



South Staffordshire Council

Local Plan Review

Publication Plan

Affordable Housing and Housing Mix Topic Paper

April 2024

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1. Introduction

- 1.1. The purpose of this topic paper is to provide background information on housing affordability and housing mix issues in South Staffordshire, in relation to the proposed housing policies set out in the Council's draft Local Plan, specifically Policies HC1 and HC3. The paper sets out the range of evidence and data used by the Council to formulate the policies and provides the justification for the proposed approach.
- 1.2. The National Planning Policy Framework (NPPF) specifies the following requirements for local authorities for plan making:
 - The needs of different groups with specific housing requirements must be addressed (paragraph 60)
 - The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies, including those who require affordable housing (paragraph 63)
 - Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (paragraph 64)
 - Provision of affordable housing should not be sought for residential developments that are not major developments (paragraph 65)
 - For major development, at least 10% of homes must be available for affordable home ownership, subject to certain exemptions (paragraph 66)
- 1.3. Additionally, the Planning Practice Guidance (PPG) confirms that all households whose needs are not met by the market, and which are eligible for one or more of the types of affordable housing set out in the NPPF definition are considered to be in affordable housing need. The NPPF (Annex 2) specifies that affordable housing is defined as one or more of the following categories:
 - Affordable housing for rent
 - Starter homes
 - Discounted market sales housing
 - Other affordable routes to home ownership

2. South Staffordshire Housing Market: An Overview

- 2.1. The Housing Market Assessment Update 2022 (p.18) estimates South Staffordshire's housing stock of approximately 46,500 homes, to comprise of the following as of 2023:

| | % of total district stock | % of stock of tenure | | | |
|-------------------------------|---------------------------|----------------------|-----------|-----------|------------|
| | | 1 bedroom | 2 bedroom | 3 bedroom | 4+ bedroom |
| Owner occupied | 74 | 2 | 17 | 46 | 35 |
| Private rent | 11 | 10 | 39 | 41 | 10 |
| Social/affordable rent | 14 | 24 | 47 | 28 | 2 |
| Shared ownership | 1 | 22 | 32 | 35 | 11 |

Figure 1: Housing stock by tenure

- 2.2. In terms of tenure, owner occupation is by far the most common in South Staffordshire at 74%. Only 14% of the housing stock comprises of social rented housing, which is noticeably lower than regional and national figures, at 17.1% and 18.2% respectively. Shared ownership housing has been delivered through Section 106 obligations and Registered Provider led schemes in recent years, but this remains only a very small proportion of the district’s housing stock.
- 2.3. A significant proportion (81) of owner-occupied housing in the district has at least three bedrooms. Considering this breakdown further, over a third of properties (35%) have four or more bedrooms. The social rented stock is dominated by two bedroom homes (47%), with smaller proportions of one (24%) and three (28%) bedroom homes. Three bedroom homes are most common in the shared ownership stock at 35%.
- 2.4. House prices have significantly increased in the district over the last ten years. The average house price has increased from £215,134 in April 2013 to £337,761 in March 2023, representing a 57% rise (Hometrack). The cheaper end of the housing market still reaches high prices, with the average lower quartile priced property costing £230,000 in March 2023.
- 2.5. Private rent levels are also high in South Staffordshire and have risen rapidly in recent years. Between April 2018 and March 2023, median two bedroom rent levels increased by 25%, from £598 to £750 per month (Hometrack). Similarly, three bedroom rents increased from £741 to £897 per month, representing a 21% rise.
- 2.6. The district is covered by three broad rental market areas (BRMAs), which means that three different sets of Local Housing Allowance are applied. Local housing allowance rates for 2024/25 were published in January 2024 by the government. These are illustrated below with comparisons to average monthly private rent levels in the district:

| | 1 bedroom | 2 bedroom | 3 bedroom | 4 bedroom |
|------------------------------|-----------|-----------|-----------|-----------|
| Black Country LHA | £494 | £623 | £748 | £922 |
| Mid Staffordshire LHA | £499 | £623 | £738 | £992 |
| Shropshire LHA | £473 | £593 | £723 | £972 |
| 30th percentile private rent | £498 | £698 | £849 | £1,083 |

| | | | | |
|---------------------|------|------|------|--------|
| Median private rent | £589 | £750 | £897 | £1,270 |
|---------------------|------|------|------|--------|

Figure 2: Local Housing Allowance and private rents (Hometrack, March 2023)

- 2.7. LHA levels are based on private rents being paid in each BRMA and all of the above BRMAs also cover areas outside of South Staffordshire. It can be seen that even in the bottom third of the market (the 30th percentile), LHA levels are not sufficient to cover private rents in the region (with the exception of Mid Staffordshire) in one, two, three and four bedroom homes of the three BRMAs that cover the district.

