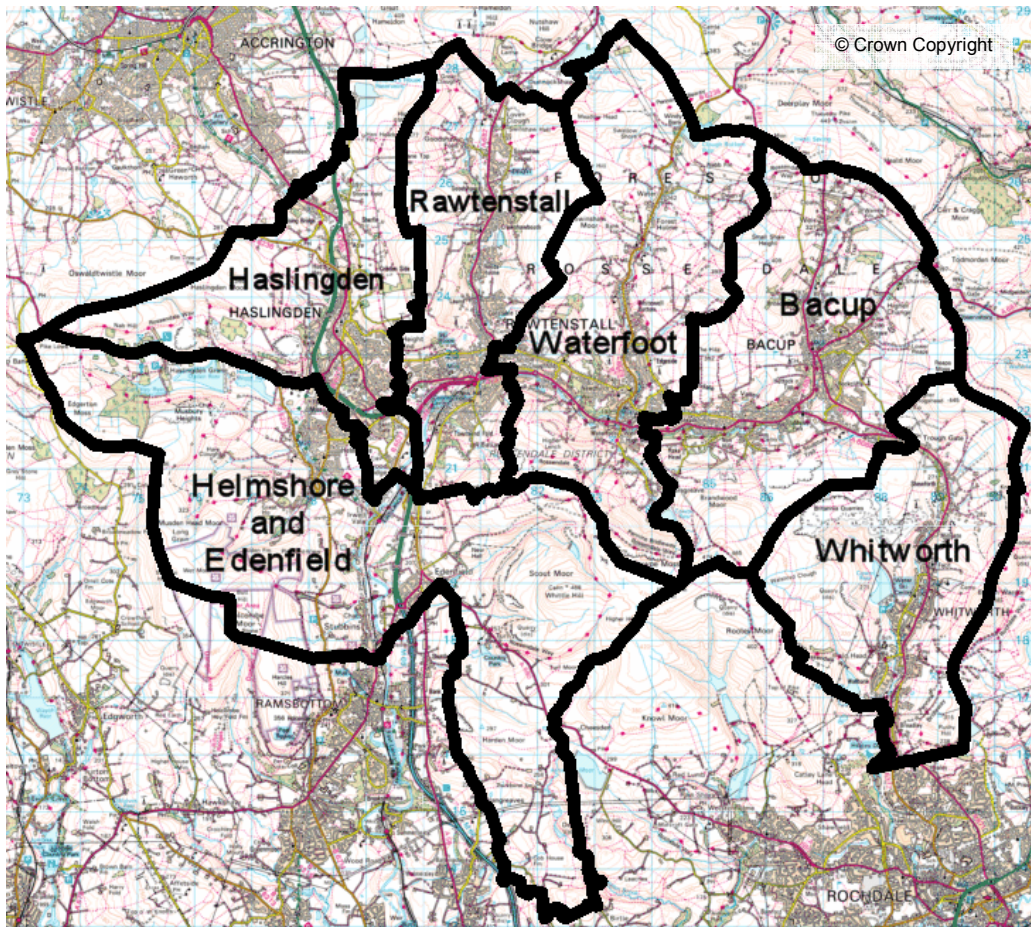


ROSSENDALE STRATEGIC HOUSING MARKET ASSESSMENT

Report 2: Analysis of household survey data for Rossendale Council



Final Report
February 2009

*f*ordham
RESEARCH

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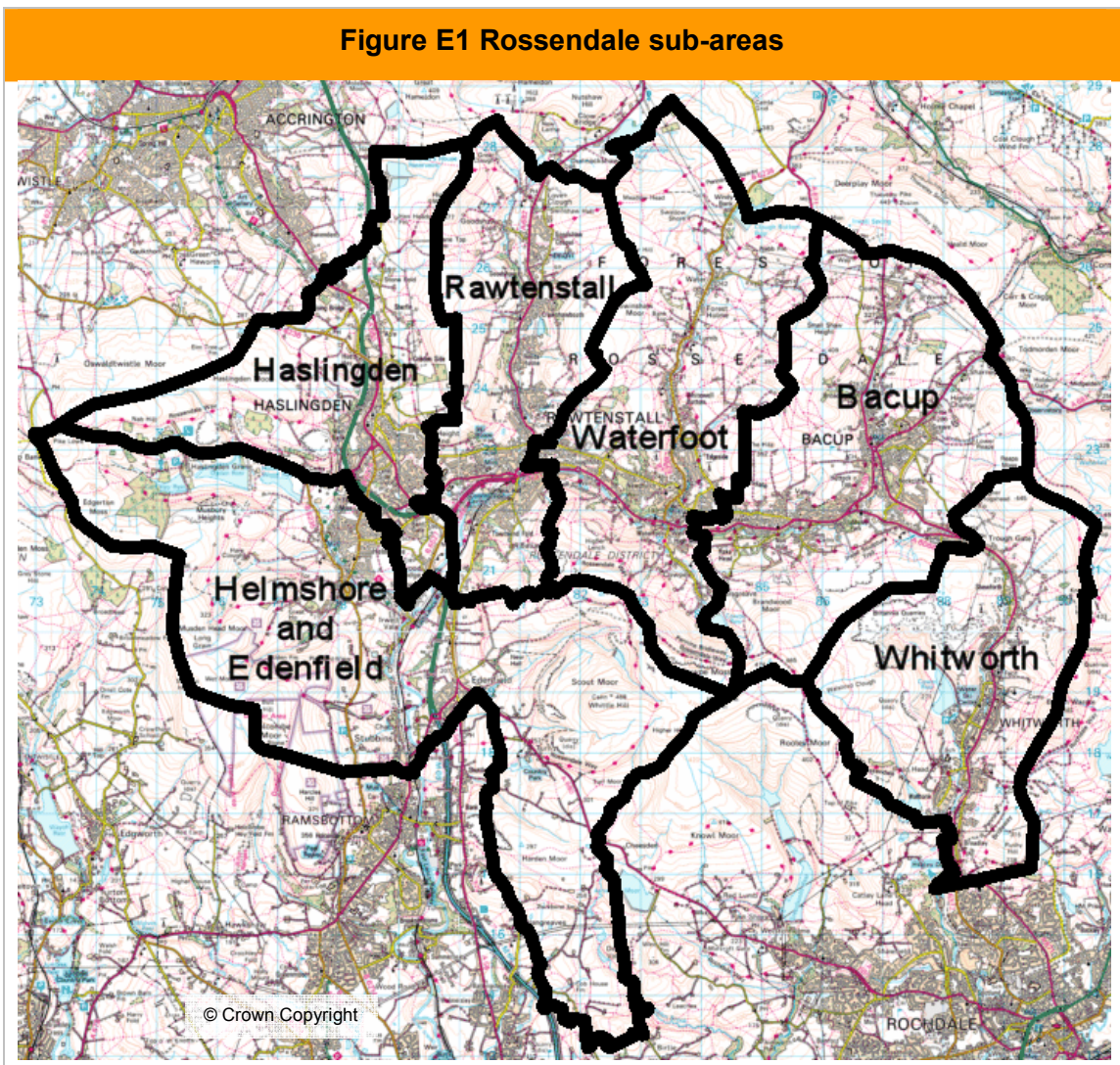
Executive summary

Introduction

- 1 This document provides an account of the findings from a household survey carried out in the summer of 2008 for Rossendale Council. The report forms an important part of the evidence base for the Strategic Housing Market Assessment (SHMA) being conducted for Rossendale (and provided as a separate report). The broad aim of this report is to provide the primary research at household level required to understand the need and demand for different forms of housing.
- 2 Where relevant the report follows Government advice given in PPS3: Housing (Nov 2006) and its Practice Guidance (published in March and August 2007). The former provides the formal requirements for assessment, and the latter provides detailed suggestions as to how to produce the requirements. The report therefore provides policy relevant outputs which can sensibly be translated into a range of housing and planning strategies.

Data collection

- 3 A major part of the study process was the completion of the primary data collection via a postal questionnaire with local households. In total 1,405 households took part in the survey. The questionnaire covered a wide range of issues including questions about:
 - Current housing circumstances
 - Past moves
 - Future housing intentions
 - The requirements of newly forming households
 - Income levels (and other financial information)
- 4 Information from the primary survey was used throughout the SHMA report (along with secondary information) to make estimates about the future housing requirements in the Borough. The number of responses provided sufficient data to allow complete, accurate and detailed analysis across the Borough and geographical breakdowns for six sub-areas within the Borough. The six sub-areas can be viewed on the map below.



Source: Fordham Research (2008)

- 5 Overall it was estimated that there are approximately 28,800 households in the Borough. Of these households, 73% are currently owner-occupiers, with 16% living in the social rented sector and 11% in the private rented sector.

Table E1 Number of households in each tenure group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	8,684	30.2%	524	37.3%
Owner-occupied (with mortgage)	12,308	42.7%	609	43.3%
Social rented	4,605	16.0%	180	12.8%
Private rented	3,203	11.1%	92	6.5%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

The local housing market

- 6 A key part of the project was an assessment of the local housing market. Information was drawn from a range of sources including the Land Registry and accommodation advertised for rent and for sale online.
- 7 Land Registry data from quarter 1 2008 suggests that the average property price in Rossendale (at £132,125) is lower than the England and Wales average (£218,112) and lower than the average for the North West (£154,423). The rate of increase in property prices in the Borough over the past few years has been significant, with average house prices increasing by around 75% since 2003.
- 8 An internet-based survey of prices offered by estate agents operating in Rossendale was used to generate estimates of the entry-level costs of housing to both buy and rent in the Borough. There was some significant variation across the Borough in terms of entry level prices. The most expensive areas were Edenfield and Helmshore. Due to the significant difference in property prices these two areas were considered as a separate price area for the affordability assessments in the analysis.
- 9 The information about minimum prices and rents was used along with financial information collected in the survey to make estimates of households' ability to afford market housing without the need for subsidy.

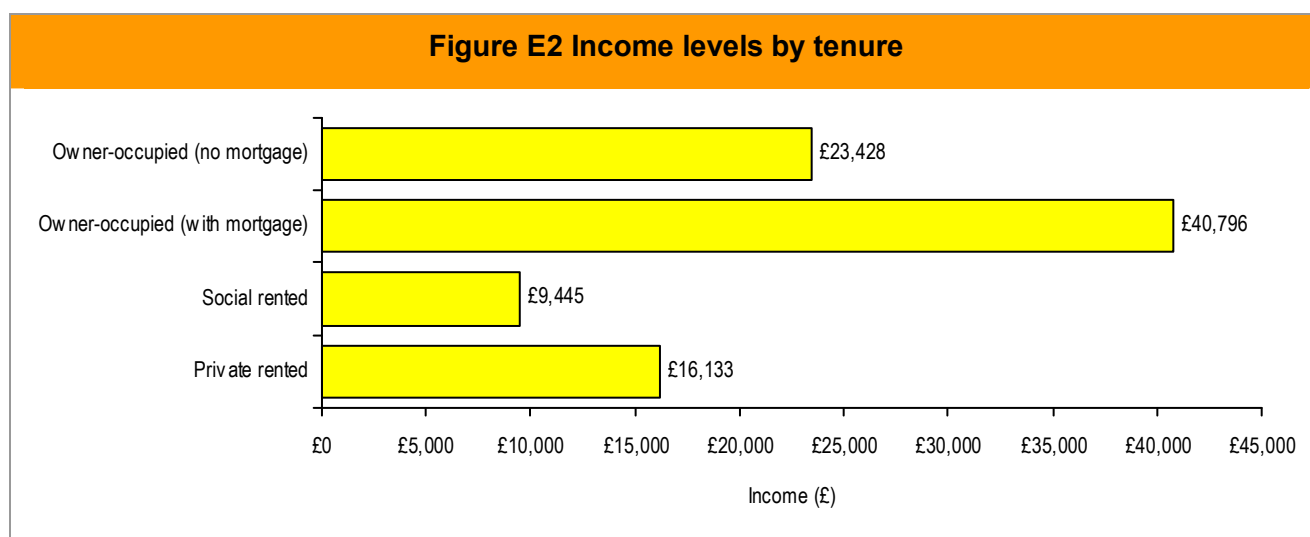
Household characteristics

- 10 Using data from the household survey it is possible to provide a detailed picture of the profile of local households and their dwellings. The nature of the current stock is an important consideration in identifying gaps in the market and for providing information about potential future requirements. Below we highlight some of the findings from the household survey:
 - In total, some 45% of all households live in terraced houses or bungalows. Some 11% live in flats, higher than the regional average of 9%. Households living in the social rented sector are more likely to live in flats whilst those in owner-occupation are more likely to live in houses than other tenures.
 - Around 23% of all households are pensioner-only and 29% contain children.
 - Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 52% of private renters had moved home in the past two years. This is more than double the figure for any other tenure group. There were more moves recorded within tenures than between them.

- Car ownership data suggests that there is an average of 1.06 cars per household in the Borough. There are however large differences by tenure with owner-occupiers (with mortgage) having an average of 1.56 cars per household, this compares with an average of only 0.49 in the social rented sector.
- The level of overcrowding recorded in Rossendale at 3.4% is higher than both the national average (2.5%) and the regional average (2.0%).
- The proportion of employed household heads varied significantly across the tenures. Almost 90% of households buying with a mortgage are headed by an employed person compared to 23% of social rented tenants.
- Households buying with a mortgage have the highest housing costs, households in the social rented sector the lowest.

Financial information

- 11 A key part of the housing needs and demand survey is an assessment of the financial situation of households. Data was therefore collected in the survey looking at a range of financial information (including income and savings).
- 12 The average (mean) gross annual household income in Rossendale is £27,803 per annum, with a notably lower median of £19,965, indicating significant inequality. There were wide variations by tenure, with households living in the social rented sector having an income of only £9,445 on average.



Source: Rossendale Council household survey (2008)

- 13 The survey also collected data about households' savings and equity levels. It is estimated that the mean savings in Rossendale is £15,867 whilst the mean equity level is £121,131.
- 14 Survey data also revealed that many households are paying significantly more than 25% (the recommended amount by Government guidance) of their income on housing.

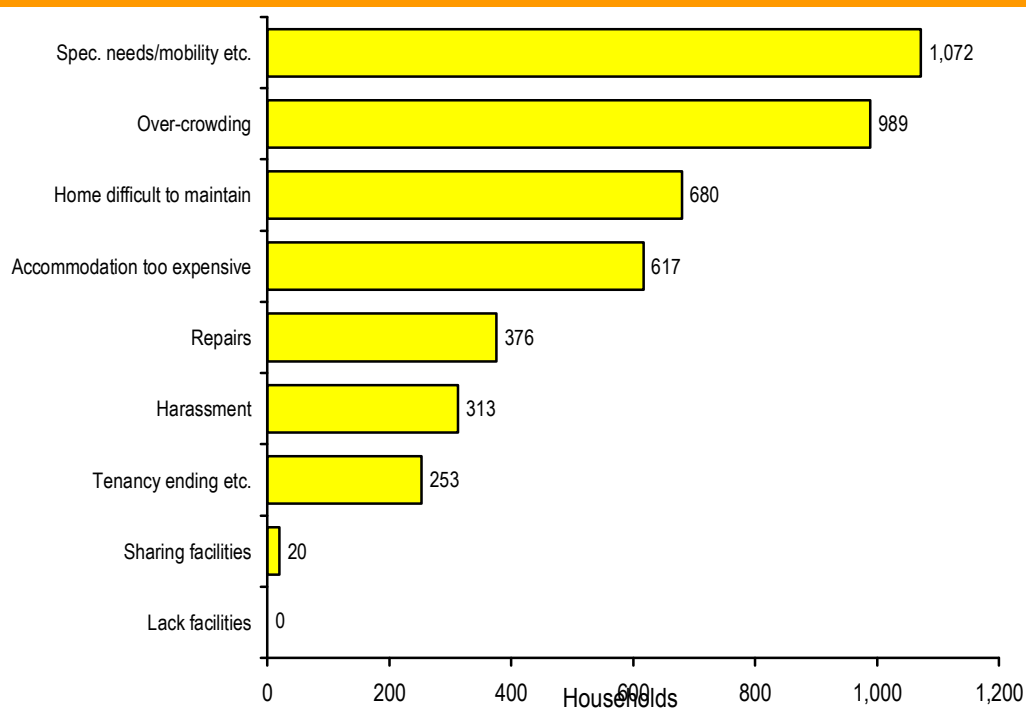
Housing need - background

- 15 A key part of the study was to look at the requirement for affordable housing. To do this the report has closely followed guidance set out by CLG (Strategic Housing Market Assessments: Practice Guidance March/August 2007). The Guidance sets out methods for looking at both the backlog of need and future need and in this report both have been addressed separately.
- 16 In broad terms the assessment of need (which takes account of both the need for and supply of affordable housing) can be split into the following four categories for analysis:
- Current (i.e. backlog) need
 - Available stock to offset need
 - Future (newly arising) need
 - Future supply of affordable units

Current need

- 17 Survey data suggests that 3,202 households in the Borough (11.1%) are currently living in unsuitable housing - the main reason being health and/or mobility problems caused by the condition of the home, followed by overcrowding.

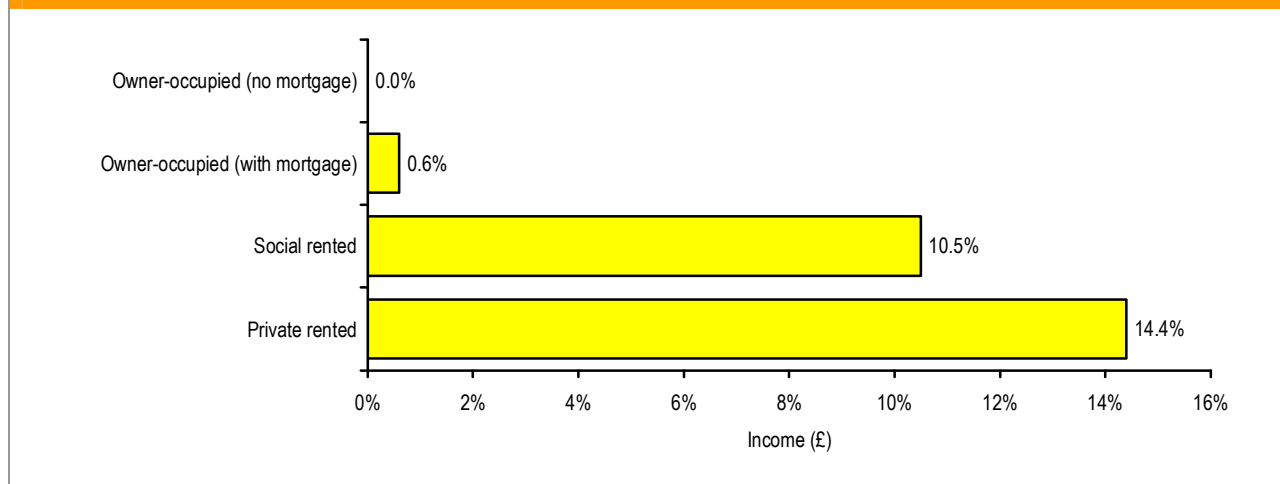
Figure E3 Summary of unsuitable housing categories



Source: Rossendale Council household survey (2008)

18 Overall, it was estimated that 1,935 of the 3,202 households would need to move home to find a solution to the unsuitability of their housing. Of these households, an estimated 1,022 could not afford a suitable solution in the housing market without some form of subsidy and were therefore considered to be in housing need. Households in the private rented sector were most likely to be in need.

Figure E4 Levels of current (backlog) need by tenure



Source: Rossendale Council household survey (2008)

19 Taking into account an estimated one homeless household who would not have been picked up by the household-based survey brings the total current need figure to 1,023.

20 It is estimated that at the time of the survey the current stock of affordable housing was 557. This could be used to meet this need and would include the dwellings that become available as households in the social rented sector move to different dwellings. Hence it is estimated that the net backlog of need for affordable housing is around 466 units (1,023-557).

Future need

21 The future need for affordable housing has been based on survey information about past household behaviour in terms of moves to different accommodation. The future need for affordable housing is split into two categories:

- New household formation (× proportion unable to buy or rent in market)
- Existing households falling into need

22 The data suggests that on an annual basis there will be 152 newly forming households requiring affordable housing and a further 542 existing households. The total future need for affordable housing is therefore estimated to be 694 units per annum.

- 23 The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 460 units. This generates a net requirement of 234 units (694-460).
- 24 Assuming that the backlog of need is to be met over five years, the gross annual requirement for additional affordable housing units is therefore 327 (466/5 + 234). This figure represents our estimate of the number of additional units required for all needs to be met.

Future movers

- 25 Another important aspect of the survey (in relation to future demand for housing) was an assessment of households who need or are likely to move home in the future. The study looked at the future aspirations and expectations of both existing households and newly forming households.
- 26 The table below shows that 19.8% of existing households need or are likely to move home in the next two years. Households in the private rented sector are most likely to be future movers (54.7%).

Table E2 Households who need or are likely to move in next two years by tenure			
Tenure	Number who need/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	1,062	8,684	12.2%
Owner-occupied (with mortgage)	1,927	12,308	15.7%
Social rented	974	4,605	21.2%
Private rented	1,754	3,203	54.7%
Total	5,716	28,800	19.8%

Source: Rossendale Council household survey (2008)

- 27 In addition to the 5,716 existing households who need or are likely to move, the survey estimates that there are about 2,417 new households who need or are likely to form from households resident in the Borough over the next two years. Key findings in relation to these moving households include:
- Around three-fifths (60.9%) of existing households that intend to move would like to remain living in the Borough, which is less than the figure for households who would expect to remain in Rossendale (65.9%)
 - Notably more of these moving households would like owner-occupied accommodation than expect it. Similarly notably more of these moving households would like a detached home than expect it

- Newly forming households show a large preference for owner-occupation but relatively few such households expect to be able to secure such tenure. Additionally, newly forming households are more likely to want or expect flatted accommodation than existing households

Balancing Housing Markets

- 28 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 indications of the shortages (and in some cases surpluses) of particular types of dwelling.
- 29 The model works by allocating each household to the dwelling size and tenure which appears most appropriate from the information available. This takes into account a household's aspirations (and whether they can be afforded), households' expectations about future housing prospects as well as a consideration of a household's current housing circumstances. Overall we build up a picture of the types of housing most suited to local households and a profile of likely supply to meet this demand.

**Table S3 Balancing Housing Markets results for Rossendale
(per annum)**

Tenure	Size requirement				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	22	-8	-47	122	89
Private rent	77	23	-30	47	118
Intermediate	0	14	13	0	27
Social rented	11	-5	62	34	101
Total	110	25	-2	202	335

Source: Rossendale Council household survey (2008)

- 30 The above table and figure looked at demand shortfall and surpluses by tenure and it is worthwhile to briefly describe the findings in each of these groups.

Owner-occupied housing

- 31 In the owner-occupied sector there is an apparent shortfall of 89 units per annum. The largest shortfall is for larger dwellings with four or more bedrooms. There is a surplus shown for two and three bedroom accommodation, this is due to the large supply of these dwellings of this size from the existing market stock.

Private rented housing

- 32 In the private rented sector there is an apparent shortfall of 118 units per annum. The majority of this demand is for one and two bedroom dwellings, although there is a demand for four + bedroom dwellings, this is mainly due to the small supply of this size of accommodation.

Intermediate housing

- 33 The requirement for intermediate housing makes up around 8% of the net shortfall of housing in the Borough, and around 21% of the shortfall of affordable housing. There are small shortfalls for two and three bedroom dwellings in this sector.

Social rented housing

- 34 The shortage of social rented housing makes up around 30% of the total shortfall of housing in the Borough. Most of the net demand for social rented housing is for three and four bedroom units.

The needs of particular groups

- 35 In addition to the main analyses of housing need and housing demand, the study addressed 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 on them in order to inform specific policies and service provision.
- 36 Key findings include:
- There are an estimated 7,003 households in Rossendale with one or more members in an identified support needs group, this represents 24.3% of all households. These households were most likely to state a requirement for help maintaining their home.
 - Some 22.5% of households contain only older people. These are almost all comprised of one or two persons, however a significant proportion reside in accommodation with three or more bedrooms. Within the social rented sector there are 181 older person households living in properties with at least three bedrooms indicating an opportunity to reduce under-occupation.
 - There are 8,235 households containing families with children in Rossendale. Lone parent families are more likely to be living in private and social rented accommodation and are less likely to be under-occupying their property.

- The survey estimates that 5,513 households in Rossendale are headed by a key worker. Key worker households record higher average incomes than other households in employment and are more likely to be able to afford market housing.
- Rossendale has a relatively small ethnic minority household population. Ethnic minority households recorded higher average household sizes and higher average household income levels than White British households. Ethnic minority households are particularly likely to be resident in the private rented sector.

Summary

- 37 This report details some of the findings from the household survey conducted within Rossendale Borough Council. The information collected is used to inform the type and tenure of housing required in the Borough in the future.
- 38 Information from the Land Registry suggests that prices in the Borough are lower than the regional and national averages, although prices have increased considerably over the last five years.
- 39 Broadly following the CLG Guidance for assessing affordable housing requirements, it is estimated that there is a gross annual need for 327 units of affordable housing.
- 40 The BHM model estimates a demand for all types of housing of 335 units per annum, with a tenure split of around 38% affordable housing.

SECTION A: CONTEXT

This section summarises the data collection exercise and provides some key findings from the household survey data as well as information from a survey of current house prices and rents in the Borough. This section contains the following five chapters:

- Introduction
- Data Collection
- The Local Housing Market
- Household Characteristics
- Financial Information

1. Introduction

Introduction

- 1.1 This document provides an account of the findings from a household survey carried out in summer 2008 for Rossendale Council. The report forms an important part of the evidence base for the Strategic Housing Market Assessment (SHMA) being conducted in Rossendale (provided as a separate report). The broad aim of this report is to provide the primary research at household level required to understand the need and demand for different forms of housing.

Key outputs from this document

- 1.2 This document is designed to provide information in relation to many of the key outputs required for the SHMA. In particular, the survey outputs look at household and dwelling characteristics (putting these in a regional and national context), households' current financial circumstances (e.g. income, savings, equity) and future housing demands (from both current and new households).
- 1.3 This report assesses current prices and rents in the local area (this topic is also addressed in some detail in the SHMA report) to help provide a background to the affordability of local housing.
- 1.4 Key outputs from the report include an assessment of the need for affordable housing and a separate analysis of imbalances in the housing stock, comparing housing supply and demand across all sectors (i.e. affordable and market).
- 1.5 Finally, the report studies the particular situation of a range of specific household groups (such as support needs households and key worker households).
- 1.6 All information derived from the survey has been provided at a sub-area level in an appendix to assist in the understanding of differences in the local housing market and to potentially inform policies for different parts of the Borough.

Government guidance

1.7 Although this report is only providing information which is to feed into the Rossendale SHMA it is important to briefly summarise key points from Government guidance which are relevant to this assessment. The documents are of particular importance:

- Planning Policy Statement 3 (Housing) – PPS3 (November 2006)
- Strategic Housing Market Assessments Practice Guidance – The guidance (August 2007)

1.8 PPS3 sets out a number of key definitions relevant to this project (including affordable housing, intermediate housing and housing need). In addition, PPS3 is clear about the outputs required from a Strategic Housing Market Assessment. Paragraph 22 summarises the requirements nicely:

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents

- *The likely overall proportions of households that require market or affordable housing*
- *The likely profile of household types requiring market housing*
- *The size and type of affordable housing required.*

1.9 The Guidance provides details about the whole process of conducting a housing market assessment. Whilst much of this information is not directly relevant to this report, there are a number of areas within Guidance which are important for the analysis conducted. The most important aspect of the Practice Guidance for this study is the information about measuring housing need.

