

Report to:

**Wyre Borough
Council**

**Housing Needs
Assessment**

Final Report

May 2024

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Summary

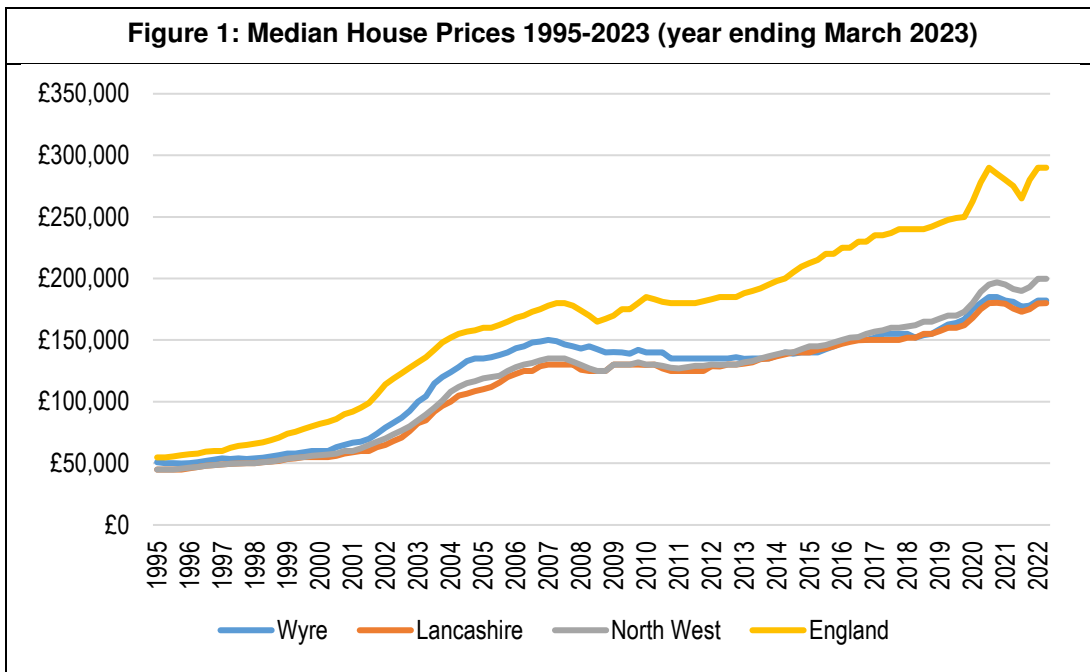
Background

1. This report provides a new Housing Needs Assessment (HNA) for Wyre Borough Council. The report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
2. The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
3. The report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – Older and Disabled People; and
 - Section 7 – Other Groups.

Area Profile

4. Analysis was carried out to provide background information about population and housing in Wyre. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)
5. As of mid-2022, the population of Wyre is estimated to be 114,800 and since 2012 the Borough's population has grown by around 7% which is a similar rate of growth as across the North West and nationally.
6. The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions of older people. Over the past decade, the Borough has seen an ageing of the population, with the number of people aged 65 and over increasing by 17%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).

7. Population growth in the Borough is largely driven by internal migration – moves from one part of the UK to another, although the last year for which data is available (2021-22) also points to a positive level of international migration. Natural change has been negative since at least 2011 (i.e. more deaths than births).
8. ONS dwelling stock data indicates there were 54,900 dwellings in the Borough as of 2022, a net increase of 4,600 dwellings between 2012 and 2022. As with population growth, rates of change in dwelling numbers have been similar to the levels seen nationally (and in this case slightly above the North West average).
9. Some 74% of all households in the Borough are owner-occupiers, higher than the national average of 62% (and higher than the North West average), consequently the proportion of households living in the social rented (8%) and to a lesser extent private rented (18%) sectors is lower than seen in other locations.
10. The housing stock is dominated by detached and semi-detached homes, making up 30% and 40% of all dwellings respectively (nationally only 23% of homes are detached and 32% semi-detached). The stock overall is of a slightly larger average size in terms of the number of bedrooms (when compared nationally). The Borough does see relatively high levels of under-occupancy and low levels of overcrowding – 1.3% of households are overcrowded compared to 4.4% nationally.
11. In the year to March 2023 the median house price in Wyre was around £182,000. This is slightly below the median house price for the North West, and is 37% below the national average. Prices have also been increasing significantly, rising by 35% (£47,000) over the decade to March 2023 – this level of house price change is however notably lower than seen in other areas, particularly nationally.



Source: ONS Small Area House Price Statistics

12. In line with house prices, the Borough typically sees lower private rental costs than across the North West and significantly lower in a national context – the median private rent for a 2-bedroom home standing at £625 per month in the year to March 2023. Rents overall are around 24% below the national average (compared with 37% when looking at median house prices). Over the past five years rents have increased by around 11%, slightly lower than the increase in house prices over the same period (17%).
13. In contrast with national trends, affordability in the Borough has improved with the workplace based median affordability ratio in Wyre standing at 6.18 in 2022 (10-years previously it stood at 6.39) – this is based on the ratio between median house prices and full-time earnings.
14. The analysis also looked at how key data varied across different parts of the Borough. There are clearly significant differences between areas with Fleetwood standing out as having a younger population, higher proportions of social rented housing, lower house prices and higher levels of overcrowding. More rural areas in contrast look to be relatively affluent.

Overall Housing Need

15. The HNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 275 dwellings per annum. This is based on household growth of 242 per annum and an uplift for affordability of 14%. Since this report was drafted, ONS (in March 2024) released new affordability ratio data (for 2023) – this now puts the Standard Method need at 280 dwellings per annum. This is not considered to be a significant difference (from the 275) and the report has continued to use the 275 dwellings per annum figure for further analysis (such as looking at the implications for demographic change).
16. The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the latest NPPF of December 2023 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances.
17. Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Wyre, the revision were very minor and unlikely to have any notable impact on the projections.
18. The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources (trends in Wyre generally being higher than previously projected) it is considered that differences are not so great as to be considered 'exceptional'.
19. Data about household growth from the Census also showed a similar pattern when compared to the 2014-based projections (recent household growth having been higher than projected) although again it is not considered that differences are 'exceptional'.

20. The conclusions on 'exceptional' in part also take account of housing delivery, which has been particularly strong over the past few years (which can generate opportunities for people to move into the area). It is considered that the upturn in delivery will to a considerable degree be due to the Council adopting a Local Plan (main plan adopted in 2018 with a partial review in 2021). On this basis the higher demographic growth should not be seen as exceptional.
21. Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Wyre (noting the premise of the method itself has not been challenged in this report). On that basis a bespoke demographic projection was developed to look at how the population might change if 275 homes per annum were delivered over the 2022-40 period. This showed continued population growth and an ageing of the population.

**Figure 2: Projected population change 2022 to 2040 by broad age bands – Wyre
(linked to delivery of 275 dwellings per annum)**

	2022	2040	Change in population	% change from 2022
Under 16	17,879	16,568	-1,311	-7.3%
16-64	64,800	61,952	-2,848	-4.4%
65 and over	32,130	41,454	9,324	29.0%
Total	114,809	119,973	5,164	4.5%

Source: Demographic Projections

Affordable Housing Need

22. Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
23. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
24. When looking at needs from households unable to buy OR rent, the analysis suggests a need for 284 affordable homes per annum across the Borough, with a need shown in all sub-areas.

Figure 3: Estimated level of Affordable Housing Need (households unable to buy or rent) by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Fleetwood	14	80	20	115	60	55
Thornton-Cleveleys	14	82	21	118	18	100
Poulton	7	41	9	57	12	45
Over Wyre	6	29	6	41	9	32
Rural South	2	11	1	14	3	11
A6 Corridor	6	36	6	47	12	35
Wyresdale	2	6	1	9	1	7
TOTAL	50	285	65	400	116	284

Source: Affordable Housing Need analysis (see Section 4)

25. Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
26. The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
27. When looking at AHO products, the analysis is inconclusive about the scale of the need, although the evidence does suggest there are some households in Wyre who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
28. The study also considers different types of AHO (notably discounted market housing (including First Homes) and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
29. Given the cost of housing locally, it may be difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’ – particularly in the case of discounted market housing such as First Homes. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.

30. In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).

Housing Mix

31. Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Wyre is fairly low with around 23% of all households containing dependent children in 2021 (compared with around 28-29% regionally and nationally). There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
32. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
33. In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For general need rented affordable housing there is a clear need for a range of different sizes of homes, including 45% to have at least 3-bedrooms. Our recommended mix is set out below:

Figure 4: Suggested size mix of housing by tenure – Wyre				
	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	20%	20%	50%
2-bedrooms	45%	55%	35%	50%
3-bedrooms	40%	20%	35%	
4+-bedrooms	10%	5%	10%	

Source: Housing Mix analysis (see Section 5)

34. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

35. The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making AHO genuinely affordable (i.e. to be sold at a price lower than housing generally available in the existing open market).
36. Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
37. Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

Older and Disabled People

38. A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
39. The data shows that Wyre has a significantly older age structure and higher levels of disability when compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (79% of all older person households are outright owners).

40. The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2022-40 period include:
- a 29% increase in the population aged 65+ (potentially accounting for over 100% of total population growth – i.e. the population aged under 65 is projected to decline slightly);
 - an 43% increase in the number of people aged 65+ with dementia and 37% increase in those aged 65+ with mobility problems;
 - a need for around 1,800 housing units with support (sheltered/retirement housing) – around two-thirds in the affordable sector;
 - a need for around 900 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around three-fifths market);
 - a need for additional nursing and residential care bedspaces; and
 - a need for 700 dwellings to be for wheelchair users (meeting technical standard M4(3)).
41. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
42. Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
43. In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

Other Groups

Private Rented Sector

44. The private rented sector (PRS) accounts for around 18% of all households in Wyre (as of 2021) – a very slightly lower proportion than seen across Lancashire, the North West and nationally (21%). The number of households in this sector has however grown substantially (increasing by 44% in the 2011-21 period).

45. The PRS has some distinct characteristics, including a younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 44% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit/Universal Credit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing related benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained above typical pre-pandemic levels – this group will be generating a need for social/affordable rented housing.
46. There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
47. This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

48. The Council are required to permit the level of custom and self-build plots per annum identified within their register within three years of the end of each base period. The level of interest should however be monitored and responded to. Since the introduction of the self and custom build register, there has been an annual average of 3 registered expressions of interest in a serviced plot of land in Wyre. Over the same period there has been an average supply of 31 permissions for custom and self-build housing. This would suggest a minimal policy response to the identified need. As a general principle, the Council could support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Looked after Children

49. There is a numerical oversupply of children's care homes compared to the number of children from Wyre in need. However, the Borough needs to improve the availability of its capacity to local children and its capacity to deal with those with more complex needs. The population projections linked to the Borough's housing need show a notable decrease in those aged under 18 between 2022 and 2040. From this perspective, there is likely to be very little if any need for additional placements of general children's homes to meet local need.

Students

50. There are no higher education facilities in the borough although the Nautical College and Myerscough College do offer some higher education courses. Engagement with Myerscough suggested that due to the College's remote location they offer residential accommodation to all that need it. As a result there is minimal impact on the wider housing market. The College plans to expand courses and apprenticeships but there is available space in the existing accommodation to manage additional students. The College also has planning permission for two additional halls but the need to implement those plans has not yet arisen.

Service Personnel

51. There are no military establishments in Wyre and the most recent Ministry of Defence (MOD) statistics suggest that there are 10 military and 10 civilian MOD personnel stationed in the borough although this is a substantial reduction from previous years. This suggests that there is no need to develop a specific policy addressing their need.

1. Background

Introduction

- 1.1 This report provides a Housing Needs Assessment (HNA) for Wyre Borough Council. The report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people. The Council require this evidence to provide an updated position for the local authority area whilst contributing to a robust evidence base for the purposes of the plan-making process.
- 1.2 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.

National Policy Context

- 1.3 The sub-sections below set out an overview of the key national planning policy and guidance in relation to housing need.

National Planning Policy Framework (NPPF) – December 2023

- 1.4 The latest version of the NPPF was published by Government in December 2023. Paragraph 7 of the NPPF states that the purpose of planning is to contribute to the achievement of sustainable development. It sets out that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.
- 1.5 The development plan must include strategic policies to address Council's priorities for the development and use of land in its area. Paragraph 11 notes that plans should apply a presumption in favour of sustainable development and for plan-making, this means that the plan should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses,.
- 1.6 Paragraph 11 also notes that "strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring area, unless...the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area."
- 1.7 In order to support the Government's objective of significantly boosting the supply of homes, Paragraph 60 in the NPPF states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

- 1.8 Paragraph 61 sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance although this only provides an advisory starting point. It notes there may be exceptional circumstances which justify an alternative approach and any approach would need to reflect current and future demographic trends and market signals.
- 1.9 Paragraph 63 goes on to set out that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people (including those who require retirement housing, housing-with care and care homes), students, people with disabilities, service families; travellers; people who rent their homes and people wishing to commission or build their own homes.
- 1.10 Paragraphs 64 – 66 address affordable housing provision. They set out that where an affordable housing need is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless off-site provision or a financial contribution in lieu can be robustly justified, or the agreed approach contributes to the objectives of creating mixed and balanced communities.

Planning Practice Guidance

- 1.11 Government's Planning Practice Guidance (PPG) includes several sections which are relevant to the assessment of housing need and at the time of writing had last been updated in December 2020. Guidance on Housing and economic needs assessments explains that housing need is "an unconstrained assessment of the number of homes needed in an area" and should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.
- 1.12 The PPG explains that policy-making authorities are expected to follow the Standard Method for assessing housing need and that the method is designed to identify the minimum number of homes expected to be planned for, addressing both projected household growth and historical under-supply.
- 1.13 The guidance does however note that the use of the standard method for strategic policy making purposes is not mandatory but that alternative methods should only be used in exceptional circumstances and will be tested at examination. Where an authority uses an approach leading to a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. The PPG also notes that any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.
- 1.14 The current guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be used. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. On their own these would not currently constitute exceptional circumstances.

- 1.15 For clarity, the following are the main Planning Practice Guides that have been used to inform the analysis within this report:
- Housing and economic needs assessment (December 2020)
 - Housing needs of different groups (May 2021)
 - Housing for older and disabled people (June 2019)
 - Housing: optional technical standards (March 2015)
- 1.16 The housing needs of different groups PPG includes some important text in terms of understanding the relationship between overall need (as calculated through the Standard Method) and the needs of specific groups. Paragraph 67-001 of this PPG states:
- 'The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.*
- This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.'*
- 1.17 Essentially what this is saying is that needs for specific groups (such as the need for affordable housing or older person needs) are part of the Standard Method housing need and should not be seen as in addition to this need – even where figures are high.

Qualitative research

- 1.18 Whilst much of the project is based on analysis of a wide range of data sources covering a number of topics an initial stage of the project sought to speak to key players in the housing market to help provide some context for the analysis to follow. Below is a summary of these discussions and initial impressions of the Borough.

Introduction

- 1.19 We visited the main settlements in the Borough to obtain context to the study and undertake face to face interviews with estate and letting agents. Detailed visits included Garstang, Knott End, Preesall, Hambleton, Poulton-le-Fylde Thornton Cleveleys and Fleetwood. This was facilitated by the road network particularly the A6, A588, A586, A585, and A584.
- 1.20 Rail public transport connects Poulton-le-Fylde to Blackpool to the west and Kirkham to the east to Preston with connections to the West Coast Main Line. Modern Blackpool tram connections run north/south between Blackpool and Fleetwood. A small passenger ferry connects Knott End with the Fleetwood peninsular.

Overview of the Borough

- 1.21 The A6/M6 roads facilitate commuting to Lancaster to the north and Preston to the south. To the east Poulton-le-Fylde, Thornton, Cleveleys and Fleetwood form a conurbation with town centres having a distinctive character. The conurbation includes the town of Blackpool to the south. With the exception of parts of and the approach to Fleetwood, the conurbation is largely residential with businesses that typically service the needs of the population. The administrative centre for Wyre Council is at Poulton-le-Fylde. The central area of the Borough is mostly sparsely populated and agricultural with rural settlements. To the east, Garstang is a market town serving the surrounding rural areas.
- 1.22 On our visit we noted the large and growing number of park homes and lodges. The park homes were a mix of residential and seasonal accommodation for the holiday market. Housing development was mostly apparent around the A6 corridor whether within Wyre or neighbouring Preston Borough, and Poulton-le-Fylde. We sought to interview with on-site sales agents but most sites only operated their sales centres at weekends.

Consultation with Estate and Letting Agents

- 1.23 Interviews with agents covered the topics of gaps in supply, in-migration, investors. Five agents were interviewed. The following commentary reflects the opinions of the Estate and Letting agents.
- 1.24 At Garstang, agents reported high levels of transactions for sale or rent from incomers. The combination of interest from incomers, the rural character of Garstang area combined with a high proportion of listed buildings mean that prices are relatively high. They remain high also because of low levels of supply. The agent told us that when residents come to the area they tend to stay. They also complained about infrastructure and services that were overstretched. They highlighted the pressure that health, dental and primary school capacity as being a major problem. They also told us the road infrastructure was inadequate in summer as the distinctive high street attracted day visitors.
- 1.25 The agent at Knott End and Preesall, due to there being no direct vehicular access to Fleetwood and the wider urban peninsular, told us that the quiet and rural environment attracted retired people. However, we were told that house prices were below average for the Borough and the area was poorly served by public transport. Low house prices continue to attract investors particularly if dwellings were low value due to the need for renovation due to the aging of their occupants. The area has many park home sites. The agent was knowledgeable on this topic. She explained that customers would sell traditional housing to release capital and enjoy a small, manageable, well-equipped park? home in a community setting, whilst acknowledging that selling can prove difficult and expensive as the plot is leased.

- 1.26 We found Fleetwood to be an interesting place. Its housing offer is complex due to its history. Its previous role as a major fishing port with associated processing plant was sustained by the Victorian rail network and a supply of small, terraced houses for its labour force. We note that the residential area around the town centre leading to the docks was planned. However, this part of the town has not suffered from the impact of a declining industry as some places we have visited. Agents explained that this is because the area houses a tightly knit community with housing transactions involving mostly local people. This area has a large private rented sector, but landlords are realistic about the local economy and will accept those that depend upon state benefits for some or all of their income. The area also provides some limited rented student accommodation for those attending the Fleetwood Nautical college. Our focus was not just on this small area. To the east of the peninsular, small hotels and guest houses are present and within easy reach of the beach. Some were closed but allowance must be made for the fact that our visit occurred in January.
- 1.27 Cleveleys has a role as a seaside town with a high street that caters for visitors as well as permanent residents. There is a large residential offer and a particularly high proportion of bungalows. The agent explained that a high proportion of bungalows were occupied by younger people. They attracted economically active single parents and investors. Landlords will let to households dependent on state benefits. The sales and rental market attracts incomers – as high as 40% of all transactions.
- 1.28 The agent at Thornton also spoke of a high proportion of bungalows in the housing stock. The agent told us that the area did not have a holiday offer, but did attract a high proportion of incomers. The proximity to Blackpool Victoria Hospital makes the area attractive to NHS staff. A further factor was that sale and rental prices were not as high as those of Poulton-le-Fylde.
- 1.29 Poulton-le-Fylde is a distinctive market town and residential area. It hosts a busy Booths food store, located in close proximity to the high street. The high street has many niche independent businesses and coffee shops. McCarthy and Stone offer leasehold retirement living near to the town centre. As previously mentioned, there is a railway station. There are several new build housing sites under construction. Agents told us that prices were the highest in the Borough and the town attracted professionals as well as retirees with significant income and capital.
- 1.30 Overall, there is a clear hierarchy of towns within Wyre Borough that enables the area to offer housing at many price points. Agents told us that there is a clear preference for living in Wyre rather than Blackpool.

Council's Housing Team

- 1.31 We also consulted with the Council's Housing Team asking questions on a series of topics. On the demand for affordable housing, it was highlighted a high need and an increase in the length of stays in interim/temporary accommodation. It was highlighted there is a strong need for housing across all areas, although some pockets of lower demand in 'very' urban locations. There is a lengthy waiting list which is considered to be potentially deterring some applicants from joining the Housing Register. There is a common housing register across the three Fylde coast authorities (Blackpool, Wyre and Fylde) although our questioning sought to focus on Wyre where possible.

- 1.32 On specific demand for different types and locations of homes it was noted that demand covers all sized properties and the main areas sought are in order of Fleetwood, Thornton Cleveleys, Poulton-le-Fylde and rural. There is demand for large family homes and any ground floor stock. It was also commented that Local Housing Allowance (LHA) rates do not meet the private sector housing rent and therefore the demand for social housing is high.

Registered Providers

- 1.33 A questionnaire for local registered providers was devised and approved by the council. It consisted of 6 questions. These questions were designed to obtain registered provider views on the effectiveness of local strategies and processes for the delivery and management of affordable housing across the borough. Two full responses to the questionnaire were received and answers to our questions are summarised anonymously as follows.

Demand for and supply of social and affordable rented housing

- 1.34 Respondents considered that there was significant demand for family homes (2, 3 and 4-bedroom) and less demand for flats that have an internal communal space. Some 1-bedroom flats are difficult to let in Fleetwood. They considered that new build homes were harder to let where local connection restrictions were in place particularly at parish level or if older people are prioritised for vacancies.
- 1.35 It was considered that there was a gap in supply of bungalows with level access throughout the property to cater for customers with mobility needs. There is also a need for 4-bedroom houses.

Management and regeneration

- 1.36 Respondents reported no current regeneration to their housing stock was underway. One registered provider considered that some regeneration would be required over the next 5-years to a small part of their housing stock.

Affordable housing units have been and are expected to come on stream via S106 agreements

- 1.37 Respondents indicated that they were aware of the council's priorities in terms of tenure and bedroom mix for new build housing. They did not disagree that the council's preferences were appropriate. One registered provider reported that on some schemes there were issues with the proportion of future lettings subject to nomination rights. There were also concerns about the mix of social and affordable rented housing and affordable home ownership.

Commissioning arrangements for housing for people with special needs.

- 1.38 Respondents reported no plans to provide housing for people with special needs but indicated their willingness to discuss specific requirement with the council.

Do you consider that there is sufficient evidence of need for affordable home ownership (AHO)?

- 1.39 Respondents considered that they had to research need for AHO as there was no information from the council. External market research reports were mainly relied upon.

My Home Choice Fylde Coast

1.40 Respondents agreed that this was mostly an efficient process for letting vacancies.

Structure of this Report

1.41 This report sets out a number of either linked or distinct sections; these are summarised below with a brief description:

- Section 2 – Area Profile – Provides background analysis including looking at demographic trends, house prices and house price changes;
- Section 3 – Overall Housing Need – Uses the Standard Method to calculate housing need and also develops a population and household projection linking to the assessed housing need;
- Section 4 – Affordable Housing Need – Updates previous analysis about the need for affordable housing and builds on this by considering changes in the NPPF since the previous assessment and more recent Government announcements;
- Section 5 – Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures;
- Section 6 – The Needs of Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
- Section 7 – Other Groups – Provides information about a number of other groups, including the demand for and supply of custom- and self-build housing plots and needs for accommodation for looked after children.

Rounding

1.42 It should be noted that the numbers included in tables and figures throughout the report may not sum exactly due to rounding.

Background: Key Messages

- This report provides a new Housing Needs Assessment (HNA) for Wyre Borough Council. The report focusses on overall housing need using the Standard Method as well as looking at affordable housing in the context of changing Government policy (including in relation to First Homes) and the needs of specific groups such as older people.
- The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available demographic data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
- The report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Area Profile;
 - Section 3 – Overall Housing Need;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Housing Mix;
 - Section 6 – Older and Disabled People; and
 - Section 7 – Other Groups.

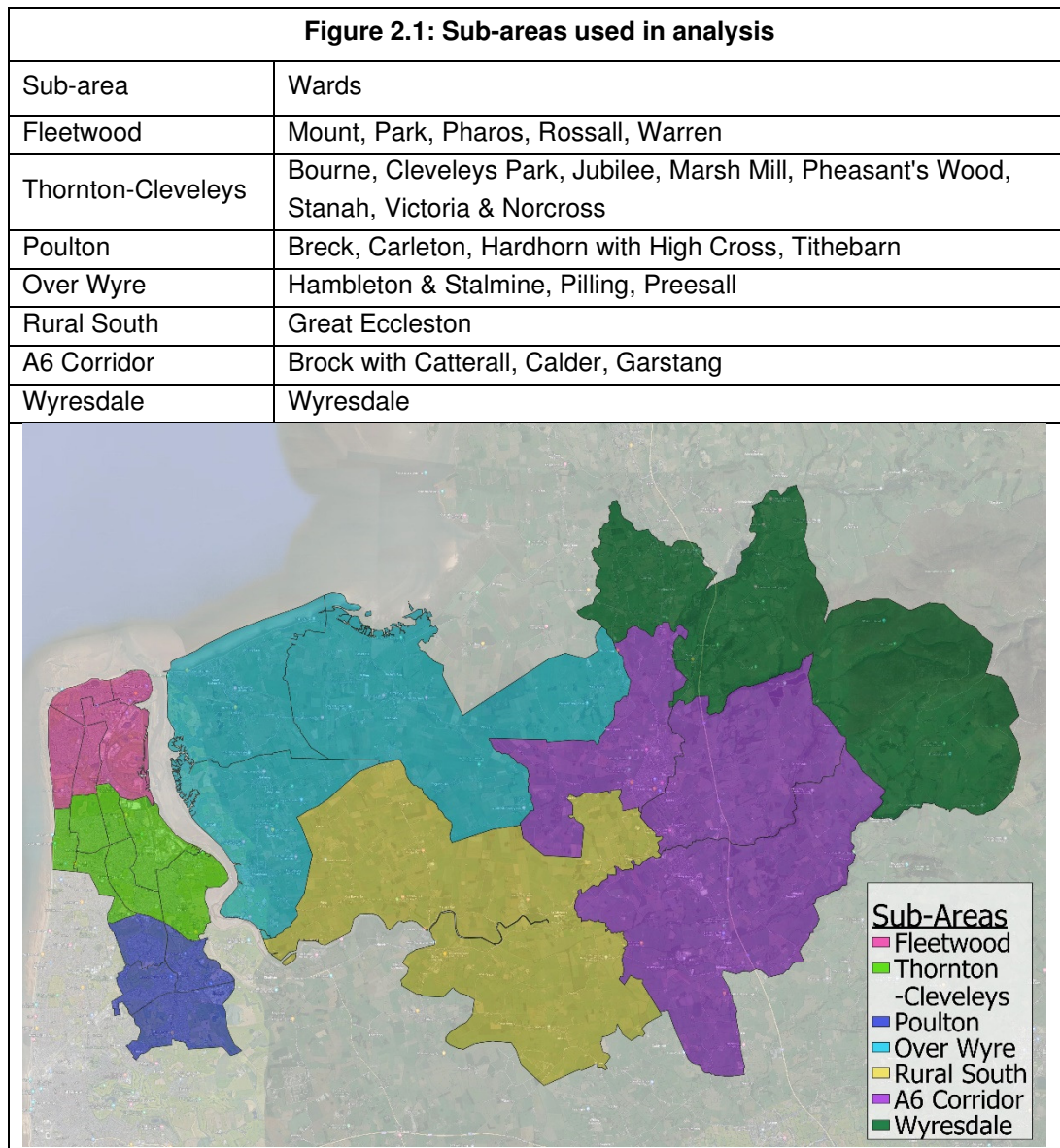
2. Area Profile

Introduction

2.1 This section provides some background analysis about population and housing in Wyre, with data also provided for a number of sub-areas. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:

- Demographic baseline (including data on population age structure and changes)
- Housing stock (including type and tenure)
- Housing market (including data on house prices)

2.2 The sub-areas used in analysis have been based on groups of wards with the table and map below showing the definition used.



Population

- 2.3 As of mid-2022, the population of Wyre is estimated to be 114,800 this is a growth of around 7,300 people over the previous decade. This equates to a growth of around 7% since 2011 which is a similar rate of growth to that seen nationally and across the County, and slightly higher than the equivalent figure for the North west region.

	2012	2022	Change	% change
Wyre	107,466	114,809	7,343	6.8%
Lancashire	1,174,321	1,253,154	78,833	6.7%
North West	7,079,344	7,516,113	436,769	6.2%
England	53,506,812	57,106,398	3,599,586	6.7%

Source: Mid-year population estimates

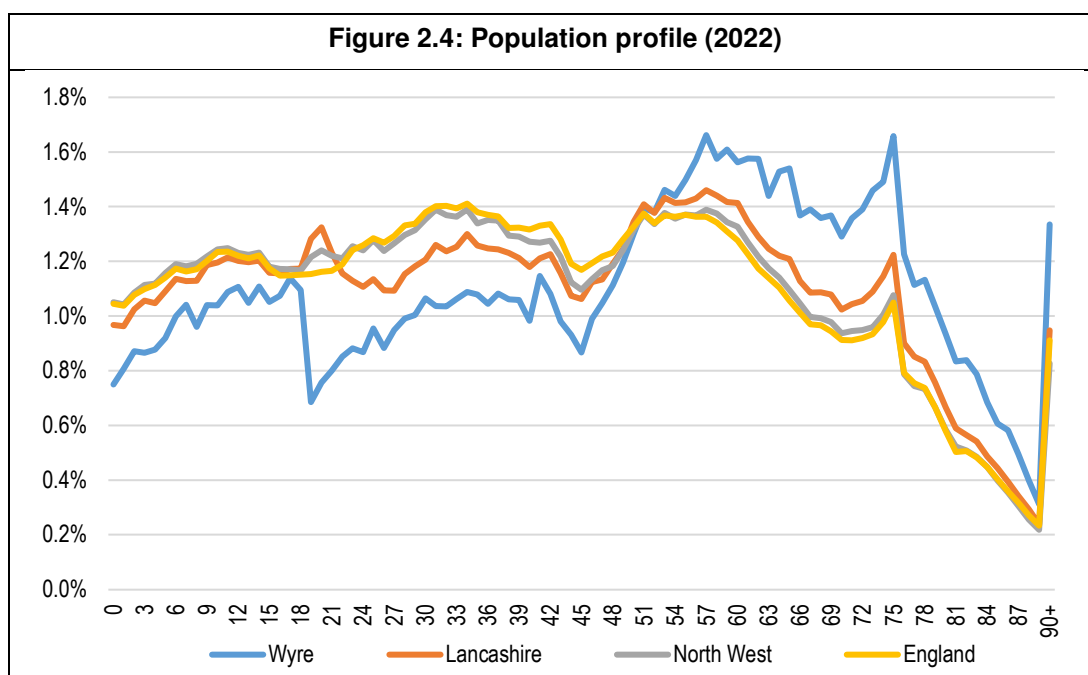
- 2.4 The table below shows the population in each of the sub-areas – this is based on the 2021 Census and so totals differ from those above (which are mid-year estimates for 2022). The analysis shows the largest sub-areas to be Thornton-Cleveleys with a population of 32,700 (29% of the total) – on 2% of the population live in Wyresdale (the smallest area). It can be noted that the Census population total (111,900) is somewhat lower than the mid-2022 estimate shown above – this is mainly due to ONS estimating further population growth in the 2021-22 period (which is discussed further below) although figures will also be affected by the Census having been undertaken in March and is therefore does not provide a mid-year figure.

	Estimated population	% of population
Fleetwood	26,226	23.4%
Thornton-Cleveleys	32,740	29.2%
Poulton	19,332	17.3%
Over Wyre	12,925	11.5%
Rural South	4,365	3.9%
A6 Corridor	14,019	12.5%
Wyresdale	2,335	2.1%
TOTAL	111,942	100.0%

Source: Census (2021)

Age Structure

- 2.5 The figure below shows the age structure by single year of age (compared with a range of other areas). From this it is clear that Wyre has fewer people aged in their late teens and early 20s which will be linked to people moving away for higher education. The data also points to a higher proportion of people aged around 55 and over.



