

Subject:
Rossendale Strategic Housing
Market Assessment

Status: For Publication

Report to: Cabinet

Date: 22nd October 2008

Report of: Head of Regeneration

Portfolio

Holder: Regeneration and Leisure

Key Decision: Yes

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

1.1 To approve the final draft of the Rossendale Strategic Housing Market Assessment (SHMA).

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Delivering Quality Services to Customers (Customers, Improvement)
- Delivering Regeneration across the Borough (Economy, Housing)
- Promoting Rossendale as a cracking place to live and visit (Economy)
- Improving health and well being across the Borough (Health, Housing)

3. RISK ASSESSMENT IMPLICATIONS

3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- The lack of robust evidence based planning policies in place weakens the Council's ability to effectively manage the development of key sites within the Borough.
- The requirement to provide a range of tenures and affordable housing is of growing significance for the Borough. The SHMA provides the

required evidence base to ensure that these needs are fully considered in processing planning applications.

4. BACKGROUND AND OPTIONS

- 4.1 The Strategic Housing Market Assessment (SHMA) was commissioned in May 2008 in order to provide the necessary evidence to inform policy development relating to housing need and demand which is a requirement of Planning Legislation. Planning Policy Statement (PPS) 3 and 12.
- 4.2 The completed report follows the general structure of the Communities and Local Government Strategic Housing Market Assessment Practice Guidance of August 2007 and is mindful of the requirements of PPS 3 and 12.
- 4.3 A range of data sources have been used to complete the report including a primary survey of households in the Borough, individual interviews, focus groups with Members, stakeholders and community representatives and a review of key data, local and regional publications relevant to this SHMA.
- 4.4 The final report is, by necessity, a lengthy document, an Executive Summary is attached, and includes a full assessment of housing needs in Rossendale together with a range a policy implications for the Council to consider further.
- 4.5 In brief, the main implications/findings arising out of the report are:
- That Rossendale should be considered as a single housing market area.
 - A need to consider the housing requirements of increasing numbers of older households and single person households.
 - A need to address the numbers of long term vacant properties and to ensure that planning polices are 'sensitive' to this and attempt to diversify the housing stock through new build.
 - House prices in the Borough remain lower than the national and regional average. However, buying a property is still 'out of reach' for many in the housing market.
 - The study suggests that there is an annual demand for more than 335 additional units of housing and that across the Borough about 38% of this demand is for affordable housing.
 - There is an identified need for 327 additional affordable housing units per annum which is unlikely to be met through the planning system. It is suggested that around 36% of this could be met through intermediate housing, the balance through social rented housing.
 - The outcomes of the report would warrant an affordable housing target of 35% dependent upon site viability. About 30% should be intermediate with 70% social rented.
 - The current net growth in dwellings is below the target of the Regional Spatial Strategy (RSS). However, evidence from the Balancing Housing Markets model indicates that demand for housing in the Borough could exceed the RSS target.

- 4.6 There are some fairly challenging policy implications arising from the report that will need to be considered in the development of planning and housing policy.
- 4.7 It is proposed to arrange a full briefing session for all Members on the SHMA report which will be presented by the report authors and provide the opportunity to discuss the findings and outcomes in more detail.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 The report does have a financial impact on the Council with regard to the potential for an increase in the Councils housing tax base.

6. MONITORING OFFICER

- 6.1 There are no legal implications arising from report.

7. HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 There are no HR implications arising from this report.

8. CONCLUSION

- 8.1 The Strategic Housing Market Assessment now provides the Council with a robust evidence base on which to base its planning policies and decisions. The report provides some significant challenges for the Borough in meeting the future housing requirements of the communities of Rossendale.

9. RECOMMENDATION(S)

- 9.1 To approve the final draft of the Rossendale Strategic Housing Market Assessment (SHMA).

10. CONSULTATION CARRIED OUT

- 10.1 Portfolio Holder for Regeneration & Leisure, Members, Stakeholders and Community Groups, local developers and estate agents.

11. EQUALITY IMPACT ASSESSMENT

- Is an Equality Impact Assessment required Yes
- Is an Equality Impact Assessment attached Yes

12. BIODIVERSITY IMPACT ASSESSMENT

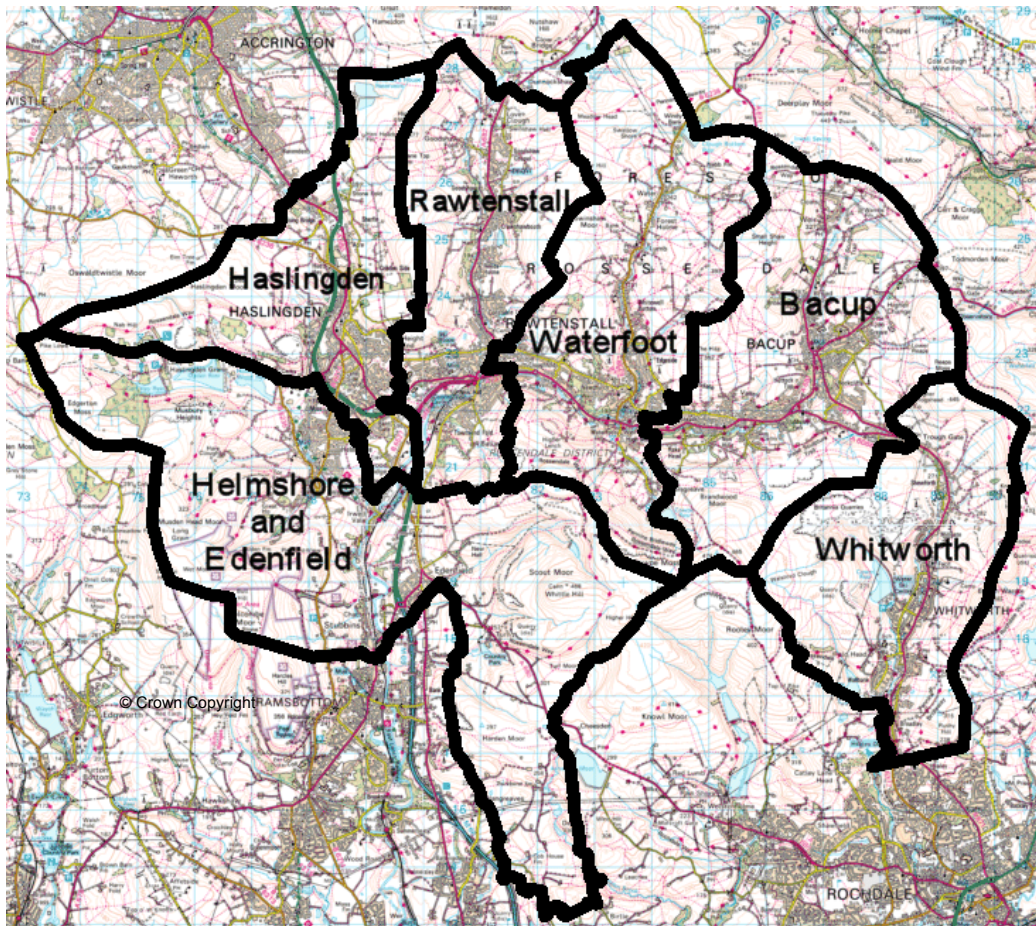
Is a Biodiversity Impact Assessment required Yes
 Is a Biodiversity Impact Assessment required Yes