1.10 The Guidance sets out a series of steps to be followed when assessing affordable housing requirements and also sets out some key definitions for particular aspects of analysis (such as the measurement of housing suitability and a detailed discussion of measuring affordability).

1.11 As far as is possible (and relevant) this project has sought to follow the requirements of both PPS3 and Guidance.

Summary

- 1.12 This report details the findings of a survey of housing need and demand carried out across the Rossendale area. The results of this survey will be fed into the wider Strategic Housing Market Assessment work.
- 1.13 In particular, this report concentrates on the need for affordable housing and the supply and demand for housing across all tenure groups.
- 1.14 Where relevant the report follows Government advice given in PPS3 and The Guidance and therefore provides policy relevant outputs which can sensibly be translated into a range of housing and planning strategies.

2. Data collection

Introduction

- 2.1 The primary data was collected using postal questionnaires (a copy of the questionnaire is provided in Appendix A3). The sample for the survey was drawn, at random, from the Council Tax Register covering all areas and tenures groups in the Borough.
- 2.2 In total, 1,405 postal questionnaires were returned. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of need and demand across the Borough as a whole, and permits the presentation of data for a number of smaller sub-areas.
- 2.3 Although the response represents a small percentage of the total household population, this does not undermine the validity of the survey as paragraph 18 of Strategic Housing Market Assessment Practice Guidance, Annex C states:

A common misconception when sampling is that it should be based on a certain percentage of the population being studied. In fact, it is the total number of cases sampled which is important. As the number of cases increase, the results become more reliable but at a decreasing rate... Approximately 1,500 responses should allow a reasonable level of analysis for a local authority area.

- 2.4 Prior to analysis, data must be weighted in order to take account of any measurable bias. The procedure for doing this to the main dataset is presented in the following section.

Base household figures and weighting procedures

- 2.5 Firstly, the total number of households is estimated. This is necessary in order to gross up the data to represent the entire household population. A number of sources were used to make the most accurate estimate of the number of households in Rossendale. The CLG's household projections were used, which provided an estimate of the total number of households in the Borough, and enabled an assessment of how the estimates from other sources might have changed where they were not current. The Council's HSSA and the Council Tax register were also used to help inform the estimate; it should be noted that vacant properties were excluded from the total number of dwellings recorded in the HSSA and the council tax register. Each of the sources studied were consistent and an average was taken from these that did not differ substantially from any source. The final estimate was that there were 28,800 households in Rossendale at the time of the survey.

2.6 The table below shows an estimate of the current tenure split in the Borough along with the sample achieved in each group. The data shows that around 73% of households are owner-occupiers with 16% in the social rented sector and the remaining 11% in the private rented sector. It should be noted that the private rented sector includes those renting from a friend/relative or living in accommodation tied to a job.

Table 2.1 Number of households in each tenure group

Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	8,684	30.2%	524	37.3%
Owner-occupied (with mortgage)	12,308	42.7%	609	43.3%
Social rented	4,605	16.0%	180	12.8%
Private rented	3,203	11.1%	92	6.5%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

2.7 Survey data was weighted to match the suggested tenure profile shown above. An important aspect of preparing data for analysis is ‘weighting’ it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to ‘rebalance’ the data to correctly represent the population being analysed via weighting. Weighting is recognised by the Strategic Housing Market Assessment Guidance as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (e.g. private rented in the table above) the application of a sophisticated weighting process, as has been used in this survey, reduces any bias.

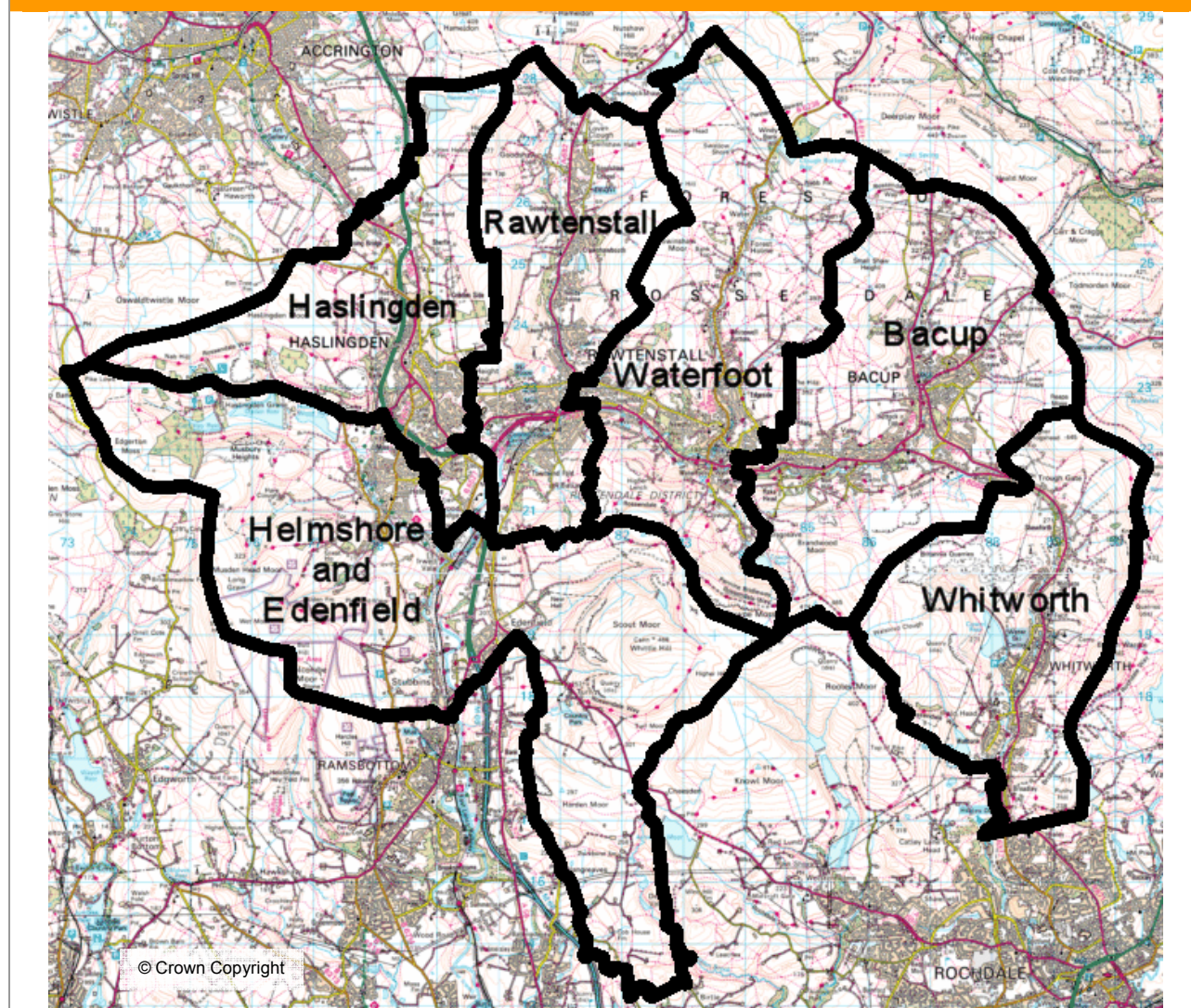
2.8 It is necessary to ‘rebalance’ the data to correctly represent the population being analysed (further information on this process is presented in Appendix A2). Data was also weighted to be in line with the estimated number of households in each of various groups (in addition to tenure, which is shown above):

- Ward
- Council Tax band
- Dwelling type
- Household type
- Number of people in household
- Car ownership

Sub-area analysis

2.9 Some of the key data is presented in the report for six sub-areas within the Borough, which are shown on the below map. The sub-areas are comprised of groups of wards, as shown in Table 2.2. The main analysis of the sub-area data is presented in Appendix A1.

Figure 2.1 Rossendale sub-areas



Source: Fordham Research (2008)

Table 2.2 Sub-areas and wards within Rossendale

Sub-area	Wards
Helmshore and Edenfield	Helmshore, Eden
Haslingden	Worsley, Greenfield
Rawtenstall	Goodshaw, Cribden, Longholme
Waterfoot	Whitewell, Hareholme
Bacup	Greensclough, Irwell, Stacksteads
Whitworth	Facit and Shawforth, Healey and Whitworth

Source: Rossendale Council (2008)

Summary

- 2.10 This survey of housing need and demand in Rossendale is based on primary survey data collected via postal questionnaires. In total 1,405 survey forms were completed across the Borough.
- 2.11 The survey data was grossed up to an estimated total of 28,800 households and weighted according to key characteristics so as to be representative of the household population of the Borough.

3. The local housing market

Introduction

- 3.1 This chapter uses information from the Strategic Housing Market Assessment report to provide data on housing costs in Rossendale. The SHMA report provides a more detailed description of the work carried out (including interviews with local agents). This chapter uses data from the Land Registry to compare the Rossendale area with the local and national context and summarises information from a search of estate and letting agents on the entry-level costs to the market.

Sub-regional market position

- 3.2 The table below shows price levels in Rossendale compared to the North West and England and Wales (drawn from Land Registry data for the 1st quarter of 2008). The data shows that price levels in Rossendale are below the average for the North West (£154,423) and the average for England and Wales (£218,112).

Table 3.1 Land Registry average prices (1st quarter 2008)		
Area	Average price	As % of E & W
Rossendale	£132,125	60.6%
North West	£154,423	70.8%
England & Wales	£218,112	100.0%

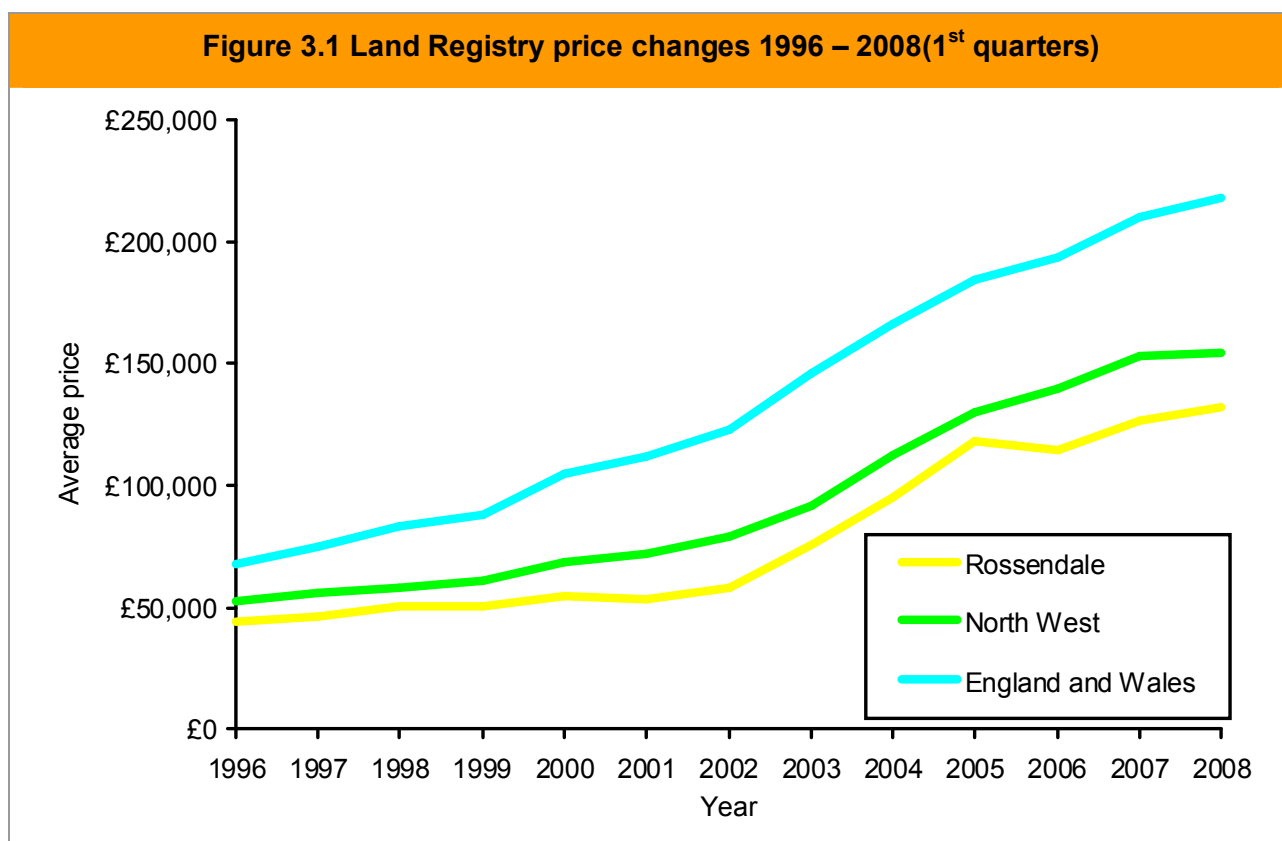
Source: Land Registry

- 3.3 The table below shows a comparison of prices between Rossendale and surrounding areas. Prices in Rossendale are moderately priced when compared to neighbouring areas.

Table 3.2 Land Registry average prices (1st quarter 2008)			
Area	Average price	As % of England & Wales	As % of the North West
Bury	£144,600	66.3%	93.6%
Calderdale	£139,872	64.1%	90.6%
Rossendale	£132,125	60.6%	85.6%
Rochdale	£131,494	60.3%	85.2%
Blackburn with Darwen	£110,603	50.7%	71.6%
Hyndburn	£105,802	48.5%	68.5%
Burnely	£94,608	43.4%	61.3%

Source: Land Registry

- 3.4 The figure below shows overall price change since 1996 in Rossendale and other areas. The data shows significant price increase in all areas studied. Overall, between 1996 and 2008, the average price in Rossendale tripled. In the past five years prices have increase by 75%, this compares with a 68% increase in the North West and a national increase of 49%.
- 3.5 In purely value terms, the average property price in Rossendale rose by around £88,000 between 1996 and 2008; this is below the comparable figure for England & Wales (£150,500) and the North West (£102,000).



Source: Land Registry

- 3.6 In addition to providing information about overall prices the Land Registry provides a wealth of data about the types of properties sold (and how this varied over time). The table below shows average property prices for Rossendale (plus other benchmark areas) for each dwelling type. The volume of sales by type is also included for all areas.
- 3.7 The table shows that Rossendale has a relatively high proportion of sales of terraced housing compared with regional and national figures. For each of the dwelling types, Rossendale's prices are lower than the average for the North West and England and Wales.

Table 3.3 Land Registry average prices and sales (1st quarter 2008)

Area		Dwelling type				
		Detached	Semi-detached	Terraced	Flat/maisonette	All dwellings
Rossendale	Average price	£256,424	£152,399	£92,911	£99,590	£132,125
	% of sales	15.5%	22.9%	57.8%	3.9%	100.1%
North West	Average price	£300,101	£160,443	£111,153	£130,534	£154,423
	% of sales	13.3%	31.1%	41.2%	14.4%	100.0%
England & Wales	Average price	£342,794	£197,416	£173,858	£200,344	£218,112
	% of sales	19.0%	27.0%	32.2%	21.8%	100.0%

Source: Land Registry

Entry-level market costs

- 3.8 Interviews were conducted with estate and letting agents across the study area to gain more information on the main characteristics of the housing market. Information from these interviews supplemented the internet searches of properties available to buy or let. This section provides the key findings in terms of local prices and rents. A full account of the interviews with agents is provided in the SHMA report.

Properties to buy

- 3.9 The table below shows the entry level prices (lower quartile) for different sizes of dwellings in the main settlements of the Borough. The prices were ascertained from an internet search of properties advertised for sale during April 2008. The prices are qualified by the qualitative research with estate and letting agents in the area.
- 3.10 The table below shows that there are some significant variations in entry-level (lower quartile) prices within the Borough. For a two bedroom property in Bacup the entry-level price was found to be £71,955, whereas in Edenfield an entry-level two bedroom property was found to be £121,500.

Table 3.4 Entry-level purchase prices by settlement and 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

- 3.11 The differences in house prices across the Borough meant that it was appropriate to have two price areas covering Rossendale, as one entry level price would not adequately reflect the price differences across the area. The settlements of Helmshore and Edenfield are significantly higher priced than the rest of the Borough; therefore they form one price area with a different entry level price. The other four areas of Rawtenstall, Bacup, Haslingden and Whitworth will form another price area.

The private rented sector

- 3.12 The table below shows the entry-level (lower quartile) cost to rent (per month) in the Borough. 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 3.5 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

The social rented sector

3.13 The other main form of housing available in Rossendale Borough (other than to purchase or privately rent) is social rented housing. Therefore to complete the housing cost profile in the local market it is appropriate to present information on the cost of social rented housing. The cost of social rented properties by dwelling size can be obtained from CORE and these are presented in the table below. CORE (Continuous Recording) is a national information source funded jointly by the Housing Corporation and the CLG that records information on the characteristics of both RSL and local authority new social housing tenants and the homes they rent and buy. As can be seen, the costs are significantly below those for private rented housing indicating a significant potential gap between the social rented and market sectors.

Table 3.6 Social rented cost in Rossendale	
Bedrooms	Rent (per week)
1	£48
2	£56
3	£62
4	£69

Source: CORE

3.14 The tables below show the weekly costs tables for the two price areas identified in Rossendale. The cost of intermediate housing, based at the 'usefully affordable' point – the mid-point between the cost of social rented and entry-level market housing – is also presented.

Table 3.7 Weekly costs table by tenure: Helmshore and Edenfield					
Bedrooms	Social rent	Intermediate	Private rent	Buy	New build
1 bed	£48	£64	£81	£104	£135
2 bed	£56	£72	£88	£122	£159
3 bed	£62	£79	£97	£159	£206
4 bed	£69	£113	£156	£235	£305

Source: CORE, Rightmove

Table 3.8 Weekly costs table by tenure: Rest of Rossendale					
Bedrooms	Social rent	Intermediate	Private rent	Buy	New build
1 bed	£48	£64	£81	£78	£102
2 bed	£56	£72	£88	£92	£120
3 bed	£62	£79	£97	£120	£156
4 bed	£69	£113	£156	£191	£248

Source: CORE, Rightmove

Summary

- 3.15 Information from the Land Registry indicates that average property prices in Rossendale are below the average for the North West and for England and Wales.
- 3.16 Internet searches of properties available established the cost of entry-level accommodation in the Borough, these prices were qualified by interviews with local estate and letting agents. There was some significant variation across the Borough in terms of entry level prices and two price-areas were identified.

4. Household characteristics

Introduction

4.1 This chapter sets out some of the findings from the survey of local households. Throughout the analysis tabulations are made along with tenure. Where possible, figures are compared with information at a national and regional level from the Survey of English Housing (SEH).

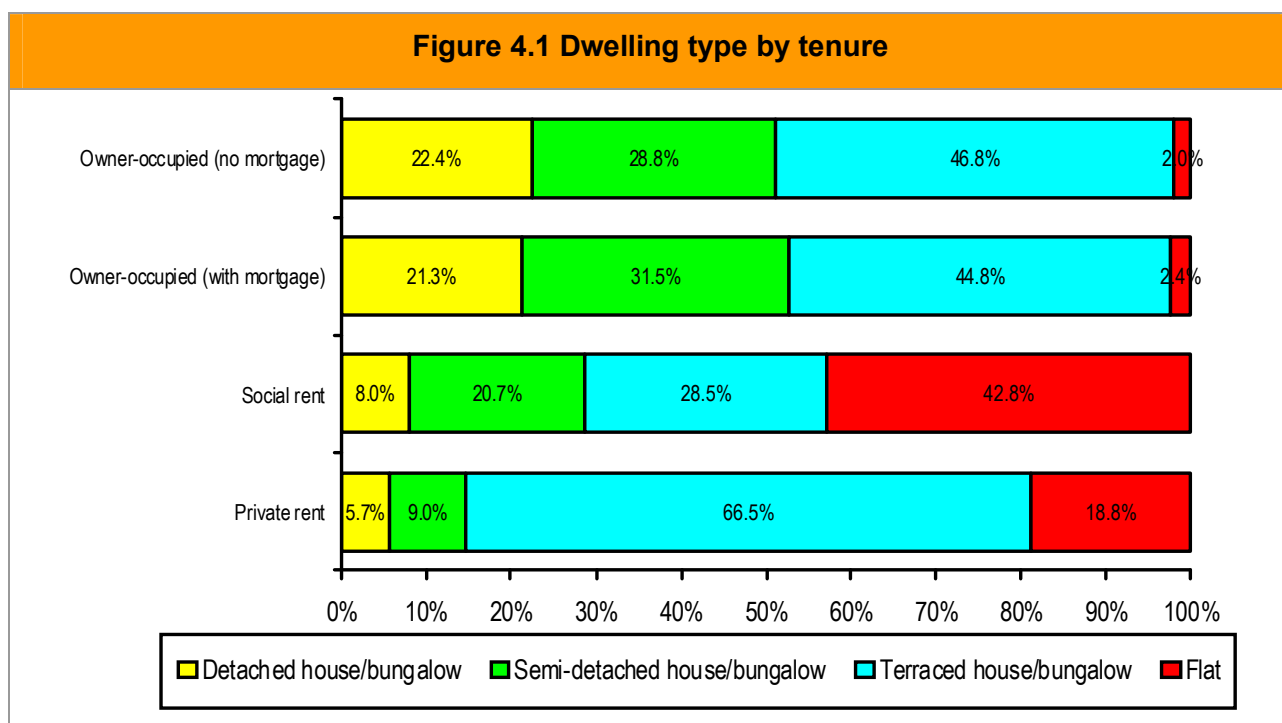
Type of housing

4.2 The table below shows households' current accommodation type. The table shows that a large proportion of households live in terraced houses or bungalows (45.2%), this compares with a national average from the SEH of 27% (29% in the North West region). The latest SEH suggests that nationally, around 11% of households live in flats whilst the figure for the North West region is around 9%. In Rossendale it was estimated that 10.6% of households live in flats.

Table 4.1 Dwelling type		
Dwelling type	Number of households	% of households
Detached house/bungalow	5,120	17.8%
Semi detached house/bungalow	7,490	26.0%
Terraced house/bungalow	13,020	45.2%
Purpose-built flat	2,451	8.5%
Converted flat or shared house	251	0.9%
Flat in commercial building	335	1.2%
Caravan or mobile home	133	0.5%
Total	28,800	100.0%

Source: Rossendale Council household survey (2008)

4.3 The figure below shows tenure and dwelling type information. Households living in owner-occupation are particularly likely to live in houses/bungalows. The social rented sector contains a large proportion of flats, whilst the private rented households predominantly reside in terraced accommodation. For the purposes of this analysis the three flat categories have been merged into one whilst mobile homes are merged with detached houses/bungalows.



Source: Rossendale Council household survey (2008)

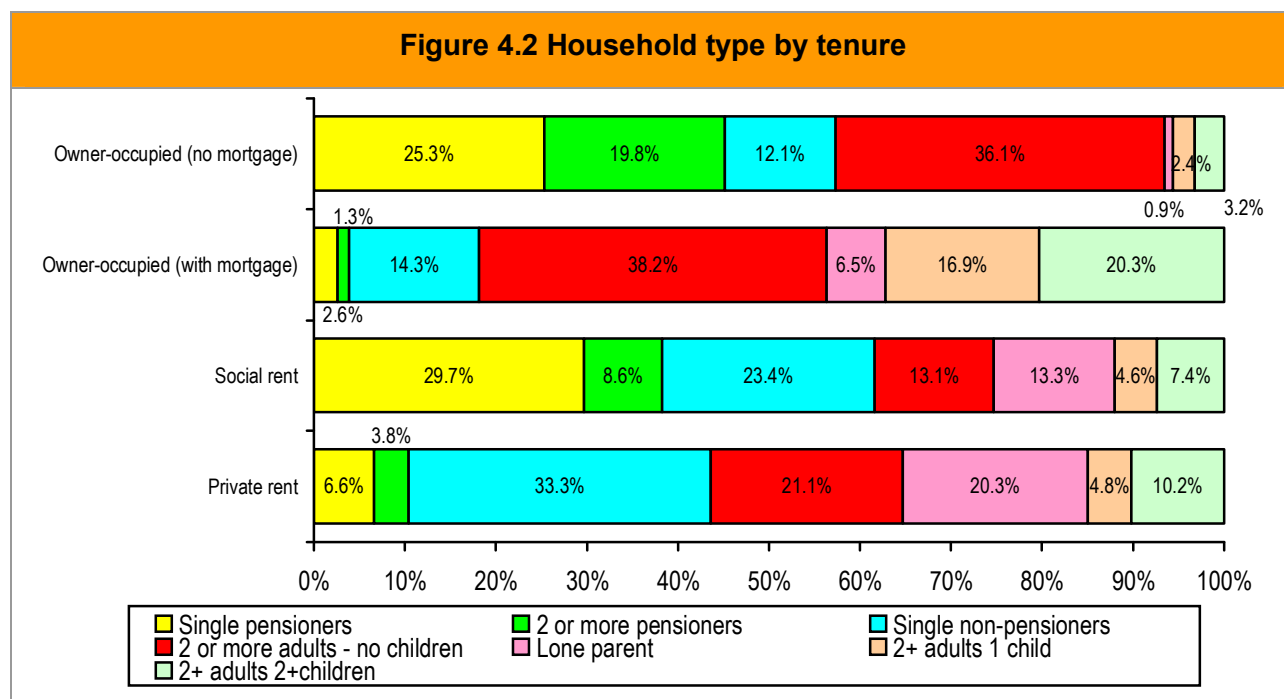
Household type and size

4.4 The table below shows the household type breakdown in the Borough. The survey estimates that 22.5% of households are pensioner only and that 28.6% contain children. Direct comparisons with the SEH are not possible for household types due to the different definitions used, however 2001 Census data suggests that nationally around 24% of households were pensioner only.

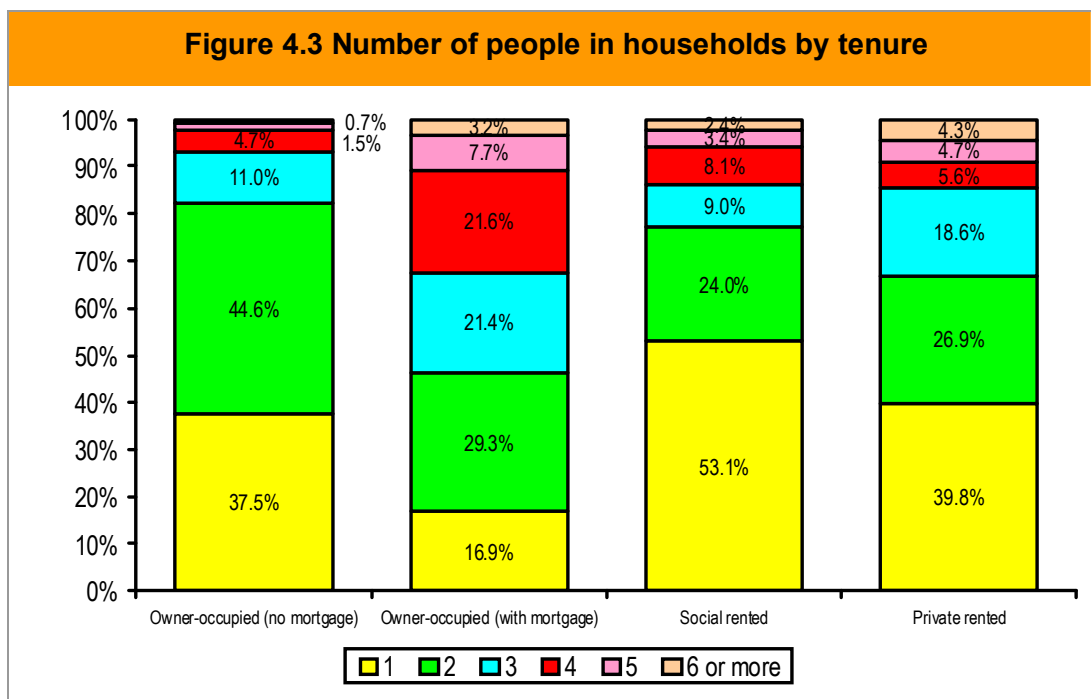
Table 4.2 Household type		
Household type	Number of households	% of households
Single pensioner	4,100	14.2%
2 or more pensioners	2,393	8.3%
Single non-pensioner	4,954	17.2%
2 or more adults, no children	9,118	31.7%
Lone parent	2,143	7.4%
2+ adults, 1 child	2,649	9.2%
2+ adults, 2+ children	3,442	12.0%
Total	28,800	100.0%

Source: Rossendale Council household survey (2008)

- 4.5 The figure below shows household type by tenure. As with dwelling type there are clear differences between the tenure groups. The owner-occupied (no mortgage) sector contains a large proportion of pensioner households whilst lone parent households appear to be concentrated in the social and private rented sectors. The owner-occupied (with mortgage) sector has the largest proportion of households with children.