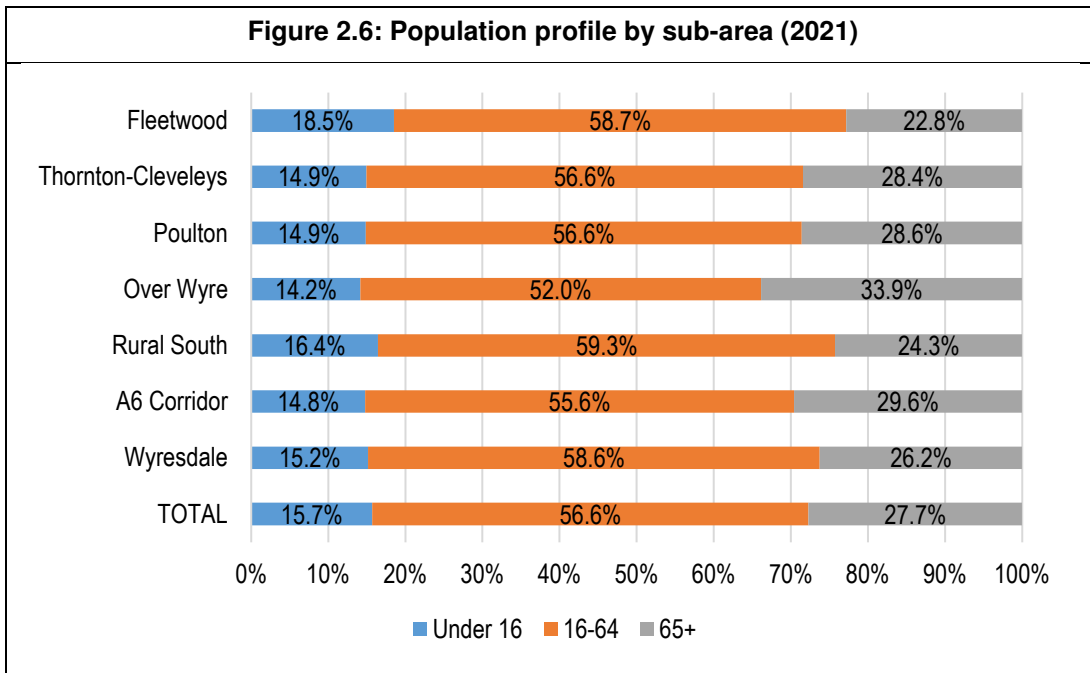
- 2.6 The analysis below summarises the above information (including total population numbers for Wyre) by assigning population to three broad age groups (which can generally be described as a) children, b) working age and c) pensionable age). This analysis highlights the significantly higher proportion of people aged 65 and over, and a lower proportion of children (aged under 16) and those aged 16-64 when compared with other locations.

Figure 2.5: Population profile (2022) – summary age bands

	Wyre		Lancashire	North West	England
	Population	% of population	% of population	% of population	% of population
Under 16	17,879	15.6%	17.9%	18.7%	18.5%
16-64	64,800	56.4%	61.1%	62.5%	62.9%
65+	32,130	28.0%	21.0%	18.8%	18.6%
All Ages	114,809	100.0%	100.0%	100.0%	100.0%

Source: Mid-year population estimates

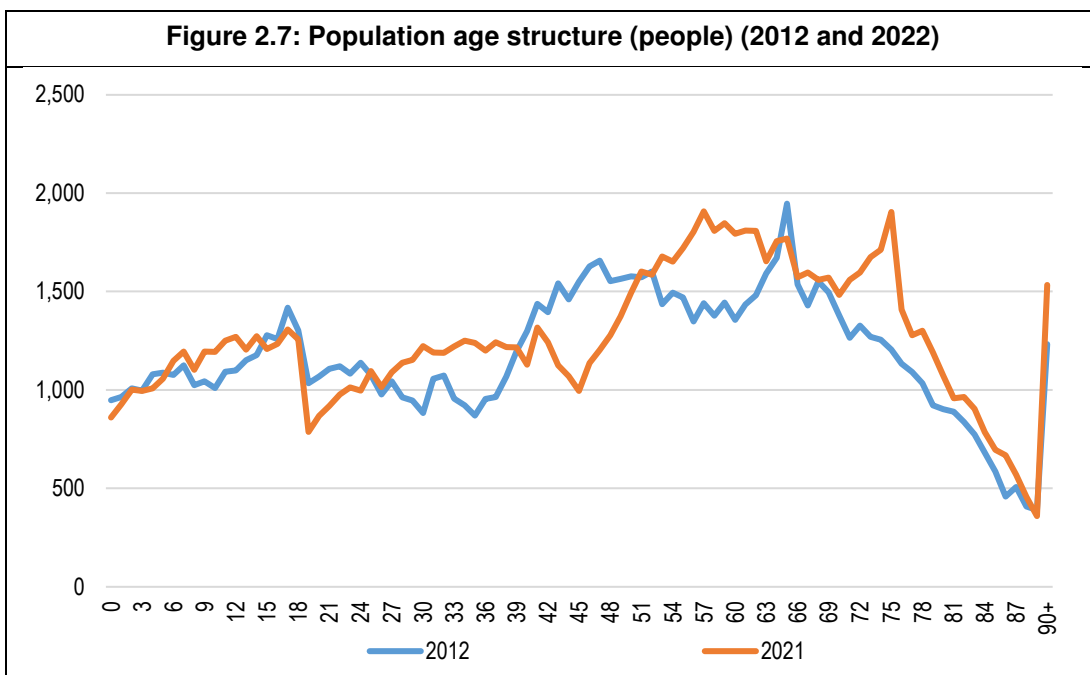
- 2.7 The figure below shows the population profile by sub-area (from the 2021 Census). This shows some notable differences between locations – particularly with regard to the proportion of the population aged 65 and over – this ranges from 23% in Fleetwood up to 34% in Over Wyre. Fleetwood sees the highest proportion of children, with the Rural South having the highest proportion of the population aged 16-64.



Source: Census (2021)

Age Structure Changes

2.8 The figure below shows how the age structure of the population has changed in the 10-year period from 2012 to 2022 – the data used is based on population so will also reflect the increase seen in this period. There have been some changes in the age structure, including increases in the population in their 50s; the number of people aged 65 and over also looks to have increased notably. Where there are differences, it is often due to cohort effects (i.e. smaller or larger cohorts of the population getting older over time).



Source: Mid-year population estimates (2022)

- 2.9 The information above is summarised into three broad age bands to ease comparison. The table below shows an increase of 3% in the 16–64 age group and a much larger increase of 17% in the 65+ age group. The population aged 65 and over accounts for 63% of all population change over this period.

Figure 2.8: Change in population by broad age group (2012-22) – Wyre				
	2012	2022	Change	% change
Under 16	17,151	17,879	728	4.2%
16-64	62,825	64,800	1,975	3.1%
65+	27,490	32,130	4,640	16.9%
TOTAL	107,466	114,809	7,343	6.8%

Source: Mid-year population estimates

Components of Population Change

- 2.10 The table below consider the drivers of population change from 2011 to 2022. The main components of change are natural change (births minus deaths) and net migration (internal/domestic and international).
- 2.11 There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated (this is only calculated for the 2011-21 period). There are also 'other changes', which for Wyre are relatively low – these changes are often related to armed forces personnel or boarding school pupils.
- 2.12 The data shows natural change to generally be dropping over time – there are significantly more deaths than births in the Borough and migration is variable, and generally on an upward trend – it is clear that migration, and particularly internal (domestic) migration is the main driver of population growth in the Borough.
- 2.13 The analysis also shows (for the 2011-21) period a notable negative level of UPC (totalling around 2,000 people over the 10-year period), this suggests when the 2021 Census was published ONS had previously over-estimated population change. This is an important point to note as ONS typically uses figures with no adjustments for UPC in their projections.
- 2.14 Overall the data shows a continuing trend of strong population growth throughout the period studied and in particular the last two-years – this is likely to be partly related to housing completion levels in the Borough (discussed later in this section).

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2011/12	-531	559	-17	10	-247	-226
2012/13	-444	685	-8	17	-219	31
2013/14	-475	938	36	17	-248	268
2014/15	-414	1,306	7	22	-225	696
2015/16	-503	835	-2	24	-241	113
2016/17	-501	861	-14	-7	-206	133
2017/18	-657	1,152	-14	14	-183	312
2018/19	-643	1,393	-49	-9	-167	525
2019/20	-781	1,844	-65	3	-136	865
2020/21	-810	2,989	-28	22	-148	2,025
2021/22	-791	2,924	237	5	0	2,375

Source: ONS

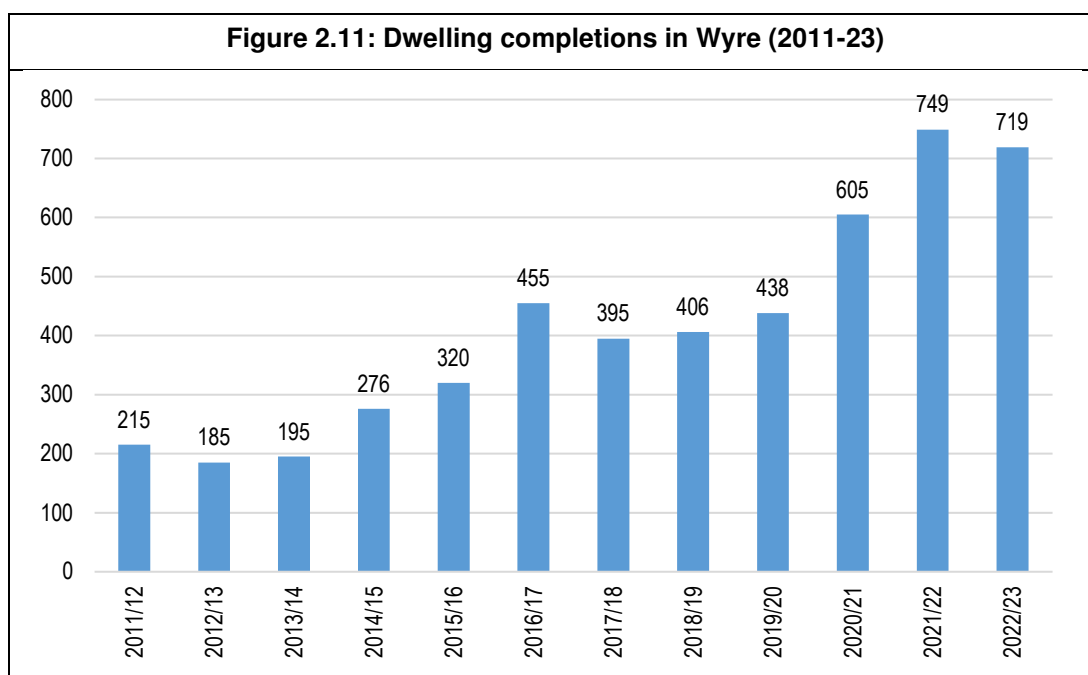
Housing Stock

- 2.15 As of 2022 there were 54,900 dwellings in Wyre, an increase of 4,600 over the 10-year period from 2012 – this represents a 9% increase in the number of homes, similar to the level seen nationally, but above equivalent figures for Lancashire and the North West.

	Dwellings (2012)	Dwellings (2022)	Change	% change
Wyre	50,275	54,870	4,595	9.1%
Lancashire	523,925	564,240	40,315	7.7%
North West	3,154,510	3,387,264	232,754	7.4%
England	23,116,851	25,160,404	2,043,553	8.8%

Source: DLUHC (Live Table 125)

- 2.16 The figure below shows dwelling completions each year from 2011/12 (and including data for 2022/23). This shows a steady increase in completions in the Borough and is also notable for being broadly consistent with population trend shown earlier where population growth has generally been increasing over time.
- 2.17 The higher level of completions over the past few years will to a considerable degree be due to the Council adopting a Local Plan (main plan adopted in 2018 with a partial review in 2021). The adoption of an up-to-date Local Plan has seen allocations coming forward and therefore some peak delivery years.



Source: Wyre Annual Monitoring Report

- 2.18 By using Census data about the number of households and dwellings it is possible to estimate the number of vacant homes in the Borough and how this has changed from 2011 to 2021. In 2011, there were 47,281 households and 49,992 dwellings in the Borough, implying a vacancy rate of 5.4%; by 2021 there were 50,770 households in 54,139 and a slightly higher implied vacancy rate of 6.2%. This suggests the proportion of vacant homes has increased, although in contrast the proportion of vacant homes nationally is estimated to have increased more substantially (from 4.0% to 6.0% over the 2011-21 decade) – the North West also saw an increased vacancy rate. The vacancy rate figures will include second/holiday homes.

Figure 2.12: Estimated proportion of vacant homes (2011 and 2021)

	2011	2021
Wyre	5.4%	6.2%
Lancashire	4.9%	6.0%
North West	4.3%	6.1%
England	4.0%	6.0%

Source: Census (2011 and 2021)

- 2.19 The table below shows estimates of vacant homes by sub-area from the Census. Vacancy rates vary from 4.3% in Poulton, up to 9.2% in Over Wyre; the proportion of vacant homes in Fleetwood (at 8.1%) is also notable.

	Households	Dwellings	% vacant
Fleetwood	11,625	12,645	8.1%
Thornton-Cleveleys	15,256	16,018	4.8%
Poulton	8,988	9,388	4.3%
Over Wyre	5,895	6,495	9.2%
Rural South	1,861	2,017	7.7%
A6 Corridor	6,186	6,544	5.5%
Wyresdale	960	1,031	6.9%
TOTAL	50,771	54,138	6.2%

Source: Census (2021)

Tenure

2.20 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers, particularly outright owners (45% of households). The proportion of households living in the social rented sector is very low in comparison with other areas – less than half the proportion of households seen nationally live in social rented housing in Wyre. The size of the private rented sector is broadly similar to that seen in other locations.

	Wyre		Lanca- shire	North West	England
	House- holds	% of house- holds	% of house- holds	% of house- holds	% of house- holds
Owns outright	22,699	44.7%	37.8%	33.3%	32.5%
Owns with mortgage/loan	14,946	29.4%	31.0%	29.7%	29.8%
Social rented	3,871	7.6%	12.3%	17.6%	17.1%
Private rented	9,241	18.2%	18.7%	19.2%	20.5%
Living rent free	12	0.0%	0.1%	0.1%	0.1%
TOTAL	50,769	100.0%	100.0%	100.0%	100.0%

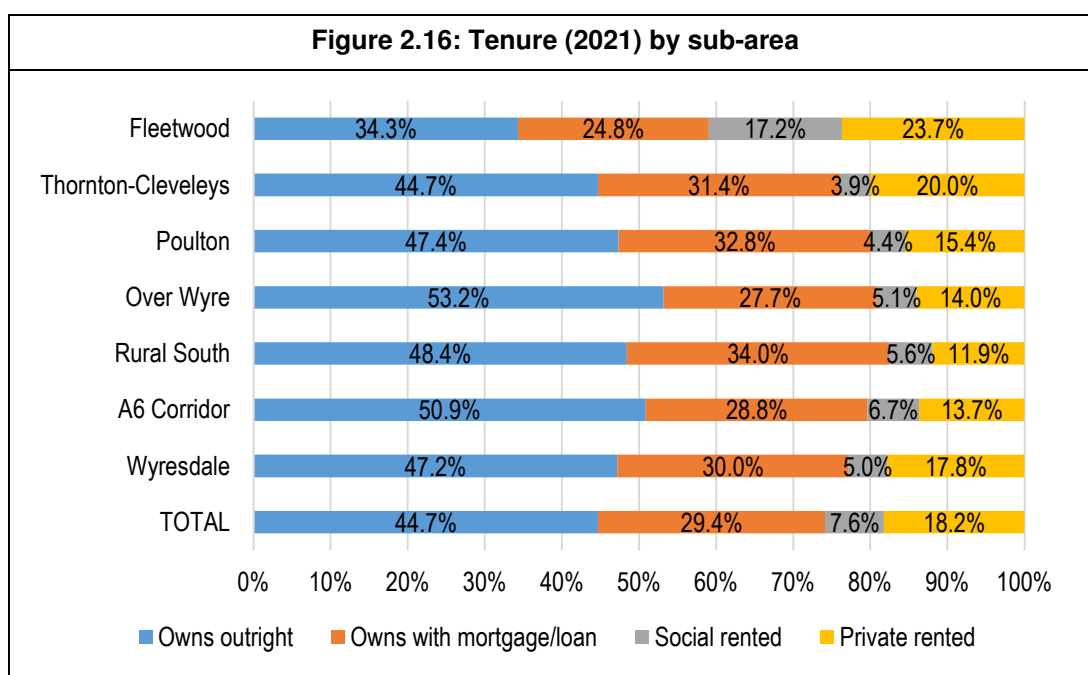
Source: 2021 Census

2.21 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows data from the 2011 and 2021 Census. From this it is clear that there has been notable growth in the number of households who are outright owners and a modest decline in owners with a mortgage. The social rented sector has seen a modest increase over time whilst the private rented sector has increased by 44%. The apparent large decline in those 'living rent free' is likely to be due to the 2021 Census improving data capture in this category (for example by not including some households claiming full Housing Benefit within the social rented sector as 'living rent free').

	2011	2021	Change	% change
Owns outright	20,423	22,699	2,276	11.1%
Owns with mortgage/loan	16,499	14,946	-1,553	-9.4%
Social rented	3,401	3,871	470	13.8%
Private rented	6,397	9,241	2,844	44.5%
Living rent free	561	12	-549	-97.9%
TOTAL	47,281	50,769	3,488	7.4%

Source: Census (2011 and 2021)

2.22 The figure below shows the tenure split by sub-area – this shows owner-occupation to be the main tenure in all areas but with some significant differences across locations (from 59% of households in Fleetwood, up to 82% in Rural South). Generally, the proportion of households living in the social rented sector is very low (fewer than 7%) – the exception being in Fleetwood, where over 17% of households live in the social rented sector. Indeed, over half of all social stock is in the Fleetwood sub-area. There is also some variation in the proportion of households living in the private rented sector, ranging from 12% in Rural South, up to 24% in Fleetwood.



Source: Census (2021)

Dwelling Type

2.23 The 2021 Census shows that semi-detached homes were the most common dwelling type within Wyre at 40% of total dwelling stock, with 30% of the stock being detached, both of these figures are significantly above the County, national and regional averages for these built-forms. The proportion of terraced homes and flats/maisonettes are fairly low in comparison to other areas – 10% of all dwellings are flats compared with 22% nationally. There is also a small 'other' group (which are 'a caravan or other mobile or temporary structure') at 2.2% - which is actually notably above the equivalent figure in other locations and will be linked to residential Park Homes in the Borough.

	Wyre		Lancashire	North West	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
Detached	15,200	29.9%	24.0%	19.0%	22.9%
Semi-detached	20,436	40.3%	34.0%	36.8%	31.5%
Terraced	8,738	17.2%	29.5%	28.1%	23.0%
Flat	5,249	10.3%	11.7%	15.8%	22.2%
Other	1,142	2.2%	0.8%	0.3%	0.4%
TOTAL	50,765	100.0%	100.0%	100.0%	100.0%

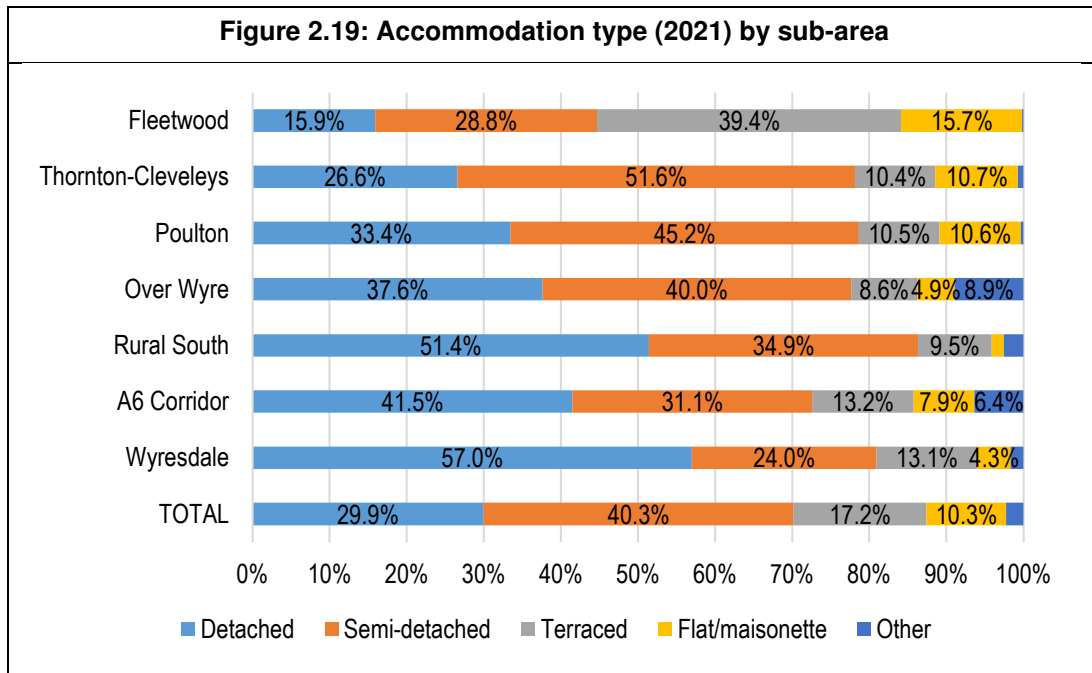
Source: Census (2021)

- 2.24 The Census can also be used to look at changes in dwelling types over the 2011-21 decade. This shows increases for all built-forms with the number of flats increasing by 13% - this however only represents 21% of additional dwellings – 44% of additional homes shown by the Census are detached, a higher proportion than there are already in the stock. Generally, the data points to delivery in the 2011-2021 period as focussing on both smaller (flats) and larger (detached) homes.

	2011	2021	Change	% change	% of change
Detached	13,653	15,200	1,547	11.3%	44.4%
Semi-detached	19,514	20,436	922	4.7%	26.5%
Terraced	8,456	8,738	282	3.3%	8.1%
Flat/other	5,658	6,391	733	13.0%	21.0%
TOTAL	47,281	50,765	3,484	7.4%	100.0%

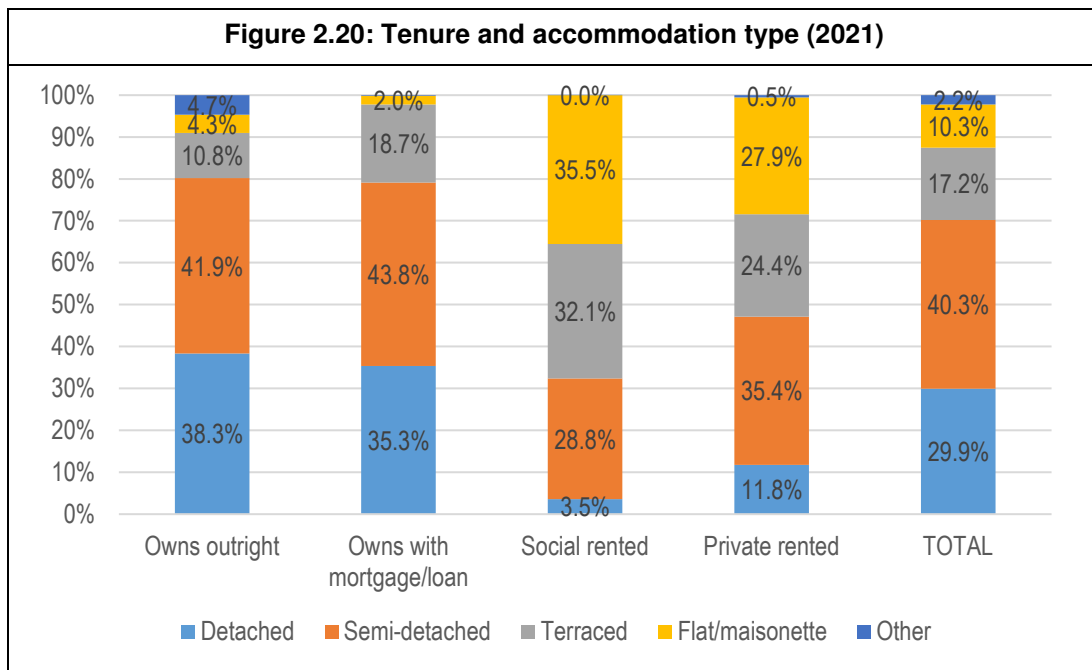
Source: Census (2011 and 2021)

- 2.25 The figure below shows accommodation type and sub-area – this shows the main type of housing in all locations other than Fleetwood is either detached or semi-detached (Fleetwood seeing a high proportion of terraced homes). Proportions of detached housing vary from 16% in Fleetwood up to 57% in Wyresdale. Semi-detached homes are the most common dwelling type in Thornton-Cleveleys, Poulton and Over Wyre. There are relatively few flats in any location in the Borough, the highest proportion (of 16% in Fleetwood) still being some way below the national average proportion of flats. Finally, the 'other' dwelling type category (likely to mainly be Park Homes) is clearly concentrated in two areas (Over Wyre and the A6 Corridor).



Source: Census (2021)

2.26 The figure below shows a cross-tabulation of tenure and accommodation type. This clearly shows a high proportion of owners (notably outright owners) as living in detached homes, whereas the social rented sector is split broadly evenly between dwelling types other than detached. The private rented sector sees a more balanced mix of homes compared with other tenures. The figure also shows a relatively high proportion of outright owners being in the 'other' accommodation type category.



Source: Census (2021)

Bedrooms (accommodation size)

2.27 The analysis below shows the number of bedrooms available to households as of the 2021 Census. Generally, the size profile in Wyre is one of similar sizes homes in a County, regional and national context with an average of 2.75 bedrooms per dwelling. The actual average number of bedrooms will be higher than these figures as the Census data has a cut-off at 4+-bedrooms (and for the purposes of calculating an average 4+-bedroom homes are treated as having 4-bedrooms).

	Wyre		Lancashire	North West	England
	Households	% of households	% of households	% of households	% of households
1-bedroom	3,938	7.8%	8.4%	9.3%	11.6%
2-bedrooms	15,104	29.8%	28.8%	27.6%	27.3%
3-bedrooms	21,615	42.6%	42.2%	44.5%	40.0%
4+-bedrooms	10,110	19.9%	20.7%	18.6%	21.1%
TOTAL	50,767	100.0%	100.0%	100.0%	100.0%
Ave. bedrooms	2.75		2.75	2.72	2.71

Source: Census (2021)

2.28 The table below shows how the number of bedrooms has changed over the 2011-21 decade for the whole of the Borough. This shows that over two-fifths of the change is accounted for by 4+-bedroom homes, with increases also seen for other dwelling sizes. The analysis points to homes with 2-bedrooms seeing the smallest proportionate increase, although 2-bedroom homes still make up around a fifth of the change recorded by the Census.

	2011	2021	Change	% change	% of change
1-bedroom	3,709	3,938	229	6.2%	6.6%
2-bedrooms	14,470	15,104	634	4.4%	18.2%
3-bedrooms	20,473	21,615	1,142	5.6%	32.8%
4+-bedrooms	8,629	10,110	1,481	17.2%	42.5%
TOTAL	47,281	50,767	3,486	7.4%	100.0%

Source: Census (2011 and 2021)

Overcrowding and Under-Occupation

2.29 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The box below shows how the standard is calculated, this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

For the purposes of the bedroom standard a separate bedroom shall be allocated to the following persons –

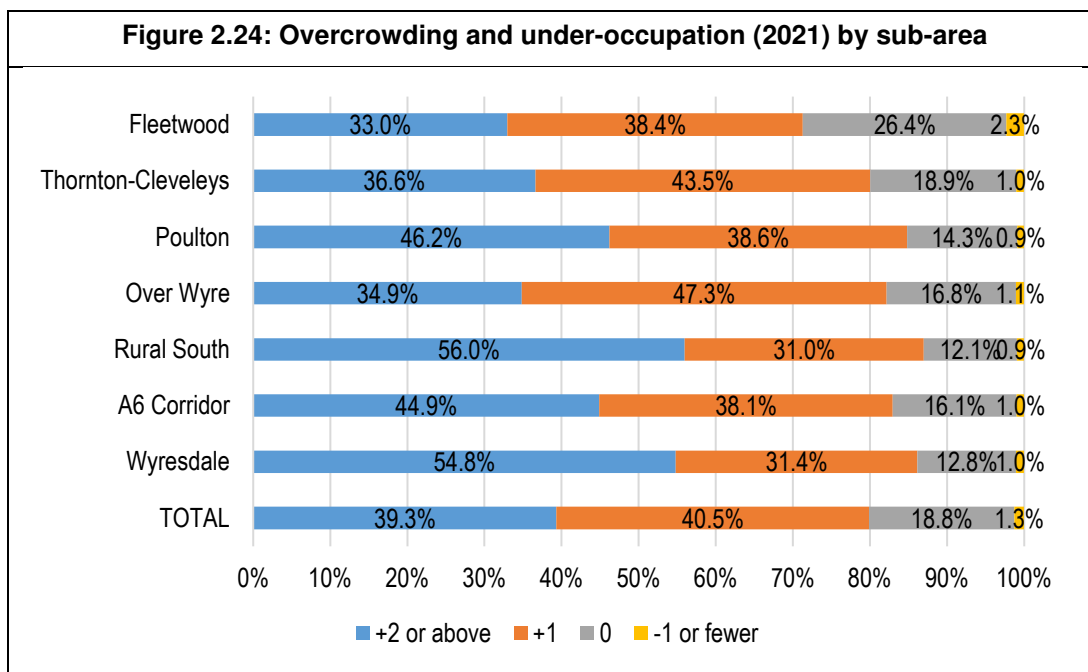
- (a) A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
- (b) A person aged 21 years or more
- (c) Two persons of the same sex aged 10 years to 20 years
- (d) Two persons (whether of the same sex or not) aged less than 10 years
- (e) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years
- (f) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.

2.30 The analysis shows that levels of overcrowding in Wyre are low in a national context with only 1.3% of households being overcrowded in 2021 (compared with 4.4% nationally). This level of overcrowding is also well below the County and regional average. Levels of under-occupation are also relatively high with around 39% of households having a rating of +2 or more – this is higher than seen regionally or nationally.

Figure 2.23: Overcrowding and under-occupation (2021) – bedroom standard					
	Wyre		Lancashire	North West	England
	Households	% of households	% of households	% of households	% of households
+2 or more	19,971	39.3%	37.7%	36.0%	35.6%
+1 or more	20,579	40.5%	37.5%	36.0%	33.2%
0	9,566	18.8%	22.2%	24.6%	26.8%
-1 or less	651	1.3%	2.6%	3.3%	4.4%
TOTAL	50,767	100.0%	100.0%	100.0%	100.0%

Source: Census (2021)

2.31 The figure below shows overcrowding and under-occupation by sub-area. This shows very low levels of overcrowding across the Borough with the highest in Fleetwood (at 2.3%) still only being around half the figure seen nationally. All locations have a high level of under-occupancy with Rural South standing out as seeing 56% of households living in homes with at least two spare bedrooms.



Source: Census (2021)

2.32 The table below shows how levels of overcrowding and under-occupancy have changed in the 2011-21 decade. This shows a significant increase in the number of households under-occupying homes and a notable reduction in overcrowding.

Figure 2.25: Change in overcrowding and under-occupation (2011-21) – Wyre

	2011	2021	Change	% change
+2 or more	17,505	19,971	2,466	14.1%
+1 or more	19,541	20,579	1,038	5.3%
0	9,344	9,566	222	2.4%
-1 or less	891	651	-240	-26.9%
TOTAL	47,281	50,767	3,486	7.4%

Source: Census (2011 and 2021)

House Prices

2.33 In the year to March 2023 the median house price in Wyre was £182,000 – this is similar to the average seen across Lancashire and slightly below the average for the North West region. The average price is however some 37% below the national average.

Figure 2.26: Median House Prices (Year ending March 2023)

	Median price	Difference from England
Wyre	£182,000	-37.2%
Lancashire	£180,000	-37.9%
North West	£200,000	-31.0%
England	£290,000	-

Source: ONS Small Area House Price Statistics

- 2.34 At a sub-area level there are some substantial differences in the average price of homes in the Borough. In Fleetwood the average price in the year to March 2023 stood at £126,600, some 30% lower than the Borough average; at the other end of the scale, the average price in Wyresdale stood at £412,800 (more than double the Borough average). Some caution should be exercised in looking at the data for Wyresdale as it is only based on 16 sales during the year. Whilst differences will in part be due to the mix of housing in these areas (e.g. more detached homes in Wyresdale sub-area) it is clear there are significant differences across different locations in the Borough.

