South Staffordshire Council

South Staffordshire Housing Market Assessment Update

October 2022

Planning & Development

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1. Introduction

Purpose

1.1 South Staffordshire Council have been gathering a range of evidence as part of its Local Plan Review. One of the documents put forward by the Council was Strategic Housing Market Assessment, published in 2021. Within the next stage of this Local Plan Review process, the Council has set out its preferred options which indicates its proposed sites for housing, employment and the Gypsy and Traveller community. This was then opened for consultation by the public in late 2021. As the Council moves to its Regulation 19 Consultation, the Council has decided to update the 2021 Strategic Housing Market Assessment.

1.2 The Strategic Housing Market Assessment is being updated for a number of reasons:

- to reflect the current housing market and economic situation in the District,
- to account for the most current local housing need for South Staffordshire,
- to include the initial results for South Staffordshire published from the Census (at the moment limited to the demographic profile),
- to align with the Economic Development Needs Assessment published for the Council this year, and
- to consider the representations through the Preferred Options consultation regarding the Housing Market Assessment.

1.3 The purpose of this report is to provide the Council with a robust and up-to-date evidence base that enables an understanding of the district's current and future housing needs through to 2040. The report covers the same topic areas as the 2021 study, however further depth of analysis is presented in some instances reflecting richer data sources and the more advanced capacity of the modelling undertaken. It therefore supersedes the 2021 report. The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the 2021 National Planning Policy Framework (NPPF), and the Planning Practice Guidance (PPG)[1], as described below.

Government Guidance

1.4 In February 2019, the NPPF was updated, and the new PPG published[2], which theoretically ended a period of considerable change in the planning system and in the wider development

[1] The latest iteration of the PPG before this report was finalised was the version as at 22nd July, 2019. The report has been written so that it responds to the PPG as at this date.

[2] It should be noted that subsequently the PPG on housing needs assessments was divided into three different elements; 'housing and economic needs assessments', 'housing needs of different groups' and 'housing needs of older and disabled people'. This report contains the information that meets the requirements within each of these.

industry. The NPPF was further updated in July 2021. Paragraph 35 (a) of the NPPF requires that plans are positively prepared. As a minimum, the NPPF requires strategic policies to provide for objectively assessed needs for housing. This carried forward the requirements under the 2012 NPPF and concerns the overall housing requirement.

> *60. To support the government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay*
>
> *61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. 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.*
>
> *62. 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).*
>
> *Paragraphs 60 to 62 – 2021 NPPF*

1.5 The requirement for housing is derived through the Standard Method and is then disaggregated into the different types of housing the future population will need. Following which, an assessment of the number of households in need of affordable housing must be undertaken. In essence the first output[3] required by the NPPF, for a study of this type, is to disaggregate the new housing number as derived through the Standard Method. The second task is the assessment of Affordable Need, and the final task is the understanding of the needs of groups with specific housing requirements.

1.6 The NPPF outlines how a Strategic Housing Market Assessment fits into the wider housing policy framework and the PPG sets out how the various elements of a Housing Market Assessment should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 6 of this report). The affordable housing need figure is an unconstrained figure set in the current housing market situation. It is not a component of the overall housing need, but is entirely independent, calculated using a different approach and different data sources.

1.7 This Strategic Housing Market Assessment includes a Long-Term Balancing Housing Markets (LTBHM) model (Chapter 5 of this report) which breaks down the overall housing need into the component types (tenure and size) of housing required. Whilst both the Affordable Needs model (Chapter 6) and the LTBHM model (Chapter 5) produce figures indicating an amount

[3] Before this is done it is necessary to profile the local housing market and socio-economic situation, to ensure that the subsequent outputs have a meaning in a local situation. However there are no outputs required within the NPPF from this contextual study.

of affordable housing required, they are not directly comparable as, in line with the PPG, they use different methods and have different purposes. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used solely to indicate whether a Local Planning Authority should plan for more houses where it could help meet the need for affordable housing[4]. The figure produced by the LTBHM model is based on the population projections and occupation patterns of household groups (considering the trends in how these occupation patterns are changing). This is the mix of housing for which the authority should be planning. How these figures should be used in South Staffordshire, is summarised at the conclusion of this report, in Chapter 8.

1.8 In December 2020, the Government revised the Standard Method calculation[5]. This has resulted in the slight modification to the Standard Method originally set out, with the guidance in the PPG detailing how the Standard Method is updated to reflect this. This report has followed the approach set out in the PPG (as revised December 2020). In May 2021, the Government published detail on First Homes and their implementation[6], after a period of consultation on the concept in the second half of 2020. This report assesses the requirement for First Homes as part of the housing mix required to accommodate the future population.

Local housing market boundaries

1.9 The 2021 report considered how the District's housing market was linked with neighbouring areas. To do this it considered commuting flows, migration trends and housing market linkages. There is no more recent data on local commuting flows published since the 2021 report so this evidence will not be revisited, however the section below will consider recent data on migration trends and how the housing market is linked in a sub-regional context. It is useful to consider the functional and geographic context in which the local housing market operates. This is done using secondary data on migration patterns and housing market linkages.

Migration trends

1.10 The 2020-based population estimates produced by the Office of National Statistics (ONS) model detail on the origin and destination of people that moved into and out of South

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[4] The following High Court Judgements are relevant. Satnam Millennium v Warrington BC [2015] EWHC 370 (Admin), Oadby and Wigston v Bloor Homes [2015] EWHC 1879 (Admin), Housing market area Council of King's Lynn and West Norfolk v Elm Park Holdings Ltd [2015] EWHC 2464 (Admin), Jelson Ltd v Hinckley and Bosworth Housing market area Council [2016] EWHC 2979 (Admin).

[5] https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system

[6] https://www.gov.uk/guidance/first-homes

Staffordshire in the previous year[7]. The table below shows the 10 authorities to which residents in South Staffordshire most commonly moved in the year up to June 2020. The table also contains a column that details the equivalent proportion of movers from South Staffordshire in the year up to June 2018 that had the same destination (the latest information presented in the 2021 report) - this enables a comparison of the changing relationship between these authorities and South Staffordshire [8].

1.11 The data indicates that Wolverhampton is the authority to which people from South Staffordshire most commonly moved in the year up to June 2020, followed by Cannock Chase, Shropshire and Stafford. Flows to Wolverhampton and Stafford have increased in relative scale since the 2018 population estimates (from 14.7% of all out-migrants from South Staffordshire moving to Wolverhampton in 2018, to 15.3% of out-migrants in 2020 with the proportion of movers to Stafford rising from 6.3% to 7.6%). More recently, Cannock Chase has become decreasingly common destinations for those leaving South Staffordshire (as a smaller proportion of out-migrants from South Staffordshire moved to these areas in 2020 than was the case in 2018).

[7] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/internalmigrationbyoriginanddestinationlocalauthoritiessexandsingleyearofagedetailedestimatesdataset

[8] It should be noted that internal flows within South Staffordshire are not included in this analysis as they are not documented in the population estimates, the analysis only concerns people moving into the district from elsewhere in the UK.

Table 1.1 The ten authorities with which South Staffordshire has the largest outward migration flows in 2020			
People that moved out of South Staffordshire in the preceding year			
2020			*2018*
Destination authority area	*Number of South Staffordshire residents that moved there*	*Proportion of all residents leaving South Staffordshire that moved there*	*Proportion of all residents leaving South Staffordshire that moved there*
Wolverhampton	753	15.3%	14.7%
Cannock Chase	596	12.1%	14.6%
Shropshire	411	8.3%	8.4%
Stafford	374	7.6%	6.3%
Dudley	347	7.0%	7.1%
Walsall	226	4.6%	4.5%
Telford and Wrekin	223	4.5%	3.8%
Birmingham	160	3.2%	3.8%
Lichfield	108	2.2%	2.0%
Wyre Forest	103	2.1%	1.5%

ONS Population estimates, 2018 & 2020

1.12 The table below shows the 10 authorities from which residents most commonly moved into South Staffordshire in the year up to June 2020. The table also contains a column that details the equivalent proportion of movers to South Staffordshire in the year up to June 2018 that originated from the same location[9].

1.13 The data indicates that Wolverhampton is the authority from which people that moved into South Staffordshire most commonly came in the year up to June 2020, followed by Dudley, Walsall and Cannock Chase. Flows from Dudley, Walsall and Cannock Chase have decreased in relative scale since 2018. In contrast, moves from Wolverhampton, Birmingham and Stafford have become more significant.

[9] As before internal flows within South Staffordshire are not included in this analysis.

Table 1.2 The ten authorities with which South Staffordshire has the largest inward migration flows in 2020			
People that moved into South Staffordshire in the preceding year			
2020			*2018*
Original authority area of residence	*Number of people that moved to South Staffordshire*	*Proportion of all people moving to South Staffordshire*	*Proportion of all people moving to South Staffordshire*
Wolverhampton	1,209	22.0%	19.6%
Dudley	633	11.5%	14.8%
Walsall	605	11.0%	11.4%
Cannock Chase	507	9.2%	10.6%
Birmingham	295	5.4%	4.3%
Stafford	257	4.7%	3.8%
Sandwell	222	4.0%	3.7%
Shropshire	197	3.6%	3.4%
Telford and Wrekin	137	2.5%	2.0%
Lichfield	75	1.4%	2.0%

ONS Population estimates, 2018 & 2020

Housing market indicators

1.14 It is useful to compare the price of housing in South Staffordshire with the authorities closest to it to see the similarities and differences between the housing markets in the areas. The table below presents the average property price for dwellings sold in South Staffordshire and the surrounding authorities in 2021. The table shows the overall average price of homes sold as well as the average for each dwelling type categorised by the Land Registry.

1.15 The table indicates that homes in South Staffordshire are more expensive than in the other areas profiled, with flats in Shropshire the only accommodation type more expensive than the equivalent in South Staffordshire. Prices in Shropshire are closest to those in South Staffordshire with Wyre Forest and Stafford the next most similar in price. Prices in Wolverhampton are cheapest followed by Cannock Chase and Telford & Wrekin (the overall average price for these latter two areas is skewed upwards by a greater proportion of detached sales). Prices in Walsall and Dudley are in the middle of the range presented.

Table 1.3 Average property prices in 2021 in South Staffordshire and surrounding authorities					
Location	Detached	Semi-detached	Terraced	Flat	Overall average price
South Staffordshire	**£414,040**	**£234,748**	**£217,911**	**£146,459**	**£305,776**
Shropshire	£393,749	£234,196	£212,879	£151,400	£294,405
Telford & Wrekin	£318,556	£181,300	£160,743	£97,308	£227,277
Cannock Chase	£300,708	£183,796	£168,719	£103,459	£213,392
Stafford	£367,033	£211,650	£179,154	£126,542	£261,274
Walsall	£356,853	£209,673	£163,334	£112,987	£219,053
Dudley	£335,473	£211,418	£180,332	£114,883	£223,876
Wolverhampton	£325,240	£187,980	£152,356	£106,798	£203,570
Wyre Forest	£359,111	£223,253	£180,843	£124,521	£247,881

Source: Land Registry

1.16 The table below shows the distribution of sales by property type in each of these areas in 2021, which allows comparison of the profile of dwelling stock in each authority. The data indicates that in South Staffordshire sales of detached and semi-detached houses are most common and sales of flats are least frequent. The data implies that Shropshire is the authority with the accommodation profile most similar to South Staffordshire followed by Telford & Wrekin and Stafford, with Dudley, Wolverhampton and Walsall recording a profile of property sales that is most distinct.

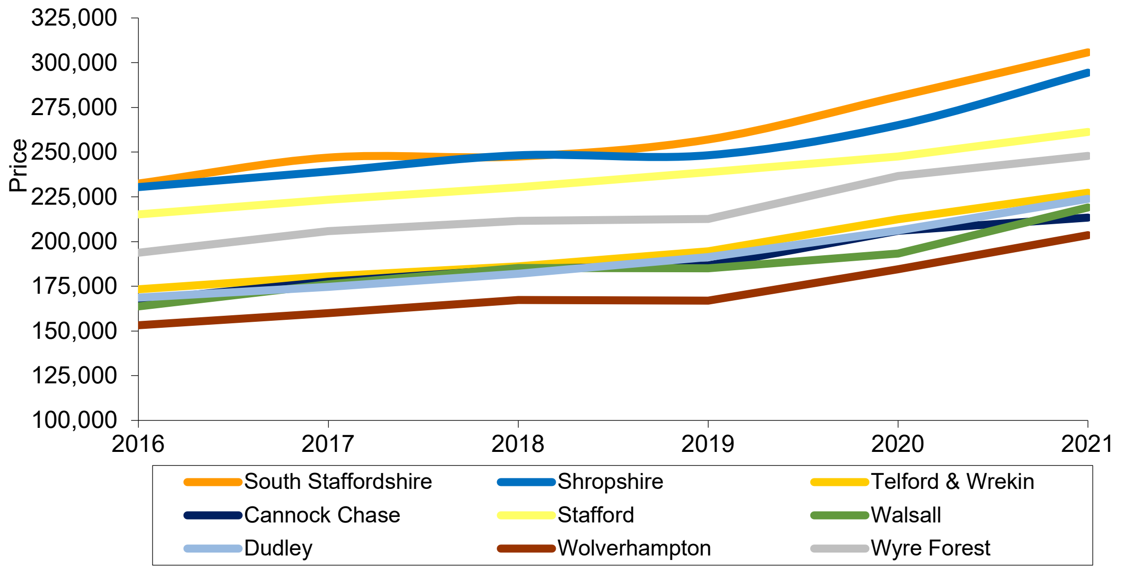
Table 1.4 Distribution of property sales in 2021					
Location	Detached	Semi-detached	Terraced	Flat	Total sales
South Staffordshire	**43.9%**	**35.1%**	**15.0%**	**5.9%**	**1,652**
Shropshire	43.9%	29.3%	20.3%	6.6%	5,326
Telford & Wrekin	39.6%	33.9%	22.0%	4.5%	2,634
Cannock Chase	32.1%	42.8%	18.7%	6.4%	1,618
Stafford	40.0%	31.3%	22.8%	6.0%	2,201
Walsall	21.3%	40.9%	29.2%	8.7%	3,189
Dudley	22.4%	45.4%	24.0%	8.2%	4,630
Wolverhampton	22.7%	43.8%	25.4%	8.1%	2,768
Wyre Forest	32.5%	32.7%	26.3%	8.5%	1,486

Source: Land Registry

1.17 The figure below shows the change in average overall property price in each council area over the last five years. The figure shows that prices have continued to rise steadily in all areas, however over the last five years prices have increased the most in Walsall (by 33.8%) and the smallest increase has been recorded in Stafford (21.4%). Prices in South Staffordshire have risen by 31.6% between 2016 and 2021, which is most similar to the price rises in Telford & Wrekin (31.1%) and Dudley (32.7%).

1.18 At the time the original housing market assessment was published, data from 2019 was the most recent produced by the Land Registry. In the two years since 2019, prices in South Staffordshire have increased by 19.0%, which is second only to Wolverhampton (21.9%) as the largest rise recorded by any of the featured authorities. Prices in Stafford have increased the least between 2019 and 2021 (9.4%).

Figure 1.1 Change in overall average price since 2016

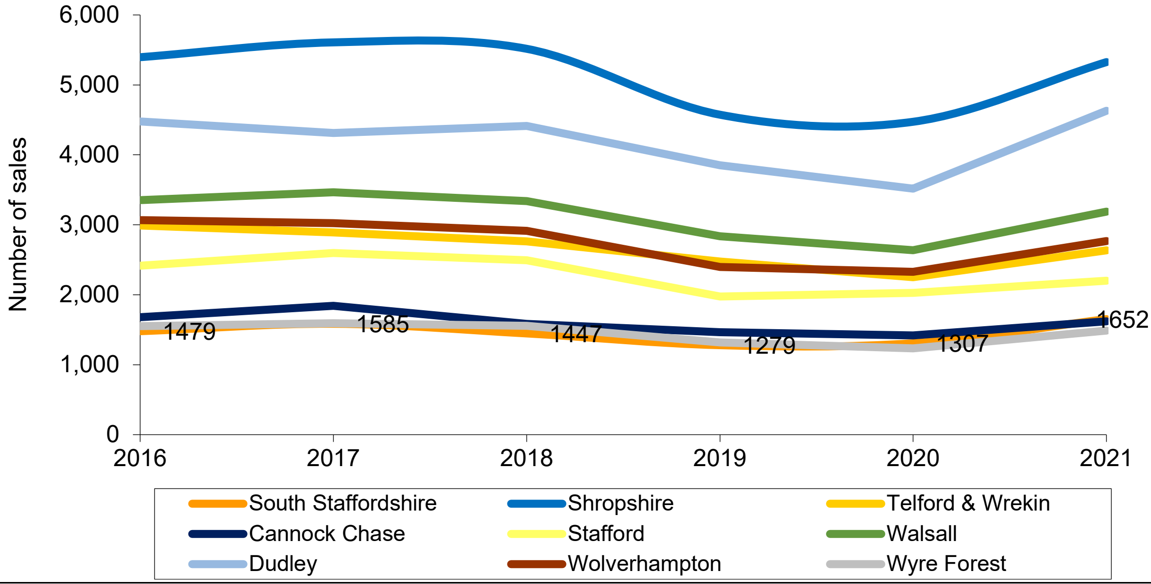


Source: Land Registry

1.19 The figure below shows the change in the number of property sales in each council area over the last five years. Telford & Wrekin has recorded the largest fall in sales (a 11.9% decrease), with Wolverhampton recording the next largest fall at 9.7%. South Staffordshire and Dudley are the only authorities to record a growth in sales, with the figure recorded for South Staffordshire notably higher (11.7% compared to 3.5% in Dudley).

1.20 In the two years since 2019 (the data available at the time the original housing market assessment was published), the number of sales in South Staffordshire has risen by 29.2%. This is by far the largest increase in sales recorded over this period.

Figure 1.2 Change in overall sales since 2016



Source: Land Registry

Conclusion

1.21 The analysis of South Staffordshire and its neighbouring authorities presented above suggests that the most established linkages are those with the urban neighbours immediately to the east of the District – Wolverhampton and Dudley, reflecting the pattern of migration flows around the Black Country to move radially outwards. It is interesting to note that the flows between South Staffordshire and Wolverhampton are strong both ways. The analysis of the house market suggests that South Staffordshire does not share many characteristics with the authorities with which it shares the greatest migration flows but is most similar to the other authorities which are principally rural in nature – Shropshire and Stafford. South Staffordshire is therefore fairly unique, closely linked to the Black Country authorities but containing a housing market distinct to this area.

Report coverage

1.22 This report is focused on detailing the amount of new housing required over the plan-period in South Staffordshire, the size and tenure of housing that would be most suitable for the future population, the housing requirements of specific groups of the population and the level of affordable housing need that exists in the District. The report contains the following:

Chapter 2 presents an examination of the latest data on the labour market and the resident population in South Staffordshire and the changes that have occurred within them.

Chapter 3 contains a detailed analysis of the cost of property in South Staffordshire and the affordability of the different forms of housing for residents.

Chapter 4 paragraph 008 of the PPG indicates that '*Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process*[10]*.'* The chapter sets out the calculation of the local housing need figure for the District.

Chapter 5 disaggregates the local housing need to show the demographic profile of the future population in the housing market area. The chapter uses this information to produce an analysis of the nature of future housing required within the long-term balancing housing markets model (LTBHM).

Chapter 6 sets out the calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach. The chapter identifies both the type of households in housing need and the tenure of affordable housing that would meet this housing need.

Chapter 7 contains an analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF.

Chapter 8 is a conclusion summarising the implications of these results.

[10] Reference ID: 2a-008-20190220

2. Local housing market drivers

Introduction

2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand, including household formation rates and households' investment in housing. This socio-economic situation is important context to be understood before the level of housing need is calculated. The first half of this chapter uses the most recently available data to document the current demographic profile in South Staffordshire and how it has changed. The current labour market conditions are then discussed in the second half of this chapter.

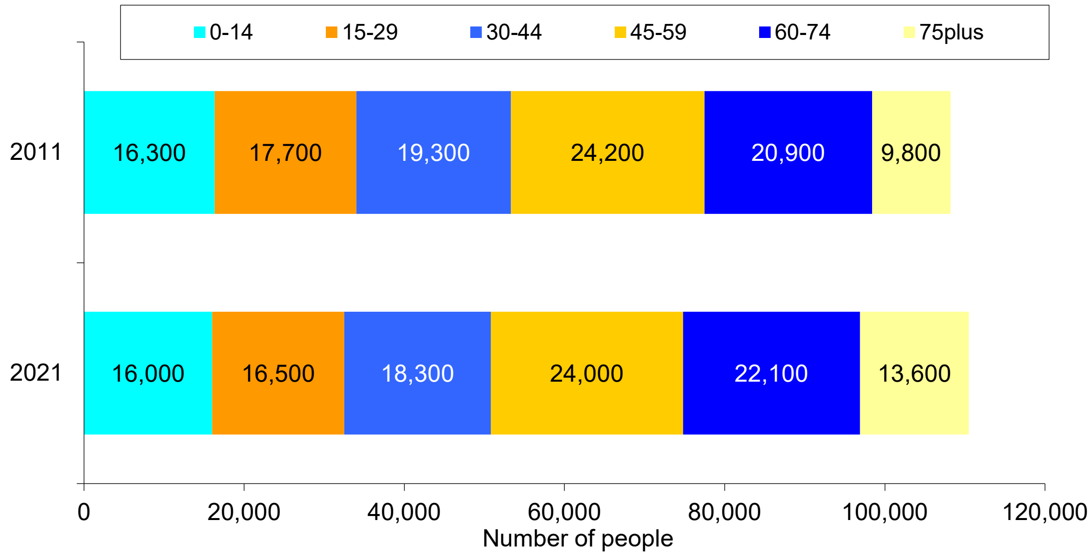
2.2 The previous report presented an overview of the housing stock for contextual purposes. There is limited new data available on this topic at a local authority level, so this will not be profiled in detail in this chapter. Chapter 5, contains a profile of the current housing stock in South Staffordshire as part of the LTBHM analysis. Once the 2021 Census results relating to housing have been presented, a new overview of the housing profile in the District will be presented.

Demography

2.3 The initial 2021 Census results released by the ONS show the age profile of the population in South Staffordshire and how it has changed since the previous Census. The 2021 Census indicates that the resident population in South Staffordshire in 2021 was 110,500 and that since 2011 the population had increased by 2.2%, around 2,400 people. In comparison, the population of the West Midlands region increased by 6.2% over the same period, whilst the population of England grew by 6.6%.

2.4 The figure below illustrates the age composition of the population in South Staffordshire in 2011 and 2021 according to the Census in those years. The data shows that since 2011 the number of people aged 75 or over has markedly increased in the District. In contrast, the number of people aged between 15 and 44 has decreased.

Figure 2.1 Population composition in South Staffordshire (2011 and 2021)



Source: 2021 Census

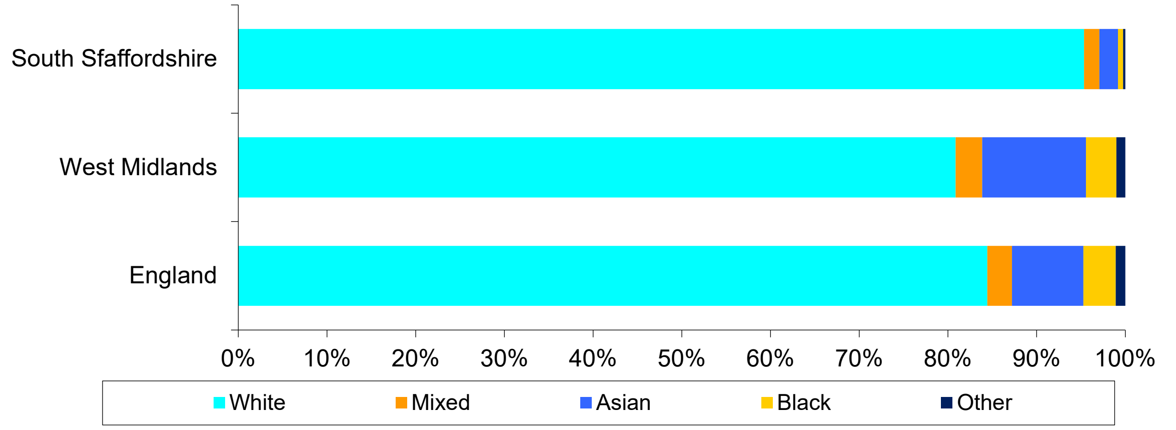
2.5 The population density in South Staffordshire in 2020 was 276 people per sq. km, according to the 2020-based population estimates, notably lower than the figure for the region (459 people per sq. km) and England as a whole (434 people per sq. km).

Ethnicity

2.6 The ONS publishes estimates on the ethnicity of the population in local authorities across England that were produced in response to a specific request. The figures are consistent with the mid-year local area population estimates, however ONS notes that these figures should be treated with caution as they have not been produced using methods which have undergone formal Quality Assurance. These figures do however provide the most up-to date profile of the ethnicity of the population at different geographies across the country. The figure below shows the estimated ethnicity in South Staffordshire in 2019, alongside regional and national equivalents.

2.7 These estimates suggest that 4.7% of the total population in South Staffordshire in 2019 was from a Black, Asian or Minority Ethnic (BAME) group, which was lower than both the regional figure (19.1% in the West Midlands), and the national figure (15.5% in England). The figure below presents the ethnicity of the population in South Staffordshire in 2019. Those describing themselves as being of an 'Asian' ethnicity represents the largest BAME group in the District (comprising 2.1% of total population).

Figure 2.2 Ethnicity of the population in South Staffordshire, the West Midlands and England, 2019



Source: Office of National Statistics, 2019

2.8 The 2020-based population estimates estimate that in 2020, just 0.1% of the population of South Staffordshire had been resident in the UK for less than a year, compared to 0.9% in the West Midlands region and 1.0% across England.

Number of households

2.9 The 2021 Census indicated that the number of households in South Staffordshire has increased by 3.7% since 2011, reaching 46,100 households in 2021. This compares to the regional growth of 5.9% over this time period and the national equivalent of 6.1%. In South Staffordshire, the total population has increased at a notably slower rate than the number of households between 2011 and 2021, resulting in a falling average number of people per household, as is illustrated in the table below[11]. However, at a regional level, the number of households has risen at the slower rate than the total population and the average number of people per household has increased. Nationally, the average number of people per household between 2011 and 2021 remains unchanged.

[11] These figures compare total population with total households. There will be some residents that live outside of households (those in communal establishments, however no detail has yet been published on this subject from the Census. The comparison presented here is not an average household population, but a rate of people per household.

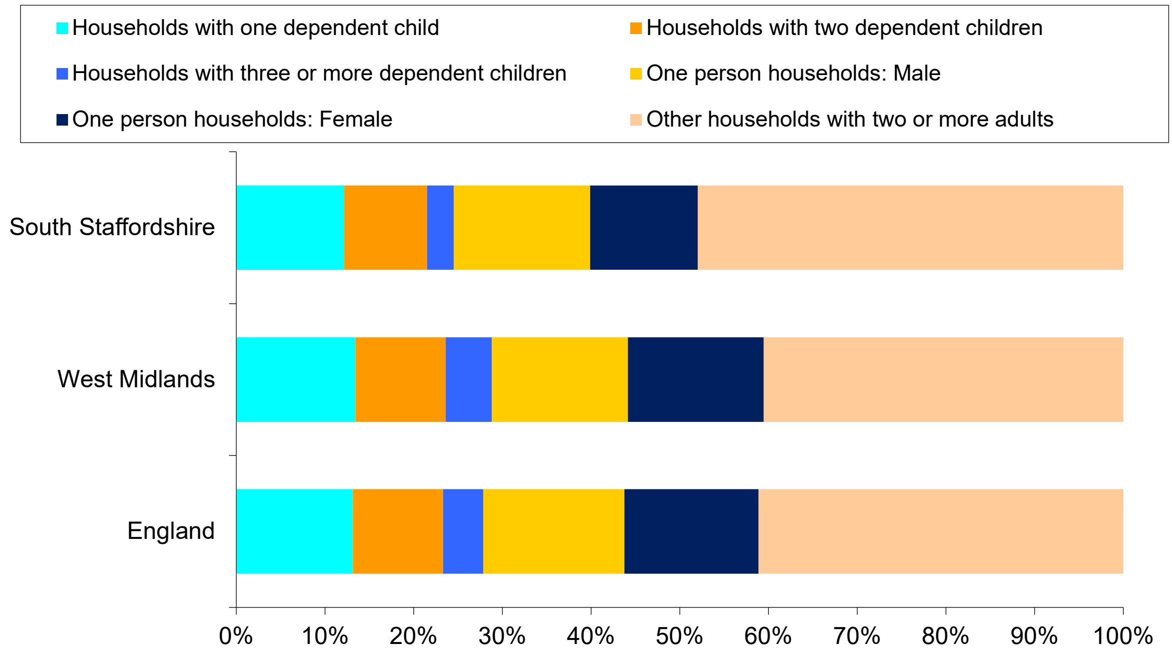
Table 2.1 Change in average indicative household size between 2011 and 2021

Location	*Average indicative household size in 2011*	*Average indicative household size in 2021*
South Staffordshire	2.43	2.40
West Midlands	2.44	2.45
England	2.54	2.54

Source: 2011 and 2021 Census

2.10 The 2021 Census outputs currently provide no detail on household composition. It is therefore necessary to use the 2018-based household projections to provide this detail. The figure below compares the household composition in South Staffordshire in 2020 with that recorded for the West Midlands region and England, as indicated by the 2018-based household projections. The data indicates that there are fewer households with dependent children and more other households with two or more adults in South Staffordshire than are recorded regionally and nationally.

