voice toolkit recognises that the suggested framework simply:

> *"…represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions."* (page 44)

6.27   Similarly, the SHOP resource pack acknowledges that the framework simply provides a baseline, which extrapolates *"…crude estimates of future demand from existing data"* (page 36). There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.

6.28   The Older People housing options considered in this section follow the definitions in the 2012 Housing Our Ageing Population report (HAPPI2).[25] This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes). The specialist housing requirements here were modelled using the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012).[26] This forecasts future population and then applies a benchmark need for particular housing types per thousand people aged 75+.

6.29   Based on the growth in population aged 75+ identified (based on the population change implied by housebuilding rates derived from the standard methodology), the table below identifies the potential additional requirement for new specialist housing (using the Housing LIN Older People Resource Pack 2012) for the period 2018-2036. As can be seen, the Housing LIN approach shows a significant need for ownership schemes (e.g. LSE schemes, Extra care, Sheltered 'plus') in Cannock Chase. It is important to note that these schemes are not Class C2 which would add an additional 448 bedspaces over the plan period.

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[25]http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf
[26] www.housinglin.org.uk/housinginlaterlife_planningtool

Figure 47: Additional Modelled Demand for Older Person Housing 2018-36 (Source: Housing LIN Toolkit)

		Cannock Chase
Population aged 75+		
	2018	8,508
	2036	14,558
Change 2018-2036		**6,050**
Additional Modelled Demand for Older Person Housing		
Traditional sheltered		363
Extra care	Owned	182
	Rented	91
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	61
	Rented	61
Dementia		36
Leasehold Schemes for the Elderly (LSE)		726
TOTAL		**1,519**

6.30 The toolkit identifies future need for 1,519 specialist older person additional housing units of various types over the period 2018-36 which amounts to nearly 30% of the LNH for Cannock Chase; however, as dictated by the Housing LIN benchmark figures, almost a half of this need (48%, 726 dwellings) is for LSE housing[27] and a total of 969 dwellings are for ownership including LSE. The total need for older person housing relating to the LHN of 1,519 dwellings over the 18-year period 2018-2036, represents 84 dwellings per year, which itself represents around 30% of the overall LHN of 284 dwellings per year for Cannock Chase. Of this 1,519, 969 will be owner occupied properties, the remainder (551) constituting affordable rent.

6.31 Current supply indicates that there are presently around 556 specialist Older Person housing units in Cannock Chase. Details are shown in Figure 48, where, broadly, 'housing with support' equates to traditional sheltered housing and 'housing with care' equates to extra care. (NOTE: units per thousand population ratio is based on a 75+ population of 45,672):

Figure 48: Cannock Chase Supply of Older Persons Housing (Source: EAC 2015[28]. Figures may not sum due to rounding)

Cannock Chase	Number of units		
	Rent	Sale	Total
Housing with support	345	87	432
Housing with care	124	0	124
TOTAL	**469**	**87**	**556**

6.32 While the Housing LIN model identifies future need, this is on the basis of existing types of provision (sheltered, extra care etc). It is unclear, at the present time, if Older People will aspire to these types of specialist housing in the future; indeed, demand for some types are already experiencing low demand, and

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[27] The EAC advise: 'Leasehold Schemes for the Elderly (LSE) are run by a small number of housing associations and involve you buying a proportion (e.g. 70%) of the equity of the property, the remaining portion being owned by the RSL'. http://www.firststopcareadvice.org.uk/jargon-leasehold-schemes-for-the-elderly.aspx

[28] http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf
The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: *"a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group"*. It is important to note that a considerable proportion of housing intended for older people falls outside this definition, and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' are included.

other, newer types of provision may appear to meet changing aspirations in the market. Further, the policy aim of supporting people at home for longer could mean, for example, that floating support services and assistive technologies to older people, in their own homes, could sustain people there longer.

6.33 The table below identifies the potential requirement for new specialist housing using the ORS older people housing model. It is based on the growth of 6,050 persons aged 75+ cited earlier.

Figure 49: Modelled Demand for Older Person Housing in Cannock Chase based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2018	Existing supply 2018	Backlog at start of Plan period	Gross need 2036	New need 2018-36	Total need 2036
Sheltered Housing	Owned	120	1,021	87	+934	1747	+726	+1,660
	Rented	60	510	345	+165	873	+363	+528
Extra Care	Owned	40	340	0	+340	582	+242	+582
	Rented	31	264	124	+140	451	+188	+327
TOTAL		**251**	**2,136**	**556**	**+1,580**	**3,654**	**+1,519**	**+3,098**

6.34 The analysis of the need for specialist older person housing identifies a backlog of 1,580 dwellings at the start of the Plan period in 2018; this comprises a need for 1,274 owner occupied properties (934 leasehold sheltered housing units and 340 owner occupied extra care homes) and a need for 140 rented extra care homes along with a need for 165 conventional sheltered homes for rent (given a supply of 556 units set against a need for 2,136 units in 2018).