- 4.6 The average household size in the Borough was estimated from the survey to be 2.3 persons. This figure is in line with the most recent SEH national estimate of around 2.4 persons per household. The figure below shows the number of people in households by tenure, this information is then summarised as average household sizes in the table that follows.
- 4.7 The largest households were those buying with a mortgage (average 2.8) whilst the smallest were owner-occupiers (without a mortgage). Over half of households in the social rented sector were found to be comprised of only one person.



Source: Rossendale Council household survey (2008)

Table 4.3 Average household size by tenure

Tenure	Average household size
Owner-occupied (no mortgage)	1.9
Owner-occupied (with mortgage)	2.8
Social rented	2.0
Private rented	2.2
Total	2.3

Source: Rossendale Council household survey (2008)

Length of residence and recent movers

4.8 At the time of the survey an estimated 17.6% of households (5,081) had been resident at their current address for less than two years. This figure suggests that households in Rossendale are less likely to have moved recently than households nationally - recent SEH data suggests that 11% of households at a point in time will have been resident at their address for less than one year (approximately 21% over a two year period).

4.9 The table below shows length of residence by tenure. Of the households moving in the past two years, 33% are private renters, 50% are owner-occupiers and 17% live in the social rented sector. An estimated 52% of private renters had moved home in the past two years, compared to only 19% of social renters and 12% of owner-occupiers. Private tenants are therefore much more mobile than social renters or owner-occupiers. The least mobile group are outright owners, only 6% of whom moved in the previous two years.

- 4.10 At the other end of the spectrum, almost two-thirds (64%) of all households have lived in their home for more than five years. In the case of outright owners, 85% have lived in their home for more than five years – this compares with only 29% of private tenants.

Table 4.4 Length of residence of household by tenure					
Tenure	Length of residence				Total
	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Owner-occupied (no mortgage)	181	291	821	7,390	8,684
Owner-occupied (with mortgage)	1,092	999	2,844	7,372	12,308
Social rented	326	530	1,111	2,639	4,605
Private rented	1,105	556	615	927	3,203
Total	2,705	2,376	5,391	18,329	28,800
Owner-occupied (no mortgage)	2.1%	3.4%	9.5%	85.1%	100.0%
Owner-occupied (with mortgage)	8.9%	8.1%	23.1%	59.9%	100.0%
Social rented	7.1%	11.5%	24.1%	57.3%	100.0%
Private rented	34.5%	17.4%	19.2%	29.0%	100.0%
Total	9.4%	8.2%	18.7%	63.6%	100.0%

Source: Rossendale Council household survey (2008)

- 4.11 In terms of tenure mobility, the most common types of move were from one owner-occupied property to another (1,833 households) followed by moves within the private rented sector. There was also a fair degree of movement within the social rented sector. Overall, movement within sectors was more common than movement between them.
- 4.12 Around 41% of all moves involved the private rented sector – households moving into it, out of it or within it – showing how important the sector is in providing mobility in the housing market. The private rented sector shows the highest turnover of any tenure. Overall it is estimated that around 11% of all households in Rossendale currently live in the private rented sector.
- 4.13 Around 42% of newly-formed households moved into owner-occupation and a further 38% into private rented accommodation. Therefore around 20% of newly forming households moved into a socially rented dwelling (a figure similar to the national average of around 23%).

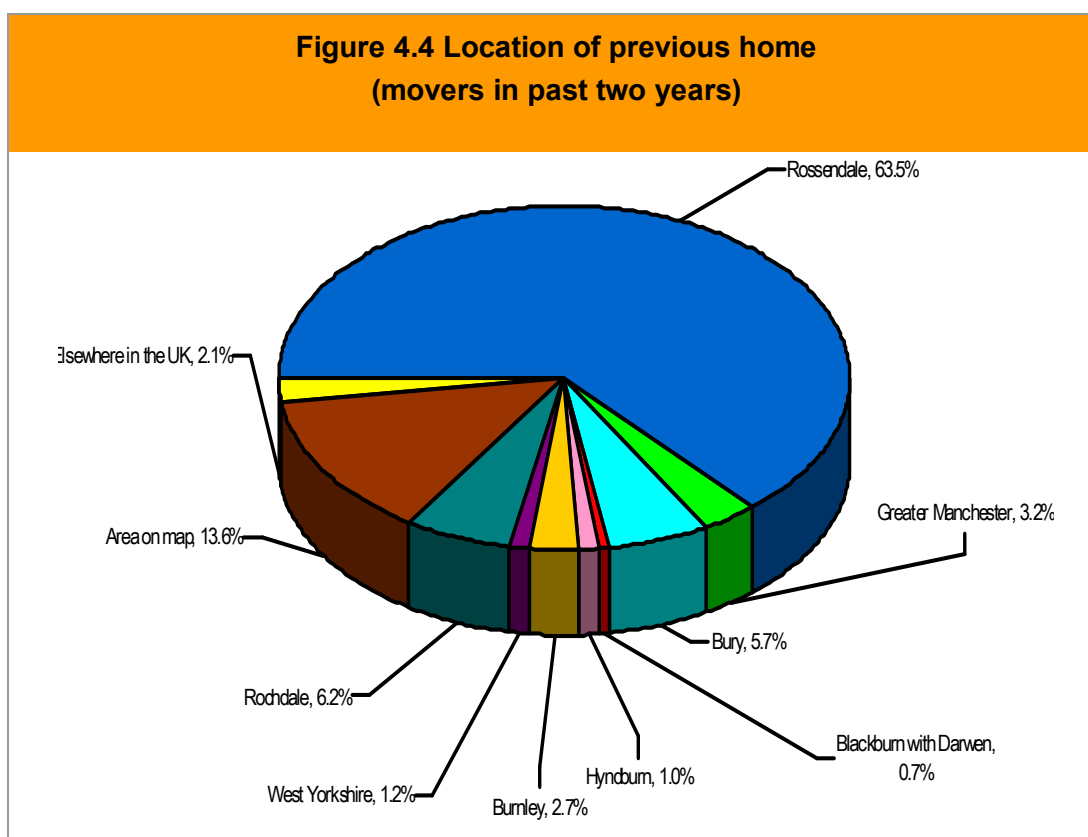
Table 4.5 Previous tenure by current tenure (households moving in past two years)

Tenure	Previous tenure				Total
	Newly formed household	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	17	439	0	16	472
Owner-occupied (with mortgage)	369	1,394	22	306	2,091
Social rented	185	300	255	116	856
Private rented	351	362	94	854	1,661
Total	922	2,496	371	1,292	5,081
Owner-occupied (no mortgage)	3.6%	93.0%	0.0%	3.4%	100.0%
Owner-occupied (with mortgage)	17.6%	66.7%	1.1%	14.6%	100.0%
Social rented	21.6%	35.0%	29.8%	13.6%	100.0%
Private rented	21.1%	21.8%	5.7%	51.4%	100.0%
Total	18.1%	49.1%	7.3%	25.4%	100.0%

Source: Rossendale Council household survey (2008)

4.14 It is also possible to look at the previous locations of households who have moved home in the past two years – this is shown in the figure below. The figure shows a large degree of self-containment within the Borough. In total it is estimated that almost two-thirds (64%) of households had previously lived in the Borough.

Figure 4.4 Location of previous home (movers in past two years)



Source: Rossendale Council household survey (2008)

Car ownership

- 4.15 A further question asked in the survey was car ownership/availability. Although not directly linked to housing, this is a useful variable as it can provide some indication of wealth. The table below shows the number of cars households have available for use by tenure.
- 4.16 In total, almost 60% of households in the social rented sector have no access to a car or van, this compares with less than 5% of owner-occupied (with mortgage) households. The average household has 1.06 cars/vans; this figure varies from 0.49 in the social rented sector to 1.56 for owner-occupiers with a mortgage.

Table 4.6 Car ownership and tenure					
Tenure	Number of cars/vans available for use				Average number of cars/vans
	0	1	2	3+	
Owner-occupied (no mortgage)	24.6%	40.6%	21.1%	13.7%	1.24
Owner-occupied (with mortgage)	4.4%	42.0%	46.7%	6.9%	1.56
Social rented	58.8%	33.6%	7.6%	0.0%	0.49
Private rented	38.7%	55.1%	6.2%	0.0%	0.68
Total	26.6%	44.7%	24.5%	4.1%	1.06

Source: Rossendale Council household survey (2008)

Overcrowding and under-occupation

- 4.17 Levels of overcrowding are measured using the 'bedroom standard' (see Glossary for definition). Essentially this is the difference between the number of bedrooms needed to avoid undesirable sharing and the number of bedrooms actually available to the household. Using the same standard it is also possible to study under-occupation – in this study it is assumed that any household with more than one spare bedroom is under-occupying their dwelling.
- 4.18 The table below shows a comparison between the number of bedrooms in each home against the number of bedrooms required for all households in the Borough.

Table 4.7 Overcrowding and under-occupation					
Number of bedrooms required	Number of bedrooms in home				Total
	1	2	3	4+	
1 bedroom	3,071	6,908	5,497	1,338	16,814
2 bedrooms	28	2,678	3,481	1,854	8,041
3 bedrooms	40	520	1,426	1,414	3,400
4+ bedrooms	0	0	290	255	545
Total	3,139	10,106	10,694	4,861	28,800

Source: Rossendale Council household survey (2008)

KEY: Overcrowded households Under-occupied households

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but are currently occupying a four bedroom property.

4.19 The estimated number of overcrowded and under-occupied households in Rossendale is as follows:

- **Overcrowded:** 3.4% of households = 989 households
- **Under-occupied:** 31.4% of households = 9,040 households

4.20 The latest SEH data on overcrowding suggests that nationally around 2.5% of households are overcrowded with the figure for the North West being 2.0%.

Economic status

4.21 For the purposes of analysis of economic status, the status of the survey respondent is taken to represent the household reference person (HRP). Some 59% of all HRPs are in employment; 4% are unemployed and 29% are retired. A number of HRPs are in the 'other' working status group, which is largely comprised of people describing themselves as either permanently sick/disabled or looking after home/family.

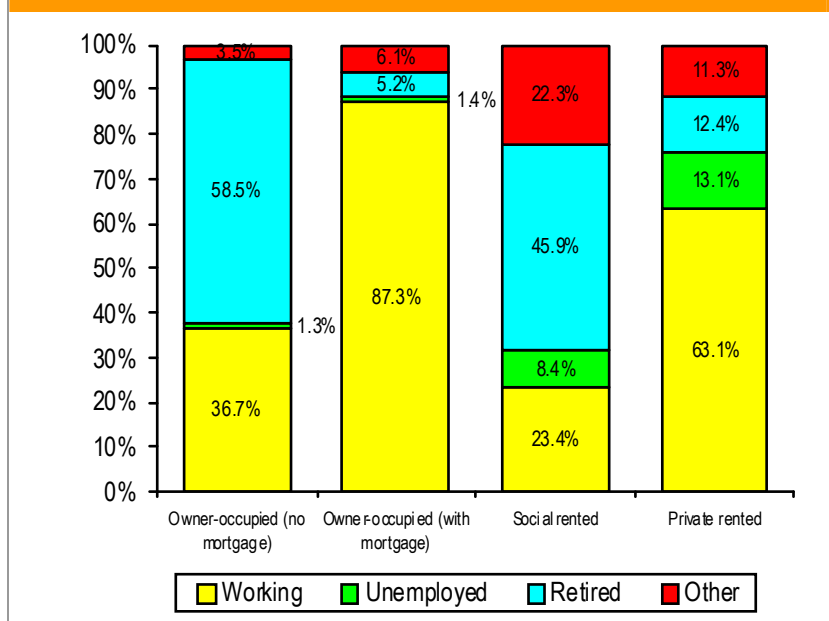
Table 4.8 Working status of household reference person

Working status	Number of households	% of households
Working	17,033	59.1%
Unemployed	1,094	3.8%
Retired	8,228	28.6%
Other	2,444	8.5%
Total	28,800	100.0%

Source: Rossendale Council household survey (2008)

4.22 The figure below shows economic status by tenure. The data shows that some 87% of those buying with a mortgage were working. For private renters the figure was 63%, and for social rented tenants only 23%. For outright owners, 59% were retired.

Figure 4.5 Economic status of household reference person by tenure



Source: Rossendale Council household survey (2008)

Housing costs

4.23 The survey asked a series of questions about how much households currently pay for their housing. The table below shows estimates of the amount of rent/mortgage paid by households by tenure (figures exclude households where there are no housing costs such as outright owners and households in tied accommodation).

4.24 The table shows that households buying with a mortgage have the highest housing costs followed by households in the private rented sector. The average owner-occupier pays £143 per week, this compares with £64 for social rented tenants.

Table 4.9 Housing costs by tenure				
Weekly housing cost	Owner-occupied (with mortgage)	Social rented	Private rented	Total
Under £30	4.8%	0.0%	0.0%	3.0%
£30-£60	11.5%	42.2%	2.1%	17.2%
£60-£90	14.7%	51.1%	47.2%	28.1%
£90-£120	18.9%	6.6%	41.1%	19.5%
£120-£150	13.5%	0.0%	6.1%	9.3%
£150-£200	16.3%	0.0%	1.6%	10.3%
£200-£250	7.6%	0.0%	0.0%	4.7%
£250-£300	5.7%	0.0%	0.0%	3.5%
£300-£350	2.7%	0.0%	0.0%	1.7%
£350-£400	2.1%	0.0%	0.0%	1.3%
£400-£500	0.8%	0.0%	0.9%	0.6%
£500 or more	1.3%	0.0%	1.0%	1.0%
Total	100.0%	100.0%	100.0%	100.0%
Average cost	£143	£64	£99	£118

Source: Rossendale Council household survey (2008)

Summary

4.25 The household survey collected a significant amount of data about the resident household population. Some of the main findings were:

- In total some 45% of all households live in terraced houses or bungalows. Some 11% live in flats, higher than the regional average of 9%. Households living in the social rented sector are more likely to live in flats whilst those in owner-occupation are more likely to live in houses than other tenures.
- Around 23% of all households are 'pensioner-only' and roughly 29% contain children.
- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 52% of private renters had moved home in the past two years. This is more than double the figure for any other tenure group. There were more moves recorded within tenures than between them.
- Car ownership data suggests that there is an average of 1.06 cars per household in the Borough. There are however large differences by tenure with owner-occupiers (with mortgage) having an average of 1.56 cars per household, this compares with an average of only 0.49 in the social rented sector.
- The level of overcrowding recorded in Rossendale (at 3.4%) is higher than both the national average (2.5%) and the regional average (2.0%).

- The proportion of employed household heads varied significantly across the tenures. Almost 90% of households buying with a mortgage are headed by an employed person compared to 23% of social rented tenants.
- Households buying with a mortgage have the highest housing costs, households in the social rented sector the lowest.

5. Financial information

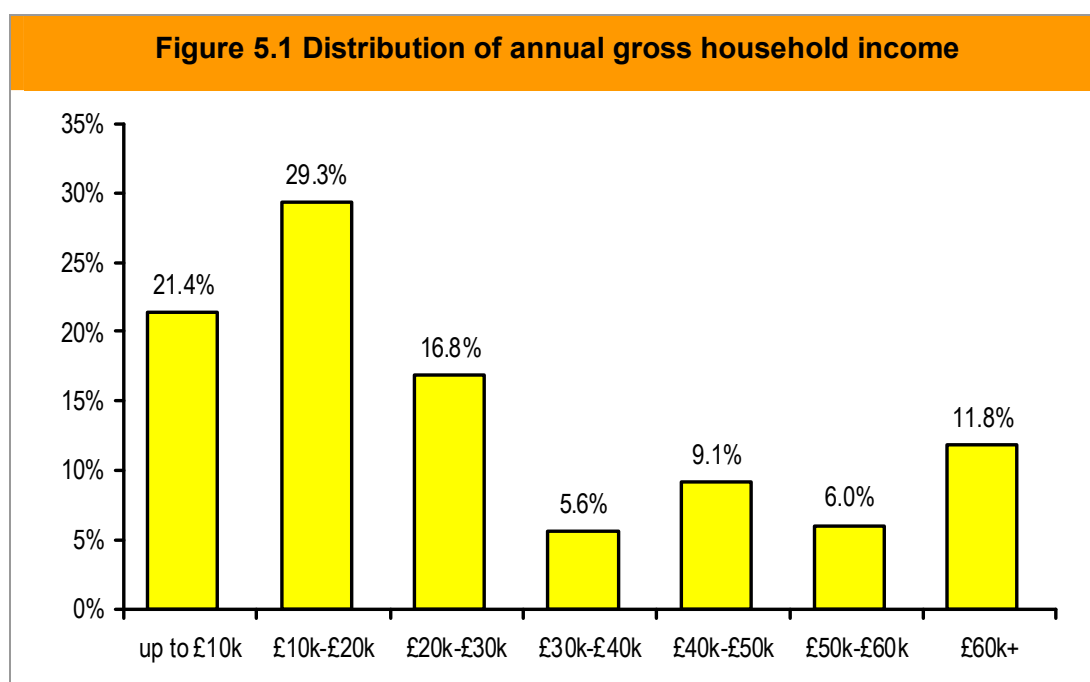
Introduction

5.1 A key part of the housing needs and demand survey is an assessment of the financial situation of households. Data was therefore collected in the survey looking at a range of financial information (including incomes, savings and equity). This chapter contains the analysis of the survey results with regard to households' financial situation.

Household income

5.2 The response to the survey income question was good with 79.4% of respondents answering this question. Survey results for household income estimate the average (mean) gross household income level to be £27,803 per annum. The median income is noticeably lower than the mean (at £19,965 per annum). As we can see from the figures below the distribution of both income and savings is heavily skewed towards households with lower incomes and savings.

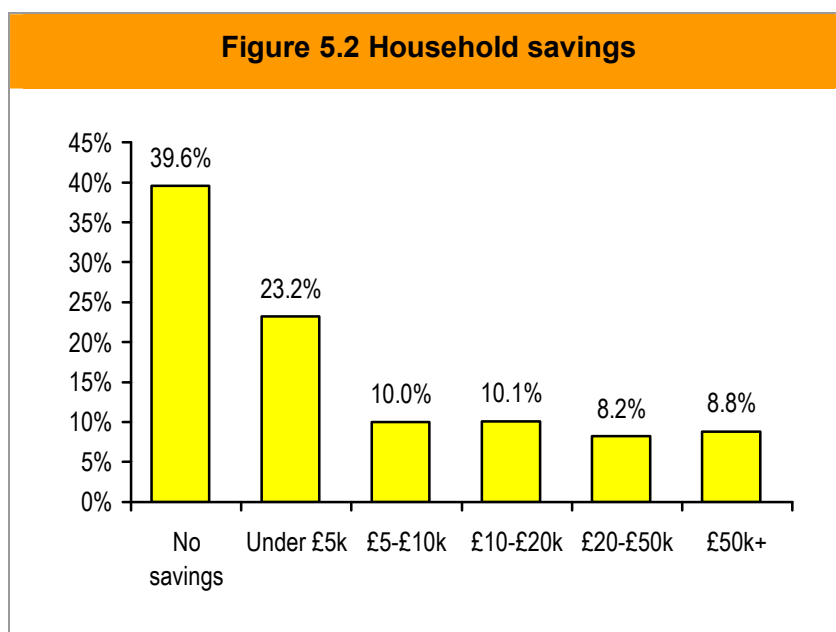
5.3 The figure below shows the distribution of income in the Borough. It is clear that there is a significant range of incomes in the Borough with 50.7% having an income of less than £20,000 and 17.8% an income in excess of £50,000. More than 40% of households with incomes of less than £20,000 have a retired household reference person (HRP). Households where the HRP is in employment have a mean income of around £36,500.



Source: Rossendale Council household survey (2008)

Household savings and equity

- 5.4 The response to the survey savings question was also good with 76.1% of respondents answering this question. The average (mean) household has £15,867 in savings (median of £1,862).
- 5.5 The figure below shows the distribution of savings in the Borough. An estimated 62.8% of households had less than £5,000 in savings whilst 8.8% had savings of over £50,000. Households with no savings also included those in debt.



Source: Rossendale Council household survey (2008)

- 5.6 The survey also collected information about the amount of equity owner-occupiers have in their property. For both owner-occupier groups together (with and without mortgages) the average (mean) amount of equity was estimated to be £121,131, a median of £96,493. It is estimated that 1.0% of owner-occupiers (203 households) are in negative equity.

Household characteristics and income

- 5.7 The table below shows average income, savings and equity by tenure. As might be expected, the households with the lowest average incomes are those in the social rented sector, although private renters also show relatively low levels of income and low levels of savings. Whilst owner-occupiers with no mortgage have an average household income which is lower than those with a mortgage, this group contains many older people who are not working but have redeemed their mortgages. These households therefore have much higher levels of savings and equity.

Table 5.1 Financial information by tenure

Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£23,428	£41,368	£154,794
Owner-occupied (with mortgage)	£40,796	£6,581	£97,381
Social rented	£9,445	£3,665	
Private rented	£16,133	-£43	
Average	£27,803	£15,867	£121,131

Source: Rossendale Council household survey (2008)

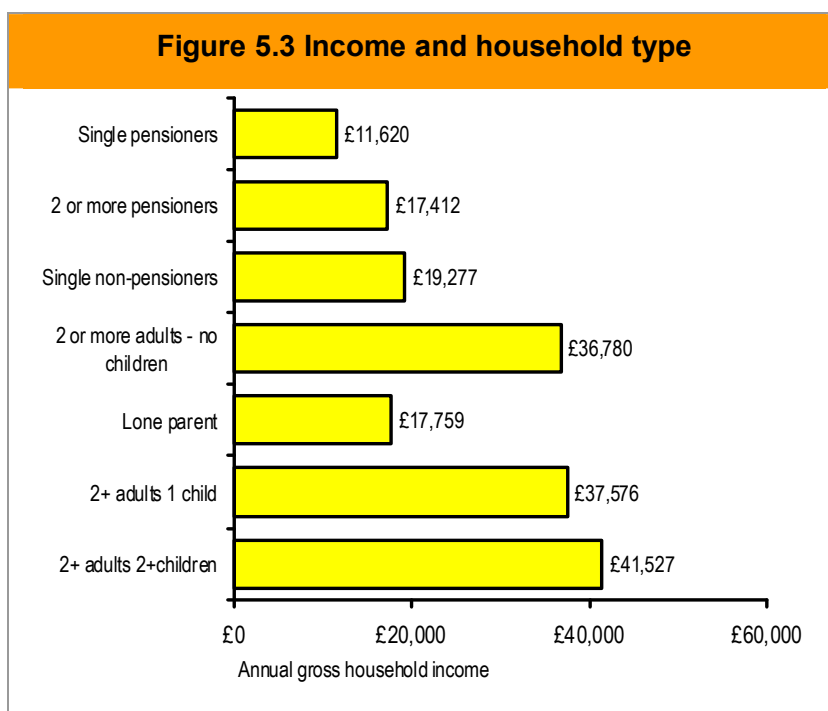
5.8 The table below shows the same information by sub-area. There is a large degree of variation between sub-areas with households in Helmshore and Edenfield and households in Rawtenstall having the highest incomes. Helmshore and Edenfield has the wealthiest residents, showing the highest levels of average income, savings and equity.

Table 5.2 Financial information by sub-area

Tenure	Average annual gross household income	Average savings	Average equity (of owners)
Helmshore and Edenfield	£33,374	£30,999	£148,281
Haslingden	£26,430	£11,096	£110,904
Rawtenstall	£32,175	£18,317	£122,374
Waterfoot	£27,422	£16,994	£125,980
Bacup	£23,992	£8,628	£103,887
Whitworth	£24,283	£14,193	£121,002
Average	£27,803	£15,867	£121,131

Source: Rossendale Council household survey (2008)

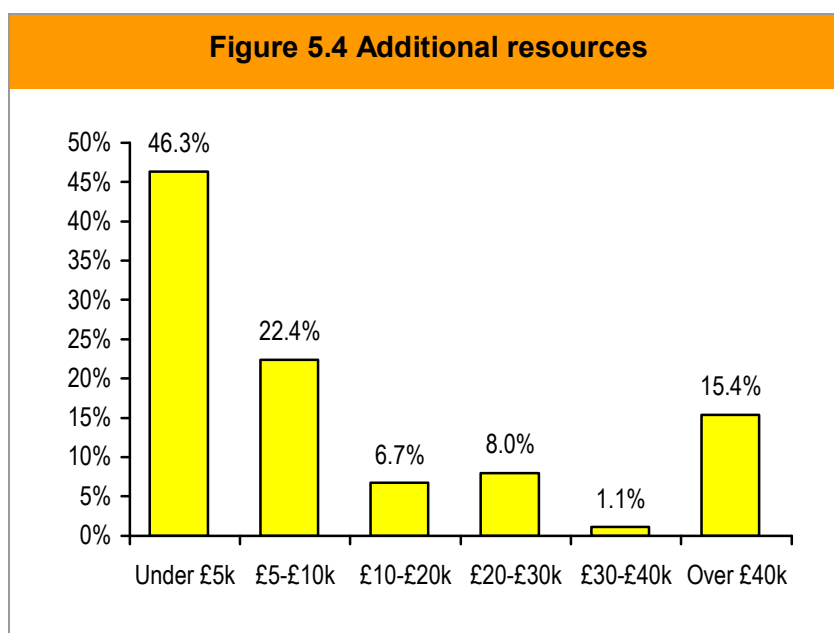
5.9 The figure below looks at income levels by household type. Single pensioner households show average incomes considerably below the Borough-wide average. Households with two or more adults (with or without children) show the highest average incomes.