Figure 2.3 Household composition in South Staffordshire, the West Midlands and England, 2020



* Source: 2018-based household projections

Economy

2.11 Considerable data is available on the economic context in South Staffordshire, which enables a profile of the current local economy to be presented.

Employment in South Staffordshire

2.12 NOMIS[12] data on 'job density' (this is a measure of the number of individual jobs[13] per person of working age) for 2020 shows that there are 0.62 jobs per working age person in the District, compared to 0.80 jobs per working age person across the West Midlands region and 0.85 for England as a whole. The level of job density nationally and regionally has fallen over the last two years (from 0.87 to 0.85 in the West Midlands and from 0.87 to 0.85 nationally), possibly reflecting the impact of the coronavirus pandemic. In South Staffordshire however, an increase in job density has been recorded over this period (from 0.57 to 0.62).

2.13 Measured by the ONS Business Register and Employment Survey, there were 34,000 individual employee jobs[14] in South Staffordshire in 2020. This is identical to the level recorded in the District in 2018. The number of employee jobs in the West Midlands has decreased by 0.5% between 2018 and 2020, compared to 0.7% nationally over the same time period. It is worth noting that all the figures produced by this data source are rounded to the nearest thousand so fluctuations will appear larger where there is a lower base population.

2.14 Data is also available from the ONS about the number of businesses in the area and how this has changed. This can provide an indication of the state of the economy as an increase in businesses would suggest either new companies moving to the area or an increase in local entrepreneurship. The ONS indicates that in 2021 there were 4,315 enterprises in South Staffordshire. A slightly higher proportion of enterprises were micro (with 9 or fewer employees) across South Staffordshire (90.6%) compared with the West Midlands (89.5%) and England (89.8%). In South Staffordshire the number of enterprises has decreased by 7.4% between 2019 and 2021 (a fall of 345), whilst the number of enterprises in the region grew by 2.6% over this period and nationally an increase of 1.9% was recorded.

Employment profile of residents in South Staffordshire

2.15 Although the overall economic performance of the District provides important context, an understanding of the effect of the economic climate on the resident population is more pertinent to this study.

2.16 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance in South Staffordshire, the West Midlands and England over the last

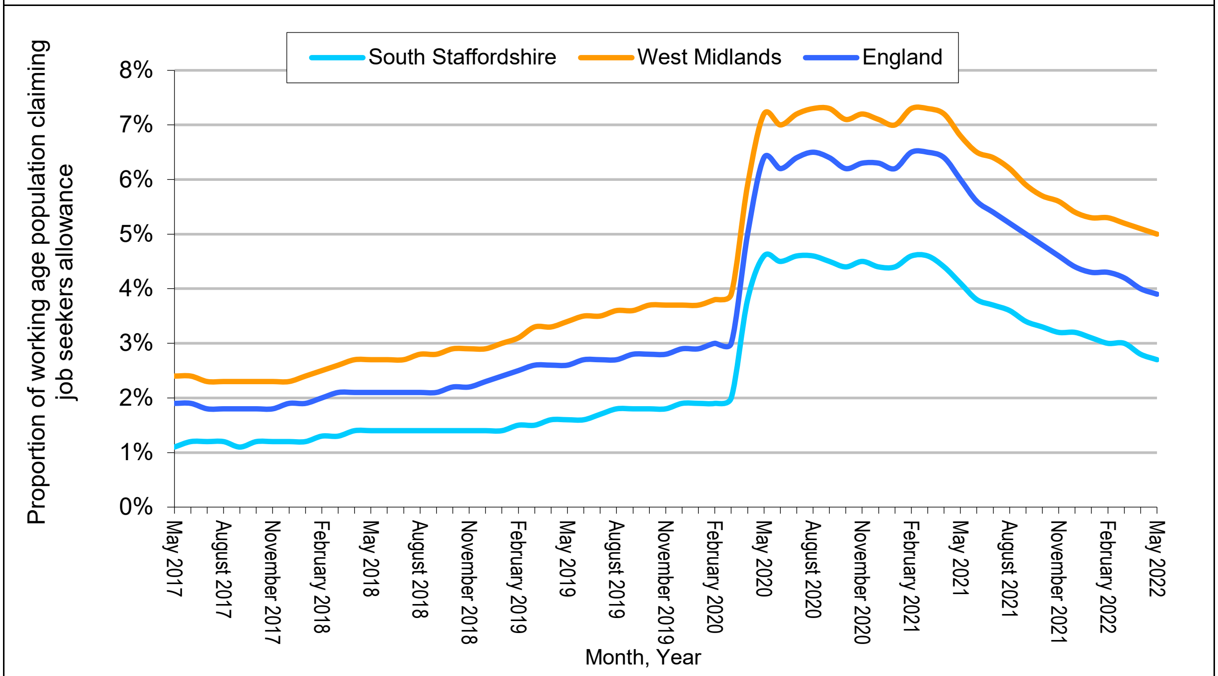
[12] NOMIS is a website provided by the Office for National Statistics that contains a range of labour market data at a local authority level. www.nomisweb.co.uk.

[13] Jobs includes employees (both full and part-time), self-employed, government-supported trainees and HM Forces.

[14] Employee jobs excludes self-employed, government-supported trainees and HM Forces. Employee jobs can be both part-time and full-time. Data also excludes farm-based agriculture.

five years. The figure indicates that, in all areas, the level of unemployment increased notably in Spring 2020, as restrictions were put in place in response to the coronavirus pandemic. The level of unemployment remained at this higher level for a year, before beginning to fall gradually. The figure indicates that the unemployment level in South Staffordshire, whilst fluctuating, has been lower than the national level and notably lower than the regional figure. Currently 2.7% of the working age population in South Staffordshire are unemployed, compared to 5.0% regionally and the national average of 3.9%. Over the last two years (between May 2020 and May 2022), unemployment has decreased in South Staffordshire by 34.7%, compared to a fall of 27.0% in the West Midlands and a reduction of 34.3% nationally.

Figure 2.4 Level of unemployment (2017-2021)



Source: ONS Claimant Count

2.17 The Annual Population Survey presents a 'Standard Occupation Classification' which categorises all working people resident within an area into one of nine groups depending on the nature of the skills that they use. These nine groups are graded from managerial jobs (Groups 1-3) to unskilled jobs (Groups 8-9). As the table below illustrates, some 53.6% of employed residents in South Staffordshire work in Groups 1 to 3, higher than the figure for the West Midlands region and England as a whole. Further analysis shows that, since 2016, there has been a considerable increase in the number of people resident in South Staffordshire employed within Groups 4 to 5 and Groups 1 to 3, and a notable fall in the number of people employed within Groups 8 to 9.

Table 2.2 Occupation structure (2021)				
Occupation Groups	*South Staffordshire*	*West Midlands*	*England*	*Change in # of people employed in South Staffordshire since 2016*
Group 1-3: Senior, Professional or Technical	53.6%	46.2%	50.0%	14.9%
Group 4-5: Administrative, skilled trades	25.3%	19.1%	18.9%	52.7%
Group 6-7: Personal service, Customer service and Sales	10.3%	16.3%	15.9%	-30.0%
Group 8-9: Machine operatives, Elementary occupations	9.1%	18.2%	14.9%	-63.8%
Total	100.0%	100.0%	100.0%	-

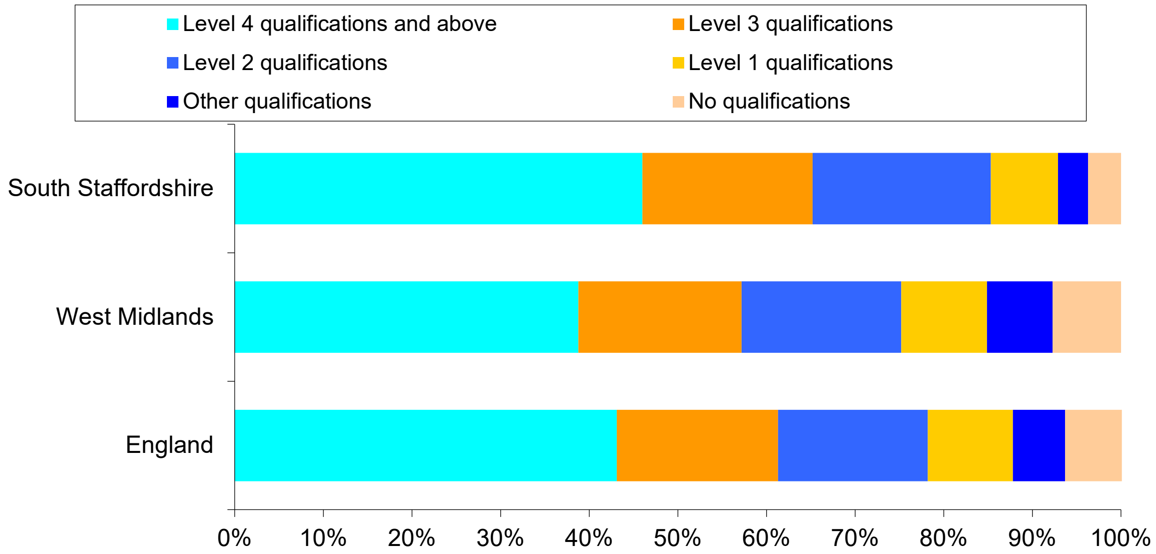
Source: Annual Population Survey, 2021

Qualifications

2.18 An important factor in the ability of any economy to grow is the level of skill of the workforce. The figure below shows the highest qualification level of the working-age residents of South Staffordshire, compared to the regional and national equivalents as recorded in the Annual Population Survey. Level 1 qualification is the lowest (equivalent of any grade at GCSE or O-Level) and Level 4 the highest (undergraduate degree or higher)[15]. The data indicates that 46.0% of working-age residents in South Staffordshire have Level 4 or higher qualifications, higher than the figures for the West Midlands region (38.8%), and also England (43.1%). South Staffordshire has fewer residents with no qualifications than is found regionally and nationally. It is important to note that, in South Staffordshire, the proportion of working-age residents with Level 4 qualifications or higher has increased notably since 2016 (by 24.5%).

[15] These definitions come from the data source (at www.nomisweb.co.uk/) and may differ slightly from the banding used on the guide to qualification levels located on the www.gov.uk site.

Figure 2.5 Highest qualification level of residents (2021)



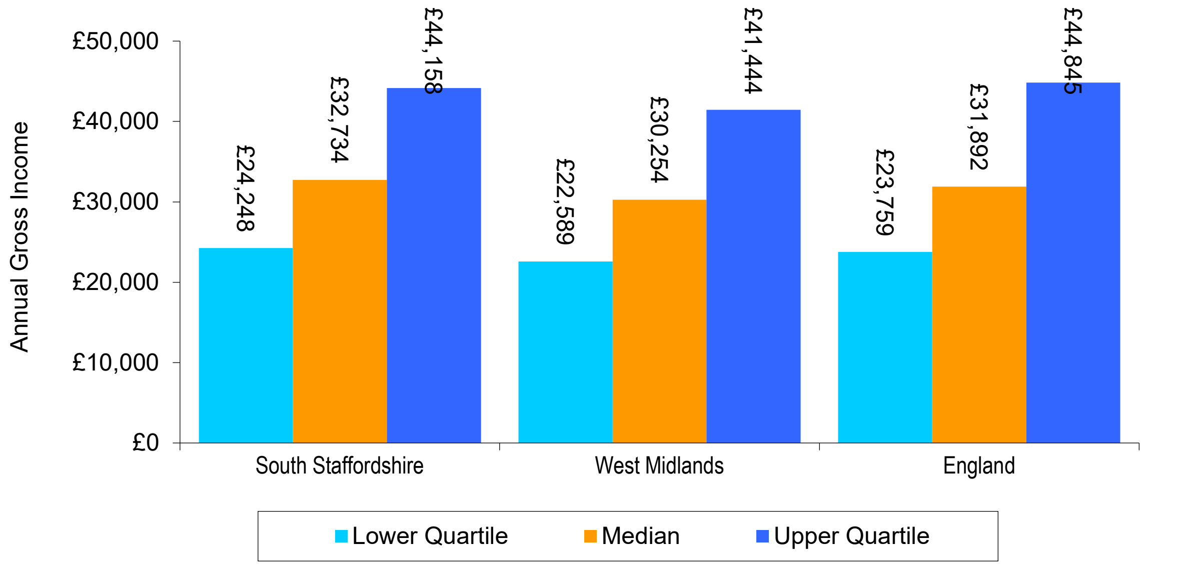
Source: Annual Population Survey, 2021

Income

2.19 Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned gross income for full-time employees resident in South Staffordshire in 2021 was £36,738, according to the ONS Annual Survey of Hours and Earnings. In comparison, the regional figure was £36,239 and the national average was £38,397. It is important to note that these figures assess individual incomes rather than household incomes. It should also be noted that the median figures (set out in the figure below) provide a more accurate average than the mean figures as they are less influenced by extreme values, however the mean figures are presented for context.

2.20 The figure below shows that despite England recording a higher upper quartile income, the lower quartile and median income levels are higher in South Staffordshire. At all points on the distribution, annual gross income in South Staffordshire is higher than the regional equivalents. In South Staffordshire there is a relatively small difference between higher earners and lower earners (in comparison to nationally).

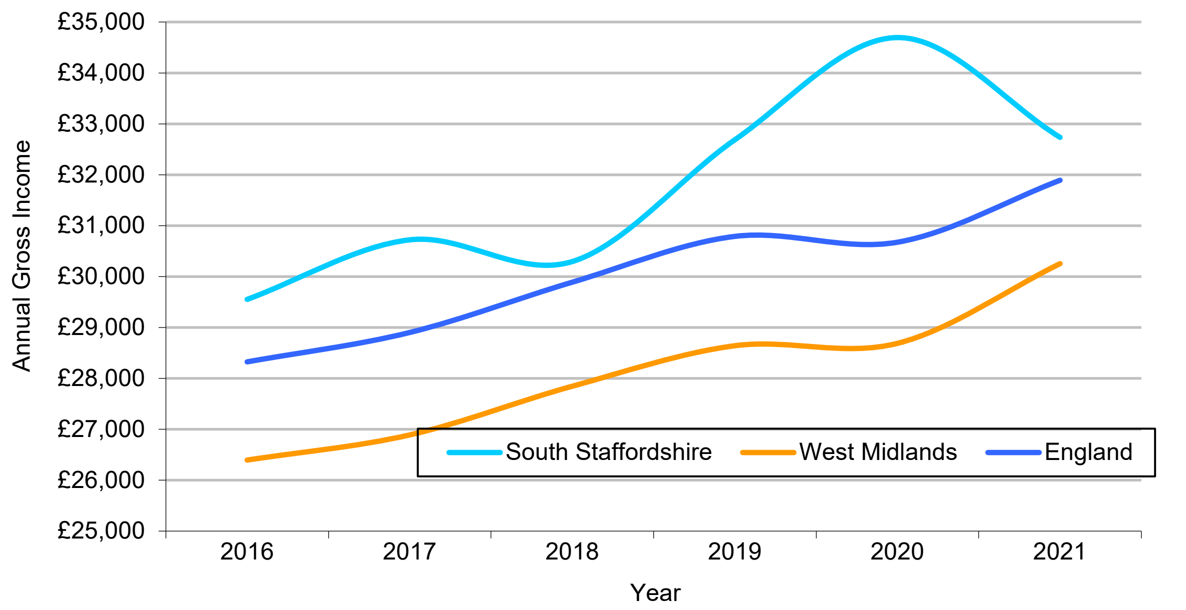
Figure 2.6 Annual gross income of full-time employed residents 2021



Source: ONS Annual Survey of Hours and Earnings (2021)

2.21 The figure below shows the change in the median income of full-time employees' resident in South Staffordshire, the West Midlands region and England since 2016. South Staffordshire has recorded the lowest increase since 2016 (at 10.8%) followed by England (12.6%), then the West Midlands (14.6%). The data for South Staffordshire fluctuates over this period to a greater degree than the regional and national figures because the sample of data it is based on is smaller. It is therefore more susceptible to year-to-year variation than the national and regional figures where outlying figures are subsumed within a larger sample.

Figure 2.7 Change in median annual income of full-time employed residents 2016-2021

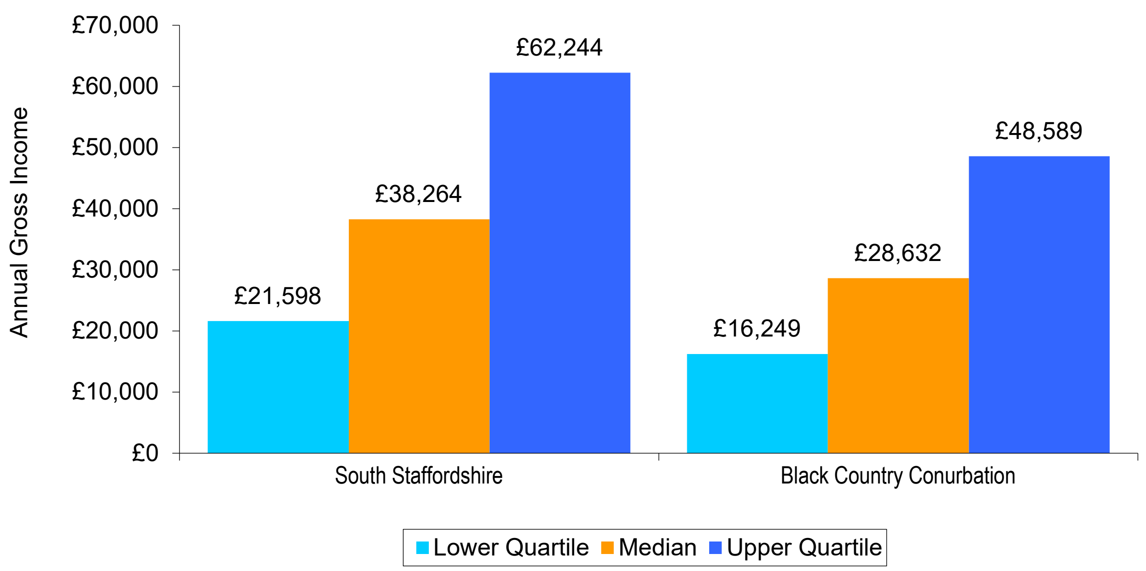


Source: ONS Annual Survey of Hours and Earnings (2016-2021)

Household income

2.22 CACI Paycheck[16] estimates that the mean gross annual household income in South Staffordshire is £46,255, which is 27.5% above the equivalent for the Black Country Conurbation[17] (£36,284). The figure below shows household income at various points on the income distribution for the District alongside the Black Country Conurbation equivalents. The data indicates that households in South Staffordshire are significantly more affluent than equivalent Black Country-wide households at all points on the income distribution.

Figure 2.8 Distribution of annual gross household income, 2022



Source: CACI Paycheck, 2022

[16] CACI is a commercial company that provides households income data.

[17] This is the four authority areas of Dudley, Sandwell, Walsall and Wolverhampton

3. The cost and affordability of housing

Introduction

3.1 An effective housing needs assessment is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter initially considers the cost of market housing in South Staffordshire in a regional and national context. Subsequently, it assesses the entry-level costs of housing across the different sub-areas in the District as well as the authority as a whole. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist. Finally, the chapter will report changes in affordability as well as the affordability of housing for different groups of the population currently.

Relative prices

3.2 The table below shows the average property price by dwelling type in 2021 in South Staffordshire, the West Midlands region and England as a whole as presented by the Land Registry[18]. The data indicates that, whilst the overall average property price in South Staffordshire is 12.9% lower than the national figure, it is 14.5% higher than the figure for the West Midlands. The data also shows that detached and semi-detached houses in the District are typically slightly more expensive than their regional equivalents, however terraced houses in South Staffordshire are notably more. In contrast, on average, flats in South Staffordshire are cheaper than the regional average.

3.3 The dwelling profile is not the same across the three areas (with South Staffordshire having a greater proportion of sales of detached houses and a notably smaller proportion of flats than nationally), so a mix adjusted average has therefore been derived to work out what the average price would be were the dwelling mix in South Staffordshire and the West Midlands to be the same profile as is recorded across England. The mix adjusted average price indicates that equivalent properties in South Staffordshire are around 24.7% lower than those found nationally and 2.6% higher than those across the West Midlands as a whole.

[18] http://landregistry.data.gov.uk/app/standard-reports/report-design?utf8=%E2%9C%93&report=avgPrice

Table 3.1 Average property prices* 2021						
Dwelling type	South Staffordshire		West Midlands		England & Wales	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£414,040	43.9%	£408,808	28.9%	£490,345	26.7%
Semi-detached	£234,748	35.1%	£233,986	35.1%	£303,948	29.3%
Terraced	£217,911	15.0%	£195,980	26.9%	£290,886	28.7%
Flat	£146,459	5.9%	£154,899	9.1%	£310,468	15.3%
Overall average price	£305,776	100.0%	£267,106	100.0%	£351,048	100.0%
Mixed adjusted overall average price	£264,403	-	£257,765	-	£351,048	-

*This is average price per sold property. Source: Land Registry, 2022

3.4 The average property price in South Staffordshire has risen by 19.0% between 2019 (the latest data available in the previous report) and 2021 compared to an increase of 17.2% nationally and a growth of 16.5% across the region. The number of sales in South Staffordshire over this period has grown by 29.2% compared to an increase of 13.0% in England and a rise of 16.4% for the West Midlands.

3.5 The table below shows the average private rents by dwelling size in 2020-2021 in South Staffordshire, the West Midlands region and England as recorded by the Valuation Office Agency. The data indicates that whilst the overall average rental price in South Staffordshire is 14.0% lower than the national figure, it is 8.9% higher than the figure for the West Midlands. The data also shows that three bedroom rents in the District are more expensive than their regional equivalent, however two and four bedroom rents are cheaper than the regional figure (with one bedroom rents the same in the two areas). The mix adjusted average rent indicates that equivalent properties in South Staffordshire are around 20.3% lower than those found nationally and 1.2% below those in the West Midlands.

Table 3.2 Average private rents in 2020-2021* (price per month)						
Dwelling size	South Staffordshire		West Midlands		England	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
One bedroom	45	£535	7,260	£535	92,820	£753
Two bedroom	220	£671	15,780	£682	202,580	£841
Three bedroom	235	£802	10,650	£794	119,780	£965
Four bedroom	60	£1,134	2,410	£1,205	37,250	£1,644
Overall average rent**	580	£772	38,540	£709	480,750	£898
Mixed adjusted rent	-	£716	-	£725	-	£898

* Recorded between 1 October 2020 to 30 September 2021 **This figure includes the rents for room and studio accommodation which are not presented in this table. Source: Valuation Office Agency, 2022

3.6 The average rents in South Staffordshire have risen by 5.5% between 2018-19 (the latest data available in the previous report) and 2020-21 compared to an increase of 4.7% nationally and a growth of 8.9% across the region. The number of lettings in South Staffordshire over this period has reduced by 6.5% slightly larger than the fall of 4.8% in England but smaller than the decrease of 15.0% for the West Midlands.

Price by sub-areas

3.7 The Council uses five sub-areas within the District for administrative purposes. These five sub-areas are defined by ward boundaries and have been created to reflect the different characteristics of the District that exist in the different parts of what is a large geographical area. The table below lists the wards that comprise the five sub-areas in South Staffordshire.

Table 3.3 Wards that comprise each sub-area

Sub-area	*Composite wards*
Northern	Penkridge North East and Acton Trussell, Penkridge West, Penkridge South East, Huntington and Hatherton
North Western	Brewood and Coven, Wheaton Aston, Bishopswood and Lapley
North Eastern	Cheslyn Hay North and Saredon, Featherstone and Shareshill, Essington, Cheslyn Hay South, Great Wyrley Town, Great Wyrley, Landywood
Central	Codsall North, Codsall South, Bilbrook, Perton Dippons, Perton Lakeside, Perton East, Pattingham & Patshull
Southern	Wombourne North & Lower Penn, Wombourne South West, Wombourne South East, Himley and Swindon, Trysull and Seisdon, Kinver

Source: South Staffordshire Council, 2020

3.8 The table below shows the average property price by dwelling type in 2021 in the five sub-areas in comparison to the figure for the District as a whole. The data indicates that whilst the detached and semi-detached houses and flats are most expensive on average in the Southern sub-area, terraced houses are most expensive in the North Western sub-area. The North Eastern sub-area records the lowest average price for all dwelling types. Generally, the Southern sub-area is most expensive, followed by the North Western sub-area with Central and Northern sub-areas very similar and the North Eastern sub-area cheapest.

Table 3.4 Average property prices in the sub-areas of South Staffordshire, 2021

Dwelling type	Central		North Eastern		North Western	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
Detached	163	£384,423	150	£341,514	65	£466,198
Semi-detached	139	£233,404	154	£209,921	52	£255,638
Terraced	47	£235,061	90	£182,228	21	£252,950
Flat	29	£150,510	14	£135,000	8	£133,625
Overall average price	378	£292,373	408	£249,621	146	£342,308
Dwelling type	Northern		Southern		South Staffordshire	
	No. of sales	Average price	No. of sales	Average price	No. of sales	Average price
Detached	114	£388,471	186	£498,783	697	£414,040
Semi-detached	91	£224,159	129	£260,997	557	£234,748
Terraced	34	£224,741	54	£242,415	238	£217,911
Flat	13	£88,862	34	£172,763	94	£146,459
Overall average price	252	£291,590	403	£360,810	1,587	£305,776

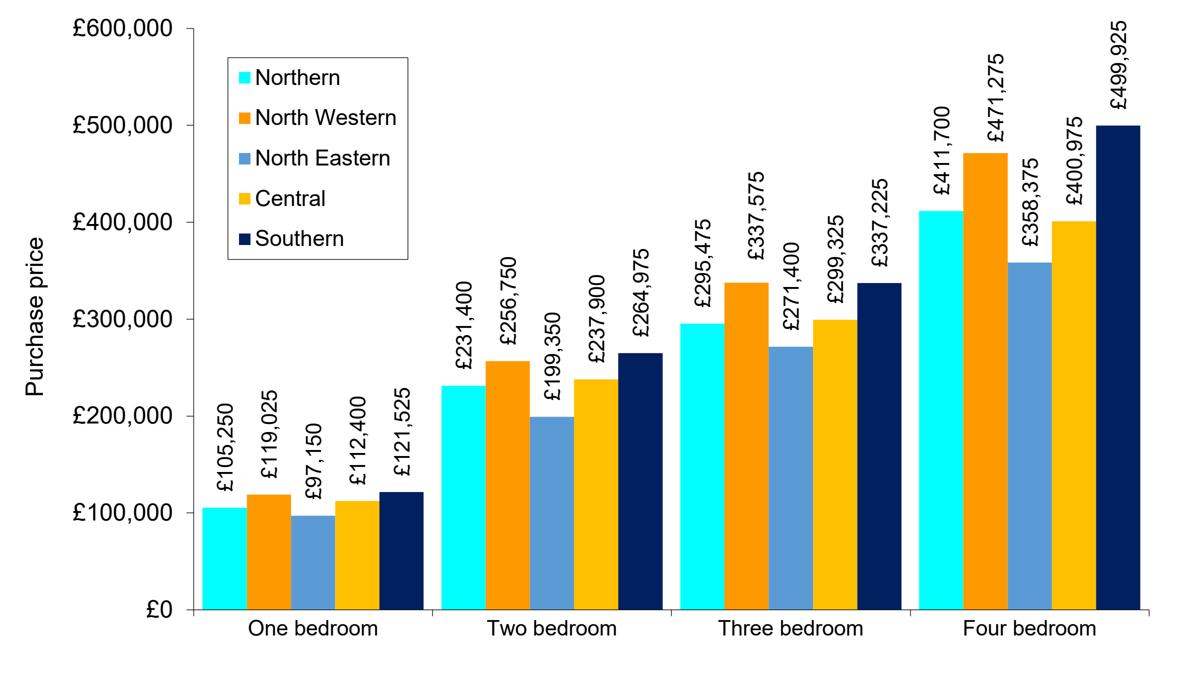
Source: Land Registry, 2022

The cost of housing

3.9 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. No published secondary data contains this information at a local authority level. As part of this study we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in South Staffordshire. At the time of the price survey there were over 850 homes advertised for sale, and over 160 properties available to rent in South Staffordshire, providing a suitably large sample size for this process.