	Median price	Difference from Wyre
Fleetwood	£126,600	-30.4%
Thornton-Cleveleys	£174,100	-4.3%
Poulton	£210,500	15.7%
Over Wyre	£186,200	2.3%
Rural South	£233,300	28.2%
A6 Corridor	£250,700	37.7%
Wyresdale	£412,800	126.8%
TOTAL	£182,000	-

Source: Land Registry Price Paid data

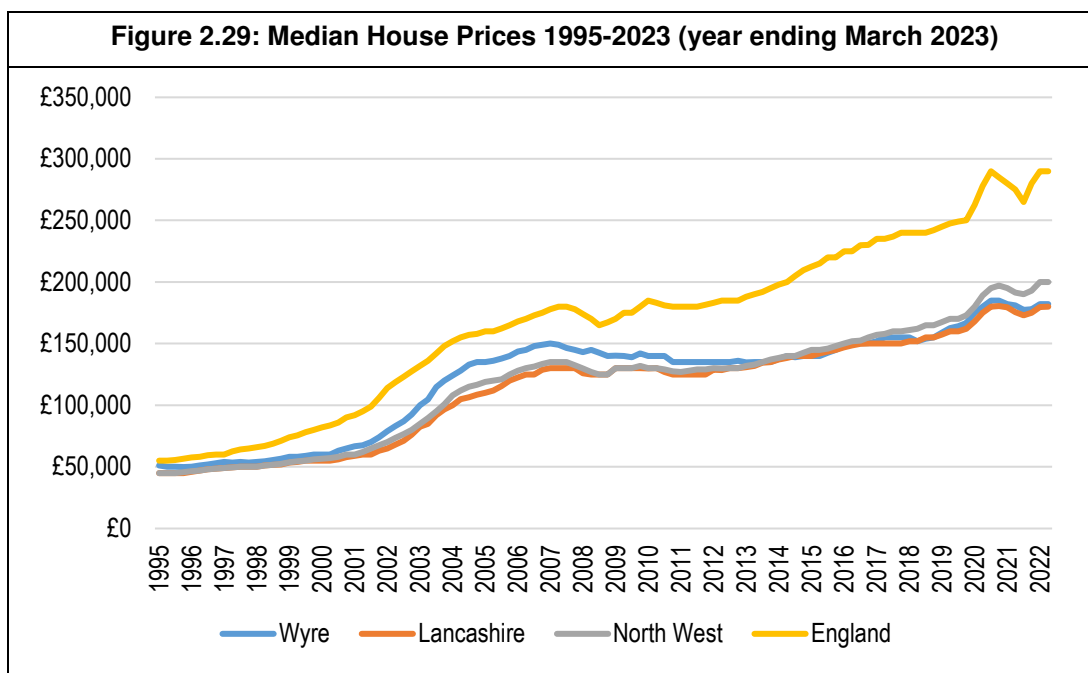
- 2.35 The table below shows median prices by dwelling type. This shows some notable differences between prices in Wyre and other locations. For example, the average terraced home in Wyre is £6,000 higher than the County average, whereas the average detached home is £130,000 lower than the national average. Additionally, the average flat price is less than half the average seen nationally (although this is likely to be influenced by prices of flats in London).

	Flat/ Maisonette	Terraced	Semi- Detached	Detached	All Sales
Wyre	£105,000	£133,000	£180,000	£310,000	£182,000
Lancashire	£115,000	£127,000	£195,000	£327,000	£180,000
<i>Differential</i>	<i>-£10,000</i>	<i>£6,000</i>	<i>-£15,000</i>	<i>-£17,000</i>	<i>£2,000</i>
North West	£140,000	£150,000	£220,000	£358,000	£200,000
<i>Differential</i>	<i>-£35,000</i>	<i>-£17,000</i>	<i>-£40,000</i>	<i>-£48,000</i>	<i>-£18,000</i>
England	£232,000	£240,000	£274,000	£440,000	£290,000
<i>Differential</i>	<i>-£127,000</i>	<i>-£107,000</i>	<i>-£94,000</i>	<i>-£130,000</i>	<i>-£108,000</i>

Source: ONS Small Area House Price Statistics

House Price Changes

2.36 The figure below shows growth in the median house price over the period since 1995. House prices in Wyre closely followed the County and regional trend over time, arguably also following the national trend although the gap in prices between local and national figures has clearly grown over the longer-term. In all areas the data shows strong price growth in the pre-recessionary period between 2003 and 2008, a dip during the recession and a strong increase to 2020 before seeing some variation over the last couple of years or so.



Source: ONS Small Area House Price Statistics

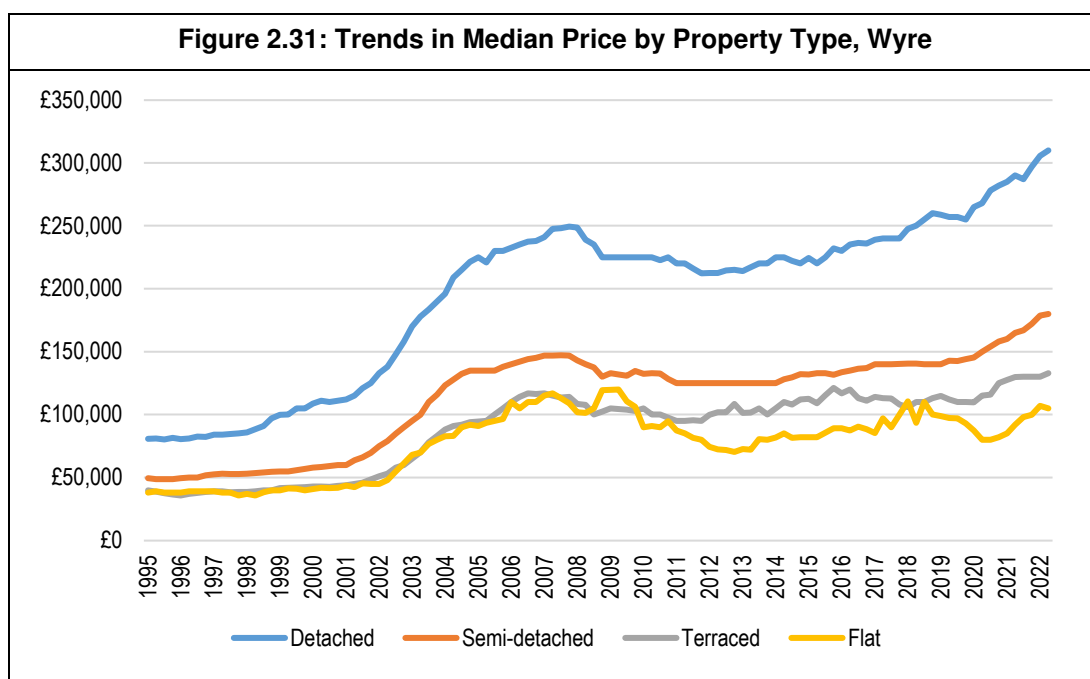
2.37 Relative to other areas, both percentage and actual house price increases in Wyre (and Lancashire) have been lower than seen regionally or nationally, most notably when compared with national data. In the 10-year period to March 2023, the average house price nationally grew by £105,000, compared with less than half of this value (£47,000) in Wyre.

Figure 2.30: Median House Price Change year ending March 2013 to year ending March 2023

	Year ending March 2013	Year ending March 2023	Change	% change
Wyre	£135,000	£182,000	£47,000	34.8%
Lancashire	£128,600	£180,000	£51,400	40.0%
North West	£129,950	£200,000	£70,050	53.9%
England	£185,000	£290,000	£105,000	56.8%

Source: ONS Small Area House Price Statistics

- 2.38 Trends in the values of different types of properties in Wyre are shown in the figure below. It shows that in the longer-term, the strongest value growth has been for detached properties although all dwelling types have seen increased values. It is also notable that all dwelling types saw a drop in price through the early part of the 2008 recession, but that detached homes look to have been particularly affected by this. Prices for flats look to have been the most variable, particularly over the past few years, this will in part reflect the relatively low volume of sales in this category.



Source: ONS Small Area House Price Statistics

- 2.39 The table below shows data for the last decade (to March 2023) – this shows all house types increasing but with some notable differences. In particular the average detached home increased by 46% over the decade, compared with an increase of just 30% for terraced homes.

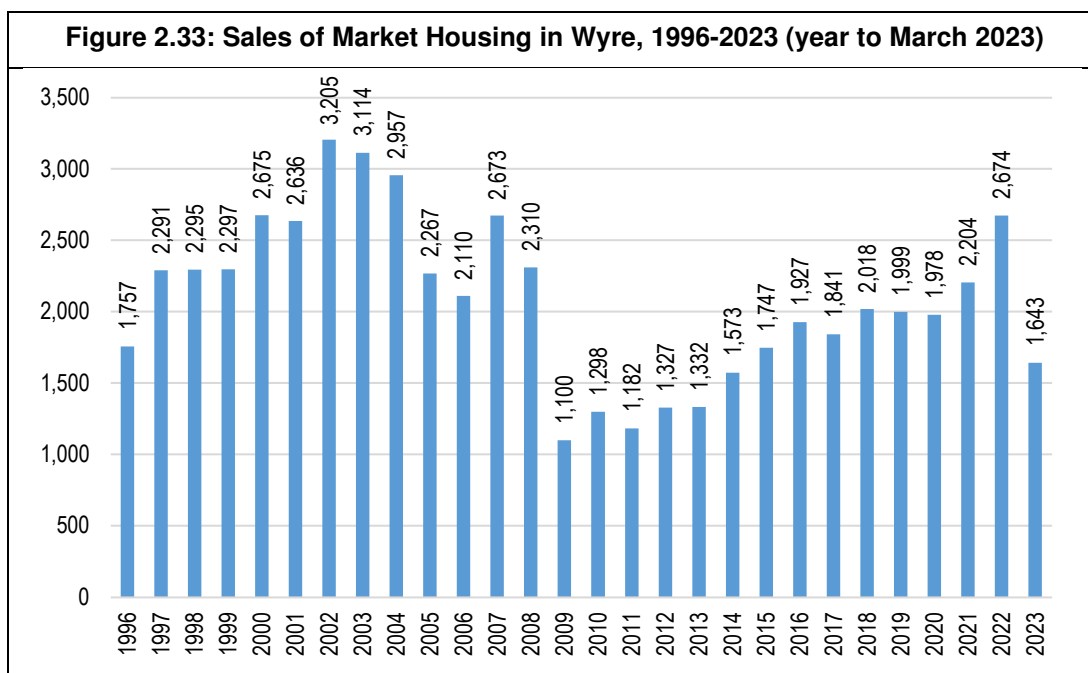
Figure 2.32: Median House Price Change year ending March 2013 to year ending March 2023 by dwelling type - Wyre

	Year ending March 2013	Year ending March 2023	Change	% change
Flat	£72,500	£105,000	£32,500	44.8%
Terraced	£102,000	£133,000	£31,000	30.4%
Semi-detached	£125,000	£180,000	£55,000	44.0%
Detached	£212,500	£310,000	£97,500	45.9%
TOTAL	£135,000	£182,000	£47,000	34.8%

Source: ONS Small Area House Price Statistics

Sales

2.40 Transaction levels (sales) reflect the relative buoyancy of the market and provide an indication of ‘effective demand’ for market housing. Sales volumes averaged about 2,600 per annum over the 10-year period to 2007. They fell dramatically as a result of the ‘credit crunch’, before picking up from 2012 onwards as availability of mortgage finance improved and as a result of Government support for the housing market. Sales of market housing reached nearly 2,700 in 2022, before falling substantially moving through 2023. The most recent data will be starting to pick up the impact of the war in Ukraine and associated ‘cost of living crisis’.



Source: ONS Small Area House Price Statistics

Private Rental Values

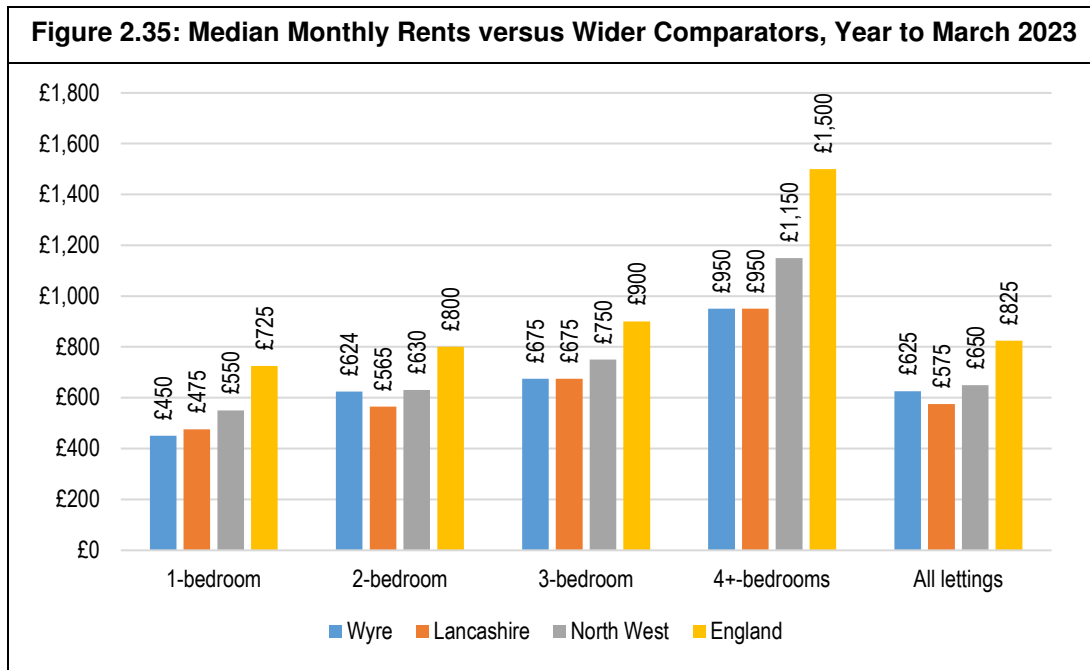
2.41 The analysis below reviews current private rents in Wyre against the Borough, regional and national average. The data is drawn from the ONS Private Rental Market Statistics. Median monthly rents vary from £450 for 1-bedroom to £950 for 4+-bedroom properties in the Borough. It should be noted these figures are for all private rents, and not just new tenancies.

Figure 2.34: Monthly Rents in Wyre, Year to March 2023

	Mean	Lower Quartile	Median
1-bedroom	£462	£420	£450
2-bedrooms	£629	£550	£624
3-bedrooms	£708	£625	£675
4+ bedrooms	£1,064	£825	£950
All Lettings	£636	£525	£625

Source: ONS Private Rental Market Statistics

- 2.42 The median rent for all properties is 4% lower than the North West average and 24% below the England average. Rents in Wyre for all property sizes are all below the national average and broadly similar to regional and County figures.



Source: ONS Private Rental Market Statistics

- 2.43 Analysis below has also sought to consider rental trends over the last 5 years to provide a relative indication of where there is a supply/demand imbalance. The evidence indicates that over this period rents have grown by an average of 11%. The strongest growth has been for 2- and 4+-bedroom properties with a lower change shown for homes with 1- or 3-bedroom homes. Overall, it is not considered this analysis points to any specific trends by size and it should be noted that figures for any specific period will be influenced by the types of property let.

Figure 2.36: Median Rental Change in Wyre, 2017/18 – 2022/23

	2017/18	2022/23	Change	% Change
1-bedroom	£405	£450	£45	11%
2-bedrooms	£544	£624	£80	15%
3-bedrooms	£607	£675	£68	11%
4+ bedrooms	£825	£950	£125	15%
All Lettings	£565	£625	£60	11%

Source: ONS Private Rental Market Statistics

- 2.44 The table below compares changes in overall median private sector rents in Wyre with other locations. The data suggests much lower rental increases in Wyre (and also Lancashire) when compared with the region and more notably the national position. Nationally, rents grew by an average of £150 per month over the 5-year period (22%) compared with £60 (11%) in Wyre.

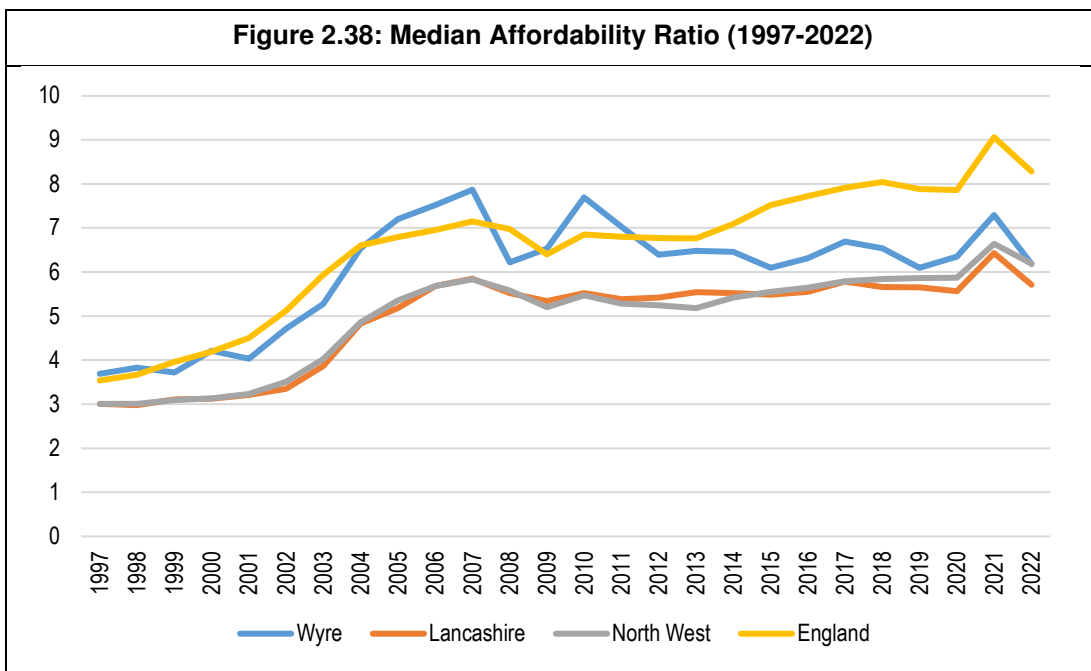
	2017/18	2022/23	Change	% Change
Wyre	£565	£625	£60	11%
Lancashire	£520	£575	£55	11%
North West	£550	£650	£100	18%
England	£675	£825	£150	22%

Source: ONS Private Rental Market Statistics

Market Affordability

2.45 The figure below shows median workplace-based affordability ratios over time. This is the ratio between median house prices and median earnings of those working in the Borough. In all areas affordability has worsened between 1997 and 2022, although over the past 10-15 years affordability in Wyre looks to have improved (albeit with some notable year-on-year variation). Wyre now sees an affordability ratio of 6.18, which is similar to that seen across Lancashire and the region, but some way below the national figure of 8.28.

2.46 Over the past decade (2012-22) the affordability ratio has improved in Wyre (going from 6.39 to 6.18) – a 3% decrease. Over the same period, the ratio increased by 18% across the North West and 22% nationally.



Source: ONS, Housing Affordability in England and Wales

Area Profile: Key Messages

- Analysis was carried out to provide background information about population and housing in Wyre. Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering three main topic headings:
 - Demographic baseline (including data on population age structure and changes);
 - Housing stock (including type and tenure); and
 - Housing market (including data on house prices)
- As of mid-2022, the population of Wyre is estimated to be 114,800 and since 2012 the Borough's population has grown by around 7% which is a similar rate of growth as across the North West and nationally.
- The age structure of the population is also slightly different to other areas, with fewer people aged in their 20s and 30s, and higher proportions of older people. Over the past decade, the Borough has seen an ageing of the population, with the number of people aged 65 and over increasing by 17%; there have however also been increases in the number of children and people of 'working-age' (taken to be 16-64).
- Population growth in the Borough is largely driven by internal migration – moves from one part of the UK to another, although the last year for which data is available (2021-22) also points to a positive level of international migration. Natural change has been negative since at least 2011 (i.e. more deaths than births).
- ONS dwelling stock data indicates there were 54,900 dwellings in the Borough as of 2022, a net increase of 4,600 dwellings between 2012 and 2022. As with population growth, rates of change in dwelling numbers have been similar to the levels seen nationally (and in this case slightly above the North West average).
- Some 74% of all households in the Borough are owner-occupiers, higher than the national average of 62% (and higher than the North West average), consequently the proportion of households living in the social rented (8%) and to a lesser extent private rented (18%) sectors is lower than seen in other locations.
- The housing stock is dominated by detached and semi-detached homes, making up 30% and 40% of all dwellings respectively (nationally only 23% of homes are detached and 32% semi-detached). The stock overall is of a slightly larger average size in terms of the number of bedrooms (when compared nationally). The Borough does see relatively high levels of under-occupancy and low levels of overcrowding – 1.3% of households are overcrowded compared to 4.4% nationally.
- In the year to March 2023 the median house price in Wyre was around £182,000. This is slightly below the median house price for the North West, and is 37% below the national average. Prices have also been increasing significantly, rising by 35% (£47,000) over the decade to March 2023 – this level of house price change is however notably lower than seen in other areas, particularly nationally.
- In line with house prices, the Borough typically sees lower private rental costs than across the North West and significantly lower in a national context – the median private rent for a 2-bedroom home standing at £625 per month in the year to March 2023. Rents overall are around 24% below the national average (compared with 37% when looking at median house prices). Over the past five years rents have increased by around 11%, slightly lower than the increase in house prices over the same period (17%).

Area Profile: Key Messages (cont...)

- In contrast with national trends, affordability in the Borough has improved with the workplace based median affordability ratio in Wyre standing at 6.18 in 2022 (10-years previously it stood at 6.39) – this is based on the ratio between median house prices and full-time earnings.
- The analysis also looked at how key data varied across different parts of the Borough. There are clearly significant differences between areas with Fleetwood standing out as having a younger population, higher proportions of social rented housing, lower house prices and higher levels of overcrowding. More rural areas in contrast look to be relatively affluent.

3. Overall Housing Need

Introduction

- 3.1 This section of the report considers overall housing need set against the framework of Planning Practice Guidance (PPG) – specifically the Standard Method for assessing housing need. For completeness, the section also considers recent demographic trends to test if there are ‘exceptional circumstances’ that would point to the Standard Method as no longer being reasonable..

Standard Method

- 3.2 The analysis below considers the level of local housing need for Wyre using the Standard Method. The methodology for calculating housing need is clearly set out by Government in Planning Practice Guidance and follows a four-step process worked through in the following sub-sections. We consider first the implications of use of the 2014-based Household Projections, the use of which is required in the Planning Practice Guidance.

Step One: Setting the Baseline

- 3.3 The first step in considering housing need against the Standard Method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten-year period, with the current year being the first year i.e. 2024 to 2034. This results in growth of 2,417 households (242 per annum) over the ten-year period.
- 3.4 Although this figure is calculated over a ten-year period from 2024 to 2034, Paragraph 12 of the PPG states that this average household growth and the local housing need arising from it can then “be applied to the whole plan period” in calculating housing need.

Step Two: Affordability Adjustment

- 3.5 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals (i.e. relative affordability of housing). The adjustment increases the housing need where house prices are high relative to workplace incomes. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available.
- 3.6 The latest (workplace-based) affordability data is for 2022 and was published by ONS in March 2023. The Government’s Guidance states that for each 1% increase in the ratio of house prices to earnings, above 4, the average household growth should be increased by 6.25%, with the calculation being shown below. For Wyre, the ratio for 2022 was 6.18, giving an uplift of 14% - this leads to a housing need of 275 dwellings per annum.

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Step Three: The Cap

- 3.7 The third step of the Standard Method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:
- The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
 - The second situation is where plans and evidence are more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth (step 1) or the housing requirement in the most recent plan, where this exists.
- 3.8 The last Local Plan was adopted in January 2023 and therefore the need could be capped at 40% above the housing target in the plan (296 dwellings per annum – giving a capped figure of 414 dwellings). However, given the affordability uplift is below 40% and the need generated through the Standard Method is for 275 dwellings per annum there is no capping relevant for Wyre. Therefore, the housing need figure remains at 275 per annum at the time of drafting this report.

Step Four: Urban Uplift

- 3.9 The fourth and final step in the calculation means that the 20 largest urban areas in England are subject to a further 35% uplift. This uplift ensures that the Governments stated target of 300,000 dwellings per annum is met and that “homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable.” (Paragraph: 035 Reference ID: 2a-035-20201216). Wyre is not listed within the top 20 urban areas in the country and therefore there is no additional uplift.

Standard Method Calculation using 2014-based Household Projections

- 3.10 The table below works through the Standard Method calculations for the Borough and shows a need for 275 dwellings per annum.

Figure 3.1: Standard Method Housing Need Calculations using 2014-based Household Projections	
	Wyre
Households 2024	50,864
Households 2034	53,281
Change in households	2,417
Per annum change	242
Affordability ratio (2022)	6.18
Uplift to household growth	14%
Uncapped need (per annum)	275

Source: Derived from a range of ONS and MHCLG sources

- 3.11 Since this report was drafted new affordability data (for 2023) has been published by ONS (published in March 2024). This now shows an affordability ratio of 6.53 and therefore the housing need would be calculated as 280 dwellings per annum. This is not considered to be significantly different from the 275 figure which has continued to be used in this report (for example when looking at projected demographic change).

Divergence from the Standard Method (Exceptional Circumstances)

- 3.12 The table above sets out housing need using the Standard Method and whilst this is a relevant consideration Planning Practice Guidance does allow for divergence from these figures (in both an upward and downward direction) where exceptional circumstances can be demonstrated. An important start point is to understand Government Guidance on this topic. This can be found in Planning Practice Guidance 2a and below are some key quotes for the purposes of this document.

“Is the use of the standard method for strategic policy making purposes mandatory?”

No, if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances.” - Paragraph: 003 Reference ID: 2a-003-20190220.

“If authorities use a different method how will this be tested at examination?”

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method.” - Paragraph: 015 Reference ID: 2a-015-20190220 (whole paragraph not replicated).

- 3.13 Paragraph 2a-010 also sets out circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates; this includes noting that the method ‘*does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates*’.
- 3.14 Regarding demographic trends and projections, the guidance is therefore quite clear: there is an expectation that the 2014-based sub-national household projections (SNHP) should be used but that an alternative approach can be applied where relevant. When using an alternative approach, it is necessary to take account of demographic growth and market signals, but this cannot include using more recent versions of published SNHP. The PPG does not specifically set out examples of exceptional circumstances for demographic trends and projections but it is considered that there are likely to be two main considerations:
- Firstly that demographic data on which projections are based is demonstrably wrong and cannot realistically be used for trend-based projections on which the Standard Method is based; and
 - Secondly that demographic trends have changed so much that it is unrealistic to use a set of projections based on information in a trend period to 2014, which is now over 8-years old.

3.15 The analysis below principally focuses on population projections as these are the main driver of household growth. The analysis additionally does not seek to challenge the market signals (affordability) element of the Standard Method.

Data used in 2014-based projections

3.16 On the 22nd March 2018 ONS released revised population estimates for England and Wales: mid-2012 to mid-2016. The main justification ONS listed for this were that improvements had been made to international emigration and foreign armed forces dependents and that the distribution of people aged in their 20s and 30s has changed more than for other age groups.

3.17 By updating previous estimates of population change and migration (including in the period 2011-14) ONS were essentially changing the data used to underpin part of the 2014-based projections. It is therefore worthwhile seeing how significant these changes were for Wyre and if updated information point to the 2014-based projections as being substantially wrong.

3.18 The table below shows estimated population in 2014 from the original and revised mid-year estimate (MYE). For the whole of the Council area the revised population estimate for 2014 is slightly lower than for previous data (data used for the 2014-SNPP). This would suggest the 2014-based projections slightly overestimated population growth. However, the scale of difference is not at all substantial and would be unlikely to have a notable impact on projections.

Figure 3.2: Original & Revised Estimate of Population in 2014			
	Original estimate	Revised estimate	Difference
Wyre	108,742	108,594	-148

Source: ONS

Demographic Trends

3.19 The analysis below looks at population trends across the Borough. Two main sources are initially used, these are:

- MYE (unadjusted) – unadjusted ONS mid-year population estimates (MYE) – these are estimates of population made by ONS through its tracking of births, deaths and migration from 2021. This is an important source as the data contained within this data source (notably about migration) is likely to be used by ONS as part of the next round of population projections (2022-based SNPP); and
- MYE (Census adjusted) – these are estimates of population in 2021 that take account of 2021 Census data. Essentially, ONS use the Census (which dates from March 2021) and roll forward to a mid-year estimates based on births, deaths and migration in the 3 month period. The Census adjusted MYE and? replaced the unadjusted figures as the ONS view of population in 2021.

3.20 From these sources there are only two consistent data points (2011 and 2021) – much of the analysis to follow therefore looks at trends in this 10-year period.

- 3.21 Above it was noted that one exceptional circumstance might be that the 2014-based subnational household projections (SNHP) that underpin the Standard Method are clearly wrong – in this instance we are looking to consider if the trends that have actually occurred are substantially different from those projected back in 2014 and that this is locally exceptional. One way of considering this is to compare data for 2021 with recently published Census data and also MYE data (prior to a Census adjustment). Comparisons are made for both population (as this underpins the household projections) and household estimates.
- 3.22 The table below shows population figures for 2011 and 2021 from these sources. The data shows the 2014-based projections had projected the population of the Borough to reach 111,000 by 2021 and ONS in their monitoring of data had actually estimated a higher population figure (114,500). Following publication of the 2021 Census, ONS has revised downwards its estimate of population in 2021 to 112,400, a figure slightly higher than the 2014-SNPP had projected but not exceptionally different.

Figure 3.3: Estimated Population in 2011 and 2021 -range of sources				
	2011	2021	Change	% change
2014-based SNPP/SNHP	107,692	111,030	3,338	3.1%
MYE (unadjusted)	107,692	114,454	6,762	6.3%
MYE (Census adjusted)	107,692	112,434	4,742	4.4%

Source: ONS

- 3.23 In terms of more recent trends, we can also look at household changes as projected in the 2014-SNHP and as now shown by the Census, this is shown in the table below. This shows across the Council area that household growth in the 10-year period to 2021 was projected to be at a lower level in the 2014-SNHP than the Census has now shown. Again, whilst there is a difference it is given the scale, not exceptional.

Figure 3.4: Estimated Households in 2011 and 2021 – range of sources				
	2011	2021	Change	% change
2014-based SNHP	47,305	50,069	2,764	5.8%
Census	47,281	50,767	3,486	7.4%

Source: ONS

- 3.24 The conclusions on 'exceptional' in part also take account of housing delivery, which has been particularly strong over the past few years (which can generate opportunities for people to move into the area). It is considered that the upturn in delivery will to a considerable degree be due to the Council adopting a Local Plan (main plan adopted in 2018 with a partial review in 2021). On this basis the higher demographic growth should not be seen as exceptional. Past levels of housing delivery were discussed in Section 2 of this report.

Developing a Projection linking to the Standard Method

- 3.25 On balance, the data above suggests the Standard Method is a reasonable number to use in estimating housing need for the Borough, whilst recent trends look to be slightly above those projected in the 2014-based household projections, the differences are not considered to be so great as to be called 'exceptional'. In addition, the higher trends look to be driven by an upturn in housing delivery linked to the Council having an up-to-date Local Plan.
- 3.26 On this basis, it is worthwhile looking at how population might change if providing this level of homes. A bespoke projection has been developed, linking to provision of 275 dwellings per annum, and this projection is then used for other analysis in the report (including looking at the mix of housing) – the projection looks at demographic change over the 2022-40 period.
- 3.27 A scenario has been developed which flexes migration to and from the Borough such that there is sufficient population for 275 additional homes each year. The modelling links to 2018-based population and household projections and also rebases population and households to the levels shown in the 2021 Census.
- 3.28 The 2018-based projections have been used to provide base rates for births, deaths and migration as this is the most up-to-date source available at the time of drafting. For example, the 2018-based projections have started to pick up the clear trend of natural change reducing over time – this was not projected back in 2014. Although the 2014-based projections are used to derive the Standard Method 'number' they are not considered to be sufficiently up to date to be used to project future population change.
- 3.29 Within the modelling, migration assumptions have been changed so that across the Borough the increase in households matches the housing need (including a standard 3% vacancy allowance). Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).
- 3.30 In developing this projection a population increase of around 5,200 people is shown, with population growth shown in the 65 and over age band – a projected increase of 29% in this age band from 2022 numbers, with this age group accounting for in excess of 100% of all population growth. Both the Under 16 and 16-64 populations are projected to see modest declines in numbers over the period studied.