Source: Rossendale Council household survey (2008)

Other financial information

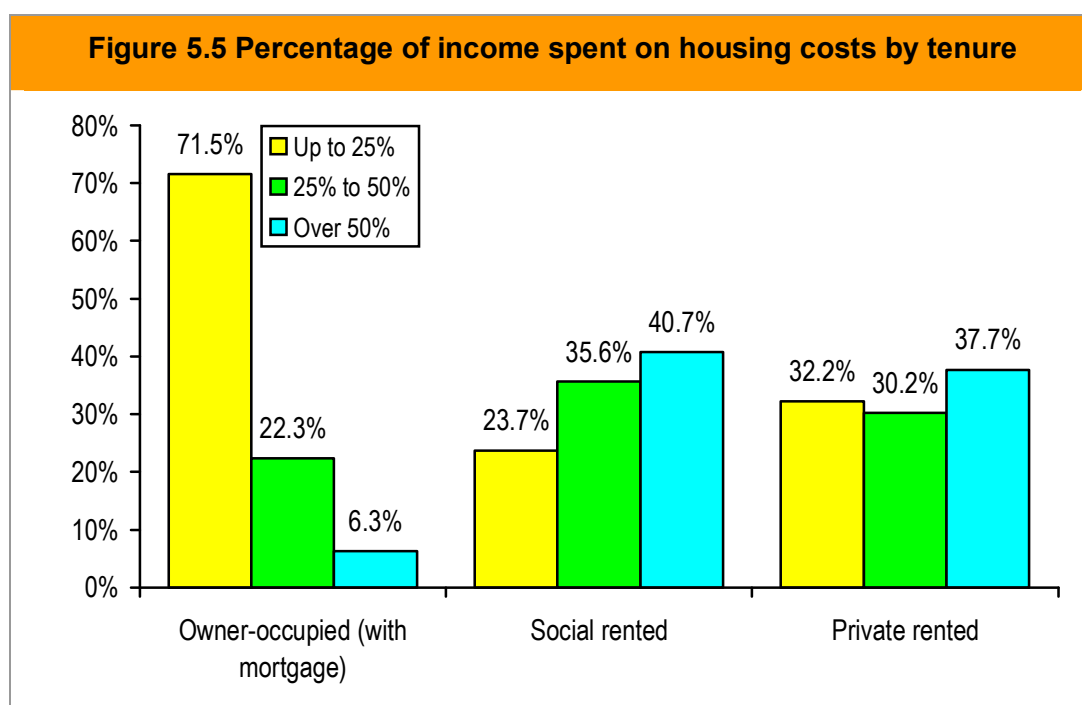
- 5.10 In addition to the information collected about income, savings and equity the survey form asked households whether they had access to any other financial resources which might be able to be used towards a deposit on a property (and if so, how much). The vast majority (90.1%) of households stated that they had no further access to financial resources other than those already analysed.
- 5.11 The 2,851 households who do have access to additional financial resources (e.g. help from parents) have a varying amount of additional funds. Almost a quarter (24.5%) have access to more than £20,000, although the majority have access to less than £10,000. It is possible that such additional funds will be able to help a small number of households to afford suitable market housing without the need for any subsidy.



Source: Rossendale Council household survey (2008)

Relationship of income to housing costs

5.12 It is of interest to study the amount of income that households are spending on their housing costs (whether rent or mortgage). The figures below show the number of households in each tenure group by what proportion of income is spent on housing. The figures show that there are a significant number of households spending over 25% and in many cases in excess of 50%. Households paying more than 50% are most likely to be found in the social rented and private rented sectors.



Source: Rossendale Council household survey (2008)

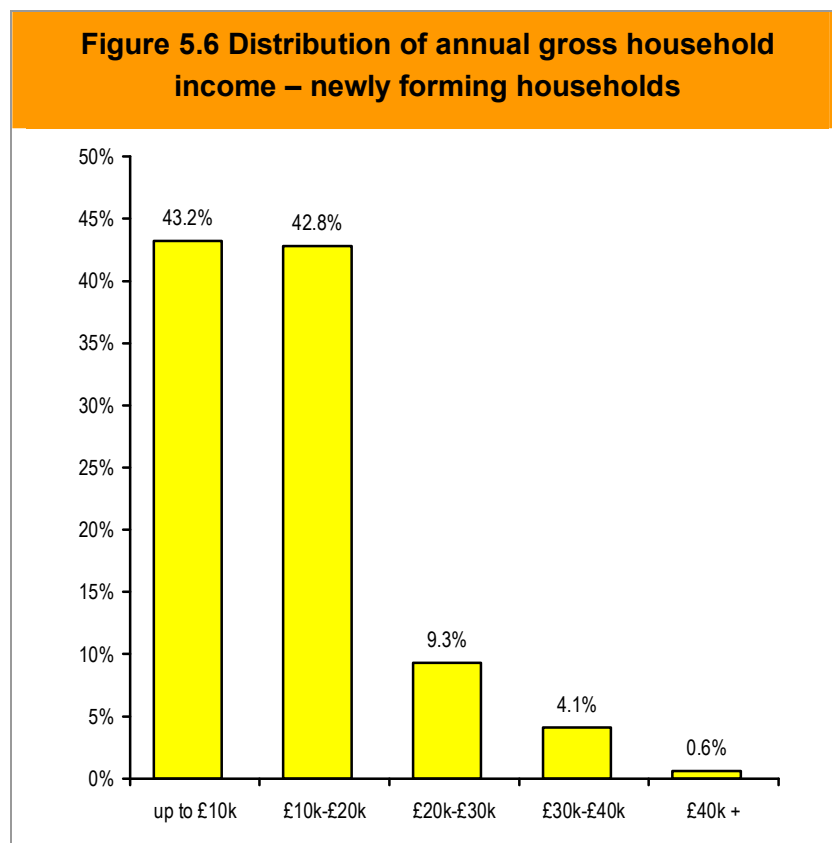
- 5.13 The above analysis does not however take account of the fact that many households will be in receipt of Housing Benefit (or Income Support in the case of owners) which will be assisting them to afford housing. The table below investigates the receipt of benefits towards housing costs. The greater the proportion of income spent on housing the greater the number of households who claim assistance.
- 5.14 The table shows that 4.9% of all households spending less than a quarter of their income on housing costs claim Housing Benefit; for households spending over 50% this figure rises to 66.4%. Whilst this finding shows that to a certain extent the benefit system is meeting the needs of low income households, the data does suggest that a notable number of households are spending large proportions of their income on housing and receiving no subsidy to help with the costs.

Table 5.3 Percentage of households receiving Housing Benefit (Income Support) by tenure and proportion of income spent on housing				
	Owner-occupied (with mortgage)	Social rented	Private rented	Total
Spend up to 25%	1.2%	29.1%	11.1%	4.9%
Spend 25%-50%	2.1%	83.3%	23.5%	30.9%
Spend over 50%	13.9%	81.9%	75.8%	66.4%
Total	2.2%	69.9%	39.2%	23.6%

Source: Rossendale Council household survey (2008)

Newly forming households financial situation

- 5.15 From the survey data it is estimated that there are 2,417 households who need or are likely to form over the next two years. The housing preferences and expectations of these households (in terms of location, tenure and type of dwelling) are discussed later in this document. In addition to the future preferences and expectations of newly forming households, the survey form collected a series of data about these households' financial situation (including income and savings data) which is presented below.
- 5.16 The figure below shows the estimated income level for newly forming households. The figure shows that income distribution is heavily concentrated in the lower income brackets.
- 5.17 Overall, it is estimated that just under half of newly forming households have an income of below £10,000 per annum and 86% an income below £20,000. The average (mean) income of newly forming households is estimated to be £10,548 (median: £9,834) – significantly below the figure for all households of around £27,803.



Source: Rossendale Council household survey (2008)

- 5.18 In addition, newly forming households were asked about any financial resources which might be available for a deposit/bond when buying or renting a home e.g. savings or money from parents. More than two thirds (67.4%) said that they had no access to funds for a deposit. Generally, the amount of money available for a deposit was small; the average (mean) household is estimated to have access to around £2,353 - the figure includes those with no access to other financial resources. Overall, it is estimated that only 5.6% of newly forming households will have in excess of £10,000.
- 5.19 Given the level of income and savings shown for newly forming households from the survey data it is clear that many will have difficulty accessing the housing market without some form of subsidy. However, it is widely recognised that this group of households can have rapidly changing financial situations. For example, households who have actually formed over the past two years show an average income of £22,127 per annum. Therefore to rely solely on the information provided here may not properly reflect the affordability of this important group.
- 5.20 Therefore the survey form also asked a 'subjective' question about future affordability. In response to this question 54% of newly forming households stated that they would not be able to afford market housing without some sort of subsidy (e.g. Housing Benefit).

Summary

- 5.21 The collection of financial information is a fundamental part of any assessment of housing need and future housing demand. The survey estimates that mean annual gross household income (including non-housing benefits) in Rossendale is £27,803.
- 5.22 The average conceals wide variations among different tenure groups with households in rented housing showing average incomes significantly below the Borough average.
- 5.23 When income is compared with housing costs, the data reveals that many households spend more than a quarter of their income on their housing costs.

SECTION B: HOUSING NEED

This section sets out the calculation of affordable housing need. The analysis is carried out by following the most recent CLG Guidance. In addition, this section looks at the potential role of intermediate housing as well as looking at how sensitive the findings are to changed assumptions about affordability. There are five chapters in this section:

- Guidance on Housing Need
- Current Need
- Future Need
- Affordable Housing Requirement
- Intermediate Housing and Affordable Housing Sensitivity

6. Guidance on housing need

Introduction

- 6.1 The two chapters following this one study the need for affordable housing in the Borough (both in terms of a backlog of need and likely future needs). This initial chapter sets out some key definitions which are central to both of the following chapters. Where appropriate, definitions have been drawn from the CLG Strategic Housing Market Assessment Guidance of March 2007 (revised in August 2007) and PPS3.

Housing need

- 6.2 Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.
- 6.3 In this assessment we have fully followed the Guidance's definition of unsuitable housing. In addition we have considered those types of unsuitability which will require a move to a different dwelling prior to applying the affordability test. The most common such category is usually overcrowding.

Future need

- 6.4 Future (or newly arising) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future (measured annually). In this assessment we have used survey data about past household moves (along with affordability) to estimate future needs. In line with the Guidance, we have split future needs into two groups – newly forming households and existing households.
- 6.5 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the future need to make an assessment of the net future need for affordable housing. In this report we have also estimated the likely supply of Housing Benefit supported private rented housing so as to provide an alternative output regarding suggested future provision.

Affordability

6.6 Affordability is assessed using survey data regarding the full range of financial information available along with an estimate of a household's size requirements and the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting and are summarised below (both tests are fully in line with the advice given in Guidance):

- i) Assessing whether a household can afford home ownership - A household is considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Allowance is also made for any access to capital that can be used towards home ownership (e.g. savings or equity).
- ii) Assessing whether a household can afford market renting - A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

Affordable housing

6.7 Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire).

Using the data

6.8 Traditionally, the backlog of housing need has been added to the newly arising need to assess net affordable housing requirements. However, it has often been considered that logically the two should be treated separately. The main reason for this is the difficulty in sensibly annualising the backlog of need where different assumptions could lead to a range of outputs. In this report the two are considered separately and then the results added together.

6.9 In principle, if the newly arising need estimate is positive then we would suggest a need for additional affordable housing (regardless of the backlog situation). On the other hand, the existence of a backlog would not necessarily mean that additional affordable housing should be provided (if the net future need is negative then technically the backlog would gradually reduce over time and additional affordable housing would potentially create a surplus of such housing).

- 6.10 Therefore in this assessment we have looked at the backlog and newly arising elements of need separately. An understanding of the backlog (in terms of locations for example) is important for policy but does not automatically lead to a need for new provision. For the newly arising need, the net estimated need level provides a good guide to amount of additional affordable housing to be provided year on year and is crucial to the formulation of policy.

Summary

- 6.11 A key element of this report is an assessment of both current and future affordable housing needs. There are a number of definitions which are central to making estimates of need (such as definitions of housing need, affordability and affordable housing). All definitions used in this report are consistent with guidance given in the CLG Strategic Housing Market Assessment Guidance of 2007 and PPS3 and the following two chapters look at the analysis of housing need.

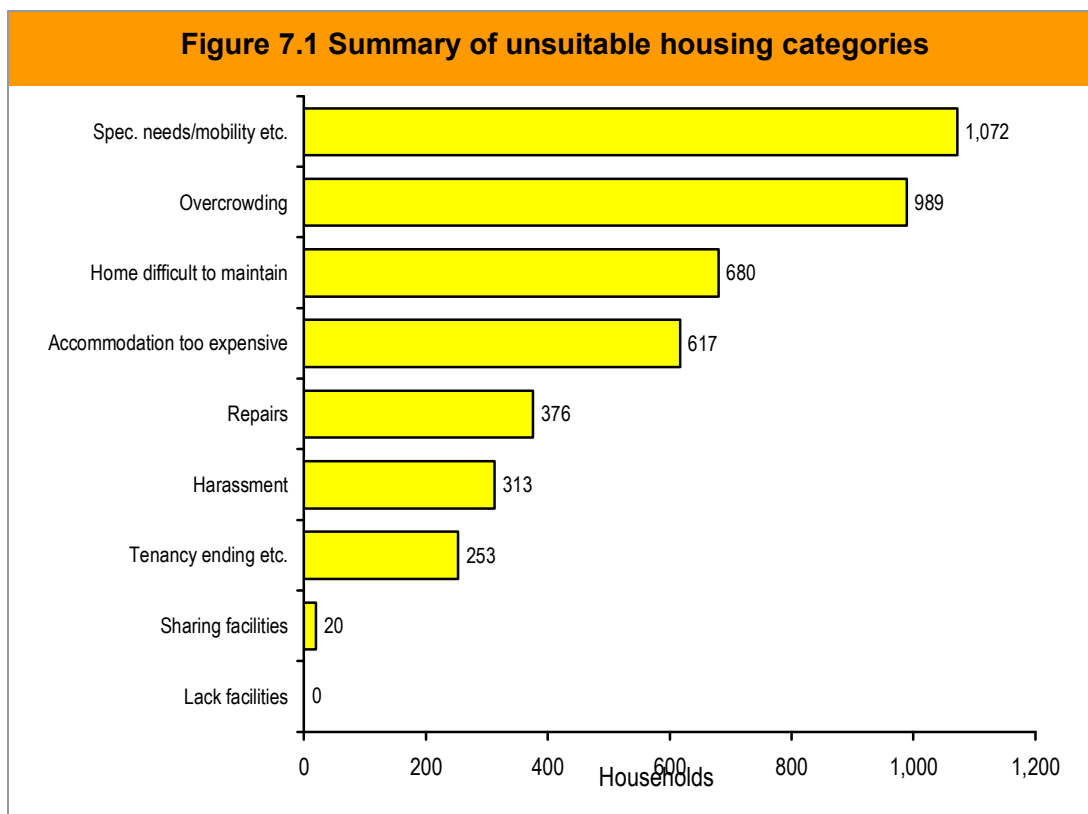
7. Current need

Introduction

- 7.1 This chapter of the report assesses the first two stages of the needs assessment model – Current Need. This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current gross need estimate. An assessment of the stock available to offset this need follows, which then enables the net current need estimate to be calculated.

Unsuitable housing

- 7.2 A key element of housing need is an assessment of the suitability of a household's current housing. The CLG Guidance sets out a series of nine criteria for unsuitable housing - which has been followed in this report. In Rossendale it is estimated that a total of 3,202 households are living in unsuitable housing (this represents 11.1% of all households in the Borough).
- 7.3 The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total of reasons for unsuitability shown in the figure is greater than the total number of households with unsuitability, as some households have more than one reason for unsuitability.
- 7.4 The main reason for unsuitable housing is the category of health and/or mobility problems caused by the condition of the home, followed by overcrowding.



Source: Rossendale Council household survey (2008)

7.5 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in rented accommodation are generally more likely to be in unsuitable housing than owner-occupiers. However, due to the fact that the majority of households are owner-occupiers, the results show that a sizeable proportion (47.5%) of those in unsuitable housing are owner-occupiers.

Tenure	Unsuitable housing			
	In unsuitable housing	Number of h'holds in Borough	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Owner-occupied (no mortgage)	566	8,684	6.5%	17.7%
Owner-occupied (with mortgage)	954	12,308	7.7%	29.8%
Social rented	748	4,605	16.2%	23.4%
Private rented	935	3,203	29.2%	29.2%
Total	3,202	28,800	11.1%	100.0%

Source: Rossendale Council household survey (2008)

7.6 In terms of sub-areas, it is estimated that 17.3% of households in Bacup and 12.8% of households in Waterfoot live in unsuitable housing. More than half of all unsuitably housed households live in these two sub-areas.

Table 7.2 Unsuitable housing and sub-area

Tenure	Unsuitable housing			
	In unsuitable housing	Number of h'holds in Borough	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Helmshore and Edenfield	255	3,829	6.6%	7.9%
Haslingden	396	4,965	8.0%	12.4%
Rawtenstall	521	5,416	9.6%	16.3%
Waterfoot	613	4,806	12.8%	19.1%
Bacup	1,135	6,569	17.3%	35.5%
Whitworth	283	3,215	8.8%	8.8%
Average	3,202	28,800	11.1%	100.0%

Source: Rossendale Council household survey (2008)

'In-situ' solutions

- 7.7 The survey has highlighted that 3,202 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households' current accommodation. Households living in housing deemed unsuitable for the following reasons were not considered to have an in-situ solution: end of tenancy, accommodation too expensive, overcrowding, sharing facilities, and harassment.
- 7.8 The survey data therefore estimates that of the 3,202 households in unsuitable housing, 1,935 (60.4%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

- 7.9 Using the affordability methodology set out in the previous chapter it is estimated that there are 1,022 existing households that cannot afford market housing, are living in unsuitable housing and require a move to alternative accommodation. This represents 3.6% of all existing households in the Borough – these households are considered to be in housing need.
- 7.10 The table below shows the tenure of the households currently estimated to be in housing need. The results show that private rented tenants are most likely to be in housing need (14.4%). Of all households in need, 47.4% currently live in social rented accommodation and 45.1% in private rented housing.

Table 7.3 Housing need and tenure

Tenure	Housing need			
	In need	Number of h'holds in Borough	% of total h'holds in need	% of those in need
Owner-occupied (no mortgage)	0	8,684	0.0%	0.0%
Owner-occupied (with mortgage)	76	12,308	0.6%	7.5%
Social rented	485	4,605	10.5%	47.4%
Private rented	461	3,203	14.4%	45.1%
Total	1,022	28,800	3.6%	100.0%

Source: Rossendale Council household survey (2008)

7.11 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 (this includes occupiers of social rented and Shared Ownership accommodation), and households from other tenures in need. It is estimated that some 485 households in need currently live in affordable housing.

Homeless households

7.12 The Housing Needs Assessment is a 'snapshot' survey that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the survey and should also be included within any assessment of backlog need.

7.13 To assess the number of homeless households we have used information provided by CLG at www.communities.gov.uk taken from the Council's P1E. Information is provided on statutory homelessness for each quarter. The homeless households accommodated by the authority at the end of the quarter are included. The important point about this information is the note underneath: "This should be a 'snapshot' of the numbers in accommodation on the last day of the quarter, not the numbers taking up accommodation during the quarter." This is important given the snapshot nature of the survey. Data compiled from the first quarter of 2008 is shown in the table below.

Table 7.4 Homeless households accommodated by authority	
Category	Number of households
<u>Bed and breakfast</u>	<u>1</u>
<u>Other nightly paid</u>	<u>0</u>
<u>Hostel</u>	<u>0</u>
Private sector accommodation leased by authority	0
Private sector accommodation leased by RSLs	0
Directly with a private sector landlord	0
Within Council's own stock	0
Within RSL stock	0
Other	0
Total	1

Source: Statutory homelessness 1st quarter 2008 from www.communities.gov.uk

- 7.14 Not all of the categories in the above table are added to our assessment of existing and newly forming households in need. This is because, in theory, they will be part of our sample for the Housing Needs Assessment. For example, households housed in Council accommodation should already be included as part of the housing need – such household addresses should appear on the Council Tax file from which the sample was drawn. After considering the various categories, we have decided there are three categories which should be included as part of the homeless element. These have been underlined in the table above. Therefore of the homeless households identified in the P1E form, one shall be considered as in housing need.

Total current need

- 7.15 The table below summarises the first stage of the overall assessment of housing need as set out by the CLG. The data shows that there are an estimated 1,023 households in need in Rossendale.

Table 7.5 Backlog of housing need		
Step	Notes	Number
1.1 Homeless households and those in temporary accommodation		1
1.2 Overcrowding and concealed households	Two steps	1,022
1.3 Other groups	taken together	
1.4 Total current housing need (gross)	1.1+1.2+1.3	1,023

Source: Rossendale household survey data (2008)

Available stock to offset need

- 7.16 The next stage in the backlog considers the stock available to offset the current need. This includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and committed supply of new affordable units. Units to be taken out of management are removed from the calculation.
- 7.17 Firstly, 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 stated in previously there are currently 485 households in need already living in affordable housing.

Surplus stock

- 7.18 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The CLG Guidance suggests that if the vacancy rate in the affordable stock is in excess of 3% then some of the vacant units should be considered as surplus stock which can be included within the supply to offset needs. Rossendale records a vacancy rate in the social rented sector of 1.9%, therefore no vacant units will be included in the supply.

Committed supply of new affordable units

- 7.19 The CLG Guidance recommends that this part of the assessment includes 'new social rented and intermediate housing which are committed to be built over the period of the assessment'. For the purposes of analysis we have taken HSSA data showing the number of planned and proposed affordable units for the period 2007-2009 as a guide to new provision.
- 7.20 Overall, the 2007 HSSA data suggests that there are 72 affordable dwellings planned or proposed for 2007/08 and 2008/2009 (of which 11 are social rented and 61 are Shared Ownership housing). All planned and proposed Shared Ownership dwellings shown in the HSSA have been included in the supply, however there is insufficient detail given to assess whether these properties are affordable or not.

Units to be taken out of management

- 7.21 The Guidance states that this stage ‘involves estimating the numbers of social rented or intermediate units that will be taken out of management’. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting the proposed number of affordable dwellings expected to be ‘taken out of management’ in the future was unknown and hence a figure of zero has been used in this step of the model.

Total available stock to offset need

- 7.22 Having been through a number of detailed stages in order to assess the total available stock to offset need in the Borough we shall now bring together all pieces of data to complete this part of the needs assessment. The data (in the table below) shows that there are an estimated 557 properties available to offset the current need in Rossendale.

Table 7.6 Current supply of affordable housing		
Step	Notes	Number
3.1 Affordable dwellings occupied by households in need		485
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		72
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3+3.4	557

Source: Rossendale household survey data (2008)

Total backlog need

- 7.23 The data from the tables above is now combined to make an estimate of the total backlog of housing need.
- 7.24 It is estimated that there is a current need to provide 1,023 units of affordable housing to meet the backlog of need. Current sources are estimated to be able to provide 557 of these units leaving an estimated shortfall of around 466 units of affordable housing.

Summary

- 7.25 Survey data suggests that around 3,202 households in Rossendale are currently living in unsuitable housing. It was estimated that 1,935 of these households would need to move home to find a solution to the unsuitability.

- 7.26 Of these households, it is estimated that around just over half (52.8%) cannot afford a suitable solution in the housing market without some form of subsidy and are hence considered to be in housing need (1,022 households). Households in the private rented sector were most likely to be in housing need, followed by households in the social rented sector.
- 7.27 Taking into account homeless households who would not have been picked up by the household-based survey (one additional household) makes for a total backlog need of 1,023 households.
- 7.28 It is estimated that at the time of the survey there was a current stock of affordable housing of around 557 units which could be used to meet this need (including dwellings becoming available as households in the affordable housing sector move to different dwellings).
- 7.29 Taking the backlog need and supply figures together suggests that in Rossendale there is a net backlog of need for affordable housing of 466 units (1,023-557).

8. Future need

Introduction

8.1 In addition to the current needs discussed so far in this report there will be future need. This is split, as per CLG Guidance, into two main categories. These are as follows:

- New household formation (× proportion unable to buy or rent in market)
- Existing households falling into need

8.2 There will be a flow of affordable housing to meet this need. Calculation of the future supply of affordable units follows this analysis; this consists of the annual supply of social relets and intermediate housing. The following sections deal with these points in detail.

New household formation

8.3 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households stating likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need. Current owner-occupiers are excluded from this analysis.

8.4 The tables below show details of the derivation of new household formation. The tables begin by establishing the number of households newly forming over the past two years – an affordability test is then applied.

Table 8.1 Derivation of newly arising need from new household formation		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years		2,517
Minus households NOT forming in previous move	-1,981	536
Times proportion unable to afford		56.5%
ESTIMATE OF NEWLY ARISING NEED		303
ANNUAL ESTIMATE OF NEWLY ARISING NEED		152

Source: Rossendale Council household survey (2008)

8.5 The table above shows that an estimated 536 households are newly formed within the Borough over the past two years (268 per annum). Of these it is estimated that 152 (per annum) are unable to afford market housing without some form of subsidy – this represents the annual estimate of the number of newly forming households falling into need.

Existing households falling into need

- 8.6 This is an estimate of the number of existing households who will fall into housing need over the next two years (and then annualised). The basic information for this is households who have moved home within the last two years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector – examples of such a move will be because of the end of a tenancy agreement. A household unable to afford market rent prices but moving to private rented accommodation may have to either claim Housing Benefit or spend more than a quarter of their gross income on housing, which is considered unaffordable (or a combination of both).
- 8.7 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous step. The data also excludes moves between social rented properties. Households falling into need in the social rented sector have their needs met through a transfer to another social rented property, hence releasing a social rented property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of ‘transfers’ and so the additional needs arising from within the social rented stock will be net zero.
- 8.8 The table below shows the derivation of existing households falling into need.

Table 8.2 Derivation of newly arising need from existing households		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years		2,517
Minus households forming in previous move	-536	1,981
Minus households transferring within affordable housing	-255	1,726
Times proportion unable to afford		62.8%
ESTIMATE OF NEWLY ARISING NEED		1,084
ANNUAL ESTIMATE OF NEWLY ARISING NEED		542

Source: Rossendale Council household survey (2008)

- 8.9 The table above shows that a total of 1,726 existing households are considered as potentially in need (863 per annum). Using the standard affordability test for existing households it is estimated that 62.8% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 1,084 households over the two-year period. Annualised this is 542 households per annum.

Total future need

- 8.10 The data from each of the above sources can now be put into the needs assessment table below. It indicates that additional need will arise from a total of 694 households per annum.

Table 8.3 Future need (per annum)

Step	Notes	Number
2.1 New household formation (gross per year)		268
2.2 Proportion of new households unable to buy or rent in the market		56.5%
2.3 Existing households falling into need		542
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	694

The future supply of social rented housing

- 8.11 The Guidance suggests that Step 3.6 of the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future.
- 8.12 The table below presents the figures for the supply of lettings (relets) from Council-owned stock over the past two years contained within the 2007 HSSA. The average number of lettings over the two-year period was 163 per annum. The large discrepancy between 2005/06 and 2006/07 is due to the stock transfer, whereby ownership of dwellings belonging to the Council were transferred to an RSL.

Table 8.4 Analysis of past housing supply (council rented sector)

Source of supply	2005/06	2006/07	Average
LA lettings through mobility arrangements	0	0	0
LA lettings to new secure tenants	325	0	163
LA lettings to new tenants on an introductory tenancy	0	0	0
LA lettings to new tenants on other tenancies (Exclude transfers from RSL)	0 (0)	0 (0)	0 (0)
LA TOTAL EXCLUDING TRANSFERS	325	0	163

Source: Rossendale Council HSSA 2008

- 8.13 For the RSL stock we can again look at HSSA information. Additionally, CORE data provides an indication of the number of lettings in the RSL sector. The table below shows the number of lettings (excluding RSL to RSL transfers) from each of these sources over the past two years. The average for the two-year period from both sources together is 284 per annum. Once again, the discrepancy shown between the two years is due to the stock transfer.

