East Staffordshire Borough Council

Local Development Framework

Strategic Housing Market Assessment Conclusions

December 2010

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1 Introduction

This paper provides the evidence of:

- how much affordable housing is needed in East Staffordshire, and
- what housing is needed for specific household groups

Government Guidance recommends that plan-wide housing need be assessed by means of a Strategic Housing Market Assessment (SHMA) in place of a Housing Need Survey. In accordance with this recommendation, the following documents comprise the Strategic Housing Market Assessment for East Staffordshire:

a. A sub-regional SHMA carried out by consultants Outside in 2007[(1)];
b. Development of the SHMA evidence base in 2009 led by Stoke City Council[(2)]
c. As part of this work, a report by Consultants Nevin Leather Associates (NLA) in 2009 which includes additional assessment of sub-regional housing need[(3)], and
d. This paper which updates and brings the above evidence together.

1 *West Midlands North Housing Market Area Strategic Housing Market Assessment 2007 Final Report*, Outside Consultants, April 2008
2 *Housing Market Analysis North Housing Market Area 2009/10*, Stoke on Trent City Council, March 2010
3 *Developing a Sub regional Housing Strategy in the North Housing Market Area: Evidence, Issues and Common Policy Areas*, Nevin Leather Associates, December 2009

Housing Need 2

Housing need is defined by the Government Guidance as “the quantity of housing required for households who are unable to access suitable housing without financial assistance”.

Hence *housing need* has a specific meaning and it does not mean the total amount of new housing needed. The methodology for calculating *housing need* is laid down in the Government *Strategic Housing Market Assessments Practice Guidance*.

Stages 1, 2 and 3 of this methodology were carried out by consultants Nevin Leather Associates (NLA). Since their report the Council has updated some of the data, and this is described below together with Stages 4 and 5.

The methodology dictates that *housing need* is calculated to include housing for all households who cannot afford to purchase suitable entry level market housing, which is defined as housing for sale at the lower quartile price.

The need for *affordable housing* is derived from but is not the same as *housing need*. This is because *housing need* includes housing for households which can afford to rent suitable market housing (private rented housing) or to purchase suitable market housing at below the lower quartile price (low cost market housing), and these households do not need *affordable housing*.

Affordable housing is defined by Planning Guidance as housing for specific households whose needs are not met by the market. Affordable housing does not just mean social rented housing, it also includes other forms of sub-market (intermediate) housing including *shared ownership* and *rent to shared ownership*. *Shared equity* housing is sometimes counted as affordable housing but it does not meet the Planning Guidance affordable housing criteria.

The general approach taken in applying the methodology is that the following Housing Register applicants have been excluded from calculations:

- Applicants who are not East Staffordshire residents, since the Council has not been asked by neighbouring districts to consider meeting need from within their areas;
- Existing social tenants, since they do not affect total net housing need. This is a different approach to that set out in the Government Guidance, but the Council believes it gives a truer picture of need and supply. The needs of existing social tenants have however been taken into account in the assessment of what sizes of housing are needed to meet housing need.

3 Stage 1: Current housing need

Current housing need is the 'backlog' amount of housing need at a point in time.

One component of NLA's need calculation is derived from the Housing Register, and this component has been re-calculated based on the numbers of applicants on the Housing Register at the end of September 2009. The total number of households on the Housing Register at that point was 2207[(4)] of whom 353 were not East Staffordshire residents and a further 428 were existing social tenants, leaving 1425 to be included in the calculation.

At the end of September 2009 there were 2 homeless households in temporary accommodation.

Including these updated inputs in the NLA calculation gives the following results:

Table 1: Current housing need

Housing Register **exc non residents and social tenants**	**Homeless**	**Concealed**	**Overcrowded**	**Gross backlog need**	**Adjusted backlog need**	**% needing affordable housing**	**Gross current housing need**
As explained in the 2nd paragraph above	As explained in the 3rd paragraph above	Calculated by NLA using 2006 based household projections published by Government in 2009	From the East Staffordshire Private Sector Housing Condition Survey 2008	1425 + 2 + 300 + 1391	Adjusted using a ratio derived by NLA from Survey of English Housing data	Derived by NLA from incomes data	88% of 2058
1425	2	300	1391	3118	2058	88%	1801

4 This compares to an average during 2009-10 of 2211 and an average over 2007-2010 (excluding months when the annual review was not up to date) of 2163. Hence the end of September 2009 figure was not untypical.

NLA use the average number of new Housing Register applicants as the measure of *Existing households coming into need.* The updated average over the last 2 years is 1529. Excluded applicants (existing social tenants and applicants who are not East Staffordshire residents as explained in section 2 above) typically make up 35% of the total, leaving 65% to be used in the calculation. 65% of 1529 is 994.

In addition, the Council believes there is an overlap between *Newly forming households* and Housing Register applicants, since clearly some applicants will be newly forming households. Housing applications and the Housing Register do not identify newly forming households, but the best proxy for this is the proportion of applicants who are currently *Lodging with parents*, which is 21%[5]. Hence a 21% discount is applied to 994 to give 785 as the number of *Existing households coming into need*.