3. Housing Affordability

- 3.1. Data on affordability demonstrates how easy or difficult it is for households to access homes on the open market. This then points to the need for affordable housing (and the specific tenures required) to meet the needs of those households that cannot access a market property.
- 3.2. Affordability ratios indicate the difference between income and house prices; for example, an affordability ratio of 4.3 indicates that the average property is priced at over four times the average local income. Lower quartile figures are provided below as this is usually considered to be the most affordable section of the housing market, and therefore a good general indicator of affordability in the district:

| Ward | Affordability Ratio (February 2024) |
|---|-------------------------------------|
| Bilbrook | 11.35 |
| Brewood and Coven | 12.82 |
| Cheslyn Hay North and Saredon | 8.95 |
| Cheslyn Hay South | 11.23 |
| Codsall North | 11.35 |
| Codsall South | 10.53 |
| Essington | 10.42 |
| Featherstone and Shareshill | 10.08 |
| Great Wyrley Landywood | 8.04 |
| Great Wyrley Town | 10.79 |
| Himley and Swindon | 10.78 |
| Huntington and Hatherton | 7.45 |
| Kinver | 11.80 |
| Pattingham and Patshull | 12.00 |
| Penkridge North East and Acton Trussell | 10.59 |
| Penkridge South East | 8.59 |
| Penkridge West | 11.14 |
| Perton Dippons | 8.62 |
| Perton East | 8.03 |
| Perton Lakeside | 8.81 |
| Trysull and Seisdon | 9.68 |

| | |
|---------------------------------------|-------------|
| Wheaton Aston, Bishopswood and Lapley | 10.87 |
| Wombourne North and Lower Penn | 10.31 |
| Wombourne South East | 11.57 |
| Wombourne South West | 10.24 |
| District | 9.89 |

Figure 3: Affordability ratios by ward (Hometrack, February 2024)

- 3.3. The average lower quartile property in the district is more than 10.2 times the average lower quartile income. 16 of the 25 wards exceed the district average, with the ratio rising to 12 in some areas.
- 3.4. The lower quartile house price to residence-based earnings ratio (Office for National Statistics) provides a comparator between South Staffordshire and the regional and national averages. In 2022, the affordability ratio of the district was reported as 8.48, compared with the Staffordshire average of 6.82, the West Midlands average of 7.10, and the national average of 7.36.

4. Affordable housing stock

- 4.1. As of 2023, South Staffordshire’s housing stock contains 7,444 affordable properties (RP social housing by local authority area, Regulator of Social Housing, 2023. This includes 6,543 for social rent, just 266 for affordable rent and only 579 for low cost home ownership. 966 units of the total affordable stock are supported housing/housing for older people.
- 4.2. Average weekly social rents (general needs) range from £71 for a one bedroom property, up to £114 for four bedroom homes. Gross affordable rents average at between £97 and £129 per week. The Council’s affordable housing policy (Policy H2) in the adopted Core Strategy 2012 requires the provision of social rent, rather than affordable rent, for schemes with developer obligations, therefore the vast majority of affordable rented homes have been delivered through Registered Provider led schemes (e.g. rural exception sites and specialist housing). The Council has worked with Registered Providers on such schemes to keep rents lower than 80% market value and within the benefit cap. The Housing Market Assessment Update 2022 (para. 3.18, p.36) estimates them to average at between 45% and 65% of market rents in the district.
- 4.3. The Council has a strong track record of delivering social rented properties through developer obligations. Since the adoption of the 2012 Core Strategy (up to 31 March 2023), a total of 428 social rented homes have been secured through this route. These stem from 22 sites, of which 13 were allocated through the 2018 Site Allocations Document. In terms of completions, between April 2012 and March 2023, a total of 363 homes for social rent have been completed through developer obligations.