Table 8.5 Analysis of past housing supply (RSL sector)

	2005/06	2006/07	Average
HSSA data	68	494	281
CORE data	88	486	287
Average	78	490	284

Source: Rossendale Council HSSA 2008

8.14 It should be noted that for the period 2005 to 2007 HSSA data shows that no households transferred from Council to RSL dwellings within the Borough. The estimated future supply of lettings from the social rented sector overall is therefore the sum of the average supply of relets within the Council stock and the average supply of relets in the RSL sector minus the average number of households transferring from Council to RSL dwellings. This equates to 447 dwellings per year (163+284-0).

Intermediate supply

8.15 In most local authorities the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case in Rossendale). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

8.16 Therefore we include an estimate of the number of Shared Ownership units that become available each year. Applying the relet rate for social rented housing to the estimated stock of Shared Ownership housing it is estimated that around 13 units of Shared Ownership housing will become available to meet housing needs from the existing stock of such housing.

Total future supply

8.17 The total future supply is estimated to be 460, comprised of 447 units of social relets and 13 units of intermediate housing (Shared Ownership).

Table 8.6 Future supply of affordable housing (per annum)		
Step	Notes	Number
3.6 Annual supply of social relets (net)		447
3.7 Annual supply of intermediate housing available for relet or resale at sub-market levels		13
3.8 Annual supply of affordable housing	4.1+4.2	460

Summary

8.18 The future need for affordable housing has been based on survey information about past household behaviour in terms of moves to different accommodation.

8.19 The data suggests that on an annual basis there will be 152 newly forming households requiring affordable housing and a further 542 existing households. The total future need for affordable housing is therefore estimated to be 694 units per annum.

8.20 The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 460 units.

9. Affordable housing requirement

Introduction

9.1 The previous two chapters presented the calculation of each of the stages of the needs assessment table. This chapter brings together these stages to present an estimated affordable housing requirement.

Estimate of net annual housing need

9.2 The table below shows the final figures in the housing needs assessment model. This brings together the 16 steps that were calculated in the preceding two chapters.

Table 9.1 Housing needs assessment model for Rossendale		
Stage and step in calculation	Notes	Number
STAGE 1: CURRENT NEED (Gross)		
1.1 Homeless households and those in temporary accommodation		1
1.2 Overcrowding and concealed households	Two steps	1,022
1.3 Other groups	taken together	
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	1,023
STAGE 2: FUTURE NEED		
2.1 New household formation (gross per year)		268
2.2 Proportion of new households unable to buy or rent in the market		56.5%
2.3 Existing households falling into need		542
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	694
STAGE 3: AFFORDABLE HOUSING SUPPLY		
3.1 Affordable dwellings occupied by households in need		485
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		72
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3+3.4	557
3.6 Annual supply of social relets (net)		447
3.7 Annual supply of intermediate housing available for relet or resale at sub-market levels		13
3.8 Annual supply of affordable housing	4.1+4.2	460

Source: Rossendale Council household survey (2008); various secondary data sources

- 9.3 The Guidance states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available (step 3.5) from the gross current need (step 1.4). This produces a net current need figure of 466 (1,023-557).
- 9.4 The second step is to convert this net backlog need figure into an annual flow. The Guidance acknowledges that this backlog can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Guidance will be used. Therefore to annualise the net current need figure it will be divided by five. This calculation results in a net annual quota of households who should have their needs addressed of 93 (466/5).
- 9.5 The final step is to sum the net annual quota of households who should have their needs addressed with the total newly arising housing need (step 2.4) and subtract the future annual supply of affordable housing (step 3.8). This leads to an annual need estimate for 327 units (93+694-460). These figures are summarised in the table below.

Table 9.2 Summary of housing needs situation in Rossendale	
Element	Number
Backlog need (annual)	204
Backlog supply (annual)	111
Net backlog need (annual)	93
Future need (annual)	694
Future supply (annual)	460
Net future need (annual)	234
Total net annual need	327
Total gross annual need	898
Total gross annual supply	571
Total net annual need	327

Source: Rossendale Council household survey (2008); various secondary data sources

The private rented sector

- 9.6 The Strategic Housing Market Assessment Guidance requires the extent of the private rented sector, through the Housing Benefit system, to meet the needs of households in need to be estimated. We have therefore used survey data to look at the number of new Housing Benefit supported private rented housing lets over the past two years. In Rossendale it is estimated that over the past two years 509 Housing Benefit supported lettings have been made (255 per annum).

Housing need by sub-area

- 9.7 The table below gives an estimate of housing need for each of the six sub-areas identified in Rossendale. The largest net need for affordable housing is found in the Bacup sub area, this accounts for over a third (34.3%) of all the need in the Borough. There is also a significant level of need in Rawtenstall. In Waterfoot we estimate that the likely supply will exceed the level of need in the sub-area, causing a surplus of affordable housing.
- 9.8 It should be noted that caution needs to be taken when viewing these figures since dividing the total needs estimate into sub-areas increases the margin for error, particularly for the supply estimates.

Table 9.3 Net housing need by sub-area					
Sub-area	Housing need				
	Need	Supply	Net housing need	% of net shortfall	Supply as % of need
Helmshore and Edenfield	91	35	56	16.3%	38.5%
Haslingden	154	130	24	7.0%	84.6%
Rawtenstall	170	80	91	26.5%	46.8%
Waterfoot	158	174	-16	-	109.8%
Bacup	216	99	118	34.3%	45.7%
Whitworth	108	53	55	16.0%	49.4%
Total	898	571	327	100.0%	63.6%

Source: Rossendale Borough Council SHMA 2008 – household survey and secondary data

Summary

- 9.9 The total net annual housing need in Rossendale is calculated by annualising the net current need and adding this to the difference between the future need and supply. The total net annual housing need in Rossendale is therefore 327 (93+694-460).

10. Intermediate housing

Introduction

10.1 This section of the report looks at the potential role intermediate housing can play in meeting affordable housing needs in Rossendale. In particular the analysis shows the number of households who fall into the various Housing Market Gaps identified in the SHMA report, and to draw inferences about the types of housing they could afford.

Initial analysis of housing market gaps

10.2 There are three broad types of affordable housing that may be appropriate to meet housing need in Rossendale: discount housing for sale, intermediate rented housing and social rented housing. These are priced at different points on the affordable housing spectrum and are described more fully in the gaps analysis presented in the SHMA report.

10.3 Discount housing for sale is located within the rent/buy gap and is an outright sale product that is aimed at households who clearly have low incomes but considerable equity, but not enough equity to buy outright. Intermediate rented housing is located within the social rent/market rent gap and is aimed at households without significant savings that have an income greater than that required for social rents but insufficient to be able to afford market-entry rental costs. Social rented housing is the main affordable product currently in existence in Rossendale and it is the cheapest form of housing available.

10.4 To enable more detailed analysis of the ability of households to afford these various products, the broader discount housing for sale and intermediate rented groups have been divided into four equal bands.

10.5 The table below shows different sets of households that will be tested: the total (those planning to move etc) is based only on those households unable to afford market housing. Therefore those whose equity would permit them to buy outright, even if only on an income too low to market rent, have been excluded as being able to afford.

10.6 The affordability assumptions are based on those set out in the CLG Guidance and take account of both capital available (in the case of the ability to buy test) and income (for both the buying and renting tests).

10.7 The first table below sets out what each of the groups are and explains the rationale behind the group being studied.

Table 10.1 Description of groups studied for analysis of intermediate housing potential

Group studied	Rationale
All households unable to afford	This group contains the largest sample of households from the household survey and is particularly useful as there are no potential issues with small sample sizes. This category also provides the affordability profile of the whole household population of the Borough.
Future moving households unable to afford	This group also contains a substantial sample size and is a good category for analysis as it represents those households who are actually likely to move but are unable to afford market housing (and may well therefore present as having a requirement for some form of intermediate housing).
Households in housing need (backlog)	This group of households have been shown throughout the household survey to currently be in housing need and are therefore exactly the group where analysis shows an affordable housing option would be required. The sample size of this group is (when compared with the two above) relatively small and therefore subject to some sampling variation.
Projected future need	This is the group of households highlighted in the survey as likely to have a requirement for affordable housing in the near future (based on past trends). As with the backlog, this is a key group as the survey data suggests a need for affordable housing although the sample size of households will be relatively small when compared with the first two groups above.
Crude average	The crude average is simply the average of the four groups analysed. The use of 'crude' is to avoid sample size issues biasing the average towards those groups with larger samples (and which are the groups least directly the likely targets for affordable housing).

Source: Fordham Research 2008

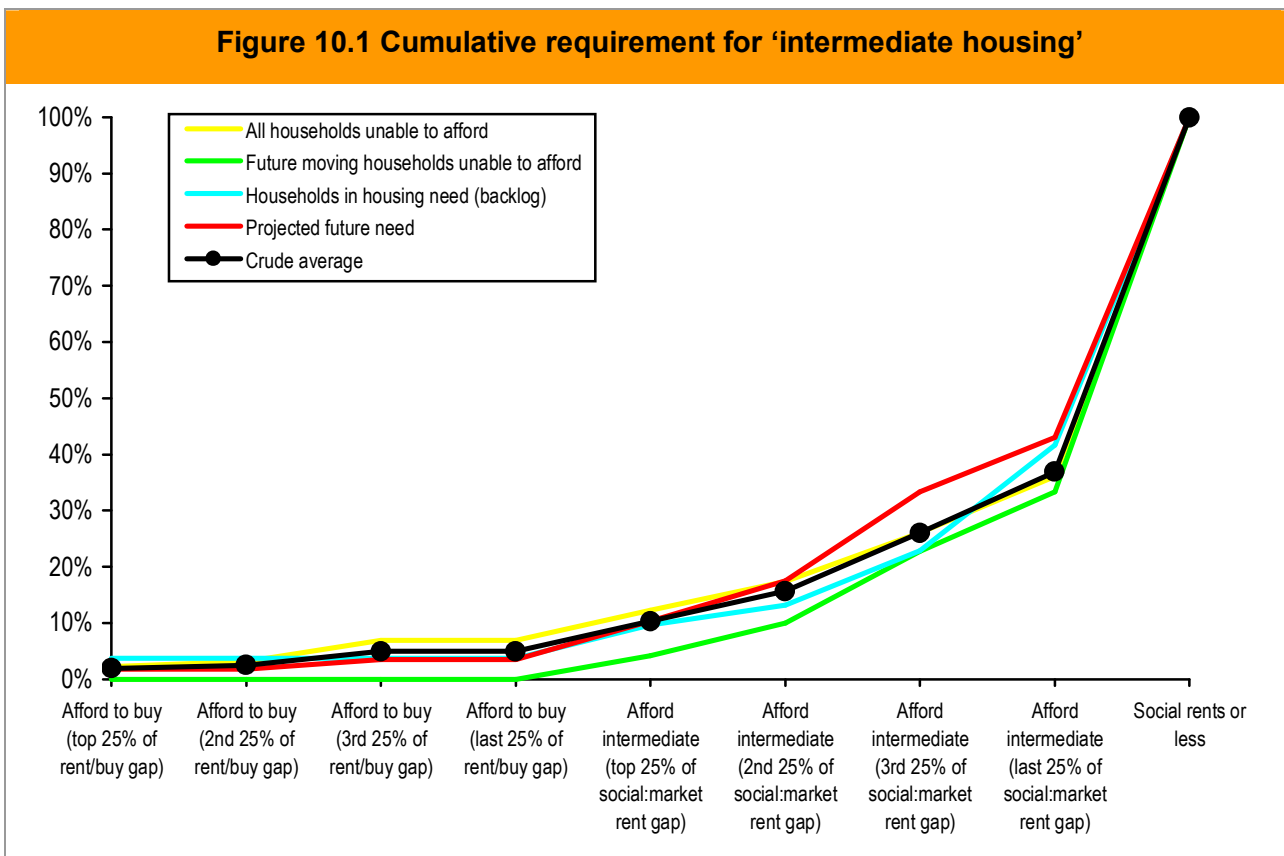
10.8 The table below shows the results of our analysis. The data suggests that there are a fair proportion of households in most of the 'intermediate' housing groups although in all cases by far the biggest group is social rented housing. Generally the proportion of households able to afford is higher the further down the table we move (i.e. the 'cheapest' types of affordable housing).

Table 10.2 Households able to afford different types of housing

	All households unable to afford	Future moving households unable to afford	Households in housing need (backlog)	Projected future need	Crude average
Afford to buy (top 25% of rent/buy gap)	2.3%	0.0%	3.7%	1.7%	1.9%
Afford to buy (second 25% of rent/buy gap)	0.9%	0.0%	0.0%	0.0%	0.6%
Afford to buy (third 25% of rent/buy gap)	3.7%	0.0%	0.0%	1.7%	2.5%
Afford to buy (bottom 25% of rent/buy gap)	0.0%	0.0%	0.0%	0.0%	0.0%
Afford intermediate (top 25% of social:market rent gap)	5.3%	4.2%	5.9%	6.8%	5.4%
Afford intermediate (second 25% of social:market rent gap)	5.1%	5.8%	3.5%	7.2%	5.4%
Afford intermediate (third 25% of social:market rent gap)	8.6%	12.8%	9.7%	15.9%	10.4%
Afford intermediate (bottom 25% of social:market rent gap)	10.1%	10.6%	18.8%	9.7%	10.9%
Social rents or less	63.9%	66.7%	58.3%	56.9%	63.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
TOTAL NUMBER OF HOUSEHOLDS	6,836	2,102	1,022	1,386	-
SAMPLE SIZE	240	63	28	45	-

Source: Rossendale Council household survey (2008); various secondary data sources

10.9 The figure below shows this information graphically (in the form of cumulative frequencies). Each of the four groups studied has been plotted along with the 'crude' average figure. The data shows that there is really not a huge amount of variation between the different groups and so to have included groups for the purposes of boosting sample sizes (whilst technically not in need) has not undermined but enhanced the overall findings.



Source: Rossendale Council household survey (2008); various secondary data sources

Inferences from the results

10.10 Taking a pragmatic approach to this data we can regroup this information into three broad groups. These are described below:

- **Discount market housing** – the top two groups in the rent/buy gap are included here. It may be possible for a product to be produced which is cheaper than current open market housing and possibly priced as low as the mid-point between entry-level prices and private rents.
- **Intermediate housing** – the bottom two groups of households in the rent/buy gap and the top two in the (PPS3 defined) intermediate gap.
- **Social rented housing** – the bottom two groups in the social/market rent gap plus those who can only afford social rented housing. The first of these groups is included as it is unlikely that there will be a product available which meets the requirements of those able to afford just above social rents.

10.11 The table below therefore shows the position when combining data into these three categories. The data shows that on average, an estimated 2.5% of households are likely to be able to afford discount market housing and a further 13.2% could afford intermediate housing. The balance (84.3%) is estimated to only be able to afford a social rent.

Table 10.3 Summary of types of affordable housing

Type of affordable housing	All households unable to afford	Future moving households unable to afford	Households in housing need (backlog)	Projected future need	Crude average
Discount market housing	3.2%	0.0%	3.7%	1.7%	2.5%
Intermediate housing	14.2%	10.0%	9.4%	15.7%	13.2%
Social rent	82.6%	90.0%	86.9%	82.5%	84.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Rossendale Council household survey (2008); various secondary data sources

10.12 The data above cannot be directly translated into a suggested split of different types of affordable housing as this will in part be influenced by the supply of housing. As has previously been noted, the supply of social rented housing is well in excess of that of intermediate housing. The supply of discount market housing is unknown but is likely to be very small (and is therefore assumed to be zero). Some Shared Ownership schemes are likely to fall in this gap, as they often fall above the weekly cost of market rent, but they are a tiny fraction of the overall supply.

10.13 The main analysis of housing need suggested that in Rossendale there was an overall annual need of 898 with a supply to meet this of 571 (hence a net need of 327). We can apportion the figures above to the gross needs figures and also take away the supply from each of the sources to make an estimate of a sensible split of types of affordable housing in the Borough. The table below shows this estimate:

Table 10.4 Social rented and intermediate housing requirements in Rossendale

	Discount market	Intermediate housing	Social rented	Total
Total gross annual need	22	119	757	898
Total gross annual supply	0	25	546	571
Net annual need	22	94	211	327
% of net shortfall	7%	29%	64%	100%

Source: Rossendale Council household survey (2008); various secondary data sources

10.14 The table suggests that of the total additional affordable housing to be provided in Rossendale, 7% should be low cost market housing and 29% intermediate housing. The majority (64%) would therefore need to be social rented housing.

Summary

- 10.15 The data presented throughout this chapter above provides an indication of what might be a reasonable split between different types of affordable housing in the Borough. A crucial point to note when trying to actually deliver such housing is to ensure that the product being offered is genuinely affordable. For example, a discount on a newly built property does not necessarily make such housing affordable – this will only be the case where the discount is sufficient to take the product down to a genuinely affordable level (the same will apply to schemes such as Shared Ownership).
- 10.16 This chapter has shown that if provided at the appropriate cost, a range of intermediate housing products can be used to meet housing need in Rossendale. The data suggests that of the total additional affordable housing to be provided in Rossendale, 7% should be low cost market housing and 29% intermediate housing.

SECTION C: CHARACTERISTICS OF HOUSING MARKET

This section of the report moves beyond simply looking at the need for affordable housing and on to an assessment of the wider housing market (in terms of supply and demand). The first chapter in this section uses survey information to look at households likely future movements (past movements having been studied in Section A). This information is then used to look at the overall supply/demand dynamic in the Borough through a model based approach. There are two chapters in this section:

- Household Mobility
- Balancing Housing Markets

11. Household mobility

Introduction

11.1 An important part of the survey is an analysis of the future demand for housing and the survey questionnaire collected information about households' future needs, expectations and aspirations. Information was collected about both existing households and newly forming households. This information is particularly important in the 'Balancing Housing Markets' exercise presented in the next chapter.

Future moves – existing households

11.2 The tables below show estimates of the number and proportion of households who would consider themselves to need or expect to move home per annum over the next two years by tenure. The data shows that around 19.8% of households state a need or likelihood of moving home over the next two years. Households living in the private rented sector are particularly likely to be future movers.

Table 11.1 Households who need or are likely to move in next two years by tenure			
Tenure	Number who need/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	1,062	8,684	12.2%
Owner-occupied (with mortgage)	1,927	12,308	15.7%
Social rented	974	4,605	21.2%
Private rented	1,754	3,203	54.7%
Total	5,716	28,800	19.8%

Source: Rossendale Council household survey (2008)

11.3 The survey moved on to look at where households would both like and expect to move. The results of this analysis are shown in the tables below. Some 61% of households would like to remain in the Borough, whilst 66% of households expect to move to another home in Rossendale. Further analysis shows that Rawtenstall is the most preferred destination of households, with slightly more households wanting to move to Rawtenstall than expect to do so.

11.4 Of those households that would prefer to move out of Rossendale, Bury is the most popular of the nearby authorities. This analysis suggests that there is little demand from local residents for housing in the areas surrounding Rossendale. Of those households that would like to move out of the authority the majority would like to move further afield, elsewhere in the UK or abroad.

Table 11.2 Where households would like and expect to move				
Location of next home	Like		Expect	
	Households	%	Households	%
Rossendale	3,482	60.9%	3,765	65.9%
Bury	194	3.4%	112	2.0%
Rochdale	141	2.5%	179	3.1%
Hyndburn	115	2.0%	96	1.7%
West Yorkshire	96	1.7%	96	1.7%
Greater Manchester	41	0.7%	18	0.3%
Blackburn with Darwen	31	0.5%	31	0.5%
Burnley	13	0.2%	38	0.7%
Elsewhere in the UK	1,243	21.7%	1,163	20.4%
Abroad	360	6.3%	217	3.8%
Total	5,716	100.0%	5,716	100.0%

Source: Rossendale Council household survey (2008)

Table 11.3 Where households would like and expect to move				
Location of next home	Like		Expect	
	Households	%	Households	%
Helmshore and Edenfield	670	19.2%	524	13.9%
Haslingden	508	14.6%	683	18.1%
Rawtenstall	765	22.0%	718	19.1%
Waterfoot	625	17.9%	871	23.1%
Bacup	577	16.6%	655	17.4%
Whitworth	337	9.7%	316	8.4%
Total	3,482	100.0%	3,765	100.0%

Source: Rossendale household survey data (2008)

11.5 Households were similarly asked about what tenure they would both like and expect to move to; the results are shown below. The results suggest that the majority (56.7%) of all households would like to move to owner-occupation; however, only 45.8% expect to secure this type of accommodation. More households expect to rent privately than would like to.

Table 11.4 Housing tenure aspirations and expectations

Tenure	Like		Expect	
	Households	%	Households	%
Owner-occupied	3,239	56.7%	2,618	45.8%
Social rented	2,093	36.6%	1,821	31.9%
Private rented	384	6.7%	1,277	22.3%
Total	5,716	100.0%	5,716	100.0%

Source: Rossendale Council household survey (2008)

- 11.6 The tables below show cross-tabulations between current tenure and future tenure preference as well as future tenure expectations.
- 11.7 The first table shows that generally households would like to remain in the same tenure as they currently live. The exception to this is the private rented sector. The majority of households in this sector want to move to either owner-occupation or the social rented sector.
- 11.8 In terms of expectations (second table below) we find that the main difference is the greater number of private tenants who expect to remain in the sector when they would prefer owner-occupation. In total, 34.4% of private tenant movers would like to become owners but only 18.2% expect to do so.

Table 11.5 Current tenure and tenure preference

Current tenure	Tenure preference			
	Owner-occupied	Social rented	Private rented	Total
Owner-occupied (no mortgage)	815	198	49	1,062
Owner-occupied (with mortgage)	1,689	145	93	1,927
Social rented	132	842	0	974
Private rented	603	908	242	1,754
Total	3,239	2,093	384	5,716

Source: Rossendale Council household survey (2008)

Table 11.6 Current tenure and tenure expectations

Current tenure	Tenure expectation			
	Owner-occupied	Social rented	Private rented	Total
Owner-occupied (no mortgage)	729	269	63	1,062
Owner-occupied (with mortgage)	1,510	153	264	1,927
Social rented	61	788	125	974
Private rented	319	611	824	1,754
Total	2,618	1,821	1,277	5,716

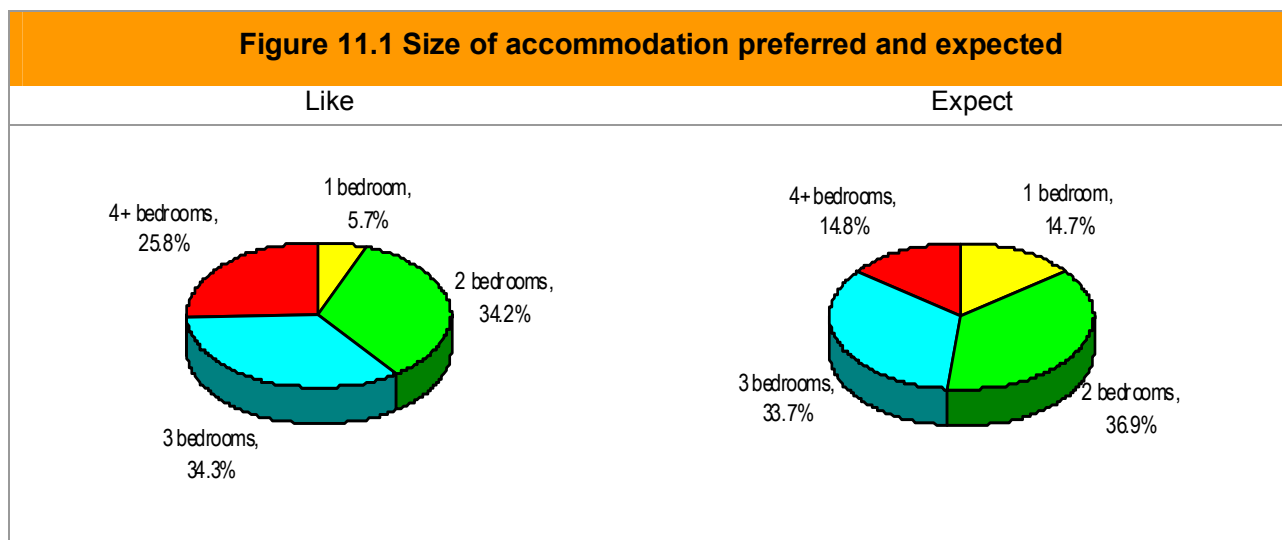
Source: Rossendale Council household survey (2008)

11.9 The table below shows the type of dwellings households would like and expect to move to. Unsurprisingly, a large proportion of households would like detached accommodation (56.2%) but a much smaller proportion would expect to move to such accommodation (24.9%).

Type of home	Like		Expect	
	Households	%	Households	%
Detached house	2,412	42.2%	1,107	19.4%
Semi-detached house	1,214	21.2%	1,444	25.3%
Terraced house	531	9.3%	1,610	28.2%
Detached bungalow	798	14.0%	313	5.5%
Semi-detached/terraced bungalow	376	6.6%	507	8.9%
Flat/maisonette	348	6.1%	569	9.9%
Caravan/mobile home	36	0.6%	167	2.9%
Total	5,716	100.0%	5,716	100.0%

Source: Rossendale Council household survey (2008)

11.10 In terms of the sizes of accommodation required we find that the largest proportion of households would like three bedroom accommodation. In terms of expectations, we find that fewer households expect four bedroom accommodation than would like it, with a larger proportion expecting to secure a one bedroom home than would like to.



Source: Rossendale Council household survey (2008)

11.11 In addition, households were asked if they would like or expected to move to specialist accommodation. Although the vast majority of households would either like or expect ordinary residential accommodation there is a significant minority who would like or expect some form of specialist housing (mainly sheltered housing).

Table 11.8 Specialist housing type aspirations and expectations

Type of home	Like		Expect	
	Households	%	Households	%
Sheltered housing with a warden	131	2.3%	47	0.8%
Sheltered housing without a warden	169	3.0%	117	2.1%
Supported housing	52	0.9%	87	1.5%
Extra care scheme	42	0.7%	39	0.7%
Residential care and/or nursing home	0	0.0%	0	0.0%
Ordinary accommodation	5,323	93.1%	5,426	94.9%
Total	5,716	100.0%	5,716	100.0%

Source: Rossendale Council household survey (2008)

11.12 A further issue covered in the questionnaire was the potential demand for a retirement village in the Valley. The results show that 23.9%, 1,366 of 5,716 future moving households would be interested in moving into a retirement village. For households that consist of all older persons 83.6% of households would be interested in moving into a retirement village.

Table 11.9 Interest in moving into a retirement village by age of household

	Interested in moving into a retirement village	Not interested in retirement village	Total	Total
No older persons	14.1%	85.9%	100.0%	4,613
Both older and non-older persons	24.3%	75.7%	100.0%	345
All older persons	83.6%	16.4%	100.0%	758
Total	23.9%	76.1%	100.0%	5,716

Source: Rossendale Council household survey (2008)

Future moves – newly forming households

11.13 A similar analysis can be carried out for newly forming households. The survey estimates that there are 2,417 households who need or are likely to form from households in the Borough over the next two years.

11.14 The table below shows where newly forming households would like and expect to move to. Interestingly a much smaller proportion of newly forming households would like and expect to move within Rossendale when compared with existing households. Some 47.7% of newly forming households would like to move within Rossendale, this compares with 60.9% of existing households preferring to stay within the authority.