Including these updated inputs in the NLA calculation gives the following results

Table 2: Future housing need

Newly forming households	**Housing need %**	**Housing need number**	**Existing households coming in to need**	**Housing need %**	**Housing need number**	**Total newly arising need pa**
Calculated by NLA from 2006 based household projections published by Government in 2009	Derived by NLA from incomes data	62% of 929	As explained in the above paragraphs	Derived by NLA from incomes data	41% of 785	572 + 323
929	62%	572	785	41%	323	895

5 Based on applicants on the Register who applied in the 12 month period to September 2009

5 Stage 3: Affordable housing supply

Since existing social tenants have been excluded from the calculation of need the number of affordable dwellings occupied by households in need is zero.

Affordable housing supply includes new affordable housing already in the pipeline. Between September 2009 (the point at which current housing need was calculated) and March 2010 a total of 90 new affordable housing units were built or acquired, including 20 shared equity homes. A further 305 units are under construction or funded, including 131 shared equity homes and 67 Extra-Care homes. The Council is not aware of any Housing Association plans to take existing units out of management[(6)]. Hence the total new affordable housing stock to be included in the calculations totals 395 units.

The annual supply of social rented housing arises from re-lets – previously rented homes which become vacant and are let to new tenants. The number of re-lets fell significantly in 2009-10 because of fewer tenants dying, fewer evictions, fewer homes being abandoned by tenants and fewer tenants moving out of the district. This means that the annual average number of re-lets over the last 3 years was 528, and this is used as likely future supply.

However this number includes lets to existing social tenants which do not meet need and which therefore need to be excluded:

Table 3: Future annual supply of social rented housing re-lets

	2007-8	2008-9	2009-10	Average
Total re-lets	567	579	438	528
Re-lets to existing social tenants	192	269	169	210
Re-lets to households in need	375	310	269	318

Source: CORE

The annual supply of intermediate affordable housing arises when shared ownership homes are re-sold. Unfortunately the data source for this information (CORE) is incomplete. There are around 350 shared ownership dwellings in East Staffordshire, and available evidence[(7)] suggests that around 5% of these may become available each year, providing annual supply of 18 units.

6 This was written before the Council became aware of the possible closure of Elizabeth Court in Winshill. However at the time of writing it is still not clear whether this scheme will close and hence it is not appropriate to allow for its closure in the calculation.

7 Research to *Identify the Role of the Intermediate Housing Market in the West Midlands Region, Final Report*, Housing Vision Consultancy, July 2010

6.1 Choices within the existing affordable housing stock (Step 4.1)

Most social rented housing in East Staffordshire is now allocated through choice based lettings. Applicants are told what size of property they are entitled to (number of bedrooms), and they can then express their interest in properties of that size. The number of Expressions of Interest (EOIs) for each size of void property is an indicator of demand for that size of property. Across East Staffordshire in 2009 the average number of EOIs for each size of property was as follows:

Table 4: Choice Based Lettings Expressions of Interest

Bedrooms	Average EOIs		
1	20		
2	22	2 bedroom flats	17
		2 bedroom houses	41
3	23		
4	7		
5+	No voids		

Hence the property type attracting the highest average number of Expressions of Interest (EOIs) is 2 bedroom houses. The average numbers for 1, 2 (all) and 3 bedroom properties are all similar.

6.2 Requirement for affordable dwellings of different sizes (Step 4.2)

The NLA report estimates that typical need is as follows, but it acknowledges that these requirements may need to be modified:

Table 5: Size of dwellings needed - NLA

1 bedroom house/flat/bungalow	23%
2 bedroom flat	19%
2 bedroom house	19%
3 bedroom house	34%
4 bedroom house	5%

The Council takes the view that alternative analysis based on Housing Register entitlement is more appropriate for rented housing. It also takes the view that the following evidence of demand from HomeBuy applicants is more reliable for intermediate housing:

6 Stage 4: The housing requirements of households in need

Table 6: Size of intermediate dwellings needed – HomeBuy applicants[8]

	Staffordshire & Shropshire	West Midlands
1 bedroom home	8%	8%
2 bedroom home	47%	50%
3 bedroom house	41%	39%
4 bedroom house	3%	3%
5 bedroom house	0.2%	0.4%

The sizes of properties needed by housing register applicants[9] as determined by their entitlement and priority under the Council's current allocations scheme are as follows. This evidence implies that it is 1 and 2 bedroom affordable housing which is most needed. However the Housing Register does not record all housing need:

Table 7: Housing Register need by size and priority

	All	Band 1[10]	Band 2	Band 3	Band 4
1 bedroom house/flat/bungalow	50%	53%	41%	46%	48%
2 bedroom house/flat	35%	32%	41%	37%	35%
3 bedroom house	9%	6%	9%	12%	15%
4 bedroom house	4%	0%	6%	4%	2%
5+ bedroom house	1%	9%	4%	1%	0%

The Council carried out a Larger Homes Survey in March 2010 to establish whether there was hidden need for larger housing. Residents who were not registered on the Housing Register were asked to identify their need for larger homes. The results demonstrate a very small hidden need, and the Council is confident that the need calculations are sufficient to capture this level of hidden need.