3.10 Median property prices by number of bedrooms were obtained in each of the five sub-areas in the District via an online search of properties advertised for sale during June 2022. The results of this online price survey are presented in Figure 3.1. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower). The figure shows that, in all price areas other than the North Eastern sub-area, the difference between two and three bedroom homes is smallest. In the North Eastern sub-area, the relative difference in prices is smallest between three and four bedroom dwellings.

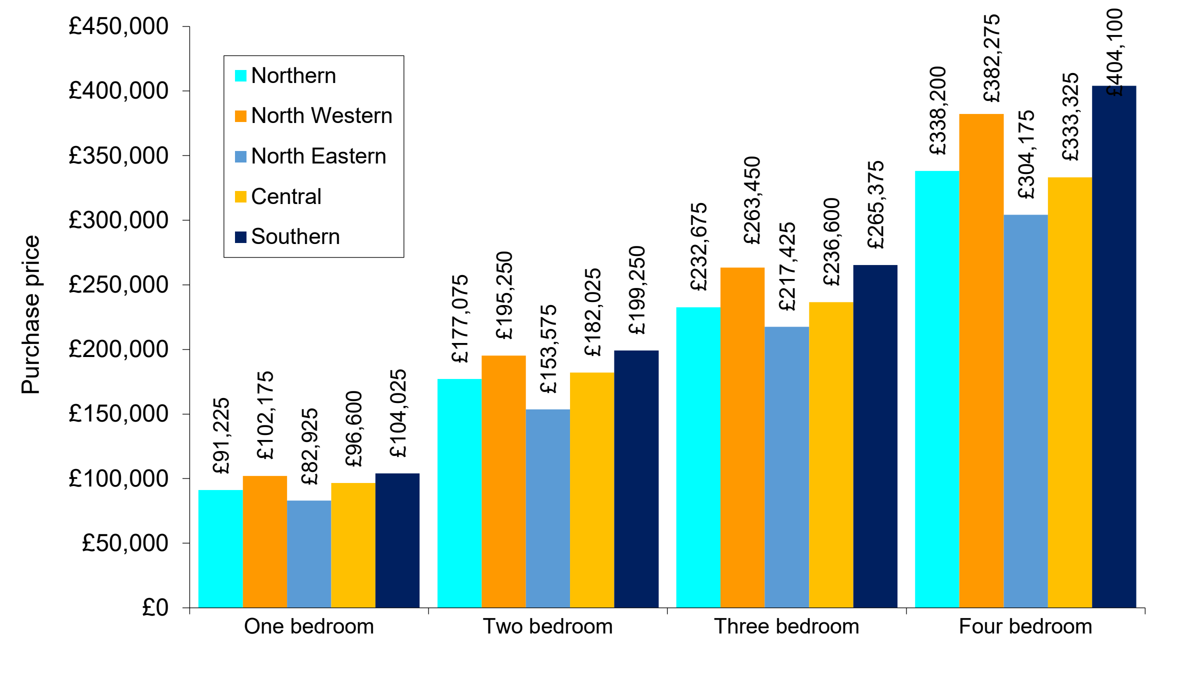
Figure 3.1 Median prices by size and sub-area



Source: Online estate agents survey June 2022

3.11 The online survey also collected information at different points of the price distribution. Entry-level property prices for each sub-area are presented in the figure below. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 021 Reference ID: 2a-021-20190220). This lower quartile price reflects the cost of a home in suitable condition for habitation, some of the properties available in the lowest quartile are sub-standard and will require modernisation and updating which will add further expense to the purchase price.

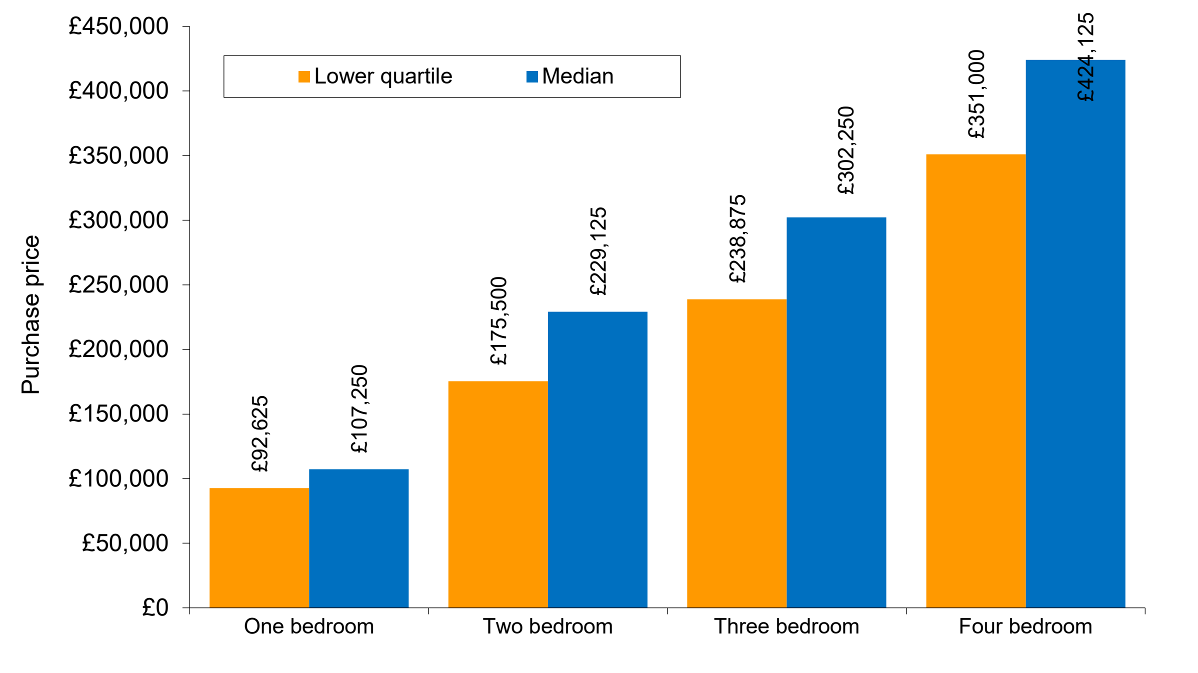
Figure 3.2 Lower quartile prices by size and sub-area



Source: Online estate agents survey June 2022

3.12 The analysis so far has considered price data by sub-area; however, it is useful to also present this information for the District as a whole. The figure below therefore shows median and entry-level property prices by number of bedrooms across South Staffordshire. The figure indicates that entry-level prices in the District range from £92,625 for a one bedroom home up to £351,000 for a four-bedroom property. Median prices are generally around 15-30% higher than entry-level prices. In terms of market availability, the analysis showed that three-bedroom properties are most commonly available to purchase in South Staffordshire, with four-bedroom homes the next most widely available. The smallest supply is of one-bedroom homes.

Figure 3.3 Property prices by size in South Staffordshire



Source: Online estate agents survey June 2022

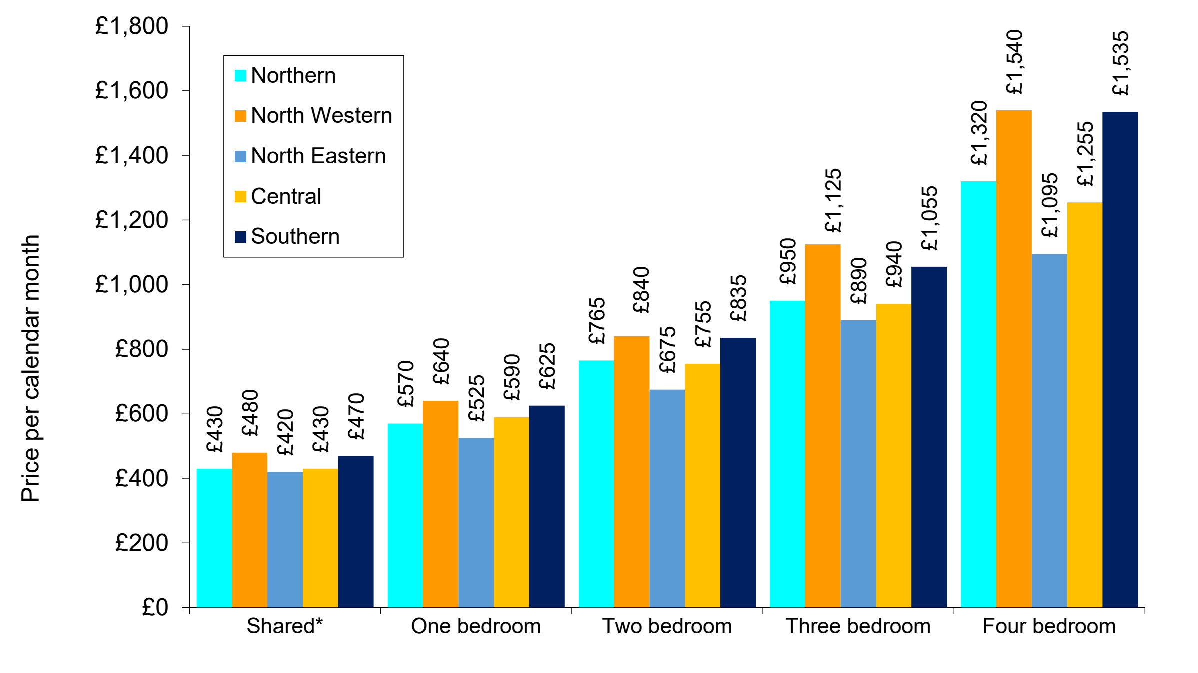
Private rents

3.13 Whilst private rent levels vary across the District, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as the condition and quality of the property. The median price for private rented accommodation by property size in each sub-area is presented in the figure below. The figure also includes the cost of a shared room within the private rented sector[19].

3.14 The figure shows that the smallest difference is between the cost of a two and three bedroom dwelling in the Northern, Central and Southern sub-areas, whilst the difference between one and two bedroom homes is smallest in the North Western sub-area and the difference between three and four bedroom homes is smallest in the North Eastern sub-area.

[19] The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person households of 35 or under and this group of households will be tested against its ability to afford this in the affordable housing needs model set out in Chapter 6.

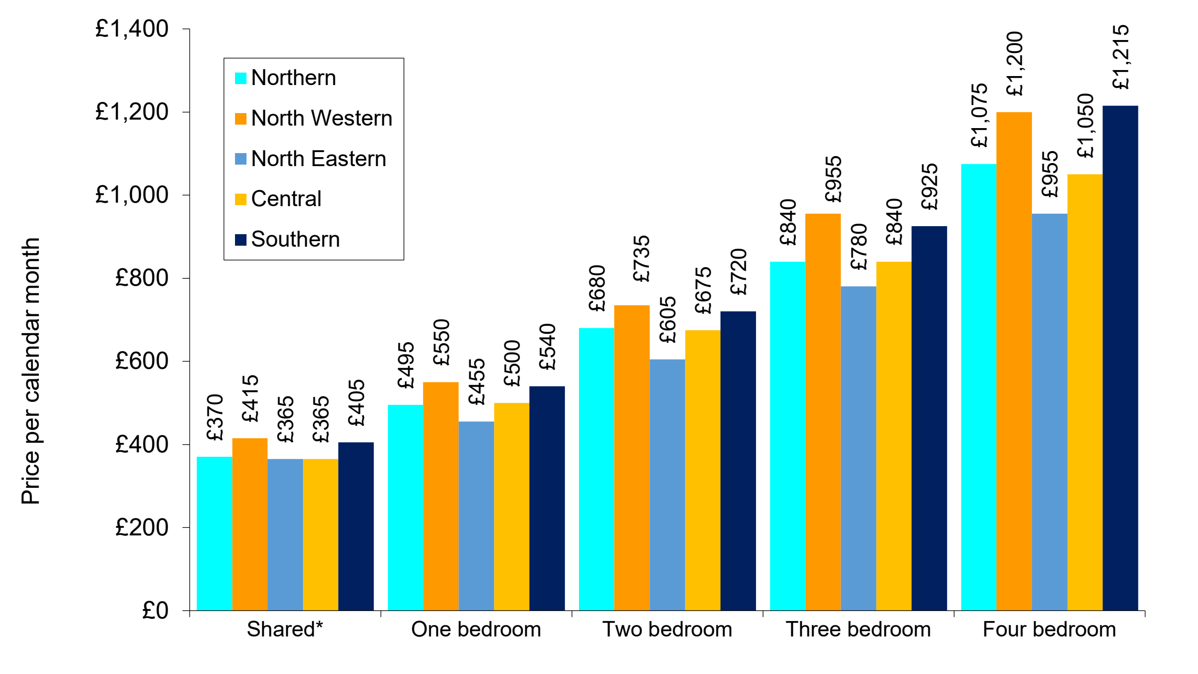
Figure 3.4 Median private rents by size and sub-area



* Shared room is a room in a shared dwelling. Source: Online estate agents survey June 2022

3.15 Entry-level private rents for each sub-area are presented in the figure below. Private rents are generally highest in the North Western sub-area, followed by the Southern sub-area, the Northern and Central sub-areas with the North Eastern sub-area cheapest.

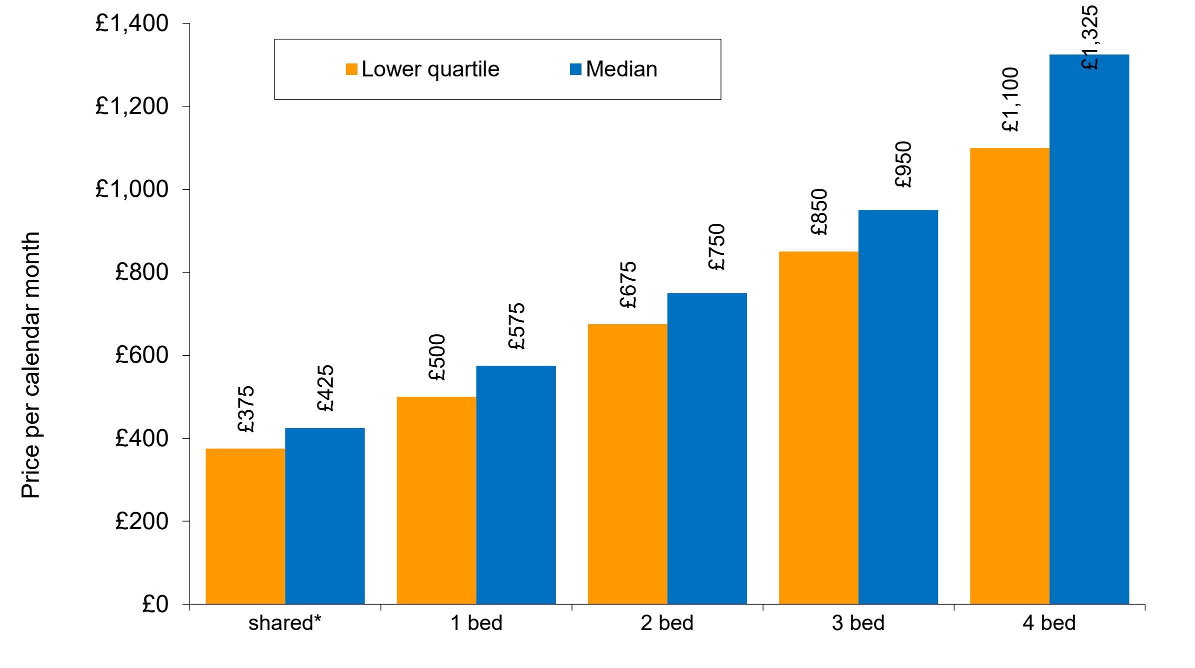
Figure 3.5 Lower quartile private rents by size and sub-area



* Shared room is a room in a shared dwelling. Source: Online estate agents survey June 2022

3.16 The entry-level and median price for private rented accommodation by property size across the whole of South Staffordshire is presented in the figure below. The figure indicates that entry-level rents range from £500 per month for a one-bedroom home, up to £1,100 per month for a four-bedroom property. The profile of properties available is somewhat different to that for purchase, with a greater proportion of one and two-bedroom homes available to rent in the District.

Figure 3.6 Private rents by size in South Staffordshire



* Shared room is a room in a shared dwelling. Source: Online estate agents survey June 2022

Social Rents

3.17 The cost of Social Rented accommodation by dwelling size in South Staffordshire can be obtained from the Regulator of Social Housing's[20] Statistical Data Return dataset. The table below illustrates the cost of Social Rented dwellings in South Staffordshire. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the Social Rented and market sectors.

20 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1027082/2021_RP_Lookup_tool.xlsx

Table 3.5 Average Social Rented costs (per month)	
Bedrooms	*Average cost*
One bedroom	£339
Two bedrooms	£379
Three bedrooms	£421
Four bedrooms	£458

Source: HCA's Statistical Data Return 2021

Affordable Rents

3.18 Affordable Rent was introduced in 2010 to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable housing in the NPPF, and is intended to house households on the Housing Register. It is not an intermediate product, but affordable housing for rent that coexists with the existing Social Rent tenure. The Council only has a small provision of affordable rented homes at present. All S106 rented properties in the District come forward as Social Rent, however, there are schemes led by Registered Providers that deliver some Affordable Rent. Whilst the majority of tenancies in South Staffordshire are Social Rent (both existing and new tenancies) in reflection of the Council's current affordable housing population, Affordable Rented accommodation is increasingly common in the District. Due to its different cost level, detail will be presented on its relative affordability in comparison with Social Rent where this is possible (in Chapter 5). The table below details the Affordable Rent levels charged in South Staffordshire. A comparison with median market rents indicates that Affordable Rent levels are around 45% to 65% of median market rents. The Council have worked with the Registered Providers to ensure that the Affordable Rents remain at a level that is affordable to local households.

Table 3.6 Average Affordable Rented costs (per month)	
Bedrooms	*Average cost*
One bedroom	£380
Two bedrooms	£454
Three bedrooms	£506
Four bedrooms	£549

Source: HCA's Statistical Data Return 2021

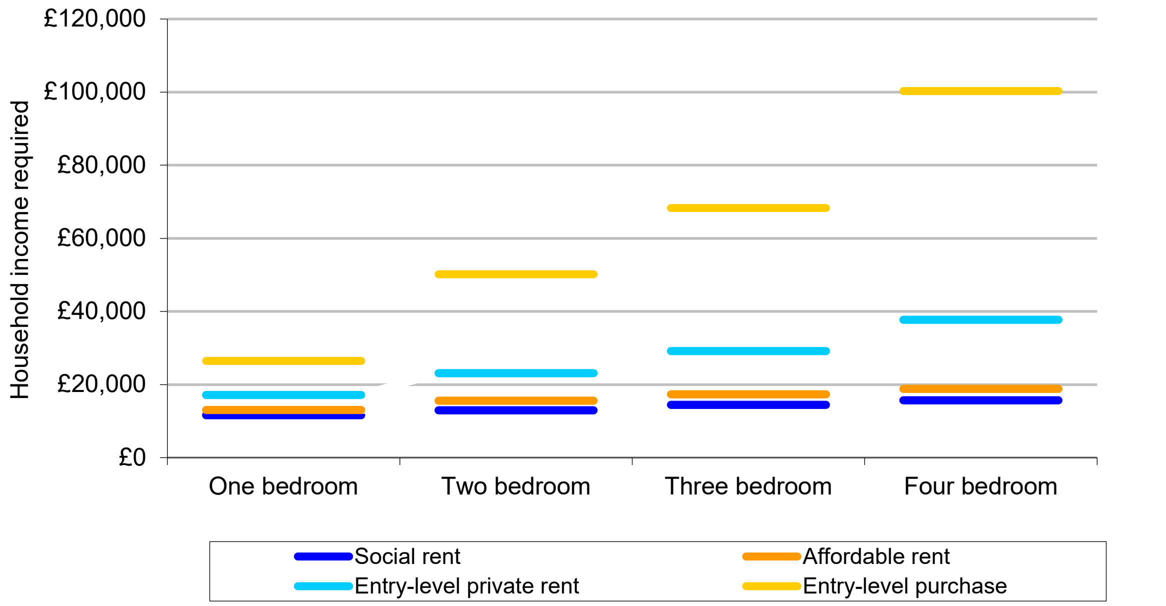
Analysis of housing market 'gaps'

3.19 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. The figure below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them.

3.20 To do this, we have divided the entry-level property price (set out in Figure 3.24) by 3.5[21] to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by 2.857 to produce a comparable figure. This latter step was carried out for Social Rents (set out in Table 3.5), Affordable Rents (set out in Table 3.6) and market rents (set out in Figure 3.6). These approaches assume a household spends no more than 35% (1/0.35 = 2.857) of gross household income on rent.

3.21 The figure shows a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these 'rungs of the ladder' helps assess the feasibility of households moving between the tenures – the smaller the gaps, the easier it is for a household to ascend the ladder.

Figure 3.7 Household income required to access housing in South Staffordshire, by number of bedrooms



Source: Online survey of property prices June 2022; HCA's Statistical Data Return 2021

3.22 The figure indicates that, for all dwelling sizes, the gap between Affordable Rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are large; an additional £19,000 per year is required to access a four bedroom private rented home over the cost of a four bedroom Affordable Rented property, with a further £62,500 in household income required to move to an owner-occupied home (the gap between Social rent and Affordable Rent is only £3,100 in comparison).

[21] The most recent data available from the Bank of England suggests that the multiple of 3.5 for owner-occupation is most appropriate. (https://www.bankofengland.co.uk/-/media/boe/files/statistics/mortgage-lenders-and-administrators/mlar-longrun-detailed.xlsx?la=en&hash=C19A1AC6C462416B0DA71926A744233793B8049B (table 1.31)).

3.23 The table shows the size of the gaps for each dwelling size in South Staffordshire. The table indicates, for example, that three-bedroom market entry rents in the District are 68.1% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for many households. The very large gap between market entry rents and market entry purchase in all cases indicates notable potential demand for part-ownership products for households in this gap. The small gap between Social Rent and Affordable Rent indicates how closely priced these two tenures are currently.

Table 3.7 Scale of key housing market gaps

Property size	*Social Rent < Affordable Rent*	*Affordable Rent < entry-level rent*	*Entry-level rent < entry-level purchase*
One bedroom	12.2%	31.5%	54.4%
Two bedrooms	19.7%	48.7%	116.7%
Three bedrooms	19.9%	68.1%	134.2%
Four bedrooms	19.9%	100.4%	165.9%

Source: Online survey of property prices June 2022; HCA's Statistical Data Return 2021

Intermediate products

3.24 A range of intermediate options are potentially available for households in South Staffordshire, the costs of these are profiled below.

Intermediate Rent/Rent-to-Buy

3.25 Rent-to-Buy is a route to home ownership where homes are let to working households at an Intermediate Rent (i.e. less than the full market rent) to give them the opportunity to save for a deposit to buy their first home. It is planned that, by landlords providing a discounted rent for tenants for a minimum of 5 years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available to tenants on the same basis as Social Rent.

3.26 Although the availability of Rent-to-Buy in the area is extremely limited currently, its potential suitability for households can be tested by modelling its theoretical cost. The table below sets out the costs of Intermediate Rent in South Staffordshire, presuming that the rent is set as 80% of median market rents. The table shows that, in all instances, Intermediate Rent is cheaper than market entry rent and can be considered an affordable product. In all cases, it is also more expensive than the Affordable Rent currently charged within South Staffordshire. As in all instances Intermediate Rent is more expensive than Affordable Rent (and is therefore serving a separate portion of the housing market), it will be considered for its suitability for meeting those in housing need in Chapter 6.

Table 3.8 Estimated cost of Intermediate Rent within South Staffordshire (monthly cost)			
Bedrooms	*Intermediate Rent*	*Entry-level private rent*	*Affordable Rent*
One bedroom	£460	£500	£380
Two bedrooms	£600	£675	£454
Three bedrooms	£760	£850	£506
Four bedrooms	£1,060	£1,100	£549

Source: Online survey of property prices June 2022; HCA's Statistical Data Return 2021

3.27 As the main purpose of this intermediate housing option is to allow households the opportunity to save for a deposit to buy their first home, it is useful to consider whether this product is likely to allow households to build up their savings sufficiently. The table below shows the average income of households in the private rented sector by number of bedrooms that they require[22] alongside the income required to afford the Intermediate Rent[23]. The cost of a 10% deposit[24] for an entry-level owner-occupied home is presented in the fourth column[25]. The next column indicates the time in years it would take on average for a household in the private rented sector to save enough money to afford the deposit required if they were to reside in a home available at Intermediate Rent[26]. The final column sets out the time it would take on average for a household to save for the deposit required were they to reside in entry-level private rented accommodation instead.

3.28 The table shows that households in the private rented sector in South Staffordshire that require a one-bedroom home would take on average 1.7 years to save enough money to afford a 10% deposit on a one-bedroom entry-level home to purchase in the District. If these households were to reside in a home priced at Intermediate Rent, they would be able to save for this deposit within 1.3 years. For all dwelling sizes in South Staffordshire, private rented households would be able to afford a 10% deposit notably quicker if they were to reside in a home priced at Intermediate Rent rather than within the private rented sector. For households requiring a three-bedroom home, the reduction in the amount of time required to save for a deposit is most dramatic.

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[22] The household income distribution differentiated by household type (summarised in Figure 3.11) has been adjusted to reflect that nationally the income of private rented households is 89.9% of the figure for all households (according to the English Housing Survey).

[23] Following the approach used in Figures 3.7 the annual Intermediate Rent was multiplied by 2.857 to produce a figure for the annual income required to afford this accommodation (based on 35% of gross income being spent on rent).

[24] This is the typical minimum level of deposit required.

[25] District-wide entry-level purchase prices are set out in Figure 3.3.

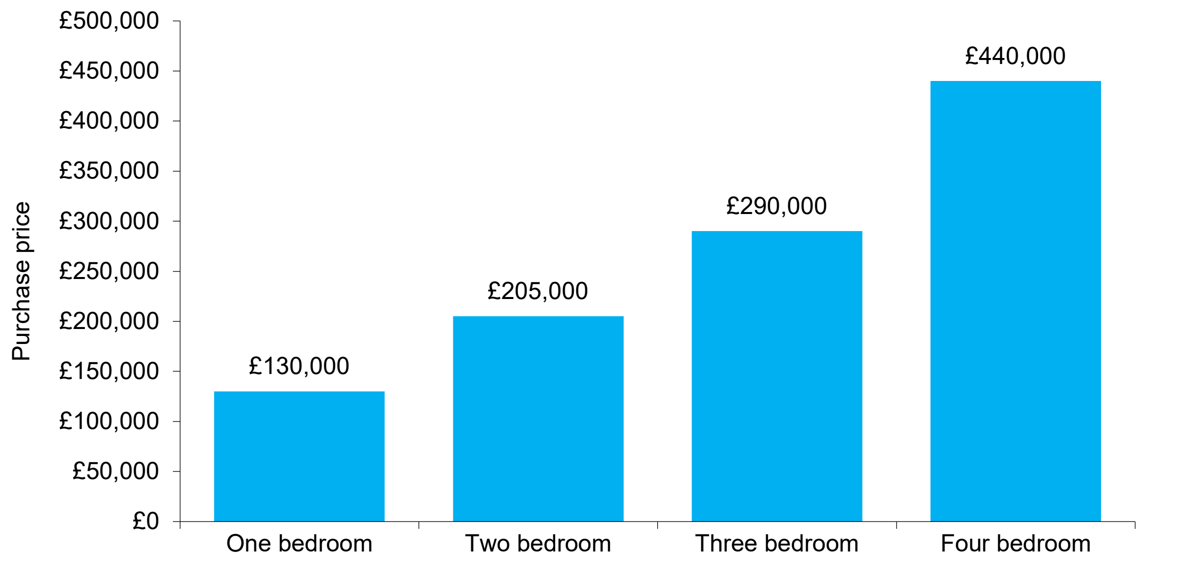
[26] This is calculated by taking the difference between the average income of households in the private rented sector and the income required to afford intermediate Rent housing and dividing this figure by the cost of a 10% deposit.