- 4.4. Conversely, data indicates that approximately 197 Registered Provider properties have been sold between 2012 and 2023 to tenants or others (Statistical Data Return and Private registered provider social housing stock and rents in England, Regulator of Social Housing, 2012-2023). This equates to 65% of the social rented properties added to the stock through developer obligations over the same period (292 completions 2012-2022). With further proposals to extend the Right to Buy to housing associations, the Council must also consider the likely loss of social rented stock over the plan period and the impact of this on the supply of affordable housing in the district.

5. Affordable housing need

- 5.1. The Council's Housing Market Assessment Partial Update 2024 (Figure 5.2, p.24) confirms that 28.8% of housing delivered in South Staffordshire up to 2042 should be affordable. This is broken down into 15.6% social or affordable rent, 7.2% shared ownership and 6.0% First Homes.
- 5.2. A distinction is not made between social and affordable rent in the Assessment. The Council has taken the decision to require rental properties to be provided as social rather than affordable rent through its proposed affordable housing policy. This has been demonstrated to be viable through the Local Plan Viability Study and is also reflective of the type of affordable need in the district. This is discussed further in Section 6 below.

6. Social and Affordable Rent

- 6.1. Chapter 6 of the Housing Market Assessment Update 2022 provides further detailed analysis on the type of affordable housing need in South Staffordshire. In terms of affordable product, Table 6.3 (p.73) confirms that 45.2% of all those identified as being in affordable housing need are only able to afford social rent or require assistance to pay their housing costs. This represents a large proportion of the Council's affordable housing need and must be reflected in its tenure split policy in order to effectively meet local need. Provision of rents more expensive than social rent would likely require substantial additional support from Universal Credit for those in need. With higher, affordable rents, tenants would also be more likely to reach the benefit cap with a risk that their benefits would not then cover all of their living expenses.
- 6.2. As noted earlier, the Council has worked proactively with Registered Providers to keep affordable rent levels lower than 80% of market rents to ensure genuine affordability for residents. This has been focused on Registered Provider led schemes and may not be possible through developer obligation schemes, potentially due to an inability to secure grant funding for units delivered through Section 106. Theoretical affordable rents set at 80% of market rent levels can be calculated based on monthly private rent levels to provide an indication of those that would likely be provided through Section 106 development. These are shown in the table below, along with a comparison to social rents:

| Monthly rents | 1 bedroom | 2 bedroom | 3 bedroom | 4 bedroom |
|--|-----------|-----------|-----------|-----------|
| Median private rent levels (March 2023) | £589 | £750 | £897 | £1,270 |
| Theoretical affordable rent (80% median private rent) | £471 | £600 | £718 | £1,016 |
| Social rent levels (Average 2021) | £339 | £379 | £421 | £458 |
| Difference between social and theoretical affordable rent | £132 | £221 | £339 | £558 |

Figure 4: Monthly rents (Hometrack (Private rent figures), Housing Market Assessment Update 2022 Table 3.5, p. 36 (Social rent figures))

- 6.3. Even allowing for inflation of rents between 2021 and 2022, the table indicates that there are substantial differences between the monthly cost of social and affordable rent. As already outlined above, if affordable rent were to be provided on new development, a substantial proportion of those in affordable housing need would require additional support in order to pay their rent, and the figures above indicate this could be in the range of approximately £1,500 to over £6,500 per annum, depending on the size of property required. This would result in increased burden on housing benefit/universal credit expenditure, plus a more substantial shortfall to manage should this support be withdrawn at any point from a tenant. This presents increased risk to Registered Providers who may be faced with significant rent arrears of tenants who are affected by the benefit cap or find themselves suddenly unable to meet their housing costs. As per the Housing and Homelessness Strategy, the Council is seeking to continue supporting and working proactively with Registered Providers to deliver affordable and specialist schemes to further contribute to local need. Any additional risk and strain placed on Registered Providers would jeopardise this.
- 6.4. The relative affordability of social and affordable rent in the district can also be highlighted by considering average household incomes and those required to access each product. The Housing Market Assessment Update 2022 indicates the average lower quartile gross household income across the district is £21,598 (Figure 2.8, p.26). Figure 3.7 (p.37) of the assessment identifies incomes required to access various housing options, including affordable rent, as shown below:

| Lower quartile income | Income required to access affordable rent | | | |
|-----------------------|---|------------|------------|------------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4 bedrooms |
| £21,598 | £13,036 | £15,561 | £17,332 | £18,820 |