Table 11.10 Where newly forming households would like and expect to move

Location of next home	Like		Expect	
	Households	%	Households	%
Helmshore and Edenfield	188	7.8%	180	7.4%
Haslingden	221	9.1%	206	8.5%
Rawtenstall	416	17.2%	495	20.5%
Waterfoot	169	7.0%	115	4.8%
Bacup	117	4.9%	149	6.2%
Whitworth	42	1.8%	42	1.8%
Rossendale	1,154	47.7%	1,188	49.1%
Elsewhere in the UK	1,095	45.3%	1,140	47.2%
Abroad	167	6.9%	89	3.7%
Total	2,417	100.0%	2,417	100.0%

Source: Rossendale Council household survey (2008)

11.15 In terms of tenure preferences and expectations, the table below shows some interesting results. In total it is estimated that around three-fifths of newly forming households would like to move to owner-occupied accommodation (57.9%). However notably fewer households than this expect to secure such accommodation (26.7%). Significantly more households expect to move into private rented accommodation than would prefer it.

Table 11.11 Housing tenure aspirations and expectations – newly forming households

Tenure	Like		Expect	
	Households	%	Households	%
Owner-occupied	1,399	57.9%	646	26.7%
Private rented	414	17.1%	700	29.0%
Social rented	604	25.0%	1,070	44.3%
Total	2,417	100.0%	2,417	100.0%

Source: Rossendale Council household survey (2008)

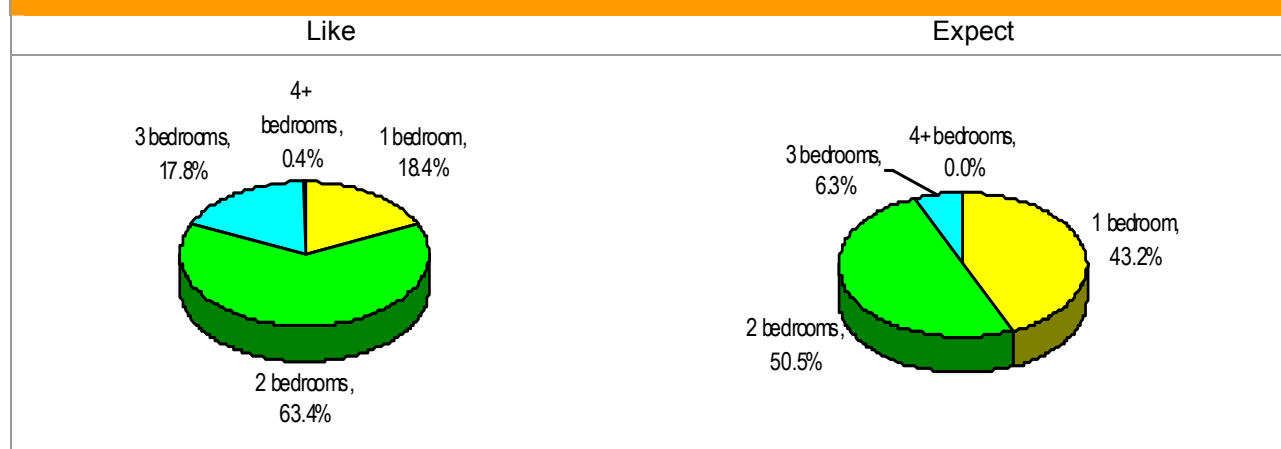
11.16 The table below shows the type of dwellings newly forming households would like and expect to move to. Compared with the results for existing households, the figures show that there is a greater preference and expectation for flatted and terraced accommodation amongst newly forming households. In total, just over a third of newly forming households would like a flat or maisonette (34.1%) whilst nearly half (49.8%) expect to secure this type of accommodation.

Table 11.12 Housing type aspirations and expectations of newly forming households

Type of home	Like		Expect	
	Households	%	Households	%
Detached house	398	16.5%	173	7.2%
Semi-detached house	467	19.3%	145	6.0%
Terraced house	671	27.8%	749	31.0%
Detached bungalow	29	1.2%	62	2.6%
Semi-detached/terraced bungalow	28	1.2%	84	3.5%
Flat/maisonette	823	34.1%	1,204	49.8%
Total	2,417	100.0%	2,417	100.0%

Source: Rossendale Council household survey (2008)

11.17 In terms of the sizes of accommodation required, we find that the largest proportion of households would like two bedroom accommodation (63.4%), with just 18.4% preferring a one bedroom dwelling. When looking at the bedroom expectations of newly forming households, a much higher proportion expect to move into a one bedroom dwelling with less expectation for larger dwellings.

Figure 11.2 Size of accommodation preferred and expected by newly forming households

Source: Rossendale Council household survey (2008)

11.18 In addition, newly forming households were asked if they would like or expected to move to specialist accommodation. The vast majority of households would either like or expect ordinary residential accommodation. Overall across the whole Borough only 1.4% of newly forming households would like any form of specialist accommodation.

Summary

11.19 This chapter presented information on the future housing intentions of households in Rossendale. The main findings were:

- Just under a fifth of existing households state a need or likelihood of moving home over the next two years (19.8%). Households in Bootle and Southport are most likely to move.
- Around three-fifths of households would like to remain living in the Borough this is less than those who would expect to (65.9%).
- Significantly more moving households would like owner-occupied accommodation than expect it. Similarly notably more moving households would like a detached home than expect it.
- The survey estimates that there are 2,417 households who need or are likely to form from households in the Borough over the next two years.
- Newly forming households show a large preference for owner-occupation but relatively few such households expect to be able to secure such tenure. Additionally, newly forming households are more likely to want or expect flatted accommodation than existing households.

12. Balancing Housing Markets

Introduction

- 12.1 Having established information about households' future aspirations and expectations in the housing market and detailed information about affordability, the report now moves on to bring this information together to study the extent to which the housing market is in balance.
- 12.2 A '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 and 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 (sizes) of dwelling. The key issues for the BHM approach can be summarised as:
- How many additional dwellings are required?
 - How many of these should be affordable housing?
 - What is the appropriate mix of market and affordable housing?
- 12.3 The model works by allocating each household to the dwelling size and tenure which appears most appropriate from the information available. This takes into account a household's aspirations (and whether they can be afforded), households' expectations about future housing prospects as well as a consideration of a household's current housing circumstances. Overall we build up a picture of the types of housing most suited to local households (and also a profile of likely supply to meet this demand). The analysis begins by studying the pattern of household movement into, out of and within the Borough.

Patterns of household movement

- 12.4 This section examines the dynamics of the housing market in terms of household flows into and out of the Borough in order to understand the types of households which are moving in and out, and the overall balance of migration. This data is then taken forward into an analysis of future housing demand and need to provide information about the shortages (and surpluses) of housing that exists and to provide some guidance about the mix of housing that will be required to help improve balance in the housing market.
- 12.5 The analysis below focuses upon the types of flows into, out of and within the Council area. The first table below shows estimated movement of households into and out of the Borough. The table splits data into four distinct household groups. This information is derived from survey data.

- 12.6 The data suggests that 926 households are expected to move into the Borough per annum in the future with an estimated 957 moving out. Therefore the data suggests a net outflow of households from Rossendale of around 31 per annum.
- 12.7 The profile of in and out-migration shows that there is a net inflow of single non-pensioners and households with children.

Table 12.1 Movements into and out of Rossendale			
	Moving in	Moving out	Net movement
Older person households	103	157	-55
Single (non-pensioners)	276	208	67
Multi-adult (no children)	332	385	-53
Households with children	216	206	10
Total	926	957	-31

Source: Rossendale Council household survey (2008)

- 12.8 The net change in households due to migration does not provide all the necessary information to calculate the likely net change in the number of households in the Borough. This will also be influenced by the function between the number of new households and the number of household dissolutions (i.e. death). Figures for each of these components are shown in the table below. These estimates are derived from a combination of primary and secondary data sources.
- 12.9 The table show that there are an estimated 611 households likely to form per annum (within Rossendale and from households currently living in the Borough). This figure is offset by an estimated 245 household dissolutions. Hence the net change in households due to ‘natural change’ is estimated to be 366 extra households per annum.

Table 12.2 Newly forming households and household dissolution	
	Number of households
Newly forming households	611
Household dissolution	245
Net change in households	366

Source: Rossendale Council household survey (2008)

- 12.10 Overall, therefore, the two tables taken together provide an estimate of the net change in households in Rossendale. It is estimated that there will be a net increase in households of around 335 per annum (made up of 366 from natural change minus 31 due to net out-migration).

- 12.11 In addition, the survey data suggests that a significant number of existing households moving within the Borough each year. These households do not affect the total change in the number of households in the area (as they will release a dwelling on moving) but can make a substantial impact on the balance of the housing market (particularly where households are seeking to change tenures or sizes/types of dwellings occupied).
- 12.12 The table below show the broad household types of likely internal movers. The main groups of internal movers are households with children.

Table 12.3 Internal moves	
Type of household	Annual flow
Older person	222
Single people	305
Multi adult (no children)	412
Households with children	944
Total	1,883

Source: Rossendale Council household survey (2008)

Balancing Housing Markets (BHM) model – background

- 12.13 The introduction to this chapter set out the reasons why a study of balance in the housing market is an important addition to the main CLG needs assessment model. In this section we highlight the general principles used in the balancing housing markets exercise which has been developed by Fordham Research over a number of years. The following box provides an overall summary:

Figure 12.1 Summary of the BHM process

The BHM process involves matching tenure and size of dwelling supply against the likely requirement for different types of housing. Information used includes survey data about households' future aspirations and expectations along with affordability (in the case of intermediate housing). In addition, information about a range of other factors such as household types (and likely priority) and minimum size requirements. The main area where this is not possible is net in-migration, since clearly future in-migrants are not surveyed. Hence data about likely future in-migration is estimated from recent in-migrant households.

The process of arriving at an allocation of sizes and tenures of housing, matching supply with demand, is complex and requires the data to be looked at very closely and carefully. A number of issues are considered when allocating households to their most likely housing solution. Examples include:

- Consideration of how households use the private rented sector. Survey data has shown that many households currently living in this sector want to move to either owner-occupation or affordable housing. The reality is that many will remain in this sector and the model will consider the likely supply (and affordability) of owner-occupied housing or the likely availability of affordable housing before allocating an appropriate tenure
- A household may want a four bedroom owner-occupied property but can only afford three bedrooms. If, for example, that household was already living in a three bedroom home and not overcrowded the model would consider whether a three bed market solution is more likely

Compiling the model may involve upwards of 20 iterations with the outputs being carefully considered at all stages. For example, an initial output may suggest a surplus of three bedroom owner-occupied homes and shortages of two and four bedrooms. The information would then be considered in the light of whether or not some households allocated two and four bedroom homes might in reality be more likely to move to three bedroom homes (based for example, on affordability, current housing circumstances and/or household type).

The combination of technical analysis and judgement involved is also informed by secondary data on the area (particularly discussions with local estate/letting agents) as well as detailed discussions with the project steering group. The process therefore cannot, if it is to be a reliable guide to that market, be based on a simple formula. The nature of the interactions between supply and demand across different subgroups of tenures and sizes of dwelling cannot be made into a mechanical analysis without losing practical relevance to the market(s) in question.

The combination of quantitative and qualitative analysis in one calculation process is prompted by the complexity of the task. The final outputs are however carefully reasoned and will always reflect the general demands in both the affordable and market sectors as well as providing a workable distribution of different types of housing which can be worked into housing and planning policies.

12.14 The BHM model produces the three key outputs listed in PPS3. Its outputs produce policy relevant figures which can then be subject to wider policy debate. The CLG Guidance emphasises that analyses should not produce direct policy statements, but rather evidence which enables an informed policy debate and policy making.

Summary description of the BHM process

12.15 There are six stages of analysis in the Balancing Housing Markets Model (three for supply and three related to demand). All of these are based upon information derived from primary data except where stated. The six stages in detail are:

- **Stage 1. Supply from household dissolution:** Assessing the size, type and tenure of dwellings likely to become available from household dissolution (using national mortality rates in combination with information from primary data).
- **Stage 2. Supply from out-migrant households:** Assessing the size, type and tenure of dwellings existing households moving away from the Borough are going to make available.
- **Stage 3. Supply from existing households:** Assessing the size, type and tenure of housing that existing households moving within the Borough are going to make available.
- **Stage 4. Demand from in-migrant households:** Assessing the size, type and tenure of accommodation secured by households that recently moved into the Borough.
- **Stage 5. Demand from newly forming households:** Assessing the likely sizes, types and tenures of housing required by newly forming households moving to a property within the Borough.
- **Stage 6. Demand from existing households:** Assessing the likely sizes, types and tenure of accommodation required by existing households moving from one property in the Borough to another.

12.16 The following sections move on to look at the six stages of analysis set out above providing information on housing supply and demand by tenure and size of dwelling.

Supply of housing

12.17 This section looks in detail at the three aspects of supply noted above. The data is then combined from each of the three potential sources of supply to provide an overall estimate of likely housing availability by size and tenure of dwelling.

Stage 1 – Supply from household dissolution

12.18 The table below provides an estimate of the likely future supply of accommodation (by tenure and size) from household dissolutions (i.e. death). The table is based on applying age specific national mortality statistics (2001) to the local population to estimate the proportion of households who are likely to wholly dissolve each year.

12.19 In total it is estimated that 245 vacancies will arise due to household dissolution. The majority of supply through household dissolution is expected to come from owner-occupied housing although around 40% of likely future supply due to household dissolution is expected to arise in the affordable sector. In the affordable sector, the main dwelling size likely to be released is one bedroom, whilst in the market sector the main size is two and three bedroom homes.

Table 12.4 Supply I: Supply from household dissolution

Tenure	Size released				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	17	75	40	3	136
Private rent	3	6	3	0	12
Intermediate	0	4	1	0	5
Social rent	64	22	7	0	92
Total	84	107	51	3	245

Source: Rossendale Borough Council household survey (2008)

Stage 2 – Supply from out-migrant households

12.20 The table below shows an estimate of the supply of housing that would be released when households who expect to move from the area do so. For example, a household out-migrating from a four bedroom market dwelling is assumed to free-up a four bedroom market dwelling for use by another household. The data is annualised and based on moves over the next two years.

12.21 In total it is estimated that out-migrant households will release around 957 dwellings each year in the future. The vast majority of the out-migrant supply (nearly 90%) is in the market sector.

Table 12.5 Supply II: Supply from out-migrant households

Tenure	Size released				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	9	245	144	160	558
Private rent	28	169	99	0	296
Intermediate	0	0	0	0	0
Social rented	16	71	16	0	103
Total	53	485	258	160	957

Source: Rossendale Borough Council household survey (2008)

Stage 3 – Supply from existing households

12.22 The table below shows the estimated future supply from existing households. As with the above data, figures are based on the tenure and size of accommodation that would become available if a household moved to alternative accommodation within the area. Figures are annualised from data for two years.

12.23 The number of households expected to move within the Borough is more than twice as high as the figure for out-migration and in total the data suggests that 1,883 households are expected to move within Rossendale per annum. Around a fifth (20.4%) of moves are expected to be from affordable housing.

Table 12.6 Supply III: Supply from existing households

Tenure	Size released				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	37	315	437	129	918
Private rent	45	256	269	11	581
Intermediate	0	0	0	0	0
Social rented	100	202	59	22	384
Total	183	773	766	162	1,883

Source: Rossendale Borough Council household survey (2008)

Overall supply

12.24 The table below is the sum of the previous tables and show the overall estimated annual supply for each tenure and size group. The table shows that there is expected to be an annual supply of 3,085 dwellings from the current stock of housing in the Borough. The supply is expected to be around 80% market housing with 20% in the affordable sector.

12.25 In terms of the sizes of accommodation likely to become available it is notable that in the market sector the majority of supply is expected to be two and three bedroom homes whilst smaller accommodation accounts for the majority of the supply in the affordable sector. There is limited evidence of supply of affordable dwellings with four or more bedrooms.

Table 12.7 Supply IV: Total supply

Tenure	Size released				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	63	635	621	292	1,611
Private rent	76	430	371	11	889
Intermediate	0	4	1	0	5
Social rented	181	295	81	22	580
Total	320	1,364	1,075	326	3,085

Source: Rossendale Borough Council household survey (2008)

Demand for housing

Stage 4 – Demand from in-migrant households

12.26 The table below shows the estimated demand from in-migrant households. This is based on the profile of households who have moved into the Borough over the past two years (in terms of the size and tenure of accommodation secured). Figures are again annualised.

12.27 Overall it is estimated that in-migration is 926 households per annum. The table suggests that the vast majority of future in-migrant households will secure some form of market housing. In total it is estimated that only around 7% of in-migrant households require an affordable housing solution.

Table 12.8 Demand I: Demand from in-migrants by tenure and size required

Tenure	Size requirement				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	16	225	177	141	559
Private rent	61	182	59	0	301
Intermediate	0	0	0	0	0
Social rented	61	5	0	0	66
Total	138	412	236	141	926

Source: Rossendale Borough Council household survey (2008)

Stage 5 – Demand from newly forming households

12.28 The table below shows an estimate of the housing requirements of newly forming households. The table is based on the number of newly forming households who need or expect to form over the next two years within the Borough. The data is largely based on the expectations of households although some adjustment has been made where households expected affordable housing but the household survey data suggested that a market housing solution might be suitable (and affordable). Figures are annualised.

12.29 Overall, it is estimated that future household formation is likely to be around 611 households per annum. An estimated 64% of those are expected to secure a market solution. In terms of dwelling sizes it is notable that all of the demand is for smaller (one and two bedroom) homes.

Table 12.9 Demand II: Household formation by tenure and size required

Tenure	Size requirement				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	25	140	0	0	165
Private rent	93	130	0	0	223
Intermediate	0	0	0	0	0
Social rented	80	144	0	0	224
Total	198	413	0	0	611

Source: Rossendale Borough Council household survey (2008)

Stage 6 – Demand from existing households

12.30 The table below shows the estimated future demand from existing households. The figures are based on what tenure and size of accommodation households expect to move to in the future (next two years). Figures are again annualised.

12.31 The data shows an expected demand from 1,883 households per annum. Although most of this demand is for market dwellings there is a notable demand for affordable housing (much higher than for in-migrant households). In total, an estimated 23% of the demand is for affordable accommodation.

Table 12.10 Demand III: Demand from existing households by tenure and size required

Tenure	Size requirement				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	44	263	396	273	977
Private rent	0	143	283	58	483
Intermediate	0	18	14	0	32
Social rented	51	141	143	56	391
Total	95	564	837	387	1,883

Source: Rossendale Borough Council household survey (2008)

Overall demand

12.32 The table below shows an overall summary of the demand situation and is calculated as the sum of the three tables above. The table shows an estimated demand for 3,420 dwellings of all sizes and tenures. More than three-quarters (79%) of this demand is for market dwellings.

12.33 The market demand is greatest for two bedroom homes; demand in the affordable sector is also greatest for two-bedroom accommodation.

Table 12.11 Demand IV: Total demand by tenure and size required

Tenure	Size requirement				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	86	627	573	414	1,700
Private rent	154	454	341	58	1,007
Intermediate	0	18	14	0	32
Social rented	191	290	143	56	681
Total	431	1,389	1,072	528	3,420

Source: Rossendale Borough Council household survey (2008)

12.34 One of the requirements of PPS3 is ‘*the likely profile of household types requiring market housing*’. The BHM model has identified the overall demand for market housing. It is possible to present further detail on the types of households that require market accommodation in the future in Rossendale. This is presented in the table below.

Table 12.12 Demand for market housing by household type

Household type	Annual demand for market housing
Single pensioners	117
2 or more pensioners	56
Single non-pensioners	590
2 or more adults - no children	1,010
Lone parent	210
2+ adults 1 child	267
2+ adults 2+ children	457
Total	2,707

Source: Rossendale Council household survey (2008)

Net housing demand

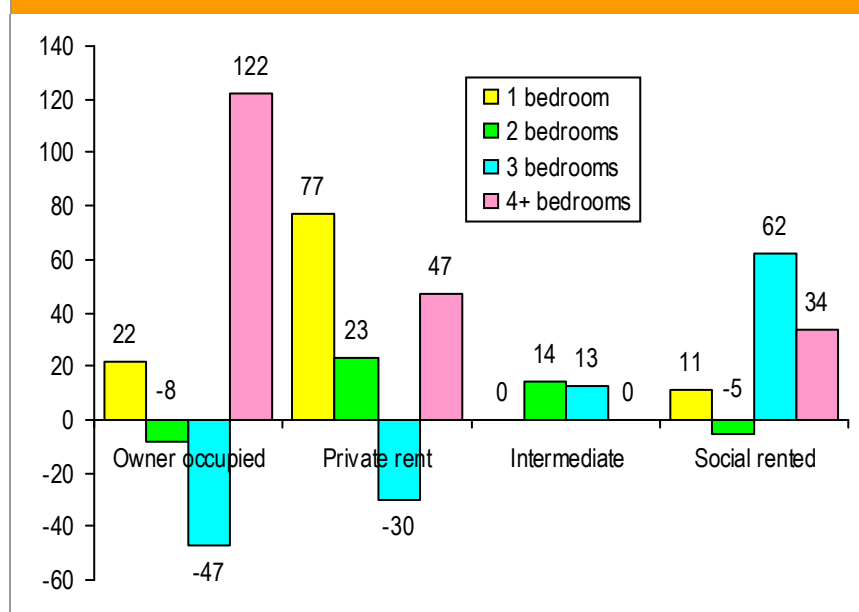
12.35 The table below shows the overall net demand situation in Rossendale. The table shows that in general there is expected to be a greater demand for housing than supply. Overall, across all tenures there is an apparent shortfall of 335 dwellings per annum. Of this shortfall around 38% is for affordable housing.

**Table 12.13 Balancing Housing Markets results for Rossendale
(per annum)**

Tenure	Size requirement				Total
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupied	22	-8	-47	122	89
Private rent	77	23	-30	47	118
Intermediate	0	14	13	0	27
Social rented	11	-5	62	34	101
Total	110	25	-2	202	335

Source: Rossendale Borough Council household survey (2008)

**Figure 12.2 Estimated shortfalls and surpluses of housing
by tenure and size**



Source: Rossendale Borough Council household survey (2008)

12.36 The above table and figure looked at demand shortfall and surpluses by tenure and it is worthwhile to briefly describe the findings in each of these groups.

Owner-occupied housing

12.37 In the owner-occupied sector there is an apparent shortfall of 89 units per annum. The largest shortfall is for larger dwellings with four or more bedrooms. There is a surplus shown for two and three bedroom accommodation, this is due to the large supply of dwellings of this size in the existing market stock.

Private rented housing

12.38 In the private rented sector there is an apparent shortfall of 118 units per annum. The majority of this demand is for one and two bedroom dwellings, although there is a demand for four + bedroom dwellings, this is mainly due to the small supply of this size of accommodation.

Intermediate housing

12.39 The requirement for intermediate housing makes up around 8% of the net shortfall of housing in the Borough, and around 21% of the shortfall of affordable housing. There are small shortfalls for two and three bedroom dwellings in this sector.

Social rented housing

12.40 The shortage of social rented housing makes up around 30% of the total shortfall of housing in the Borough. Most of the net demand for social rented housing is for three and four bedroom units.

Broad sizes of accommodation by tenure

12.41 The information presented so far has looked at four sizes of accommodation within each tenure group. For the purposes of PPS3 (particularly in the market sector) it is necessary to consider what proportions of housing should be family accommodation and what proportions would be for single persons or childless couples. To achieve this we have simply assumed that one and two bedroom homes would be for single persons and childless couples (these properties are likely to mainly be flats although some of the two bed homes might be provided as houses) whilst three and four bedroom homes would be suitable for families and would be almost entirely houses.

12.42 The table below therefore sets out the suggested proportions of each tenure group that would be for families. The table shows that overall just under three fifths of additional housing should be suitable for families. In the owner-occupied sector a large majority (84%) should be suitable for families, whilst in the private rented sector the figure is just 14%. In the social rented sector over 95% of units should be for families (i.e. three or more bedrooms) and the intermediate sector around half should be.

Table 12.14 Proportion of each tenure group as family housing

Tenure	% to be provided as family housing
Owner-occupied	84.27%
Private rent	14.41%
Intermediate	48.15%
Social rented	95.05%
Total	59.70%

Source: Rossendale Borough Council household survey (2008)

Summary

- 12.43 A '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/type. It provides a pragmatic estimate of the need for new housing of various tenures by taking account of the dynamics of the housing market.
- 12.44 The analysis reveals that overall in Rossendale there is a shortage of around 335 units per annum (excess of demand over supply). An estimated 38% of this shortfall is shown to be for affordable housing, with around 21% of the affordable requirement being for some form of intermediate housing.
- 12.45 When looking more closely at property sizes it was found that in both the market and affordable sectors the main shortages are for larger (particularly four bedroom) homes.

SECTION D: THE NEEDS OF PARTICULAR GROUPS

The final section of the report looks at some particular household groups who may have particular needs or requirements. The information is included in a single chapter and covers the following key household groups:

- Households with support needs
- Older person households
- Families with children
- Key worker households
- BAME households

13. The needs of particular groups

Introduction

- 13.1 This section addresses 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 on them in order to inform specific policies and service provision.
- 13.2 For example, the frail elderly may not be in housing need in the sense of not being able to afford market housing, but many of them are liable to require extra care in the future, whether directly, or via aids and adaptations in the home.

Households with support needs

- 13.3 Information collected through the survey enables us to identify whether any household members have a particular support need. Information about the characteristics of these households can inform the Council's Supporting People strategy.
- 13.4 The survey looked at whether household members fell into one or more of a range of groups. Whilst these represent the larger client groups covered in Supporting People Strategy, they are not exhaustive. There are, for example, many groups for which it would not be possible to obtain results through the questionnaire type approach (either due to the small numbers or because of the nature of the support need).
- 13.5 It should also be noted that the finding of a household with a support need does not necessarily mean that the household needs to move to alternative accommodation. In many cases the support need can be catered for within the household's current home whilst for others, the issue may be the need for support rather than any specific type of accommodation.
- 13.6 The groups covered were:
- Frail elderly
 - Persons with a physical disability
 - A learning disability
 - A mental health problem
 - A severe sensory disability
 - Persons with a medical condition
 - Other

13.7 Some support needs are uncommon, while others are numerous. The accuracy of each figure will of course vary according to the size of the group involved.

Support needs groups: overview

13.8 Overall there are an estimated 7,003 households in Rossendale with one or more members in an identified support needs group - this represents 24.3% of all households. The table below shows the number of households with different types of support needs. The numbers of households in each category exceed the total number of support needs households because people can have more than one category of support need.

13.9 Households with a medical condition are the predominant group. There are 4,429 households containing a person with a medical condition. The next largest group is physically disabled. These two categories represent the majority of all support needs households.

Table 13.1 Support needs categories			
Category	Number of households	% of all households	% of support needs households
Frail elderly	1,430	5.0%	20.4%
Physical disability	3,529	12.3%	50.4%
Learning difficulty	800	2.8%	11.4%
Mental health problem	1,114	3.9%	15.9%
Severe sensory disability	700	2.4%	10.0%
Medical condition	4,429	15.4%	63.2%
Other	390	1.4%	5.6%

Source: Rossendale Council household survey (2008)

13.10 The tables below show the characteristics of support needs households in terms of age, tenure and unsuitable housing.

