

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

---

**REPORT TO:** Housing Futures Working Group

11<sup>th</sup> December 2007

**AUTHOR/S:** Housing Strategy Manager

---

### **CURRENT HOUSING NEEDS AND THE SUPPLY OF AFFORDABLE HOUSING+**

#### **Purpose**

1. This report outlines key facts about the relationship between current housing need and the supply of affordable housing based on operational systems to supplement the research information from the Strategic Housing Market Assessment.

#### **Executive Summary**

2. The working group have already received a report about the future need for affordable housing based on the methodological approach recommended by the government. That report builds on the results from earlier Housing Needs Surveys and shows a continuing need for more affordable housing to deal with the current unmet backlog and likely emerging future needs.
3. Essentially, the main driver of this continuing need is the inability of many households to afford private rents or house prices even though they are in employment which would enable them to purchase in some less pressurised parts of the country. The report now being provided to the group supplements that analysis with information about currently identified needs to consider issues such as the sustainability of different locations and property types around the district. It also includes information on the supply of affordable housing to enable a comparison to be made between need and supply.
4. The available evidence based on real applicant choices rather than projected demand based on research suggests that in general the locations of existing affordable housing are fulfilling useful functions and should be sustainable in lettings terms for the foreseeable future.

#### **Background**

5. As part of its service to potential housing applicants South Cambridgeshire publishes annually a report on supply and demand factors, with information broken down to local village level. This enables applicants to understand the local picture and enables them to make informed decisions about their housing application. This type of information precedes the implementation of a Choice Based Lettings (CBL) scheme which will enable a similar informed decision making process at an individual property level.
6. This information can also be used to identify the likely sustainability of affordable housing since unpopular or difficult to let areas could potentially be highlighted. However, this has not been an issue in the local context except in the case of a limited number of older sheltered bedsits and redevelopment schemes have been agreed to address these in the recent past.

## Considerations

7. The following information is taken from the annual statistical return to the Communities and Local Government Department (CLG) and the annual lettings information leaflet. In some instances the last 3 years figures have been used to produce an average annual figure to smooth out any normal variation between years. For example the completion of a large development during one year could produce an abnormal number of lettings in that year which would not be repeated the following year. A 3 year average reduces the distortion caused by such one-off events.

### Rented properties

8. To provide a full picture this includes both local authority and housing association rented properties. As at April 2007 there were 7,469 properties which is (crudely) an average of 74 properties per village.

### Lettings

9. Obviously the overwhelming majority of these properties are occupied at any one time and the opportunity to rehouse a new tenant only occurs when a new property is built or an old one is vacated. Taking an average over 3 years this happens about 457 times per year. However, some of these are existing tenants transferring within the stock so the number of these lettings has to be subtracted to show the number of new tenants that can be housed in an average year. This is approx 340. Again, crudely, this equates to about 3 lets to new tenant per village per year.

### Applicants

10. As at April 2007 there were 4,661 households on the housing register, excluding transfer applicants. This equates to about 46 per village.

### The balance between supply and need

11. The crude village level averages aren't intended to have any explanatory value and neither do they describe any particular location but they do provide some context by demonstrating "orders of magnitude". At a basic level, taking a snapshot view, in a typical year there are 46 applicants "chasing" 3 lettings in each village.

### The balance between household sizes and property sizes

12. The following table compares the requirements of the households on the Housing Register (applicants only) in terms of number of bedrooms with the types of property becoming available for letting-both local authority and housing association nominations (3 year average)

**Table One**

	Bed Sit	One Bed	Two Bed	Three Bed	Four+ Bed
Lettings and Nominations	1%	29%	48%	20%	2%
Housing Register	32%		49%	16%	2%

13. There is a broad similarity between the proportions of households on the Housing Register requiring particular property sizes and the sizes of properties becoming available through new building or because existing tenants leave.

### Housing demand and location

14. Although the need for affordable housing clearly exceeds the available supply it is worth investigating whether or not there are any areas where there is a specifically

local issue of lack of demand threatening future sustainability. This is more straightforward in South Cambridgeshire compared to many other areas because of the high degree of choice (down to village level) offered to housing applicants.