**Figure 3.5: Projected population change 2022 to 2040 by broad age bands – Wyre
(linked to delivery of 275 dwellings per annum)**

	2022	2040	Change in population	% change from 2022
Under 16	17,879	16,568	-1,311	-7.3%
16-64	64,800	61,952	-2,848	-4.4%
65 and over	32,130	41,454	9,324	29.0%
Total	114,809	119,973	5,164	4.5%

Source: Demographic Projections

Overall Housing Need: Key Messages

- The HNA studied the overall housing need set against the NPPF and the framework of PPG – specifically the Standard Method for assessing housing need. This shows a need for 275 dwellings per annum. This is based on household growth of 242 per annum and an uplift for affordability of 14%. Since this report was drafted, ONS (in March 2024) released new affordability ratio data (for 2023) – this now puts the Standard Method need at 280 dwellings per annum. This is not considered to be a significant difference (from the 275) and the report has continued to use the 275 dwellings per annum figure for further analysis (such as looking at the implications for demographic change).
- The report has considered whether there are exceptional circumstances to move away from the Standard Method (either in an upward or downward direction). This looked at up-to-date demographic trends and is also mindful of the latest NPPF of December 2023 which points to there being some strengthening of the encouragement for local authorities to consider exceptional circumstances.
- Firstly the report tested the data used in the 2014-projections as ONS has subsequently revised key trend data for migration. In Wyre, the revision were very minor and unlikely to have any notable impact on the projections.
- The report then looks at more recent demographic trends – taking account of 2021 Census data and ONS mid-year population estimates up to 2021, this data was compared with the 2014-based projections. Whilst there were differences between sources (trends in Wyre generally being higher than previously projected) it is considered that differences are not so great as to be considered ‘exceptional’.
- Data about household growth from the Census also showed a similar pattern when compared to the 2014-based projections (recent household growth having been higher than projected) although again it is not considered that differences are ‘exceptional’.
- The conclusions on ‘exceptional’ in part also take account of housing delivery, which has been particularly strong over the past few years (which can generate opportunities for people to move into the area). It is considered that the upturn in delivery will to a considerable degree be due to the Council adopting a Local Plan (main plan adopted in 2018 with a partial review in 2021). On this basis the higher demographic growth should not be seen as exceptional
- Overall, it was therefore concluded that the Standard Method is a reasonable assessment of housing need for Wyre (noting the premise of the method itself has not been challenged in this report). On that basis a bespoke demographic projection was developed to look at how the population might change if 275 homes per annum were delivered over the 2022-40 period. This showed continued population growth and an ageing of the population.

4. Affordable Housing Need

Introduction

- 4.1 This section provides an assessment of the need for affordable housing in Wyre. The analysis specifically considers general needs housing, with further analysis of specialist housing (e.g. for older people) being discussed later in the report.
- 4.2 The analysis follows the PPG (Sections 2a-018 to 2a-024) and provides two main outputs, linked to Annex 2 of the NPPF – this is firstly an assessment of the need from households unable to buy OR rent housing and secondly from households able to rent but not buy. For convenience these analyses are labelled as a need for ‘social/affordable rented housing’ and ‘affordable home ownership’ although in reality it is possible for a home ownership product to fit into the rented category (as long as the price is sufficiently low) or for a rented product (such as rent-to-buy) to be considered as affordable home ownership.
- 4.3 The analysis also considers First Homes, which is a new tenure (potentially replacing other forms of affordable home ownership). Further information about First Homes was set out in Planning Practice Guidance in May 2021.

Methodology Overview

- 4.4 The method for studying the need for affordable housing has been enshrined in Government practice guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy) – it is considered that this group will mainly be a target for rented affordable homes (social/affordable rented) and therefore the analysis looks at need for ‘affordable housing for rent’ as set out in Annex 2 of the NPPF. The methodology for looking at the need for rented (social/affordable) housing considers the following:
- **Current affordable housing need:** an estimate of the number of households who have a need now, at the point of the assessment, based on a range of secondary data sources – this figure is then annualised so as to meet the current need over a period of time;
 - **Projected newly forming households in need:** using demographic projections to establish gross household formation, and then applying an affordability test to estimate numbers of such households unable to afford market housing;
 - **Existing households falling into need:** based on studying past trends in the types of households who have accessed social/affordable rented housing; and
 - **Supply of affordable housing:** an estimate of the likely number of lettings that will become available from the existing social/affordable housing stock.
- 4.5 The first three bullet points above are added together to identify a gross need, from which the supply of relets of existing properties is subtracted to identify a net annual need for additional affordable housing. For the purposes of this assessment, this analysis is used to identify the overall (net) need for social/affordable rented housing.

- 4.6 This approach has traditionally been used to consider the needs of households who have not been able to afford market housing (either to buy or to rent). As the income necessary to afford to rent homes without financial support is typically lower than that needed to buy, the ability of households to afford private rents has influenced whether or not they are in need of affordable housing.
- 4.7 The NPPF and associated guidance has expanded the definition of those in affordable housing need to include households who might be able to rent without financial support but who aspire to own a home, and require support to do so. The PPG includes households that “cannot afford their own homes, either to rent, or to own, where that is their aspiration” as having an affordable housing need.
- 4.8 This widened definition has been introduced by national Government to support increased access to home ownership, given evidence of declining home ownership and growth in private renting over the last 20 years or so. The PPG does not however provide specific guidance on how the needs of such households should be assessed and so this study adopts a broadly consistent methodology to that identified in the PPG, and considers a current need; a newly-arising need on an annual basis; existing households falling into need; and an annual estimate of supply.
- 4.9 The analysis of affordable housing need is therefore structured to consider the need for rented affordable housing, and separately the need for affordable home ownership. The overall need is expressed as an annual figure, which can then be compared with likely future delivery (as required by 2a-024).
- 4.10 Whilst the need for social/affordable rented housing and affordable home ownership are analysed separately, there are a number of pieces of information that are common to both assessments. In particular, this includes an understanding of local housing costs, incomes and affordability. The sections below therefore look at these factors.

Local Prices and Rents

- 4.11 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need’. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).
- 4.12 The analysis below considers the entry-level costs of housing to both buy and rent across the Borough. The approach has been to analyse Land Registry and ONS data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market recognising that the very cheapest properties may be of sub-standard quality.

- 4.13 Data from the Land Registry for the year to March 2023 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £80,000 for a second-hand flat and rising to £250,000 for a detached home. Looking at the lower quartile price across all dwelling types, the analysis shows a lower quartile price of £140,000. The figures are all based on cost of existing homes in the market although newbuild prices are considered later in this section when looking at potential costs of affordable home ownership properties.

Figure 4.1: Estimated lower quartile cost of housing to buy by type (existing dwellings) – year to March 2023 – Wyre	
	Lower quartile price
Flat/maisonette	£80,000
Terraced	£105,000
Semi-detached	£157,500
Detached	£250,000
All dwellings	£140,000

Source: Land Registry

- 4.14 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). The analysis suggests a lower quartile price of about £75,000 for a 1-bedroom home, rising to £260,000 for homes with 4-bedrooms.

Figure 4.2: Estimated lower quartile cost of housing to buy by size (existing dwellings) – Wyre	
	Lower quartile price
1-bedroom	£75,000
2-bedrooms	£110,000
3-bedrooms	£150,000
4-bedrooms	£260,000
All Dwellings	£140,000

Source: Land Registry and Internet Price Search

- 4.15 A similar analysis has been carried out for private rents. For this, reference has been made to Office for National statistics (ONS) data (which covers a 12-month period to March 2023) supplemented by a review of available properties through an internet search – these latter figures provide an indication of current costs to access the market, whereas the ONS data includes existing tenancies which may be at a lower rent. The analysis shows an average lower quartile cost (across all dwelling sizes) of £650 per month.

Figure 4.3: Lower Quartile Market Rents – Wyre	
	Lower Quartile rent, pcm
1-bedroom	£475
2-bedrooms	£650
3-bedrooms	£800
4-bedrooms	£950
All properties	£650

Source: ONS and internet private rental cost search

- 4.16 It is of interest for this study to see how prices and rents vary by location. The table below shows an estimate of the overall lower quartile house price and private rent in each of the sub-areas; this is based on Land Registry data for prices and analysis of online data on available lettings which has then been adjusted to be consistent with the data from ONS. The analysis shows some variation in prices and rents, with prices (and rents) estimated to be highest in Wyresdale and generally in more rural locations. The lowest prices and rents were found to be in Fleetwood.

Figure 4.4: Lower Quartile Prices and Market Rents, by sub-area		
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
Fleetwood	£96,000	£545
Thornton-Cleveleys	£138,000	£635
Poulton	£161,000	£690
Over Wyre	£154,000	£715
Rural South	£190,000	£810
A6 Corridor	£187,000	£795
Wyresdale	£267,000	£935
TOTAL	£140,000	£650

Source: Internet private rental cost search and Land Registry

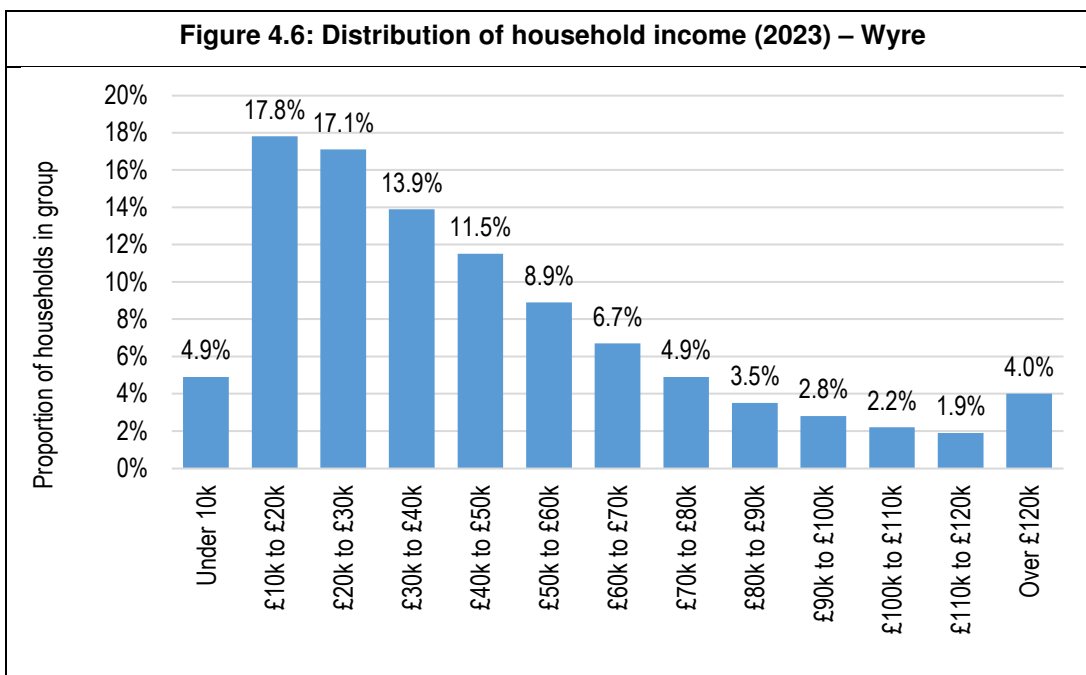
- 4.17 There are clearly different housing costs in different parts of the Borough and this finding is important when considering issues such as the cost at which housing can be made available and considered genuinely affordable. In looking at smaller-area housing costs it is also of interest to look at how these vary by dwelling size. It has not been practical to look at this for all seven sub-areas due to the size of some locations (in terms of sales and homes for rent) and so the analysis has looked at three broad areas; these are Fleetwood, Thornton-Cleveleys and rest of Borough. These areas are broadly similar to (but not exactly the same as) the areas used in Policy HP3 of the adopted Wyre Local Plan.
- 4.18 The table below therefore shows estimates of prices and rents for three broader areas – it should be stressed these are a best estimate, particularly for some dwelling sizes – for example, information about 1-bedroom homes was generally quite limited across the Borough (for both buying and renting) as well as data for 4-bedroom rented accommodation.

	Fleetwood		Thornton-Cleveleys		Rest of Borough	
	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
1-bedroom	£60,000	£415	£75,000	£525	£85,000	£540
2-bedrooms	£80,000	£510	£130,000	£635	£150,000	£735
3-bedrooms	£115,000	£650	£150,000	£830	£190,000	£860
4-bedrooms	£180,000	£800	£230,000	£985	£300,000	£1,010
All properties	£96,000	£545	£138,000	£635	£165,000	£745

Source: Internet private rental cost search and Land Registry

Household Incomes

- 4.19 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates updated to a 2022 base using data from the Annual Survey of Hours and Earnings (ASHE). Additional data from the English Housing Survey (EHS) has been used to provide information about the distribution of incomes.
- 4.20 Drawing this data together an income distribution for all households across the Borough has been constructed for 2023. The figure below shows that approaching a quarter of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall, the average (mean) income is estimated to be around £46,100, with a median income of £37,100; the lower quartile income of all households is estimated to be £21,200.



Source: Derived from a range of data including ONS, ASHE and EHS

4.21 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each location, the table also shows the variance in incomes from the Borough average. There is some variation in the estimated incomes by area, with Fleetwood having a notably lower income than the Borough average.

	Median income	As a % of Borough average
Fleetwood	£29,000	78.3%
Thornton-Cleveleys	£35,600	96.0%
Poulton	£43,800	118.2%
Over Wyre	£38,100	102.7%
Rural South	£47,600	128.4%
A6 Corridor	£43,600	117.8%
Wyresdale	£50,500	136.2%
TOTAL	£37,100	-

Source: Derived from a range of data including ONS, ASHE and EHS

Affordability Thresholds

- 4.22 To assess affordability two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing (this establishes those households in need of social/affordable rented housing) and secondly to consider what income level is needed to access owner occupation (this, along with the first test helps to identify households in the 'gap' between renting and buying). This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. Additionally, different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households).
- 4.23 The analysis of affordability links back to income estimates although it does need to be recognised that access to deposits will also be an issue for many households when looking at access housing (particularly for owner-occupation, but also rented accommodation). The analysis does not specifically factor in deposits due to good local information not typically being available; however, the English Housing Survey (2021-22) did collect data on savings (nationally) and this showed that 22% of owners, 48% of households in the private rented sector and 74% of social tenants did not have any savings. Access to deposits are therefore a potential further barrier to accessing housing for some groups.
- 4.24 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis – the PPG does not provide any guidance on this issue. CLG SHMA guidance prepared in 2007 suggested that 25% of income is a reasonable start point, it also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 4.25 Lower quartile rent levels in Wyre are slightly lower than average in comparison to other locations (ONS data points to a lower quartile rent of £525 in existing tenancies, compared with £525 across the North West and £625 nationally). This would suggest that a proportion of income to be spent on housing could be towards the bottom end of the range (the range being from 25% to 40%). On balance, it is considered that a threshold of 30% is reasonable in a local context, to afford a £650 pcm rent would imply a gross household income of about £26,000 (and in net terms the rent would likely be around 36% of income).
- 4.26 In reality, many households may well spend a higher proportion of their income on housing and therefore would have less money for other living costs – for the purposes of this assessment these households would essentially be assumed as ideally having some form of subsidised rent so as to ensure a sufficient level of residual income.
- 4.27 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis of the need for social/affordable rented housing is based on the ability to afford to access private rented housing. However, local house prices (and affordability) are important when looking at the need for affordable home ownership.

- 4.28 For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four and a half times their salary. These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis.
- 4.29 The table below shows the estimated incomes required to both buy and rent (privately) in each sub-area. This shows a 'gap' in all areas across the Borough apart from Fleetwood, where essentially it may be possible to buy a lower quartile home with a lower income than to privately rent (based on the assumptions adopted). The gap between incomes is particularly high in Wyresdale and more rural locations generally.

Figure 4.8: Estimated Household Income Required to Buy and Privately Rent by sub-area

	To buy	To rent (privately)	Income gap
Fleetwood	£19,200	£21,800	-£2,600
Thornton-Cleveleys	£27,600	£25,400	£2,200
Poulton	£32,200	£27,600	£4,600
Over Wyre	£30,800	£28,600	£2,200
Rural South	£38,000	£32,400	£5,600
A6 Corridor	£37,400	£31,800	£5,600
Wyresdale	£53,400	£37,400	£16,000
TOTAL	£28,000	£26,000	£2,000

Source: Based on Housing Market Cost Analysis

- 4.30 Although in income terms it is more affordable to buy than rent in Fleetwood, the analysis of the need for housing for those unable to buy OR rent has been linked back to the rental income requirement shown above. This is because there must be some doubt about the ability of households towards the bottom end of the market having sufficient savings to be able to pay a deposit for owner-occupation.

Need for Social/Affordable Rented Housing

- 4.31 The sections below work through the various stages of analysis to estimate the need for social/affordable housing in the Borough. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

- 4.32 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the need for affordable home ownership).

	Source	Notes
Homeless households (and those in temporary accommodation)	MHCLG Statutory Homelessness data	Household in temporary accommodation at end of quarter.
Households in overcrowded housing ¹	2021 Census table RM099	Analysis undertaken by tenure
Concealed households ²	2021 Census table RM009	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

- 4.33 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include an element of double counting (although this is likely to be small). Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.
- 4.34 The table below sets out the categories in the PPG and estimates of the number of households within each need category. This shows an estimated need from around 2,400 households. The data draws on a number of sources, including the 2021 Census.

	Households	% of households
Concealed/homeless household	488	20.6%
Households in overcrowded housing	645	27.2%
Existing affordable housing tenants in need	84	3.5%
Households from other tenures in need	1,154	48.7%
TOTAL	2,371	100.0%

Source: Derived from a range of sources

- 4.35 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. The affordability in different groups is based on estimates of how incomes are likely to vary, for owner-occupiers there is a further assumption about potential equity levels. For homeless and concealed households it is assumed incomes will be low and households unlikely to be able to afford to rent privately. The table below shows just under half of those households identified above are unlikely to be able to afford market housing to buy OR rent and therefore there is a current need from 1,061 households.

¹ <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2199>

² <https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=2109>

	Number in need	% unable to afford	Current need after affordability
Owner-occupied	707	4.0%	28
Affordable housing	202	77.1%	156
Private rented	974	40.0%	390
No housing (homeless/concealed)	488	100.0%	488
TOTAL	2,371	44.8%	1,061

Source: Derived from a range of sources

4.36 Finally, from these estimates, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The total current need is therefore estimated to be 906 – this estimate can be compared with data from the Council’s Housing Register, which at March 2024 had a total of 1,262 applicants in need with a Wyre local connection.

4.37 For the purposes of analysis, it is assumed that the local authority would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2022-40, the need is annualised by dividing by 18 (to give an annual need for 50 dwellings across all areas). This does not mean that some households would be expected to wait 18-years for housing as the need is likely to be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

4.38 The table below shows this data for sub-areas – this includes the number in need (once taking account of affordability), the number excluding those currently residing in affordable housing and the annual figure this represents.

	Number in need	Excluding those in affordable housing	Annualised (/18) 2022-40
Fleetwood	336	253	14
Thornton-Cleveleys	285	260	14
Poulton	134	121	7
Over Wyre	125	112	6
Rural South	34	30	2
A6 Corridor	113	99	6
Wyresdale	34	30	2
TOTAL	1,061	906	50

Source: Derived from a range of sources

Newly-Forming Households

- 4.39 The number of newly forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 4.40 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 4.41 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).
- 4.42 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing. For the purposes of the need for social/affordable rented housing this will relate to households unable to afford to buy OR rent in the market.
- 4.43 The assessment suggests overall that around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates to a total of 285 newly forming households that will have a need per annum on average across the Borough.

Figure 4.13: Estimated Need for Social/Affordable Rented Housing from Newly Forming Households (per annum)			
	Number of new households	% unable to afford	Annual newly forming households unable to afford to buy or rent
Fleetwood	180	44.6%	80
Thornton-Cleveleys	196	41.7%	82
Poulton	113	36.3%	41
Over Wyre	65	44.6%	29
Rural South	27	39.3%	11
A6 Corridor	84	43.0%	36
Wyresdale	13	42.7%	6
TOTAL	679	41.9%	285

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 4.44 The second element of newly arising need is existing households falling into need. To assess this, information about past lettings of social/affordable rented has been used. The assessment looked at households who have been housed in general needs housing over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. Data has been drawn from a number of sources, including Local Authority Housing Statistics (LAHS) and Continuous Recording of Sales and Lettings (CoRe).
- 4.45 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that ‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’.
- 4.46 In addition, analysis has considered trends in the Housing Register, recognising an increase in numbers would point to a higher level of need than is indicated from past lettings (and vice versa). Over the past few years the number of households on the Register has been variable, but with no clear trend. Therefore, no further adjustments have been made from estimates based on past lettings.
- 4.47 Following the analysis through suggests a need arising from 65 existing households each year across the Borough with the table below showing how this is estimated to vary across sub-areas – this shows a particular focus in urban areas.

Figure 4.14: Estimated Need for Social/Affordable Rented Housing from Existing Households Falling into Need (per annum)

	Total Additional Need	% of Total
Fleetwood	20	31.3%
Thornton-Cleveleys	21	33.0%
Poulton	9	13.8%
Over Wyre	6	8.9%
Rural South	1	2.1%
A6 Corridor	6	9.0%
Wyresdale	1	1.9%
TOTAL	65	100.0%

Source: Derived from a range of sources

Supply of Social/Affordable Rented Housing Through Relets

- 4.48 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.

- 4.49 The Practice Guidance suggests that the estimate of likely future relets from the social/affordable rented stock should be based on past trend data which can be taken as a prediction for the future. Information from a range of sources (LAHS, CoRe and Council data) has been used to establish past patterns of social housing turnover. The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.50 On the basis of past trend data it has been estimated that 116 units of social/affordable rented housing are likely to become available each year moving forward for occupation by households in need.

Figure 4.15: Analysis of Past Social/Affordable Rented Housing Supply, 2019/20 – 2021/22 (average per annum) – Wyre					
	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2019/20	202	68.3%	138	65.3%	90
2020/21	135	86.7%	117	77.0%	90
2021/22	344	73.5%	253	66.6%	168
Average	227	74.6%	169	68.3%	116

Source: CoRe

- 4.51 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2021 (Census data).

Figure 4.16: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)		
	Annual supply	% of supply
Fleetwood	60	51.8%
Thornton-Cleveleys	18	15.6%
Poulton	12	10.3%
Over Wyre	9	7.8%
Rural South	3	2.7%
A6 Corridor	12	10.6%
Wyresdale	1	1.2%
TOTAL	116	100.0%

Source: CoRe/Census (2021)

- 4.52 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need. That said, it is important to look at the pipeline supply (outside of the estimated need) and in monitoring it will be important to net off these dwellings as they are completed.
- 4.53 Wyre’s housing monitoring records as at 1st April 2023 indicate there are sites across the borough to accommodate a total of 1,546 affordable dwellings. These units either have the benefit of extant planning permission or are located on sites allocated for future housing development in the adopted local plan (and delivered either as part of a larger market housing scheme or as an exclusive affordable housing scheme) – this is a notable pipeline supply.

Net Need for Social/Affordable Housing

- 4.54 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 284 dwellings per annum across the area – an affordable need is seen in all sub-areas. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need (allowance for)} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Figure 4.17: Estimated level of Affordable Housing Need (households unable to buy or rent) by sub-area (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Fleetwood	14	80	20	115	60	55
Thornton-Cleveleys	14	82	21	118	18	100
Poulton	7	41	9	57	12	45
Over Wyre	6	29	6	41	9	32
Rural South	2	11	1	14	3	11
A6 Corridor	6	36	6	47	12	35
Wyresdale	2	6	1	9	1	7
TOTAL	50	285	65	400	116	284

Source: Derived from a range of sources

- 4.55 These figures can also be standardised based on the size of each location (in this case linked to the number of households shown in the 2021 Census). This shows for example that the supply in Fleetwood is able to meet over half of needs arising, whilst in Thornton-Cleveleys it is only 15%. The analysis also shows Wyresdale as having the highest need per 1,000 households, and Fleetwood the lowest.

Figure 4.18: Estimated level of Affordable Housing Need (households unable to buy or rent) by sub-area (per annum)						
	Total Gross Need	Relet Supply	Net Need	% of net shortfall	Supply as % of need	Net need per 1,000 households
Fleetwood	115	60	55	19.3%	52.3%	4.71
Thornton-Cleveleys	118	18	100	35.1%	15.3%	6.53
Poulton	57	12	45	15.8%	20.9%	5.00
Over Wyre	41	9	32	11.3%	22.0%	5.42
Rural South	14	3	11	3.7%	22.8%	5.66
A6 Corridor	47	12	35	12.4%	25.9%	5.69
Wyresdale	9	1	7	2.5%	16.8%	7.39
TOTAL	400	116	284	100.0%	28.9%	5.60

Source: Derived from a range of sources

- 4.56 Whilst the need above is provided down to sub-area level, it should be remembered that affordable need can be met across the Borough as and when opportunities arise, and so specific sub-area data should not be treated as a local target.

Comparison with Previous Assessments of Affordable Housing Need

- 4.57 Prior to this study, the need for affordable housing had been estimated through the 2014 SHMA³ and again as part of an update in 2017⁴. The method used in previous studies is broadly similar to this report although sources and their application does vary. There are however two key differences; firstly this report has annualised current need by dividing by 18 (to reflect a 2022-40 period) whereas previous studies look at a five-year period; secondly a pipeline of supply has been included in the earlier studies, with this report reporting on the pipeline outside of the main analysis of need.
- 4.58 Therefore to make a comparison between different reports there has been a need to standardise some of the figures (dividing current need by 18 and removing the pipeline) with the table below showing estimates from this study and the two previous reports. There are some differences between the reports but overall the picture of a notable need for affordable housing can be seen from all studies. This study does show the highest need and in looking at the components of this a low level of estimated future relet supply looks to be a key reason for the higher figure.
- 4.59 Regardless of any differences, it is clear that all reports clearly demonstrate a need for affordable housing and that the Council should seek to provide affordable homes at every opportunity.

³ <https://www.wyre.gov.uk/downloads/file/503/fylde-coast-shma-report-2014>

⁴ <https://www.wyre.gov.uk/downloads/file/522/wyre-addendum-3-oan-update>

Figure 4.19: Comparing estimates of affordable need from different studies (annual figures)			
	2014 SHMA	2017 update	This study
Current need	12	17	50
Newly forming households	314	267	285
Existing households falling into need	97	197	65
Total Gross Need	423	481	400
Relet Supply	147	248	116
Net Need	276	233	284

Source: 2014 SHMA, 2017 update and this study

The Relationship Between Affordable Need and Overall Housing Numbers

4.60 The PPG encourages local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG [2a-024] states:

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

4.61 However, the relationship between affordable housing need and overall housing need is complex. This was recognised in the Planning Advisory Service (PAS) Technical Advice Note of July 2015. PAS conclude that there is no arithmetical way of combining the overall need for housing (calculated through demographic projections or the Standard Method) and the affordable need. There are a number of reasons why the two cannot be 'arithmetically' linked.

4.62 Firstly, the modelling contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would release a dwelling for use by another household – there is no net need to provide additional homes. The modelling also contains 'newly forming households'; these households are a direct output from the demographic modelling and are therefore already included in the overall housing need figures.

4.63 The analysis estimates an annual need for 284 rented affordable homes, which is notionally 103% of a Local Housing Need of 275 dwellings per annum (as calculated using the Standard Method). However, as noted, caution should be exercised in trying to make a direct link between affordable need and planned delivery, with the key point being that many of those households picked up as having a need will already be living in housing and so providing an affordable option does not lead to an overall net increase in the need for housing (as they would vacate a home to be used by someone else).

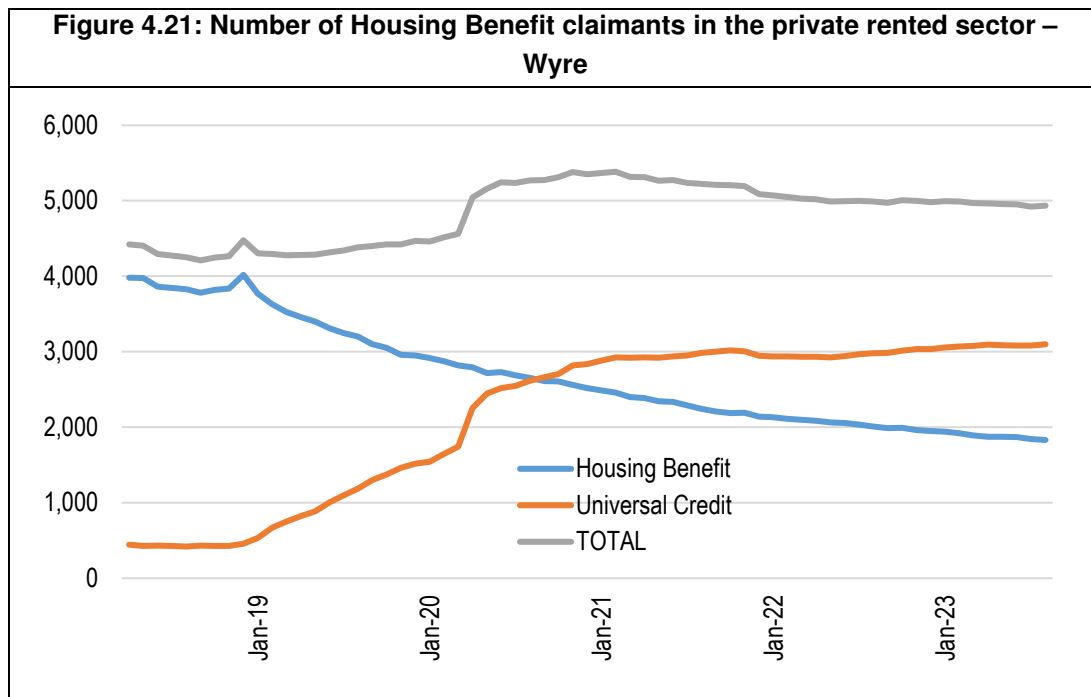
- 4.64 It is possible to investigate this in some more detail by re-running the model and excluding those already living in accommodation. This is shown in the table below which identifies that meeting these needs would lead to an affordable need for 196 homes per annum across the Borough – notionally 71% of the Standard Method. This figure is theoretical and should not be seen to be minimising the need (which is clearly acute). It does however serve to show that there is a substantial difference in the figures when looking at overall housing shortages.
- 4.65 The analysis is arguably even more complex than this – it can be observed that the main group of households in need are newly forming households. These households are already included within demographic projections and so the demonstrating of a need for this group again should not be seen as additional to that estimated through demographic projections (including the Standard Method).

Figure 4.20: Estimated Need for Affordable Housing (social/affordable rented) excluding households already in accommodation – Wyre		
	Including existing households	Excluding existing households
Current need	50	27
Newly forming households	285	285
Existing households falling into need	65	0
Total Gross Need	400	312
Re-let Supply	116	116
Net Need	284	196

Source: Derived from a range of sources

- 4.66 Additionally, it should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would ‘fall out of need’ and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household’s income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.
- 4.67 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift). It is however worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit. In particular, the role played by the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

- 4.68 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main ‘full market’ PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this, and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS.
- 4.69 It is also worth reflecting on the NPPF (Annex 2) definition of affordable housing. This says: ‘Affordable housing: housing for sale or rent, for those whose **needs are not met by the market**’ [emphasis added]. Clearly where a household is able to access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is evidently part of the functioning housing market.
- 4.70 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of August 2023, it is estimated that there were over 4,900 benefit claimants in the private rented sector in Wyre. From this, it is clear that the PRS contributes to the wider delivery of ‘affordable homes’ with the support of benefit claims, and further complicates any attempts to find a relationship between affordable need and overall housing need.
- 4.71 It should however be noted that it may be difficult for households to access private rented housing where they are reliant on Housing Benefit/Universal Credit. In some cases Local Housing Allowance (LHA) levels will be low compared to the rent being sought and there will also be cases where landlords do not let homes to households claiming benefits (LHA levels are discussed later in this section). Therefore, whilst the private rented sector does release some pressure from affordable housing, it should not be considered as an affordable tenure.
- 4.72 The figure below shows the trend in the number of claimants in the Borough. This shows there has been a notable increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a substantial number of households claiming benefit support for their housing in the private sector (typically around 4,500 households). The figure does show the numbers claiming Housing Benefit declining, this is because some households will stop being claimants with any new claims now being through Universal Credit (which is generally increasing over time).