6.35 Over the 18-year Plan period 2018-36, this analysis identifies an increase in need of around 1,519 additional homes; yielding a total need of around 3,100 dwellings to be provided over the Plan period. The 3,100 dwellings includes around 2,190 sheltered homes (1,660 owner occupied and 530 for rent) and around 910 extra care homes (580 owner occupied and 330 for rent). Most of these properties will already be counted as part of the overall housing need; however, some extra care provision may offset some of the identified need for residential care and would therefore be additional to the household projections.

6.36 Of course, it is important that the delivery of specific schemes for specialist older person housing are considered in partnership with other agencies, in particular those responsible for older person support needs. It will also be important to consider other factors and constraints in the market:

» **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;

» **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;

» **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Nevertheless, other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;

» **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and

» **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

6.37   In conclusion, population projections show a large increase in older people between 2018 and 2036, an increase of 6,050 persons aged 75+ and a corresponding need for dedicated housing options. However, it must be recognised that the identified need amounts to around 60% of the LHN for Cannock Chase and is based upon increasing the level of older persons housing provision to idealised levels. In practice, this level of delivery is likely to be unachievable, but it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

Housing for People with Disabilities

6.38 Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan households with specific needs, and PPG states:

> **Households with specific needs**
>
> *There is no one source of information about disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and strategic policy-making authorities can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment (replacing Disability Living Allowance) / Attendance Allowance benefit claimants. Whilst these data sources can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan-making authorities can engage with partners to better understand their housing requirements.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

6.39 Personal Independence Payments started to replace the Disability Living Allowance from April 2013, and these are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions). Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. Nevertheless, PPG recognises that neither of these sources provides information about the need for adapted homes as *"not all of the people included within these counts will require adaptations in the home"*.

6.40 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations,

6.41 However, PPG notes that whilst patterns of DFG applications *"provide an indication of levels of expressed need"* it cautions that this could *"underestimate total need"*. Of course, it is also important to recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

6.42 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).[29] Three standards are covered:

» M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties

» M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes

» M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

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[29] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

6.43 Given that the existing stock is considerably larger than projected new build, adapting existing stock through DFGs is likely to form part of the solution. However, the English Housing Survey identifies that approaching half of all existing dwellings could not be adapted or would require major works in order for them to be made fully visitable. On this basis, adapting existing stock alone is unlikely to provide sufficient properties to meet the needs of a growing older population.

Figure 50: Level of work required to create full visitability (Source: EHS 2014-15 Annex Figure 2.5)
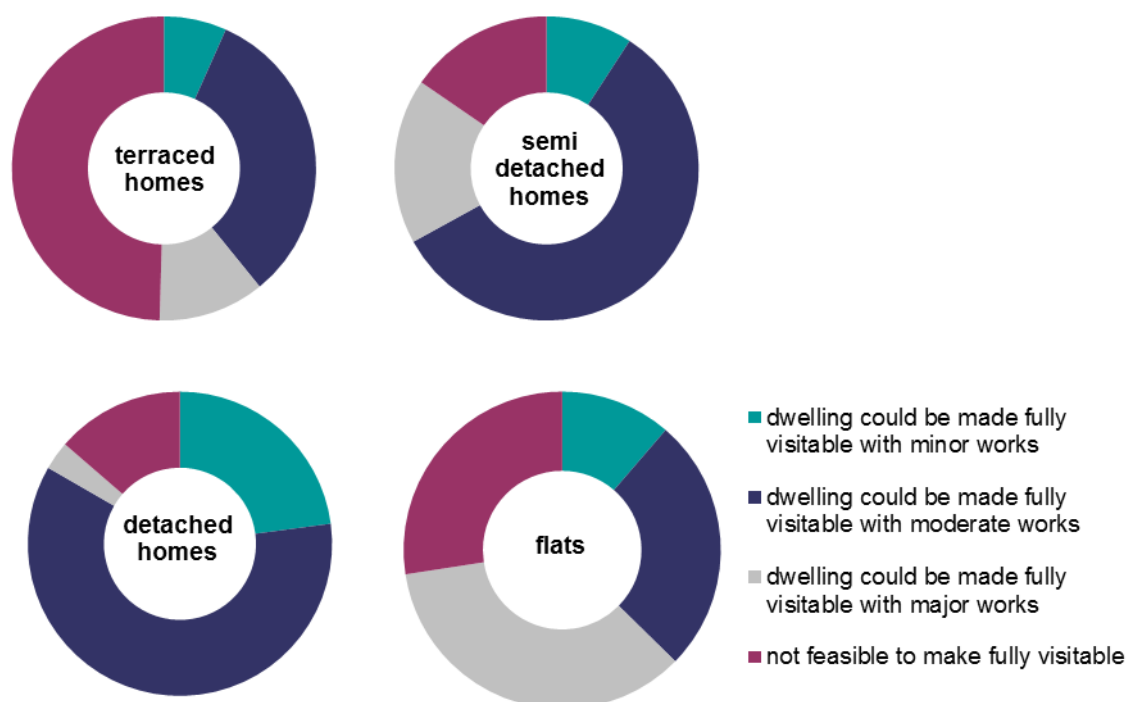
6.44 In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