- 6.5. Based on average affordable rent levels in the district, this indicates that one to four bedroom properties are generally affordable. However, as already discussed, these are rent levels set at less than 80% market rents as a result of partnership working between the Council and Registered Providers. Using the same methodology outlined at paragraph 3.20 of the Housing Market Assessment Update (p.37), the incomes required for theoretical affordable rent levels (80% of private rent) delivered through Section 106 schemes can be calculated as follows:

| Lower quartile income | Income required to access theoretical affordable rent | | | |
|-----------------------|---|------------|------------|------------|
| | 1 bedroom | 2 bedrooms | 3 bedrooms | 4 bedrooms |
| £21,598 | £14,365 | £19,130 | £23,279 | £34,215 |

- 6.6. Both three and four bedroom homes require a household income higher than the lower quartile average for the district. This demonstrates that for those on lower incomes, they are highly unlikely to be able to afford an affordable rented property of this size without additional financial support. The income required for a two bedroom home is also only slightly higher than the lower quartile figure, indicating that two bedroom properties may also be out of reach for some. Given that over 80% of those requiring a social/affordable rented property require two or more bedrooms, this represents a significant risk to the Council meeting local need, were affordable rent be required instead of social rent.
- 6.7. In contrast, if the same methodology is applied to average social rent levels in the district, the following average incomes are required to access this form of affordable housing:

| Lower quartile income | Income required to access social rent | | | |
|-----------------------|---------------------------------------|------------|------------|------------|
| | 1 bedrooms | 2 bedrooms | 3 bedrooms | 4 bedrooms |
| £21,598 | £11,623 | £12,996 | £14,450 | £15,691 |

- 6.8. It can be seen that all property sizes priced at social rent are likely to be affordable to those on lower incomes without any additional financial support, as the average lower quartile income exceeds all of the above.
- 6.9. The interaction of welfare reform with affordable rent levels also poses further risk to Registered Providers. The migration of the benefits system to the new single Universal Credit payment means that housing benefit to cover rent is now being paid to the tenant rather than directly to the landlord. With tenants now responsible for making rent payments to their housing provider, there is an increased likelihood of rent arrears and shortfalls are therefore likely to be larger based on affordable rather than social rents. Reductions in housing benefit through the bedroom tax are also percentage based, meaning that a larger shortfall in income is possible for Registered Providers letting at affordable rent levels.
- 6.10. Given all of the above evidence, it is considered that social rent offers the best rented option for those in need of affordable housing in South Staffordshire. A large proportion are only able to afford social rent rather than affordable rent, therefore the provision of more affordable rented properties is likely to place additional pressure on housing benefit/universal credit expenditure and impose additional risk on Registered Providers. The Local Plan viability assessment has also demonstrated that social rent can viably be provided as part of new housing development coming forward; therefore the additional revenue from the sale of affordable rented

properties to Registered Providers is not required in order to ensure sites are deliverable.

7. Affordable home ownership

7.1. The Housing Market Assessment Partial Update 2024 indicates that, of the proportion of affordable housing recommended to be provided, 25% should be shared ownership and 21% First Homes (Figure 5.2, p.24). The relative affordability of intermediate housing, including affordable home ownership options and intermediate rent, as well as a comparison with entry level open market housing, is considered in Tables 3.8 and 3.10 of the 2022 assessment (p.39-42). The monthly costs of each option are summarised below:

| | 1 bedroom | 2 bedroom | 3 bedroom | 4 bedroom |
|--------------------------------------|------------------|------------------|------------------|------------------|
| Shared ownership – 10% equity | £332 | £524 | £741 | £1,125 |
| Shared ownership – 25% equity | £384 | £606 | £857 | £1,300 |
| Shared ownership – 40% equity | £436 | £687 | £972 | £1,475 |
| Shared equity | £482 | £760 | £1,075 | £1,631 |
| Intermediate Rent | £460 | £600 | £760 | £1,060 |
| Entry level private rent | £500 | £675 | £850 | £1,100 |
| Entry level owner occupation | £458 | £867 | £1,181 | £1,735 |