Table 3.9 Average time taken to afford a 10% deposit by households residing in Intermediate Rented accommodation					
Bedrooms	*Average income of applicable* households*	*Annual income required to afford Intermediate Rent*	*Cost of 10% deposit of entry-level owner-occupied home*	*Length of time in years taken to acquire deposit*	*Length of time in years taken to acquire deposit if household were to reside in private rented sector*
One bedroom	£22,704	£15,771	£9,263	1.3	1.7
Two bedrooms	£27,197	£20,571	£17,550	2.6	4.3
Three bedrooms	£31,870	£26,057	£23,888	4.1	8.8
Four bedrooms	£42,384	£36,343	£35,100	5.8	7.5

*This refers to households that would otherwise be renting in the private rented sector.

3.29 The remainder of the intermediate products profiled are principally available as a new home (whilst some products are available for resale, this supply is very limited). It is therefore useful to set out the purchase price of newbuild dwellings in South Staffordshire at the time of the price survey. These are set out in the figure below.

Figure 3.8 Newbuild home prices by size



Source: Online estate agents survey June 2022

Shared Ownership

3.30 The table below presents the estimated costs of Shared Ownership housing in South Staffordshire as obtained from the online estate agent survey. The open market values are based on newbuild prices set out above. The monthly costs of purchasing the property with a 40% equity share, with a 25% equity share and a 10% equity share are all presented. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 4.29%[27] paid on the equity share owned and a rent payable at 2.75% on the remaining equity (i.e. the part of the house not purchased).

3.31 The table shows that a 10% equity share Shared Ownership home is cheaper than market entry rented housing for one, two and three-bedroom homes, but more expensive for four-bedroom homes. A 25% equity share Shared Ownership is cheaper than market entry rent for one and two-bedroom homes, but more expensive for three and four-bedroom dwellings. A 40% equity share Shared Ownership is cheaper than market entry for one-bedroom accommodation whereas two, three and four-bedroom homes are more expensive than entry-level market to rent. All forms of Shared Ownership housing are however cheaper than entry-level home ownership in all instances.

Shared Equity

3.32 Shared Equity is a product similar to Shared Ownership that is typically offered by the private sector rather than Registered Providers. With Shared Equity a mortgage is offered on the equity owned but with no rent due on the remaining equity. Whilst Shared Equity is not confined to newbuild housing (whilst Shared Ownership is) and it can be used to access second-hand housing, in South Staffordshire it is only available on new dwellings. The typical proportion of the equity sold for a shared equity product is 75%. The monthly costs of purchasing a Shared Equity property with a 75% equity share are set out in the table below. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 4.29% paid on the equity share owned.

3.33 Shared Equity accommodation with a 75% equity share is more expensive than entry-level private rented accommodation for two to four-bedroom homes, but cheaper for one-bedroom properties. It is also more expensive than all sizes of Shared Ownership accommodation. It is however cheaper than entry-level home ownership in South Staffordshire for all property sizes other than one bedroom dwellings.

[27] This interest rate is available as a five-year fixed product to potential homeowners with a high loan to value ratio currently. It is also a rate with no additional product fee associated with it. Whilst there are lower interest rates available for those with lower loan to value ratios we are principally assessing households looking to purchase a home for the first time who are likely to have higher loan to value ratios. Lower interest rates are available for those choosing a shorter fixed term period, however we feel that the use of a five-year period provides a known cost for households becoming owners for a good amount of time.

Table 3.10 Estimated cost of intermediate housing in South Staffordshire (monthly cost)

Bedrooms	*Open market value*	*Shared Ownership – 40% equity*	*Shared Ownership – 25% equity*	*Shared Ownership – 10% equity*	*Shared equity*	*Entry-level private rent*	*Entry-level owner-occupation**
One bedroom	£130,000	£436	£384	£332	£482	£500	£458
Two bedrooms	£205,000	£687	£606	£524	£760	£675	£867
Three bedrooms	£290,000	£972	£857	£741	£1,075	£850	£1,181
Four bedrooms	£440,000	£1,475	£1,300	£1,125	£1,631	£1,100	£1,735

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 4.29%. Source: Online estate agents survey, June 2022

First Homes

3.34 On 24th May 2021 the Government brought to an end the period of consultation on a First Homes policy by publishing the First Homes Guidance[28]. First Homes are a new initiative to help deliver discounted homes to local people. They are intended to be newly built properties sold with a discount of at least 30% below market value. It is anticipated that no interest will be paid on the un-bought equity, rather, when the home is sold on in the future, it will be available at the same proportion of discount for which it was originally bought. First Homes are subject to price caps – outside of London a First Home cannot be sold for more than £250,000 (once the discount has been applied). The cap only applies to the first time that a First Home is sold – it does not apply to subsequent sales of the property.

3.35 Local Planning Authorities can set specific local connection restrictions provided they are evidenced; however, these restrictions should only apply for the first three months the property is available for sale, to ensure First Homes do not remain unsold[29]. First-time buyers are the target market for this product and this group is identified using the same definition that is used for Stamp Duty Relief for First-Time Buyers as set out in the Finance Act 2003. However, mechanisms also exist to help prioritise members of the armed forces and key workers.

3.36 Whilst the product is available to those with notable savings levels, First Homes can only be purchased using mortgage finance or equivalent which covers at least 50% of the purchase value. The product is not suitable for investors as a First Home can only be bought if it is the buyer's only home. Outside of London, households acquiring a First Home cannot have an income over £80,000. Whilst the Government does allow Local Planning Authorities to set

[28] https://www.gov.uk/guidance/first-homes

[29] Local connections can be applied to prioritise those currently resident in the District, those whose employment is crucial to the District's economy and those with family connections or caring responsibilities in the District. Local connections should be disapplied to those associated with the Armed Forces.

lower income caps, where the need and viability of this option can be evidenced, these local caps are time limited to the first three months that the property is for sale.

3.37 The guidance is clear that 30% is the minimum level of discount applied, however Local Planning Authorities will *'be able to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this'*[30]. It is useful therefore to understand whether a larger discount would be required in South Staffordshire currently. This is presented in the table below. The table suggests that a 30% discount will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation and will therefore address a gap in the housing market locally. The cost of a four bedroom home with a 30% discount however is above the £250,000 threshold set out in the First Homes Guidance, whereas smaller homes (3 or fewer bedrooms) are within it.

Table 3.11 A comparison of the potential price of a First Home with entry-level owner-occupation

Bedrooms	*Newbuild prices*	*Newbuild prices with a 30% discount*	*Entry-level owner-occupation*
One bedroom	£130,000	£91,000	£92,625
Two bedrooms	£205,000	£143,500	£175,500
Three bedrooms	£290,000	£203,000	£238,875
Four bedrooms	£440,000	£308,000	£351,000

Source: Online survey of property prices June 2022

3.38 Four bedroom homes with a 30% discount are still priced in excess of the cap level of £250,000 (a discount of 43.2% is required for a four bedroom home to be priced at the cap level of £250,000). It is therefore presumed that the cap will be the limiting factor for four bedroom homes, rather than the level of discount, and all modelling done on the future demand for four bedroom First Homes will be based on the assumption that they are available for £250,000.

3.39 It is useful to assess the ability of households to build up the 10% deposit likely to be required for a First Home in South Staffordshire. Following the approach used to produce the analysis set out in Table 3.9, the table below sets out the average time it would take for households resident in the private rented sector paying lower quartile rents to afford a 10% deposit for a First Home.

3.40 The table shows that many households in the private rented sector would be able to build up the deposit required for a First Home in between 1.6 and 7.4 years. Although it will prove a useful entry-point for many households, it will be unobtainable for a notable number of households in the private rented sector.

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[30] Paragraph: 004 Reference ID: 70-004-20210524

Table 3.12 Average time taken for households residing in the private rented sector to afford a 10% deposit for a First Home				
Bedrooms	*Average income of applicable* households*	*Annual income required to afford entry-level private Rent*	*Cost of 10% deposit of discount market housing*	*Length of time in years taken to acquire deposit*
One bedroom	£22,704	£17,143	£9,100	1.6
Two bedrooms	£27,197	£23,143	£14,350	3.5
Three bedrooms	£31,870	£29,143	£20,300	7.4
Four bedrooms	£42,384	£37,714	£25,000	5.4

*This refers to households that would otherwise be renting in the private rented sector

Local Housing Allowance

3.41 Local Housing Allowance (LHA) is the mechanism for calculating Housing Benefit and the housing element of Universal Credit outside of the Social Rented Sector. It is designed to assist people in their ability to pay for their housing, however there is a limit as to how much financial assistance will be provided dependent on the location and size of the property. The LHA cap sets out what this maximum limit for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. If the rent charged is in excess of this cap, it is the responsibility of the household to pay the shortfall.

3.42 The table below sets out the monthly LHA caps that apply in South Staffordshire, which is covered by three BRMAs – the majority of the District is within the Black Country BRMA, with a portion of households in the west of the District in the Shropshire BRMA and the north of the District in the Mid Staffs BRMA. A comparison with the Affordable Rent levels in South Staffordshire (set out in Table 3.6) indicates that the local Affordable Rents are currently cheaper than the LHA caps for all dwellings sizes in all three BRMA areas. A comparison with the entry-level private rents in South Staffordshire (set out in Figure 3.5) suggests that the LHA caps are 15-30% lower than entry-level private rent. This means that households in receipt of the full LHA applicable in the private rented sector are likely to need additional income sources to be able to pay for their rent.

Table 3.13 Local Housing Allowance Cap (per month)			
Bedrooms	*Black Country BRMA*	*Mid Staffs BRMA*	*Shropshire BRMA*
Shared room	£261	£291	£325
One bedroom	£398	£424	£399
Two bedrooms	£509	£549	£524
Three bedrooms	£593	£648	£623
Four bedrooms	£748	£848	£793

Source: Valuation Office Agency 2022

Affordability of housing

3.43 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. As discussed further in Chapter 4, the affordability ratio is currently 8.43 in South Staffordshire (with a figure over 4 indicating a market adjustment is required). In comparison, the affordability ratio in 2021 in the West Midlands was 6.94, whilst the national figure was 9.05. The affordability ratio in South Staffordshire has risen from 7.39 since 2018 (the latest figure at the time of the last report). In comparison, over the same time period, the affordability ratio has risen from 6.78 in the West Midlands and from 8.00 nationally.

Affordability for specific household groups

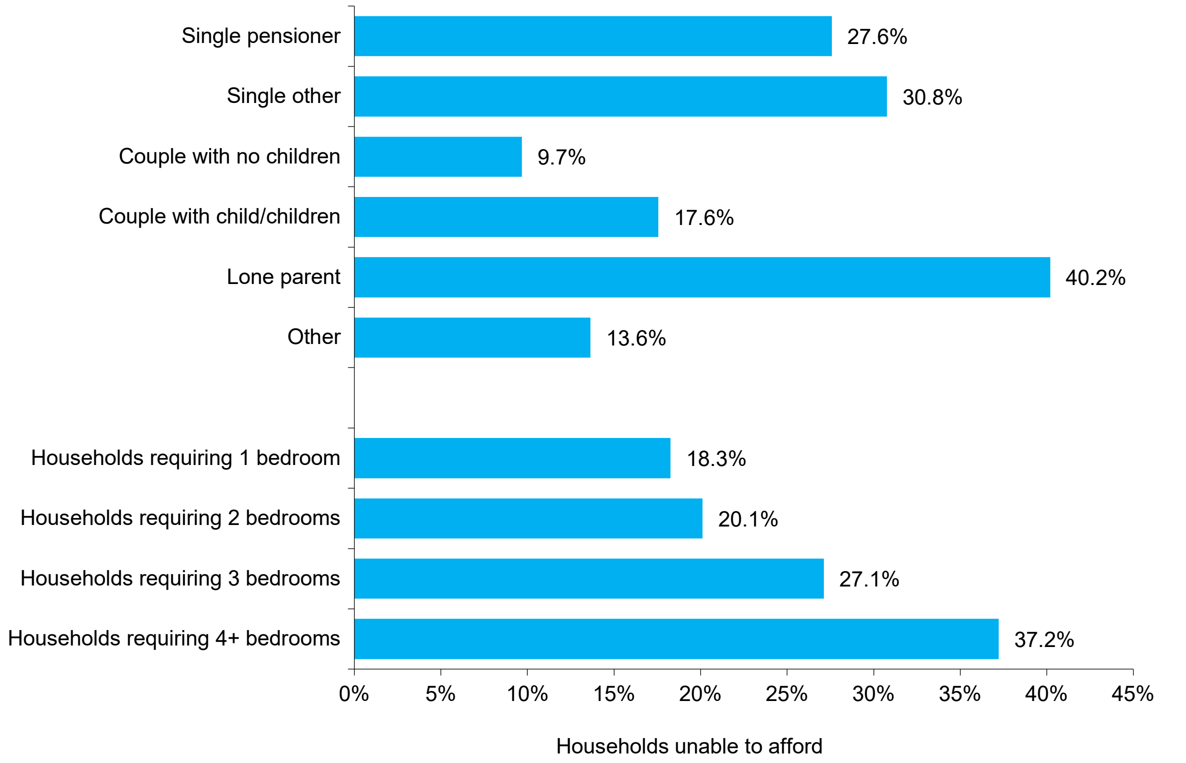
3.44 The household income distribution referred to in Figure 2.8, differentiated by household type, can be used to assess the ability of households in South Staffordshire to afford the size of home that they require (according to the bedroom standard[31]). The entry-level cost of housing by bedroom size is presented in Figures 3.3 and 3.6 and the test is based on the affordability criteria discussed above.

3.45 The figure below shows the current affordability of households in South Staffordshire by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move. It is used to just demonstrate the comparative affordability of different household groups for contextual purposes and does not represent information that the Council needs to plan against.

3.46 The data indicates that 40.2% of lone parent households in South Staffordshire would be unable to afford market housing (if they were to move home now). Single person households are also relatively unlikely to be able to afford, whilst couple households without children are most likely to be able to afford market housing in the District. Households requiring a four-bedroom home are least likely to be able to afford this size of market housing in South Staffordshire.

[31] This is the number of bedrooms that is required and is calculated depending on the age, sex and relationship status of the members to the household. A separate bedroom is allocated for each couple and any single person aged 21 or over. Any children aged 10-20 of the same sex is presumed to be able to share a bedroom as are each pair of children under 10 (regardless of gender). Any unpaired child aged 10-20 is paired, if possible, with a child under 10 of the same sex, or, if that is not possible, they are counted as requiring a separate bedroom, as is any unpaired child under 10.

Figure 3.9 Theoretical affordability of market housing*



*Unable to afford both entry-level private rent and entry-level home ownership

4. Overall housing need

4.1 The NPPF indicates that planning authorities should use the Standard Method to establish the overall need for housing. The Standard Method was introduced in 2018 to allow a simple and transparent assessment of the minimum number of homes needed in an area. The full Standard Method was then set out within the PPG published in February 2019[32]. In August 2020, the Government opened a consultation on changes to the Standard Method[33], which led to a revised Standard Method being published within the PPG on 16th December 2020.

4.2 The revised Standard Method calculation retains the majority of the features of the previous iteration to retain stability in the plan-making process, however greater emphasis has been placed on delivering houses in the largest urban areas with the addition of a further step in the calculation that affects the 20 largest cities in England. The aim is to ensure that the Government's ambition for 300,000 new homes per year nationally is deliverable, but the strain is not too great in rural areas and instead there will be greater opportunity for development on brownfield sites in large cities. This prioritization of large cities is intended to make the best use of existing infrastructure, to provide the flexibility for housing development to respond to the structural change currently taking place the retail and commercial sector related to both technological developments and behavioral changes resulting from the coronavirus pandemic, and finally to reduce the environmental impact of new housing development. The approach is still based on a standardised calculation using publicly available data.

4.3 This chapter will describe the steps involved in the revised Standard Method, following the approach described in the revised PPG[34]. It is expected that the authority will follow the Standard Method to determine the minimum annual local housing need figure. The latest approach will be followed to calculate the housing need figure for South Staffordshire. The PPG makes it clear that, whilst it is not mandatory, any deviation from the Standard Method should only be pursued in exceptional circumstances. However, this does not mean that the Council cannot decide to pursue a figure higher than that indicated by the Standard Method, Paragraph 10 of the PPG[35] states: '*The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. 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.*'

4.4 This chapter sets out the policy-off calculation of the Standard Method figure.

[32] All the steps were described in paragraph 004 (Reference ID: 2a-004-20190220)

[33] See footnote 5.

[34] All the steps are described in paragraph 004 (Reference ID: 2a-004-20201216).

[35] Reference ID: 2a-010-20201216.

Step 1 – Setting the baseline

4.5 The baseline is set using the 2014-based household projections in England[36]. The PPG indicates that '*Using these projections, calculate the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period)*.' The table below sets out the results of Step 1 of the Standard Method. The baseline figure in the South Staffordshire for the current year of 2022 is therefore 189.

Table 4.1 Calculating the baseline figure in South Staffordshire			
Local authority area	*Totals households in 2022*	*Totals households in 2032*	*Average annual household growth*
South Staffordshire	48,188	50,076	189

Source: 2014-based household projections, 2016

Step 2 – An adjustment to take account of affordability[37]

4.6 The average annual projected household growth figure produced in Step 1 should then be adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios.[35] Paragraph 006 of the PPG[36] describes why an affordability ratio is applied, to account for any constrained household formation and to ensure that people aren't prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace.

4.7 The PPG is also absolute that the affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG[38], which states that '*the standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.* Furthermore Paragraph 002 of the PPG[39] makes it clear that following the Standard Method is sufficient to address any historic under-supply.

[36] https://www.gov.uk/government/collections/household-projections. Paragraph 005 of the PPG (Reference ID: 2a-005-20190220) states that the 2014-based projections are used (in preference to the more recently published 2016-based projections) as they are more suitable for meeting *'the Government's objective of significantly boosting the supply of homes.'*

[37] Paragraph 006 of the PPG (Reference ID: 2a-006-20190220) describes why an affordability ratio is applied – principally to account for any constrained household formation and to ensure that people aren't prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace. The affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG (Reference ID: 2a-011-20190220).

[38] Reference ID: 2a-011-20190220

[39] Reference ID: 2a-002-20190220

4.8 An affordability adjustment is only required where the ratio is higher than 4 and *'for each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent.'* The full formula is detailed in the PPG:

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

4.9 The table below sets out the results of Step 2 of the Standard Method calculation for South Staffordshire. The baseline figure, adjusted to take account of the 2021 affordability ratios in the District, is 241.

Table 4.2 Adjusting to take account of affordability				
Local authority area	*Current affordability ratio (a)*	*Adjustment factor (((a-4)/4)*0.25)+1*	*Baseline figure*	*Baseline figure adjusted for affordability*
South Staffordshire	8.43	1.2754875	189	241

Source: Ratio of median house price to median gross annual workplace-based earnings by local authority 2021

Step 3 – Capping the level of any increase

4.10 As the PPG describes:

> *A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing. Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.[40]' Alternatively 'where the relevant strategic policies for housing were adopted more than 5 years ago…, the local housing need figure is capped at 40% above whichever is the higher of:*
>
> a. *the projected household growth for the area over the 10-year period identified in step 1; or*
>
> b. *the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).*

4.11 In South Staffordshire, the most recent planning document is the Council's 2012 Core Strategy. This is over five years old, so the second of the two approaches described by the PPG is applied.

4.12 The first potential cap is based on a 40% increase of the annual household growth identified in Step 1. This cap is therefore 264 in South Staffordshire (189 x 1.4). The second potential cap is based on a 40% increase to the annual housing requirement set out in the 2012 Core

[40] *'This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and found to not require updating.'*

Strategy. This document stated an aim to build at least 3,850 dwellings in the District over 22 years, an annual total of 175. This second cap is therefore 245 in South Staffordshire (175 x 1.4).

4.13 The first of the two caps is higher and represents the upper boundary for any increase, however the annual local housing need figure of 241 per year in South Staffordshire is within this cap and therefore the cap does not need to be applied.

Step 4 – Cities and urban centres uplift

4.14 This is the step that has been introduced within the December 2020 modifications to the calculation. The PPG states that, after the housing need figure has been adjusted as a consequence of the cap, *'a 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.'* The PPG advises that the list of the top 20 cities and urban centres in England is identified by ranking the ONS's list of Major Towns and Cities by population size based on the most recent mid-year population estimates.

4.15 The boundaries of the urban areas created by the ONS's method for identifying the major towns and cities in England are not conterminous with local authority boundaries, with urban areas often spread over several local authorities. The PPG therefore clarifies that it is only the 20 authorities which contain the largest proportion of the city or urban centre's population in which the 35% uplift is applied – any other local authority in which the urban area is partly situated is not required to apply the uplift[41]. The PPG finally lists the twenty largest cities and urban centres, as at December 2020, as London, Birmingham, Liverpool, Bristol, Manchester, Sheffield, Leeds, Leicester, Coventry, Bradford, Nottingham, Kingston upon Hull, Newcastle upon Tyne, Stoke-on-Trent, Southampton, Plymouth, Derby, Reading, Wolverhampton, and Brighton and Hove.

4.16 Wolverhampton features on the list (the 19th largest urban area) and whilst the city boundary identified by the ONS is partly within South Staffordshire, the overwhelming majority of the city is located in the Borough of Wolverhampton and the 35% uplift figure should therefore only be applied there and no adjustment is required to the figure for South Staffordshire.

Overall level of housing need

4.17 The final housing need in South Staffordshire, as assessed using the revised Standard Method in 2022, is **241** dwellings per year. Paragraph 008 of the PPG[42] notes that whilst *'the standard method may change as the inputs are variable…, local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.'* As noted in Paragraph 012 of the

[41] In London the uplift applies to all the authorities that comprise Greater London.

[42] Reference ID: 2a-008-20190220

PPG[43], this approach provides an annual figure which can be applied to a whole plan-period. The NPPF requires strategic plans to identify a supply of sites for 15 years and therefore the Local Plan for South Staffordshire is intended to run from 2018 to 2039 (which equates to 15 years post adoption). The Council is intending that the evidence base will cover the period up to 2040 to account for any potential delays in the examination process. The modelling of the Local Housing Need will therefore be presented up to 2040 to facilitate this.

4.18 The Council already has dwelling completions for 2018 to 2021, which amount to 749 homes. It is estimated that a further 243 have been delivered between 2021 and 2022. This means that for the first four-years of the plan-period an average of 248 homes have been delivered each year, in excess of the level of housing need of 241. From 2022 onwards, the Council is intending to deliver 241 homes annually as required by the standard method local housing need calculation. Across this twenty-two-year modelling period (2018 to 2040) a minimum of **5,330** new additional homes should be planned for in South Staffordshire (992 between 2018 and 2022 and 241 per year post-2022)[44].

A suitable baseline

4.19 In June 2022 the headline results from the 2021 Census were published. This extended to data on the total population and age and gender profile of areas of the country. These can be compared with the most recent population projections, which are used to inform the local housing need calculations. If the Census indicates that the population in 2021 is notably different to these projections it is likely that the next iteration of the projections will be materially different and the future population to which the Council is planning toward will need to be remodelled.

4.20 The table below sets out the population in 2021 nationally, regionally and in South Staffordshire, as indicated by the 2018-based projections, the 2014-based projections and the 2021 Census. The 2020 mid-year population estimate is also presented for reference as well.

Table 4.3 Population estimates 2021

Data source	*South Staffordshire*	*West Midlands*	*England*
2014-based projected estimate	112,700	5,854,000	57,248,400
2018-based projected estimate	113,107	6,024,087	56,989,570
2021 Census	110,500	5,950,800	56,489,800
Mid-year estimate for 2020	112,400	5,961,900	56,550,100

Source: Office of National Statistics

[43] Reference ID: 2a-012-20190220

[44] The Council's plan period runs from 2018-2039 and is therefore planning for 9,089 homes in total (a Local Housing Need of 5,089 homes and 4,000 home contribution to unmet needs).

4.21 At a national level, the Census has reported a lower population in 2021 than estimated for 2020 in the 2020 mid-year estimates and a notably lower population than was projected for 2021 in both the 2014-based and 2018-based projections. The most likely reason for lower population growth on a national level is Brexit, with the 2014-based projections (which recorded the highest projected population in 2021) being pre-Brexit and containing a projection with too high international migration. The largest discrepancy between the Census and the 2014-based projections relates to London, where the impact of international migration trends is likely to be most pronounced. The potential effect of the coronavirus pandemic on these population figures has not been fully explored yet.

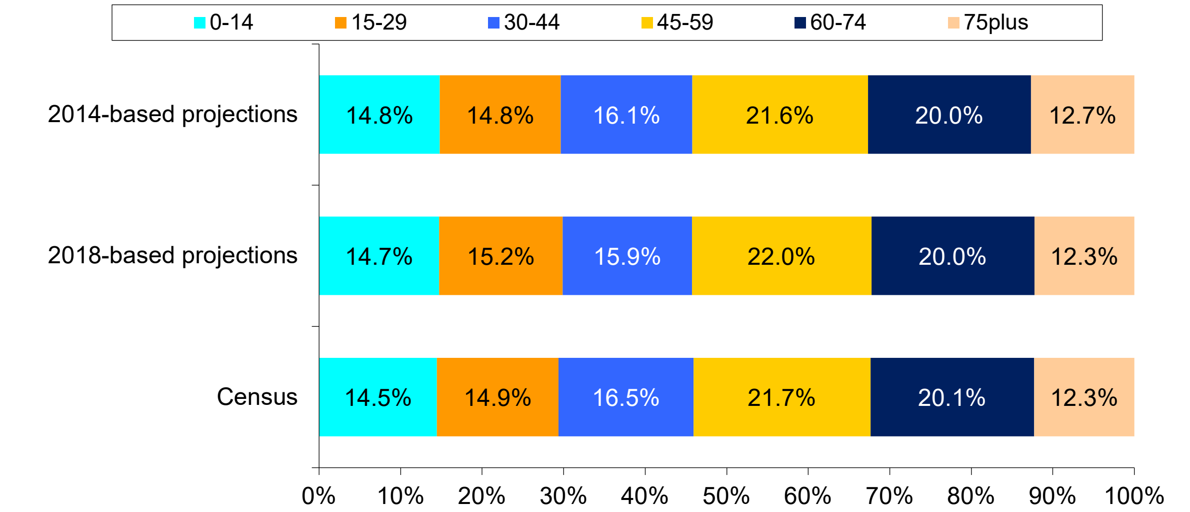
4.22 The pattern of the figures for the West Midlands is notably different. The Census figure for 2021 is markedly higher than the 2021 estimate from the 2014-based projections. The Census figure however is slightly lower than the estimate for 2020 in the mid-year estimates and also the population projected for 2021 in the 2018-based projections. This suggests that the national divergence from the projections is not as great at a regional level.

4.23 Finally, the figures in South Staffordshire follow the overall national pattern, with the population in 2021 notably lower than that estimated from either of the projections and also the estimated 2020 population. It is unlikely that Brexit is the sole cause for this difference in the District, however until further detail is presented by the Office of National statistics on the reconciliation between these data sources, all we can do to investigate further is to compare the age profiles for 2021 from the different sources.

Age profile

4.24 The figure below compares the age profiles in 2021 from three different sources, the 2021 Census, the 2014-based projections and the 2018-based projections. Unsurprisingly, there are not huge differences in the age structure recorded, however in the 2021 Census the proportion of the population aged between 30 and 44 is higher than was estimated by both the 2014 and 2018-based projections. This is the age group that is typically most economically active. By contrast the proportion of the population aged under 15 according to the Census is lower in 2021 than was projected in both versions. The proportion of older persons recorded in 2021 in the Census is lower than was projected for the year in 2014.

Figure 4.1 Age structure in South Staffordshire in 2021 as estimated by different sources



Source: Office of National Statistics

4.25 In June 2022 initial household totals were published from the 2021 Census but this contained no disaggregation by household type. These can be compared with the most recent household projections. The table below sets out the number of households in 2021 nationally, regionally and in South Staffordshire as indicated by the 2018-based projections, the 2014-based projections and the 2021 Census.