8 *HomeBuy data quoted in Research to Identify the Role of the Intermediate Housing Market in the West Midlands Region, Final Report, Housing Vision Consultancy,* July 2010
9 Derived from the Housing Register at the end of September 2009
10 Excluding applicants who are in Band 1 because of under-occupation

Table 8: Larger Homes Survey

	Social rented	Shared Ownership
2 bedroom	1	
3 bedroom	2	
4 bedroom	5	1
5 bedroom	1	1
6 bedroom	2	
7 bedroom	1	
8 bedroom	2	1
Total	14	3

Bringing the evidence together the following tables show the requirements by size to meet Gross Current *Housing Need* and Total Newly Arising *Housing Need*. The need is split into need for affordable rented and intermediate housing in accordance with the NLA report which found that 22% of need could be met with intermediate housing with 78% needing affordable rented housing. The need for 2-bedroom affordable rented homes is split between flats and houses based on the finding that 54% of Housing Register applicants entitled to 2 bedrooms prefer a house rather than a flat[(11)]:

Table 9: Gross current housing need by tenure and size

	Rented	Intermediate	Total
1 bedroom house/flat/bungalow	547	32	579
2 bedroom flat	158	98	256
2 bedroom house	258	99	357
3 bedroom house	164	153	317
4 bedroom house	200	13	213
5+ bedroom house	77	2	79
Total	1405	396	1801

11 Strategic Housing Market Assessment 2007 Final Report, Outside Consultants, April 2008

6 Stage 4: The housing requirements of households in need

Table 10: Gross future housing need by tenure and size

	Rented	Intermediate	Total
1 bedroom	432	16	448
2 bedroom flat	87	49	136
2 bedroom house	98	49	147
3 bedroom house	64	76	140
4 bedroom house	14	6	20
5+ bedroom house	5	1	5
Total	698	197	895

The 22% of need which can be met by intermediate housing is households able to afford between 75% and 99% of lower quartile prices[12]. To ensure that it can meet all this need, intermediate housing needs to cost no more than 75% of lower quartile price purchase. This equates to shared ownership where the initial equity share is around 58%, rounded to 60%.

The following table shows annual supply of social rented properties from re-lets by size (excluding homes newly built or acquired and homes let to existing social tenants) to indicate likely future supply:

Table 11: Annual Affordable Housing supply from social rented housing re-lets

	2007-8	2008-9	2009-10	Average		
1 bedroom/ bedsit	99	89	71	86	27%	58%
Supported	101	104	85	97	30%	
2 bedroom flat	92	66	64	74	23%	30%
2 bedroom house	34	9	23	22	7%	
3 bedroom flat	1	4	0	2	1%	12%
3 bedroom house	47	37	21	35	11%	
4 bedroom house	1	1	5	2	1%	1%
5+ bedroom house	0	0	0	0	0%	0%
Total	375	310	269	318	100%	100%

Source: CORE

12 Developing a Sub regional Housing Strategy in the North Housing Market Area: Evidence, Issues and Common Policy Areas, December 2009.

Table 12: Annual Affordable Housing supply from intermediate housing re-sales

1 bedroom	*1*
2 bedroom flat	*4*
2 bedroom house	*7*
3 bedroom house	*6*

6.3 The private rented sector (Step 4.3)

Research published in 2007[(13)] estimated that there were 1918 private rented dwellings in East Staffordshire. However in February 2010 there were 2690 private rented sector tenants in East Staffordshire in receipt of Housing Benefit and hence at least this number of private rented dwellings. The Council's 2008 House Condition Survey [(14)]estimated that there were 4773 private rented dwellings across the Borough.

The Council asked NLA to carry out some supplementary work to estimate the extent of private rented supply which might be able to meet housing need. Their estimate is that maximum potential supply is 602 dwellings pa.

13 The Cambridge Centre for Housing and Planning Research 2007 quoted in *Housing Market Analysis North Housing Market Area 2009/10*, Stoke on TrentCity Council, March 2010
14 *Private Sector House Condition Survey 2008*, David Adamson & Partners, December 2008

7 Stage 5: Bringing the evidence together

7.1 Estimate of net annual housing need (Step 5.1)

In accordance with the government guidance net annual housing need is calculated as follows:

Table 13: Net Annual Housing Need

Gross Current *Housing Need* (Table 1)	1801
Total affordable housing stock available (Paragraph 16)	395
Net Current *Housing Need* (1801-395)	1406
Quota of Net Current *Housing Need* to be addressed pa to clear the backlog in 5 years (1405/5)	281
Newly arising *Housing Need* pa (Table 2)	895
Gross annual *Housing Need* (281+895)	1176
Future annual supply of *Affordable Housing* (Table 3 and paragraph 19)	336
Net annual *Housing Need* (1176-336)	840

The following tables show this need by tenure and size.