4.73 The table below shows benefit claimants in the PRS by sub-area and includes an estimate of the number of households in the PRS in each area. Data is taken for March 2021 to allow for consistency between sources (one of which is the 2021 Census). The analysis shows a particular concentration of benefit claimants in Fleetwood and that around 83% of all PRS households in Fleetwood claim Housing Benefit or Universal Credit. Across the whole Borough it is estimated around two-thirds (66%) of private renting tenants claim benefits, with lower figures of around a third in each of Rural South and Wyresdale.

Figure 4.22: Number of Housing Benefit claimants in the private rented sector and size of the sector (March 2021)

	Housing Benefit	Universal Credit	Total	% of total	Households in PRS	% of PRS claiming
Fleetwood	809	1,256	2,065	38.8%	2,494	82.8%
Thornton-Cleveleys	873	909	1,782	33.4%	2,669	66.8%
Poulton	240	359	599	11.2%	1,186	50.5%
Over Wyre	276	203	479	9.0%	689	69.5%
Rural South	26	32	58	1.1%	172	33.7%
A6 Corridor	165	135	300	5.6%	705	42.6%
Wyresdale	17	28	45	0.8%	143	31.5%
TOTAL	2,406	2,922	5,328	100.0%	8,058	66.1%

Source: Department of Work and Pensions and 2021 Census

- 4.74 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivering affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.
- 4.75 Overall, it is difficult to link the need for affordable housing to the overall housing need; indeed, there is no justification for trying to make the link. Put simply the two do not measure the same thing and in interpreting the affordable need figure, consideration needs to be given to the fact that many households already live in housing, and do not therefore generate an overall net need for an additional home. Further issues arise as the need for affordable housing is complex and additionally the extent of concealed and homeless households needs to be understood as well as the role played by the private rented sector.
- 4.76 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. As noted previously, the evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.
- 4.77 Finally, whilst there is no direct link between the affordable need and overall housing need, it is the case that the levels of affordable need across areas can feed into considerations about the distribution of housing for different locations.

Split Between Social and Affordable Rented Housing

- 4.78 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two main types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures.
- 4.79 The table below shows current rent levels in the Borough for a range of products along with relevant local housing allowance (LHA) rates (Most of the Borough is within the Fylde Coast Broad Rental Market Area (BRMA) for the purposes of LHA). Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents (as derived earlier in this section). This analysis shows that social rents are lower than affordable rents; the analysis also shows that affordable rents are notably lower than lower quartile market rents.
- 4.80 The LHA rates for all sizes of home are below lower quartile market rents. This does mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent (even where they can find a landlord willing to accept benefit tenants). It is also notable that the LHA for a 1-bedroom home is below the average affordable rent with the 2-bedroom figure being virtually identical to the affordable rent.

	Social rent	Affordable rent	Lower quartile market rent	LHA (Fylde Coast)
1-bedroom	£341	£401	£475	£368
2-bedrooms	£393	£499	£650	£497
3-bedrooms	£439	£561	£800	£573
4-bedrooms	£483	£560	£950	£650
All	£400	£508	£650	-

Source: RSH, market survey and VOA

- 4.81 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the tables below. Caution should be exercised when looking at the overall averages as these will be influenced by the profile of stock in each category and so the discussion focusses on 2-bedroom homes. This shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent 77% of a current lower quartile rent.

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	85%	72%	84%
2-bedrooms	79%	60%	77%
3-bedrooms	78%	55%	70%
4-bedrooms	86%	51%	59%
All	79%	62%	78%

Source: RSH, market survey and VOA

- 4.82 For the affordability test, a standardised average rent for each product has been used based on the proportion of stock in each size category. The table below suggests that around 16% of households who cannot afford to rent privately could afford an affordable rent, with a further 16% being able to afford a social rent (but not an affordable one) without the need of benefit support. A total of 68% of households would need some degree of benefit support to be able to afford their housing (regardless of the tenure).

	% of households able to afford
Afford affordable rent	16%
Afford social rent	16%
Need benefit support	68%
All unable to afford market	100%

Source: Affordability analysis

- 4.83 The finding that only 16% of households can afford an affordable rent does not automatically lead to a policy conclusion on the split between the two types of housing. For example, many households who will need to access rented accommodation will be benefit dependent and as such could technically afford an affordable rent – hence a higher proportion of affordable rented housing might be appropriate – indeed the analysis does identify a substantial proportion of households as being likely to need benefit support. On the flip side, providing more social rents might enable households to return to work more easily, as a lower income would potentially be needed to afford the lower social (rather than affordable) rent.
- 4.84 There will be a series of other considerations both at a strategic level and for specific schemes. For example, there may be funding streams that are only available for a particular type of housing, and this may exist independently to any local assessment of need. Additionally, there will be the consideration of the balance between the cost of housing and the amount that can be viably provided, for example, it is likely that affordable rented housing is more viable, and therefore a greater number of units could be provided. Finally, in considering a split between social and affordable rented housing it needs to be considered that having different tenures on the same site (at least at initial occupation) may be difficult – e.g. if tenants are paying a different rent for essentially the same size/type of property and services.
- 4.85 On this basis, it is not recommended that the Council has a rigid policy for the split between social and affordable rented housing, although the analysis is clear that both tenures of homes (and particularly socially rented housing) are likely to be required.

Establishing a Need for Affordable Home Ownership

- 4.86 The Planning Practice Guidance confirms a widening definition of those to be considered as in affordable need; now including ‘households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home’. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 4.87 The methodology used in this report therefore draws on the current methodology, and includes an assessment of current needs, and projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the ‘gap’ between buying and private renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 4.88 The analysis has been developed in the context of First Homes with the Government proposing that 25% of all affordable housing secured through developer contributions should be within this tenure. A definition of First Homes (from the relevant PPG (70-001)) can be found later in this document.

Gross Need for Affordable Home Ownership

- 4.89 The first part of the analysis seeks to understand what the gap between renting and buying actually means in the Borough – in particular establishing the typical incomes that might be required. The information about incomes required to both buy and rent in different locations has already been provided earlier in this section and so the discussion below is a broad example.

- 4.90 Using the income distributions developed (as set out earlier in this section) along with data about price and rents, it has been estimated that of all households living in the private rented sector, around 56% already have sufficient income to buy a lower quartile home, with 5% falling in the rent/buy 'gap'. The final 40% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than the calculated threshold of their income on housing costs) although in reality it should be noted that many households will spend a higher proportion of their income on housing.
- 4.91 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in, or who might be expected to access, this sector (e.g. newly forming households).
- 4.92 In Fleetwood (and as previously noted) there are no households in the gap between buying and renting, this is because it is estimated that the income required to buy a home is actually slightly lower than the income to rent. In all other areas there is a modest gap between buying and renting and in Wyresdale there is a notable 'gap' (an estimated 20% of households are in the rent/buy gap) – this reflects the much higher house prices in this location.

Figure 4.26: Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Fleetwood	58%	-	42%
Thornton-Cleveleys	56%	4%	39%
Poulton	59%	7%	34%
Over Wyre	54%	4%	42%
Rural South	55%	8%	37%
A6 Corridor	51%	8%	41%
Wyresdale	39%	20%	40%
TOTAL	56%	5%	40%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

- 4.93 The finding that a proportion of households in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests for some households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.94 To study current need, an estimate of the number of households living in the Private Rented Sector (PRS) has been established, with the same (rent/buy gap) affordability test (as described above) then applied. The start point is the number of households living in private rented accommodation; as of the 2021 Census there were some 8,100 households living in the sector across the Borough (renting from private landlord or letting agency).

- 4.95 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (4,800 households if applied to Wyre) and of these some 40% (1,900 households) would expect this to happen in the next 2-years. These figures are taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.96 As noted above, on the basis of income it is estimated that around 5% of the private rented sector sit in the gap between renting and buying (varying by location). Applying this proportion to the above figures would suggest a current need for around 77 affordable home ownership units (4 per annum if annualised over an 18-year period).
- 4.97 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 36 dwellings (30 from newly forming households and 6 from existing households in the private rented sector).
- 4.98 Bringing together the above analysis suggests that there is a need for around 41 affordable home ownership homes (priced for households able to afford to rent but not buy a home priced at the lower quartile) per annum across the Borough. This is before any assessment of the potential supply of housing is considered.

Figure 4.27: Estimated Gross Need for Affordable Home Ownership (per annum)

	Current need	Newly forming households	Existing households falling into need	Total Gross Need
Fleetwood	0	0	0	0
Thornton-Cleveleys	2	8	2	12
Poulton	1	8	2	11
Over Wyre	0	2	1	3
Rural South	0	2	0	3
A6 Corridor	1	7	1	9
Wyresdale	0	3	1	4
TOTAL	4	30	6	41

Source: Derived from a range of sources

Potential Supply of Housing to Meet the Affordable Home Ownership Need and Net Need

- 4.99 As with the need for social/affordable rented housing, it is also necessary to consider if there is any supply of affordable home ownership products from the existing stock of housing. As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.

- 4.100 One source is likely to be resales of low cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2023 of 364 homes. If these homes were to turnover at around 3% (an estimate of typical turnover nationally) then they would be expected to generate around 11 resales each year. These properties would be available for these households and can be included as the potential supply.
- 4.101 In addition, it should be noted that the analysis looks at households unable to afford a lower quartile property price. By definition, a quarter of all homes sold will be priced at or below a lower quartile level. According to the Land Registry, in Wyre there were a total of 1,546 resales (i.e. excluding newly-built homes) in the last year (year to March 2023) and therefore around 386 would be priced below the lower quartile. This is 386 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is in excess of the level of need calculated.
- 4.102 It is then possible to provide a best estimate of the supply of lower quartile homes that are bought by the target group of households (assumed to be first-time buyers). Whilst dated, a report by Bramley and Wilcox in 2010 (Evaluating requirements for market and affordable housing) noted that around 40% of first-time buyers with a mortgage buy at or below the lower quartile⁵. Other recent data suggests that first time buyers account for around half of home purchase loans⁶ with a total of around 65% of all homes being bought with a loan (35% as cash buyers⁷).
- 4.103 Bringing this together would point to 32.5% of homes being bought by first-time buyers and around 13% of all homes being a lower quartile home bought by a first-time buyer (32.5% × 40%) – this would point to around half of all lower quartile sales as being to first-time buyers (as half of 25% is 12.5%). Therefore, for the purposes of estimating a ‘need’ half of all lower quartile sales are included in the supply.
- 4.104 We can therefore now provide three supply estimates which can be considered in the context of the estimated need. These are:
- Only count the supply from affordable home ownership resales (11 per annum);
 - Include the supply from affordable home ownership and half of resales of lower quartile homes (204 per annum (193+11)); and
 - Include the supply from affordable home ownership and all resales of lower quartile homes (434 per annum (386+11)).
- 4.105 The table below shows the estimated net need from applying these three supply scenarios. Only including the resales of AHO shows a need for 30 dwellings per annum and this becomes a surplus if 50% of lower quartile sales are included. If all lower quartile sales are included in the supply, then there is a substantial surplus of affordable home ownership shown.

⁵ https://thinkhouse.org.uk/site/assets/files/1614/2010_20nhpau_202.pdf

⁶ <https://www.mortgagesolutions.co.uk/news/2022/01/24/first-time-buyer-numbers-rose-to-nearly-410000-in-2021/#:~:text=First%2Dtime%20buyers%20accounted%20for,39%20per%20cent%20in%202009>

⁷ <https://www.ft.com/content/e0ad2830-094f-4e61-acaa-d77457e2edbb>

	AHO resales only	AHO resales plus 50% of LQ sales	AHO resales plus 100% of LQ sales
Total gross need	41	41	41
LCHO supply	11	204	397
Net need	30	-163	-356

Source: Derived from a range of sources

- 4.106 Focussing on the first of the three scenarios above (as this is the only one showing any net need) the table below shows a need for affordable home ownership in all areas apart from Fleetwood, although the needs are significantly lower than for rented affordable housing.

	Total Gross Need	Supply	Net need
Fleetwood	0	1	-1
Thornton-Cleveleys	12	2	10
Poulton	11	1	10
Over Wyre	3	2	2
Rural South	3	1	2
A6 Corridor	9	3	6
Wyresdale	4	0	3
TOTAL	41	11	30

Source: Derived from a range of sources

- 4.107 Overall, the analysis shows it is difficult to conclude what the need for affordable home ownership is (and indeed if there is one). However, it is possible that delivery of affordable home ownership (including First Homes) could help to 'loosen up' the supply of second-hand homes at the bottom end of the market (e.g. below lower quartile) as they will provide a wider choice and additional 'competition'. As with the need for rented affordable products, the 'need' figure shown above (for 30 dwellings per annum) should not be seen as a target for delivery.

Implications of the Analysis

- 4.108 Given the analysis above, there may be a case to conclude that there is a need to provide housing under the definition of 'affordable home ownership' – although this conclusion is largely based on only considering supply from resales of affordable housing. If supply estimates are expanded to include market housing for sale below a lower quartile price then the need for AHO is less clear-cut. Regardless, the analysis is clear of much greater needs for rented forms of affordable housing.

- 4.109 Regardless, it does seem that there are many households in Wyre who are being excluded from the owner-occupied sector (although they can afford private rented housing). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 39% from 2011 to 2021 (following a much higher increase in the 2001-11 period). Over the same period (2001-11 and 2011-21), the number of owners with a mortgage has decreased. That said, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).
- 4.110 On this basis, and as previously noted, it seems likely in Wyre that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy (although this will be a factor).
- 4.111 The NPPF gives a clear direction that 10% of all new housing (on larger sites) should be for affordable home ownership (in other words, if 20% of homes were to be affordable then half would be affordable home ownership) and it is now the case that policy compliant planning applications would be expected to deliver a minimum of 25% affordable housing as First Homes (as a proportion of the total affordable housing), with Councils being able to specify the requirement for any remaining affordable housing (subject to at least 10% of all housing being for AHO).
- 4.112 Firstly regarding the 10%, it is not clear that this is the best solution in the Borough. The NPPF does provide some examples of where the 10% might not be required (paragraph 65), most notably that the 10% would be expected unless this would 'significantly prejudice the ability to meet the identified affordable housing needs of specific groups'. In Wyre, the clear need for additional rented housing would arguably mean that providing the affordable home ownership would 'prejudice the ability' to meet the needs of the 'specific group' requiring rented accommodation.
- 4.113 Regarding the 25% of affordable housing as First Homes, it is not clear how much scope there is to challenge the 'minimum of 25%' although it is noted the PPG (70-001) states that First Homes '*should account for at least 25% of all affordable housing*' rather than 'must'. It will also be important to understand what role other tenures of affordable home ownership (such as shared ownership) might play. It is possible that provision of First Homes could squeeze out other forms of LCHO such as shared ownership, although it is likely that there will still be a role for this type of housing given typically lower deposit requirements.
- 4.114 Whilst there are clearly many households in the gap between renting and buying, they in some cases will be able to afford homes below lower quartile housing costs. That said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (particularly in terms of the ability to afford a deposit) and low-cost home ownership homes – and shared ownership homes in particular – will therefore continue to play a role in supporting some households.

- 4.115 The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is notably cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.116 There may also be a role for AHO on any 100% affordable housing schemes that may come forward (as well as through Section 106). Including a mix of both rented and intermediate homes to buy would make such schemes more viable, as well as enabling a range of tenures and therefore potential client groups to access housing.
- 4.117 In addition, it should also be noted that the finding of a ‘need’ for affordable home ownership does not have any impact on the overall need for housing. It seems clear that this group of households is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required. Where a household taking up AHO is a newly-forming household (e.g. having been living with parents) this still does not impact on overall needs, as such a household may have been expected to move to private rented accommodation were the ownership option not available.

How Much Should Affordable Home Ownership Homes Cost?

- 4.118 The analysis and discussion above suggest there are a number of households likely to fall under the PPG definition of needing affordable home ownership (including First Homes) – i.e. in the gap between renting and buying – but that the potential supply of low-cost housing to buy makes it difficult to fully quantify this need. However, given the NPPF, the Council may wish to consider some additional homes on larger sites as some form of affordable home ownership (AHO).
- 4.119 The analysis below focusses on the cost of discounted market sale (which would include First Homes) to make them genuinely affordable before moving on to consider shared ownership (in this case suggestions are made about the equity shares likely to be affordable and whether these shares are likely to be offered). It is considered that First Homes and shared ownership are likely to be the main affordable home ownership tenures moving forward although it is accepted that some delivery may be of other products. This section also provides some comments about Rent to Buy housing.
- 4.120 The reason for the analysis to follow is that it will be important for the Council to ensure that any affordable home ownership is sold at a price that is genuinely affordable for the intended target group – for example there is no point in discounting a new market home by 30% if the price still remains above that for which a reasonable home can already be bought in the open market. However, bigger discounts can affect the viability of being able to provide affordable housing for rent.

Discounted Market Sales Housing (focussing on First Homes)

- 4.121 In May 2021, MHCLG published a new Planning Practice Guidance (PPG) regarding First Homes. The key parts of this guidance are set out below:

First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of 'affordable housing' for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;*
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);*
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,*
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).*

First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

- 4.122 In terms of eligibility criteria, a purchaser should be a first-time buyer with a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and a mortgage needs to fund a minimum of 50% of the discounted purchase price. Local authorities can set their own eligibility criteria, which could for example involve lower income caps, a local connection test, or criteria based on employment status. Regarding discounts, a First Home must be sold at least 30% below the open market value. However, local authorities do have the discretion to require a higher minimum discount of either 40% or 50% (if they can demonstrate a need for this).
- 4.123 As noted above, the problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that the discounted housing is more expensive than that typically available in the open market. This is often the case as new build housing itself attracts a premium. The preferred approach in this report is to set out a series of purchase costs for different sizes of accommodation which ensure these products are affordable for the intended group. These purchase costs are based on current lower quartile rental prices and also consideration of the income required to access the private rented sector and then estimating what property price this level of income might support (assuming a 10% deposit and a 4.5 times mortgage multiple). Below is an example of a calculation based on a 2-bedroom home:
- Previous analysis has shown that the lower quartile rent for a 2-bedroom home in Wyre is £650 per month;
 - On the basis of a household spending no more than 30% of their income on housing, a household would need an income of around £2,170 per month to afford ($£650/0.3$) or £26,000 per annum; and
 - With an income of £26,000, it is estimated that a household could afford to buy a home for around £130,000. This is based on assuming a 10% deposit (mortgage for 90% of value) and a 4.5 times mortgage multiple – calculated as $£26,000 * 4.5/0.9$.

- 4.124 Therefore, £130,000 is a suggested purchase price to make First Homes/discounted home ownership affordable for households in the rent/buy gap in Wyre. This figure is essentially the equivalent price that is affordable to a household who can just afford to rent privately. This finding is interesting as earlier analysis points to a lower quartile 2-bedroom price in the Borough as being around £110,000. Hence it is arguably cheaper to buy a home (in income requirement terms) than to rent and to provide a 'genuinely affordable' home which is cheaper than the market the price would need to be below £110,000.
- 4.125 The table below sets out a suggested purchase price for affordable home ownership/First Homes in Wyre by size. For 4-bedroom homes the income required to buy was above that required to rent and so the affordable purchase price could be linked to the equivalent private rent cost (i.e. the £130,000 given as a 2-bedroom example above). For this size of home a range of 'genuinely affordable' prices has been given where the upper end sits between an equivalent price to the income required to private rent and the estimated lower quartile price to buy.
- 4.126 The table also shows an estimated Open Market Value (OMV) if these prices were considered to be 70% of OMV. Focussing on 2-bedroom homes, it is suggested that an affordable price would be £110,000 and therefore the open market value of a home would need to be no more than £157,100 (if discounted by 30%). If the OMV is higher than these figures, then either a higher discount would be required, or the home should not be considered as affordable in a local context.

Figure 4.30: Affordable home ownership prices – Wyre				
	LQ rent – equiv. purchase price	Midpoint purchase price	OMV required – PRS	OMV required - midpoint
1-bedroom	£75,000		£107,100	
2-bedrooms	£110,000		£157,100	
3-bedrooms	£150,000		£214,300	
4+-bedrooms	£190,000	£225,000	£271,400	£321,400

Source: Derived from a range of sources

- 4.127 Given the different pricing of homes in the Borough a further three tables are shown below to indicate pricing needed in each of Fleetwood, Thornton-Cleveleys and the Rest of Borough area. In the higher value areas (notably the Rest of Borough) there is a greater gap between the incomes required to rent and buy and so a range of costs could be considered as 'genuinely affordable'.

Figure 4.31: Affordable home ownership prices – Fleetwood				
	LQ rent – equiv. purchase price	Midpoint purchase price	OMV required – PRS	OMV required - midpoint
1-bedroom	£60,000		£85,700	
2-bedrooms	£80,000		£114,300	
3-bedrooms	£115,000		£164,300	
4+-bedrooms	£160,000	£170,000	£228,600	£242,900

Source: Derived from a range of sources

	LQ rent – equiv. purchase price	Midpoint purchase price	OMV required – PRS	OMV required - midpoint
1-bedroom	£75,000		£107,100	
2-bedrooms	£127,000	£128,500	£181,400	£183,600
3-bedrooms	£150,000		£214,300	
4+-bedrooms	£197,000	£213,500	£281,400	£305,000

Source: Derived from a range of sources

	LQ rent – equiv. purchase price	Midpoint purchase price	OMV required – PRS	OMV required - midpoint
1-bedroom	£85,000		£121,400	
2-bedrooms	£147,000	£148,500	£210,000	£212,100
3-bedrooms	£172,000	£181,000	£245,700	£258,600
4+-bedrooms	£202,000	£251,000	£288,600	£358,600

Source: Derived from a range of sources

- 4.128 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove and other websites with the table below providing a general summary of existing schemes.
- 4.129 This analysis is interesting as it shows the median newbuild price for all sizes of homes is above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the bottom end of the price range could potentially be discounted by 30% and considered as affordable.
- 4.130 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing.

	No. of homes advertised	Range of prices	Median price
1-bedroom	2	£245,000	-
2-bedrooms	6	£167,000-£290,000	£180,000
3-bedrooms	32	£140,000-£490,000	£250,000
4+-bedrooms	44	£220,000-£670,000	£362,000

Source: Internet Property Search

4.131 In completing the analysis of Discounted Sales schemes we also found a 2-bedroom terraced home for sale in Thornton-Cleveleys at a price of £140,000 with a 20% discount (giving an OMV of £175,000). In this location, 2-bedroom homes can already be bought for lower prices than even this discounted price and so there are some question marks over the affordability of this product (although it should be remembered it is just data for a single dwelling and other schemes could be more (or less) affordable).

Key Points in Relation to First Homes

4.132 The paragraphs below seek to answer a series of questions in relation to First Homes. This should help the Council in deciding the appropriate approach, although ultimately there will be choices and decisions to be made by the Council that this report can only comment on. Whilst the analysis above has focussed on pricing, the discussion below also draws on this information to consider whether there are any specific local criteria that could be applied.

- *Is there a justification for a discount of greater than 30%, if so, what should it be?*

4.133 There is certainly a case to seek a discount in excess of 30% - a higher discount will make homes cheaper and therefore potentially open up additional households as being able to afford. However, providing a higher discount may have an impact on viability, meaning the Council will not be able to provide as many homes in other tenures (such as rented affordable housing which is likely to be needed by those with more acute needs and fewer choices in the housing market). The Council could therefore investigate higher discounts, but it is not recommended to seek a higher figure unless this can be proven to have no impact on overall affordable delivery.

- *Is the maximum price of £250K after discount an appropriate maximum sales value?*
- *Is the national threshold of £80,000 for household income appropriate?*

4.134 The tables above shows that virtually all of the affordable prices sit below the £250,000 cap (the one exception being 4-bedroom homes in the Rest of Borough area) and therefore it is arguable that a lower cap would be appropriate. It is considered that the number of 4-bedroom homes likely to be provided as First Homes will be low (focus likely to be on 2- and 3-bedroom homes – see section on Housing Mix) and this gives further reason for looking at a lower cap.

4.135 A lower cap would help to ensure that homes are affordable even on schemes where the OMV is relatively high (although consideration about viability and potential loss of other forms of affordable housing will also be a consideration). Looking at the affordable prices, it is considered that a cap of something in the region of £180,000 might be appropriate (based on the highest 3-bedroom figure shown above). This could help to ensure that First Homes are only offered on properties where the initial OMV is not significantly above the affordable prices.

4.136 Turning to the £80,000 income threshold, it can be noted with a price of £180,000 and the assumptions used in this report (10% deposit and 4.5 times mortgage multiple) that an income threshold of £36,000 might be appropriate. However, it is the case in reality individual households will have their own specific circumstances and therefore a higher cap might be appropriate. On the basis of a household having a 3.5 times mortgage multiple the income cap could be set at around £46,000.

- *What is the level of need for such products?*

4.137 In some ways, this is a difficult question to answer. The analysis is clear that there are likely to be a number of households whose incomes sit in the range of being able to afford to privately rent, but not being able to buy a home. It can be concluded that as long as First Homes are made available for an affordable price, it is likely there will be a strong demand (although some households in the rent/buy gap may not choose a discounted product given that the discount is held in perpetuity). Alternatively, it is possible that First Homes will see demand from those who can technically afford housing in the existing market – this would not be meeting a need but would arguably provide some demand for this type of home.

4.138 Regardless of the need/demand, it is not recommended that the Council seek to reduce the amount of social/affordable rented homes by prioritising First Homes. The evidence does not support the Councils in seeking more than 25% of affordable housing as First Homes. Indeed, on the basis of the analysis in this section it is suggested the Council should investigate seeking a lower proportion than the 25% (possibly seeking 0% and only allowing First Homes where they are needed to support viability).

- *Should the Council set local eligibility criteria?*

4.139 First Homes are designed to help people to get on the housing ladder in their local area, and in particular to ensure that key workers providing essential services are able to buy homes in the areas where they work. The Council can therefore prioritise key workers for First Homes (for the first three months of marketing), and are encouraged to do so, especially if they have an identified local need for certain professions.

4.140 To ensure First Homes are available to local residents and workers a local connection eligibility criteria could be used. This could be in-line with any criteria within local allocations policy and for example could require potential purchasers to demonstrate that they:

- Live in the Borough (for a period of time (possibly 2-years));
- Work over 16 hours a week in the area, or
- Have a close relative (parent, adult son or daughter or adult sibling) who has lived in the area for a period of time.

4.141 Additional preference could be given to essential workers. Annex 2 of the NPPF also includes the needs of essential local workers *'Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provided a subsidised route to home ownership and/or is for essential local workers' [emphasis added]. Essential local workers are defined as 'Public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers'.*

Shared Ownership

4.142 Whilst the Government has a clear focus on First Homes, they also see a continued role for Shared Ownership, launching a ‘New Model for Shared Ownership’ in early 2021 (following a 2020 consultation) – this includes a number of proposals, with the main one for the purposes of this assessment being the reduction of the minimum initial share from 25% to 10%. A key advantage of shared ownership over other tenures is that a lower deposit is likely to be required than for full or discounted purchase. Additionally, the rental part of the cost will be subsidised by a Registered Provider and therefore keeps monthly outgoings down.

4.143 Because shared ownership is based on buying part of a property, it is the case that the sale will need to be at open market value. Where there is a large gap between the typical incomes required to buy or rent, it may be the case that lower equity shares are needed for homes to be affordable (at the level of renting privately). The analysis below looks at what the OMV would need to be with equity shares of 50% and 25% and uses the following key assumptions used in the analysis are:

- 10% deposit on the equity share;
- Rent at 2.75% pa on unsold equity;
- Repayment mortgage over 25-years at 4% (this is based on typical longer-term interest rates and it is noted at the time of writing that such a figure is unlikely to be achieved); and
- It is also assumed that shared ownership would be priced for households towards the bottom end of the rent/buy gap and so the calculations assume that total outgoings should be no higher than the equivalent private rent (lower quartile) cost for that size of property.

4.144 The tables below test the costs of a 50% equity share shared ownership and the 25%. Focussing on 2-bedroom homes this shows to be genuinely affordable; the OMV would need to sit in the range of £184,600-£223,600. This does suggest it is likely to be possible to make shared ownership affordable (given current estimates of newbuild costs) and that shared ownership should be positively encouraged by the Council (rather than other forms of housing such as First Homes) as outgoings are likely to be lower. It is also the case that a shared ownership at 25% equity share can be affordable at an OMV notably higher than the OMV required to make First Homes affordable at a 30% discount.

Figure 4.35: Estimated OMV of Shared Ownership with a 50% Equity Share by Size – Wyre				
	1-bedroom	2-bedrooms	3-bedrooms	4-bedrooms
Open Market Value	£135,000	£184,600	£227,200	£269,800
Share	50%	50%	50%	50%
Equity Bought	£67,500	£92,300	£113,600	£134,900
Mortgage Needed	£60,750	£83,070	£102,240	£121,410
Monthly Cost of Mortgage	£321	£439	£540	£641
Retained Equity	£67,500	£92,300	£113,600	£134,900
Monthly Rent on Retained Equity	£155	£212	£260	£309
Total Cost per month	£475	£650	£800	£950

Source: Data based on Housing Market Cost Analysis

	1-bedroom	2- bedrooms	3- bedrooms	4- bedrooms
Open Market Value	£163,300	£223,600	£275,300	£326,800
Share	25%	25%	25%	25%
Equity Bought	£40,825	£55,900	£68,825	£81,700
Mortgage Needed	£36,743	£50,310	£61,943	£73,530
Monthly Cost of Mortgage	£194	£266	£327	£388
Retained Equity	£122,475	£167,700	£206,475	£245,100
Monthly Rent on Retained Equity	£281	£384	£473	£562
Total Cost per month	£475	£650	£800	£950

Source: Data based on Housing Market Cost Analysis

- 4.145 In terms of current shared ownership schemes in the Borough, at the time of drafting we could find seven newbuild homes for sale. A summary of these schemes is shown below and in most cases the OMV does point to such housing as being relatively affordable and does suggest that shared ownership could work in the Borough.

Location	Property type	Price	Share	OMV
Inskip	3-bed terrace	£47,500	25%	£190,000
Poulton-le-Fylde	3-bed terrace	£48,750	25%	£195,000
Poulton-le-Fylde	3-bed semi	£50,000	25%	£200,000
Catterall	3-bed terrace	£51,250	25%	£205,000
Catterall	3-bed semi	£54,375	25%	£217,500
Great Eccleston	3-bed semi	£62,500	25%	£250,000
Forton	4-bed detached	£85,000	25%	£340,000

Source: Internet Price Search

Rent to Buy

- 4.146 A further affordable option is Rent to Buy; this is a government scheme designed to ease the transition from renting to buying the same home⁸. Initially (typically two years but this can be extended) a home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided is saved in order to put towards a deposit on the purchase of the same or another property – the purchase can include buying through shared ownership.

⁸ <https://www.gov.uk/rent-to-buy>

- 4.147 What is not clear from information available is what happens to the home if the occupant is unable to buy a home and vacates the property (i.e. is it still offered to another applicant at a rent 20% below market value) or what happens to any receipts if the home is sold. On this basis, whilst rent-to-buy may provide a route into home ownership for some households it will be important to check any proposals carefully, and to ensure any discount or funding is held in perpetuity where public grant funding is provided (this would be necessary to meet the requirements of the NPPF).