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Either

Background Papers	
Document	Place of Inspection
Rosendale Strategic Housing Market Assessment	Regeneration Office, Room 206, Futures Park, Bacup

Rossendale Strategic Housing Market Assessment 2008



Executive Summary September 2008

Executive Summary

Introduction

- 1 Fordham Research was commissioned in May 2008 to conduct a Strategic Housing Market Assessment (SHMA) for Rossendale Borough Council. The evidence provided is required to inform policy development relating to housing need and demand.
- 2 The report follows the general structure of the Communities and Local Government (CLG) Strategic Housing Market Assessment Practice Guidance of August 2007 (the Guidance). In addition the research carried out is mindful of the requirements of Planning Policy Statement (PPS) 3 and also PPS12 in ensuring that all necessary outputs are provided and that such outputs pass the prescribed tests of soundness. The SHMA report is supported by an analysis of the household survey data shown in Report 2.
- 3 A range of data sources were consulted during this project. These included a primary survey of households and an analysis of a range of secondary data and a literature review of key (local and regional) publications relevant to this SHMA. Information was also derived from a number of interviews with estate and letting agents across the Rossendale area.
- 4 Throughout the project a number of events were carried out with stakeholders and community representatives in order to disseminate information and encourage feedback. These stakeholder events and meetings with the Council helped direct the research to explore the most relevant issues for the area.

What is a SHMA?

- 5 A Strategic Housing Market Assessment (SHMA) is a new idea. Prior to the formal publication of PPS3: Housing (November 2006), Government guidance has been moving towards the view that the 'evidence base' required for the good planning of an area should be the product of a process, rather than a technical exercise. The SHMA should not be restricted, as in previous guidance, simply to the need for affordable housing but should cover all tenures (market, intermediate and affordable) in its analysis of the housing market.

- 6 The general principles of the SHMA process are established in the Practice Guidance. They are:
- i) Involvement of a local authority or group of authorities that represent a meaningful housing market area (consistently identified within the region)
 - ii) A process in which key stakeholders are involved in the production of the evidence as well as being consumers of it
 - iii) Inclusion in the process of all tenures of housing, not just the affordable ones, as in the old Housing Needs Surveys (HNS)
 - iv) Higher standards of quality: the tests of rigour are stricter than before
- 7 A SHMA is more than just a written document and CLG is clear that such research should be able to be monitored and updated.
- 8 PPS3 puts the role of the 'evidence base' provided by the SHMA much more prominently than ever before. It also contains much more specific and challenging requirements for the evidence base, as can be seen from the following summary extracts:

PPS3	<i>'based on the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:</i>
	<i>(i) The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing</i>
	<i>(ii) The likely profile of household types requiring market housing e.g. multi-person, including families and children (x %), single persons (y %), couples (z %)</i>
	<i>(iii) The size and type of affordable housing required.'</i>
	[PPS3 para 22 (pp. 9)]

The policy context

- 9 A number of regional and local authority publications relevant to the SHMA were considered in order to set the context for the study.

- 10 The North West Plan (the draft Regional Spatial Strategy (RSS)) is a key document which sets out a vision for the future of the North West of England region to 2021, outlining proposed approaches to housing, the economy, transport and the environment. The Plan makes provision for an additional 411,160 dwellings in the North West of England over the period 2003-2021; the latest target figure for Rossendale is for 222 additional dwellings per annum until 2021.

Defining the housing market area

- 11 An important part of any SHMA is the definition of a housing market area. The CLG advice note '*Identifying sub-regional housing market areas*' (March 2007) notes that:

CLG Advice note

"...housing market areas are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work."

[CLG Advice note: Identifying sub-regional housing market areas, para 6 (pp. 6)]

- 12 Defining housing markets is not an exact science; as such regions and local authorities are not required to use any single recommended method. The most frequently adopted methodologies from the CLG Guidance, and used for this SHMA, are based upon household migration patterns and Travel to Work areas. CLG suggest that the typical threshold for self-containment should be around 70% of all movers; however it is acknowledged that lower thresholds may be more appropriate in some areas.
- 13 Practice Guidance also emphasises the importance of consultation with stakeholders and community representatives in determining housing market areas, in particular with estate agents who may have specialist qualitative knowledge of the market.
- 14 Census data suggests that Rossendale has a relatively high level of self-containment in excess of 65%. In terms of commuting statistics, information from the 2001 Census shows that Rossendale has varying levels of self containment dependent upon the measure. In terms of commuting in self containment 69.2% of all the people who work in Rossendale also live in Rossendale (15,856 of the total workplace population of 22,911). When looking at commuting out of Rossendale the level of self containment is substantially lower, just 53.1%, 15,856 of 29,877 employed residents work within the Borough.
- 15 The migration and travel to work data considered do offer strong evidence that Rossendale can reasonably be considered a Housing Market Area.

The demographic context

- 16 The table below summarises the population change from 1981 to 2006. Since 1981 the population of the Borough has increased slightly. Data from the NOMIS website (drawn from ONS mid-year population estimates) shows that the estimated population of the Borough was 65,000 in 1981; by 2006 this had reached 66,700 – an increase over the period of 2.6%. This is greater increase than the North West, which showed a population decrease, although the increase is less than we find nationally.