Table 14: Net current Housing Need which can be met by rented housing

	A	***B***	***C***
	Gross current need for by rented housing	Social rented pipeline supply	Net current need for rented housing (A-B)
1 bedroom	*547*	*52*	*495*
2 bedroom flat	*158*	*47*	*111*
2 bedroom house	*258*	*30*	*228*
3 bedroom house	*164*	*63*	*101*
4 bedroom house	*200*	*2*	*198*
5+ bedroom house	*77*	*0*	*77*
Total	*1405*	*194*	*1211*

Table 15: Net annual Housing Need which can be met by rented housing

	D	E	F	G	H
	Annual quota to meet net current need (C/5)	Newly arising annual need for rented housing	Total annual need for rented housing (D+E)	Projected annual social rented supply	Net annual need for rented housing (F-G)
1 bedroom	*99*	*432*	*531*	*183*	*348*
2 bedroom flat	*22*	*87*	*109*	*74*	*35*
2 bedroom house	*46*	*98*	*143*	*22*	*121*
3 bedroom house	*20*	*64*	*84*	*37*	*47*
4 bedroom house	*40*	*14*	*53*	*2*	*51*
5+ bedroom house	*15*	*5*	*20*	*0*	*20*
Total	*242*	*698*	*940*	*318*	*622*

Table 16: Net current Housing Need which can be met by intermediate housing

	A	B	C
	Gross current need which can be met by intermediate housing	Intermediate pipeline supply	Net current need which can be met by intermediate housing (A-B)
1 bedroom	*32*	*0*	*32*
2 bedroom flat	*98*	*95*	*3*
2 bedroom house	*99*		*99*
3 bedroom house	*153*	*101*	*52*
4 bedroom house	*13*	*5*	*8*
5+ bedroom house	*2*		*2*
Total	*396*	*201*	*195*

7 Stage 5: Bringing the evidence together

Table 17: Net annual Housing need which can be met by intermediate housing

	D	E	F	G	H
	Annual quota to meet net current need (C/5)	Newly arising need for Intermediate housing	Total annual need for intermediate housing (D+E)	Estimated annual intermediate supply	Net annual need for intermediate housing (F-G)
1 bedroom	6	16	22	1	21
2 bedroom flat	1	49	50	4	45
2 bedroom house	20	49	69	7	62
3 bedroom house	10	76	86	6	80
4 bedroom house	2	6	8	0	8
5+ bedroom house	0	1	1	0	1
Total	39	197	236	18	218

Table 18: Net annual need by tenure and size

	Net annual need which can be met by affordable rented housing		**Net annual need which can be met by intermediate housing**	
1 bedroom	*348*	41%	*21*	2%
2 bedroom flat	*35*	4%	*45*	5%
2 bedroom house	*121*	14%	*62*	7%
3 bedroom house	*47*	6%	*80*	10%
4 bedroom house	*51*	6%	*8*	1%
5+ bedroom house	*20*	2%	*1*	0%
Total	*622*	74%	*218*	26%

7.2 Key issues for future policy/strategy (Step 5.2)

Reasons for housing need

It is estimated that current households in housing need are experiencing the following problems. The percentages do not total 100 because there is overlap between overcrowding and other categories of need:

Table 19: Reasons for Housing Need

Overcrowding	47%
Homeless or insecure tenure	9%
Concealed households	17%
Unsatisfactory owner-occupied housing	7%
Unsatisfactory rented housing	37%

Sizes of dwellings required to meet housing need

Tables 14-18 above demonstrate the sizes of homes which the Council calculates to be needed according to the Government methodology.

It is notable that the average number of Expressions of Interest for 1 bedroom social rented homes (Table 5) is lower than for other sizes of home, even though Table 18 indicates a far larger shortage of 1 bedroom homes. It is clear than many households with a need for 1 bedroom do not continue to express interest in social rented properties. The Council infers from this that they are successful at finding alternative accommodation in the private rented sector.

Conversely, Expressions of Interest for 2 and 3 bedroom homes are higher than those for 1 bedroom homes even though Table 18 indicates a smaller comparable shortage. It is therefore clear that the need for these homes translates consistently into demand. This implies that applicants entitled to this many bedrooms are less likely to find satisfactory accommodation in the private rented sector. This is likely to be because of affordability and tenure; it is families who are entitled to 2 or more bedrooms, families are likely to seek security of tenure because of schooling, and the private rented sector does not typically provide security of tenure because the overwhelming majority of properties in the private rented sector are let on 6 month assured shorthold tenancies.

Current use of the private rented sector by households in need

40% of current housing register applicants are renting in the private rented sector. The House Condition Survey estimated that there were 388 overcrowded households in the private rented sector. Using this information it is calculated that of the households in current housing need at the end of September 2009, 884 (49%) were in the private rented sector.

The estimated size of the private rented sector in East Staffordshire is 4773 dwellings (section 6.3).