Figure 5: Intermediate housing options (Housing Market Assessment Update 2022, Tables 3.8 and 3.10)

- 7.2. The above figures clearly demonstrate that shared ownership is one of the most affordable intermediate products on an ongoing basis. At all levels of equity, shared ownership is cheaper for all property sizes compared to shared equity. A number of properties sold at 10 or 25% equity are also cheaper than intermediate rent. Private rent only appears to be a notably cheaper option than shared ownership for two and three bedroom homes at 40% equity, and four bedroom homes at all equity levels. Despite the new build premium, shared ownership properties at all equity levels are more affordable on a monthly basis than purchasing outright from the existing stock.
- 7.3. In terms of First Homes, the Housing Market Assessment Update 2022 concludes that a 30% discount should be sufficient to address a gap in the local housing market (para. 3.37, p.43). It also assesses the ability of those residing in the private rented sector to build up a 10% deposit to purchase a First Home. Data indicates that this will only take

1.5 years for a one bedroom home and 3.3 years for a two bedroom home, whereas 5.4 and 6.7 years will be needed to save up for a four and three bedroom home respectively (Table 3.12, p.44). The assessment confirms that: *“Although it [a First Home] will prove a useful entry-point for many households, it will be unobtainable for a notable number of households in the private rented sector”*.

- 7.4. Given all of the above, the Council has concluded that no additional provision of First Homes on top of the national requirement for 25% of all affordable housing provided through developer obligations should be made. The remainder of the affordable housing requirement (i.e. 25%) should be provided as shared ownership, as recommended by the Housing Market Assessment and evidenced as one of the most affordable intermediate housing options for those in need in South Staffordshire.

8. Proposed Affordable Housing Policy

- 8.1. The Council’s proposed affordable housing policy (Policy HC3) confirms a requirement for all major development to provide 30% affordable housing. This closely reflects the findings of the 2022 Housing Market Assessment Update, which indicates a need for 27.4% of new housing to be affordable and recommends a 30% policy requirement to allow for a small proportion of delivery through windfall sites of less than 10 homes.

- 8.2. Further to this, the Local Plan Viability Study 2022 indicates that whilst a 30% affordable housing policy requirement is appropriate, affordable housing provision could be reduced to a figure slightly below 30% on brownfield sites, as well as strategic sites due to substantial infrastructure delivery and resulting impacts on viability. This will only become clearer once further detail on site costs becomes available at a later stage. The Council remains confident however that the 27.4% target will be met through the proposed policy and site allocations, not only due to the slightly increased requirement of 30%, but also taking into consideration delivery on a number of greenfield sites which have already been permitted and are therefore providing 40% affordable housing, in line with the Core Strategy (2012) affordable housing policy.

- 8.3. Policy HC3 also requires the affordable housing to be split as follows:

- 25% First Homes
- 50% Social Rent
- 25% Shared Ownership

- 8.4. The 25% First Homes requirement reflects the national policy for 25% of all affordable housing delivered through planning obligations to be provided as First Homes. It also accords well with the findings of the Housing Market Assessment which effectively recommend that 21% of affordable housing provided through the Local Plan should be First Homes. Equally, the requirements for social rent and shared ownership reflect the Housing Market Assessment tenure recommendations and the additional evidence set out above.

8.5. The proposed policy is as follows:

Policy HC3: Affordable Housing

All proposals for major housing development will be required to provide 30% affordable housing. This includes any development which provides self-contained units for day to day private domestic use, regardless of use class and whether care is provided to residents.

The affordable housing should then be broken down by tenure as follows:

- 25% First Homes
- 50% Social Rent
- 25% Shared Ownership

The Council will consider what local eligibility criteria should be implemented for the delivery of First Homes and detail these in the Affordable Housing SPD. The mix of property sizes and types of affordable housing will be determined in accordance with Policies HC1 and HC4.

The Council will apply a Vacant Building Credit and reduce the affordable housing requirement as required, in accordance with national policy and the Affordable Housing SPD.