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the annual need for affordable housing. The analysis is split between a need for social/affordable rented accommodation (based on households unable to buy or rent in the market) and the need for affordable home ownership (AHO) – this includes housing for those who can afford to rent privately but cannot afford to buy a home.
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at rented needs, consideration is given to estimates of the supply of social/affordable rented housing for relets. For AHO, consideration is given to the potential supply of resales of low-cost home ownership properties (such as shared ownership) and lower quartile sales of existing homes.
- When looking at needs from households unable to buy OR rent, the analysis suggests a need for 284 affordable homes per annum across the Borough, with a need shown in all sub-areas.
- Despite the level of need, it is not considered that this points to any requirement for the Council to increase the Local Plan housing requirement due to affordable needs. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). That said, the level of affordable need does suggest the Council should maximise the delivery of such housing at every opportunity.
- The analysis suggests there will be a need for both social and affordable rented housing – the latter will be suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit. It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- When looking at AHO products, the analysis is inconclusive about the scale of the need, although the evidence does suggest there are some households in Wyre who are being excluded from the owner-occupied sector (as evidenced by increases in the size of the private rented sector). It is likely that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- The study also considers different types of AHO (notably discounted market housing (including First Homes) and shared ownership) as each will have a role to play – shared ownership is likely to be suitable for households with more marginal affordability as it has the advantage of a lower deposit and subsidised rent.
- Given the cost of housing locally, it may be difficult for affordable home ownership products to be provided and be considered as 'genuinely affordable' – particularly in the case of discounted market housing such as First Homes. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.

Affordable Housing Need: Key Messages (cont...)

- In deciding what types of affordable housing to provide, including a split between rented and home ownership products, the Council will need to consider the relative levels of need and also viability issues (recognising for example that providing AHO may be more viable and may therefore allow more units to be delivered, but at the same time noting that households with a need for rented housing are likely to have more acute needs and fewer housing options).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the area. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

5. Housing Mix

Introduction

5.1 This section considers the appropriate mix of housing across Wyre, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward.

Background Data

5.2 The number of families in Wyre (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 11,744 as of the 2021 Census, accounting for 23% of households; this proportion is lower than seen across the County, region and nationally with the proportion of married couples with dependent children being particularly low.

Figure 5.1: Households with dependent children (2021)

	Wyre		Lanca- shire	North West	England
	No.	%	%	%	%
Married couple	5,536	10.9%	13.1%	13.1%	14.4%
Cohabiting couple	2,288	4.5%	5.0%	4.9%	4.5%
Lone parent	3,087	6.1%	6.8%	7.7%	6.9%
Other households ⁹	833	1.6%	2.2%	2.3%	2.7%
All other households	39,023	76.9%	72.9%	72.0%	71.5%
Total	50,767	100.0%	100.0%	100.0%	100.0%
Total with dependent children	11,744	23.1%	27.1%	28.0%	28.5%

Source: Census (2021)

5.3 The table below shows the same information for each of the sub-areas. There is some variation in the proportion of households with dependent children, ranging from 20% in Over Wyre, up to 26% in Fleetwood. Despite having the highest proportion of households with dependent children, Fleetwood also has the lowest proportion of married couples (and a proportion of lone parent households notable above that of any other area).

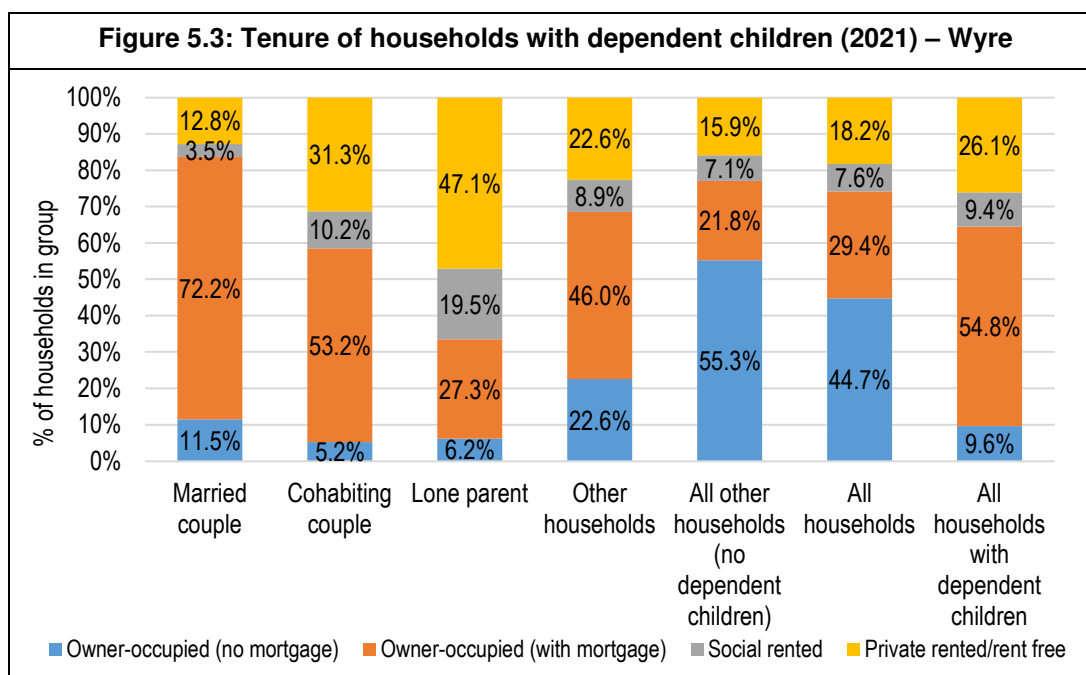
⁹ The number of 'other' households is quite small and likely to consist of a range of situations that do not neatly fit into typical household typologies. This might include multi-generational households or possibly households with unrelated members (such as a lodger).

Figure 5.2: Households with dependent children (2021) – sub-areas

	Married couple	Co-habiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Fleetwood	9.0%	6.0%	9.4%	1.9%	73.7%	100.0%	26.3%
Thornton-Cleveleys	10.5%	4.5%	5.6%	1.5%	77.8%	100.0%	22.2%
Poulton	12.2%	3.7%	5.7%	1.3%	77.1%	100.0%	22.9%
Over Wyre	10.0%	3.9%	4.6%	1.7%	79.8%	100.0%	20.2%
Rural South	14.5%	4.5%	3.8%	2.1%	75.0%	100.0%	25.0%
A6 Corridor	12.7%	3.7%	4.1%	1.5%	78.0%	100.0%	22.0%
Wyresdale	14.8%	3.8%	3.0%	2.2%	76.3%	100.0%	23.8%
TOTAL	10.9%	4.5%	6.1%	1.6%	76.9%	100.0%	23.1%

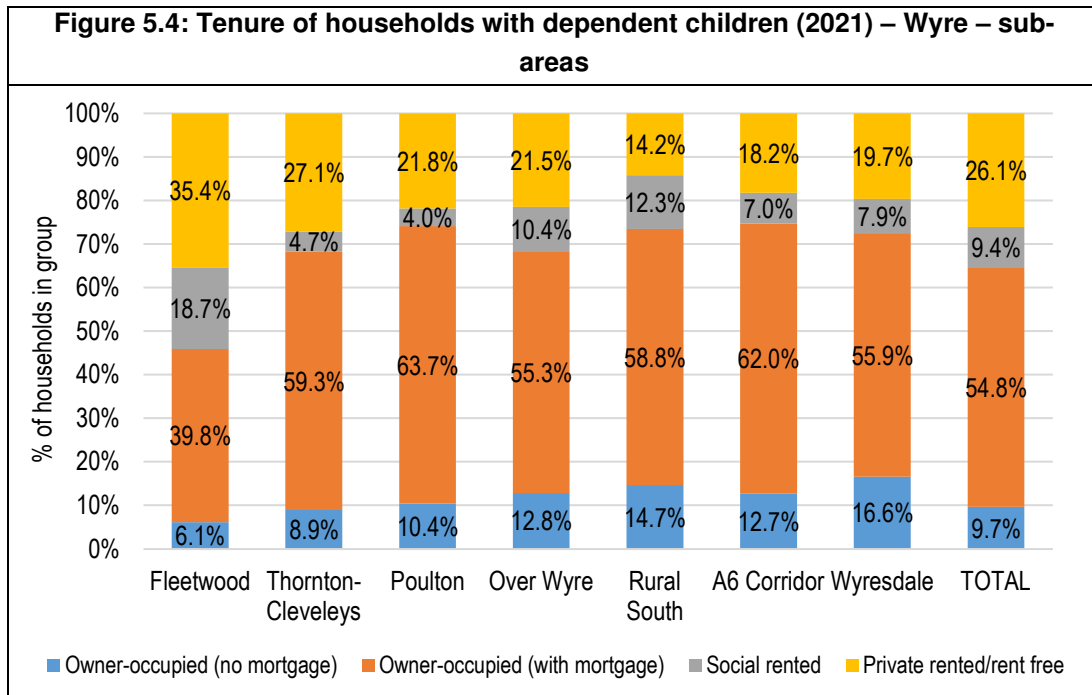
Source: Census (2021)

5.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a high proportion living in the social rented sector and also in private rented accommodation. In Wyre, only 33% of lone parent households are owner-occupiers compared with 84% of married couples with children.



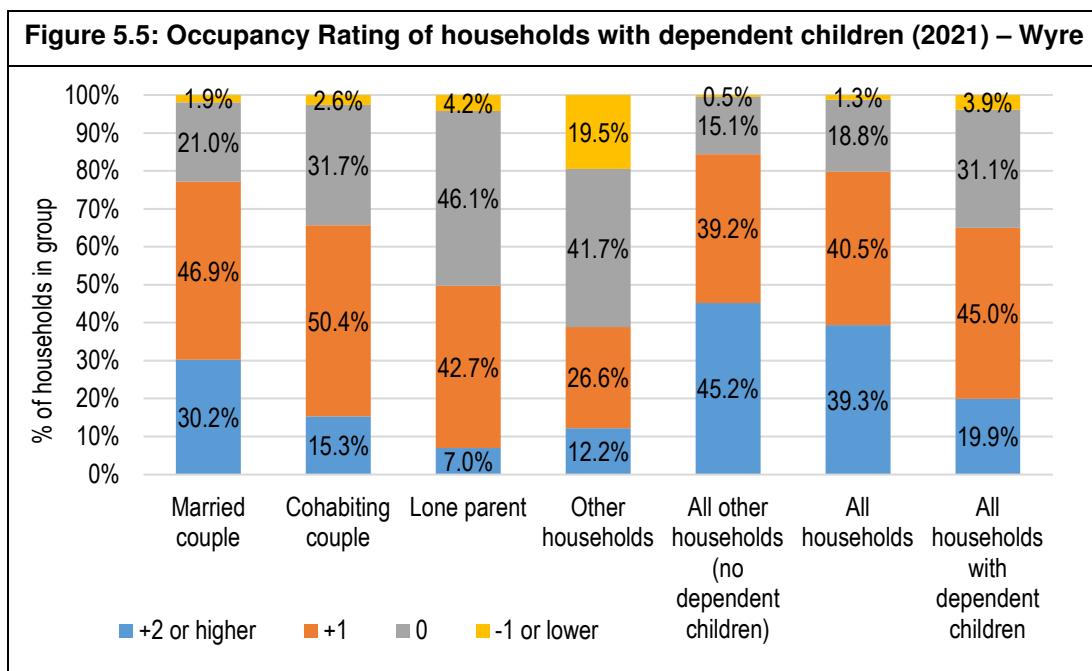
Source: Census (2021)

5.5 The figure below shows the same information for sub-areas (focussing on all households with dependent children). Fleetwood stands out as having higher proportions of households in both the social and private rented sectors, with only 46% of households with dependent children in this area being an owner-occupier.



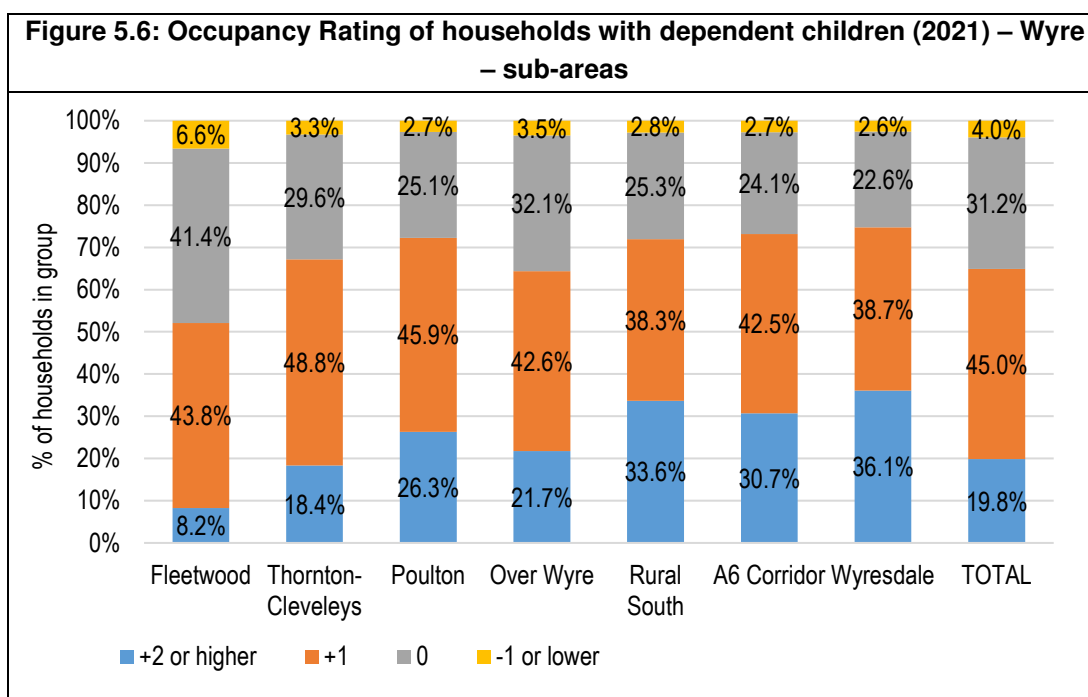
Source: Census (2021)

5.6 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding for all household types with dependent children with 4% of all lone parents and 20% of ‘other’ households being overcrowded. Overall, some 4% of households with dependent children are overcrowded, compared with 0.5% of other households. Levels of under-occupancy are also notably lower in households with dependent children.



Source: Census (2021)

5.7 The figure below shows the same information for sub-areas (again focussing on all households with dependent children). Fleetwood stands out as having a higher level of overcrowding than other areas (7% of all households with dependent children are overcrowded).



Source: Census (2021)

The Mix of Housing

- 5.8 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections linked to the local housing need calculated through the standard method, it is possible to see which age groups are expected to change in number, and by how much.
- 5.9 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed over the assessment period (taken to be 2022-40 to be consistent with other analysis in this report).
- 5.10 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up 70% of the total in this tenure group, although a slightly smaller proportion to that seen across other areas). The profile of the social rented sector is broadly similar across areas whilst the private rented sector is also similar to other locations. Observations about the current mix feed into conclusions about future mix later in this section.

Figure 5.7: Number of Bedrooms by Tenure, 2021					
		Wyre	Lancashire	North West	England
Owner-occupied	1-bedroom	3%	2%	2%	4%
	2-bedrooms	27%	24%	21%	21%
	3-bedrooms	45%	47%	51%	46%
	4+-bedrooms	25%	27%	26%	29%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.91	2.98	3.00	3.01
Social rented	1-bedroom	31%	35%	28%	29%
	2-bedrooms	32%	32%	34%	36%
	3-bedrooms	35%	29%	34%	31%
	4+-bedrooms	3%	4%	4%	4%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.10	2.02	2.14	2.10
Private rented	1-bedroom	17%	14%	16%	21%
	2-bedrooms	39%	43%	43%	39%
	3-bedrooms	36%	33%	33%	29%
	4+-bedrooms	7%	9%	9%	11%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.34	2.38	2.34	2.30

Source: Census (2021)

- 5.11 The table below shows how the sizes of homes in different tenures varies across sub-areas. There are some clear differences between locations with Over Wyre seeing the smallest owner-occupied stock and Wyresdale the largest. Fleetwood, despite having the same average number of bedrooms in owner-occupied housing has a very different profile, the stock being dominated by 3-bedroom homes. The average size of a social rented home varies from 1.95 bedrooms in the A6 Corridor, up to 2.33 in Rural South, whilst private rented homes are generally larger in more rural locations.

Figure 5.8: Number of Bedrooms by Tenure, 2021 – sub-areas

		Fleet-wood	Thornton-Cleveleys	Poulton	Over Wyre	Rural South	A6 Corridor	Wyresdale	TOTAL
Owner-occupied (OO)	1-bedroom	2%	3%	2%	3%	1%	5%	2%	3%
	2-bedrooms	22%	31%	23%	39%	17%	26%	16%	27%
	3-bedrooms	58%	45%	46%	34%	41%	37%	40%	45%
	4+-bedrooms	17%	21%	28%	23%	41%	33%	42%	25%
	Total	100%	100%	100%	100%	100%	100%	100%	100%
	Ave. no. beds	2.91	2.84	3.00	2.77	3.22	2.98	3.23	2.91
Social rented (SR)	1-bedroom	32%	29%	30%	22%	19%	38%	20%	31%
	2-bedrooms	29%	30%	46%	33%	31%	31%	43%	31%
	3-bedrooms	36%	37%	21%	42%	47%	29%	37%	35%
	4+-bedrooms	3%	4%	3%	2%	3%	2%	0%	3%
	Total	100%	100%	100%	100%	100%	100%	100%	100%
	Ave. no. beds	2.10	2.15	1.96	2.24	2.33	1.95	2.16	2.10
Private rented (PRS)	1-bedroom	17%	22%	13%	17%	6%	12%	14%	17%
	2-bedrooms	38%	36%	44%	45%	35%	40%	37%	39%
	3-bedrooms	39%	36%	36%	27%	41%	35%	30%	36%
	4+-bedrooms	6%	5%	6%	11%	18%	13%	19%	7%
	Total	100%	100%	100%	100%	100%	100%	100%	100%
	Ave. no. beds	2.34	2.24	2.36	2.32	2.71	2.50	2.54	2.34

Source: Census (2021)

Overview of Methodology

5.12 The method to consider future housing mix looks at the ages of the Household Reference Person (HRP)¹⁰ and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

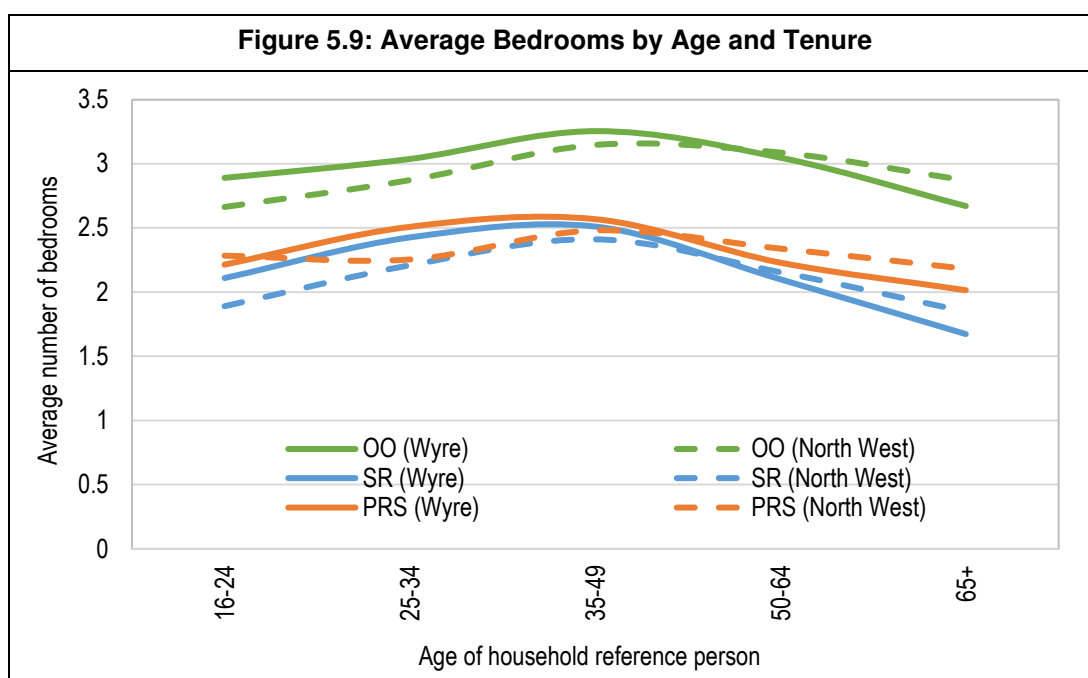
Understanding How Households Occupy Homes

5.13 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

5.14 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units.

¹⁰ The Household Reference Person (HRP) is the household member who is considered to be the 'head of household'. Where used in Census or projection data the HRP acts as a reference point for producing further statistics.

- 5.15 That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller level access homes would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 5.16 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy ('bedroom tax')).
- 5.17 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).
- 5.18 The figure below show an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Wyre and the North West region. In all sectors the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases – as typically some households downsize as they get older. The analysis identifies modest differences between Wyre and the region with both following similar patterns by age in all tenures – it is notable that households aged 65 and over typically live in slightly smaller homes in Wyre for all three broad tenures.



Source: Census (2021)

5.19 The analysis uses the existing occupancy patterns at a local level as a start point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the owner-occupied sector;
- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and
- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing

Changes to Households by Age

5.20 The table below presents the projected change in households by age of household reference person, this shows growth as being expected in most age groups and in particular older age groups. The number of households headed by someone aged 50-64 is however projected to see a notable decrease over the period studied.

Figure 5.10: Projected Change in Household by Age of HRP in Wyre (linked to Standard Method)				
	2022	2040	Change in Households	% Change
Under 25	792	834	42	5.3%
25-34	4,861	4,755	-107	-2.2%
35-49	10,086	10,689	603	6.0%
50-64	15,712	13,482	-2,231	-14.2%
65-74	9,201	10,785	1,584	17.2%
75-84	8,437	11,469	3,032	35.9%
85+	3,202	5,085	1,882	58.8%
TOTAL	52,292	57,097	4,806	9.2%

Source: Demographic Projections

Initial Modelled Outputs

5.21 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

5.22 The analysis for rented affordable housing can also draw on data from the Council's Housing Register with regards to the profile of need. The data shows a pattern of need which is focussed on 1- and 2-bedroom homes and with around a fifth of households requiring 3+-bedroom accommodation.

Figure 5.11: Size of Social/Affordable Rented Housing – Housing Register Information (March 2024)		
	Number of households	% of households
1-bedroom	596	47.2%
2-bedrooms	394	31.2%
3-bedrooms	162	12.8%
4+-bedrooms	110	8.7%
TOTAL	1,262	100.0%

Source: Wyre Council

- 5.23 The table below show the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Figure 5.12: Initial Modelled Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	38%	45%	12%
Affordable home ownership	20%	51%	25%	5%
Affordable housing (rented)	34%	32%	31%	3%

Source: Housing Market Model

Adjustments for Under-Occupation and Overcrowding

- 5.24 The analysis above sets out the potential need for housing if occupancy patterns remained the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).
- 5.25 Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Indeed, in the future there may be a move away from current (2021) occupancy patterns due to affordability issues (or eligibility in social rented housing) as well as the type of stock likely to be provided (potentially a higher proportion of flats). Further adjustments to the modelled figures above have therefore been made to take account of overcrowding and under-occupancy (by tenure).
- 5.26 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a small number of overcrowded households. Overall, in the owner-occupied sector in 2021, there were 33,400 households with some degree of under-occupation and just 280 overcrowded households.

Figure 5.13: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector)

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	10,627	7,583	18,210
+1	0	9,014	4,690	1,484	15,188
0	1,117	1,179	1,465	204	3,965
-1	26	72	145	36	279
TOTAL	1,143	10,265	16,927	9,307	37,642

Source: Census (2021)

5.27 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Figure 5.14: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector)

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	273	48	321
+1	0	694	498	41	1,233
0	1,184	490	509	17	2,200
-1	10	37	66	4	117
TOTAL	1,194	1,221	1,346	110	3,871

Source: Census (2021)

Figure 5.15: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector)

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2	0	0	1,048	391	1,439
+1	0	2,524	1,421	210	4,155
0	1,549	1,004	768	78	3,399
-1	52	90	103	11	256
TOTAL	1,601	3,618	3,340	690	9,249

Source: Census (2021)

5.28 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a '+1' occupancy. This does need to be recognised as an assumption, but can be seen to be reasonable as they do retain some (considerable) degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).

- 5.29 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following table. It can be seen that this tends to suggest a smaller profile of homes as being needed (compared to the initial modelling) with the biggest change being in the market sector – which was the sector where under-occupation is currently most notable.

Figure 5.16: Adjusted Modelled Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	46%	41%	9%
Affordable home ownership	21%	53%	22%	4%
Affordable housing (rented)	35%	33%	28%	4%

Source: Housing Market Model (with adjustments)

- 5.30 Across the Borough, the analysis points to just over a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts that older people have on demand for smaller stock is outlined in the table below.
- 5.31 This indeed identifies a larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for General Needs rather than Specialist Housing, although it does need to be noted that not all older people would be expected to live in homes with some form of care or support.
- 5.32 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2-bedrooms in the rented affordable housing sector.

Figure 5.17: Adjusted Modelled Mix of Housing by Size and Age – affordable housing (rented) – Wyre				
Age of HRP	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	22%	33%	38%	7%
65 and over	51%	49%		
All affordable housing (rented)	35%	33%	28%	4%

Source: Housing Market Model (with adjustments)

- 5.33 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 284 dwellings per annum) with additional data from CoRe about the sizes of homes let over the past three years.
- 5.34 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation where it is estimated the supply is only around 5% of the need arising each year, whereas for 1-bedroom homes around 42% of the need can be met.

	Gross Annual Need	Gross Annual Relet Supply	Net Annual Need	As a % of total net annual need	Supply as a % of gross need
1-bedroom	106	44	61	21.6%	41.9%
2-bedrooms	136	41	95	33.4%	30.0%
3-bedrooms	138	30	109	38.3%	21.4%
4+-bedrooms	20	1	19	6.7%	5.1%
Total	400	116	284	100.0%	28.9%

Source: Derived from a range of sources

Indicative Targets for Different Sizes of Property by Tenure

5.35 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile in different locations. The analysis (for rented affordable housing) also draws on the Housing Register data as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family).

Social/affordable rented

5.36 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). That said, there is also a possible need for 1-bedroom social housing arising due to homelessness (in Wyre in the 3 month period to the end of December 2023 some 63 of the 100 household assessed as being owed a homeless duty were single people).

5.37 As noted, the conclusions also consider the Housing Register and also take account of the current profile of housing in this sector. In taking account of the modelled outputs, the Housing Register and the discussion above, it is suggested that the following mix of social/affordable rented housing would be appropriate:

General Needs

- 1-bedroom: 20%
- 2-bedroom: 35%
- 3-bedroom: 35%
- 4+-bedroom: 10%

Housing for Older People

- 1-bedroom: 50%
- 2+-bedroom: 50%

Affordable Home Ownership

5.38 In the affordable home ownership a profile of housing that closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 20%
- 2-bedroom: 55%
- 3-bedroom: 20%
- 4+-bedroom: 5%

Market Housing

5.39 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy). The conclusions have also slightly boosted figures for larger (4+-bedroom) homes and away from 1-bedroom accommodation to provide more flexibility and to recognise the potential for a general increase in home working (and therefore households seeking an extra room/bedroom to use as office space). This sees a slightly larger recommended profile compared with other tenure groups:

- 1-bedroom: 5%
- 2-bedroom: 45%
- 3-bedroom: 40%
- 4+-bedroom: 10%

5.40 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process (although it will be useful to include an indication of the broad mix to be sought across the Borough) – demand can change over time linked to macro-economic factors and local supply. Policy could also influence the mix sought.

5.41 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also however relevant considerations for the appropriate mix of market housing on individual development sites.

5.42 On this point, it is notable (see section on affordable housing) that at the time of drafting this study, the vast majority of new homes for sale were larger properties – 38% as 3-bedroom homes and 52% with 4+-bedrooms. Whilst larger homes may be preferable to developers (they may see higher profits and a lower affordable contribution) it is likely they are not the most suitable size to meet local requirements – the larger homes may be more attractive to households moving into the area. This does emphasize the importance of monitoring and potentially influencing the mix of market housing in the future.

Smaller-area Housing Mix

5.43 The analysis above has focussed on overall Borough-wide needs with conclusions at the strategic level. It should however be recognised that there will be variations in the need within areas due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to model smaller-area housing mix although the report does contain a range of data that can help inform specific local issues (including data about household composition, current housing mix and overcrowding/under-occupation). Below are some points for consideration when looking at needs in any specific location:

- a) Whilst there are modest differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;
- b) As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;
- c) That said, some of these areas will have very few small/cheaper stock and so consideration needs to be given to diversifying the stock;
- d) The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function) whereas a more suburban/rural site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level; and
- e) Viability will also be a consideration in some instances such as sites subject to delivery of significant infrastructure where a particular mix might be required to achieve a viable site and to ensure the delivery of affordable housing.

5.44 Overall, it is suggested the Council should broadly seek the same mix of housing in all locations but would be flexible to a different mix where specific local characteristics suggest. The Council should also monitor what is being built to ensure that a reasonable mix is provided in a settlement overall. For example, if a recent housing site has provided nothing but 4+-bedroom 'executive' homes, then it could be expected that the next site in a similar location might provide a mix which includes more homes for younger/smaller family households and childless couples.

- 5.45 Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

Built-Form

- 5.46 A final issue is a discussion of the need/demand for different built-forms of homes. In particular this discussion focusses on bungalows and the need for flats vs. houses.

Bungalows

- 5.47 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the Council area as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. Data from the Valuation Office Agency (VOA) does however provide estimates of the number of bungalows (by bedrooms) although no tenure split is available.
- 5.48 The table below shows a significant proportion of homes in Wyre are bungalows (24% of all flats and houses). Over half have 2-bedrooms with most of the remainder being 3+-bedroom homes. A notably lower proportion (9%) of homes across England are bungalows.

Figure 5.19: Number of dwellings by property type and number of bedrooms (March 2020)

	Number of bedrooms					All
	1	2	3	4+	Not Known	
Bungalow	590	7,650	3,400	840	10	12,480
Flat/Maisonette	3,040	2,540	220	60	80	5,950
Terraced house	130	2,910	6,530	580	10	10,180
Semi-detached house	30	1,850	9,900	1,170	10	12,950
Detached house	20	430	3,540	5,660	50	9,700
All flats/houses	3,810	15,380	23,590	8,310	160	51,260
Annexe	-	-	-	-	-	90
Other	-	-	-	-	-	1,260
Unknown	-	-	-	-	-	360
All properties	-	-	-	-	-	52,970

Source: Valuation Office Agency

- 5.49 In general, discussions with local estate agents found there is a demand for bungalows and in addition, analysis of survey data (in other locations) points to a high demand for bungalows (from people aged 65 and over in particular).
- 5.50 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available (this is different from specialist accommodation for older people which would have some degree of care or support).

- 5.51 As a new build option, bungalows are often not supported by either house builders (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 5.52 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 5.53 Overall, the Council could consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive and this may limit opportunities for development – particularly in more urban locations.
- 5.54 Bungalows are likely to see a particular need and demand in the market sector and also for rented affordable housing (for older people as discussed in the next section of the report). Bungalows are likely to particularly focus on 2-bedroom homes, including in the affordable sector where such housing may encourage households to move from larger ‘family-sized’ accommodation (with 3+ bedrooms).

Flats versus Houses

- 5.55 Although there are some 1-bedroom houses and 3-bedroom flats, it is considered that the key discussion on built-form will be for 2-bedroom accommodation, where it might be expected that there would be a combination of both flats and houses. At a national level, 82% of all 1-bedroom homes are flats, 38% of 2-bedroom homes and just 5% of homes with 3-bedrooms.
- 5.56 The table below shows (for 2-bedroom accommodation) the proportion of homes by tenure that are classified as a flat, maisonette or apartment in Wyre, the North West and England. This shows a low proportion of flats in Wyre (15% of all 2-bedroom homes). This would arguably point to the majority of 2-bedroom homes in the future being houses. The analysis does also show a higher proportion of flats in the social and private rented sectors (although it is still the case that the majority of homes in these sectors are houses).