Bringing these two pieces of evidence together it can be concluded that 884 of 4773 households (18.5%) were housed in the private rented sector but still needed affordable housing. It can be inferred from this that 81.5% of private rented supply contributes to meeting *housing need*.

7.3 Joining up across the assessment (Step 5.3)

Other Councils have not asked East Staffordshire to contribute to meeting housing need arising in their districts. The Council therefore seeks to meet the need arising within East Staffordshire only.

Low cost market supply

The supplementary work which the Council asked NLA to carry out also looked at potential low cost market supply – supply at below lower quartile prices. NLA calculated this as 83 units pa based on 2009-10 turnover and 25% of properties at below lower quartile prices being available to meet need. However the Council believes that 100% of properties at below lower quartile prices can contribute to meeting need. The average turnover over the last 3 years is 427 sales and the Council believes this is a realistic projection.

Low cost market supply can meet need which would otherwise have to be met by intermediate housing. However it is very unlikely that households needing rented housing will be able to secure the finance to buy low cost market housing and hence it does not help meet the need for rented housing.

The following table shows that low cost market supply occurs overwhelmingly in Burton but also in Uttoxeter and other parts of the borough.

Table 20: Low cost market supply

	2007	**2008**	**2009**	**Average sales**
Lower Quartile Price East Staffs	£110,000	£104,999	£100,000	-
Sales in Burton below this price	578	292	232	367
Sales in Uttoxeter below this price	50	29	37	39
Sales in other parts of East Staffordshire below this price	29	15	19	21
Total lower quartile sales	657	336	288	427

Source: Land Registry

Economic context

The NLA report includes sensitivity testing of a number of different economic scenarios. It reports rising employment levels and falling worklessness between 1999 and 2008. However more recent research for the West Midlands Regional Assembly[15] reports that:

- East Staffordshire is likely to see a substantial increase in unemployment following recent job losses within the automotive and brewing sectors
- That the demand for rented housing in East Staffordshire could increase as a result
- That it is possible that East Staffordshire will experience particular problems with housing affordability because of job losses
- That this may increase the need to increase the quota of social housing on new housing developments.

If the local economy remains depressed, whilst this is likely to reduce the price of market housing, any resulting reduction in need is likely to be offset by increased need arising from higher unemployment and falling household incomes. Hence it is logical to conclude that the level of housing need is unlikely to fall over the coming years.

15 Implications of Market Conditions for West Midlands Housing Markets and Regional Housing Policy, Ecotec and GVA Grimley, June 2009

7.4 Housing Need by Housing Market Area

Four local housing market areas have been identified within the borough of East Staffordshire. The East Staffordshire wards in each of these areas are as follows [16]:

- Burton and Surrounds: Burton wards including Branston and Stretton;
- Rural East: Crown, Needwood, Rolleston on Dove, Tutbury & Outwoods, Yoxall, plus Uttoxeter wards Heath and Town;
- Rural North; Abbey, Churnet and Weaver;
- Rural West; Bagots.

Uttoxeter lies within the Rural East area but because it is distinct place and the borough’s second largest town it is dealt with separately in the following analysis.

These local housing market areas are shown below in Figure 1. The Rural North and Rural West areas also stretch into other districts, but the analysis below is for the areas within East Staffordshire only.

16 *Strategic Housing Market Assessment North Housing Market Area Update 2009*, Stoke City Council, (not yet published). That report and the NLA report use different names for the housing market areas as follows: Rural East = Rural Suburbs East Staffordshire; Rural North = Rural East Staffordshire; Rural West = Rural Stafford West.