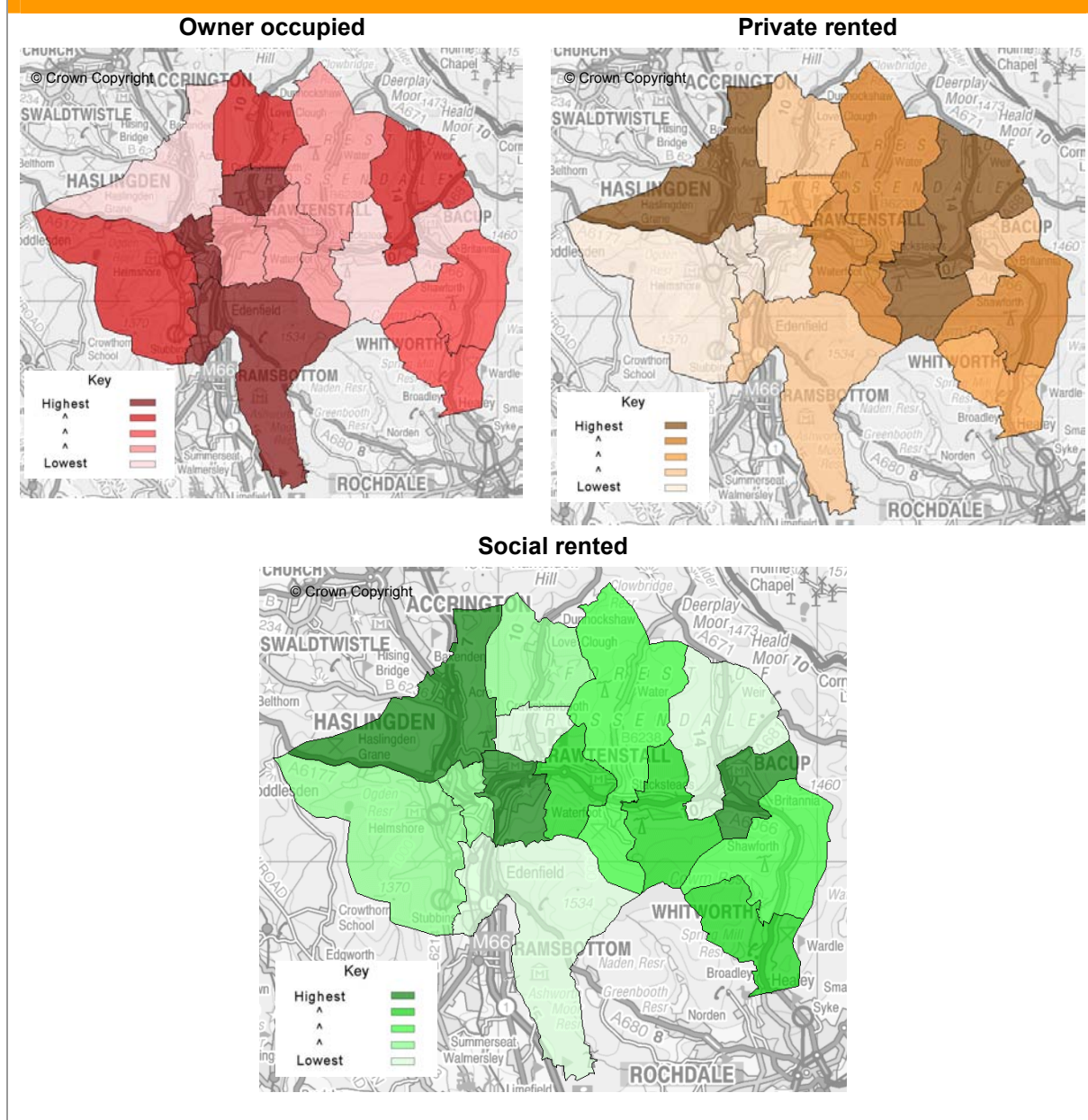
Table S1 Population change in the Borough (1981 – 2006)

Area	Population (1981)	Population (2006)	Absolute change	% change
Rossendale	65,000	66,700	1,700	2.6%
North West	6,940,300	6,853,200	-87,100	-1.3%
England	46,820,800	50,762,900	3,942,100	8.4%

Source: ONS mid-year population estimates (from Nomis website)

- 17 Information from the Census shows that Rossendale has a larger owner occupied sector than regional and national figures and a smaller social rented sector.
- 18 The maps below show the proportion of households living in each of the three broad tenure groups (owner-occupation, social rent and private rent) by ward. There are some clear variations across the Borough in terms of tenure. The highest concentrations of owner occupied properties are found towards the south west of the Borough. Private rented accommodation is concentrated in the Bacup sub area; the pattern for social rented accommodation is less clear; with the wards with the highest levels of social rented properties dispersed across the Borough and areas of lowest social rented stock to the south west

Figure S1 Tenure by ward

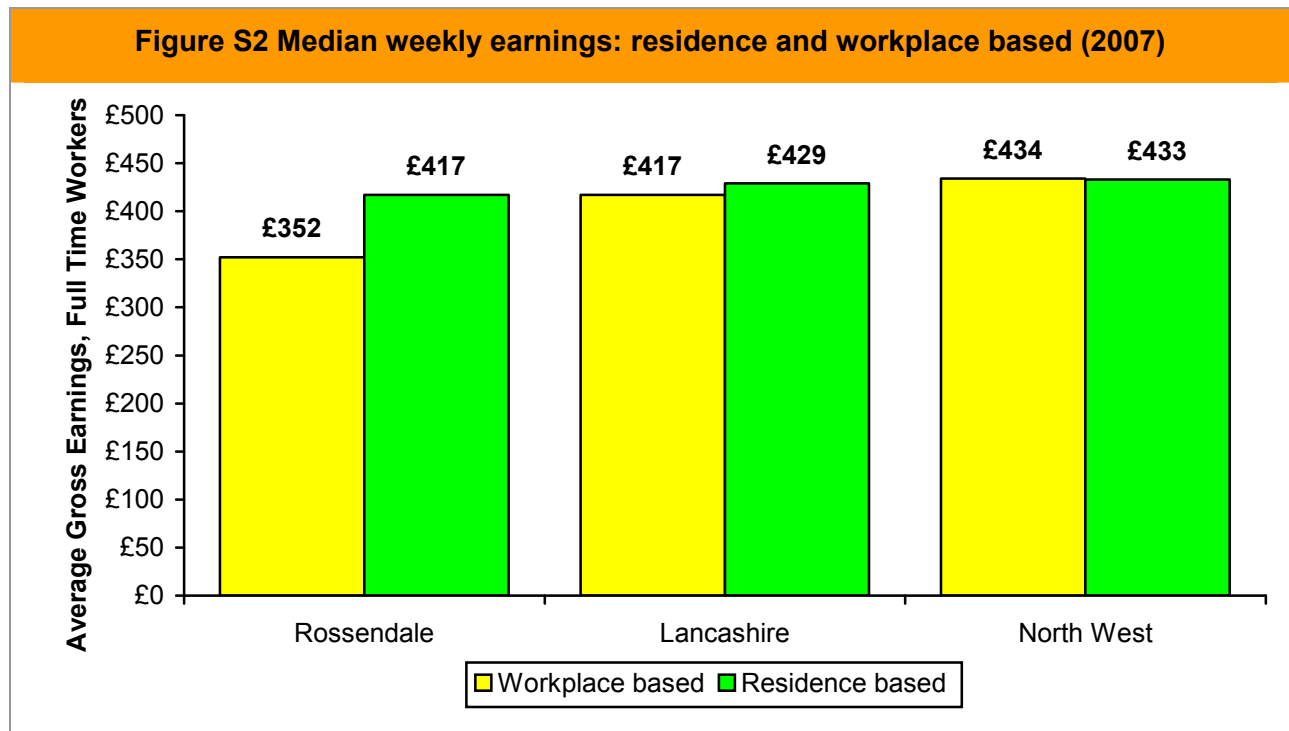


Source: Office for National Statistics 2008 (from 2001 Census data)

The economic context

- 19 In terms of employment, the growth in the Borough over the last decade has been lower than regional and national averages. A significant proportion of jobs in Rossendale are in manufacturing (22%), although this has fallen in the last 10 years.
- 20 The Borough has a higher proportion of working age residents employed in major groups 1 to 3 (generally the most senior types of employment) when compared with either regional or national averages. Unemployment levels have historically lower than regional and national levels although there has been an increase in recent years.