Table 4.4 Household totals 2021

Data source	*South Staffordshire*	*West Midlands*	*England*
2014-based projected estimate	47,972	2,485,304	24,371,273
2018-based projected estimate	47,182	2,458,618	23,688,898
2021 Census	46,100	2,429,500	23,435,700

Source: Office of National Statistics

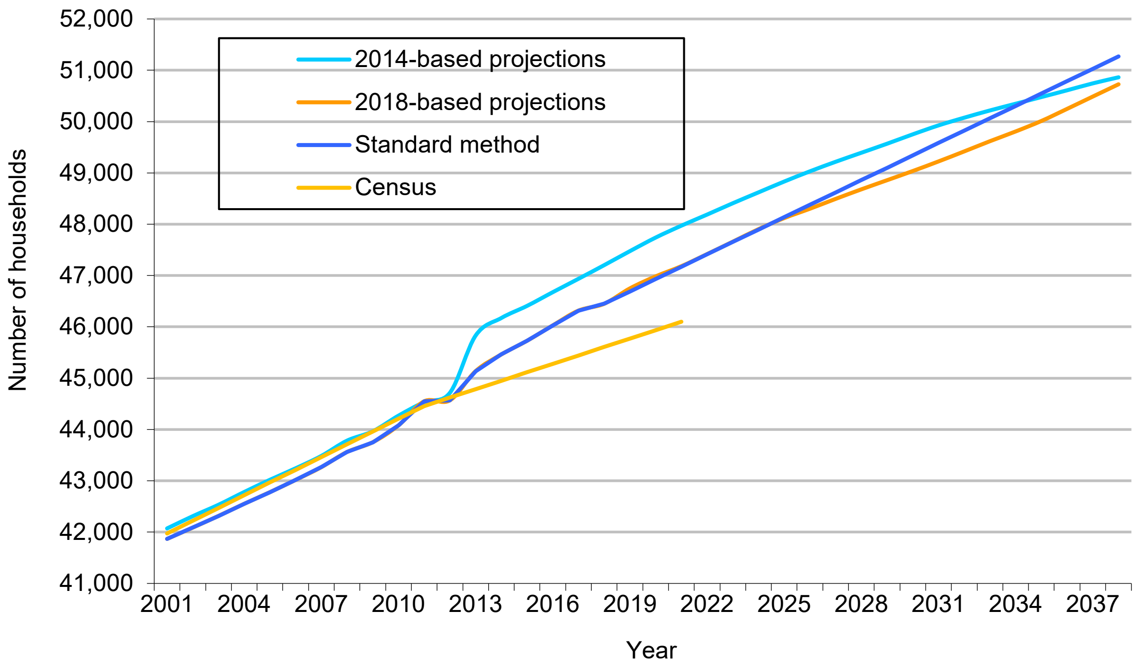
4.26 At all geographies, the Census has reported a lower household total in 2021 than was projected for 2021 in both the 2014-based and 2018-based projections. The table shows that whilst the 2014-based projections contain the greatest overestimate of the number of households in all three locations, the 2018-based projections are also considerably higher than what was recorded in 2021.

Understanding the uplift

4.27 The figure of 241 is the final annual housing need figure in South Staffordshire. It is however useful to compare the trajectory that it results in with both 2014-based household projections (from which the number is derived) and the 2018-based household projections (which are the most recent estimates published).

4.28 The figure below shows the projected household total in South Staffordshire for every year from 2001 through to the end of the modelling period in 2040 as recorded by the 2014-based household projections[45], the 2018-based equivalent and the Standard Method scenario in which, the 2018-based projections grow by 241 every year from 2018 onwards. The household growth indicated by the Census between 2001 and 2021 is also presented for reference[46].

Figure 4.2 Projected number of households under different scenarios



Source: ONS 2014 and 2018 household projections, 2001, 2011 & 2021 Census

4.29 Whilst the graph indicates that there is a divergence between the 2014 and 2018-based projections, the Standard Method figure is still notably in excess of both the 2014-based and 2018-based projections by the end of the modelling period in 2040. There is no reasonable basis to divert from the Standard Method approach which is designed to be applied consistently across all authorities in England wherever possible. Following the standard method approach also ensures that the Council is delivering notably more housing than the average household growth recorded in the District in the last 10 years as indicated by the 2021 Census.

4.30 It is clear that the 2018-based household projections estimate the number of households in South Staffordshire to be lower in 2018 than was projected by the 2014-based equivalents. It

[45] It should be noted that the 2014-based projections only extended as far as 2039, the figure for 2040 has therefore been derived by applying the average annual change in the five years prior to 2039 and applying that to the figure for 2039.

[46] It is assumed that household growth is uniform in the 10-year periods between the Census.

is useful to understand the reason for this difference. The table below shows the net population change recorded in South Staffordshire for the period between 2014 and 2018 for natural change (births minus deaths), intra-UK migration and international migration as recorded by the 2014 based-population projections and also the 2018-based population estimates. This clearly shows that the most recent population estimates for South Staffordshire have recorded a larger net migration[47] to the District between 2014 and 2018, resulting in a larger population in South Staffordshire in 2018 than was projected within the 2014-based projections.

Table 4.5 Estimated net population change in South Staffordshire between 2014 and 2018

Element	*2014-based population projections*	*2018 population estimates*
Natural change (births minus deaths)	-900	-1,022
Intra-UK migration	1,500	1,747
International migration	100	268
Total	700	993

4.31 The 2018-based projections, despite recording a higher population growth between 2014 and 2018 (as well as an overall higher population in 2018) than the 2014-based projections, record a lower number of households in 2018. It is therefore clear that the household headship rates differ notably between the two data sources.

4.32 The headship rates recorded between 2014 and 2018 between the two data sources were also compared. There is very little divergence between the headship rates amongst the older population, however the 2018-based projections show a notably lower headship rates for those aged 34 and below (the headship rate for this group between 2014 and 2018 in the 2018-based figures is, on average, 5% lower than that recorded in the 2014-based figures). The impact of this is magnified by the different age profiles recorded by the two different sources. The 2018 population estimates indicate that, on average, between 2014 and 2018, 24.8% of the adult population was aged 34 or under, whilst the 2014-based projections estimated this figure as 24.0%.

4.33 This lower headship rate, applied to a lower population, is main cause of the lower overall household total in 2018 recorded by the 2018-based projections than the 2014-based equivalents. This alternate population age profile and household headship rates within South Staffordshire has been projected forward in the 2018-based projections, explaining why the

[47] The difference between those moving into an area and those moving out of it, a positive net migration figure, indicates that this is a source of population growth.

household totals projected in the district from 2018 onwards are lower in the 2018-based projections than in the 2014-based equivalents.

Modelling forward the correct population

4.34 In accordance with the PPG, the 2014-based projections have been used to determine the local housing need and the Standard Method figure is therefore correctly calculated, however the 2018-based projections have been used to disaggregate this figure in terms of age and gender profile (detailed further in Chapter 5). The 2018-based projections benefit from the ONS's latest methodology and its most recent data and assumptions on key factors such as fertility and mortality rates and migration flows.

4.35 The initial results from the 2021 Census suggest that the population in 2021 is a different size and shape to that indicated by the 2018-based projections. The 2018 base population for the modelling has therefore been adjusted to reflect the profile of the population in South Staffordshire in 2021 as recorded by the Census (the difference between the 2021 profile recorded in the 2018-based projections and the population profile indicated in the 2021 Census has been calculated and this difference modelled back to 2018 for South Staffordshire). The birth rates, death rates, migration rates and household headship rates recorded in the 2018-based projections have been used as published, as there is no detail yet as to which elements of population change are responsible for the divergence recorded within the Census. These ratios are applied to a refined starting population, which creates a different shaped population moving forward. The 2018 base population has also been adjusted to reflect the household total in the year that the 2021 Census implies was the actual situation in South Staffordshire in 2018.

Addressing housing need from outside South Staffordshire

4.36 As discussed in the original report (paragraph 1.3), the Council is intending to help meet the unmet housing need arising in the Greater Birmingham Housing Market Area and is preparing to provide 4,000 new homes over the plan-period to do this. This is in addition to the 5,330 homes that are modelled to be delivered in the district between 2018 and 2040. It is therefore planned that a total 9,330 new dwellings will be delivered in South Staffordshire over this 22-year period[48].

4.37 As the PPG notes, *'the standard method for assessing housing need ... does not break down the [overall figure] into the housing need of individual groups*[49]*.* Chapter 5 of this report presents the disaggregation of this local housing need figure into the overall sizes, types and

[48] The Council's plan period runs from 2018-2039 and is therefore planning for 9,089 homes in total (a Local Housing Need of 5,089 homes and 4,000 home contribution to unmet needs).

[49] Reference ID: 67-001-20190722

tenures of homes required, which means the housing needs of individual groups can be addressed (presented in Chapter 7).

5. Type and tenure of future housing needed

Introduction

5.1 The requirement within paragraph 61 of the NPPF to disaggregate the local housing need figure to *'assess the size, type and tenure of housing needed for different groups in the community'* is reiterated in Paragraph 17 of the PPG. This chapter describes the long-term balancing housing markets (LTBHM) model which determines the future demand for housing by size and tenure based on the profile of the population derived within the local housing need calculation (set out in Chapter 4).

5.2 There are two stages to this process, the first is to disaggregate the local housing need as derived in Chapter 4 alongside the need arising from the Greater Birmingham Housing Market Area to be met within South Staffordshire, to produce a population profile for the District at the end of the modelling period in 2040. The second process uses secondary data to model the future demand for housing arising from this future population and compare it to the current housing stock so that a profile of new accommodation required can be determined[50].

5.3 The demand modelling is described in more detail subsequently, however this chapter initially presents the process for disaggregating the future local population (from both the local housing need and the unmet need from the Greater Birmingham Housing Market Area). The change in the household composition indicated within these projections drives the size and tenure demand profiles generated by the model.

Disaggregating the local housing need

5.4 In South Staffordshire, the Standard Method local housing need of 241 will require the construction of notably more homes than is implied by the official projections as the affordability adjustment made in the Standard Method calculation lifts the housing need above the growth identified in the 2014-based household projections (as described in Chapter 4). If these 241 homes are built, the population will be larger than projected. It is necessary to determine the profile of this additional population and disaggregate the total local housing need, using the NMSS model,[51] so that appropriate accommodation can be provided for the whole population of South Staffordshire in 2040.

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[50] This will include a figure for the amount of affordable accommodation required over the plan-period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 6, as described in para 1.8, and the two should not be compared.

[51] The model is detailed in Appendix 2.

5.5 The model takes as its starting point the 2018-based population projections[52] adjusted to account for the population profile and household total in South Staffordshire recorded in 2021 by the Census. These projections are then adjusted to make them align with the local housing need figures in South Staffordshire using the following assumptions:

- The Standard Method makes it clear that the uplift in housing it is trying to achieve is partly to reverse the falling level of household formation that have been recorded amongst younger people. The first step is therefore to progressively increase the household formation for all age groups under 45 until it reaches the rate recorded in 2001. This group is prioritised ahead of an increase in in-migrants moving into the District in response to guidance in the PPG and as detailed in Chapter 4, because the 2018-based population projections for the District have a built-in presumption of a low level of household formation in younger age groups.
- The age and gender profile of this adjusted population (increased household formation and increased in-migrants) will be aged-on and have the same propensity to have children, move away from the area and die as other residents in South Staffordshire of the same gender and age. In this way it will be possible to estimate how the additional population (above that suggested by the latest population projections) is likely to develop over time.

Disaggregating the unmet need from the Greater Birmingham Housing Market Area

5.6 As discussed in Chapter 4, over the Local Plan-period, South Staffordshire Council intends to provide 4,000 homes that form part of the unmet need from the Greater Birmingham Housing Market Area. As with the local housing need, to determine the profile of this additional population, the NMSS model is used. It is assumed that these additional homes being built to address unmet need from the Greater Birmingham Housing Market Area, will be filled by people moving out of this conurbation.

5.7 The age and gender profile of these modelled in-migrants will be same as those who are projected to move out of these authority areas according to the 2018-based population projections. The in-migrating residents will be aged-on and have the same propensity to have children, move away from the area and die as other residents of the District of the same gender and age. In this way it will be possible to estimate how the additional population is likely to develop over time.

[52] The 2018-based population projections are used as a basis as these are the most recent and benefit from the ONS's latest methodology and their most recent data and assumptions on key factors such as fertility and mortality rates and migration flows. MHCLG have chosen to revert to the 2014-based projections for the Standard Method simply because they happen to produce a national housing need total that is closer to their objective of building 300,000 homes a year, not because they have doubts about the ONS's methodology in the latest projections. In accordance with the PPG we have used the 2014-based projections to determine the local housing need, we are using the 2018-based projections to disaggregate this figure in terms of age and gender profile.

Total future population in South Staffs

5.8 These two sources of the future population in South Staffordshire are combined to produce a profile of the projected future population in the District at the end of the modelling period. The table below sets out the age profile of the population in South Staffordshire in 2040 according to these population projections in comparison to the age profile of the District at the start of the plan-period (2018). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the modelling period – those aged 75 or over will rise from 12,287 in 2018 to 20,057 in 2040, an increase of 63.2%. Whilst those aged 60 and over will account for over a third of all people in South Staffordshire in 2040, over a quarter of people in the District at the end of the modelling period will be aged under 30.

Table 5.1 Age of projected population in South Staffordshire in 2040 compared with current age profile

Age	*2018 Population*	*2018 Percentage*	*2040 Population*	*2040 Percentage*
0-14	16,958	15.4%	19,161	14.9%
15-29	16,203	14.8%	18,650	14.5%
30-44	17,898	16.3%	21,788	17.0%
45-59	24,809	22.6%	24,883	19.4%
60-75	21,625	19.7%	23,917	18.6%
75+	12,287	11.2%	20,057	15.6%
Total	109,780	100.0%	128,455	100.0%

5.9 An Economic Development Needs Assessment (EDNA) was undertaken on behalf of South Staffordshire District Council by DLP Planning Ltd[53]. This was published in June 2022 and details the future economic growth forecast for the District. Within this study a likely increase in jobs is identified. The report forecasts that there will be an additional 4,824 jobs in South Staffordshire in 2040 in comparison to 2020 (the base date for the job growth modelling).

5.10 The projections profiling the change to the population arising as the local housing need for South Staffordshire is met alongside the unmet need from the Greater Birmingham Housing Market Area between 2018 and 2040 are summarised in the table above. These projections indicate that the working age population (those aged between 16 and 64) in South Staffordshire will grow by 6,618 people between 2020 and 2040. This is notably in excess of the growth of 4,824 jobs indicated by the EDNA.

5.11 The EDNA indicates (at paragraph 5.20) that the economic activity rate in South Staffordshire is 73.7% amongst 16 to 64 year olds in the District. If this activity rate is applied to the

[53] https://www.sstaffs.gov.uk/doc/183444/name/0616KWST5049PSSSDC%20EDNA%202020-2040%20Final.pdf/

additional working age population projected between 2020 and 2040 (6,618), it is suggested that 4,877 of these people are likely to be economically active. This is slightly higher than the number of additional jobs projected over this period.

5.12 The evidence on commuting patterns presented in the EDNA (from paragraph 3.16) suggests that 34% of jobs in the District are undertaken by those also resident in South Staffordshire, with 66% of employees working in the District, commuting from outside the area. If it is presumed that 34% of these 4,824 new jobs will be filled by new residents in the District, this means that an additional 1,640 working age residents are needed to fill these jobs. The fact that the projections indicate that the working age population will grow by 6,618 people between 2020 and 2040 means that there will be an additional labour force locally and there is the opportunity to increase the self-containment and reduce the level of in-commuting in South Staffordshire.

5.13 All of this evidence highlights that the additional homes to be provided within the Plan will therefore be sufficient to address the projected economic growth for the District.

Household profile

5.14 This population projection is then converted into a household projection by:

- Removing from the population projection an estimate of those living in communal establishments such as old people's homes. This is done using the same assumptions as in the official projections. The resulting population is known as the household population.
- Household formation rates are then applied to the household population to produce a household projection. The household formation rates are taken from the official 2018-based household projections, with the adjustments made to return household formation rates to 2001 levels amongst younger age groups as described earlier in the chapter.

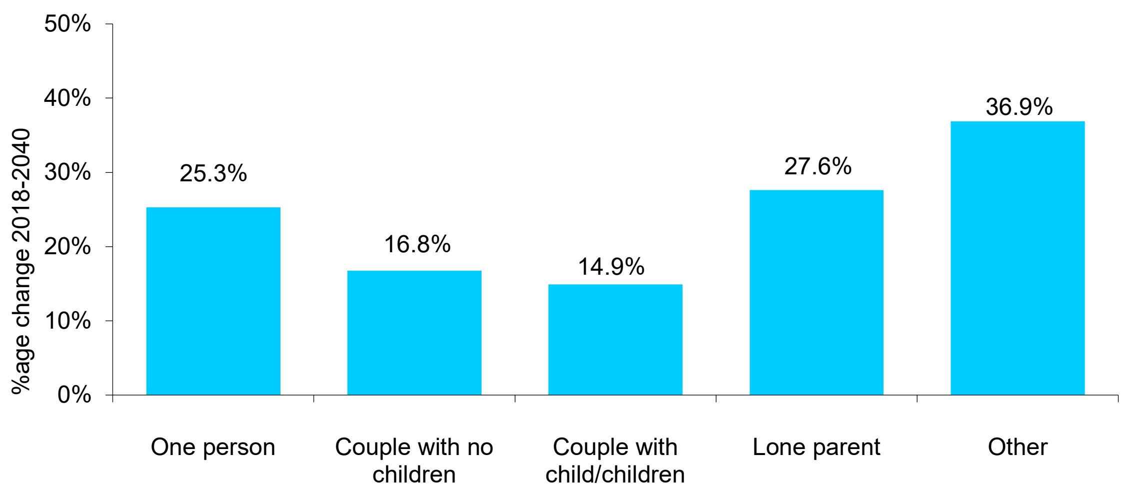
5.15 The table below sets out the number of households that will be resident in South Staffordshire in 2040 disaggregated by broad household type according to these projections. The 2018 household profile is also presented as a reference point, as 2018 is the base date for this model.

Table 5.2 Projected household population in South Staffordshire in 2040 by household type				
Household type	*2018 Number*	*2018 Percentage*	*2040 Number*	*2040 Percentage*
One person	12,371	27.1%	15,496	28.2%
Couple with no children	14,542	31.9%	16,980	30.9%
Couple with child/children	12,587	27.6%	14,463	26.3%
Lone parent	3,892	8.5%	4,967	9.0%
Other*	2,213	4.9%	3,029	5.5%
Total	45,605	100.0%	54,935	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

5.16 The figure below indicates the change in these household types that will occur between 2018 and 2040 in South Staffordshire. The figure indicates that the largest relative growth will be in 'other' and lone parent households, albeit from a small base. The largest absolute growth will be in one person households.

Figure 5.1 Change in household structure in South Staffordshire, 2018 – 2040



Methodology of the demand model

5.17 The demand model uses secondary data to determine the future demand for housing by size and tenure as derived from the profile of households resident in the area at the end of the modelling period in 2040. It is based on both a detailed understanding of the current stock of housing in the District, and also the occupation patterns of households in South Staffordshire and how they are changing. It is driven by the changes projected to the composition of the population over the 22-year period, as set out above.

5.18 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in South Staffordshire in 2011. This has been adjusted[54] to reflect the changes since 2011 to provide an accommodation profile in 2018.

5.19 The 2011 Census also provides detail on the occupational patterns of different household groups in South Staffordshire, which means that the profile of housing occupied by each household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in South Staffordshire and adjusted to reflect any more recent behavioural trends recorded nationally in the English Housing Survey, with the changes in the size of accommodation occupied within each tenure also accounted for), and models their continuation through to 2040. This approach is in line with the PPG.

5.20 A further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model[55]. This means that the future housing stock will better reflect the requirements of the future population in the area.

5.21 This profile of suitable accommodation for each household type is applied to the size of the household group in 22 years' time. The accommodation profile required in 2040 is then compared to the current accommodation profile and the nature of additional housing required is derived. It should be noted that the model works by matching dwellings to households, so the figures are based on the change in number of households identified within the housing need calculations.

Tenure of housing required

5.22 The tables below show the projected tenure profile in South Staffordshire at the end of the modelling period. The profile in 2018 at the start of the plan-period is also set out for context. The data shows that, in 2040, the housing stock across South Staffordshire should comprise 72.3% owner-occupied accommodation, 11.3% private rented homes, 1.9% Shared Ownership properties and 14.5% Social Rented/Affordable Rented housing.

[54] Using the latest data from the Regulator of Social Housing's Statistical Data Return and trends indicated within the English Housing Survey and by the Census.

[55] Using the example of a lone parent household residing in a two bedroom property but requiring a three bedroom home, the modelled accommodation profile for this household group would assign this household a three bedroom property rather than a two bedroom dwelling. This means that it is anticipated that for equivalent households in the future, none would be expected to live in an overcrowded home.

Table 5.3 Current tenure and tenure profile projected in South Staffordshire in 2040				
Tenure	*Base tenure (2018)*		*Projected tenure (2040)*	
	Number	*Percentage*	*Number*	*Percentage*
Owner-occupied	33,690	73.9%	39,733	72.3%
Private rented	4,916	10.8%	6,215	11.3%
Shared Ownership	377	0.8%	1,043	1.9%
Social Rent/Affordable Rent	6,622	14.5%	7,944	14.5%
Total	45,605	100.0%	54,935	100.0%

5.23 The table below shows the tenure profile required by households resident in South Staffordshire in 2040, in comparison to the tenure profile recorded in the District at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 64.8% of new housing in South Staffordshire should be owner-occupied, 13.9% private rented, 7.1% should be Shared Ownership and 14.2% Social Rent/Affordable Rent.

Table 5.4 Tenure of new accommodation required in South Staffordshire over the 22-year modelling period				
Tenure	*Base tenure profile (2018)*	*Tenure profile 2040*	*Change required*	*% of change required*
Owner-occupied	33,690	39,733	6,043	64.8%
Private rent	4,916	6,215	1,298	13.9%
Shared Ownership	377	1,043	666	7.1%
Social Rent/Affordable Rent	6,622	7,944	1,322	14.2%
Total	45,605	54,935	9,330	100.0%

First Homes

5.24 As discussed in Chapter 3, First Homes are an intermediate product that have been introduced specifically to help potential first-time buyers access home ownership. It is clear from the cost profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private rented sector.

5.25 However, as it is a product that has only recently been introduced into the market, it cannot be modelled using the same trend data as is utilised for the rest of the LTBHM model. The potential demand for this new product over the modelling period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing, informed by an affordability analysis of the tenure and the length of time required to save a deposit[56].

5.26 This approach identifies that, between 2018 and 2040, there would be a potential demand for 566 First Homes in South Staffordshire, which would represent 6.1% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 566 First Homes in South Staffordshire, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

5.27 The tables below present the size of owner-occupied accommodation required in South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector at the base date. The implied change to the housing stock is also presented. The data shows that some 30.4% of new owner-occupied housing in South Staffordshire should be two-bedroom homes, with 27.1% being three bedroom units, 24.1% should have four or more bedrooms and 18.4% one bedroom accommodation.

Table 5.5 Size of new owner-occupied accommodation required in South Staffordshire over the next 22 years

Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	708	1,826	1,118	18.5%
Two bedroom	5,386	7,223	1,836	30.4%
Three bedroom	15,365	17,000	1,635	27.1%
Four or more bedrooms	12,231	13,685	1,454	24.1%
Total	33,690	39,733	6,043	100.0%

5.28 This analysis can be repeated for private rented housing and is presented in the table below. The data indicates that, of the 1,298 private rented homes required within South Staffordshire, 30.0% should be two-bedroom properties and a further 21.8% should have one bedroom. Some 24.9% should be homes with four or more bedrooms and 23.3% should be three-bedroom accommodation.

[56] Footnote 23 describes how the income and affordability profile in the private rented sector is derived. Applying this affordability profile to the flow of households moving to a private rented home each year allows the number of these households that could afford First Homes to be modelled.

Table 5.6 Size of new private rented accommodation required in South Staffordshire over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	482	764	283	21.8%
Two bedroom	1,874	2,264	390	30.0%
Three bedroom	1,889	2,191	303	23.3%
Four or more bedrooms	672	995	324	24.9%
Total	4,916	6,215	1,298	100.0%

5.29 The table below sets out the equivalent analysis for Shared Ownership housing. The data indicates that of the 666 Shared Ownership dwellings required within South Staffordshire, 33.6% should be two-bedroom properties with a further 28.6% three bedroom accommodation. Some 23.8% should have one bedroom and 14.0% should have four or more bedrooms.

Table 5.7 Size of new Shared Ownership accommodation required in South Staffordshire over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	81	240	159	23.8%
Two bedroom	122	346	224	33.6%
Three bedroom	136	326	190	28.6%
Four or more bedrooms	38	131	93	14.0%
Total	377	1,043	666	100.0%

5.30 The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that, of the 1,322 additional Affordable Rented units required within South Staffordshire over the 22-year modelling period, 31.2% should have two bedrooms, 25.4% three bedrooms, 24.2% four or more bedrooms and 19.2% one bedroom. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the modelling period. If there is loss of affordable stock through Right-to-Buy, this will also need to be replaced.

Table 5.8 Size of new Social Rent/Affordable Rent required in South Staffordshire over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	1,553	1,808	255	19.2%
Two bedroom	3,098	3,510	412	31.2%
Three bedroom	1,879	2,215	336	25.4%
Four or more bedrooms	91	411	320	24.2%
Total	6,622	7,944	1,322	100.0%

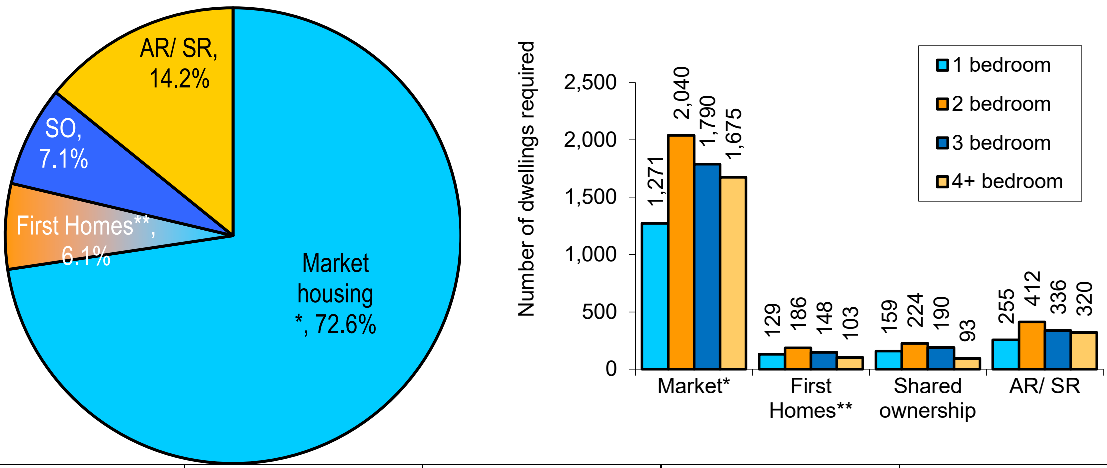
5.31 The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table. The model indicates that in South Staffordshire, 32.8% of the First Homes should have two bedrooms, 22.8% one bedroom, 26.2% three bedrooms and 18.2% four or more bedrooms.

Table 5.9 Potential demand for First Homes in South Staffordshire over the next 22 years				
Size of home	*First Homes*		*Residual private rented homes*	
	Number required	*Proportion required*	*Number required*	*Proportion required*
One bedroom	129	22.8%	154	21.0%
Two bedroom	186	32.8%	204	27.9%
Three bedroom	148	26.2%	154	21.1%
Four or more bedrooms	103	18.2%	220	30.1%
Total	566	100.0%	733	100.0%

5.32 The figure and table below summarises the results for presented for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in South Staffordshire over the next 22 years.

Figure 5.2 Profile of new accommodation required in South Staffordshire

Tenure split | **Size profile**



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	1,271	129	159	255
2 bedroom	2,040	186	224	412
3 bedroom	1,790	148	190	336
4+ bedrooms	1,675	103	93	320
Total	6,776	566	666	1,322

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

6. Affordable housing need

Introduction

6.1 As indicated in the PPG, it is necessary to undertake a separate calculation of affordable housing need. Paragraph 18 (Reference ID: 2a-018-20190220) to Paragraph 24 (Reference ID: 2a-024-20190220) of the PPG details how affordable housing need should be calculated. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used solely to indicate whether the Local Planning Authority should plan for more dwellings where it could help meet the need for affordable housing.

6.2 The model outlined in the PPG is an assessment of the housing market at a particular point of time (June 2022), and does not consider likely future changes to the housing market that may impact the results (such as future loss of affordable stock through Right to Buy), i.e. it is based on what is known at the time of the assessment. The PPG (Paragraph 19) defines affordable housing need as *'the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market'*.