6.45 Planning Practice Guidance for Housing optional technical standards states and the data sheet forms the basis of the data used in this report:

> *Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.*
>
> *::*
>
> *To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*
>
> **Planning Practice Guidance, ID 56-007-20150327**

6.46 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

> *"The provision made must be sufficient to-*
>
> > *(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*
> >
> > *(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time."* (Page 10)

6.47 On this basis, in establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.

6.48 When considering the housing mix, the analysis above identified that many households moving into new housing are likely to be younger at the time that they form. However, these will include some households with mobility problems. Furthermore, it is likely that the needs of these households will change over time – partly through progressive change as health deteriorates with households get older, but also immediate change following an accident or health condition impacting mobility. Some households may also gain additional members with existing conditions, including children born with disabilities.

6.49 Our analysis also identified a substantial growth in older households, although many of these will not move from their current home and will make adaptations as required to meet their needs. However, a large number of older households will still choose to move to an accessible home and others may have to move where it is not viable for their current home to be adapted. Not all of these households want to live in specialist older person housing, so it is important to ensure that accessible general needs housing that is suitable for older people is also provided. This will often free up family housing occupied by older households.

6.50 Not all health problems will affect households' housing needs. Data from the English Housing Survey identifies that 70.9% of households have no limiting long-term illness or disability with a further 20.3% where there is a household member with an illness or disability but this does not affect their housing need. Nevertheless, around 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. The proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively).

6.51 Within this group, the substantial majority of households (82.6%) live in a home that is suitable for their needs (either having already moved or adapted their existing home). Nevertheless, just over 17% of households with a disability that affects their housing need either require adaptations or need to move to a more suitable home, which equates to 1.5% of all households.

Figure 51:   Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	**6.5%**	**19.8%**	**8.8%**
Of those households where a limiting long-term illness or disability affects their housing need:			
Current home suitable for needs	83.1%	81.9%	82.6%
Current home requires adaptation	9.4%	8.1%	8.9%
Need to move to a more suitable home	7.4%	10.0%	8.4%

6.52   Through combining the national data from the English Housing Survey with data about relative levels of limiting long-term illness and disability in Cannock Chase, it is possible to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

6.53   Figure 52 identifies that there were around 15,250 households living in Cannock Chase in 2018 with one or more persons with a limiting long-term illness or disability. This included around 4,725 households where their health problems affected their housing needs, but the majority of these households (around 10,525) were already living in a suitable home. However, at the start of the Plan period in 2018, it is estimated that there were around 410 households needing to move to a more suitable home due to a disability or another long-term health problem. These households would represent an existing need for M4(2) housing, however some of these households would be wheelchair users needing M4(3) housing. A further 414 households needed adaptations to their current home.

Figure 52:   Households with a long-term illness or disability in Cannock Chase in 2018 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households with one or more persons with a limiting long-term illness or disability	15,250
Does not affect their housing need	10,525
Current home suitable for needs	3,904
Current home requires adaptation	414
Need to move to a more suitable home	407
Total households where a limiting long-term illness or disability affects their housing need:	**4,725**

6.54   The identified need for 410 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires *"the changing needs of occupants over time"* to be considered. Therefore, even without any change to the number of households in Cannock Chase, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.

6.55   Whilst around 4,725 households living in Cannock Chase in 2018 had a health problem that already affected their housing requirement, it is likely that a further 2,170 households would develop health problems within 10 years. These households would also require adaptations to their current home or would need to move to a more suitable home.

6.56   Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.

6.57   Further modelling of health needs suggests that by 2036 there will be an additional 7,450 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2018 whose health has deteriorated over the Plan period.

6.58   Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 7,450 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 410 households needing to move and the 414 households needing adaptations based on their current health at the start of the Plan period.