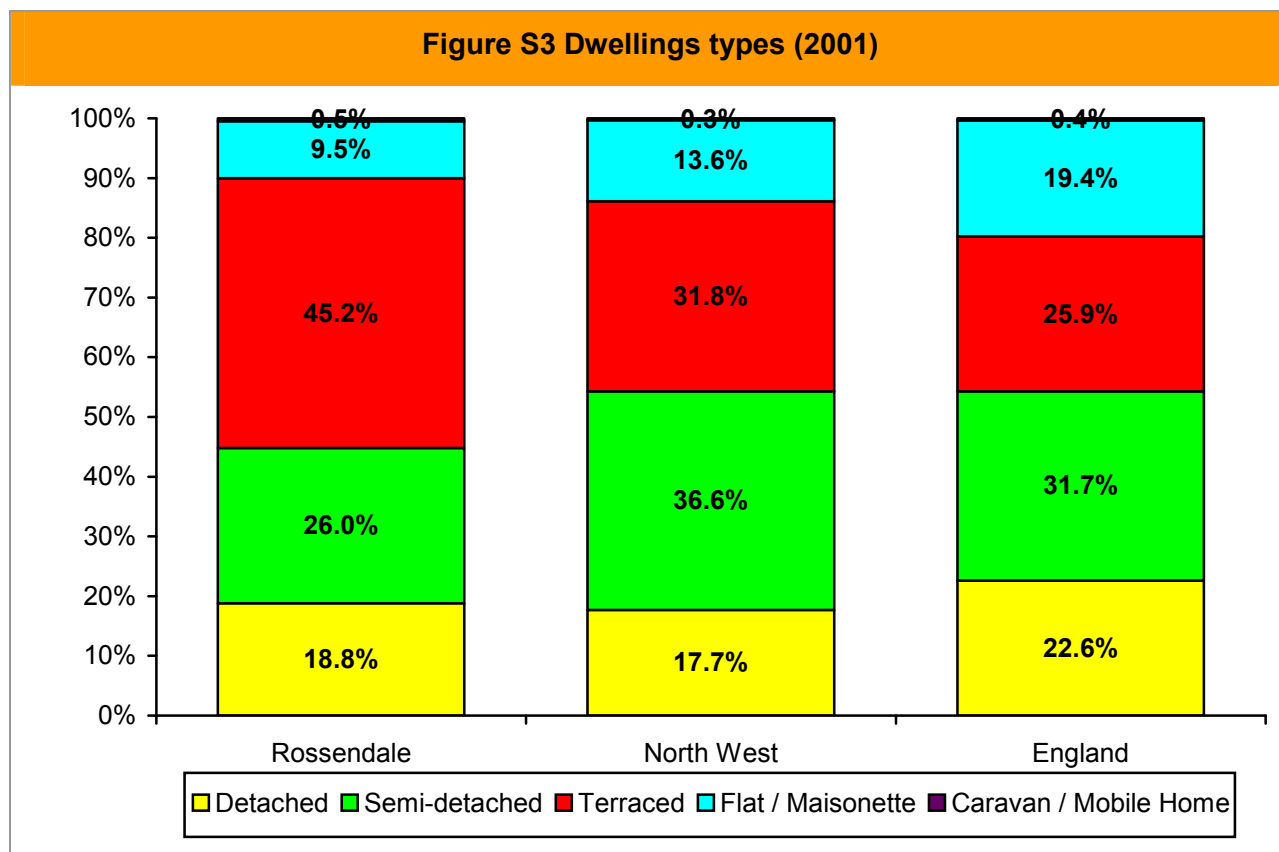
- 21 As shown in the figure below, there is a significant disparity between the incomes of workers and residents in Rossendale. When compared to county and regional averages incomes for both workers and residents are lower. The implications of this are that people living in the Borough tend to commute to higher paid jobs whilst the types of employment available within the Borough itself are less well-paid.



Source: Annual Survey of Hours and Earnings 2007

The current stock of housing

- 22 In terms of the housing stock, an increase of 5.7% has been seen across the Borough as a whole over the previous ten years (1997-2007); the increase in the private sector stock was larger, at 12.3%, concealing a 20.0% absolute decline in the stock of social rented dwellings. Rossendale generally has a high proportion of terraced dwellings when compared regionally and nationally although a lower proportion of semi-detached properties and flats, as shown in the figure below.



- 23 A higher proportion of dwellings in Rossendale are in the lowest council tax band than we find regionally or nationally, this indicates that the quality of the properties in the area may be poorer than found regionally and nationally.

The current housing market

- 24 Estate and letting agents were visited in all of the Rossendale's town centres, as well as interviews conducted with on site sales staff where available. Questions were asked about levels of self containment in the area, characteristics of moving households, investor activity, the role of the private rented sector and the effects of the credit crunch.
- 25 The table below shows price levels in the Borough compared to regional and national averages (drawn from Land Registry data for the 1st quarter of 2008). The data shows that price levels in the Borough are significantly lower than the average for England and Wales and also lower than the average for the North West. Within the Borough, there is some variation in prices. There are concentrations of more expensive homes to the west of the Borough around the areas of Helmshore and Edenfield.

Table S2 Land Registry average prices (1st quarter 2008)

Area	Average price	As % of England & Wales
Rossendale	£132,125	60.6%
North West	£154,423	70.8%
England and Wales	£218,112	100.0%

Source: Land Registry

- 26 There have been significant property price increases in the Borough since 1996, prices in Rossendale have increased at a faster rate than the North West as a whole although slower than England and Wales.
- 27 Internet searches were used to obtain entry-level prices and rents across the Borough by the number of bedrooms in the dwelling, these prices were qualified by interviews with estate and letting agents in the area. The entry-level prices/rents recorded equate to the lower quartile property in each of the bedroom sizes.
- 28 The table below shows that there are some significant variations in entry level prices within the Borough. For a two bedroom property in Bacup the lower quartile cost was found to be £71,955, whereas in Edenfield an entry level two bedroom property was found to be £121,500 (69% higher).