7 Stage 5: Bringing the evidence together

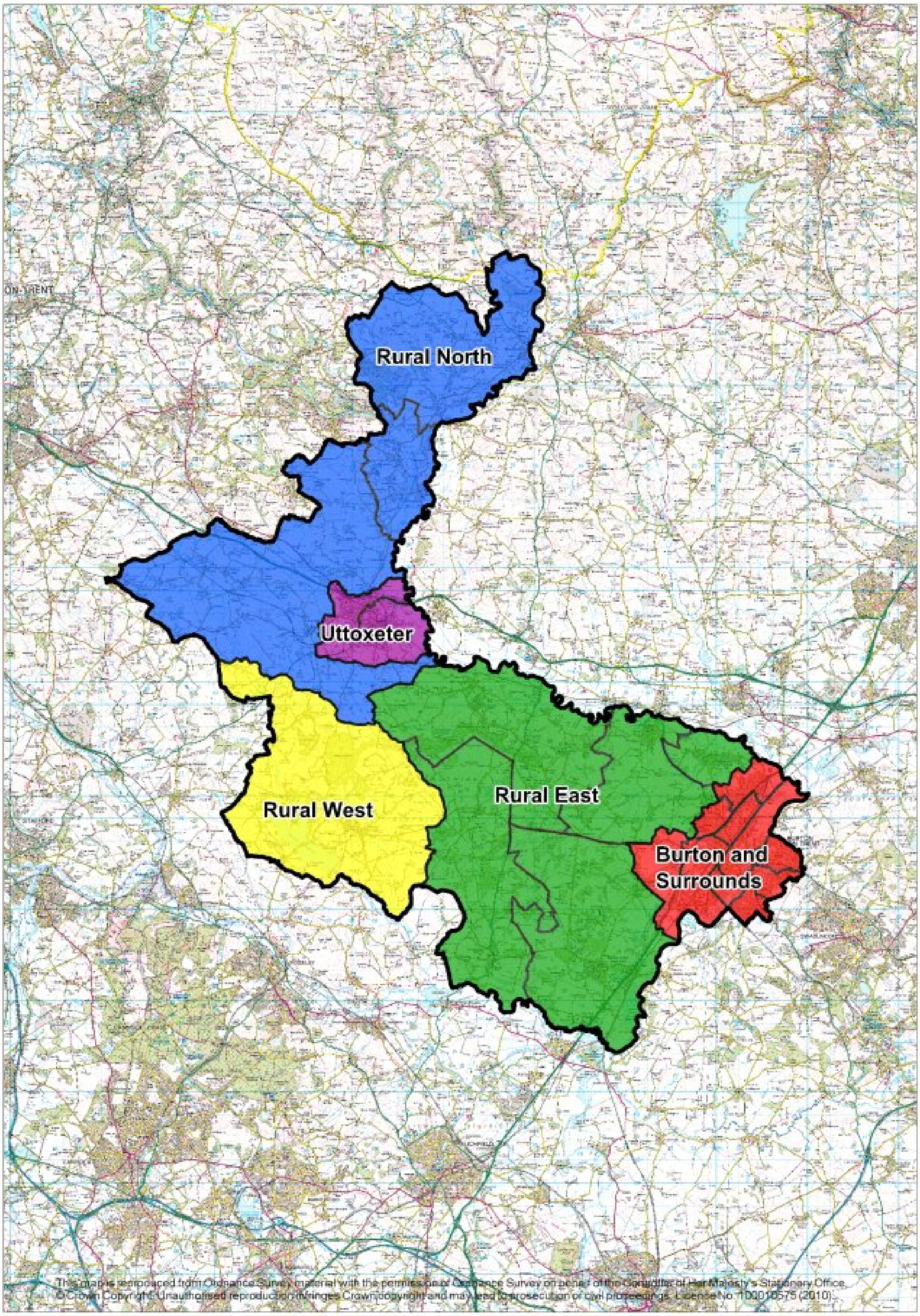

Figure 1 Local Housing Market Areas

NLA calculated that net annual housing need occurred in each of these housing market areas. Applying their distribution of need to the revised (reduced) total amount of need indicates the following levels of need in each area:

Table 21: Net Annual Housing Need by Housing Market Area

Housing Market Area	Proportion of Need	Net Need pa
Burton and Surrounds	61%	512
Uttoxeter	12%	101
Rural East (not including Uttoxeter)	18%	151
Rural North	7%	59
Rural West	2%	17
	100%	840

Hence the evidence indicates the need for affordable housing throughout the borough.

The following table shows choice based lettings expressions of interest by area. It indicates that in Burton the biggest demand for social rented housing is for 2 bedroom houses, 1 bedroom flats, and 3 bedroom houses. In Uttoxeter and the rest of the Rural East area the biggest demand is for 2 and 3 bedroom houses. The data for the Rural North and Rural West housing market areas is not sufficient to enable conclusions to be drawn.

Table 22: Expressions of Interest by Housing Market Area during 2009

Property		Burton & Surrounds		Uttoxeter		Rural East		Rural North		Rural West	
Bedrooms	Type	Voids	EOIs	Voids	EOIs	Voids	EOIs	Voids	EOIs	Voids	EOIs
1	Bungalow	*13*	*6*	*2*	*12*	*9*	*4*	*1*	*6*	*0*	n/a
1	Flat/bedsit	*108*	*25*	*11*	*5*	*5*	*1*	*1*	*16*	*0*	n/a
2	Bungalow	*5*	*4*	*3*	*6*	*3*	*10*	*0*	n/a	*1*	*4*
2	Flat	*90*	*18*	*11*	*12*	*4*	*20*	*4*	*6*	*0*	n/a
2	House	*33*	*42*	*4*	*37*	*3*	*37*	*0*	n/a	*0*	n/a
3	House	*66*	*23*	*6*	*20*	*10*	*29*	*1*	*17*	*0*	n/a
4	House	*1*	*16*	*3*	*4*	*1*	*7*	*0*	n/a	*0*	n/a

The Council is having a programme of Parish Housing Needs Surveys carried out in rural parishes by Midlands Rural Housing. These surveys demonstrate the specific needs within a rural parish at a point in time. They therefore provide evidence to justify affordable housing development on rural exception sites. However they do not capture newly arising housing need and hence are not a sufficient measure of the on-going need for affordable housing in rural areas.

7.5 Housing Mix

On the basis of the calculations above it is judged that private rented supply meets the needs of 490 of the 622 households needing rented housing pa (602 x 81.5% = 490) and therefore 131 new social rented dwellings are needed pa.