Figure 5.20: Proportion of 2-bedroom homes that are a flat, maisonette or apartment (by tenure)			
	Wyre	North West	England
Owner-occupied	7%	14%	25%
Social rented	36%	39%	48%
Private rented	29%	39%	52%
All (2-bedroom)	15%	27%	38%

Source: 2021 Census

- 5.57 For completeness, the table below shows the proportion of flats in Wyre for all sizes of accommodation and different tenures. Of particular note is the very small proportion of 3+-bedroom homes as flats – particularly in the market sector.

Figure 5.21: Proportion of homes that are a flat, maisonette or apartment (by tenure and dwelling size)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Owner-occupied	40%	7%	0%	0%
Social rented	77%	36%	1%	6%
Private rented	86%	29%	3%	5%
All	70%	15%	1%	1%

Source: 2021 Census

- 5.58 As noted, this analysis would suggest that most 2-bedroom homes should be built as houses (or bungalows) rather than flats given the nature of the current stock. Any decisions will have to take account of site characteristics, which in some cases might point towards flatted development as being most appropriate. The analysis would suggest that the affordable sector might be expected to see a higher proportion of flats than for market housing.

Housing Mix: Key Messages

- Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in Wyre is fairly low with around 23% of all households containing dependent children in 2021 (compared with around 28-29% regionally and nationally). There are notable differences between different types of household, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social or private rented accommodation.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population – the analysis also models for there to be a modest decrease in levels of under-occupancy (which is notable in the market sector).
- In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For general need rented affordable housing there is a clear need for a range of different sizes of homes, including 45% to have at least 3-bedrooms. Our recommended mix is set out below:

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	20%	20%	50%
2-bedrooms	45%	55%	35%	50%
3-bedrooms	40%	20%	35%	
4+-bedrooms	10%	5%	10%	

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.
- The mix identified above could inform strategic policies although a flexible approach should be adopted. For example, in some areas Registered Providers find difficulties selling 1-bedroom affordable home ownership (AHO) homes and therefore the 1-bedroom elements of AHO might be better provided as 2-bedroom accommodation. That said, given current house prices there are potential difficulties in making AHO genuinely affordable.
- Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Given the nature of the area and the needs identified, the analysis suggests that the majority of units should be houses rather than flats although consideration will also need to be given to site specific circumstances (which may in some cases lend themselves to a particular type of development). There is potentially a demand for bungalows, although realistically significant delivery of this type of accommodation may be unlikely. It is however possible that delivery of some bungalows might be particularly attractive to older person households downsizing and may help to release larger (family-sized) accommodation back into family use.

6. Older and Disabled People

Introduction

- 6.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Change

- 6.2 At a national level, the population of older persons is increasing, and this will potentially drive a need for housing which is capable of meeting the needs of older persons. Initially below a series of statistics about the older person population of Wyre are presented.

Current Population of Older People

- 6.3 The table below provides baseline population data about older persons in Wyre and compares this with other areas. The table shows the Borough has a notably older age structure than seen regionally or nationally with 28% of the population being aged 65 and over – half of these being aged 75 and over.

	Wyre	Lancashire	North West	England
Under 65	72.0%	79.0%	81.2%	81.4%
65-74	14.0%	10.9%	9.9%	9.6%
75-84	10.2%	7.4%	6.6%	6.5%
85+	3.7%	2.7%	2.4%	2.5%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	28.0%	21.0%	18.8%	18.6%
Total 75+	14.0%	10.1%	8.9%	9.0%

Source: ONS mid-year population estimates

- 6.4 The table below shows the same data for the sub-areas. This is based on the 2021 Census and so is slightly different to mid-year population estimates (MYE) as shown above. The analysis points to some variation in the proportion of older people, this being notably higher in Over Wyre (lowest in Fleetwood). It is notable that all areas have a higher proportion of people aged 65 and over than is the case regionally and nationally.

	Under 65	65-74	75-84	85+	Total	Total 65+	Total 75+
Fleetwood	77.2%	12.0%	7.7%	3.1%	100.0%	22.8%	10.8%
Thornton-Cleveleys	71.6%	14.5%	10.2%	3.7%	100.0%	28.4%	13.9%
Poulton	71.4%	14.5%	9.8%	4.3%	100.0%	28.6%	14.1%
Over Wyre	66.1%	17.9%	11.9%	4.1%	100.0%	33.9%	16.0%
Rural South	75.7%	13.4%	8.5%	2.3%	100.0%	24.3%	10.9%
A6 Corridor	70.4%	14.8%	10.6%	4.2%	100.0%	29.6%	14.8%
Wyresdale	73.8%	13.0%	9.4%	3.8%	100.0%	26.2%	13.2%
TOTAL	72.3%	14.3%	9.7%	3.7%	100.0%	27.7%	13.4%

Source: 2021 Census

Projected Future Change in the Population of Older People

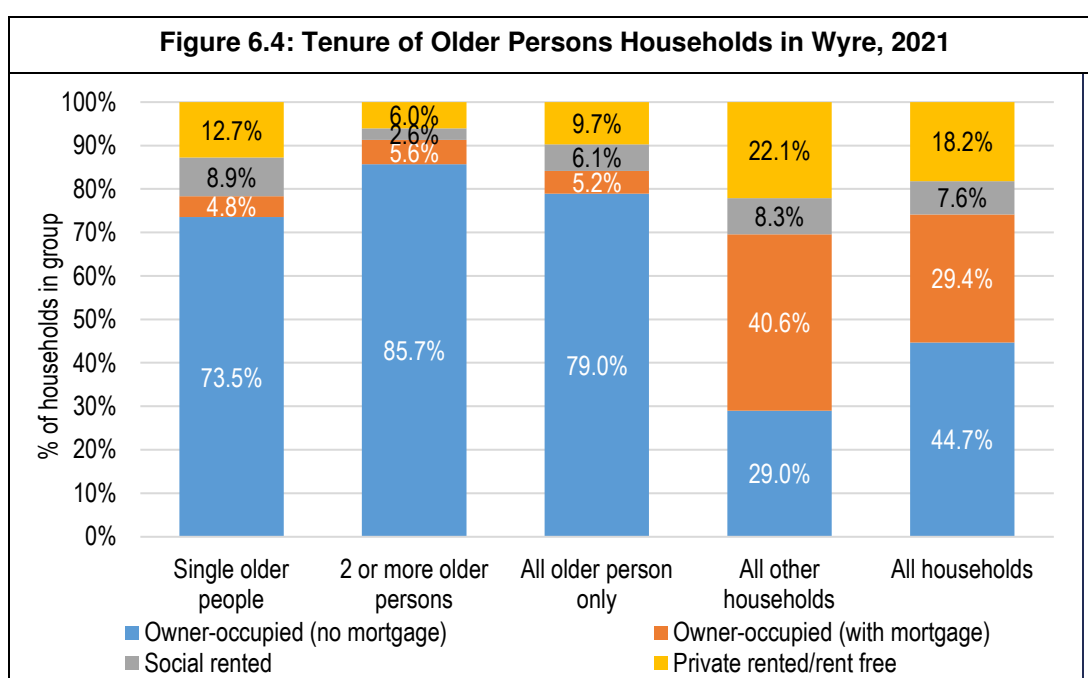
- 6.5 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that Wyre is projected to see a notable increase in the older person population. The projection linked to the Standard Method shows a projected increase in the population aged 65+ of around 29% - the population aged Under 65 is in contrast projected to see a modest decrease (5% decline).
- 6.6 In total population terms, the projections show an increase in the population aged 65 and over of 9,300 people. This is against a backdrop of an overall increase of 5,200 – population growth of people aged 65 and over therefore accounts for over 100% of the total projected population change.

	2022	2040	Change in population	% change
Under 65	82,679	78,520	-4,159	-5.0%
65-74	16,087	18,842	2,755	17.1%
75-84	11,761	15,868	4,107	34.9%
85+	4,282	6,744	2,462	57.5%
Total	114,809	119,973	5,164	4.5%
Total 65+	32,130	41,454	9,324	29.0%
Total 75+	16,043	22,612	6,569	40.9%

Source: Demographic projections

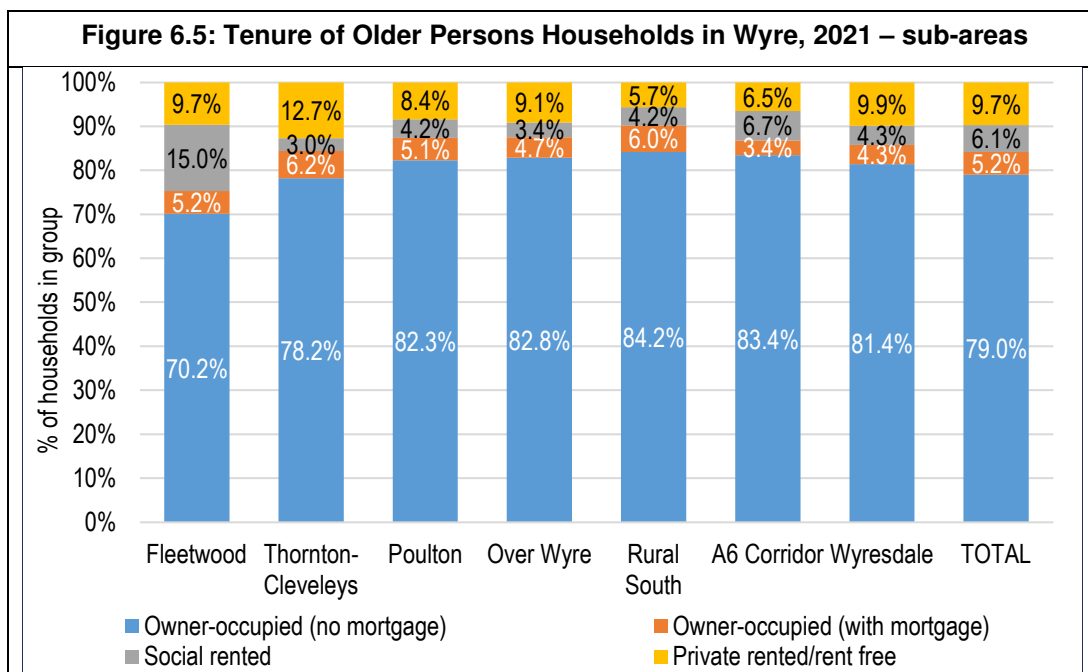
Characteristics of Older Person Households

- 6.7 The figures below show the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (84% of older person households), and indeed most are owner occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 6% of older persons households live in the social rented sector and the proportion of older person households living in the private rented sector is relatively low (about 10%).
- 6.8 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.



Source: 2021 Census

- 6.9 The figure below shows the same information for sub-areas (focussing on the 'all older person' category). This shows all areas have a majority of older people as owner-occupiers, but that the proportion is notably lower in Fleetwood.



Source: 2021 Census

Prevalence of Disabilities

6.10 The table below shows the proportion of people who are disabled under the Equality Act drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 38% of households in the Borough contain someone with a disability. This figure is higher than seen across other areas. The figures for the population with a disability show similar trends in comparison with other areas – some 22% of the population having a disability.

Figure 6.6: Households and People with a Disability, 2021

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Wyre	19,130	37.7%	24,771	22.1%
Lancashire	181,822	34.6%	238,983	19.3%
North West	1,104,261	35.0%	1,440,760	19.4%
England	7,507,886	32.0%	9,774,510	17.3%

Source: 2021 Census

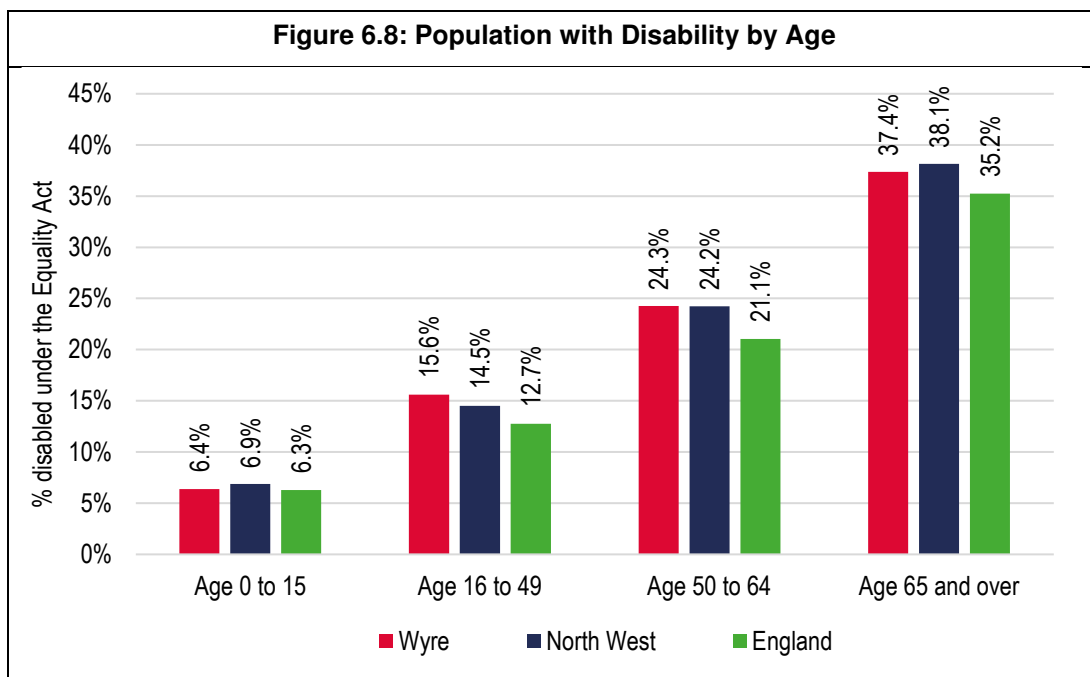
6.11 The table below shows the same information for sub-areas – this shows a higher proportion of population and households in Fleetwood with a disability and lower proportions in Wyresdale.

Figure 6.7: Households and People with a Disability, 2021 – sub-areas

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
Fleetwood	5,206	44.8%	6,867	26.2%
Thornton-Cleveleys	5,922	38.8%	7,550	23.1%
Poulton	2,865	31.9%	3,584	18.5%
Over Wyre	2,271	38.5%	3,031	23.5%
Rural South	597	32.1%	736	16.9%
A6 Corridor	2,000	32.4%	2,614	18.6%
Wyresdale	279	29.0%	390	16.7%
TOTAL	19,140	37.7%	24,772	22.1%

Source: 2021 Census

- 6.12 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows higher levels of disability in each age band within Wyre when compared with the national position, although figures are similar to those seen across the region.



Source: 2021 Census

Health Related Population Projections

- 6.13 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.
- 6.14 Of particular note are the large increases in the number of older people with dementia (increasing by 43% from 2022 to 2040 and mobility problems (up 37% over the same period). Changes for younger age groups are smaller (negative), reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of people aged 65+ with a mobility problem represents around 45% of total projected population growth.

Figure 6.9: Projected Changes to Population with a Range of Disabilities – Wyre

Disability	Age Range	2022	2040	Change	% Change
Dementia	65+	2,411	3,440	1,029	42.7%
Mobility problems	65+	6,315	8,631	2,316	36.7%
Autistic Spectrum Disorders	18-64	733	709	-24	-3.3%
	65+	320	418	97	30.4%
Learning Disabilities	15-64	1,919	1,836	-83	-4.3%
	65+	709	912	203	28.6%
Impaired mobility	16-64	4,806	4,315	-491	-10.2%

Source: POPPI/PANSI and Demographic Projections

- 6.15 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who chose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.
- 6.16 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering ‘accessible and adaptable’ homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base although the cost of meeting this standard is unlikely to have any significant impact on viability and would potentially provide a greater number of homes that will allow households to remain in the same property for longer.

Need for Specialist Accommodation for Older People

- 6.17 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 6.18 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply. There is no standard methodology for assessing the housing and care needs of older people. The current and future demand for elderly care is influenced by a host of factors including the balance between demand and supply in any given area and social, political, regulatory and financial issues. Additionally, the extent to which new homes are built to accessible and adaptable standards may over time have an impact on specialist demand (given that older people often want to remain at home rather than move to care) – this will need to be monitored.
- 6.19 There are a number of 'models' for considering older persons' needs, but they all essentially work in the same way. The model results are however particularly sensitive to the prevalence rates applied, which are typically calculated as a proportion of people aged over 75 who could be expected to live in different forms of specialist housing. Whilst the population aged 75 and over is used in the modelling, the estimates of need would include people of all ages.
- 6.20 Whilst there are no definitive rates, the PPG [63-004] notes that '*the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ for Older People Analysis Tool*'. The PPG does not specifically mention any other tools and therefore seems to be indicating that SHOP@ would be a good starting point for analysis. Since the PPG was published the Housing Learning and Information Network (Housing LIN) has removed the Shop@ online toolkit although the base rates used for analysis are known.

- 6.21 The SHOP@ tool was originally based on data in a 2008 report (More Choice Greater Voice) and in 2011 a further suggested set of rates was published (rates which were repeated in a 2012 publications). In 2016, Housing LIN published a review document which noted that the 2008 rates are 'outdated' but also noting that the rates from 2011/12 were 'not substantiated'. The 2016 review document therefore set out a series of proposals for new rates to be taken forward onto the Housing LIN website.
- 6.22 Whilst the 2016 review rates do not appear to have ever led to an update of the website, it does appear from reviewing work by Housing LIN over the past couple of years as if it is these rates which typically inform their own analysis (subject to evidence based localised adjustments).
- 6.23 For clarity, the table below shows the base prevalence rates set out in the various documents described above. For the analysis in this report the age-restricted and retirement/sheltered have been merged into a single category (housing with support).

Figure 6.10: Range of suggested baseline prevalence rates from a number of tools and publications

Type/Rate	SHOP@ (2008) ¹¹	Housing in Later Life (2012) ¹²	2016 Housing LIN Review
Age-restricted general market housing	-	-	25
Retirement living or sheltered housing (housing with support)	125	180	100
Extra care housing or housing-with-care (housing with care)	45	65	30-40 ('proactive range')
Residential care homes	65	(no figure apart from 6 for dementia)	40
Nursing homes (care bedspaces), including dementia	45		45

Source: Housing LIN

- 6.24 In interpreting the different potential prevalence rates it is clear that:
- The prevalence rates used should be considered and assessed taking account of an authority's strategy for delivering specialist housing for older people. The degree for instance which the Council want to require extra care housing as an alternative to residential care provision would influence the relative balance of need between these two housing types;

¹¹ Based on the More Choice Greater Voice publication of 2008 (https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf). It should be noted that although these rates are from 2008, they are the same rates as were being used in the online toolkit when it was taken offline in 2019.

¹² https://www.housinglin.org.uk/assets/Resources/Housing/Support_materials/Toolkit/Housing_in_Later_Life_Toolkit.pdf

- The Housing LIN model has been influenced by existing levels of provision and their view on what future level of provision might be reasonable taking account of how the market is developing, funding availability etc. It is more focused towards publicly commissioned provision. There is a degree to which the model and assumptions within it may not fully capture the growing recent private sector interest and involvement in the sector, particularly in extra care; and
- The assumptions in these studies look at the situation nationally. At a more local level, the relative health of an area's population is likely to influence the need for specialist housing with better levels of health likely to mean residents are able to stay in their own homes for longer.

- 6.25 These issues are considered to provide appropriate modelling assumptions for assessing future needs. Nationally, there has been a clear focus on strengthening a community-led approach and reducing reliance on residential and nursing care – in particular focussing where possible on providing households with care in their own home. This could however be provision of care within general needs housing; but also care which is provided in a housing with care development such as in extra care housing.
- 6.26 We consider that the prevalence rates shown in the 2016 Housing LIN Review is an appropriate starting point; but that the corollary of lower care home provision should be a greater focus on delivery of housing with care. Having regard to market growth in this sector in recent years, and since the above studies were prepared, we consider that the starting point for housing with care should be the higher rate shown in the SHOP@ report (this is the figure that would align with the PPG).
- 6.27 Rather than simply taking the base prevalence rates, an initial adjustment has been made to reflect the relative health of the local older person population. This has been based on Census data about the proportion of the population aged 65 and over who have a long-term health problem or disability (LTHPD) compared with the England average. In Wyre, the data shows slightly worse health in the older person population and so a modest increase has been made to the prevalence rates.
- 6.28 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories. This again draws on suggestions in the 2016 Review which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using 2019 Index of Multiple Deprivation (IMD) data, the analysis suggests Wyre is the 147th most deprived local authority in England (out of 317) – i.e. a very slightly higher than average level of deprivation – this suggests a slightly greater proportion of affordable housing than a local authority in the middle of the range (for housing with support and housing with care).
- 6.29 The table below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).

6.30 Overall, the analysis suggests that there will be a need for housing with support (retirement/sheltered housing) with around two-thirds in the affordable sector. The analysis also points to a strong potential need for housing with care (e.g. extra-care) in both the market and affordable sectors (three-fifths market housing). The analysis also suggests a need for some additional nursing and residential care bedspaces (particularly nursing care currently).

Figure 6.11: Specialist Housing Need using adjusted SHOP@Review Assumptions, 2022-40 – Wyre

		Housing demand per 1,000 75+	Current supply (EAC data)	Current demand	Current shortfall/surplus (-ve)	Additional demand to 2040	Shortfall/surplus by 2040
Housing with support	Market	51	533	815	282	334	616
	Affordable	77	518	1,241	723	508	1,231
Total (housing with support)		128	1,051	2,056	1,005	842	1,847
Housing with care	Market	26	49	419	370	172	542
	Affordable	20	72	321	249	131	380
Total (housing with care)		46	121	740	619	303	922
Residential care bedspaces		41	603	658	55	269	324
Nursing care bedspaces		46	425	740	315	303	618
Total bedspaces		87	1,028	1,398	370	573	943

Source: Derived from Demographic Projections and Housing LIN/EAC (Elderly Accommodation Counsel)

6.31 The provision of a choice of attractive housing options to older households is a component of achieving good housing mix. The availability of such housing options for the growing older population may enable some older households to downsize from homes which no longer meet their housing needs or are expensive to run. The availability of housing options which are accessible to older people will also provide the opportunity for older households to ‘rightsize’ which can help improve their quality of life.

6.32 It should also be noted that within any category of need there may be a range of products. For example, many recent market extra-care schemes have tended to be focused towards the ‘top-end’ of the market and may have significant service charges (due to the level and quality of facilities and services). Such homes may therefore only be affordable to a small proportion of the potential market, and it will be important for the Council to seek a range of products that will be accessible to a wider number of households if needs are to be met.

Adult Social Care Engagement

6.33 As part of this commission, we have engaged with Lancashire County Council's (LCC) older persons team. This is to give us an understanding of current supply and demand dynamics and policy in relation to housing with care (for older people and working-age adults with a disability) and nursing and residential care. Housing with support is dealt with at a local authority level.

6.34 The County Council's current strategy runs out in 2025 and they have already met their targets for Wyre. They have been working on a new document and commissioned a piece of work with Housing LIN which focuses on future needs.

- 6.35 The report outlines the need for 41 additional bedspaces for working-age adults with autism, 16 for working-age adults with mental health needs by 2032/33 and 533 new extra care bedspaces in Wyre by 2038 (371 by 2033 and 263 by 2028). This final figure is across both market and private accommodation.
- 6.36 The report does not calculate what the “existing” or backlog need for extra care. At least on an affordable level, there is no waiting list for extra care. As a broad principle, the County Council policy is to deliver a new extra care scheme in each of the 12 boroughs in the County.
- 6.37 All of the public sector provision is expected to be one-bed accommodation. The County Council has issues with Housing Benefit for two-bedroom properties. If residents cannot demonstrate that they have a live-in carer they are liable to the bedroom tax.
- 6.38 Within Wyre, the current provision includes 97 shared bedspaces for learning disability and autism, 47 in apartments, including 6 one-bed apartments for mental health in Cleveleys, and 72 extra care apartments at Lighthouse View in Fleetwood both of which recently opened.
- 6.39 There is also a 60-bed extra care scheme in Garstang (Bowgreave Rise) which is under construction/conversion and expressions of interest from RPs are being sought. This development is on the site of a former nursing home which has been re-provided to the rear of the site and residents have been decanted to the new site. The original site will then be converted or rebuilt for extra care.
- 6.40 The County Council also has a site in Thornton Cleveleys which will be split between Learning Disability/Autism and Older Persons Needs to address both of their main needs. LCC is also reviewing extra care provision at 13 further schemes and on some of these sites they are considering renovation or shift to extra care.
- 6.41 The County Council wants the scale of demand for housing with care to be included within the local plan as well as specifying M4(3) bungalows within their schemes and all new developments to cater to wheelchair users.
- 6.42 However, the County Council noted a few issues concerning demand within Wyre which is high and rising due to an ageing population including the parents of those with physical disabilities who cannot be supported indefinitely. There is a particular growth in early-onset dementia which affects those with a learning disability more frequently.
- 6.43 Capacity is low and supply in Fleetwood is full therefore people are being placed in Preston which is not ideal. Access to land is also challenging and the County Council is seeking to work with Local Authorities to ringfence sites for supported and extra-care development.

Wheelchair User Housing

- 6.44 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2018/19 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them ‘visitable’ for wheelchair users and data about wheelchair users by tenure.
- 6.45 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.4% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Figure 6.12: Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
24 and under	99.4%	0.3%	0.0%	0.3%	100.0%
25-34	99.3%	0.3%	0.1%	0.2%	100.0%
35-49	98.2%	0.5%	0.1%	1.2%	100.0%
50-64	96.9%	0.7%	0.4%	2.0%	100.0%
65 and over	93.1%	0.9%	0.4%	5.6%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.46 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population. The data estimates a total of 2,440 wheelchair user households in 2022, and that this will rise to 2,865 by 2040.

Figure 6.13: Estimated number of wheelchair user households (2022-40) – Wyre

	Prevalence rate (% of households)	Households 2022	Households 2040	Wheelchair user households (2022)	Wheelchair user households (2040)
24 and under	0.7%	792	834	6	6
25-34	0.9%	4,861	4,755	43	42
35-49	2.5%	10,086	10,689	251	266
50-64	3.6%	15,712	13,482	564	484
65 and over	7.6%	20,840	27,338	1,576	2,067
All households		52,292	57,097	2,440	2,865

Source: Derived from a range of sources

- 6.47 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be needed for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS (2014-15) shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households.
- 6.48 Applying this to the current number of wheelchair user households and adding the additional number projected forward suggests a need for around 1,036 additional wheelchair user homes in the 2022-40 period. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) leads to a need estimate of 716 homes. These figures equate to a need for 40-58 dwellings per annum.

Figure 6.14: Estimated need for wheelchair user homes, 2022-40			
	Current need	Projected need (2022-40)	Total current and future need
Total	610	426	1,036
@ 25% of projection	610	106	716

Source: Derived from a range of sources

- 6.49 Furthermore, information in the EHS (for 2018/19) also provides national data about wheelchair users by tenure. This showed that, at that time, around 7.1% of social tenants were wheelchair users (including 2.2% using a wheelchair indoors), compared with 3.1% of owner-occupiers (0.7% indoors). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Figure 6.15: Proportion of wheelchair user households by tenure of household reference person – England					
	No household members use a wheelchair	Uses wheelchair all the time	Uses wheelchair indoors only	Uses wheelchair outdoors only	TOTAL
Owners	96.9%	0.5%	0.2%	2.4%	100.0%
Social sector	92.9%	1.6%	0.6%	4.8%	100.0%
Private renters	98.8%	0.1%	0.1%	0.9%	100.0%
All households	96.6%	0.6%	0.3%	2.5%	100.0%

Source: English Housing Survey (2018/19)

- 6.50 To meet the identified need, the Council could seek a proportion (maybe up to 5%) of all new market homes to be M4(3) compliant and potentially a higher figure in the affordable sector (say 10%). These figures reflect that not all sites would be able to deliver homes of this type. In the market sector these homes would be M4(3)A (adaptable) and M4(3)B (accessible) for affordable housing.

- 6.51 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs (see table below).
- 6.52 It is worth noting that the Government has reported on a consultation on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds¹³.
- 6.53 The key outcome is: *'Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes'*. This change is due to shortly be implemented through a change to building regulations.
- 6.54 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating *'M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand'*.
- 6.55 As well as evidence of need, the viability challenge is particularly relevant for M4(3)(B) standards. These make properties accessible from the moment they are built and involve high additional costs that could in some cases challenge the feasibility of delivering all or any of a policy target. The table below shows estimated costs for different types of accessible dwellings, taken from research sitting behind the initial PPG on accessible housing – these costings are now 9-years old but do still provide an indication of the relative costs of different options.

Figure 6.16: Access Cost Summary					
	1-Bed Apartment	2-Bed Apartment	2-Bed Terrace	3-Bed Semi Detached	4-Bed Semi- Detached
M4(2)	£940	£907	£523	£521	£520
M4(3)(A) – Adaptable	£7,607	£7,891	£9,754	£10,307	£10,568
M4(3)(B) – Accessible	£7,764	£8,048	£22,238	£22,791	£23,052

Source: EC Harris, 2014

- 6.56 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock.

¹³ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

- 6.57 A further option for the Council would be to consider seeking a higher contribution, where it is viable to do so, from those homes to which they have nomination rights. This would address any under delivery from other schemes (including schemes due to their size e.g. less than 10 units or 1,000 square metres) but also recognise the fact that there is a higher prevalence for wheelchair use within social rent tenures. This should be considered when setting policy.

Older and Disabled People: Key Messages

- A range of data sources and statistics have been accessed to consider the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. The analysis responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019 and includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).
- The data shows that Wyre has a significantly older age structure and higher levels of disability when compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (79% of all older person households are outright owners).
- The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2022-40 period include:
 - a 29% increase in the population aged 65+ (potentially accounting for over 100% of total population growth);
 - an 43% increase in the number of people aged 65+ with dementia and 37% increase in those aged 65+ with mobility problems;
 - a need for around 1,800 housing units with support (sheltered/retirement housing) – around two-thirds in the affordable sector;
 - a need for around 900 additional housing units with care (e.g. extra-care) – again split between market and affordable housing (around three-fifths market);
 - a need for additional nursing and residential care bedspaces; and
 - a need for 700 dwellings to be for wheelchair users (meeting technical standard M4(3)).
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) – wheelchair user dwellings in the market sector (a higher proportion of around a tenth in the affordable sector).
- Where the authority has nomination rights M4(3) would be wheelchair accessible dwellings (constructed for immediate occupation) and in the market sector they should be wheelchair user adaptable dwellings (constructed to be adjustable for occupation by a wheelchair user). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- In framing policies for the provision of specialist older persons accommodation, the Council will need to consider a range of issues. This will include the different use classes of accommodation (i.e. C2 vs. C3) and requirements for affordable housing contributions (linked to this the viability of provision). There may also be some practical issues to consider, such as the ability of any individual development being mixed tenure given the way care and support services are paid for).

7. Other Groups

Introduction

- 7.1 This section of the report considers a range of other groups set out in the NPPF and PPG. This includes further analysis of the private rented sector (and build-to-rent) housing, the need for self- and custom-build development, looked after children and service personnel.