Figure 53: Households with a long-term illness or disability in Cannock Chase in 2018 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households where an existing illness or disability affects their housing need in 2018	
Current home suitable for needs	3,904
Current home requires adaptation	414
Need to move to a more suitable home	407
Total households where a limiting long-term illness or disability affects their housing need in 2018	**4,725**
Existing households in 2018 likely to develop health problems that affect their housing need within 10 years	2,169
Additional households in 2036 projected to experience problems or likely to develop problems within 10 years	5,279
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	**7,448**

6.59   To provide M4(2) housing for all of the identified need would require housing for up to 7,860 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.

6.60   Although some households would prefer not to move, Figure 50 identified that many existing homes were not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements.

Based on the housing mix in Cannock Chase, it is likely that around 62% will live in dwellings that could be converted to meet the M4(1) standard.

6.61 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 38% of the need for adapted housing; a total of 3,015 households including the 407 households identified as needing to move at the start of the Plan period.

Figure 54: **Households with a long-term illness or disability in Cannock Chase in 2018 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
Existing need in 2018	
Households where an existing illness or disability affects their housing need and need to move in 2018	407
Projected future need 2018-36	
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	7,448
Maximum need for adapted housing 2018-36 (households)	**7,856**
Less households living in dwellings adaptable to M4(1) standard	4,841
Minimum need for adapted housing 2018-36 (households)	**3,014**

6.62 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 3,015 households and maximum of 7,860 households identified in Figure 54 provide an appropriate range for the local authority to consider. Even the lower end of this scale represents approaching 60% of the minimum LHN figure for Cannock Chase.

6.63 It is important to recognise that this would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

Housing for Wheelchair Users

6.64 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

> *"The provision made must be sufficient to-*
>
> > *(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;*
> >
> > *(b) to meet the needs of occupants who use wheelchairs."* (Page 23)

6.65 On this basis, in establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

6.66   The CLG guide to available disability data[30] referenced by PPG [ID 56-007-20150327] shows that around 1-in-30 households in England (3.3%) currently have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 55 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 55:   Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

6.67   Figure 56 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Cannock Chase against the figures for England.

Figure 56:   Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2016)
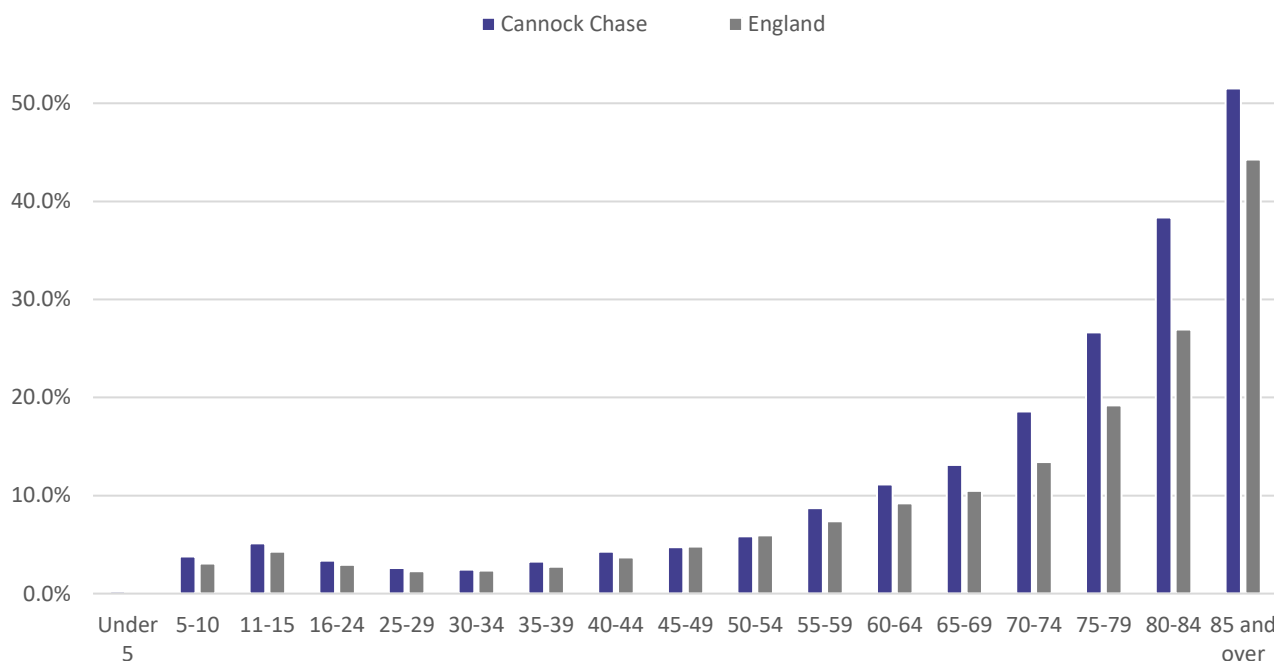
6.68   Through combining the information on local rates with the national data, we can establish the proportion of households in Cannock Chase likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 57).