15. Firstly, are applicants exercising choice in the face of limited supply? It could be the case that because many households are so desperate to be rehoused that they would accept any property in any area. However, in practice this does not happen. Whether this is because of practical considerations (eg travel to work etc) or because of other preferences is beyond the scope of the available data. If households were prepared to accept almost anywhere then we would expect the numbers choosing any one village to be near the total number on the housing register of 4,661 because applicants can express a preference for as many villages as they are prepared to accept. In practice, applicants are much more selective and only 5 locations attract more than 1,000 applicants with the highest number being 1,180.
16. Secondly, given the expressed demand, are existing locations sustainable? At the other end of the scale only two locations attract less than treble figures and neither of these locations has any local authority housing at all. Therefore, all the other 90+ villages have applicant waiting lists into triple figures even where households are expressing their preferences for specific locations. The average number of applicants for individual villages is 549.
17. All locations therefore have applicants wanting to live there who greatly exceed the number of potential lettings and should be considered to be sustainable locations for the future.
18. The available evidence based on real applicant choices rather than projected demand based on research suggests that in general the locations of existing affordable housing are fulfilling useful functions and should be sustainable in lettings terms for the foreseeable future.
19. Overall, the evidence from the up to date information about the demand for, and supply of, affordable housing, suggests that the current affordable housing in the district is sustainable long term and falls short of the amount that is needed to help applicants on the Housing Register.

**Consultations**

20. None

**Effect on Project Objectives**

21. Investment needs of the housing and the resources available to meet those needs	There is evidence of current and sustained demand for all types and sizes of council housing within South Cambridgeshire. It is important therefore that a sustainable future can be identified for council housing in order that it can contribute to meeting this demand along with new supply through housing associations and other affordable housing providers.
The viability of the Housing Revenue Account	There will be strong competition for capital resources to deliver more affordable housing and therefore there it will be difficult to find capital to support projects that could ease the pressure on the HRA.

Tenants' views on the current housing service and their priorities	
Sustainable Community Strategy (SCS) and LAA implications	The future role of existing council housing in meeting housing needs will impact on the delivery of SCS objectives and priorities. The standard of the homes and the amenities provided, including disabled adaptations and services offered to prospective as well as existing tenants will have implications for the quality of life and provision of linked services eg health, social care.
Staff are well informed and involved in the Housing Futures process	
A sound and robust evaluation based on the above objectives, and relevant government guidance	In accordance with the guidance the an analysis of applications for affordable housing as provided through the Housing Register confirms that there is both a current and likely future demand for all types pf properties in all areas of the district. However, the level of demand may in future be affected by the ability to adapt those homes to meet changing modern day requirements and the options evaluation will need to have regard to future as well as the current demands of those in housing need.

### Effect on the Council's Annual Priorities and Corporate Objectives

22.	<table border="1"> <tr> <td>Affordable Homes</td> <td rowspan="7">Affordable housing is a Corporate Priority for the foreseeable future and contributes to the quality of life in a wide range of locations in the district. The most important partners who contribute to developing more affordable housing are local housing associations</td> </tr> <tr> <td>Customer Service</td> </tr> <tr> <td>Northstowe and other growth areas</td> </tr> <tr> <td>Quality, Accessible Services</td> </tr> <tr> <td>Village Life</td> </tr> <tr> <td>Sustainability</td> </tr> <tr> <td>Partnership</td> </tr> </table>	Affordable Homes	Affordable housing is a Corporate Priority for the foreseeable future and contributes to the quality of life in a wide range of locations in the district. The most important partners who contribute to developing more affordable housing are local housing associations	Customer Service	Northstowe and other growth areas	Quality, Accessible Services	Village Life	Sustainability	Partnership
Affordable Homes	Affordable housing is a Corporate Priority for the foreseeable future and contributes to the quality of life in a wide range of locations in the district. The most important partners who contribute to developing more affordable housing are local housing associations								
Customer Service									
Northstowe and other growth areas									
Quality, Accessible Services									
Village Life									
Sustainability									
Partnership									

### Actions Required

23. To note the information in the report on current demand for affordable housing in South Cambridgeshire.

**Background Papers:** the following background papers were used in the preparation of this report:

Information leaflet for Applicants-available at  
<http://www.scambs.gov.uk/Housing/CouncilHousing/ApplyingforCouncilHousing/Villageleaflets.htm>

**Contact Officer:** Mike Knight – Housing Strategy Manager  
Telephone: (01954) 713377