

Supplementary Note to the South Staffordshire Local Plan Examination 2025 – Matter 4 (Action 4.3)

This note has been produced by South Staffordshire Council to supplement the Examination of the South Staffordshire Local Plan. It directly responds to Action 4.3 regarding the affordability analysis and conclusions contained in a hearing statement.

Action 4.3 – Council to review the affordability analysis and conclusions contained in the Hearing Statement AGT24-027-02 for Matter 4 and provide a commentary on the points raised in relation to the suggestion that there is an acute affordable housing need in the district.

1. Within Hearing Statement AGT24-027-02, the Council has reviewed the representor's responses to the Inspectors' Matters, Issues and Questions, including Sections 4 and 5 of Appendix 1, which relate to affordable housing need and affordability.

Affordable Housing Need

2. Paragraphs 4.16 – 4.18 of Appendix 1 set out the affordable housing need for the district as identified in the Housing Market Assessment Update 2022 [EB27]. This ranges from 67 to 304 affordable dwellings per annum, depending on the affordability threshold applied and whether modelling is based on market rent or owner occupation.
3. As per paragraph 6.11 of the Assessment [EB27], the affordability test deemed most suitable is where the cost of housing can constitute up to 35% of gross income and still be affordable in South Staffordshire. This reflects market reality, and therefore the Council considers this to be an appropriate threshold for calculating the annual affordable housing need. The figure of 67 affordable dwellings per annum, based on the 35% threshold, is therefore the suitable figure for assessing whether the plan's overall housing target should be increased to meet this need.
4. Paragraphs 4.38-4.44 of Appendix 1 also draws on data from the Council's housing register, as well as prevention and relief of homelessness in the district. The Council agrees that this information plays an important role in assessing affordable housing need. Indeed, the PPG¹ confirms that these data sources should be interrogated to assist in calculating the gross need. The Housing Market Assessment Update 2022 [EB27] makes use of these data sources (the detail of which is set out in Appendix 2 of the Assessment Update), meaning it already forms a significant component of the affordable housing need calculation. Crucially, this calculation then allows for future affordable housing supply to be compared against the current and arising need. It is not appropriate for the housing register and homelessness data to be considered in isolation, as an indicator of whether the overall housing target should be increased. The Council is satisfied that this point raised by the representor has therefore been addressed.

Affordable Housing Supply

5. Paragraphs 4.20-4.30 of Appendix 1 set out data relating to affordable housing completions, both gross and net. The average gross delivery of affordable housing since 2018 is reported

¹ Paragraph: 006 Reference ID: 67-006-20190722

as 123 affordable dwellings per annum, with a net figure of 100 affordable dwellings per annum.

6. The representor then goes on to assert that completions at this rate (as a proportion of overall housing completions) over the proposed plan period would not deliver enough affordable housing to meet the calculated need of 67 affordable homes per annum.
7. The Council does not consider this to be an accurate or appropriate method for determining affordable housing delivery over the plan period. Past delivery is based upon the current adopted Local Plan, which is delivering a lower housing target than the emerging plan. This inevitably has an impact on affordable housing delivery through S106 planning obligations and is not representative of expected delivery.
8. An appropriate way of determining how much affordable housing will be delivered over the plan period is to consider the proposed affordable housing policy and site allocations contained within the submitted plan. Based on existing permissions and new allocations, approximately 1,344 affordable dwellings are expected to be delivered, averaging at 75 affordable dwellings per annum. Applying a 10% non-implementation rate for plan flexibility would result in approximately 1,121 affordable dwellings being delivered, with an average delivery of 68 affordable homes per annum. In both scenarios, the Council will exceed the affordable housing need set out in the Housing Market Assessment Update 2022 [EB27] of 67 affordable homes per annum.
9. It is also worth noting that the figures in paragraph 8 do not include any affordable housing delivery through windfall development. In reality, the Council expects to deliver additional affordable homes over and above that secured through planning obligations on allocated sites. The Council has a strong track record of enabling affordable housing in partnership with local Registered Providers (most notably Housing Plus Group) and Homes England.
10. The Council will shortly be receiving a number of financial contributions for affordable housing in lieu of onsite provision for permitted schemes. These will provide over £937,000 to be directly invested in delivery of affordable housing with our Registered Provider partners. Contributions of this nature have been used very successfully in the past, most commonly for garage site redevelopment, specialist schemes and rural exception sites. We would expect this to continue, especially given the support for the latter in draft Policy HC6.

Housing affordability

11. Section 5 of Appendix 1 of the representor's hearing statement sets out a range of data relating to affordability in the district. This includes an increase in the median and lower quartile affordability ratios over 2012-2023 by 10% and 19% respectively. The increase in lower quartile affordability puts South Staffordshire at the 14th highest of all 30 authorities in the West Midlands, which suggests that the district is not significantly less affordable than surrounding areas, being ranked in the middle of the list.
12. The West Midlands region covers a large area with a wide range of housing markets. It is more appropriate therefore to consider comparative affordability at housing market area level. The ONS have now published 2024 figures for affordability². South Staffordshire's lower quartile ratio of 8.40 places the district as the 3rd highest authority in the GBBCHMA;

² House price to workplace-based earnings ratio March 2025

however, this includes both urban and rural areas. Comparing South Staffordshire with similar rural authorities in the GBBCHMA (Bromsgrove, Stratford-upon-Avon, Lichfield, North Warwickshire and Cannock Chase), the district is ranked 3rd out of 6, which again places it in the middle of the list. The average lower quartile ratio across these 6 authorities is 8.12, meaning South Staffordshire only marginally exceeds this average. It can therefore be seen that the housing market of the district is not substantially less affordable when compared to similar rural areas within the GBBCHMA.

13. Likewise, the figures provided at paragraphs 5.15-5.20 indicate that South Staffordshire lies at a mid-point amongst neighbouring authorities in relation to house price increases, with some experiencing smaller increases, and others experiencing larger ones. The only GBBCHMA authority quoted in this section which is comparable to South Staffordshire is Cannock Chase, and both their median and lower quartile house price increases have exceeded South Staffordshire's. Again, this does not indicate a particularly significant issue with affordability in the district in comparison to other local housing markets.
14. Notwithstanding all of the above, the Council again wishes to emphasise that house prices and affordability alone do not give an accurate indication of whether additional housing should be provided to meet affordable housing need. The supply of affordable housing to meet the needs of those that cannot afford housing on the open market is also a key factor in assessing whether affordable housing need will be met over the plan period.

Planning Practice Guidance – Affordable Housing Need

15. The PPG confirms that:

Strategic policy-making authorities will need to estimate 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.³

16. It then goes on to set out the detailed steps involved in this calculation, encompassing an assessment of unmet need for affordable housing and affordable housing supply, with a final conversion into an annual flow based on the plan period.

17. At the end of this section of the PPG, it states:

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing requirement included in the plan may need to be considered where it could help deliver the required number of affordable homes.⁴

18. As set out above, the Housing Market Assessment Update 2022 [EB27] has carried out the calculation of affordable housing need, in strict accordance with the PPG methodology. The Council has then compared this with the likely delivery of affordable housing over the plan period, based on the proposed affordable housing policy applied to site allocations, as required by the PPG (see paragraph 17 above). This has indicated that the amount of affordable housing expected to be delivered will be in excess of that required to meet the

³ Paragraph: 006 Reference ID: 67-006-20190722

⁴ Paragraph: 008 Reference ID: 67-008-20190722

need of 67 affordable homes per year (see paragraphs 8-10 above). As a result, the Council considers that an increase in the total housing requirement of the plan is not necessary.