Figure 57:   Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Cannock Chase								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.1%	4.3%	7.2%	11.3%
Affordable housing	0.3%	2.0%	3.0%	6.0%	6.2%	10.9%	14.7%	23.2%

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[30] https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data

6.69   Figure 58 identifies the net change in the number of households with a wheelchair user over the period 2018 to 2036. It is evident that the number of households likely to need wheelchair adapted housing in Cannock Chase is likely to increase by 640 over the 18-year period, equivalent to around 13.5% of the LHN figure.

Figure 58: **Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding)**

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2018-36	% of Housing Need
	2018	2036	Net change 2018-36	2018	2036	Net change 2018-36		
Market housing	590	630	40	370	720	350	390	18.6%
Affordable housing	410	470	60	240	420	180	250	9.5%
Total	**1,000**	**1,100**	**100**	**610**	**1,150**	**530**	**640**	**13.5%**

6.70   **The evidence supports the need for a target of 13% of all housing to meet M4(3) Category 3 requirements.** Based on the earlier conclusion that around 60% of all new housing should be suitable for the needs of households with health problems or disabilities that affect their housing requirement, we can therefore conclude that **the evidence also supports the need for a target of 47% of all housing to meet M4(2) Category 2 requirements**

6.71   However, it is important to recognise that most of the identified growth in households with wheelchair users (530 households, equivalent to 83%) are aged 75 or over, and it is likely that many of these households would also be identified as needing specialist housing for older persons. The earlier analysis identified a need for around 3,100 specialist older person housing units for households aged 75 or over in Cannock Chase. Whilst not all households needing wheelchair adapted housing will live in specialist older person housing, at any point in time it is likely that around a quarter of those living in specialist housing will need wheelchair adapted homes, and it is likely that some older households will start using a wheelchair whilst living in specialist housing if their health deteriorates. On this basis, it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the Category 3 requirements. **The evidence supports the need for a target of at least 25% and ideally 50% or more of specialist housing for older people to meet M4(3) Category 3 requirements; and all specialist housing for older people should meet M4(2) Category 2 requirements.**

Service Families

6.72 Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

> *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, service families, travellers, people who rent their homes and people wishing to commission or build their own homes*
>
> **Revised NPPF, Paragraph 61**

6.73 Figure 59 below show breakdowns of total deployment of military personnel in Cannock Chase over time:

Figure 59: Deployment of Ministry of Defence personnel by location, April (Source: MOD Quarterly Location Reports. Figures may not sum due to rounding)

		Personnel	2013	2014	2015	2016	2017	2018
Cannock Chase	Military	Total Officers	0	0	0	0	0	0
		Total Other Ranks	0	0	0	<5	<5	<5
		Military Total	0	0	0	<5	<5	<5
	Civilian	Non Industrial	0	0	0	0	0	0
		Industrial	0	0	0	0	0	0
		Civilian Total	0	0	0	0	0	0
		Grand Total	0	0	0	<5	<5	<5

6.74 It is clear that the number of MOD personnel deployed in Cannock Chase is negligible and there is no identifiable housing need for service families.

People Wishing to Build their Own Homes

6.75 Paragraph 61 of the Revised NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

> **Self-build and custom housebuilding**
>
> *Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*
>
> *In order to obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. They should also supplement the data from the registers with secondary data sources such as: building plot search websites, 'Need-a-Plot' information available from the Self Build Portal, and enquiries for building plots from local estate agents.*
>
> **Planning Practice Guidance, ID: 2a-017-20190220**

6.76   Over half of the population (53%) say that they would consider building their own home[31] (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.

6.77   The attractiveness of self-build is primarily reduced costs; however, the Joseph Rowntree Foundation report *"The current state of the self-build housing market*" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.

6.78   *"Laying the Foundations – a Housing Strategy for England"* (HM Government, 2011)[32] redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. *"Build-it-yourself? Understanding the changing landscape of the UK self-build market"* (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.

6.79   In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act[33] 2015 places a duty on local planning authorities to:

» Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;

» Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and

» Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

6.80   The 2015 Act was amended by the Housing and Planning Act 2016[34] which placed a duty on local planning authorities to authorities to provide serviced sites which have planning permission that allows for self or custom build:

> *An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.* (Section 2(a)(2))

6.81   Limited Government funding[35] is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission. Given this context, it is important to recognise that self-build could either be market housing or low cost home ownership affordable housing products. Nevertheless, it is likely that the majority will be market homes.