Table 13.2 Support needs households with and without older people				
Age group	Support needs households			
	Support needs	Number of h'holds	% of total h'holds with support needs	% of those with a support need
No older people	3,660	19,926	18.4%	52.3%
Both older & non older people	800	2,381	33.6%	11.4%
Older people only	2,542	6,493	39.2%	36.3%
Total	7,003	28,800	24.3%	100.0%

Source: Rossendale Council household survey (2008)

- 13.11 The survey data shows that support needs households are also more likely to contain older persons. It is estimated that 36.3% of all support needs households contain only older people.
- 13.12 The table below indicates that support needs households are more likely to be living in social rented housing. Some 47.3% of households living in social rented accommodation housing contain a support needs member. A relatively large proportion of private renters have a household member with a support need (most likely to be a medical condition or a physical disability.)

Table 13.3 Support needs households and tenure

Tenure	Support needs households			
	Support needs	Number of h'holds	% of total h'holds with support needs	% of those with a support need
Owner-occupied (no mortgage)	2,194	8,684	25.3%	31.3%
Owner-occupied (with mortgage)	1,677	12,308	13.6%	24.0%
Social rented	2,179	4,605	47.3%	31.1%
Private rented	952	3,203	29.7%	13.6%
Total	7,003	28,800	24.3%	100.0%

Source: Rossendale Council household survey (2008)

- 13.13 The table below indicates that support needs households are almost four times as likely to be living in unsuitable housing as non-support needs households. Some 25.6% of all support needs households are living in unsuitable housing, which compares with 11.1% of all households and only 6.5% of all non-support needs households.

Table 13.4 Support needs households and unsuitable housing

Support needs	Unsuitable housing			
	In unsuitable housing	Number of h'holds	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Support needs	1,792	7,003	25.6%	56.0%
No support needs	1,410	21,797	6.5%	44.0%
Total	3,202	28,800	11.1%	100.0%

Source: Rossendale Council household survey (2008)

- 13.14 The table below shows the average income and savings levels for support needs households in comparison to other households. The table shows that support needs groups have average income and savings levels noticeably below the average for non-support needs households.

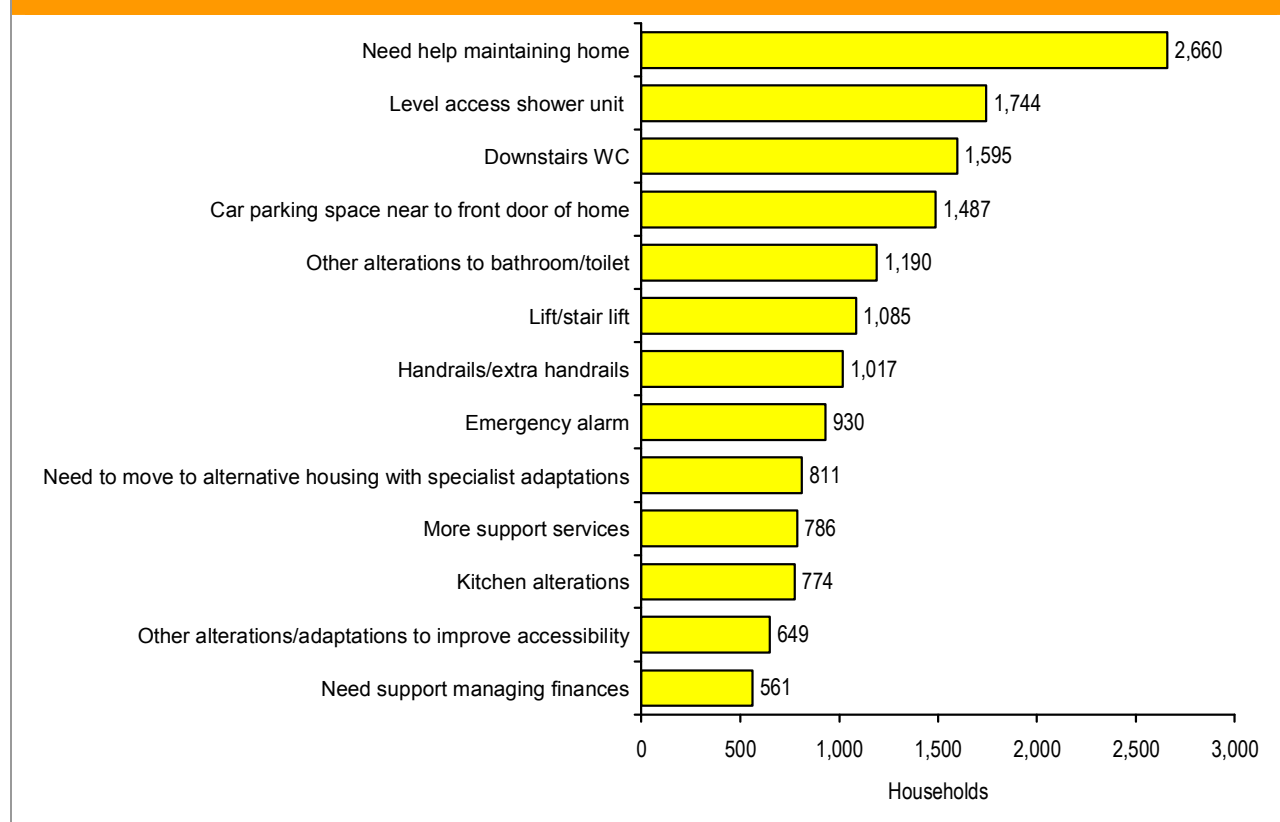
Table 13.5 Income and savings levels of support needs households		
Support needs	Annual gross household income (mean)	Average household savings (mean)
Support needs	£17,475	£10,169
No support needs	£31,121	£17,698
All households	£27,803	£15,867

Source: Rossendale Council household survey (2008)

Requirements of support needs households

13.15 Those households with a member with support needs were asked to indicate if there was a need for improvements to their current accommodation and/or services. The responses are detailed in the figures below.

Figure 13.1 Support needs households: improvements to accommodation & services



Source: Rossendale Council household survey (2008)

13.16 The results show requirements for a wide range of adaptations and improvements across the support needs households. The most commonly-sought improvements were:

- Need help maintaining home
- Level access shower unit
- Downstairs WC

Older person households

13.17 Older people are defined as those over the state pension eligibility age (currently 65 for men, 60 for women). For the purpose of this chapter, households have been divided into three categories:

- Households without older persons
- Households with both older and non-older persons
- Households with only older persons

13.18 Some 22.5% of all households contain only older people and a further 8.3% contain both older and non-older people. The table below shows the number and percentage of households in each group.

Table 13.6 Older person households		
Categories	Number of households	% of all households
Households without older persons	19,926	69.2%
Households with both older and non-older persons	2,381	8.3%
Households with older persons only	6,493	22.5%
Total	28,800	100.0%

Source: Rossendale Council household survey (2008)

Characteristics of older person households

13.19 The number of occupants in older person households are shown in the tables below. The data suggests that the vast majority of households (99.0%) containing older persons only are comprised of one or two persons only. Some 45.3% of all single person households are older person households.

Table 13.7 Size of older person only households				
Number of persons in household	Age group			
	Older persons only	Number of h'holds	% of total h'holds with older persons	% of those with older persons
One	4,100	9,054	45.3%	63.1%
Two	2,329	9,445	24.7%	35.9%
Three	64	4,596	1.4%	1.0%
Four	0	3,619	0.0%	0.0%
Five	0	1,383	0.0%	0.0%
Six or more	0	703	0.0%	0.0%
Total	6,493	28,800	22.5%	100.0%

Source: Rossendale Council household survey (2008)

13.20 The table below shows the housing tenures of households with older persons. Over two-thirds of older person only households are owner-occupiers. The overwhelming majority of these do not have a mortgage. This finding suggests that the potential for equity release schemes in the Borough may be significant.

13.21 Another significant finding is the relatively high proportion of social rented accommodation containing older people only. In Rossendale 38.2% of social rented tenants contain only older people. This may have implications for future supply of and demand for specialised social rented accommodation.

Table 13.8 Older person only households and tenure

Tenure	Age group			
	Older persons only	Number of h'holds	% of total h'holds with older persons	% of those with older persons
Owner-occupied (no mortgage)	3,922	8,684	45.2%	60.4%
Owner-occupied (with mortgage)	477	12,308	3.9%	7.3%
Social rented	1,761	4,605	38.2%	27.1%
Private rented	333	3,203	10.4%	5.1%
Total	6,493	28,800	22.5%	100.0%

Source: Rossendale Council household survey (2008)

13.22 The table below shows that older person only households are more likely than non-older person households to be living in one and two bedroom properties. However, the results also show that over a third of all older person households are in three or four bedroom dwellings. Given that previous information has shown that almost all older person only households are comprised of only one or two persons, this finding suggests that there could be potential scope to free up larger units for younger families if the older households chose to move into suitable smaller units.

Table 13.9 Size of dwellings (number of bedrooms) for older person only households

Number of bedrooms	Older person households		All other households	
	Households	%	Households	%
1 bedroom	1,450	22.3%	1,689	7.6%
2 bedrooms	2,711	41.7%	7,396	33.2%
3 bedrooms	2,135	32.9%	8,559	38.4%
4+ bedrooms	197	3.0%	4,663	20.9%
Total	6,493	100.0%	22,307	100.0%

Source: Rossendale Council household survey (2008)

13.23 This information can be further broken down by tenure (for older person households) and this is shown in the tables below. The tables indicate that whilst the majority of large (three or more bedrooms) properties are in the owner-occupied sector there are also 181 dwellings in the social rented sector which may therefore present some opportunity to reduce under-occupation.

Table 13.10 Older person only households size of accommodation and tenure

Tenure	Size of accommodation				Total
	1 bed	2 bed	3 bed	4+ bed	
Owner-occupied (no mortgage)	327	1,787	1,627	181	3,922
Owner-occupied (with mortgage)	0	278	183	16	477
Social rented	1,105	475	181	0	1,761
Private rented	18	171	143	0	333
Total	1,450	2,711	2,135	197	6,493

Source: Rossendale Council household survey (2008)

Families with children

13.24 PPS3 acknowledges the importance of providing suitable housing for families, especially those with children, to ensure that communities are appropriately mixed. This section will briefly consider the current housing situation of families with children in Rossendale before considering the future housing requirements of this group.

13.25 For the purposes of this analysis children are defined as those aged under 16 and the chapter will focus on any household with at least one child in it. To provide more detail on what is a large subsection of the population three different groups of households with children will be analysed. These are lone parent households, households with young children and households with older children. Households with young children are those where the children's age is under 8 or the average age of the children is under 8. Households with older children are those where the children's age is 8 or over or the average age of the children is 8 or over.

13.26 The table below shows the number of each type of household with children. The survey estimates that there are 8,235 households with children in Rossendale. Of these 2,143 households (26.0%) are lone parents, some 33.1% are families with younger children and the remaining 40.9% are families with older children.

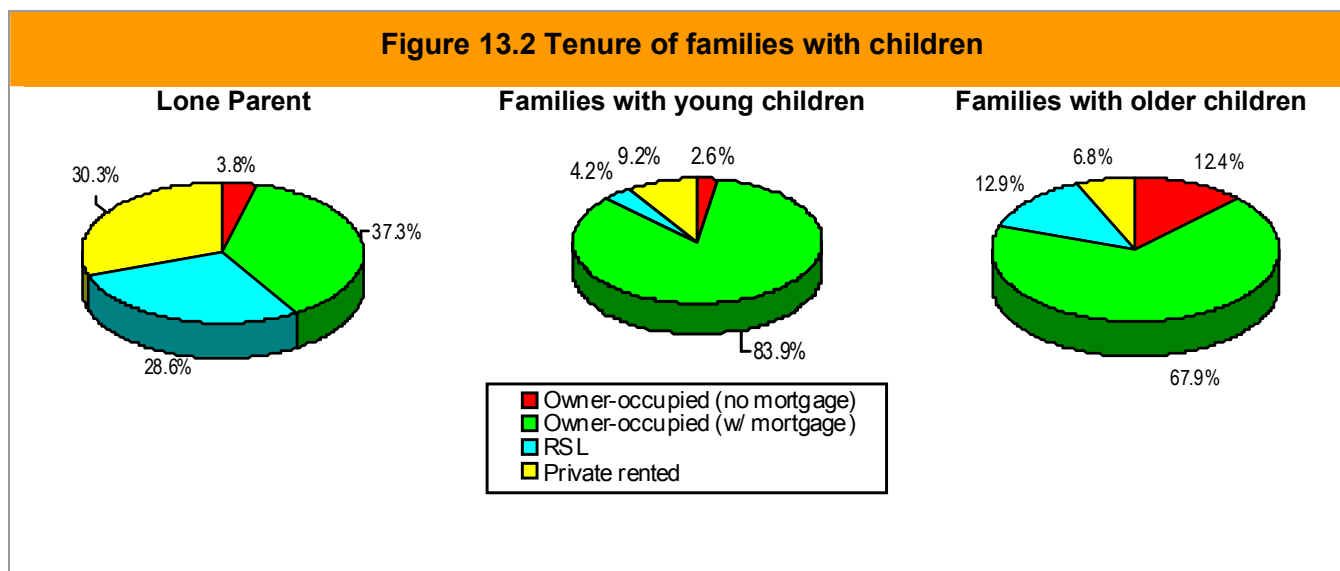
Table 13.11 Number of families with children

Households with children	Number of households	Percentage of households
Lone parent families	2,143	26.0%
Families with young children	2,722	33.1%
Families with older children	3,370	40.9%
Total	8,235	100.0%

Source: Rossendale Council household survey (2008)

Housing circumstances of families with children

13.27 The figure below shows the tenure of the three groups of family households. The results suggest that lone parents are more likely to be living in social rented and private rented accommodation. There is little difference between households containing families with young children and those with older children, although families with older children are more likely to be owner-occupiers without a mortgage, whilst families with younger children are more likely to be owner-occupiers with a mortgage.



Source: Rossendale Council household survey (2008)

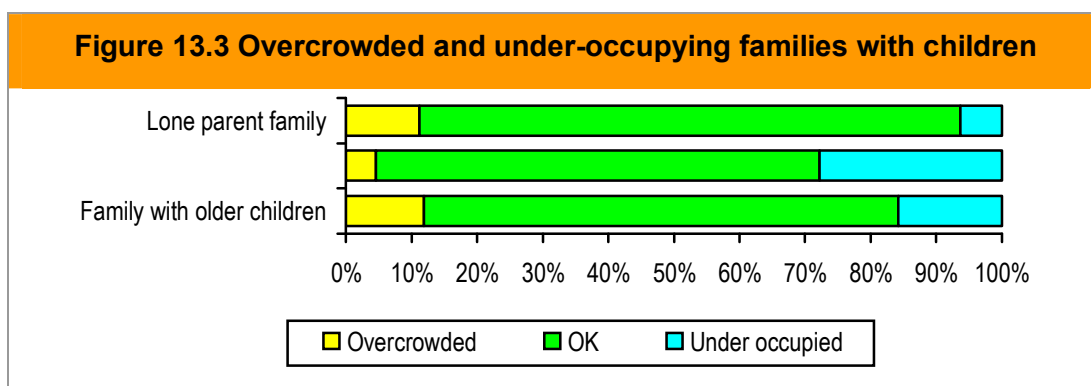
13.28 The table below presents the proportion of families with children living in unsuitable housing. The table indicates that families with older children and lone parent families are significantly more likely than families with young children to be living in unsuitable housing.

Table 13.12 Families with children in unsuitable housing

Unsuitable housing	Households with children		
	Lone parent families	Families with young children	Families with older children
In unsuitable housing	22.4%	9.1%	24.2%
Not in unsuitable housing	77.6%	90.9%	75.8%
Total	100.0%	100.0%	100.0%

Source: Rossendale Council household survey (2008)

13.29 The figure below presents the level of overcrowding and under-occupation for families. The figure shows that families with older children are the most likely to be overcrowded whilst lone parent families are least likely to be under-occupying their property.



Source: Rossendale Council household survey (2008)

Housing aspirations of families with children

13.30 The table below shows the propensity to move of family households. The table below indicates that lone parent families are the most likely to need/expect to move over the next two years. Families with older children are the most likely to have no need to move, whilst families with younger children are the most likely to need/expect to move now.

Table 13.13 Moving intentions of families with children

When need/likely to move	Households with children		
	Lone parent families	Families with young children	Families with older children
Now	10.9%	14.6%	4.2%
Within a year	6.0%	6.6%	11.1%
1 to 2 years	19.9%	7.7%	6.7%
2 to 5 years	11.4%	20.9%	12.6%
No need/not likely to move	51.8%	50.2%	65.3%
Total	100.0%	100.0%	100.0%

Source: Rossendale Council household survey (2008)

Key worker households

13.31 For the purposes of analysis, key workers were defined as people working in any one of the following two categories identified on the survey questionnaire. These were:

- i) Education
- ii) Health and social work

- 13.32 The nature of this study means that the key workers identified within the survey are those that are resident in the Borough. The data, therefore, includes key workers resident in the Borough who work outside its boundaries, and excludes key workers who work in Rossendale but live outside. The analysis of key workers concentrates on their current housing situation, income and affordability.
- 13.33 In total it is estimated that 7,607 households contain a key worker, and of those 5,513 are headed by a key worker (the head of household was taken to be the survey respondent). These households are subject to further analysis in the section below.
- 13.34 The table below shows the tenure distribution of key worker households compared to other households containing an employed household member. The results indicate that key worker households are more likely to be owner-occupiers than non-key workers in employment (85.1% compared to 80.5%). Key worker households are less likely than non-key worker households in employment to be living in the private rented sector but are more likely to be resident in the social rented sector.

Table 13.14 Tenure of key worker households

Tenure	Key worker household		Non-key worker household in employment	
	Number of households	% of households	Number of households	% of households
Owner-occupied (no mortgage)	970	17.6%	3,049	22.3%
Owner-occupied (with mortgage)	3,722	67.5%	7,968	58.2%
Social rented	453	8.2%	902	6.6%
Private rented	368	6.7%	1,769	12.9%
Total	5,513	100.0%	13,688	100.0%

Source: Rossendale Council household survey (2008)

Income and affordability of key worker households

- 13.35 The table below shows a comparison of income and savings levels for key worker and non-key worker households.
- 13.36 The table suggests that generally key worker households have higher income levels than non-key worker households in employment and also higher savings levels. Households without an employed member tend to have low incomes (as might be expected) but high levels of savings, due to the large proportion of retired individuals in this group.

Table 13.15 Income and savings levels of key worker households

Category	Annual gross household income (including non-housing benefits)	Average household savings
All key worker household	£41,579	£13,123
All non-key worker (in employment)	£32,920	£12,055
All other households (no-one working)	£12,596	£22,878

Source: Rossendale Council household survey (2008)

13.37 It is possible to consider the ability of key worker households to afford the range of housing options described in Chapter 10. This is presented in the table below for all key worker households and for non-key worker households in employment.

Table 13.16 Key worker households and ability to afford housing

Category	Key worker household		Non-key worker household in employment	
	Numbers	%age	Numbers	%age
Afford market housing	4,621	83.8%	11,106	81.1%
Afford low cost market housing	98	1.8%	348	2.5%
Afford intermediate housing	328	6.0%	875	6.4%
Social rent only	466	8.5%	1,359	9.9%
Total	5,513	100.0%	13,688	100.0%

Source: Rossendale Council household survey (2008)

13.38 The table indicates that more key worker households are able to afford market housing than non-key worker households in employment at 83.8% compared with 81.1%. Slightly fewer key worker households are in a situation of only being able to afford social housing (8.5% compared to 9.9%). A lower proportion of key worker households are able to afford low cost market housing and intermediate housing than non-key worker households in employment.

Black, Asian and Minority Ethnic (BAME) households

13.39 Information was gathered in the survey to find out the ethnic origin of the survey respondent (and partner if applicable) for each sample household in the survey. The ethnic categories used on the survey forms were consistent with those used in the 2001 Census.

13.40 A consideration of the sample sizes obtained by respondents from different ethnic groups indicates that the data only can be reliably presented for one single ethnic minority group that includes all households that are not White British. The sample size is still however small and therefore care should be used in interpreting the results that follow. For the analysis in this chapter, the ethnic group of the survey respondent is taken to represent the head of household.

Table 13.17 BAME household numbers and survey sample			
Ethnic group	Number of households	% of households	Sample of households
White – British	27,568	95.7%	1,348
BAME	1,232	4.3%	57
Total	28,800	100.0%	1,405

Source: Rossendale Council household survey (2008)

13.41 The main household survey records that 4.3% of households in Rossendale are headed by someone that describes themselves as being from an ethnic minority group.

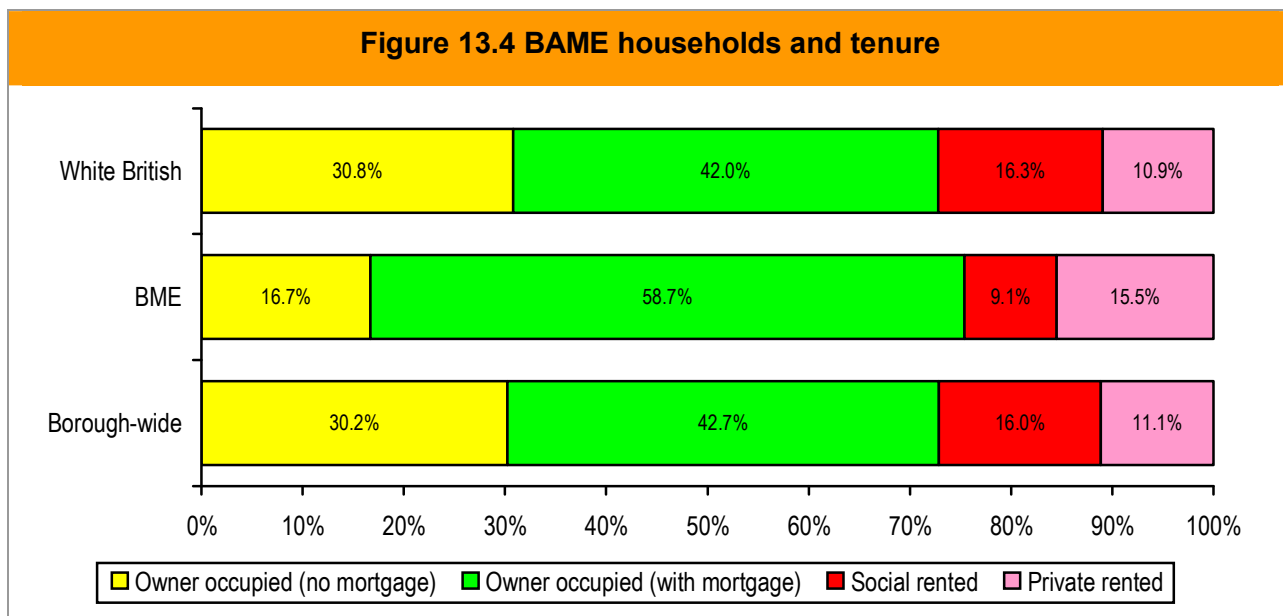
Characteristics of BAME households

13.42 The table below shows household size by ethnic group. The data shows that only 2.0% of White British households contain six or more people compared to 13.0% of ethnic minority households. Overall the average household size is 2.34 amongst White British households and 2.65 amongst ethnic minority households.

Table 13.18 Size of BAME households				
Number of persons	White British households		BAME households	
	Numbers	%age	Numbers	%age
1	8,618	31.3%	436	35.4%
2	9,144	33.2%	301	24.4%
3	4,481	16.3%	114	9.3%
4	3,433	12.5%	187	15.1%
5	1,347	4.9%	35	2.9%
6 or more	543	2.0%	160	13.0%
Total	27,568	100.0%	1,232	100.0%
Average household size	2.34		2.65	

Source: Rossendale Council household survey (2008)

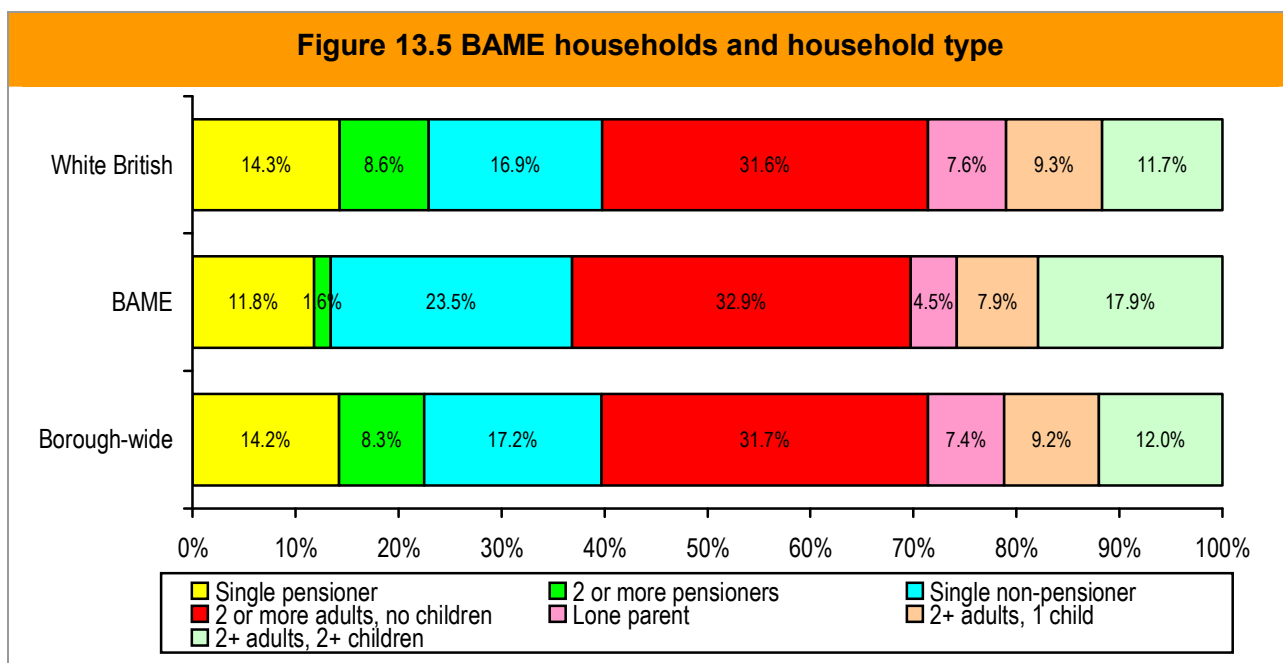
13.43 The figure below shows the variation in tenure by ethnic group. The data shows that White British households are slightly less likely to be owner-occupiers than ethnic minority households, although they are more likely to own their home outright. White British households are more likely to reside in social rented accommodation, whilst ethnic minority households are more likely to live in a private rented home.



Source: Rossendale Council household survey (2008)

Household type and support needs

13.44 The figure below shows household type by ethnic group. The figure shows that ethnic minority households are less likely to be pensioner only households and are more likely to contain children than White British households.



Source: Rossendale Council household survey (2008)

13.45 The table below shows support needs households by ethnic group. Results suggest that ethnic minority households are less likely than White British households to contain someone with a support need.

Table 13.19 Ethnic group and support needs

Ethnic group	Support needs households			
	Support needs	Number of h'holds	% of total h'holds with support needs	% of those with a support need
White – British	6,800	27,568	24.7%	97.1%
BAME	203	1,232	16.5%	2.9%
Total	7,003	28,800	24.3%	100.0%

Source: Rossendale Council household survey (2008)

Income and savings levels

13.46 The table below shows average income and savings levels by ethnicity. The table shows that ethnic minority households record slightly higher average income levels than White British households but slightly lower levels of savings.