Applications may be refused where a single site has been subdivided into smaller parcels in order to circumvent the affordable housing threshold. Where permission has been granted for a scheme and a subsequent application is made which clearly forms part of a single development, then the full affordable housing requirement will be required for the total number of dwellings proposed across all relevant applications.

The Council requires new development to contribute towards mixed and sustainable communities, therefore affordable housing should be provided on site and fully integrated with market housing. This should be achieved by suitably pepper potting the affordable housing across the site, ensuring it is materially indistinguishable from market housing in both siting and design and otherwise provided in accordance with the Affordable Housing SPD.

Affordable housing will be secured in perpetuity and monitored via an appropriate legal means e.g. Section 106 agreement, subject to Right to Buy/Acquire, staircasing and mortgagee in possession provisions. Delivery must be phased with the market housing on site in accordance with triggers specified in the Section 106 agreement.

Shared ownership housing will be subject to staircasing restrictions in Designated Protected Areas in accordance with the relevant legislation, in order to safeguard new provision.

Offsite and/or financial contributions in lieu of onsite provision of affordable housing will only be acceptable in exceptional circumstances. In such cases, the applicant will be required to provide clear justification for not providing affordable homes on site, and demonstrate how an offsite contribution will contribute to mixed and sustainable communities.

Planning applications that comply with up to date policies in this plan will be assumed to be viable. Consideration will not be given to reducing the affordable housing contribution on

the grounds of viability unless the applicant can first demonstrate to the satisfaction of the Council that particular circumstances justify a viability assessment at application stage, as per the PPG.

Further guidance on the requirements of implementing this policy will be provided in the adopted Affordable Housing SPD.

Development proposals should be consistent with other Local Plan policies.

9. Housing Mix

- 9.1. South Staffordshire has historically faced a significant mismatch between housing stock and local housing need, and evidence illustrates that this remains a key issue for the Local Plan to address. As noted earlier, over a third of market properties contain four bedrooms or more. The Housing Market Assessment Update 2024 indicates however that by 2041, the largest household group in the district will be couples with no children, accounting for 32% of households (Table 5.2, p.18). This is closely followed by one person households, making up 29% of the household population. Lone parent households are also set to increase by 10%, and one person households by 16%.
- 9.2. The provision of smaller properties, particularly in the market housing sector, is therefore a key priority for the Council, to make best use of housing stock and provide improved opportunities for downsizing and flow through the stock. This is confirmed in Priority one of the Council’s adopted Housing and Homelessness Strategy.
- 9.3. The Housing Market Assessment Update 2022 provides a detailed assessment of the profile of new housing required to be provided in the district up to 2040. This is broken down by tenure, property size and sub-area, as summarised below:

| | Market | | | | Affordable | | | |
|---------------------------|------------------------------|--------------|--------------|--------------|----------------------------------|--------------|-------------|-------------|
| | Number (as % of market need) | | | | Number (as % of affordable need) | | | |
| | 1 bed | 2 bed | 3 bed | 4 bed | 1 bed | 2 bed | 3 bed | 4 bed |
| Northern area | 128 (27%) | 164 (34%) | 104 (22%) | 81 (17%) | 54 (30%) | 49 (27%) | 35 (19%) | 43 (24%) |
| North Western area | 84 (25%) | 100 (29%) | 84 (25%) | 71 (21%) | 36 (23%) | 45 (28%) | 44 (28%) | 33 (21%) |
| North Eastern area | 246 (27%) | 287 (32%) | 127 (14%) | 237 (26%) | 110 (32%) | 81 (24%) | 72 (21%) | 79 (23%) |
| Central area | 206 (26%) | 251 (32%) | 183 (23%) | 150 (19%) | 42 (13%) | 110 (34%) | 95 (29%) | 77 (24%) |
| Southern area | 215 (25%) | 271 (31%) | 232 (27%) | 148 (17%) | 57 (16%) | 127 (36%) | 89 (25%) | 80 (23%) |

| | | | | | | | | |
|-----------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District | 879 (26%) | 1,073 (32%) | 730 (22%) | 687 (20%) | 298 (22%) | 412 (30%) | 334 (25%) | 314 (23%) |
|-----------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|

Figure 6: Housing need by number of bedrooms (Housing Market Assessment Partial Update 2024, Figure 8.1 and 5.2a-e)