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[31] Building Societies Association Survey of 2,051 UK consumers 2011
[32] https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2
[33] http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html
[34] http://services.parliament.uk/bills/2015-16/housingandplanning.html
[35] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

6.82 The Council launched its Self & Custom Build Register in April 2016 and there were 13 registrations over the period to the end of October 2018:

» April 2016 to October 2016 = 4 registrations;

» November 2016 to October 2017 = 5 registrations; and

» November 2017 to October 2018 = 4 registrations.

6.83 Although there have only been limited self-build register applicants to date, it will still be important for the council to put in place arrangements to ensure that they comply with the Self-Build and Custom Housebuilding Act and that they continue to monitor their register as it becomes more established.

Gypsies and Travellers

6.84 Planning Policy for Traveller Sites (PPTS) came into force in March 2012 and was updated in August 2015. This document sets out the Government's policy for Gypsies and Travellers and represents the only household group not directly covered by the Revised NPPF. However, PPTS notes at paragraph 1 that:

This document sets out the Government's planning policy for traveller sites. It should be read in conjunction with the National Planning Policy Framework.

Planning Policy for Traveller Sites, paragraph 1

6.85 Paragraph 61 of the Revised NPPF states 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, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.

Revised National Planning Policy Framework, paragraph 61

6.86 The footnote to this section states that 'Planning Policy for Traveller Sites sets out how travellers' housing needs should be assessed for those covered by the definition in Annex 1 of that document.' This essentially sets out that the needs of Traveller households that meet the planning definition should be addressed under the PPTS, and that the needs of households that are not found to meet the planning definition should be addressed as part of the wider housing needs of an area.

6.87 Following the publication of the Revised NPPF and the Housing Delivery Test Measurement Rule Book in July 2018, the current position is that under the Housing Delivery Test, paragraph 10, the need for Travellers that meet the PPTS planning definition are not now included in the overall 5 year land supply.

Where applicable, the housing requirement for Gypsies and Travellers under the Planning Policy for Traveller Sites (PPTS) will be added to the housing requirement. Plan-making authorities should inform MHCLG of their housing requirement for Gypsies and Travellers under the PPTS through the annual Housing Delivery Test DELTA data collection.

Planning Policy for Traveller Sites, paragraph 10

6.88   However, PPG for Housing Needs states at paragraph 17 that:

> *The household projections that form the baseline of the standard method are inclusive of all households including Gypsies and Travellers as defined with Planning Policy for Traveller Sites.*
>
> **Planning Practice Guidance, ID: 2a-017-20190220**

6.89   There therefore appears to be a fundamental inconsistency between the statement that Gypsies and Travellers who meet the PPTS definition are included in the LHN figures but should also be added to the housing requirement.

6.90   Cannock Chase commissioned ORS to undertake a GTAA alongside the LHNA. This identified a need for 25 pitches for households who meet the planning definition, 4 pitches for households where an interview was not possible and no additional pitches for households who do not meet the planning definition.

Houseboats

6.91   The Housing and Planning Act (2016) includes a duty (under Section 8 of the 1985 Housing Act that covers the requirement for a periodical review of housing needs) for local authorities to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored.

6.92   For houseboats, Draft Guidance[36] was issued by the Government suggesting a detailed assessment of need through the collection of primary data (i.e. site and household interviews). The Guidance was issued in March 2016 with no consultation attached to it and has yet to be issued as official guidance. ORS feel that this approach is only needed to assess the needs of the Gypsy and Traveller Community. Indeed, the Guidance continues to set out that the exact approach will need to be adapted to local circumstances.

6.93   ORS are of the view that there are 3 types of potential need associated with those who live permanently on a boat, or who may wish to live permanently on a boat:

» Need for additional permanent residential moorings.

» Need for additional temporary moorings for boats with Continual Cruiser Licences.

» Need for additional waterside facilities.

6.94   As far as need for Boat Dwellers is concerned, it cannot be assumed that all need can be met through the provision of additional moorings as many Boat Dwellers do not seek permanent moorings and navigate waterways on a permanent basis. As such, other issues that need to be considered may include the availability and distance between facilities such as water taps, rubbish disposal, chemical toilet disposal and fuel pumps; the threat of eviction from moorings seen as inappropriate; restrictions placed on boat dwellers through licence restrictions; and access to 'off-side' moorings – i.e. those not on a tow path.

6.95   As with Gypsies and Travellers who do not meet the planning definition of Travellers and wider Caravan Dwellers, permanent Boat Dwellers also form part of the LHN because they are included in the overall population and household projections.

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[36] "*Draft guidance to local housing authorities on the periodical review of housing needs for caravans and houseboats.*" (March 2016) DCLG.