Table 13.20 Income and savings levels of ethnic minority households

Ethnic group	Annual gross household income (including non-housing benefits)	Average household savings
White – British	£27,715	£15,964
BAME	£29,783	£13,695
Average	£27,803	£15,867

Source: Rossendale Council household survey (2008)

Unsuitable housing

13.47 The table below shows the proportion of each ethnic group that is considered to be living in unsuitable housing. The data shows that the proportion of ethnic minority households living in unsuitable housing is significantly higher than the figure for the White British population.

Table 13.21 Ethnic group and unsuitable housing levels

Ethnic group	% in unsuitable housing
White – British	10.8%
BAME	18.3%
Borough average	11.1%

Source: Rossendale Council household survey (2008)

Summary

13.48 This chapter focused on particular household groups that are often different in character and with different needs and requirements. Main findings include the following:

- There are an estimated 7,003 households in Rossendale with one or more members in an identified support needs group, this represents 24.3% of all households. These households were most likely to state a requirement for help maintaining their home.
- Some 22.5% of households contain only older people. These are almost all comprised of one or two persons, however a significant proportion reside in accommodation with three or more bedrooms. Within the social rented sector there are 181 older person households living in properties with at least three bedrooms indicating an opportunity to reduce under-occupation.
- There are 8,235 households containing families with children in Rossendale. Lone parent families are more likely to be living in private and social rented accommodation and are less likely to be under-occupying their property.
- The survey estimates that 5,513 households in Rossendale are headed by a key worker. Key worker households record higher average incomes than other households in employment and are more likely to be able to afford market housing.
- Rossendale has a relatively small ethnic minority household population. Ethnic minority households recorded higher average household size and higher average household income levels than White British households. Ethnic minority households are particularly likely to be resident in the private rented sector.

Glossary

[This Glossary aims to define terms used in the report. Where there is an existing definition (for example, in Government Guidance) reference is made to it. Otherwise the terms are defined simply in the way used in the report]

Affordability

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers (2.9 times joint income or 3.5 times single income (whichever the higher)). Rental affordability is defined as the rent being less than a proportion of a household's gross income (in this case 25% of gross income).

Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire). [There is an ambiguity in PPS3: Housing, where 'intermediate housing' is defined as being below market entry to rent, while 'affordable housing' is defined to be below the threshold to buy (normally much higher than the private rental one). But in principle the Guidance defines affordable housing as below the market threshold, and rationally speaking, that includes the private rented as well as purchase sectors].

Annual need

The combination of the net future need plus an allowance to deal progressively with part of the net current need.

Average

The term 'average' when used in this report is taken to be a mean value unless otherwise stated.

Balanced Housing Market model

A model developed by Fordham Research which examines the supply and demand for different types and sizes of housing across different areas and for specific groups.

Bedroom standard

The bedroom standard is that used by the General Household Survey, and is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing.

Current need

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Demand

This refers to market demand. In principle anyone who has any financial capacity at all can 'demand' something, in other words want to acquire it and be prepared to pay for it. The question is whether they can pay enough actually to obtain it. Thus many households who are unable fully to afford market housing to buy do aspire to buy it. The word 'demand' is therefore used in two senses in this report:

'demand' when used in the general text refers to the ordinary understanding of 'wanting' something that has a market price

'demand' when associated with numbers (as in the Balancing Housing Markets model) refers to expressed demand: the numbers of people who can actually afford the type of housing in question

In relation to (expressed) demand mention should be made of the private rented sector where typically there are not only households who can afford to rent at market prices, but also others who are unable to access affordable housing but who are able to access the private rented sector due to the subsidy of Housing Benefit. Such households do not have a demand in the sense used here, as they can only access the private rented sector with a subsidy.

Disaggregation

Breaking a numerical assessment of housing need and supply down, either in terms of size or type of housing unit, or in terms of geographical sub-areas within the Borough.

Entry level market housing

The survey of prices and rents is focussed on 'entry level' prices and rents. That is to say the price or rent at which there is a reasonable supply of dwellings in reasonable condition. The purpose of this approach is to ensure that when assessments are made of say first time buyers, that the prices are the appropriate ones for the typical members of this group. Thus it would in many areas involve second-hand terraced housing, rather than new build, which would be much more expensive. Testing affordability against new build would clearly produce an underestimate of those who could afford to buy.

Financial capacity

This is defined as household income+savings+equity (the value of the property owned by owner-occupiers, typically the family home, net of mortgage). This provides an indication, when put on a capital basis, of the amount which the household could afford to pay for housing. Since equity is now a substantial part of the overall financial capacity of the large fraction of owner-occupiers, it is essential to use this measure rather than the old price to income ratio to measure the activity of a housing market.

Forecast

Either of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

Grossing-up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

Headship rates

Measures the proportion of individuals in the population, in a particular age/sex/marital status group, who head a household. Projected headship rates are applied to projected populations to produce projected numbers of households.

Household

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

A household living within another household

Is a household living as part of another household of which they are neither the head or the partner of the head.

Household reference person

For the purposes of the study the survey respondent is taken to represent the household reference person (HRP).

Households sharing

Households (including single people) who live in non-self-contained accommodation but do not share meals or a living room (for example 5 adults sharing a house like this constitute 5 one-person households).

Housing demand

The quantity of housing that households are willing and able to buy or rent.

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay.

Housing need

Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing Register

A database of all individuals or households who have applied to a local authority or RSL for a social tenancy or access to some other form of affordable housing. Housing Registers, often called Waiting Lists, may include not only people with general needs but people with support needs or requiring access because of special circumstances, including homelessness.

Housing size

Measured in terms of the number of bedrooms, habitable rooms or floorspace. This guidance uses the number of bedrooms.

Housing type

Refers to the type of dwelling, for example, flat, house, specialist accommodation.

Income

Income means gross household income unless otherwise qualified

Intermediate housing

PPS3 defines intermediate housing as 'housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products (for example HomeBuy), other low cost homes for sale and intermediate rent.'

Lending multiplier

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Lower quartile

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Market housing and low cost market housing

This is defined by CLG as anything not affordable. In the Housing Gaps figure it is anything above market entry. CLG has not defined 'low cost market' other than that it falls within the market range. Since this is very wide, it is not very helpful. The most useful kind of low cost market would be that which falls into the rent to buy gap on the Housing Gaps figure. Shared ownership would provide a partial equity solution for those unable to afford second hand entry level purchase, for example.

Mean

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

Median

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

Migration

The movement of people between geographical areas primarily defined in this context as local authority Districts. The rate of migration is usually measured as an annual number of households, living in the District at a point in time, who are not resident in that District one year earlier.

Net need

The difference between need and the expected supply of available affordable housing units (for example from the reletting of existing social rented dwellings).

Newly arising need

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing together with other existing households whose circumstances change over the period so as to place them in a situation of need (for example households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Non-self-contained accommodation

Where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

Overcrowding

An overcrowded dwelling is one which is below the bedroom standard. (See 'Bedroom Standard' above).

Primary data

Information that is collected from a bespoke data collection exercise (for example surveys, focus groups or interviews) and analysed to produce a new set of findings.

Potential households

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation rather than continuing to live with their 'host' household.

Projection

Either of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Random sample

A sample in which each member of the population has an equal chance of selection.

Relets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Rounding error

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added, the total may come to 2012. This is quite normal and is a result of the computer additions made. Figures should never be taken to be absolutely accurate. No such state exists. The figures in this document are robust estimates not absolutely precise ones. The usual practice is to use the stated total (in the above case 2011) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding after all the fractions are taken fully into account.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Secondary data

Existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (for example Census, national surveys).

Shared equity schemes

Provide housing that is available part to buy (usually at market value) and part to rent.

SHMA (Strategic Housing Market Assessment)

SHMA derives from Government Guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

Social rented housing

PPS3 defines social rented housing as 'rented housing owned by local authorities and Registered Social Landlords, for which guideline target rents are determined through the national rent regime', the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant'.

Special needs

Relating to people who have specific needs: such as those associated with a disability.

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

Specialised housing

Refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Supporting People

This term refers to a programme launched in 2003 which aims to provide a better quality of life for vulnerable people by aiding them to live independently and maintain their tenancies and current home life. The programme covers a wide variety of vulnerable people from travellers, to young people at risk, to those with HIV or AIDS. Supporting People provide housing related support in many different forms but include enabling individuals to access their correct benefits entitlement, ensuring they have the correct skills to manage their tenancy and providing advice on property adaptations.

Under-occupation

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason.

Definitions

ABI - Annual Business Inquiry

BAME – Black, Asian and Minority Ethnic

CBL - Choice Based Lettings

CORE - The Continuous Recording System (Housing association and local authority lettings for new tenants)

DETR - Department of the Environment, Transport and the Regions

GIS - Geographical Information Systems

HMO - Households in Multiple Occupation

HSSA - The Housing Strategy Statistical Appendix

IMD - Indices of Multiple Deprivation

LA - Local Authority

LCHO - Low Cost Home Ownership

LDF - Local Development Framework

NeSS - Neighbourhood Statistics Service

NHSCR - National Health Service Central Register

NOMIS - National On-line Manpower Information System

NROSH - National Register of Social Housing

ODPM - Office of the Deputy Prime Minister

ONS - Office for National Statistics

PPS - Planning Policy Statement

RSL - Registered Social Landlord

RSR - Regulatory and Statistical Return (Housing Corporation)

RTB - Right to Buy

SEH - Survey of English Housing

TTWA - Travel to Work Area

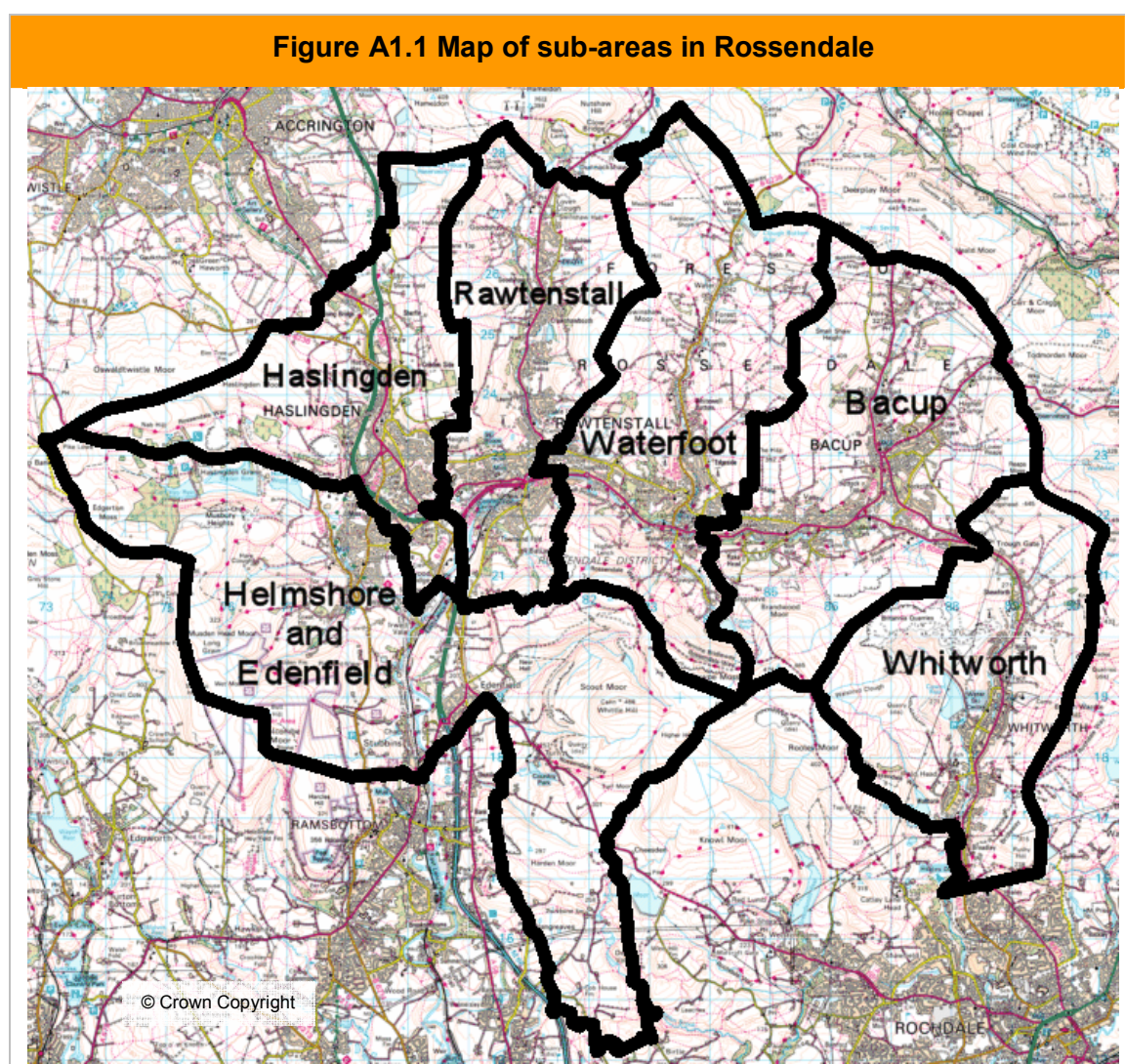
Appendix A1. Sub-area level data

Introduction

A1.1 This appendix provides details of the key survey findings at sub-area level.

A1.2 The sample sizes are reasonable at sub-area level (all are at or above the suggested figure of 100 in CLG Guidance). However, care should be taken when interpreting the results as the findings at this level are subject to a greater degree of 'error' when compared with the figures presented in the main body of the report for all households in the Borough.

A1.3 The map below shows the position of the six sub-areas within Rossendale.



Source: Fordham Research, 2009

Number of households and sample size

Table A1.1 Number of households in each sub-area and sample size

Ward	Number of households	% of households	Sample size	% of sample
Helmshore and Edenfield	3,829	13.3%	222	15.8%
Haslingden	4,965	17.2%	242	17.2%
Rawtenstall	5,416	18.8%	259	18.4%
Waterfoot	4,806	16.7%	245	17.4%
Bacup	6,569	22.8%	261	18.6%
Whitworth	3,215	11.2%	176	12.5%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

Tenure

Table A1.2 Tenure by sub-area										
Ward	Owner-occupied (no mortgage)		Owner-occupied (with mortgage)		Social rented		Private rented		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore & Edenfield	1,501	39.2%	1,824	47.6%	343	9.0%	160	4.2%	3,829	100.0%
Haslingden	1,529	30.8%	2,033	40.9%	708	14.3%	696	14.0%	4,965	100.0%
Rawtenstall	1,543	28.5%	2,567	47.4%	839	15.5%	466	8.6%	5,416	100.0%
Waterfoot	1,375	28.6%	1,958	40.7%	808	16.8%	665	13.8%	4,806	100.0%
Bacup	1,698	25.8%	2,641	40.2%	1,426	21.7%	804	12.2%	6,569	100.0%
Whitworth	1,038	32.3%	1,285	40.0%	481	15.0%	412	12.8%	3,215	100.0%
Total	8,684	30.2%	12,308	42.7%	4,605	16.0%	3,203	11.1%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Dwelling types

Table A1.3 Dwelling type by sub-area

Ward	Detached		Semi-detached		Terraced		Flat/maisonette		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore & Edenfield	904	23.6%	967	25.3%	1,634	42.7%	324	8.5%	3,829	100.0%
Haslingden	796	16.0%	1,123	22.6%	2,302	46.4%	744	15.0%	4,965	100.0%
Rawtenstall	1,199	22.1%	1,391	25.7%	2,360	43.6%	467	8.6%	5,416	100.0%
Waterfoot	723	15.0%	1,257	26.2%	2,189	45.5%	638	13.3%	4,806	100.0%
Bacup	992	15.1%	1,842	28.0%	3,153	48.0%	583	8.9%	6,569	100.0%
Whitworth	640	19.9%	912	28.4%	1,383	43.0%	281	8.7%	3,215	100.0%
Total	5,253	18.2%	7,490	26.0%	13,020	45.2%	3,037	10.5%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Household type

Table A1.4 Household type by sub-area (households)

Ward	Single pensioners	2 or more pensioners	Single non-pensioners	2 or more adults - no children	Lone parent	2+ adults 1 child	2+ adults 2+ children	Total
Helmshore & Edenfield	645	393	565	1,312	150	324	440	3,829
Haslingden	569	515	956	1,399	464	586	477	4,965
Rawtenstall	589	349	1,061	1,975	357	367	719	5,416
Waterfoot	856	436	803	1,348	190	449	724	4,806
Bacup	949	380	1,007	2,207	604	598	825	6,569
Whitworth	491	320	563	878	379	326	258	3,215
Total	4,100	2,393	4,954	9,118	2,143	2,649	3,442	28,800

Source: Rossendale Council household survey (2008)

Table A1.5 Household type by sub-area (percentages)

Ward	Single pensioners	2 or more pensioners	Single non-pensioners	2 or more adults - no children	Lone parent	2+ adults 1 child	2+ adults 2+ children	Total
Helmshore & Edenfield	16.9%	10.3%	14.8%	34.3%	3.9%	8.5%	11.5%	100.0%
Haslingden	11.5%	10.4%	19.2%	28.2%	9.3%	11.8%	9.6%	100.0%
Rawtenstall	10.9%	6.4%	19.6%	36.5%	6.6%	6.8%	13.3%	100.0%
Waterfoot	17.8%	9.1%	16.7%	28.1%	3.9%	9.3%	15.1%	100.0%
Bacup	14.5%	5.8%	15.3%	33.6%	9.2%	9.1%	12.6%	100.0%
Whitworth	15.3%	10.0%	17.5%	27.3%	11.8%	10.1%	8.0%	100.0%
Total	14.2%	8.3%	17.2%	31.7%	7.4%	9.2%	12.0%	100.0%

Source: Rossendale Council household survey (2008)

Household size

Table A1.6 Household size by sub-area

Ward	One person		Two people		Three people		Four or more people		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore and Edenfield	1,210	31.6%	1,344	35.1%	545	14.2%	729	19.0%	3,829	100.0%
Haslingden	1,525	30.7%	1,737	35.0%	767	15.4%	936	18.9%	4,965	100.0%
Rawtenstall	1,650	30.5%	1,769	32.7%	784	14.5%	1,212	22.4%	5,416	100.0%
Waterfoot	1,659	34.5%	1,534	31.9%	545	11.3%	1,068	22.2%	4,806	100.0%
Bacup	1,956	29.8%	1,963	29.9%	1,399	21.3%	1,251	19.0%	6,569	100.0%
Whitworth	1,054	32.8%	1,097	34.1%	556	17.3%	508	15.8%	3,215	100.0%
Total	9,054	31.4%	9,445	32.8%	4,596	16.0%	5,705	19.8%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Overcrowding and under-occupation

Table A1.7 Overcrowding/under-occupation by sub-area								
Ward	Overcrowded		OK		Under-occupied		Total	
	No.	%	No.	%	No.	%	No.	%
Helmshore and Edenfield	90	2.3%	2,190	57.2%	1,549	40.5%	3,829	100.0%
Haslingden	42	0.8%	3,544	71.4%	1,379	27.8%	4,965	100.0%
Rawtenstall	262	4.8%	3,045	56.2%	2,109	38.9%	5,416	100.0%
Waterfoot	188	3.9%	3,217	66.9%	1,401	29.1%	4,806	100.0%
Bacup	376	5.7%	4,548	69.2%	1,644	25.0%	6,569	100.0%
Whitworth	31	0.9%	2,226	69.2%	958	29.8%	3,215	100.0%
Total	989	3.4%	18,771	65.2%	9,040	31.4%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Household mobility

Table A1.8 Length of residence by sub-area

Ward	Less than 1 year		1 to 2 years		3 to 5 years		Over 5 years		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore and Edenfield	265	6.9%	351	9.2%	597	15.6%	2,616	68.3%	3,829	100.0%
Haslingden	302	6.1%	413	8.3%	1,039	20.9%	3,211	64.7%	4,965	100.0%
Rawtenstall	580	10.7%	509	9.4%	953	17.6%	3,374	62.3%	5,416	100.0%
Waterfoot	567	11.8%	348	7.2%	726	15.1%	3,166	65.9%	4,806	100.0%
Bacup	655	10.0%	507	7.7%	1,401	21.3%	4,006	61.0%	6,569	100.0%
Whitworth	336	10.4%	249	7.7%	675	21.0%	1,956	60.8%	3,215	100.0%
Total	2,705	9.4%	2,376	8.2%	5,391	18.7%	18,329	63.6%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Moving intentions – existing households

Table A1.9 Moving intentions of existing households by sub-area										
Ward	Within a year		1 to 2 years		2 to 5 years		Not moving with 5 years		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore and Edenfield	328	8.6%	311	8.1%	407	10.6%	2,784	72.7%	3,829	100.0%
Haslingden	538	10.8%	415	8.4%	786	15.8%	3,226	65.0%	4,965	100.0%
Rawtenstall	573	10.6%	503	9.3%	772	14.3%	3,568	65.9%	5,416	100.0%
Waterfoot	421	8.8%	415	8.6%	606	12.6%	3,364	70.0%	4,806	100.0%
Bacup	989	15.1%	673	10.3%	849	12.9%	4,057	61.8%	6,569	100.0%
Whitworth	331	10.3%	219	6.8%	459	14.3%	2,206	68.6%	3,215	100.0%
Total	3,179	11.0%	2,537	8.8%	3,879	13.5%	19,204	66.7%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Newly forming households

Table A1.10 Rate of new household formation by sub-area

Ward	Number of households intending to form in the next two years	Number of existing households	Annual rate of household formation
Helmshore & Edenfield	74	3,829	1.0%
Haslingden	262	4,965	2.6%
Rawtenstall	360	5,416	3.3%
Waterfoot	195	4,806	2.0%
Bacup	233	6,569	1.8%
Whitworth	30	3,215	0.5%
Total	1,154	28,800	2.0%

Source: Rossendale Council household survey (2008)

Car ownership

Table A1.11 Car ownership by sub-area										
Ward	None		One		Two		Three or more		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore and Edenfield	704	18.4%	1,456	38.0%	1,304	34.1%	364	9.5%	3,829	100.0%
Haslingden	1,234	24.9%	2,400	48.3%	1,074	21.6%	257	5.2%	4,965	100.0%
Rawtenstall	1,211	22.4%	2,084	38.5%	1,769	32.7%	353	6.5%	5,416	100.0%
Waterfoot	1,231	25.6%	2,074	43.1%	1,326	27.6%	175	3.7%	4,806	100.0%
Bacup	2,055	31.3%	2,841	43.3%	1,322	20.1%	351	5.3%	6,569	100.0%
Whitworth	748	23.3%	1,363	42.4%	888	27.6%	217	6.7%	3,215	100.0%
Total	7,182	24.9%	12,218	42.4%	7,684	26.7%	1,716	6.0%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Economic status

Table A1.12 Economic status of household head by sub-area

Ward	Working		Unemployed		Retired		Other		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helmshore and Edenfield	2,212	57.8%	49	1.3%	1,370	35.8%	197	5.1%	3,829	100.0%
Haslingden	3,022	60.9%	115	2.3%	1,344	27.1%	484	9.7%	4,965	100.0%
Rawtenstall	3,745	69.2%	95	1.8%	1,184	21.9%	391	7.2%	5,416	100.0%
Waterfoot	2,872	59.7%	216	4.5%	1,403	29.2%	316	6.6%	4,806	100.0%
Bacup	3,582	54.5%	447	6.8%	1,954	29.7%	586	8.9%	6,569	100.0%
Whitworth	1,898	59.0%	172	5.4%	972	30.2%	172	5.4%	3,215	100.0%
Total	17,331	60.2%	1,094	3.8%	8,228	28.6%	2,146	7.5%	28,800	100.0%

Source: Rossendale Council household survey (2008)

Support needs households

Table A1.13 Location of support needs households by sub-area						
Ward	Support needs		Non-support needs		Total	
	No.	%	No.	%	No.	%
Helmshore and Edenfield	1,109	21.4%	4,068	78.6%	5,176	100.0%
Haslingden	1,062	20.0%	4,243	80.0%	5,305	100.0%
Rawtenstall	930	22.0%	3,295	78.0%	4,225	100.0%
Waterfoot	1,823	31.2%	4,029	68.8%	5,852	100.0%
Bacup	1,194	21.1%	4,463	78.9%	5,657	100.0%
Whitworth	1,804	32.6%	3,724	67.4%	5,528	100.0%
Total	1,706	28.2%	4,339	71.8%	6,045	100.0%

Source: Rossendale Council household survey (2008)

Appendix A2. Supporting information

Non-response and missing data

A2.1 Missing data is a feature of all housing surveys: mainly due to a respondent's refusal to answer a particular question (e.g. income). For all missing data in the survey imputation procedures were applied. In general, throughout the survey the level of missing data was minimal. The main exception to this was in relation to financial information, where there was an appreciable (although typical) level of non-response.

A2.2 Non-response can cause a number of problems:

- The sample size is effectively reduced so that applying the calculated weight will not give estimates for the whole population
- Variables which are derived from the combination of a number of responses each of which may be affected by item non-response (e.g. collecting both respondent and their partners income separately) may exhibit high levels of non-response
- If the amount of non-response substantially varies across sub-groups of the population this may lead to a bias of the results

A2.3 To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

A2.4 The specific method used was to divide the sample into sub-groups based on relevant characteristics and then 'Probability Match' where a value selected from those with a similar predicted value was imputed. The main sub-groups used were tenure, household size and age of respondent.

Weighting data

A2.5 The survey data was weighted to estimated profiles of households based on various secondary sources of information. The tables below show the final estimates of the number of households in each group (for seven different variables) along with the number of actual survey responses (data for tenure can be found in Chapter 2 and data for sub-areas can be found in Appendix A1). Although in some cases it is clear that the proportion of survey responses is close to the 'expected' situation there are others where it is clear that the weighting of data was necessary to ensure that the results as presented are reflective of the household population in Rossendale.

Table A2.1 Council tax band

Council tax band	Estimated households	% of households	Number of returns	% of returns
A	14,885	51.7%	628	44.7%
B	4,454	15.5%	231	16.4%
C	3,639	12.6%	184	13.1%
D	3,036	10.5%	185	13.2%
E	1,733	6.0%	114	8.1%
F or above	1,052	3.7%	63	4.5%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

Table A2.2 Accommodation type profile

Accommodation type	Estimated households	% of households	Number of returns	% of returns
Detached house/bungalow	5,253	18.2%	371	26.4%
Semi-detached house/bungalow	7,490	26.0%	349	24.8%
Terraced house/bungalow	13,020	45.2%	563	40.1%
Flat	3,037	10.5%	122	8.7%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

Table A2.3 Household type profile

Household type	Estimated households	% of households	Number of returns	% of returns
Single pensioner	4,100	14.2%	204	14.5%
2 or more pensioners	2,393	8.3%	159	11.3%
Single non-pensioner	4,954	17.2%	220	15.7%
Other households	17,353	60.3%	822	58.5%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

Table A2.4 Household size

Number of people in household	Estimated households	% of households	Number of returns	% of returns
One	9,054	31.4%	424	30.2%
Two	9,445	32.8%	555	39.5%
Three	4,596	16.0%	185	13.2%
Four	3,619	12.6%	165	11.7%
Five	1,383	4.8%	57	4.1%
Six or more	703	2.4%	19	1.4%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

Table A2.5 Car ownership				
Cars owned	Estimated households	% of households	Number of returns	% of returns
None	7,182	24.9%	248	17.7%
One	12,218	42.4%	637	45.3%
Two	7,684	26.7%	429	30.5%
Three or more	1,716	6.0%	91	6.5%
Total	28,800	100.0%	1,405	100.0%

Source: Rossendale Council household survey (2008)

Appendix A3. Survey questionnaire