6.3 Appendix 2 presents the results of the three broad stages of the model used to calculate affordable housing need. This chapter sets out the overall annual estimate of the affordable housing need in South Staffordshire[57] as a consequence of following the steps detailed in the appendix, and the tenure of accommodation most appropriate to meet this need is discussed.

Estimate of net annual affordable housing need

6.4 Once all of the steps of the calculation of the affordable housing needs model (detailed in Appendix 2) have been completed, it is necessary to bring this evidence together to determine the overall net annual affordable housing need. This is set out below.

6.5 Paragraph 024 of the PPG[58] states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).

6.6 The second step is to convert this total net current need figure into an annual flow. The PPG indicates that annual flows should be based on the plan-period. For the purposes of this study the period of 17 years will be used to fit in with the remaining timeframe of the Local Plan

[57] This will imply a figure for the amount of affordable accommodation required over the plan-period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 4, as described in para 1.4, and the two should not be compared.

[58] Reference ID: 2a-024-20190220.

(currently through to 2039). The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). The table below sets out this process. It leads to a total need for affordable housing of 67 per year in South Staffordshire. In accordance with paragraph 024 of the PPG, this figure should be compared with the local housing need identified following the Standard Method to determine whether an uplift to the local housing need is required. This is discussed in Chapter 8.

Table 6.1 Results of the affordable housing needs model in South Staffordshire

Stage in calculation	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A2.3)	900
Stage 2: Newly arising affordable housing need (Annual) (Table A2.5)	449
Stage 3: Current affordable housing supply (Total) (Table A2.6)	798
Stage 4: Future housing supply (Annual) (Table A2.9)	388
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	102
Stage 5.2 Annualise net current need (Stage 5.1/17) (Annual)	6
Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)	**67**
Total gross annual need (Stage 1/17 + Stage 2) (Annual)	502
Total gross annual supply (Stage 3/17 + Stage 4) (Annual)	435

Overall households in affordable housing need by type (gross)

6.7 The table below gives a breakdown of the gross annual households in need, by household type in South Staffordshire. The table shows that some 4.4% of lone parent households are in housing need compared to 0.4% of couple households with no children. Overall, lone parent households comprise over a third of all households in need.

Table 6.2 Annual need requirement by household type in South Staffordshire

Household type	*Need requirement*				
	No. of h'holds in need (gross)	*Not in need*	*Total Number of h'holds*	*% of h'hold type in need*	*As a % of those in need*
One person	77	13,055	12,598	0.6%	15.4%
Couple with no children	66	15,174	14,778	0.4%	13.1%
Couple with child/children	116	12,831	13,057	0.9%	23.2%
Lone parent	181	4,141	4,124	4.4%	36.1%
Other	62	2,348	2,242	2.8%	12.3%
Total	502	47,549	46,800	1.1%	100.0%

Type of affordable home required

6.8 As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in South Staffordshire. This section will consider the suitability of these different products for meeting affordable housing need.

6.9 As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in South Staffordshire are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from HB/LHA, as this is the tenure in which these households are most likely to reside.

6.10 The table shows that of the 502 households in gross need each year in South Staffordshire, 4.3% could afford a First Home, 5.5% could afford Shared Ownership with a 40% share, 16.2% could afford Shared Ownership with a 25% share, 31.5% could afford Shared Ownership with a 10% share, 13.8% could afford Intermediate Rent and 50.7% could afford Affordable Rent. Some 45.2% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3.

Table 6.3 Size and type of affordable home required by those in need (per annum) in South Staffordshire

Product	*One bed*	*Two bed*	*Three bed*	*Four bed*	*Total*	*Total (%)*
First Home	22	-	-	-	22	4.3%
Shared Ownership – 40% equity share	28	-	-	-	28	5.5%
Shared Ownership – 25% equity share	50	32	-	-	82	16.2%
Shared Ownership – 10% equity share	72	69	17	-	158	31.5%
Intermediate Rent	17	34	14	3	69	13.8%
Affordable Rent	51	102	54	48	255	50.7%
Social Rent/requires assistance	71	105	35	16	227	45.2%
All households	143	207	89	63	502	100.0%

Sensitivity analysis - affordability threshold

6.11 The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in South Staffordshire, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across South Staffordshire where the cost of housing could constitute no more than 25% of gross household income and 30% of gross household income, as well as the 35% of gross household income base scenario.

6.12 In paragraph 020 of the PPG, it is noted that households should be considered against their ability to afford owner-occupation, where that is their aspiration. Unfortunately, the data sources do not collect information on the tenure that the households in need aspire to. To gauge the impact of presuming all households aspire to owner occupation, the final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.

5.33 The table indicates that the net requirement would increase from 67 to 111 affordable homes per year in South Staffordshire if 30% of gross household income could be spent on housing costs. This would increase further to 156 affordable homes per year if 25% of income could be spent on housing costs. If it was presumed that home ownership was the market access point, then there would be a need for 304 affordable homes per year.

Table 6.4 Impact of different affordability assumptions on affordable housing requirement in South Staffordshire

	Rent payable constitutes no more than:			*Market entry is based on owner-occupation*
	Affordability threshold: 35% of gross household income	*30% of gross household income*	*25% of gross household income*	
Stage 1: Current gross need	900	990	1,098	1,286
Stage 2: Newly arising need	449	490	530	677
Stage 3: Current supply	798	834	868	1,020
Stage 4: Future supply	388	388	388	388
Stage 5.1 Net current need	102	156	230	266
Stage 5.2 Annual net current need	6	9	14	16
Stage 5.3 Total annual need	67	111	156	304

7. Requirements of specific groups

Introduction

7.1 Paragraph 59 of the NPPF seeks that *'... that the needs of groups with specific housing requirements are addressed ...'*, and then paragraph 61 requires:

> *... 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).*

7.2 This chapter considers the specific profiles of the specific groups of the population. For each group the analysis will present the relative prevalence of the population, the current accommodation situation and information on their future requirements. As stated in Paragraph: 001 (Reference I D: 67-001-20190722) of the PPG, '*Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area.'* Whilst the LTBHM model (set out in Chapter 5 above) considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. The results presented in this chapter that are derived from the LTBHM model show the requirements for the entire new population anticipated in the District in 2040 (both that arising from the growth within South Staffordshire and that moving from outside the District as a consequence of the contribution to the unmet housing need elsewhere). It should be noted that, in the PPG, housing needs assessments are divided into three different elements: *'housing and economic needs assessments'*, *'housing needs of different groups'* and *'housing needs of older and disabled people'*. This chapter will contain information that meets the requirements within each of these.

7.3 The chapter looks at the following groups of the population which all have an appreciable impact on the housing market in South Staffordshire:

- Older persons
- People with disabilities
- Family households

7.4 This chapter will also comment on the level of demand from people wishing to build their own homes. The previous study also considered the private rented sector in detail, however there is no new local data available on this sector, so this is not included in this report and the profile presented in the 2021 report remains the most recent analysis undertaken.

Housing Needs of Older People

7.5 Paragraph: 001 of the PPG[59] recognises that '*the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing.… Offering older people, a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.'* Page 69 of the NPPF provides the following definition of older people: *'People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.'* The analysis of older people presented here will be focused on people aged 65 and over.

Current situation and projected growth

7.6 Figure 2.1 sets out the age profile of the population in South Staffordshire in 2021 as recorded by the Census. This data shows that some 25.1% of the population in the District were aged 65 or over. This compares to a figure of 18.8% across the West Midlands region and 18.6% nationally. This highlights that the profile of the population in South Staffordshire is currently notably older than average.

7.7 The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase notably in South Staffordshire over the modelling period; from 26,568 in 2018, to 36,784 in 2040, a rise of 38.2%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in South Staffordshire from 16,952 in 2018, to 23,929 in 2040, an increase of 41.1%. The projections indicate that the proportion of older persons living alone in South Staffordshire will increase from 40.3% in 2018, to 41.2% in 2040.

Future requirement

7.8 The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in South Staffordshire in 2040 arising from that model.

[59] Reference ID: 63-001-20190626

Table 7.1 Type of accommodation projected for 'older person only' households in South Staffordshire in 2040*					
Size of home	*Owner occupied*	*Private rented*	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	1,148	71	1	41	1,741
2 bedroom	5,119	537	3	28	2,158
3 bedroom	9,059	300	0	8	122
4+ bedrooms	3,498	70	0	0	25
Total	18,824	978	3	77	4,046

*This represents housing demand within the market sector and includes a notable amount of under-occupying within the owner-occupied tenure, reflecting that some older persons households choose to remain in their home rather than downsize to a smaller property. **'Older persons households occupying First Homes at the end of the plan-period are households that will not be old when they purchase the home but will be classified as old by the end of the plan-period.

7.9 In line with the updated PPG that says '*offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems*' it will be necessary for the Council to consider how the requirements of these groups could be accommodated in the future. It is anticipated that the majority of older person households will reside in the general housing stock in South Staffordshire in 2040 (as they do now) so it is important that new housing is suitable for the widest range of groups.

7.10 There are a range of tools for achieving this, such as following the HAPPI[60] design principles so housing may be suitable for older people (although these design features will appeal more widely across the population), adoption of the Building for Life[61] Standards (these are broad design principles) and adopting the Accessible and Adaptable Standards[62] of construction, as set out in the Building Regulations. The Council will need to determine which approach is most suitable for their requirements and this may vary for different sites in the District. It is worth noting that several stakeholders mentioned specific support for the Accessible Building Standards as defined in Building Regulations, as they are an established standard which provides clarity during the planning process.

Specialist accommodation

7.11 Given the dramatic growth in the older population, and the higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist

[60] https://www.housinglin.org.uk/Topics/browse/Design-building/HAPPI/

[61] https://www.designcouncil.org.uk/sites/default/files/asset/document/Building%20for%20Life%2012_0.pdf

[62] See paragraph 63-009-20190626 of the PPG and https://www.gov.uk/guidance/housing-optional-technical-standards.

housing options. As Paragraph 004 of the PPG[63] notes *'the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed'*. To assess this need we have used the approach advocated by the Housing Learning and Improvement Network's (Housing LIN) Strategic Housing for Older People (SHOP) tool, which is the model recommended within Paragraph 004 of the PPG. It should be noted that this tool is only driven by demographic changes and does not consider people's choices or aspirations as to what form of accommodation they would prefer.

7.12 According to the latest information provided by the Council and published sources, there are 805 units of Sheltered Housing for older people/retirement housing[64] in South Staffordshire currently, alongside 303 Extracare units/supported living housing[65]. It is worth noting that around 81.7% of the Sheltered Housing for older people/retirement housing is in the affordable sector as is 94.7% of the Extracare units/supported living housing, despite the overwhelming propensity of older persons only households to be owner-occupiers.

7.13 The current prevalence of Sheltered Housing for older people/retirement housing in South Staffordshire is 64 per thousand head of population aged 75 or over, with the prevalence rate for Extracare units/supported living housing 24 per thousand head of population aged 75 or over. The SHOP model helps authorities to plan to deliver more of this type of accommodation in response to the growth of the population that utilizes it (principally those aged 75 or over). The SHOP model uses these prevalence rates as the key variant when modelling future demand. For the purposes of this study, it is presumed that these prevalence rates will continue in South Staffordshire over the modelling period as they mirror the expectations and usage patterns of local residents. Evidence both locally and across the County indicates that current provision levels are suitable to meet demand.

7.14 To establish the potential demand for these accommodation types in South Staffordshire at the end of the modelling period, these prevalence rates are applied to the total number of people aged 75 or over in South Staffordshire in 2040 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below. The future tenure profile of this specialist stock takes account of the modelling that indicates that over three quarters of all older person households will live in market accommodation in 2040, as evidenced in Table 7.1.

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[63] Reference ID: 63-001-20190626

[64] A collection of self-contained units of accommodation (usual bedsits within a communal block), which have on-site warden support (usually daytime only with on call service at night) and communal social areas and activities. This is very similar to the housing type *'Retirement living or sheltered housing'* as defined in the PPG.

[65] Extracare housing is similar to sheltered accommodation, but with enhanced provision for personal care of frailer older people. On-site support is usually provided on a 24 hour rather than day-time only basis. Extracare housing is often focused on addressing the needs of people with dementia. Supported living is a combination of suitable accommodation, with some forms of personal care (like help with washing or cooking). These two housing types are similar to the 'Extra care housing or housing-with-care' definition in the PPG.

7.15 To meet local demand rates in 2040, the model identifies a requirement for 440 additional units of Sheltered housing for older people/ retirement housing and 177 additional Extracare units/ supported living housing in South Staffordshire over the modelling period (definitions set out in footnotes 63 and 64). Of the 440 new units of Sheltered housing for older people/retirement housing, some 78% should be market accommodation, with the remainder affordable. Of the 177 new Extracare housing/ supported living housing, 76% should be market and 24% affordable. These are Class C3 dwellings.

Table 7.2 Projected requirement for specialist accommodation for older person households in South Staffordshire over the modelling period

Type of specialist accommodation	*Tenure*	*Base profile (2020)*	*Profile 2040*	*Additional units required*
Sheltered housing for older people/ retirement housing	Market	147	490	343
	Affordable	658	755	98
	Total	805	1,245	440
Extracare housing/supported living housing	Market	16	151	135
	Affordable	287	329	42
	Total	303	480	177
All specialist accommodation for older person households	Market	163	641	478
	Affordable	945	1,084	139
	Total	1,108	1,725	617

7.16 The requirement for 617 additional specialist units for older person households represents 6.6% of the total household growth in South Staffordshire for the period 2018 to 2040. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

7.17 As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care[66]. According to Staffordshire County Council figures, there are around 1,140 spaces in nursing and residential care homes in South Staffordshire currently. Utilising information recorded in the HCA's Statistical Data Return 2020, it is estimated that just over a quarter of these are in the affordable sector, with the remaining being a market tenure.

[66] Residential care homes and nursing homes: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes. This is the same as the definition in the PPG.

7.18 As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments are calculated. The model identifies that in 2040 there will be 2,004 people aged 65 and over in South Staffordshire that will be resident in Registered Care. This figure is dependent on the communal population rates (separated by age and gender), that have been produced through to 2043 for each local authority in England as part of the 2018-based household projections dataset, and therefore presumes that these are accurate.

7.19 This implies that there will be a requirement for 864 additional Registered Care spaces between 2020 and 2040, of which 52.6% should be in the affordable sector and 47.4% within a market tenure. The table below details these calculations.

Table 7.3 Projected requirement for Registered Care for older persons in South Staffordshire over the modelling period

Tenure	*Base profile (2020)*	*Profile 2040*	*Additional units required*
Market	828	1,237	409
Affordable	312	767	455
Total	1,140	2,004	864

7.20 It should be noted that the modelling presented above, is based on occupation patterns in this sector recorded prior to the coronavirus pandemic. Whilst the full impact of the coronavirus pandemic on society may not be known for some time, it appears that those living in residential care have been more adversely affected than the wider population. This may change the perception of the sector amongst potential residents and lead to a reduction in the demand for such accommodation. The Council should therefore closely monitor the take-up of Registered Care in South Staffordshire to identify whether the demand pattern identified will be fulfilled.

7.21 The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in South Staffordshire at the end of the modelling period.

Table 7.4 Type of accommodation required for older persons in South Staffordshire in 2040

Size of home	*Market*			*Affordable*		
	*General housing**	Sheltered housing/ retirement housing	Extra care housing/ supported living housing	*General housing**	Sheltered housing/ retirement housing	Extra care housing/ supported living housing
1 bedroom	905	220	94	1,115	430	237
2 bedrooms	5,329	270	57	1,772	325	92
3 bedrooms	9,359	-	-	130	-	-
4+ bedrooms	3,568	-	-	25	-	-
Total in households	19,162	490	151	3,042	755	329
Residential care	1,237			767		

This includes *'age-restricted general market housing'* as defined in the PPG (the type of housing is generally for people aged 55 and over and the active elderly) as well as general housing available to all people. This analysis is focused only on those where all household members are aged 65 or over, there is likely to be additional requirement for age-restricted general market housing from those aged between 55 and 64.

7.22 The majority of older person households in South Staffordshire are likely to remain in general housing, as the Paragraph 012 (ID: 63-012-20190626) of the PPG notes *'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.'* The next section looks at the role of adaptations to help households remain in their home.

7.23 It should be noted that the general housing that older people aspire to reside in includes age-restricted general market housing. This is non-specialist housing located on sites that are exclusively used by older people, typically those aged 55 or over. It is hard to gauge the future demand for this accommodation as there is limited evidence of the current supply in South Staffordshire, however it is envisaged that this will increase as the population ages over the modelling period and the Council should monitor whether the existing provision is able to meet demand.

7.24 In the stakeholder consultation, Staffordshire County Council noted the *'need for specialist housing locations to be considered in terms of their accessibility and connectivity to local services (shops, GPs, leisure amenities etc) and to public transport which will help people to stay independent for longer and reduce the risk of social isolation'*

People with disabilities

7.25 Paragraph: 002 of the PPG[67] notes that '*The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives…. Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives.'* Page 70 of the NPPF provides the following definition of disabled people: *'People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.'* Due to a lack of accurate data on the individual groups within this population, the analysis in this section will consider all those with a specific need unless otherwise stated.

Number of people in receipt of relevant benefits

7.26 The PPG indicates that an up-to-date estimate of the number of people with a disability can be acquired by looking at the number of people in an area that are in receipt of Personal Independence Payment[68] or Attendance Allowance. Personal Independence Payment (PIP) helps with some of the extra costs caused by long-term disability, ill-health or terminal ill-health. Data from the Department of Work & Pensions indicates that, as at April 2022, there were 4,297 people in South Staffordshire in receipt of PIP, which equated to 3.9% of the population in the District. In comparison, some 4.9% of the population across the West Midlands and 4.3% of the population of England were in receipt of PIP.

7.27 Attendance Allowance is a benefit for people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. The Department of Work & Pensions data shows that, as at February 2022, there were 3,329 people in South Staffordshire in receipt of Attendance Allowance, which equated to 3.0% of the population in the District. In comparison, some 2.4% of the population in the West Midlands and 2.3% of the population nationally were in receipt of Attendance Allowance.

7.28 The PPG notes that *'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.'*

[67] Reference ID: 63-002-20190626

[68] This has replaced Disability Living Allowance.

Projected health of the future population

7.29 The Projecting Older People Information System (POPPI) website[69] and the parallel Projecting Adult Needs and Service Information (PANSI) website[70] model the current and likely future incidence of a range of health issues for each authority in England. The table below sets out the number of people estimated to have one of five health conditions currently as determined by these data sources. The table also indicates the number of people projected to have these conditions in 2040, derived by applying the future prevalence rates used by the POPPI and PANSI modelling to the disaggregated future population for South Staffordshire in 2040, as identified within the local housing need calculation. The table then goes on to report the current and future population in South Staffordshire that require assistance with activities. These figures are derived using the same approach as described for the health condition modelling. The data from PANSI and POPPI is based on current and recent prevalence rates and, whilst these may vary in the future, the figures provide a useful baseline estimate.

7.30 The table shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot, is expected to increase by 51.3% between 2018 and 2040 in South Staffordshire. This compares to an increase of 8.4% in the number of people aged 18-64 in the District with impaired mobility, a rise of 9.3% in the number of people aged 18-64 in South Staffordshire with a common mental health disorder, an increase of 72.2% in the number of people aged 65 or over with dementia[71], and an increase of 21.0% in the number of people in South Staffordshire with a moderate or severe learning disability.

7.31 The table also shows that the number of those aged 65 or over that are unable to manage at least one mobility activity on their own, is expected to increase by 47.0% between 2018 and 2040, compared to an increase of 83.5% in the number of people aged 65 and over who need help with at least one domestic task, an increase of 40.0% in the number of people aged 65 and over who need help with at least one self-care activity and an increase of 4.8% in the number of people aged 18-64 with a serious personal care disability. It should be noted that these changes better reflect the projected change in the demographics of the population (an ageing population) rather than a notable change in the overall health of people.

[69] https://www.poppi.org.uk/

[70] https://www.pansi.org.uk/

[71] Paragraph 019 (Reference ID: 63-019-20190626) of the PPG notes that *'Evidence has shown that good quality housing and sensitively planned environments can have a substantial impact on the quality of life of someone living with dementia. People with dementia need to have access to care and support to enable them to live independently and homes need to be designed with their needs in mind.'*

Table 7.5 Number of people with particular health issues projected over the modelling period in South Staffordshire				
Condition	2018	2040	Total change	% change
Health condition				
People aged 65 and over with an illness*	6,142	9,295	3,153	51.3%
People aged 18-64 with impaired mobility	5,842	6,333	491	8.4%
People aged 18-64 with a common mental health problem	12,052	13,170	1,118	9.3%
People aged 65 and over with dementia	1,769	3,047	1,278	72.2%
People all ages with a learning disability	2,133	2,581	448	21.0%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	4,967	7,302	2,335	47.0%
People aged 65 and over who need help with at least one domestic task***	6,068	11,135	5,067	83.5%
People aged 65 and over who need help with at least one self-care activity****	7,815	10,943	3,128	40.0%
People aged 18-64 with a serious personal care disability*****	599	628	29	4.8%
All people	109,780	128,455	18,675	17.0%

*A limiting long-term illness that limits them a lot. **Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed. ***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills. ****These are activities relating to personal care and mobility about the home that are basic to daily living. *****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet. Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2022, disaggregated local housing need figures, 2022.

Accessible and adaptable housing

7.32 The Nationally Described Space Standards (which set out national minimum space standards) published by the Department for Communities and Local Government in 2015[72] detail the minimum gross internal floor areas required in new dwellings and also the size of storage area required. The Nationally Described Space Standards also provide detail on the requirements

[72] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard____Final_Web_version.pdf

of dwellings to meet the Accessible and Adaptable dwellings M4(2) and Wheelchair user dwellings M4 (3) standards[73].

7.33 Paragraph 008 of the PPG[74] sets out that *'Accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future.'* The same paragraph then goes onto clarify that *'accessible and adaptable housing will provide safe and convenient approach routes into and out of the home and outside areas, suitable circulation space and suitable bathroom and kitchens within the home. Wheelchair user dwellings include additional features to meet the needs of occupants who use wheelchairs, or allow for adaptations to meet such needs.'*

7.34 The PPG[75] also details the data sources that can be used to provide evidence of the need in local planning authorities for dwellings that meet higher accessibility, adaptability and wheelchair housing standards. All of these have been researched, and whilst some have been used to provide the contextual information presented above, others have been used to model the future requirement for adaptable and accessible housing. The most important data input into the model is the CORE LA Area Lettings Reports which provide details about those that have moved into affordable accommodation – both general needs and specialist homes[76]. The other data sources used in the model include the age profile of people in receipt of Disability Living Allowance in the District, the LTBHM modelling outputs on the current and future tenure profile of different household groups, the POPPI and PANSI projections (set out above) and analysis in the English Housing Survey.

7.35 The steps followed in the model to derive the future requirement for adaptable and accessible housing are set out below:

- The CORE LA Area Lettings Reports for the last three years (2017/18 to 2019/20) were examined and the total number of lettings that required a home to meet a mobility need was totalled alongside the total number of lettings (of all types). This was done within the general housing stock and separately within the supported housing[77] stock.
- It is presumed that all of the requirement for adapted housing in the supported housing stock is from older persons households. To determine the requirement for adapted

[73] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PDF_AD_M1_2015_with_2016_amendments_V3.pdf

[74] Reference ID: 63-008-20190626

[75] Reference ID: 56-007-20150327

[76] This source records whether households that moved into affordable housing in South Staffordshire require fully wheelchair accessible housing, whether they require level access housing, or whether they have other disability related requirements. Conversely, the data also indicates households where there were no disability related housing design or adaptation requirements.

[77] Supported housing in this context refers to specialist housing for households (mainly older person households), such as that listed in Table 7.2.

housing within the general stock that arises from households over 65, the proportion of people in receipt of the higher rate of the disability living allowance that are aged 65 or over in the authority as at April 2022 is calculated using the data published by the Department for Work and Pensions[78]. In South Staffordshire this figure is 72.9%. It is therefore presumed that this proportion of the demand for adapted housing within the general stock arises from households over 65, with the remainder arising from younger households.

- The totals of the number of lettings of adapted housing over the last three years to these three groups; (those in sheltered accommodation, older persons households in general housing and households under 65 in the general stock) are then compared to the total number of lettings to each of these groups over the last three years, to generate a requirement rate for adapted housing for these three household groups in the affordable sector.
- To produce an equivalent requirement rate for adapted housing amongst the same groups of households resident in the market sector, the rate identified for each of these three groups in the affordable sector is adjusted by the difference between the proportion of affordable homes with adaptations nationally and the proportion of market homes with adaptations nationally as recorded by the Survey of English Housing[79].
- The requirement rate for these three groups across the two broad tenures are then applied to the total number of households in these groups in 2018 as indicated by the LTBHM model. This provides us with an estimate of the current requirement for accessible and adaptable housing, differentiated both by the three household groups and the two broad tenures.
- To profile the future requirement, the total number of households under 65 in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 18-64 with an impaired mobility in each authority as modelled using the PANSI data set out in Table 7.5 above. The total number of households aged 65 and over in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 65 and over that are unable to manage at least one mobility activity on their own in each authority as modelled using the POPPI data set out in Table 7.5 above. The total number of households in sheltered accommodation that require an adapted home currently is also multiplied by this figure derived from the POPPI modelling.
- This provides a total requirement for accessible and adaptable housing in 2040 in South Staffordshire for the three different household groups. These are then divided

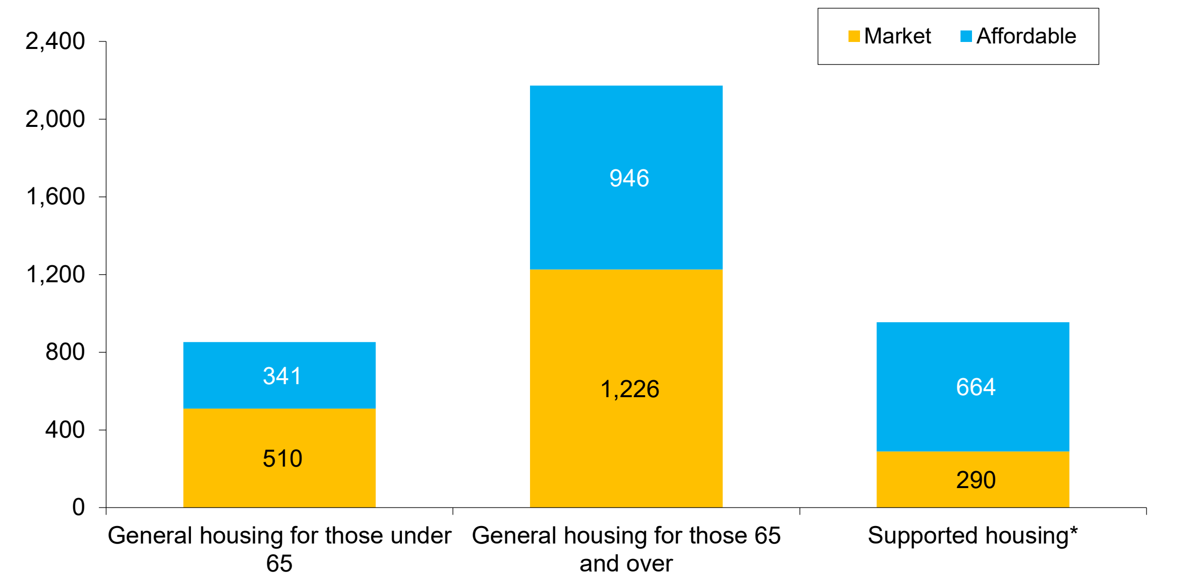
[78] https://stat-xplore.dwp.gov.uk

[79] English Housing Survey Adaptions and accessibility factsheet 2018-19
https://www.gov.uk/government/statistics/english-housing-survey-2018-accessibility-of-english-homes-fact-sheet

by tenure, based on the tenure profile of these groups recorded in 2018, but also taking account of the changes in the tenure profile for each group that are projected to happen by 2040 according to the LTBHM model.