Table S3 Entry-level purchase prices by size of dwelling

Bedrooms	Rawtenstall	Bacup	Haslingden	Whitworth	Edenfield	Helmshore	Average
1 bed	£76,455*	£65,655	£74,655*	£62,955*	£89,100*	£94,050*	£72,958
2 bed	£89,955	£71,955	£80,955	£81,000	£121,500*	£103,500	£82,513
3 bed	£112,455	£98,955	£98,100	£112,500	£130,455	£139,500	£108,891
4 bed	£188,955	£152,955	£142,200	£161,955	£247,455*	£187,155	£170,240

Source: Rightmove; searched 17.6.08

* sample less than 10

- 29 A similar exercise was carried out with regard to private rented properties. The private rented sector in the Borough is relatively small and the number of properties advertised for rent allows only for a Borough wide average of private rental costs. For a two bedroom dwelling the entry level cost is £383 per month.

Table S4 Entry-level private rental costs by size of dwelling (per month)

Bedrooms	Borough average (monthly)	Borough average (weekly)
1 bed	£351	£81
2 bed	£383	£88
3 bed	£419	£97
4 bed	£678	£156

Source: Rightmove; searched 17.6.08

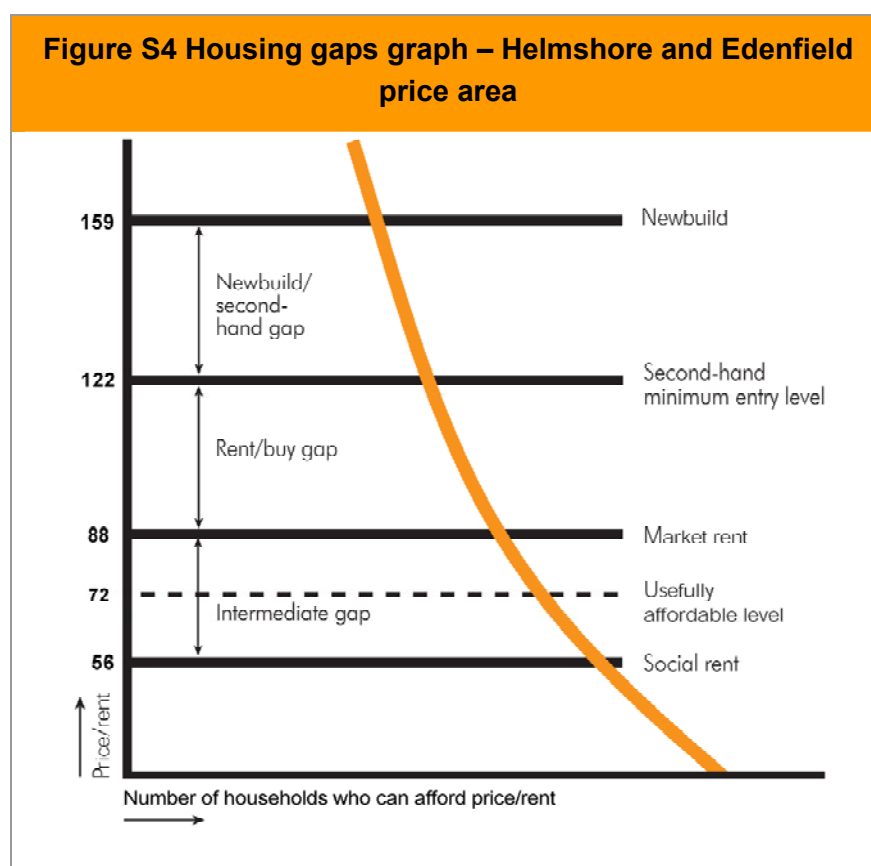
Housing market gaps

30 Housing market gaps analysis has been developed to allow easy comparisons of the costs of the tenure range, to facilitate the testing of different new build proposals, and to show generally the nature of the housing ladder in a particular locality.

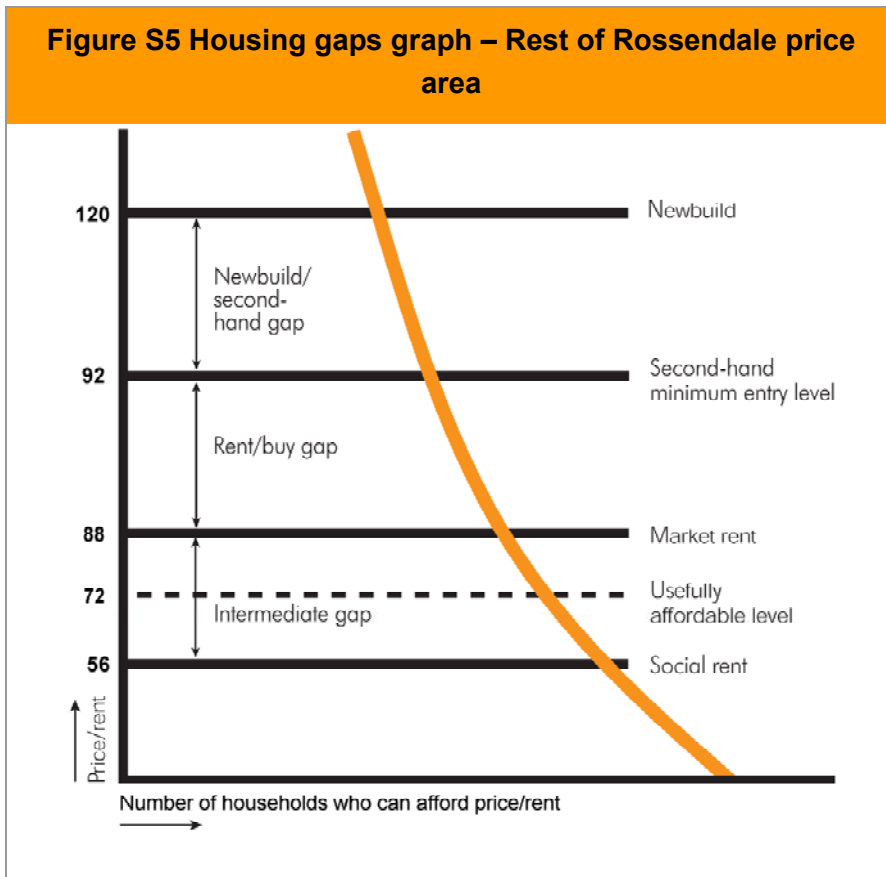
31 The following figures, for the two price areas identified within Rossendale, show a stylized graph designed to illustrate the nature of the housing market gaps in each price market. The figures are based on plotting the weekly cost of housing for each tenure group (on the vertical y-axis, against the notional numbers of households (illustrated only figuratively by the orange curve) along the horizontal x-axis