Housing need in Burton and Uttoxeter which can be met by intermediate housing is calculated to be 133 and 26 dwellings pa respectively, and hence it is assumed that low cost market supply completely meets this need (Table 20) (except for Extra-Care housing). The need in the rest of the Borough is for 59 dwellings pa, and hence an average low cost market supply of 21 dwellings (Table 20) leaves a need for 38 new intermediate affordable dwellings pa. Hence low cost market supply towards need totals 180 (133+26+21).

The number of new affordable homes needed pa is therefore 169:

Table 23: Annual need for new affordable housing

	Total
Housing need pa (Table 13)	840
Need which can be met by rented housing (Table 15)	622
Assumed to be met by the private rented sector (Paragraph 55)	490
New social rented housing needed (622-490)	131
Need which can be met by intermediate housing (Table 17)	218
Assumed to be met by low cost market housing (Paragraph 56)	180
New intermediate housing needed (218-180)	38
Total new affordable housing needed pa (131+38)	169

It is now expected that 13,000 new homes will not be achievable until 2031 (25 years from 2006). This is consistent with the latest 2008 household projections which predict a slower rate of household growth than previous projections; see Table 24 below. This implies an average 520 completions pa. From 2006 to 2010 there was a shortfall of 276 completions which needs to be made up by 2031 (over 21 years), an average additional 13 completions pa. Hence projected average completions pa to 2031 are 533. It is estimated using the Strategic Housing Land Availability Assessment that an average 520 of these dwellings will be built on sites over the threshold for requiring affordable housing of 25 dwellings. 169 affordable homes are 32.5% of 520. This implies an affordable housing contribution of 30% on sites above the threshold, subject to this being viable.

Table 24: Projected Household Growth East Staffordshire

	2006	2008	2013	2018	2023	2028	2033
Population 000s	45	45	48	50	53	55	57
Cumulative	0	0	3	5	8	10	12

Source: ONS 2008 based Household Projections

7.6 Affordable Housing Mix

[This section does not apply to Extra-Care housing developments; see Section 8]

The mix of new on-site social rented housing needed is as follows. The need for homes with 4+ bedrooms arises from overcrowded households, principally in the owner-occupied sector, and it is believed unlikely that many of these households would take up social rented housing, hence the lower contributions towards the need for these sizes of homes. There is substantial need for accessible 2-bedroom homes (see Section 8 below).

Table 25: Mix of new social rented housing

<table>
<tr><th></th><th>New on-site social rented housing</th><th>Resulting social rented supply</th><th>Contribution of social rented housing towards meeting the need for rented housing</th></tr>
<tr><td>1 bedroom</td><td>0%</td><td>47%</td><td rowspan="3">41%</td></tr>
<tr><td>2 bedroom flat</td><td>0%</td><td rowspan="2">21%</td></tr>
<tr><td>2 bedroom accessible home</td><td>10%</td></tr>
<tr><td>2 bedroom house</td><td>60%</td><td>17%</td><td>45%</td></tr>
<tr><td>3 bedroom house</td><td>10%</td><td>11%</td><td>52%</td></tr>
<tr><td>4 bedroom house</td><td>15%</td><td>3%</td><td>24%</td></tr>
<tr><td>5+ bedroom house</td><td>5%</td><td>1%</td><td>18%</td></tr>
<tr><td></td><td>100%</td><td>100%</td><td>41%</td></tr>
</table>

The needed mix of new intermediate housing is calculated to be as follows:

Table 26: Mix of new intermediate housing needed

1 bedroom	10%
2 bedroom flat	20%
2 bedroom house	25%
3 bedroom house	40%
4 bedroom house	5%
5+ bedroom house	0%
	100%

As explained above intermediate housing is not needed in Burton and Uttoxeter and hence the affordable housing sought in these areas is entirely social rented housing.

In other parts of the borough, the mix of affordable housing will need to include the affordable housing which the Council has accepted as being justified by a local housing needs survey or Choice Based Lettings and/or Housing Register evidence. Other on-site affordable housing should be intermediate housing since this is what is most needed in rural areas.

The intermediate affordable housing needed is housing outside of Burton and Uttoxeter. The lower quartile price outside of Burton is around 24% higher than the lower quartile price in the borough as a whole. This means that to ensure that intermediate housing is able to meet the need of all target households it needs to be available at 60% of market prices outside of Burton and Uttoxeter rather than the 75% indicated above (section 6.2). This equates to a 47% shared ownership share. It is therefore appropriate for the value of shared ownership housing to be based on a 50% initial share and to require recycling of proceeds above the 50% into alternative affordable housing. However it is sensible to allow initial sale shares to range between 25% and 75% in line with standard Homes and Communities Agency practice.

Older People

The latest household projections predict that 92% of household growth in East Staffordshire will be made up of households comprising people over the age of 65.