6.96   Data released by the Valuation Office Agency (VOA) in June 2016 indicates that there were 10 households living in boats as their main place of residence paying Council Tax in Cannock Chase. However, it may well be that tenancy agreements at private marinas for permanent residential moorings include a contribution towards local taxes and rates. Evidence from across the country indicates that most households with leisure moorings are only able to spend part of the year on their boat and would not pay Council Tax as a main place of residence, while others are Continuous Cruisers who move regularly from location to location with stays of no more than 14 days in any one location.

6.97   The Canal and River Trust[37] have reported that the total number of Continuous Cruiser Licences was 4,400 in 2014. Out of those 4,400 boats 23% moved less than 5 kilometres, and 45% moved under 10 kilometres in a year, so a high number of boats are moving around relatively small areas of the canal network. The Canal and River Trust suggest that this is due to affordability as much as preference, with many households moving on to houseboats to find cheaper accommodation.

6.98   The draft Guidance is not particularly relevant or helpful when it comes to assessing need for Boat Dwellers. The first issue to consider is the definition of a houseboat. The Housing and Planning Act defines a "houseboat" as a boat or similar structure designed or adapted for use as a place to live. However, this conflicts with the definition of a houseboat under waterways legislation (for example Section 3 of the British Waterways Act 1971) which suggests that a houseboat is a static vessel and is not used for navigation, as opposed to more mobile Boat Dwellers who do travel either from permanent moorings or as continual cruisers. ORS choose to include all permanent Boat Dwellers in assessments of need as opposed to the more limited definitions of a houseboat.

6.99   In terms of other evidence on the needs of Boat Dwellers, the Canal and River Trust undertook a detailed survey of London's houseboat dwellers[38] between September and October 2016. In total they received responses from 1,323 boat dwellers who had been recorded on London's waterways in the previous year. In summary the survey found that

>   58% of respondents to the survey said that they use their boat as their primary place of residence.

>   50% of respondents said that affordability/financial reasons were their motivation for living on a boat.

>   50% of respondents said that they have been living on boats on London's waterways for three years or less.

>   70% of respondents said that they owned their boats outright, a further 11% said they owned their boat with a loan or mortgage.

>   The top three specific improvement people want to see on the London waterways are (1) more mooring places, (2) more mooring rings, (3) more water points.

>   45% of respondents said they would have some or definite interest in a mooring if permanent or long-term moorings were more readily available in the London.

6.100   Putting all of this together in terms of identifying need for any further additional moorings in Cannock Chase, there is again a situation which requires a careful consideration of the word 'need' as there is no evidence

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[37] https://canalrivertrust.org.uk/media/library/2305.pdf
[38] https://canalrivertrust.org.uk/refresh/media/thumbnail/30901-whos-on-londons-boats-survey-summary-report.pdf

to suggest any specific need for additional permanent moorings in either local authority, but instead an alternative means of meeting a small proportion of general housing need.

6.101 If more residential moorings were to be made available on a commercial basis then there could well be a demand for them, as in other parts of the country. However, this is not in response to an evidenced local need for additional moorings to meet local demand. If more moorings were to be made available households may choose to live on houseboats due to wider housing market pressures which have made houseboats a cheaper option to live on than bricks and mortar housing. In this context, additional permanent residential moorings should be seen in the context of providing for a more diverse set of housing options and as part of the wider housing delivery, as opposed to meeting any identified local need.

6.102 It is not therefore considered that there is a direct need for any additional permanent residential moorings in Cannock Chase that is driven by a local demand for additional moorings, but instead that more moorings could help to address the wider housing needs of the area. ORS would suggest the role of additional moorings in meeting current housing needs in Cannock Chase is likely to be very small and this figure would form part of the existing LHN and is not an additional to it.

Appendix A
Update for 2018-2038

Figure 60: Household projections 2018-38 (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Total households		
		2018	2038	Change 2018-38
CLG Household Projections				
2014-based projection: 2014-based population and CLG 2014-based household formation	2009-14	42,827	46,989	+4,162
2012-based projection: 2012-based population and CLG 2012-based household formation	2007-12	42,994	-	-
ONS 2016-based Household Projections				
Principal projection: 2016-based population and ONS 2016-based household formation	2011-16	42,465	45,659	+3,194
Sensitivity analysis 1: 2014-based population and ONS 2016-based household formation	2009-14	42,744	47,349	+4,605
Sensitivity analysis 2: 2016-based population and CLG 2014-based household formation	2011-16	42,378	44,929	+2,551