7.36 The figure below shows the final results of this model.

Figure 7.1 Number of accessible and adaptable homes required in South Staffordshire in 2040



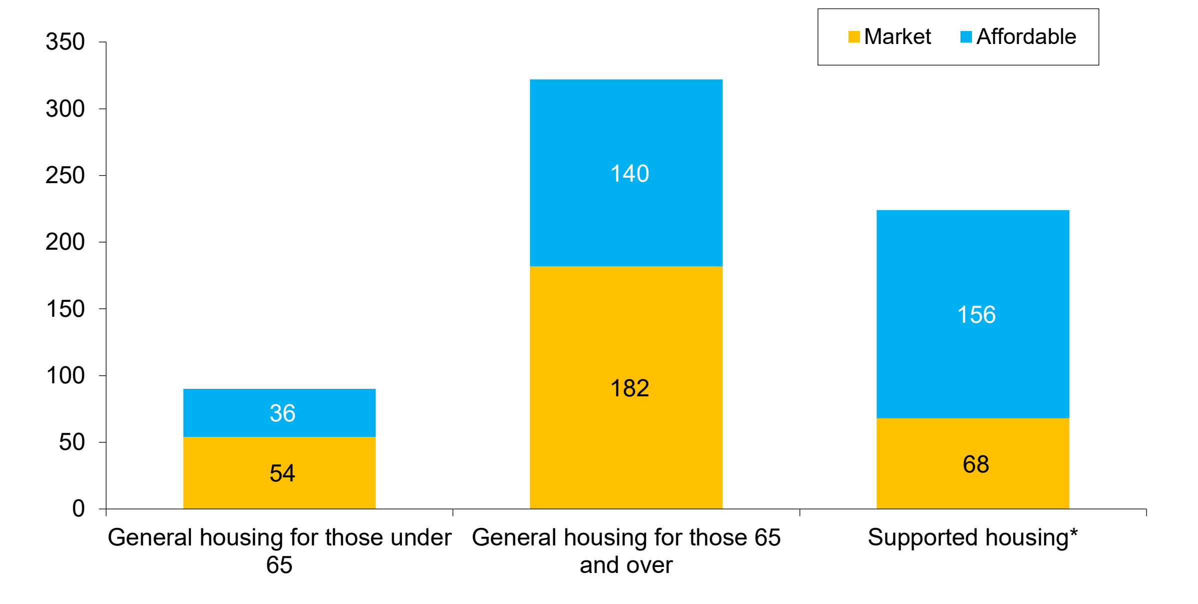
*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

7.37 The figure indicates the requirement, for accessible and adaptable homes in South Staffordshire in 2040, differentiated by setting, age group and tenure. In total 3,978 accessible and adaptable homes are required in 2040 in South Staffordshire, of which 2,027 should be in the market sector and 1,951 in affordable accommodation. Of the 3,978 accessible and adaptable homes required, 3,023 should be in the general housing stock and 954 in supported accommodation.

7.38 The outputs of the LTBHM model and the older persons accommodation modelling have compared the future requirement with the current stock to identify the net change required to be delivered over the modelling period. Whilst the future requirement for accessible and adaptable homes has been identified, there is limited information on the number of dwellings that fulfill this criteria in South Staffordshire currently, and therefore there is not a detailed profile of the current stock from which to derive a net requirement. Overall, the requirement for 3,978 accessible and adaptable homes implies that a notable uplift will be required to the number of homes that meet this standard currently, and, that by the end of the modelling period, around about 7.2% of the total stock should be available that meet this criteria. This is an estimated requirement for M4(2) Category 2 accessible and adaptable homes.

7.39 There is also a requirement for M4(3) Category 3 homes - wheelchair user dwellings. Using the same data sources but focusing specifically on those that require fully wheelchair accessible housing within the CORE LA Letting Reports figures and the data specifically on wheelchair dwellings within the English Housing Survey, it is possible to follow the same method to produce equivalent results that identify the future requirement for a wheelchair accessible home in South Staffordshire in 2040.

Figure 7.2 Number of wheelchair user dwellings required in South Staffordshire in 2040



*Supported housing is specialist housing for older person households, such as those listed in Table 7.2.

7.40 The figure indicates the requirement, for wheelchair user dwellings in South Staffordshire in 2040, differentiated by setting, age group and tenure. In total, 636 wheelchair user dwellings are required in 2040 in South Staffordshire, of which 304 should be in the market sector and 332 in affordable accommodation. Of the 636 wheelchair user dwellings required, 412 should be in the general housing stock and 224 in supported accommodation. Overall, the requirement for 636 wheelchair user dwellings will mean that by the end of the modelling period, around about 1.2% of the total stock should be available to meet this criteria.

7.41 It is important to note that the PPG[80] is clear that the suitability of these requirements should be assessed to determine whether they are viable, and also that the authority should not impose any further requirements to the building regulations beyond what is set out in the building regulations for M4(2) and M4(3) dwellings.

Adaptations and support

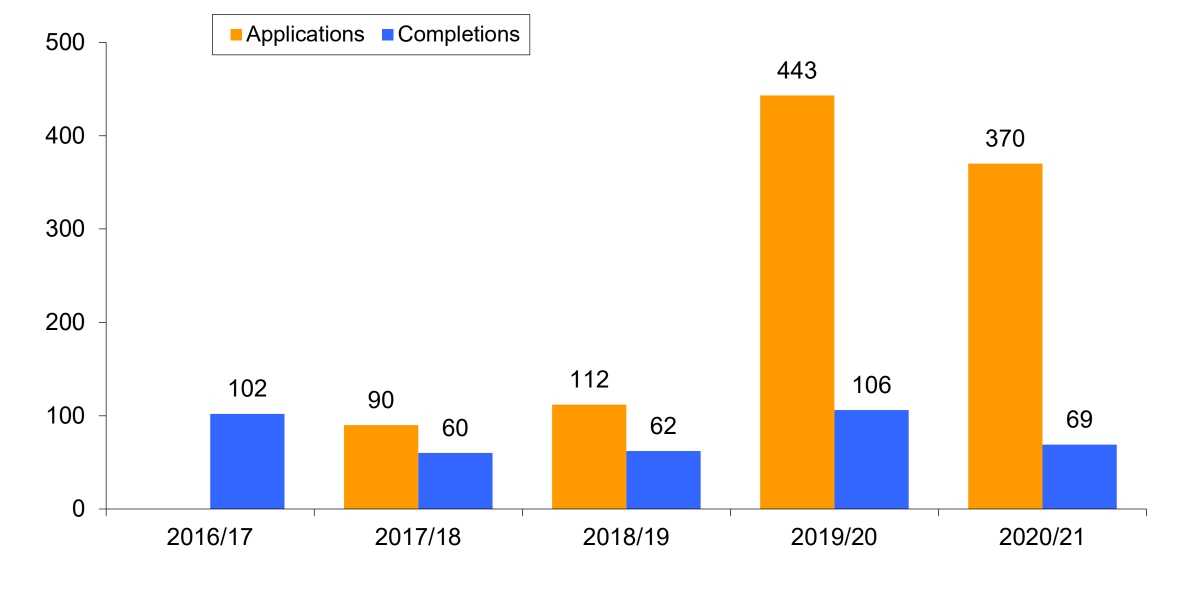
7.42 In addition to specialist accommodation, the Council helps people to remain in their current home by providing support and assistance. Any adaptions to dwellings provided through this

[80] Reference IDs: 56-003-20150327 & 56-008-20160519

mechanism could reduce the requirement for new homes meeting the M4(2) standard, depending on the nature of the adaptation work completed.

7.43 The figure below shows the number of applications for Disabled Facilities Grants for home adaptations that have been received by the Council over the last four years[81] alongside the number of adaptations that have been completed within this program since 2016/17. The figure shows that the level of completions does not vary significantly across the time considered. The number of applications however has increased markedly in the last two years.

Figure 7.3 Disabled Facilities Grant applications and completions in South Staffordshire



Source: South Staffordshire Council, 2022

7.44 In this context, paragraph 005 of the PPG[82] notes that '*Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.'* The provision of M4(2) homes would reduce the need for these adaptations to be applied to existing dwellings reactively, and make the housing stock more responsive to the evolving needs of the local population.

[81] Data prior to this is not currently available.

[82] Reference ID: 63-005-20190626

Families with children

Current situation

7.45 As set out in Table 5.2, there were 16,480 family households in South Staffordshire in 2018, which constitutes 36.1% of all households in the District. The modelling of the housing market undertaken for the LTBHM, indicates that some 4.2% of family households in the South Staffordshire are currently living in overcrowded accommodation and the level of overcrowding amongst family households has increased from 3.9% in 2011. The affordability analysis, summarised in Figure 3.9 indicates that some 22.5% of family households across South Staffordshire would not be able to move to a suitably sized home in the area, however just 14.9% of family households reside in affordable accommodation currently. This suggests that intermediate housing options are likely to be particularly useful for this group of the population.

Future requirement

7.46 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 16,480 in 2018 to 19,430 by 2040, a growth of 17.9%. it is estimated that the proportion of lone parent families within this group will grow from 23.6% in 2018 to 25.6% in 2040. The table below shows the projected accommodation profile for family households in South Staffordshire in 2040 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation. This identifies that intermediate housing will be particularly useful for family households; it is estimated that by 2040, 52.1% of Shared Ownership dwellings and 60.7% of First Homes will be occupied by family households.

Table 7.6 Type of accommodation projected for households with dependent children in 2040 in South Staffordshire

Size of home	*Owner occupied*	*Private rented*	*First Homes*	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	0	0	0	0	0
2 bedroom	1,032	227	133	179	907
3 bedroom	6,704	368	123	266	1,739
4+ bedrooms	7,014	262	87	98	289
Total	14,750	857	343	544	2,935

People wishing to build their own homes

7.47 It should be noted that the NPPF specifically refers to people *wishing to build or commission their own homes* within the examples cited in paragraph 61. South Staffordshire have launched a list for people interested in undertaking a self-build development to register themselves in 2016. There are currently (Spring 2022) 30 applicants on the list and the number of applicants has increased recently (an annual average of 7.5 applications were received in the last two years as compared to an average of 4 per annum in the first four years of the register's existence.

7.48 People interested in self-build generally aspire towards a larger home; all the 15 applicants that provided details on their preferred accommodation size (not all of the applicants provided this detail), 13 indicated that they intend to build a home with at least three bedrooms, only two were interested in a home with two or fewer bedrooms. There is also a high level of interest in building dwellings with a low environmental impact, with seven of the applicants mentioning this aspect when answering what type of home they are seeking to develop (there was no direct question on whether applicants were planning to develop an energy efficient property). It is interesting to note that of the 30 applicants to the self-build register in South Staffordshire, 10 have also joined the self-build register in a different authority as well. Finally, the 21 applicants that joined the register since March 2017 were asked to indicate whether they had a local connection, with 14 indicating this was the case and 7 stating that they have no local connection.

7.49 The PPG suggests that data from the Council's self-build register can be supplemented by secondary data where it exists. The Office of National Statistics has recently published the Right to Build Register Monitoring[83] on an annual basis. This presents a limited amount of data on the scale of demand for self-build properties across all authorities in England. This data indicates that as at the time the data was collected in 2021, there were 29 people on the register, which when compared to the population estimated for the authority in the Census, equates to a demand of 26.2 self-build dwellings per 100,000 people resident in the authority. Across England the demand is for 105.5 self-build dwellings per 100,000 people.

7.50 As well as being notably lower than the national average, the figure of South Staffordshire is lower than many neighbouring authorities – Stafford has a demand of 45.3 self-build properties per 100,000 people, in Telford & Wrekin the figure is 100.2, in Wyre Valley it is 38.4, in Shropshire it is 201.5 and in Dudley it is 38.4. In contrast the figure of 26.2 in South Staffordshire is higher than two neighbouring authorities; Cannock Chase has a demand of 20.9 self-build properties per 100,000 people and in Wolverhampton the figure is 17.8. Overall, of the 307 Local Authorities in England is which sufficient data exists to allow this calculation, South Staffordshire is ranked as having the 237th greatest demand for self-build homes per head.

[83] https://www.gov.uk/government/publications/self-build-and-custom-housebuilding-data-2016-2016-17-2017-18-and-2018-19/data-release-self-build-and-custom-housebuilding-data-2016-to-2020-21

8. Conclusions

8.1 Chapter 1 considered the geographic context in which the local housing market operates using the latest data on migration patterns and housing market linkages. This analysis concluded that South Staffordshire's most established linkages are those with the neighbouring councils immediately to the west of the District (especially those that constitute the Black Country). It is therefore suitable to consider South Staffordshire a sub-market, within part of the Greater Birmingham Housing Market Area.

8.2 Chapter 2 considered the drivers of the local housing market in South Staffordshire. It was shown that the population in the District is older than the national average, with fewer family households' resident. The employment profile of residents in South Staffordshire indicated that unemployment is lower than nationally and there are more people employed in the most highly skilled roles. This is reflected in the household incomes recorded across South Staffordshire which are higher than the regional average.

8.3 Chapter 3 examined the cost of housing in the District. Market accommodation in South Staffordshire is generally more expensive than regional equivalents and access to affordable market housing is an issue for some households in the District. The analysis of the local housing market indicated that there is a notable gap between the cost of Affordable Rent and entry-level market housing which could potentially be filled by intermediate products including First Homes. It is important to note that the suitability of these intermediate and sub-market products to meet housing need to the extent identified in the report is contingent on them being priced at the levels set out in Chapter 3.

8.4 Chapter 4 documented the derivation of the overall housing need in South Staffordshire following the revised Standard Method set out in paragraph 004 of the PPG[84]. This indicated that the overall local housing need in the District is 241 dwellings per year currently. The Council is intending to also deliver 4,000 new homes within the District to help meet the unmet housing need arising in the Greater Birmingham Housing Market Area. In total, including dwellings that have already been completed between 2018 and 2022, the Council will deliver 9,330 new dwellings in South Staffordshire over the twenty-two year modelling period (from 2018 through to 2040).

8.5 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 5), which disaggregates the revised Standard Method local housing need calculations to identify the tenure and size of housing that should be sought over the plan-period to best accommodate the future population, and the Affordable Housing Need model (Chapter 6), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing

[84] Reference ID: 2a-004-20201216

market and is only used to indicate whether the Standard Method local housing need figure should be increased. On completion of the calculation of the need for affordable housing paragraph 024 of the PPG[85] says:

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

8.6 Planning Authorities should consider whether the housing target in the Local Plans should be increased to assist with meeting the need for affordable housing. Once this has been established, the future mix of all housing required over the plan-period should be identified. In accordance with the PPG this is derived using a separate approach.

8.7 The total annual affordable housing need in South Staffordshire of 67 per year (as set out in Chapter 6) represents 28.0% of the standard method figure in the District of 241. The figure of 241 represents just the Local Housing Need for the District and it excludes the additional 4,000 dwellings planned to be delivered in South Staffordshire to address unmet need in the Greater Birmingham Housing Market Area. It would be reasonable to expect 28.0% of new housing as affordable to be delivered on a large housing site in South Staffordshire, where a figure of 30% would be plausible (subject to viability). Based on the evidence in this report, it is recommended that the Council sets a target of 30% of all new housing as affordable on all new sites that meet the minimum dwelling threshold. The Council can therefore be confident that the affordable housing need identified in the model will be addressed by the dwelling growth identified by the Standard Method and no adjustment is required to this figure.

8.8 To determine the size and tenure of the new housing required within the Standard Method local housing need, and the 4,000 contribution to unmet needs, to accord with the PPG, the LTBHM model outputs are used (the change required between 2018 and 2040). This model provides the profile of housing appropriate to meet the population over the modelling period and is directly derived from the calculations used to determine the Standard Method local housing need. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the Standard Method local housing need is required – it does not form a component of the Standard Method local housing need calculations.

8.9 Figure 8.1 sets out the size and tenure requirement for the 9,330 dwellings to be delivered between 2018 and 2040. The Housing White Paper published in February 2017[86] proposes

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[85] Reference ID: 2a-024-20190220

[86] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

that Local Authorities should *'deliver... a mixed package of affordable housing that can respond to local needs and local markets'* (paragraph A1.24). In addition, paragraph 64 of the NPPF sets out a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes as well as potentially First Homes. The Government's guidance on First Homes[87] indicates that *'a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes.'*

8.10 The overall requirement for 14.2% of housing to be Affordable Rented/ Social Rented and 13.2% affordable home ownership (of which 7.1% could be Shared Ownership[88] and 6.1% First Homes[89]) reflects the mix of housing that would best address the needs of the local population. It does not consider the funding that will be available to help provide subsidised housing, and it is acknowledged that current funding stream priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent/ Social Rent. It is important to note that in this scenario First Homes would represent 22.2% of all new affordable housing, so the 25% minimum threshold cited in the government is not quite reached. Presuming that 25% of all affordable housing in South Staffordshire must be First Homes, it is suggested that the Council seeks 51.8% of new affordable homes to be Affordable Rent/Social Rent and 23.2% Shared Ownership (the effect of increasing the First Homes proportion is to decrease the Shared Ownership proportion as the two products are most similar).

8.11 The profile set out is a guide to the overall mix of accommodation required in South Staffordshire although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that the potential demand for First Homes is less robustly evidenced than for the other tenures and should therefore be treated with caution.

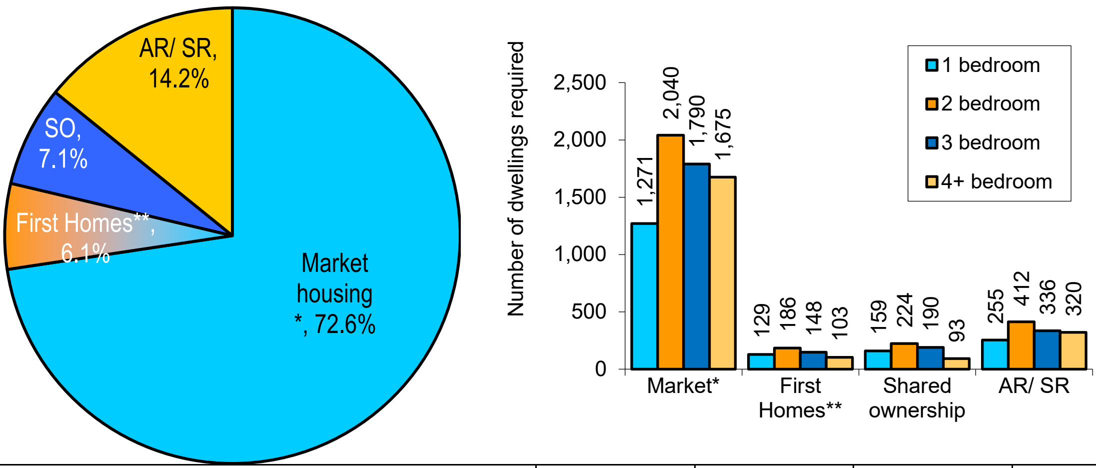
[87] https://www.gov.uk/guidance/first-homes (Paragraph: 012 Reference ID: 70-012-202105240)

[88] Shared Ownership refers to the version with a 10% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

[89] The First Homes figure represents a potential demand rather than a requirement and is derived from Table 5.12.

Figure 8.1 Requirement for all new housing in South Staffordshire between 2018 and 2040

Tenure split | **Size profile**



New housing required 2018 to 2040		*1 bed*	*2 bed*	*3 bed*	*4 bed*
Market housing*	6,776	1,271	2,040	1,790	1,675
First Homes**	566	129	186	148	103
Shared ownership (SO)	666	159	224	190	93
Affordable Rent (AR)/ Social Rent (SR)	1,322	255	412	336	320
Total	6,776	1,246	1,913	1,901	1,716

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

8.12 Chapter 7 considered the housing requirement of particular groups of the population. Paragraph 006 of the PPG[90] notes that '*Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people….They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan-period.'*

8.13 In terms of specialist dwellings for older persons (Class C3), it is evidenced that in South Staffordshire, 440 additional units of Sheltered housing for older people/ retirement housing[91] and 177 additional Extracare units/ supported living housing[92] are required between 2018 and 2040. Chapter 7 also identifies that an additional 864 Registered Care spaces (nursing and residential care homes) will be required over this time frame in South Staffordshire (Class C2).

[90] Reference ID: 63-006-20190626

[91] See footnote 62.

[92] See footnote 63.

8.14 In addition, it is calculated that adapted housing M4(2) Category 2 will be required for 3,978 households by 2040 in South Staffordshire, of which around 636 dwellings should be M4(3) Category 3 homes - wheelchair user dwellings. The most effective approach to ensuring the housing stock has the flexibility to meet the requirements of the future population would be for the Council to implement a policy of universal Category 2 standards in newbuild housing.

Appendix 1. Details of the NMSS model

Overview

The NMSS model is an Excel spreadsheet model which seeks to replicate as closely as is reasonably practicable the methods used by MHCLG and ONS in producing the official population and household projections. It was developed by Neil McDonald to support local authorities and others in estimating objectively assessed housing needs. It has been widely used in Local Plan preparation; Local Plan examinations; and S78 planning appeals and inspectors have been happy to rely on its conclusions.

The model takes as its starting point a set of official projections – current the 2018-based projections. It is a ‘stepping model’ which means it takes one year’s population figures and estimates of births, deaths and migration flows in the ensuing 12-month period to produce an estimate of the following year’s population. That process is then repeated year by year until the end of the projection period is reached.

The estimates of births, deaths and migration flows are based on flow rates derived from official projections and these can be adjusted to produce variant projections. The flow rates are applied to the previous year’s population which means that if the model is being used to explore, say, the consequences of assuming higher outflows of students than envisaged in the official projections, the impact this will have on births, deaths and migration flows is automatically taken into account.

Appendix 2. Detail of the calculation of the affordable housing need

This appendix sets out the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This appendix presents details of how each of these stages is calculated using locally available data for South Staffordshire.

Stage 1: Current unmet gross need for affordable housing

The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing and are therefore in current need.

The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the table below for South Staffordshire, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double counting between them has been taken into account. Households can be unsuitably housed for more than one reason, so it is important that they are only counted once.

The first table shows that there are 1,978 households currently in unsuitable housing or lacking their own housing in South Staffordshire and the most common reason for unsuitability is overcrowding. This figure of 1,978 represents 4.2% of all households in the District.

Table A2.1 Current households who lack their own housing or live in unsuitable housing in South Staffordshire			
Element	*Source*	*Number of household s*	*Revised number of household s*
Homeless households	The Council's housing register as of June 2022.	40	40
Households in temporary accommodation	The Council's housing register as of June 2022.	95	95
Overcrowded households	2011 Census modelled to June 2022. This was done by calculating the annual change in the number of overcrowded households (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) recorded in South Staffordshire between the 2001 and 2011 Census. The nine-year change for each tenure recorded from this source was averaged against the latest nine-year change for each tenure recorded nationally by the English Housing Survey. This average was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2020.	963	963
Concealed households*	2011 Census modelled to June 2022. This was done by calculating the annual change in the number of concealed households recorded in each authority between the 2001 and 2011 Census and applying this the number of concealed households identified in the 2011 Census.	826	551[93]
Other groups	The Council's housing register as of June 2022. Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	605	605
Total		2,529	1,978

Source: 2011 Census data modelled to 2022, the Council's Housing Register*Concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

Affordability

Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size (set out in Figures 3.3 and 3.6) is therefore tested. The housing register details the size of accommodation required by

[93] The 2011 Census indicated that 66.7% of concealed households were also overcrowded in South Staffordshire.

homeless households, households in temporary accommodation and households unsuitably housed for other reasons.

For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for the District, is adjusted to reflect that nationally the income of overcrowded households is 104.6% of the figure for all households (according to the English Housing Survey). Similarly, for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of Social Rented households is 49.0% of the figure for all households (according to the English Housing Survey).

These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in South Staffordshire. The impact of using other thresholds is examined in the analysis in Chapter 5. The table below shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households unable to afford the market-entry point (either to rent or to buy, whichever is cheaper). The number of households that are therefore in current need is shown in the final column.

Table A2.2 Affordability of households in unsuitable housing in South Staffordshire

Number of bedrooms required	*Unsuitable housed households*	*Percentage unable to afford both entry-level private rent and entry-level owner-occupation*	*Households in current need*
One bedroom	394	47.3%	186
Two bedroom	664	45.9%	305
Three bedroom	520	42.4%	220
Four or more bedrooms	401	47.1%	189
Total	1,978	45.5%	900

Some 45.5% (900 households) of unsuitably housed households or households lacking their own housing in South Staffordshire are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and Shared Ownership accommodation that are not living with another household currently), and other households. It is estimated that

some 287 households in need in South Staffordshire currently live in affordable housing that would become available for reuse[94].

Total current need

The table below summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 900 households in current need in South Staffordshire.

Table A2.3 Stage 1: Current unmet gross need in South Staffordshire	
Component	
Homeless households and those in temporary accommodation	131
Overcrowded and concealed households	370
Other groups	399
Total current housing need (gross)	900

Stage 2: Newly arising affordable housing need

In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This calculation, as per paragraph 021 of the PPG (Reference ID: 2a-021-20190220), is based on two elements:

- Number of newly forming households each year (× proportion unable to afford market housing)
- Plus existing households falling into need per year

Need from newly forming households

One of the outputs produced within the process of disaggregating the total housing need into a future population and household typology (as described in Chapter 4) is the calculation of the number of households that will form over the modelling period in South Staffordshire. This figure is then averaged to provide an annual estimate for the number of newly forming households. Using this methodology, it is estimated that 860 new households will form per

[94] For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of housheolds in each category, but also their current tenure (alongside the type of household they were and the size of home they required).

year in South Staffordshire. This represents a household formation rate of 1.8%, higher than the figure of 1.4% recorded nationally by the English Housing Survey[95].

To assess the ability of these households to afford entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size, the household composition for these new households identified within the disaggregation process are used to determine the appropriate size requirement profile. To test newly forming households' ability to afford market housing, the income distribution for each dwelling size requirement is adjusted to reflect that nationally the income of newly forming households is 83.1% of the figure for all households (according to the English Housing Survey). The table below details the derivation of newly arising need from newly forming households. It shows that 39.8% of newly forming households will be unable to afford market housing in South Staffordshire (both private rent and owner-occupation), which means that there will be an annual affordable housing requirement from 342 newly forming households.

Table A2.4 Newly arising need from new household formation (per annum) in South Staffordshire

Component	
Number of newly forming households	860
Proportion unable to afford entry-level market housing (both entry-level private rent and entry-level owner-occupation)	39.8%
Number of newly forming households requiring affordable accommodation	342

Existing households falling into need

The current PPG does not provide detail on how this step should be calculated, however the previous version (of the PPG) recommended that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the lettings of affordable accommodation within South Staffordshire over the last year indicates that there were 107 households that fell into need within the last year in South Staffordshire, excluding those that were newly forming households (which have featured in the previous step)[96].

[95] The relatively high household formation rate reflects that increased household formation is being prioritised within the disaggregation of the local housing need figure as discussed in Chapter 5, but also that the population in South Staffordshire is due to increase through in-migration from the Greater Birmingham Housing Market Area (as the Council helps meet the unmet need from this area), and these households will be younger on average than is typically in the District and will therefore result in greater household formation. It is also worth noting that whilst the figure of 1.7% may appear high, the household formation rate nationally was above 2% between 1995/16 and 2000/01 (and also in 2004/05) and it is only more recently that it has dropped below 1.8% for a sustained period (it was most recently 1.8% four years ago in 2012/13).

[96] A period of only one year has been presented, instead of a period of three years which was used at the equivalent stage of the previous report, because data prior to May 2021 is no longer available. We have therefore used the best available data for this stage.

Total newly arising need

The table below summarises the second stage of the assessment of affordable housing need as set out by the PPG. The table indicates that 449 (342+107) households will be in newly arising need per annum in South Staffordshire.

Table A2.5 Stage 2 Newly arising need (per annum) in South Staffordshire

Component	
New household formation (gross per year)	860
Proportion of new households unable to buy or rent in the market	39.8% (342)
Existing households falling into need	107
Total newly arising housing need (gross per year)	449

Stage 3: Current affordable housing supply

Paragraph 022 (Reference ID: 2a-022-20190220) of the PPG indicates that the current supply of stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

Current occupiers of affordable housing in need

It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need, there are 287 households currently in need already living in affordable housing in South Staffordshire.

Surplus stock

A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. South Staffordshire records a vacancy rate in the affordable sector of 0.5%. As the vacancy rate is lower than the 3% benchmark[97], no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in South Staffordshire.

97 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/11812/Strategic_Housing_Market_Assessments-_Practice_Guidance.pdf (page 47)

Committed supply of new affordable units

The PPG indicates that '*the committed supply of new net affordable homes at the point of the assessment (number and size)'* be taken into account within the model. The Council has provided its list of committed affordable housing developments as at June 2022. All of the sites have been examined and only those in which development at the site has started or where the development is permitted have been included. In total, there are 511 new affordable homes committed across South Staffordshire currently (although it is acknowledged that these will be delivered over the next few years).

Planned units to be taken out of management

The PPG states that the *'units to be taken out of management'* should be quantified. The Council has indicated that there are no affordable housing replacement schemes that will lead to a net loss of affordable accommodation and so a figure of 0 is used for this stage.