This is done for 2-bed dwellings only (the weekly costs for the full range of dwelling sizes is shown in the tables above). The bars on the gap graphs show key tenure distinctions:

- New build to buy
- Second-hand to buy
- Private rental
- Inferred mid-point of intermediate band
- Social rent



Source: Rossendale SHMA 2008 (prices shown are for 2 bedrooms)



Source: Rossendale SHMA 2008 (prices shown are for 2 bedrooms)

32 Between each of the bars is a gap. The main two gaps of interest are:

- The Rent/Buy gap: households in this gap can afford market rent without the need for Housing Benefit, but cannot afford to buy outright. Hence they are potentially candidates for partial equity forms of housing: shared ownership
- The Intermediate gap: Intermediate housing is defined in PPS3 as housing at between a social rent and market rent. Although technically intermediate housing begins at £1 or so below market rent level, housing at such a weekly cost would clearly not be of much use to households in housing need an affordable solution. We put the mid-point on the graph and infer the weekly costs. This normally addresses the needs of rather less than half of those in the intermediate gap, but that is a difficult enough task, as it is difficult to produce new build housing at this level of weekly cost.

Affordability of housing

33 Secondary sources indicate that there is a growing affordability issue in the Borough, price to income ratios have increased from 3.2 in 2002 to 5.1 in 2007.

- 34 An important part of the study is an assessment of the financial situation of households. As there is no comprehensive (secondary) source for such information, data was therefore collected in the survey on a range of financial information (including incomes, savings and equity). The latter combination of statistics, termed 'financial capacity' is essential to assess the ability of households to afford housing.
- 35 The following table provides median financial capacity figures by tenure. The total financial capacity figure is based on a '3 times' multiple of income, as this is the standard practice amongst most mortgage lenders.

Table S5 Median financial information by tenure				
Tenure	Median annual gross household income	Median savings	Median equity	Financial capacity
Owner-occupied (no mortgage)	£15,608	£13,891	£134,454	£195,169
Owner-occupied (with mortgage)	£35,867	£881	£71,123	£179,604
RSL	£7,912	£404	£0	£24,140
Private rented	£12,973	-£105	£0	£38,814
AVERAGE	£19,965	£1,862	£96,493	£158,250

Source: Rossendale household survey data (2008)

- 36 The table shows some striking results. Both types of owners (with and without mortgage) rely more heavily on equity rather than upon income to provide the financial capacity they would require to buy a property.

Overcrowding and under-occupation

- 37 The study also considered the occurrence of overcrowding and under-occupation using information from the 2001 Census and the primary household survey. Census data suggested that there are lower levels of overcrowding than found regionally and nationally. Results from household survey data suggest that on average 3.4% of all households are overcrowded and 31.4% under-occupy their dwelling.

Key trends in the market

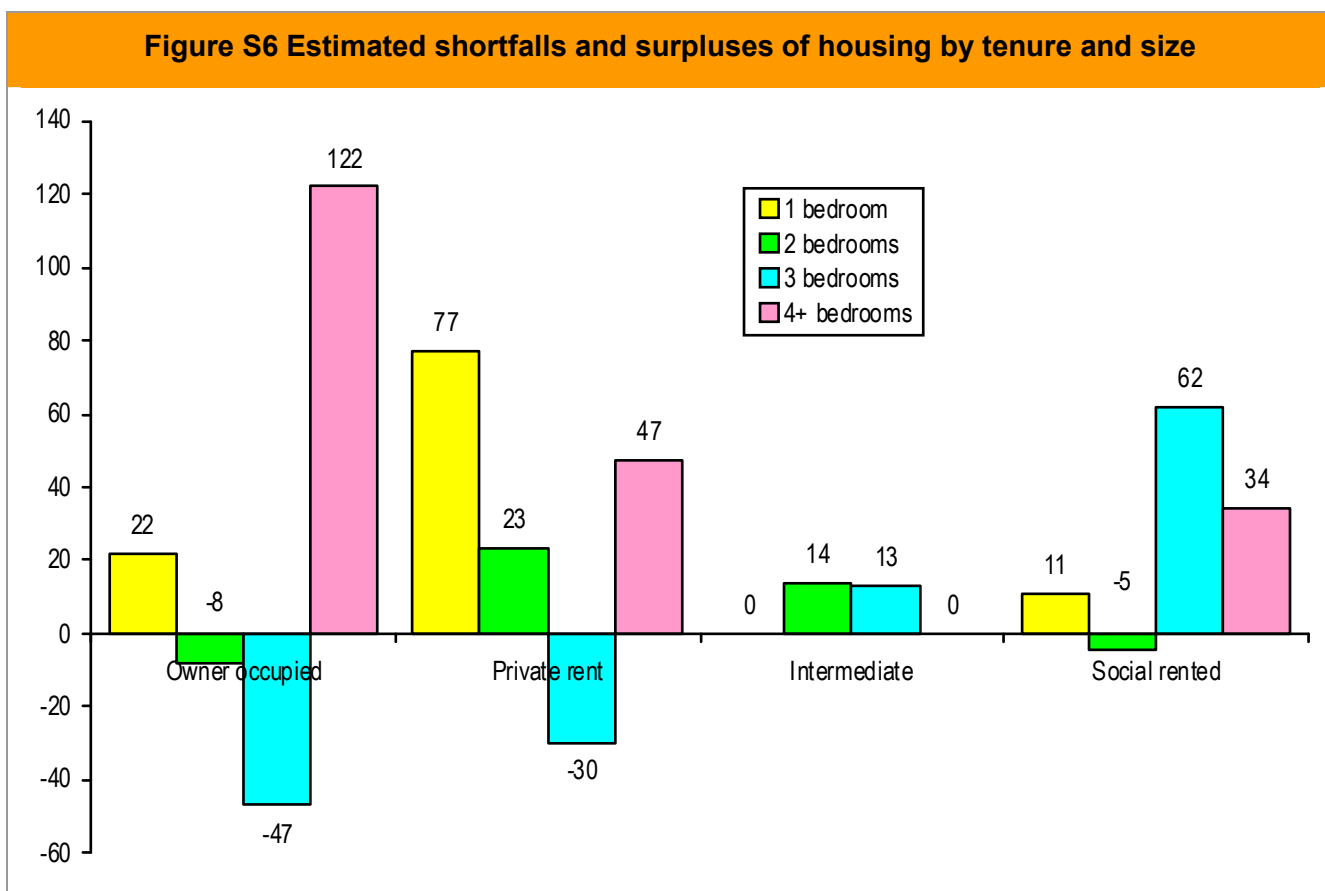
- 38 The primary driver for household growth in the Borough is natural change (household creation in excess of household dissolution), rather than migration. Migration however has a large impact on changing the household composition in Rossendale - data suggests that there will be a net inflow of single (non older) households. There is expected to be a net outflow of older person and multi-adult (without children) households.