Figure 61: Total projected households for 2018 and 2038 and summary of 20-year change by household type and age of household representative (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2018									
Single person	360	1,270	1,190	1,860	2,010	2,280	1,880	1,250	12,100
Couple without children	260	1,340	980	2,570	4,370	4,060	2,210	340	16,120
Families with child(ren)	670	2,720	4,130	3,710	640	160	30	20	12,070
Other households	30	230	160	620	530	400	330	220	2,530
TOTAL	**1,300**	**5,600**	**6,500**	**8,800**	**7,600**	**6,900**	**4,400**	**1,800**	**42,800**
Total Households 2038									
Single person	350	1,360	1,500	1,880	2,080	2,730	1,580	2,710	14,190
Couple without children	200	1,080	1,020	1,160	3,440	5,150	4,660	870	17,580
Families with child(ren)	730	2,150	4,060	3,680	750	320	50	90	11,830
Other households	10	390	190	570	610	490	450	690	3,400
TOTAL	**1,300**	**5,000**	**6,800**	**7,300**	**6,900**	**8,700**	**6,700**	**4,300**	**47,000**
Total Change 2018-2038									
Single person	-20	+80	+310	+20	+70	+450	-290	+1,460	+2,080
Couple without children	-60	-260	+40	-1,410	-930	+1,080	+2,450	+530	+1,450
Families with child(ren)	+70	-570	-70	-30	+110	+160	+20	+70	-250
Other households	-20	+150	+30	-50	+80	+100	+120	+470	+870
TOTAL CHANGE	**0**	**-600**	**+300**	**-1,500**	**-700**	**+1,800**	**+2,300**	**+2,500**	**+4,200**

Figure 62: Elements of housing need 2018-2038 (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

Element of Housing Need	CANNOCK CHASE	
	Calculation	Housing Need (dwellings)
Projected household growth over the 20-year period 2018-2038	46,989 – 42,827= **4,162 households**	4,282
Projected institutional population growth over the 20-year period 2018-2038; equivalised at 1.8 persons per household[39]	1,255 - 763 = 492 persons 492 ÷ 1.8 = **273 households**	281
20-year housing need based on the Standard Method calculation	**284 x 20 = 5,680 dwellings**	**5,680**
Allowance to respond to housing market pressures enabling more households to form than projected by the trend-based projections	5,680 – 4,282 - 281 = **1,117 dwellings**	1,117

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[39] As set out in the Housing Delivery Test measurement rule book (para 11)

Figure 63: **Overall need for Affordable Housing 2018-2038 (including households unable to afford and those aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need			Affordable Housing Total	Market Housing	TOTAL
	Households unable to afford		Households aspiring to home ownership			
	Rented Affordable Housing	Shared Ownership				
1 bedroom	218	29	134	381	136	**517**
2 bedrooms	973	365	322	1,660	641	**2,301**
3 bedrooms	278	57	311	647	1,713	**2,360**
4+ bedrooms	169	6	43	219	0	**219**
SUB-TOTAL	**1,639**	**457**	**811**	**2,907**	**2,490**	**5,398**
Allowance for C2 provision	-	-	-	-	-	**282**
TOTAL	**1,639**	**457**	**811**	**2,907**	**2,490**	**5,680**
Overall percentage						**-**
1 bedroom	3.8%	0.5%	2.4%	6.7%	2.4%	9.1%
2 bedrooms	17.1%	6.4%	5.7%	29.2%	11.3%	40.5%
3 bedrooms	4.9%	1.0%	5.5%	11.4%	30.2%	41.6%
4+ bedrooms	3.0%	0.1%	0.8%	3.9%	0.0%	3.9%
Allowance for C2 provision	-	-	-	-	-	4.2%
TOTAL	**28.9%**	**8.1%**	**14.3%**	**51.2%**	**43.8%**	**100.0%**

Appendix B
Table of figures

Appendix C
Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the Revised NPPF, which specifies the main categories of affordable housing to be: affordable housing for rent; starter homes; discounted market sales housing (sold at a discount of at least 20% below market value); shared ownership, relevant equity loans, other low cost homes for sale and rent to buy

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; *"family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"*[40].

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household"*[41]

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

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[40] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf
[41] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or **Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

» an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;

» a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;

» a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and

» a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

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Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

BRMA   Broad Rental Market Area

CLG   Department for Communities and Local Government (now MHCLG)

DWP   Department of Work and Pensions

LA   Local Authority

LHA   Local Housing Allowance

LHN   Local Housing Need

LHNA   Local Housing Needs Assessment

MHCLG   Ministry for Housing, Communities and Local Government

NPPF   National Planning Policy Framework

ONS   Office for National Statistics

ORS   Opinion Research Services

PPG   Planning Practice Guidance

RSL   Registered Social Landlord

SHMA   Strategic Housing Market Assessment