Total current affordable housing supply

Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the tables below. The data shows that there will be an estimated 798 affordable homes available in South Staffordshire.

Table A2.6 Stage 3 Affordable housing supply in South Staffordshire

Component	
Affordable dwellings occupied by households in need	287
Surplus stock	0
Committed supply of affordable housing	511
Units to be taken out of management	0
Total affordable housing stock available	798

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need[98]. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector[99].

[98] Whilst this is not a step that is detailed in the current PPG, it is logically required to reflect that there is a flow of housing becoming available to meet need as well as a flow of households requiring affordable housing (Stage 2 of the model). This stage has also been included in all previous iterations of this model that have been published in government guidance.

[99] The intermediate sector includes all affordable tenures other than Social Rented and Affordable Rented.

The future supply of Social/Affordable Rented housing

This is an estimate of likely future re-lets from the existing RSL rented stock (both Social Rent and Affordable Rent). Data on the affordable accommodation lettings within South Staffordshire over the last three years as recorded in the CORE LA Area Lettings tables[100] is used for this figure. The table below sets out the number of RSL rented lettings that have occurred in the last three years, excluding lets made within brand new properties (the figures only include re-lets). The average number of re-lets across the Social and Affordable Rented sector over the three-year period was 367 per annum in South Staffordshire.

Table A2.7 Past RSL rented supply (re-lets only)

Year	*Number of re-lets*
2019/20	361
2018/19	336
2017/18	405
Average	367

Source: Social Housing Lettings in England - Local Authority Level Tables 2017/18, 2018/19 and 2019/20

Supply of intermediate housing

In most local authorities, the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case in South Staffordshire). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore, we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social Rented sector[101] (5.5% in South Staffordshire) to the estimated stock for each form of intermediate housing. This is set out in the table below. It is estimated that around 21 units of intermediate housing will become available to meet housing needs from the existing stock each year in the South Staffordshire.

[100] CORE (COntinuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

https://www.gov.uk/government/collections/rents-lettings-and-tenancies

[101] This is calculated by dividing the average number of relets (416 as set out in the previous step) by the total stock of social and affordable housing as set out in the HCA's Statistical Data Return, 2019.

Table A2.8 Estimated intermediate supply in South Staffordshire		
Intermediate tenure	*Stock*	*Annual re-lets*
Shared Ownership	375	21

Source: HCA's Statistical Data Return 2021, Council LAHS 2021

Annual future supply of affordable housing

The total future supply of affordable housing is the sum of the Social Rented supply and the intermediate supply as set out in the table below.

Table A2.9 Stage 4 Future supply of all affordable housing (per annum) in South Staffordshire	
Component	
Annual supply of Social/Affordable Rented re-lets	367
Annual supply of intermediate housing available for re-let or resale at sub-market levels	21
Annual supply of all affordable housing	388

Appendix 3. Sub-area results for the type and tenure of new housing needed

Introduction

Chapter 5 also presents the tenure and size of new accommodation required over the twenty-two year modelling period in South Staffordshire. This appendix sets out the equivalent results for each of the five constituent sub-areas of the District separately. The methodology behind the results is the same as described in Chapter 5. The sub-areas are introduced in paragraph 3.7.

Southern sub-area

The table below shows the tenure profile required by households resident in the Southern sub-area of South Staffordshire in 2040 in comparison to the tenure profile recorded in the sub-area at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 62.9% of new housing in Southern sub-area of South Staffordshire should be owner-occupied, 12.6% private rented, 7.8% should be Shared Ownership and 16.7% Social Rent/Affordable Rent.

Table 5.4a Tenure of new accommodation required in the Southern sub-area over the 22 year modelling period

Tenure	*Base tenure profile (2018)*	*Tenure profile 2040*	*Change required*	*% of change required*
Owner-occupied	8,553	10,068	1,515	62.9%
Private rent	1,246	1,549	302	12.6%
Shared Ownership	57	244	187	7.8%
Social Rent/Affordable Rent	1,561	1,962	402	16.7%
Total	11,417	13,823	2,406	100.0%

First Homes

This approach described in Chapter 5 identifies that, between 2018 and 2040, there would be a potential demand for 117 First Homes in the Southern sub-area of South Staffordshire, which would represent 4.9% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 117 First Homes in the Southern sub-area of South Staffordshire, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The tables below present the size of owner-occupied accommodation required in Southern sub-area of South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector at the base date.

Table 5.5a Size of new owner-occupied accommodation required in the Southern sub-area over the next 22 years

Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	250	525	275	18.1%
Two bedroom	1,469	1,928	459	30.3%
Three bedroom	3,438	3,923	485	32.0%
Four or more bedrooms	3,396	3,692	296	19.5%
Total	8,553	10,068	1,515	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 5.6a Size of new private rented accommodation required in the Southern sub-area over the next 22 years

Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	143	224	80	26.5%
Two bedroom	504	582	78	25.9%
Three bedroom	399	472	72	23.9%
Four or more bedrooms	200	271	72	23.6%
Total	1,246	1,549	302	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7a Size of new Shared Ownership accommodation required in the Southern sub-area over the next 22 years

Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	15	61	47	25.0%
Two bedroom	18	81	63	33.4%
Three bedroom	18	70	53	28.1%
Four or more bedrooms	6	31	25	13.5%
Total	57	244	187	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 5.8a Size of new Social Rent/Affordable Rent required in the Southern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	521	584	63	15.6%
Two bedroom	562	721	159	39.7%
Three bedroom	448	550	102	25.5%
Four or more bedrooms	29	106	77	19.3%
Total	1,561	1,962	402	100.0%

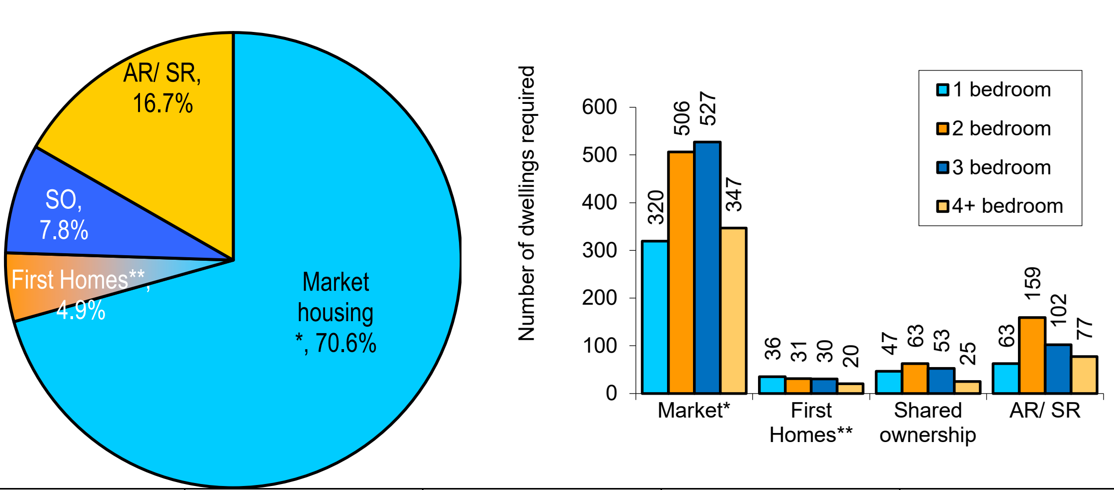
The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9a Potential demand for First Homes in the Southern sub-area over the next 22 years				
Size of home	*First Homes*		*Residual private rented homes*	
	Number required	*Proportion required*	*Number required*	*Proportion required*
One bedroom	36	30.3%	45	24.2%
Two bedroom	31	26.5%	47	25.5%
Three bedroom	30	26.0%	42	22.6%
Four or more bedrooms	20	17.2%	51	27.7%
Total	117	100.0%	185	100.0%

The figure and table below summarises the results for presented for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in the Southern sub-area of South Staffordshire over the next 22 years.

Figure 5.2a Profile of new accommodation required in the Southern sub-area

Tenure split **Size profile**



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	320	36	47	63
2 bedroom	506	31	63	159
3 bedroom	527	30	53	102
4+ bedrooms	347	20	25	77
Total	1,700	117	187	402

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

Northern sub-area

The table below shows the tenure profile required by households resident in the Northern sub-area of South Staffordshire in 2040 in comparison to the tenure profile recorded in the sub-area at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 68.9% of new housing in Northern sub-area of South Staffordshire should be owner-occupied, 11.2% private rented, 6.1% should be Shared Ownership and 13.8% Social Rent/Affordable Rent.

Table 5.4b Tenure of new accommodation required in the Northern sub-area over the 22 year modelling period				
Tenure	*Base tenure profile (2018)*	*Tenure profile 2040*	*Change required*	*% of change required*
Owner-occupied	4,696	5,562	866	68.9%
Private rent	798	939	140	11.2%
Shared Ownership	122	198	77	6.1%
Social Rent/Affordable Rent	960	1,133	173	13.8%
Total	6,576	7,831	1,256	100.0%

First Homes

This approach described in Chapter 5 identifies that, between 2018 and 2040, there would be a potential demand for 75 First Homes in the Northern sub-area of South Staffordshire, which would represent 6.0% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 75 First Homes in the Northern sub-area of South Staffordshire, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The tables below present the size of owner-occupied accommodation required in Northern sub-area of South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector at the base date.

Table 5.5b Size of new owner-occupied accommodation required in the Northern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	41	221	181	20.9%
Two bedroom	597	870	273	31.5%
Three bedroom	2,126	2,362	236	27.3%
Four or more bedrooms	1,932	2,108	176	20.3%
Total	4,696	5,562	866	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 5.6b Size of new private rented accommodation required in the Northern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	49	83	33	23.6%
Two bedroom	260	306	46	32.8%
Three bedroom	365	391	26	18.8%
Four or more bedrooms	125	159	35	24.8%
Total	798	939	140	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7b Size of new Shared Ownership accommodation required in the Northern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	17	38	21	27.6%
Two bedroom	37	64	27	35.1%
Three bedroom	52	69	17	21.6%
Four or more bedrooms	16	28	12	15.7%
Total	122	198	77	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

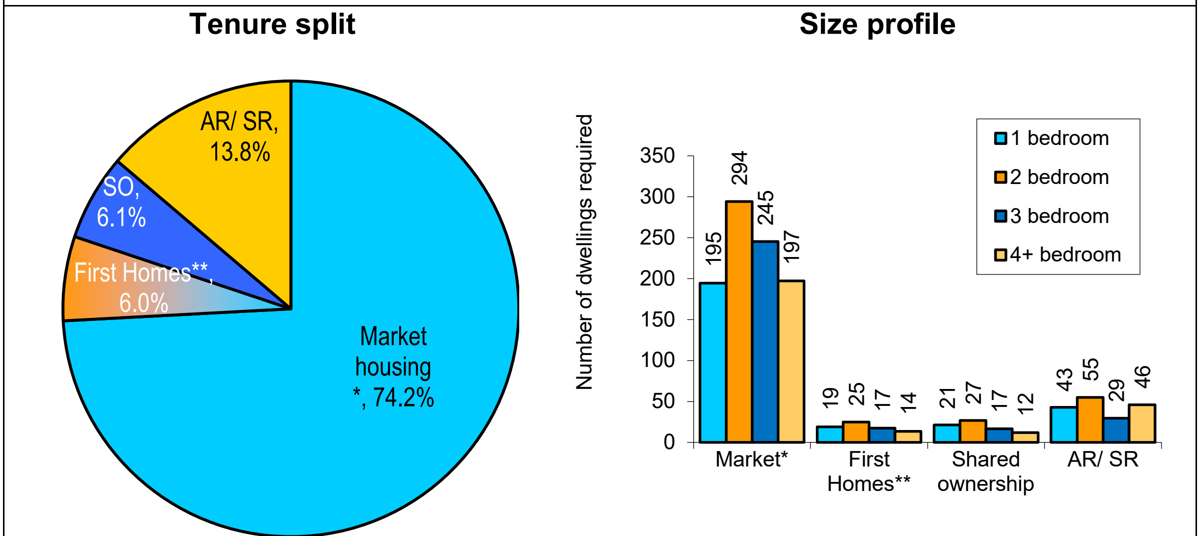
Table 5.8b Size of new Social Rent/Affordable Rent required in the Northern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	127	170	43	24.7%
Two bedroom	514	569	55	31.7%
Three bedroom	306	336	29	17.0%
Four or more bedrooms	12	58	46	26.6%
Total	960	1,133	173	100.0%

The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9b Potential demand for First Homes in the Northern sub-area over the next 22 years				
Size of home	*First Homes*		*Residual private rented homes*	
	Number required	*Proportion required*	*Number required*	*Proportion required*
One bedroom	19	25.4%	14	21.5%
Two bedroom	25	33.3%	21	32.3%
Three bedroom	17	23.1%	9	13.8%
Four or more bedrooms	14	18.2%	21	32.5%
Total	75	100.0%	65	100.0%

The figure and table below summarises the results for presented for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in the Northern sub-area of South Staffordshire over the next 22 years.

Figure 5.2b Profile of new accommodation required in the Northern sub-area



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	195	19	21	43
2 bedroom	294	25	27	55
3 bedroom	245	17	17	29
4+ bedrooms	197	14	12	46
Total	931	75	77	173

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

North Western sub-area

The table below shows the tenure profile required by households resident in the North Western sub-area of South Staffordshire in 2040 in comparison to the tenure profile recorded in the sub-area at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 63.0% of new housing in North Western sub-area of South Staffordshire should be owner-occupied, 13.0% private rented, 7.3% should be Shared Ownership and 16.6% Social Rent/Affordable Rent.

Table 5.4c Tenure of new accommodation required in the North Western sub-area over the 22 year modelling period

Tenure	*Base tenure profile (2018)*	*Tenure profile 2040*	*Change required*	*% of change required*
Owner-occupied	3,518	4,124	606	63.0%
Private rent	740	865	125	13.0%
Shared Ownership	38	109	71	7.3%
Social Rent/Affordable Rent	544	704	160	16.6%
Total	4,840	5,801	961	100.0%

First Homes

This approach described in Chapter 5 identifies that, between 2018 and 2040, there would be a potential demand for 64 First Homes in the North Western sub-area of South Staffordshire, which would represent 6.7% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 64 First Homes in the North Western sub-area of South Staffordshire, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The tables below present the size of owner-occupied accommodation required in North Western sub-area of South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector at the base date. It should be noted that there is a very close distribution between two, three and four bedroom owner-occupied homes within this sub-area. The main reason for the four bedroom requirement being relatively high is that the occupation patterns amongst some wealthy household groups in this sub-area being projected to continue (couple households with children most notably, it may however be that in the future these households will be more evenly spread across the District and therefore the requirement for four-bedroom owner-occupied homes may be relatively lower in the North Western area and higher in other sub-areas.

Table 5.5c Size of new owner-occupied accommodation required in the North Western sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	119	216	97	16.0%
Two bedroom	635	822	187	30.9%
Three bedroom	1,411	1,576	165	27.2%
Four or more bedrooms	1,353	1,510	157	25.9%
Total	3,518	4,124	606	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 5.6c Size of new private rented accommodation required in the North Western sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	71	101	29	23.5%
Two bedroom	263	309	46	36.8%
Three bedroom	289	307	19	15.1%
Four or more bedrooms	117	148	31	24.6%
Total	740	865	125	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7c Size of new Shared Ownership accommodation required in the North Western sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	10	27	17	24.7%
Two bedroom	12	36	24	33.5%
Three bedroom	12	32	20	27.9%
Four or more bedrooms	4	14	10	13.9%
Total	38	109	71	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 5.8c Size of new Social Rent/Affordable Rent required in the North Western sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	112	150	38	23.8%
Two bedroom	278	306	28	17.7%
Three bedroom	138	185	48	29.9%
Four or more bedrooms	17	62	46	28.6%
Total	544	704	160	100.0%

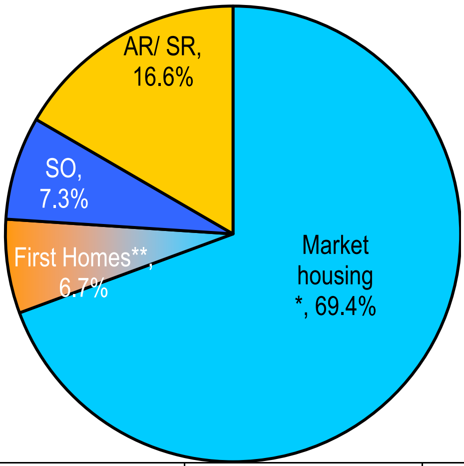
The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9c Potential demand for First Homes in the North Western sub-area over the next 22 years				
Size of home	*First Homes*		*Residual private rented homes*	
	Number required	*Proportion required*	*Number required*	*Proportion required*
One bedroom	16	24.7%	14	22.3%
Two bedroom	25	38.7%	21	34.7%
Three bedroom	12	18.5%	7	11.4%
Four or more bedrooms	12	18.1%	19	31.6%
Total	64	100.0%	61	100.0%

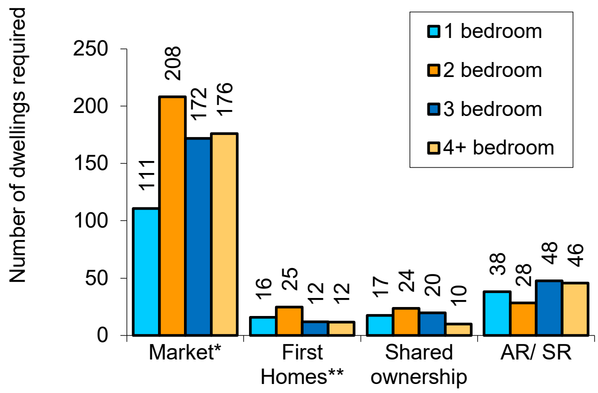
The figure and table below summarises the results for presented for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in the North Western sub-area of South Staffordshire over the next 22 years.

Figure 5.2c Profile of new accommodation required in the North Western sub-area

Tenure split



Size profile



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	111	16	17	38
2 bedroom	208	25	24	28
3 bedroom	172	12	20	48
4+ bedrooms	176	12	10	46
Total	667	64	71	160

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

North Eastern sub-area

The table below shows the tenure profile required by households resident in the North Eastern sub-area of South Staffordshire in 2040 in comparison to the tenure profile recorded in the sub-area at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 63.2% of new housing in North Eastern sub-area of South Staffordshire should be owner-occupied, 18.0% private rented, 7.5% should be Shared Ownership and 11.4% Social Rent/Affordable Rent.

Table 5.4d Tenure of new accommodation required in the North Eastern sub-area over the 22 year modelling period				
Tenure	*Base tenure profile (2018)*	*Tenure profile 2040*	*Change required*	*% of change required*
Owner-occupied	8,935	10,376	1,441	63.8%
Private rent	985	1,372	387	17.1%
Shared Ownership	46	208	161	7.2%
Social Rent/Affordable Rent	1,919	2,187	268	11.9%
Total	11,885	14,143	2,257	100.0%

First Homes

This approach described in Chapter 5 identifies that, between 2018 and 2040, there would be a potential demand for 146First Homes in the North Eastern sub-area of South Staffordshire, which would represent 6.5% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 146 First Homes in the North Eastern sub-area of South Staffordshire, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The tables below present the size of owner-occupied accommodation required in North Eastern sub-area of South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector at the base date.

Table 5.5d Size of new owner-occupied accommodation required in the North Eastern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	77	337	260	18.1%
Two bedroom	1,410	1,825	415	28.8%
Three bedroom	4,860	5,210	350	24.3%
Four or more bedrooms	2,588	3,003	415	28.8%
Total	8,935	10,376	1,441	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 5.6d Size of new private rented accommodation required in the North Eastern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	70	150	80	20.7%
Two bedroom	423	533	110	28.4%
Three bedroom	414	509	94	24.4%
Four or more bedrooms	78	180	102	26.4%
Total	985	1,372	387	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7d Size of new Shared Ownership accommodation required in the North Eastern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	5	38	32	20.0%
Two bedroom	16	72	56	34.4%
Three bedroom	20	73	53	32.7%
Four or more bedrooms	4	25	21	12.9%
Total	46	208	161	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

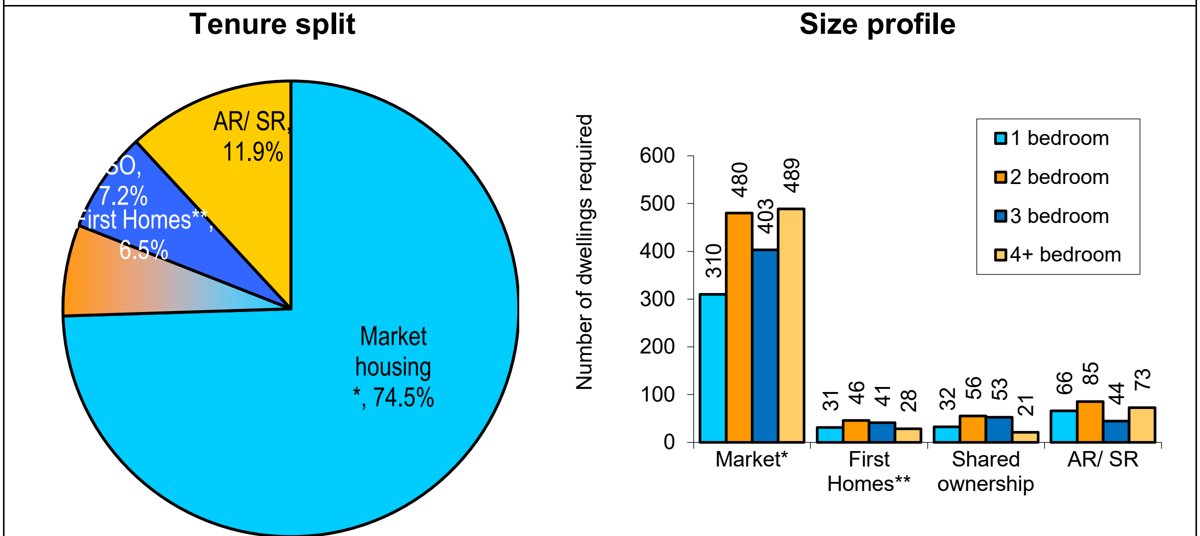
Table 5.8d Size of new Social Rent/Affordable Rent required in the North Eastern sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	221	287	66	24.6%
Two bedroom	1,091	1,177	85	31.8%
Three bedroom	593	637	44	16.6%
Four or more bedrooms	13	86	73	27.1%
Total	1,919	2,187	268	100.0%

The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9d Potential demand for First Homes in the North Eastern sub-area over the next 22 years				
Size of home	*First Homes*		*Residual private rented homes*	
	Number required	*Proportion required*	*Number required*	*Proportion required*
One bedroom	31	21.1%	49	20.5%
Two bedroom	46	31.2%	64	26.7%
Three bedroom	41	28.2%	53	22.1%
Four or more bedrooms	28	19.4%	74	30.7%
Total	146	100.0%	241	100.0%

The figure and table below summarises the results for presented for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in the in North Eastern sub-area of South Staffordshire over the next 22 years.

Figure 5.2d Profile of new accommodation required in the North Eastern sub-area



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	310	31	32	66
2 bedroom	480	46	56	85
3 bedroom	403	41	53	44
4+ bedrooms	489	28	21	73
Total	1,682	146	161	268

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

Central sub-area

The table below shows the tenure profile required by households resident in the Central sub-area of South Staffordshire in 2040 in comparison to the tenure profile recorded in the sub-area at the start of the plan-period. The difference between these two distributions is the change required to the housing stock over this period. The results show that 66.0% of new housing in Central sub-area of South Staffordshire should be owner-occupied, 13.9% private rented, 7.0% should be Shared Ownership and 13.1% Social Rent/Affordable Rent.

Table 5.4e Tenure of new accommodation required in the Central sub-area over the 22 year modelling period

Tenure	*Base tenure profile (2018)*	*Tenure profile 2040*	*Change required*	*% of change required*
Owner-occupied	7,987	9,603	1,616	66.0%
Private rent	1,147	1,488	341	13.9%
Shared Ownership	114	285	171	7.0%
Social Rent/Affordable Rent	1,639	1,961	322	13.1%
Total	10,887	13,337	2,450	100.0%

First Homes

This approach described in Chapter 5 identifies that, between 2018 and 2040, there would be a potential demand for 158 First Homes in the Central sub-area of South Staffordshire, which would represent 6.5% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 158 First Homes in the Central sub-area of South Staffordshire, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

The tables below present the size of owner-occupied accommodation required in Central sub-area of South Staffordshire in 22 years' time in comparison to the size profile recorded in the sector at the base date.

Table 5.5e Size of new owner-occupied accommodation required in the Central sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	222	524	302	18.7%
Two bedroom	1,276	1,775	499	30.9%
Three bedroom	3,529	3,932	403	25.0%
Four or more bedrooms	2,960	3,372	412	25.5%
Total	7,987	9,603	1,616	100.0%

This analysis can be repeated for private rented housing and is presented in the table below.

Table 5.6e Size of new private rented accommodation required in the Central sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	147	206	58	17.1%
Two bedroom	426	535	109	31.9%
Three bedroom	421	512	91	26.6%
Four or more bedrooms	152	235	83	24.4%
Total	1,147	1,488	341	100.0%

The table below sets out the equivalent analysis for Shared Ownership housing.

Table 5.7e Size of new Shared Ownership accommodation required in the Central sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	34	74	40	23.6%
Two bedroom	39	95	56	32.8%
Three bedroom	33	82	49	28.7%
Four or more bedrooms	8	34	26	15.0%
Total	114	285	171	100.0%

The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector.

Table 5.8e Size of new Social Rent/Affordable Rent required in the Central sub-area over the next 22 years				
Size of home	*Base size profile (2018)*	*Size profile 2040*	*Change required*	*% of change required*
One bedroom	571	612	41	12.7%
Two bedroom	653	743	89	27.7%
Three bedroom	394	508	114	35.4%
Four or more bedrooms	21	98	78	24.2%
Total	1,639	1,961	322	100.0%

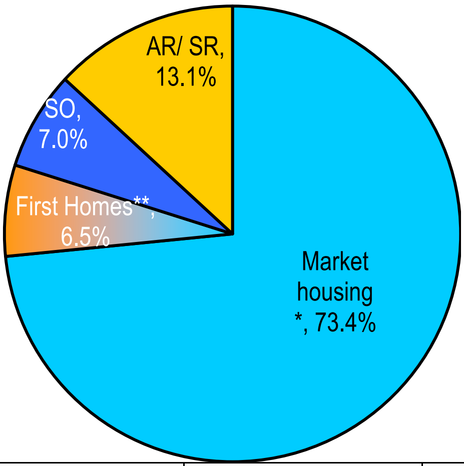
The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table.

Table 5.9e Potential demand for First Homes in the Central sub-area over the next 22 years				
Size of home	*First Homes*		*Residual private rented homes*	
	Number required	*Proportion required*	*Number required*	*Proportion required*
One bedroom	26	16.6%	32	17.6%
Two bedroom	57	35.9%	52	28.4%
Three bedroom	47	29.8%	44	23.9%
Four or more bedrooms	28	17.7%	55	30.2%
Total	158	100.0%	183	100.0%

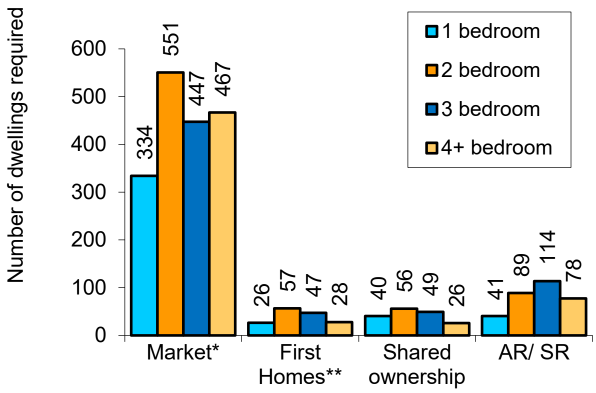
The figure and table below summarises the results for presented for each tenure individually above (with the two market tenures merged) and shows the profile of new housing required in the Central sub-area of South Staffordshire over the next 22 years.

Figure 5.2e Profile of new accommodation required in the Central sub-area

Tenure split



Size profile



Size of home	*Market housing**	*First Homes***	*Shared Ownership*	*Social/ Affordable Rented*
1 bedroom	334	26	40	41
2 bedroom	551	57	56	89
3 bedroom	447	47	49	114
4+ bedrooms	467	28	26	78
Total	1,799	158	171	322

*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

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- Local and Strategic Housing Market Assessments and Housing Needs Assessments

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