39 The private rented sector is important for facilitating the flow of households through the housing market – 41% of all moves in Rossendale in the last two years involved this tenure, although it comprises 11% of the inhabited dwelling stock.

Balancing Housing Markets

40 The Balancing Housing Markets (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are ‘balanced’ across tenure and property size. It works at the simplest level by establishing the likely demand for housing of particular types by the expected supply arising from vacancies in the existing stock so as to provide a broad indication of the shortages (and in some cases surpluses) of particular types of dwelling. The BHM approach produces estimates for all tenures (market and affordable) and sizes of dwellings required.

41 The BHM model is not a purely technical assessment of housing requirements and combines a technical assessment of certain aspects (e.g. affordability) with a reasoned judgement about how exactly the housing market operates. In addition, the model looks at both household’s aspirations and their expectations to provide an indication of the most likely housing solution in the particular market. The figure below shows the overall results of the BHM analysis for the Rossendale Borough.



Source: Rossendale household survey data (2008)

- 42 The figure shows that overall there is expected to be a greater demand for housing than there is the supply to meet it. Overall, across all tenures there is an apparent shortfall of 335 dwellings per annum. There is a clear demand for both market and affordable housing in the Borough.
- 43 The model shows that the largest shortfall for owner-occupied housing is for four bedroom homes. In the private rented sector the largest shortage is for one bedroom homes, although there is a significant demand for both four bedroom dwellings, whilst there is a surplus of three bedroom properties. There is a small demand for two and three bedroom intermediate homes and a larger demand for three and four bedroom social rented properties.

Demographic drivers of market change

- 44 The population of the Borough is expected to increase over the period 2006-2026, by about 2.0% (1,300 people). This is based on 2004 projections, the latest available at the time of writing this report.
- 45 Meanwhile, the profile of the population is expected to change substantially, in keeping with national trends, with a large increase in the numbers of those aged 60 and over and a marked decrease in the number of younger, aged under 24, and middle aged, between 40 and 59, people.
- 46 Despite the relatively small projected population increase, the number of households in the Borough is expected to increase by about 5,000 (17.9%) in the period 2006 to 2026, due to decreasing household sizes.
- 47 Household size in the Borough is expected to drop by from 2.35 in 2006 to 2.03 in 2026.

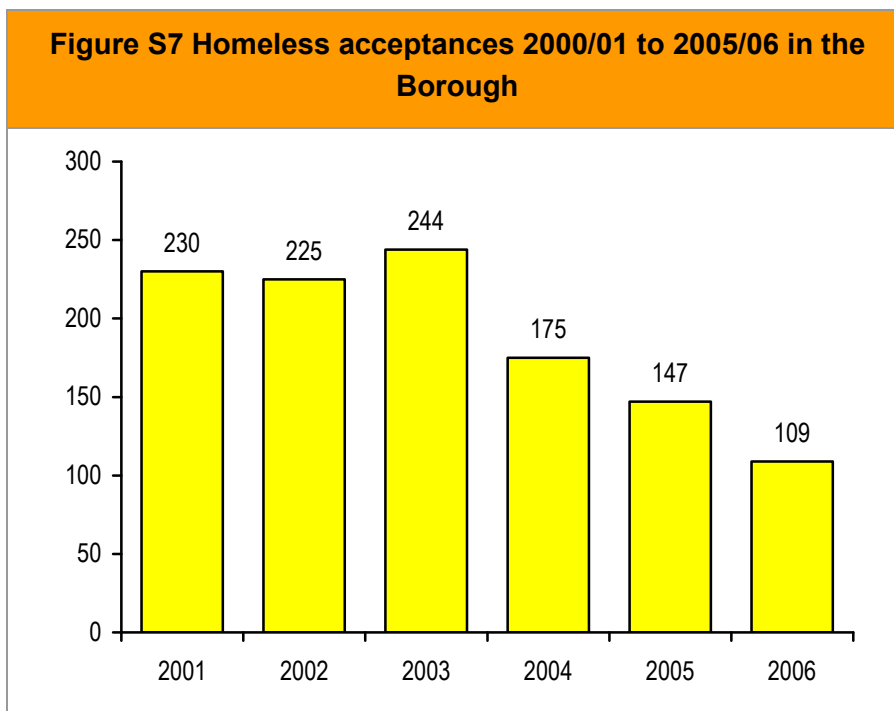
Affordability and housing need

- 48 A full assessment of housing need in Rossendale was undertaken separately through the survey based Housing Needs Assessment (HNA) shown in Report 2. The individual report should be examined by those wishing to see the detailed housing needs figures.
- 49 The table below shows the estimated annual need from Rossendale's housing needs survey. The annual requirement for an additional 327 affordable homes per year in Rossendale is a significant one, particularly in the context of the build targets in Rossendale.

Table S6 Annual need for affordable housing			
Area	Annual net affordable need	Estimated number of households	Need per 1,000 households
Rossendale	327	28,800	11

Source: Rossendale housing needs survey Table 9.2

- 50 Intermediate housing is defined by PPS3 as ‘housing at prices and rents above those of social rent but below market prices or rents’. Rossendale’s household survey data report makes suggestions about the amount of housing need which might be met through the provision of intermediate housing. The information from the survey suggests that 36% of the affordable housing need could be met through a form of intermediate housing.
- 51 Trends in homelessness and the Housing Register can provide some indication of the need and demand for social rented housing. The figure below shows the number of homeless acceptances over the past five years. The data shows that there has generally been a decrease in the number of homeless acceptances over recent years.



Source: HSSA data 2001-2006

- 52 Data from the Council suggests that the number of households on the Housing Register has increased over time. Across Rossendale it is estimated that in 2000/01 there were 1,644 households registered, this had risen to 2,518 in 2006/07. The housing register alone can not provide an accurate measure of the need for affordable housing; it does however give an indication that at any one time there is a significant demand for social housing in the Borough.

Particular households groups

- 53 The study also considered particular client groups that may have specific housing requirements. Although such groups do not necessarily represent households in need as defined by the CLG Guidance, it is important for the Council to have information about them in order to inform specific policies and service provision. The headline findings from the analysis (carried out using a combination of Census and household survey data) are summarised below.

Table S7 Summary results for particular household groups

BAME households: The ethnic minority population of the Borough is generally smaller than the regional and national averages; the largest ethnic minority group is Asian or Asian British. Household survey data suggests that ethnic minority households are particularly likely to reside in unsuitable housing.

Specific needs: Nearly two-fifths of households in the Borough contain someone with a Limiting Long-Term Illness (LLTI), higher than the average found regionally and nationally. Such households appear to be more disadvantaged than other households, with lower incomes, higher levels of housing unsuitability, and over-representation within the social rented sector.