Table 27:East Staffordshire projected household growth by age group

Age group	Under 25	25-34	35-44	45-54	55-64	65-74	75-84	85+	Total
Households in 2008 (thousands)	1	5	9	13	4	6	5	1	45
	2%	11%	20%	29%	9%	13%	11%	2%	100%
	71%					27%			
Households in 2033 (thousands)	1	6	9	13	4	10	8	5	57
	2%	11%	16%	23%	7%	18%	14%	9%	100%
	58%					40%			
Change 2008 - 2033	0	1	0	0	0	4	3	4	12
	0%	20%	0%	0%	0%	67%	60%	400%	27%
% of change	0%	8%	0%	0%	0%	33%	25%	33%	100%
	8%					92%			

Source: ONS 2008-based Household Projections

This does not mean that 92% of new housing should be housing for the elderly, since the elderly are already housed and many will stay in their current homes. Hence new housing will be needed for newly forming households and existing households wanting to move who will find fewer existing dwellings becoming available.

None-the-less this evidence does support and reinforce the Council's Housing Strategy conclusion that the biggest component of new housing demand within the Borough is likely to be for housing suitable for people aged over 65. This larger group of older people will range from those who are very active, through those needing some level of support, to those needing a high level of care, at different stages of their lives. The ways in which this range of needs can be met are rapidly changing, and the choices open to residents in this age group are being widened.

The Housing Strategy concludes that:

- Most older people will want to live in normal housing.
- This is being promoted by the County Council's Staffordshire Cares programme which involves closing obsolete accommodation.
- Older people often live in larger properties than they need and opportunities for them to 'down-size' are needed.
- This said older people generally want a second bedroom.
- Most will want to stay in their home as their mobility becomes more difficult.
- Some will want housing which is specifically designed for older people e.g providing small gardens with raised beds and storage for mobility scooters with power for recharging.
- Some older people will need 'Extra-Care' housing - their own home within a complex where they can receive care.
- Some older people will like to live alongside other older people.

People with disabilities

In 2006 Staffordshire County Council knew of 625 people in East Staffordshire with a physical disability who needed an adapted home. Many of these people will want an adaptation so they can stay in their existing home, but some may be willing to move and the Borough Council is considering whether it can encourage a market in adapted homes for sale. A change to the Housing Allocations Policy should encourage tenants of social rented homes which are adapted to make them available for others if they no longer need the adaptations.

The County Council also knew of 186 people with a learning disability who needed new housing, and 145 people with mental health distress who needed new housing [17].The County Council is carrying out a project to increase housing options for these groups.

In October 2010 there were 85 applicants on the Housing Register needing an accessible home, of whom 73 needed one or two bedrooms. This evidence indicates the need for a proportion of new social rented housing to be accessible homes.

Extra-Care Housing

It is projected that over 800 Extra-Care dwellings will be needed in East Staffordshire by 2020 and over 1100 by 2030 [18]. This equates to an additional 700 dwellings by 2020 and a further 300 by 2030.

Table 28: Need for Extra-Care Housing by 2020

	Rented	Owned	Total
Projected need by 2020	269	573	842
Existing - Barton Mews		29	29
Existing - Highfield Court	38		38
Under construction - Chestnut Grange	52	15	67
Total existing and under construction	90	44	134
New Extra-Care dwellings needed by 2020	179	529	708
	25%	75%	100%

It is estimated on the basis of property prices that one third of *owned* Extra-Care homes will need to be shared ownership. Hence the tenure mix needed in Extra-Care housing is 25% social rented, 25% shared ownership and 50% market housing. Clearly this will only be achievable if grant funding is available.

BME Households

Analysis of the Housing Register has revealed that 18.2% of applicants for social rented housing are BME compared to an estimated 8.9% of the population [19]. This suggests that Housing Need is clearly more prevalent amongst the BME population. BME applicants on the Housing Register need housing of all sizes.

There is anecdotal evidence that BME households facing overcrowding fail to join the Housing Register because of the small number of larger properties which become available and hence the low chance of securing a suitable home. However the Larger Homes Survey did not evidence such a need despite targeting of BME communities.

Hence the need calculations above are believed to capture the needs of BME households.

17 *Vulnerable Adults Housing Strategy Consultation Draft,* Staffordshire County Council 2006
18 “*The Best of Both Worlds” Staffordshire FlexiCare Housing Strategy 2010-2015 v1.00,* Staffordshire County Council 2010
19 Table 34, Housing Strategy Review informing the Housing Strategy 2009-2014

First Time Buyers

Low cost market supply is believed to be sufficient to meet the needs of first time buyers in Burton and Uttoxeter. Intermediate housing will meet the needs of first time buyers in the rest of the borough.

Gypsies and Travellers

The Gypsy and Traveller Accommodation Assessment (GTAA) carried out for the Council in 2007 identified an *indicative* need for new pitches. However, this need was calculated on the basis of:

- An average 7 unauthorised encampments pa. The number of encampments since then has been far lower than this, and encampments have involved a single group of travellers.
- Interviewing only 2 out of 17 households on the existing permanent residential site in East Staffordshire and relying overwhelmingly on interviews in Stafford and Stoke where needs may be different.

The GTAA findings therefore need updating to better inform future housing and planning policy.