- 9.4. The table above illustrates the consistent need across all sub areas and the district as a whole for smaller properties within the market housing sector, particularly market dwellings. All sub areas require a minimum of 74% of market properties to contain one, two or three bedrooms.
- 9.5. Housing mixes providing a large proportion of smaller properties have been proven to be deliverable in the district in recent years. As of May 2023, 14 sites allocated through the Council’s Site Allocations Document 2018 have been granted final planning permission. On average, 69% of all market properties permitted on these sites have three bedrooms or less. Notwithstanding this, negotiation to achieve this has proved challenging. A more prescriptive housing mix policy which reflects need and the historic undersupply of smaller properties districtwide is therefore required to provide certainty to the Council that this issue will be addressed on a wider scale.
- 9.6. In contrast to market housing, the affordable housing need figures above indicate more varying levels of need for different size properties across the district. This will also fluctuate between the specific tenures of affordable housing, therefore the Council’s housing mix policy needs to provide flexibility to reflect local circumstances.

10. Proposed Housing Mix Policy

- 10.1. The proposed policy approach for housing mix recognises this picture of need across South Staffordshire. A requirement for 70% of all market housing to have three bedrooms or less is proposed, to reflect the clear districtwide need for smaller properties and provide certainty to developers of the Council’s expectations. The need for one, two and three bedroom properties ranges from approximately 74 to 83% across the five sub areas, therefore the Council can be certain that new development will make an appropriate contribution to local housing need. This approach does however still provide some level of flexibility, allowing for the mix of one, two and three bedroom homes within this to reflect local need and site circumstances.
- 10.2. Allowing for greater flexibility in the affordable housing mix will reflect the variation of need between affordable tenures and across all sub areas. It will also allow the Council and developers to respond appropriately to finer grained locally evidenced need, such as the housing register and Parish Need Surveys.

10.3. The proposed housing mix policy is as follows:

Policy HC1: Housing Mix

The Council will support development that creates mixed, sustainable and inclusive communities, and contributes to the objectives of the adopted Housing and Homelessness Strategy.

All new housing developments should provide a mixture of property sizes, types and tenures in order to meet the needs of different groups in the community. Proposals must contribute to better balancing the district's housing market, particularly by increasing the supply of 2 and 3 bedroom homes in all areas, especially on the open market.

On major development housing sites (excluding sites exclusively provided for self-build or custom housebuilding), the market housing must include a minimum of 70% of properties with 3 bedrooms or less, with the specific mix breakdown to be determined on a site-by-site basis and reflective of need identified in the Council's latest Housing Market Assessment.

All major development must also contribute to meeting the needs of the district's ageing population in accordance with Policy HC4.

The provision of affordable housing will be required in accordance with Policy HC3. Affordable housing should provide a range of property sizes, with the specific mix to be determined on a site-by-site basis and reflective of need identified in the Council's latest Housing Market Assessment, the Council's housing waiting list, parish need surveys and information from local Registered Providers.

The housing mix of all major development sites will be secured via appropriate means e.g. condition or Section 106 agreement for outline applications, to provide a clear indication of the Council's expectations at an early stage.

Sites of less than 10 dwellings should provide a mixture of property sizes and reflect the need identified in the Council's latest Housing Market Assessment, where consistent with other local plan policies.

Any development that fails to make efficient use of land by providing a disproportionate amount of large, 4+ bedroom homes compared with local housing need will be refused, in accordance with the requirements of this policy and Policy HC2.

Development proposals should be consistent with other Local Plan policies.

11. Viability

11.1. The Council's proposed policies on Affordable Housing and Housing Mix have been thoroughly tested through the Local Plan Viability Study 2022. The study indicates that a 30% affordable housing requirement, with the tenure split as set out above, can be supported in the round, subject to certain limitations. Brownfield and strategic sites may only be able to support a reduced figure slightly below 30% affordable housing, pending further detail on site specific constraints and infrastructure costs which will

only become available at application stage. However, as outlined in paragraphs 8.1-8.2, the Council remains confident that the assessed affordable housing need can be met.

- 11.2. The proposed housing mix policy has also been tested for all relevant site typologies and has been confirmed to be viable alongside all other proposed policy requirements.