Key workers: About 25% of households in the Borough fall into this group. Key workers tend to be slightly older and are generally employed in jobs which fall into the highest social groups. Household survey data suggests that key workers have generally higher levels of income and savings than non-key workers in employment.

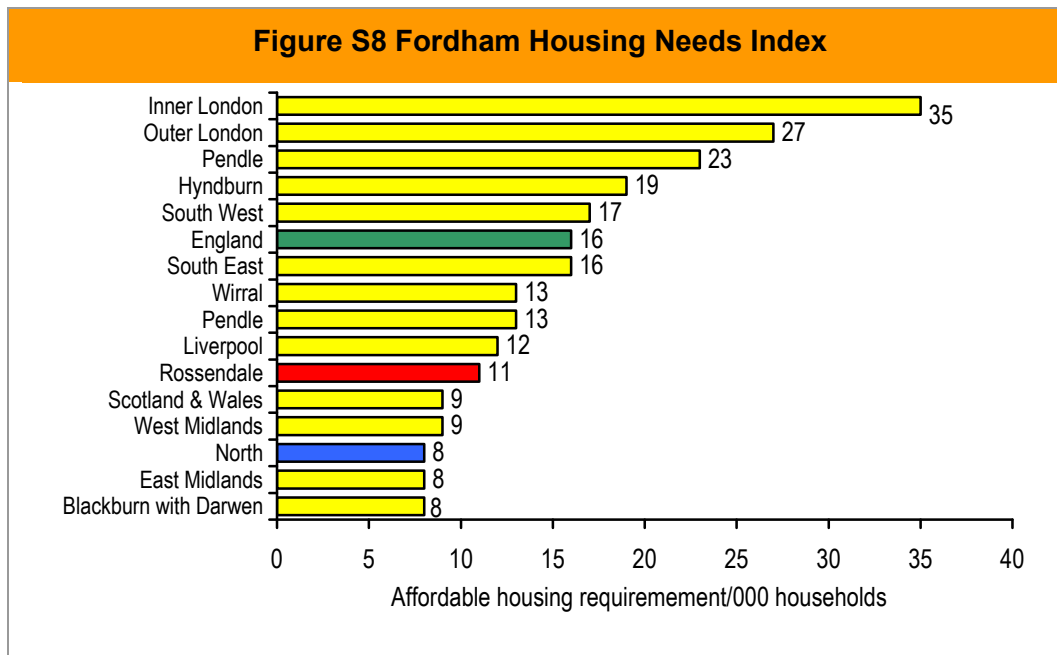
Older persons: There is a slightly lower proportion of older person households in the Borough than we find regionally or nationally, around 22% of all households in the Borough as of 2001 were comprised only of people who were of pensionable age. Single pensioners are over-represented in the social rented sector, while multi-pensioner households tended to be owner-occupiers. Under-occupation is common among owner-occupying pensioner households.

Families: Around a third of Boroughs households contained dependent children in 2001, slightly higher than the proportion found in regional and national averages. Married couples with dependant children were more likely to owner-occupy whilst lone parents were more likely to live in rented housing.

Rural issues: 15% of households in the Borough live in an area classed as rural. Rural households in the Borough are more likely to owner-occupy, have higher incomes/savings levels on average and a higher level of car ownership.

Non-market policy implications

54 The figure below shows the overall affordable housing index (from requirements based on the CLG needs assessment model as shown earlier in Table S6). Rossendale is compared to regional and national levels and other areas of interest.



Source: Rossendale Borough 2008

55 As can be seen, the indexed level of need in Rossendale is relatively low when compared with national averages although it is higher than the average for the North.

56 Government guidance, whether in the form of PPS3 or any previous version back to Circular 7/91, has always fought shy of any attempt to relate levels of housing need to targets (whether numerical or percentage). Based on the past history of targets and the relatively high level of need it would be reasonable to assume that target levels of the following would be appropriate in Rossendale:

Table S8 Possible levels of affordable target		
Council	Target	Proportion of intermediate
Rossendale	35%	30%

Source: Rossendale Borough 2008

57 All such targets must be subject to viability and deliverability, which are issues being dealt with outside the present study.

- 58 PPS3 states that the national minimum site threshold is now 15 (reduced from 25). Rossendale currently has a threshold of 5 units, although the percentage affordable target is lower, at 20%, for developments of between 5 and 9 dwellings. Developments of 10 or more units qualify for 30% affordable housing.
- 59 The geographical nature of the Borough and the inherent problems with land availability alongside the level of need support the council's current policy on site threshold.
- 60 PPS3 (para 26) suggests that councils should seek low-cost market housing as part of the overall market housing total. However it does not suggest how this should be done, as market housing has its price set in the open market. Any newbuild that is not constrained in some way is likely to cost as much or more than existing second-hand housing, and hence be of no practical use.
- 61 In principle Rossendale, would benefit from newbuild low-cost market housing. As CLG policy now stands, however, there is no mechanism by which it can be obtained. As and when CLG is more specific about this form of housing, it would be desirable to consider a small additional target, such as 5% (of all housing), for such housing.

Overall housing targets

- 62 The evidence suggests that the demand for housing in the Borough exceeds the Regional Spatial Strategy (RSS) requirement. This factor is, however, only one consideration in the overall policy question of any revised RSS requirement for Rossendale.
- 63 All that the present study can do is point to the existence of housing demand and need well in excess of current requirements, and leave that finding to be weighed in the policy balance with all the other factors involved in decisions about overall levels of newbuild.

Compliance with guidance

- 64 The key outputs of a Borough as required by PPS3 can be derived from the material within the main Borough report, as detailed in the table below.

Table S9 Rossendale: meeting the PPS3 Requirements

Item	Source	Comment
a) Proportion of market and affordable housing	Ch 13	The BHM finding is that about 62% of the housing should be market and the rest affordable. We have suggested perhaps 35% of affordable subject to viability. These are more realistic proportions of affordable (and hence market) housing when the market recovers.
b) Profile of households requiring market housing	Chapter 13 and 14	In the longer run (Ch 14) it is likely that more single person dwellings for older people will be required, but it is not clear whether this will in fact be expressed in market demand. Chapter 13 shows the annual demand for market housing by household type. Single non-pensioners and multi-adult households without children are the largest household types requiring market housing
c) Size and type of affordable housing required	Chs 13,15 and 22	About 30% of all new affordable housing is recommended to be intermediate, if it can be produced at the right price. The requirement for intermediate housing is for two and three bedroom dwellings.

Source: Rossendale Borough 2008: sources as shown in the middle column

- 65 The most noticeable feature of the overall findings is the high level of overall demand, the high proportion of affordable housing required and the high proportion of intermediate housing required. The latter is largely untested in practice, since most shared ownership (the only notable form of 'intermediate' housing) is normally low cost market housing in practice, as it costs more than private rental accommodation.