Private Rented Sector (including Build-to-Rent)

Background Data

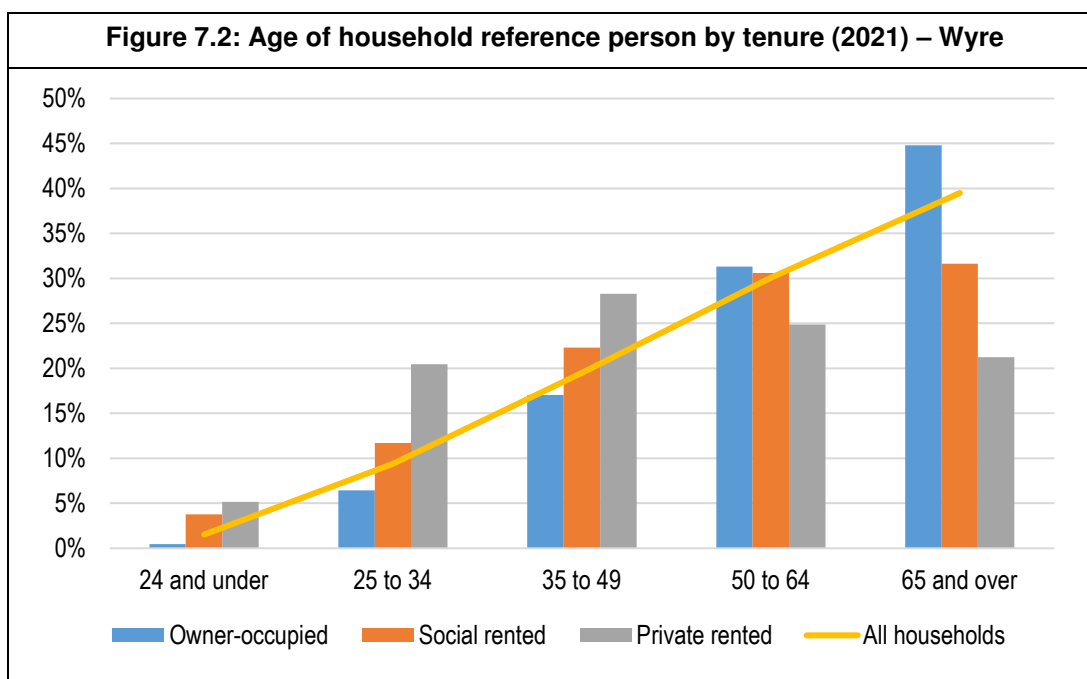
- 7.2 As set out earlier in this report the private rented sector (PRS) accounts for 18% of all households in the Borough (9,200 households). Between 2011 and 2021 the tenure grew faster than any other at 44% or 2,800 additional households. This report also examined the rental market which, in summary, highlights the following key points:
- Overall median rents in the Borough are £625 per calendar month which is 9% higher than the Lancashire average and 24% below the England average.
 - Median monthly rents vary from £450 for 1-bedroom to £950 for 4+-bedroom properties;
 - Lower quartile monthly rents vary from £420 for 1-bedroom to £825 for 4+-bedroom properties.
 - Between 2017/18 and 2022/23 rents in the Borough increased by 11% or £60. This was a lower rate of growth than the region and notably below national changes (a 22% increase of £150).
- 7.3 Earlier in this report we also identified the role the PRS has in providing housing for those needing to claim Housing Benefit (or Universal Credit with a housing component). In August 2023 around 3,100 households in the PRS were being supported by universal credit with a housing element and an additional 1,800 households claiming housing benefit. The number of Universal Credit claimants increased from fewer than 1,600 at the beginning of 2020 much of which can be attributed to the Covid-19 pandemic.
- 7.4 The table below shows the composition of households living in the private rented sector (and compared with other tenures). This shows a particularly high proportion of households with dependent children, making up 33% of the PRS and younger single person households (27% of the sector).

Figure 7.1: Household composition by tenure (2021) – Wyre

	Owner-occupied	Social rented	Private rented	Total
Single person aged 66+	18.4%	20.4%	12.2%	17.4%
Single person aged <66	10.9%	23.8%	27.1%	14.8%
Couple aged 66+	17.3%	4.9%	4.7%	14.1%
Couple, no children	19.8%	7.2%	13.3%	17.6%
Couple, dependent children	15.9%	11.1%	15.4%	15.4%
Couple, all children non-dependent	7.5%	4.4%	2.5%	6.3%
Lone parent, dependent children	2.7%	15.6%	15.7%	6.1%
Lone parent, all children non-dependent	3.6%	7.2%	3.5%	3.9%
Other households with dependent children	1.5%	1.9%	2.0%	1.6%
Other households	2.4%	3.7%	3.6%	2.8%
Total	100.0%	100.0%	100.0%	100.0%
Total households	37,644	3,871	9,253	50,768
Total dependent children	20.1%	28.5%	33.1%	23.1%

Source: Census (2021)

7.5 Private renters are younger than social renters and owner occupiers. In 2021, the average age of household reference persons (HRPs) in the private rented sector was 49 years (compared with 61 years for owner occupiers and 55 for social renters). Over half (54%) of private rented sector HRPs were aged under 50 compared with 38% of social renters and 24% of owner occupiers.



Source: Census (2021)

7.6 The tables below show the size and type of accommodation in the PRS compared with other sectors. From this it can be seen that the profile of PRS generally sits somewhere between that of owner-occupation and social renting. For example, the PRS has a higher proportion of detached homes than the social rented sector, but fewer than owner-occupiers.

- 7.7 When looking at the size of accommodation, it is clear that the PRS is strongly focussed on 2- and 3-bedroom homes (making up 75% of all households in this tenure). The owner-occupied sector in contrast is dominated by 3+-bedroom homes (70% of the total in this tenure) whilst social renting has the highest proportion of 1-bedroom homes (31%).

Figure 7.3: Accommodation type by tenure (households) – Wyre				
	Owner-occupied	Social rented	Private rented	Total
Detached	37.1%	3.5%	11.8%	29.9%
Semi-detached	42.6%	28.8%	35.4%	40.3%
Terraced	13.9%	32.1%	24.4%	17.2%
Flat/other	6.3%	35.5%	28.5%	12.6%
Total	100.0%	100.0%	100.0%	100.0%
	37,640	3,866	9,253	50,759

Source: Census (2021)

Figure 7.4: Accommodation size by tenure (households) – Wyre				
	Owner-occupied	Social rented	Private rented	Total
1-bedroom	3.0%	30.9%	17.3%	7.8%
2-bedrooms	27.3%	31.6%	39.1%	29.8%
3-bedrooms	45.0%	34.7%	36.1%	42.6%
4+-bedrooms	24.7%	2.9%	7.5%	19.9%
Total	100.0%	100.0%	100.0%	100.0%
	37,645	3,870	9,255	50,770

Source: Census (2021)

- 7.8 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2021 Census. The analysis shows that levels of overcrowding in the PRS are higher than for households generally, with 2.8% of households being overcrowded in 2021 (lower than the 3.0% figure in social rented accommodation, but notably above the owner-occupied figure of 0.7%). Levels of under-occupation are slightly higher than in the social rented sector, with around 61% of households having at least one spare bedroom (89% in the owner-occupied sector).

Figure 7.5: Overcrowding and under-occupation by tenure (households) – Wyre				
	Owner-occupied	Social rented	Private rented	Total
+2 or more	48.4%	8.3%	15.6%	39.3%
+1 or more	40.3%	31.9%	44.9%	40.5%
0	10.5%	56.8%	36.7%	18.8%
-1 or less	0.7%	3.0%	2.8%	1.3%
Total	100.0%	100.0%	100.0%	100.0%
	37,644	3,871	9,253	50,768

Source: Census (2021)

Build-to-Rent

- 7.9 In respect of Build to Rent, the Housing White Paper (February 2017) was clear in 2017 that the Government wanted to build on earlier initiatives to attract new investment into large-scale housing which is purpose-built for market rent (i.e., Build to Rent).
- 7.10 At that time, the Government set out that this would drive up the overall housing supply, increase choice and standards for people living in privately rented homes and provide more stable rented accommodation for families – particularly as access to ownership has become more challenging.
- 7.11 This was realised through the publication of the revised NPPF (February 2019) which recognises the emergence of the strength of the private rented sector. The Framework, which continues to recognise the role of the private rented sector in the current September 2023 version, says the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including those people who rent their homes (as separate from those in affordable housing need) (paragraph 62).
- 7.12 The Framework's glossary also introduces a definition for Build to Rent development, thus recognising it as a sector. It represents development which is constructed with the intention that it will be let rather than sold:
- “Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development”.*
- 7.13 The benefits of Build to Rent are best summarised in the Government's A Build to Rent Guide for Local Authorities which was published in March 2015. The Guide notes the benefits are wide-ranging but can include:
- Helping local authorities to meet demand for private rented housing whilst increasing tenants' choice “as generally speaking tenants only have the option to rent from a small-scale landlord”.
 - Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income-focused business model;
 - Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build-for-sale and affordable housing; and
 - Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.
- 7.14 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

- 7.15 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. Turning to the present and the latest market insight on Build to Rent as it begins to mature and strengthen as a development sector, the Savills UK Build to Rent Market Update¹⁴ for Q2 2023 states that the market now had 88,100 completed units, 53,500 under construction and 111,800 in the development pipeline, a total of 253,400 units.
- 7.16 The British Property Federation (“BPF”), London First and UK Apartment Association (“UKAA”) recently published (November 2022) a report¹⁵ profiling those who live in Build to Rent accommodation in England.
- 7.17 According to their research around 40% of residents were aged between 25 and 34, which is slightly higher than the wider private rented sector (around 28% of household reference persons in the PRS nationally are in this age group – higher than the figure of 20% in Wyre).
- 7.18 The survey-based data identified that incomes are similar to those in private rented sector accommodation with 18% earning between £26,000 and £32,000, and 23% earning between £32,000 and £44,000.
- 7.19 The report noted that Build to Rent (BtR) has comparable levels of affordability but is notably more affordable for couples and sharers. This is perhaps reflected in the higher incidence of these household types within the Build to Rent sector.
- 7.20 Typically Build to Rent residents spend between 28% and 33% of their income on accommodation – this would equate to between about £780 and £920 pcm which is more than the median rent for a home in the Borough (£625). Although some build-to-rent developments are inclusive of bills and do provide a wider range of facilities.
- 7.21 The report also identified that BtR residents are professionally diverse and employed in many different industries. It was noted (from the sample in the study) that 17% of residents are employed in the public sector, which is very similar to the proportion across the private rented sector generally (put at 19% in this research). The report suggests this points to BtR as being suitable for key workers.
- 7.22 It is our understanding that there has been limited activity in the way of existing and forthcoming Build to Rent development in Wyre. According to the British Property Federation, there are no developments of Build to Rent Accommodation in the borough, with most activity in neighbouring authority of Preston, although this is also pretty limited.
- 7.23 Nationally, it is clear that the sector is growing however given the relatively low volume and in a national sense the low cost of private renting in the borough we do not consider that demand from developers in the borough will be significant. That said a policy response may still be worthwhile.

¹⁴ https://www.savills.co.uk/research_articles/229130/347183-0

¹⁵ <https://bpf.org.uk/our-work/research-and-briefings/who-lives-in-build-to-rent-2022/>

Build-to-Rent – Policy Response

- 7.24 The PPG on Build to Rent recognises that where a need is identified that local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent. While no need has been identified in the Borough we think it would be prudent for the Council to consider a policy nevertheless to respond to future applications.
- 7.25 In preparing the Local Plan Review, the Council could include a policy on Build-to-Rent development to set out parameters (such as design, contract lengths, space standards, communal space standards (even if just stipulating wider standards apply) and facilities, outdoor space, bike storage and active transport measures etc.), regarding how schemes would be considered, with the expectation that there is likely to be some activity moving forward – and this policy should also deal with how affordable housing policies would be applied.
- 7.26 Given that the sector is still evolving, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build to Rent development. The Framework’s definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control.
- 7.27 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector. The viability of Build to Rent development will however differ from that of a typical mixed tenure development in the sense that returns from the Build to Rent development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are sold.
- 7.28 In general terms, it is expected that a proportion of Build to Rent units will be delivered as ‘Affordable Private Rent’ housing. Planning Practice Guidance¹⁶ states that:

“The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”

- 7.29 The Council should have regard to the PPG on Build-to-Rent developments. This states that at least 20% of the units within a Build to Rent development should be let as Affordable Private Rented units at a discount of 20% to local market rents. We would advise that this is capped at Local Housing Allowance rates for it to be truly affordable.

¹⁶ ID: 60-002-20180913

Stock Condition

- 7.30 A report in March 2022 by Shelter¹⁷ highlights poor housing conditions and disrepair in the private rented sector nationally. In particular the report notes that a consequence of this will be for private renters on average having to pay more in heating bills due to poor insulation, inefficient heating systems and a lack of double glazing; this is on the back of noting private renters already typically pay higher housing costs than other tenures.
- 7.31 As noted previously, a large proportion of the PRS have rent payments supported by Housing Benefit or Universal Credit and on the basis that such homes are more likely to be towards the bottom end of the market, it is possible that stock condition for these households is typically worse.
- 7.32 Information about stock condition at a local authority level is difficult to find from secondary data sources. However, in June 2023 DLUHC published new Experimental Official Statistics providing – sub-regional estimates of housing stock condition¹⁸. Specifically, modelled estimates of:
- the number and proportion of occupied homes that are deemed non-decent according to the Decent Homes Standard in each local authority, by tenure and dwelling type; and
 - the number and proportion of occupied homes that are deemed unsafe due to having a Housing Health and Safety Rating System (HHSRS) Category 1 hazard in each local authority, by tenure and dwelling type.
- 7.33 Turning first to the Decent Homes standard, the modelled data suggests some 18.8% of all dwellings are non-decent; the estimated figure for private rented homes is however notably higher than this (at 25.7%). Both of these figures are slightly higher than estimates for England. The modelled data also looks at non-decent homes and built-form (but not separately by tenure) – this identifies the highest proportion of non-decent homes to be terraced and semi-detached houses (25% and 24% respectively) with the lowest proportion (at 11%) being bungalows.

Figure 7.6: Estimates of non-decent homes by tenure		
	Wyre	England
Owner-occupied	17.8%	16.4%
Private rented	25.7%	23.3%
Social rented	9.1%	12.0%
TOTAL	18.8%	16.7%

Source: DLUHC

¹⁷

https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/briefing_poor_quality_conditions_and_disrepair_in_private_rented_sector_housing

¹⁸ <https://www.gov.uk/government/statistics/english-housing-survey-local-authority-housing-stock-condition-modelling-2019/english-housing-survey-local-authority-housing-stock-condition-modelling-2019>

7.34 For the HHSRS, the modelled data points to a slightly higher proportion of homes with Category 1 hazards than seen nationally, including a particular focus on the private rented sector (where 17% of homes are estimated to have Category 1 hazards¹⁹ – also higher than the national estimate). As with non-decency, semi-detached and terraced homes are estimated to be most likely to have Category 1 hazards, along with a low proportion for bungalows.

	Wyre	England
Owner-occupied	13.8%	10.4%
Private rented	16.5%	12.9%
Social rented	5.1%	5.3%
TOTAL	11.8%	9.9%

Source: DLUHC

7.35 Finally on stock condition it is possible to look at the number and proportion of homes that do not have central heating. Whilst the overall proportion is low (1.2% of households) the data does show household in the private rented sector as being more likely than other tenure groups to not have central heating.

	Households without central heating	Total households	% without central heating
Owns outright	284	22,696	1.3%
Owns with mortgage	111	14,944	0.7%
Social rented	35	3,866	0.9%
Private rented	197	9,253	2.1%
TOTAL	627	50,759	1.2%

Source: 2021 Census

7.36 When compared with other areas the data points to broadly similar patterns in the Borough as seen across the County, region and nationally although the proportion of homes without central heating is generally slightly lower than seen in other locations.

¹⁹ The HHSRS is a risk-based assessment that identifies hazards in dwellings and evaluates their potential effects on the health and safety of occupants and their visitors, particularly vulnerable people. The most serious hazards are called Category 1 hazards and where these exist in a home, it fails to meet the statutory minimum standard for housing in England.

Figure 7.9: Proportion of households without central heating by tenure (2021) – range of areas				
	Wyre	Lancashire	North West	England
Owns outright	1.3%	2.0%	1.9%	1.5%
Owns with mortgage	0.7%	0.8%	0.8%	0.9%
Social rented	0.9%	0.9%	1.2%	1.4%
Private rented	2.1%	2.0%	2.2%	2.4%
TOTAL	1.2%	1.5%	1.5%	1.5%

Source: 2021 Census

7.37 Finally, the analysis below looks at the proportion of homes without central heating by sub-area and tenure. Across all areas the proportion of households without central heating is low (a highest figure of 1.9% in Fleetwood). Wyresdale however sees the highest proportion of households in the private rented sector without central heating (at 2.9%). The proportion of homes without central heating is highest in the PRS for all sub-areas.

Figure 7.10: Proportion of homes without central heating by tenure and sub-area (2021)					
	Owns outright	Owns with mortgage	Social rented	Private rented	TOTAL
Fleetwood	2.6%	0.9%	1.2%	2.4%	1.9%
Thornton-Cleveleys	1.2%	0.9%	0.8%	2.3%	1.3%
Poulton	0.8%	0.4%	1.0%	1.6%	0.8%
Over Wyre	0.9%	0.6%	0.3%	2.3%	1.0%
Rural South	1.1%	0.9%	0.0%	2.3%	1.1%
A6 Corridor	0.7%	0.4%	1.0%	1.4%	0.7%
Wyresdale	0.7%	1.0%	0.0%	2.9%	1.1%
TOTAL	1.3%	0.7%	1.0%	2.1%	1.2%

Source: 2021 Census

Private Rented Sector – summary

7.38 The private rented sector (PRS) accounts for around 18% of all households in Wyre (as of 2021) – a very slightly lower proportion than seen across Lancashire, the North West and nationally (21%). The number of households in this sector has however grown substantially (increasing by 44% in the 2011-21 period).

- 7.39 The PRS has some distinct characteristics, including a younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 44% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit/Universal Credit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing related benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained above typical pre-pandemic levels – this group will be generating a need for social/affordable rented housing.
- 7.40 There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their own merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- 7.41 This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

- 7.42 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area to build their own self-build and custom houses.
- 7.43 The Wyre Self-Build and Custom Housebuilding Register was introduced on the 1st of April 2016 and there have now been seven and a half base periods²⁰ up to 30th October 2022. The Council does not currently have any eligibility criteria for entry to the self and custom build housing register and therefore it is only in one part.
- 7.44 The Council is required to grant sufficient planning permissions to meet the demand identified on the Register as per the 2015 Act (as amended) within 3 years of the end of each base period. Although there is no reporting mechanism to know if self-build homes have actually been delivered or the people on the register have secured a plot.

²⁰ A base period is a period of typically 12 months in which demand for custom and self-build is recorded. However, the first base period. The first base period began on the day on which the register (which meets the requirement of the 2015 Act) was established and ended on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.

- 7.45 The table below provides a base period breakdown of those individuals who have expressed demand for serviced plots of land in Wyre. This is taken from the DLUHC data which draws on returns from the local authority and the numbers may not sum but are given as reported.

Figure 7.11: Wyre Self and Custom Build Register (2016 – 2023)		
Base Period	Annual Entries	Cumulative Total Entries
Base Period 1 (1 st April 2016 to 30 th October 2016)	2	2
Base Period 2 (31 st October 2016 to 30 th October 2017)	0	2
Base Period 3 (31 st October 2017 to 30 th October 2018)	1	3
Base Period 4 (31 st October 2018 to 30 th October 2019)	1	4
Base Period 5 (31 st October 2019 to 30 th October 2020)	4	8
Base Period 6 (31 st October 2020 to 30 th October 2021)	6	14
Base Period 7 (31 st October 2021 to 30 th October 2022)	9	23
Total	23	
Average	3	

Source: Right to build register monitoring

- 7.46 If assessed over the seven-and-a-half full base periods there has been a total of 23 registered expressions of interest in a serviced plot of land in Wyre although the data reports a total of 16. This is an average of 3 plots per annum.
- 7.47 We were also provided with information from the Council's custom- and self-build register as of December 2023. At that time there were 15 entries and from the data included it is apparent that:
- Single Plots for detached homes (average 3.5 bedrooms) and large gardens are the most sought-after;
 - The majority of demand is from people already living in the borough although there is some interest from as far as London and Leeds; and
 - The most popular locations are Stalmine, Garstang and Poulton.

Supply Response

- 7.48 The Council have had some success in meeting this demand and their returns to DLUHC indicate a substantial supply. Since the start of the first base period the Council has permitted 199 suitable sites that could be used for self and custom build plots in the borough. This equates to an average of 31 per annum although the trends over the last 4 years has been closer to 50 per annum.

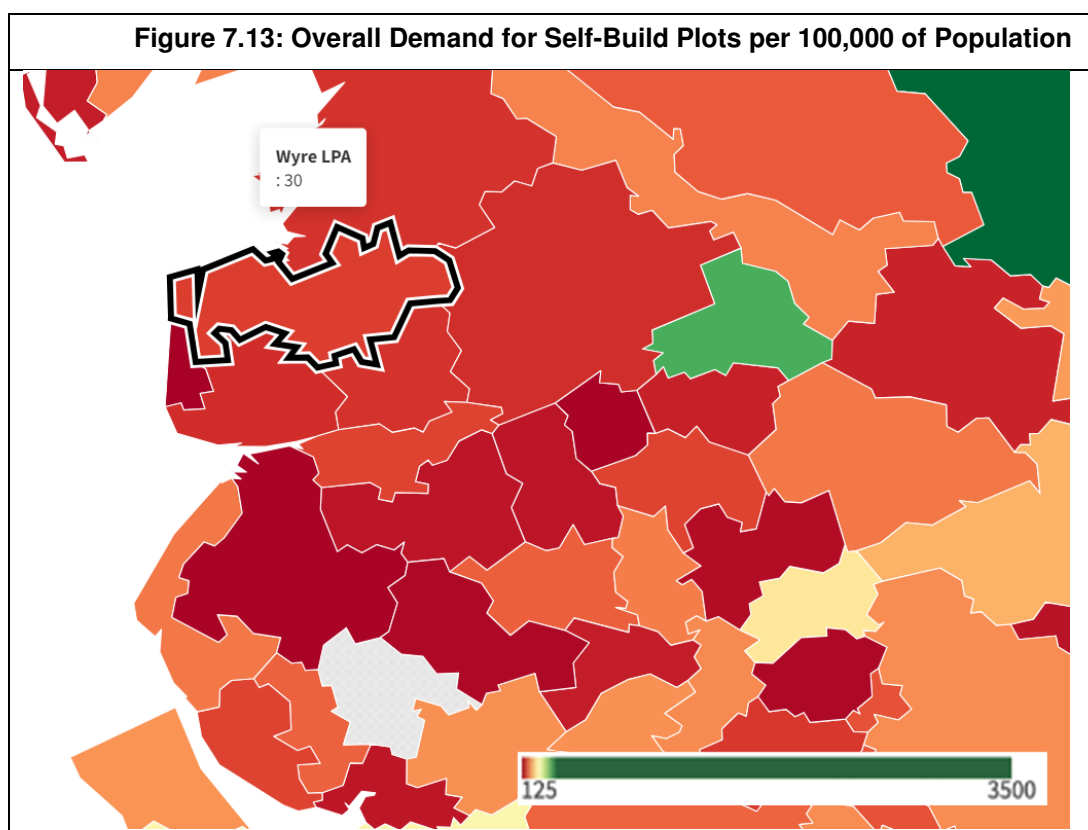
Base Period	Permissions
Base Period 1 (1 st April 2016 to 30 th October 2016)	0
Base Period 2 (31 st October 2016 to 30 th October 2017)	0
Base Period 3 (31 st October 2017 to 30 th October 2018)	0
Base Period 4 (31 st October 2018 to 30 th October 2019)	71
Base Period 5 (31 st October 2019 to 30 th October 2020)	26
Base Period 6 (31 st October 2020 to 30 th October 2021)	83
Base Period 7 (31 st October 2021 to 30 th October 2022)	19
Total	199
Average	31

Source: Right to build register monitoring

- 7.49 This would suggest that the need is being met in the borough without the need for additional policy. Although as per the Levelling Up and Regeneration Act (2023) there is a more stringent requirement for the Council to demonstrate that this supply is being occupied by those commissioning or customising the build before it can be counted towards the supply.

Broader Demand Evidence

- 7.50 To supplement the data from the Council's register, we have looked to secondary sources as recommended by the PPG, which for this report is data from NaCSBA – the national association for the custom and self-build housing sector.
- 7.51 First, it is worth highlighting that the October 2020 survey undertaken by YouGov on behalf of NaCSBA found that 1 in 3 people (32%) are interested in building their own home at some point in the future, including 12% who said they were very interested. Notably, almost half (48%) of those aged between 18 and 24 were interested in building their own home, compared to just 18% of those aged 55 and over. This is notable as, traditionally, self-build has been seen as the reserve of older members of society aged 55 and over, with equity in their property.
- 7.52 Second, we can draw on NaCSBA data to better understand the level of demand for serviced plots in Wyre in relative terms. The association published an analysis with supporting maps and commentary titled "Mapping the Right to Build" in 2020. This includes an output on the demand for serviced plots as a proportion of the total population relative to all other local authorities across England.
- 7.53 One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below. This shows that Wyre requires 30 units per 100,000 head of population. Based on the 2021 population of 112,457 this would equate to a need for around 34 units.



Source: NACSBA, 2020

Policy Response

- 7.54 The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector.
- 7.55 The PPG²¹ is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward. There are several measures which can be used to do this, including but not limited to:
- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
 - working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
 - when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested; and
 - working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.

²¹ Paragraph: 025 Reference ID: 57-025-20210508

- 7.56 Wyre's Local Plan does not include specific policies seeking the provision of self and custom-build housing. However, government policy and legislation is generally seeking to encourage and support self-build development and it is appropriate for this to be reflected in local plan policies.
- 7.57 Indeed an increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply.. The inclusion of such a policy is therefore advisable in local plans.
- 7.58 A specific policy would typically express support for self-build and custom housebuilding. A policy option could consider requiring that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots and/or allocation of sites solely for the use.
- 7.59 Other local plans have required a proportion of plots on larger development schemes to be provided as self- and custom-build development (e.g. 2% or 5% provision on strategic or greenfield sites of over 100 homes).
- 7.60 A further consideration for the Council is when demonstrating supply to meet this demand the Levelling Up and Regeneration Bill requires councils to now demonstrate that these homes are specifically for self or custom build occupiers.

Self- and Custom-build summary

- 7.61 The Council are required to permit the level of custom and self-build plots per annum identified within their register within three years of the end of each base period. The level of interest should however be monitored and responded to.
- 7.62 Since the introduction of the self and custom build register, there has been an annual average of 3 registered expressions of interest in self and custom build in Wyre. Over the same period there has been an average supply of 31 permissions for custom and self-build housing. This would suggest a minimal policy response to the identified need.
- 7.63 As a general principle, the Council could support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Looked After Children

- 7.64 The Care Standards Act 2000 defines a Children's Home stating 'an establishment is a children's home... if it provides care and accommodation wholly or mainly for children'. 'Wholly or mainly' means that most of the people who stay at a home must be children.

- 7.65 Key legislation relating to the accommodation and maintenance of a looked-after child is defined and outlined in Sections 22A to 22D of the Children Act 1989. The legislation provides a framework within which decisions about the most appropriate way to accommodate and maintain children must be considered:
- Section 22A of the Children Act 1989 imposes a duty on the responsible authority when a child is in their care to provide the child with accommodation.
 - Section 22B of the Children Act 1989 sets out the duty of the responsible authority to maintain a looked-after child in other respects apart from providing accommodation.
 - Section 22C of the Children Act 1989 sets out the ways in which a looked-after child is to be accommodated.
 - Section 22D of the Children Act 1989 imposes a duty on the responsible authority to formally review the child’s case prior to making alternative arrangements for accommodation.
 - Section 22G of the Children Act 1989 requires local authorities to take strategic action with respect of those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their own local authority area.
- 7.66 In a Written Ministerial Statement²² (WMS) made in May 2023, the Housing and Planning Minister reminded local authorities of their requirement to assess the housing need of different groups in the community including “accommodation for children in need of social services care”.
- 7.67 The WMS statement said, “Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs and all parties in the development process should work together closely to facilitate the timely delivery of such vital accommodation for children across the country”.
- 7.68 The WMS follows on from the Department of Education Implementation Strategy²³ to fix children’s social care from February 2023. The “Stable Homes Built on Love“ Strategy has undergone a recent consultation the results of which have not yet been published.
- 7.69 The strategy outlines an ambition to transform Children’s Care through six pillars. The first of these pillars makes it clear that providing support to families is the first priority. This ensures that children can remain in their family home for as long as possible (Pillar 1) and then within their wider family if this is not possible (Pillar 3).
- 7.70 If both the immediate and wider family cannot look after a child then Pillar 4 seeks to ensure that “when care is the best choice for a child, the care system must provide stable, loving homes close to children’s communities.”
- 7.71 To achieve this the strategy aims to increase and support foster carers; and develop a programme to support improvements in the quality of leadership and management in the children’s homes sector.

²² <https://questions-statements.parliament.uk/written-statements/detail/2023-05-23/hcws795>

²³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147317/Children_s_social_care_stable_homes_consultation_February_2023.pdf

- 7.72 The report sets out a mission to “see an increase of high-quality, stable and loving homes available for every child in care, local to where they are from”. To do this it suggests that an immediate action is to “boost the number of the right homes in the right places available for children as a matter of urgency.”
- 7.73 The strategy notes “Local authorities have primary responsibility for the children in their care. This includes ensuring there is sufficient accommodation locally to meet the range of needs of children in care in their area” and that there is a “statutory duty to ensure there is sufficient provision for their children in care”.
- 7.74 It also states that the DfE “will continue to build on our work reforming supported accommodation for 16- to 17-year-olds. Semi-independent provision, including supported lodgings, can be the right option for some older children, but only where it is high-quality and the young person is ready for the level of independence it promotes.”
- 7.75 The Department will also continue “with the Children’s Home Capital Programme, which has seen £259 million of capital funding invested to increase provision in local authority-run open and secure children’s homes. We are working with local authorities to create new children’s homes and increase provision in their local area.”
- 7.76 At a similar time, the government also launched a consultation on the “Children’s Social Care National Framework²⁴” and the “Children’s Social Care Dashboard”. The Framework sets out some of the outcomes to be measured including Outcome 4 relating to those seeking to ensure “children in care and care leavers have stable, loving homes ”.
- 7.77 The indicators include the percentage of children in care living in foster care and living in residential care and the distance of placements from home. This is important to ensure stability of schooling and contact with their siblings. The framework recognises that this will mean prioritising foster homes rather than residential homes.
- 7.78 The outcome can also be achieved by leaders undertaking “sufficiency planning and work with other local authorities and partners to jointly invest in care options that meet the future needs of children.”

Lancashire County Council

- 7.79 In two-tier authorities such as Wyre, the responsibility for children’s services falls with the County Council. To inform this study we have engaged with the Children’s Services team at the County Council. This discussion and the County Council’s views are summarised below.
- 7.80 Local Authorities (LAs) have a statutory duty to meet the needs of children, but despite having a substantial number of homes, they struggle to place children effectively.

²⁴ https://consult.education.gov.uk/children2019s-social-care-national-framework/childrens-social-care-national-framework/supporting_documents/Childrens%20Social%20Care%20National%20Framework%20Consultation%20Document%20February%202023.pdf

- 7.81 In Lancashire, the number of looked after children has fallen by 12% despite nationally this figure increasing by 7%. However, the number of children in care homes stayed the same. The long-term normal level is 180-190 in Children's Care Homes (not all in Lancashire) but since 2021 they now have around 260.
- 7.82 In March 2023 there were 26 Care Homes for Children in Wyre and by September this had increased to around 31. This is the biggest growth in the County.
- 7.83 A quarter of children's homes nationally are located in the north-west. Lancashire, particularly in Wyre, has a higher concentration of homes compared to other local authorities.
- 7.84 However, there is still a pressing need for more children's homes as the existing ones do not prioritise local children. Notably, the County Council has four times as many Ofsted Registered Children's Homes as necessary (734 bedspaces) but currently over 60% of homes cater to children from outside the area.
- 7.85 These children tend to be chosen based on factors like schools, health, and policing but some local authorities disregard the best practice of keeping children in their local communities, resulting in placements hundreds of miles away, although in some cases this is for the child's safety or because they have a particular need.
- 7.86 The affordability of property in the North West attracts providers and Blackpool was particularly popular before it introduced a restrictive policy to limit the geographical distribution of children's homes, leading to a shift in focus to Wyre and Fylde. While this is a cost-effective solution for the origin local authority it leads to issues such as children going missing which impacts local policing.
- 7.87 In addition, despite having more homes than needed, recruitment and retention of staff pose challenges. This will make their target of doubling provision from 15 to 30 difficult. The County Council are particularly keen on smaller-sized homes for complex needs, prioritising Lancashire children.
- 7.88 Broadly the County Council would like to avoid placing Children in Care Homes as it is their most expensive type of provision and there is a frustration that children are placed there by other local authorities when they could just as easily be fostered.
- 7.89 There is a need for larger homes and those for children with complex care capabilities, accommodating four or more beds and maintaining a high staff-to-children ratio. Unfortunately, due to a shortage of appropriate homes, vulnerable children end up in unconventional arrangements such as caravans or far from their homes.

Demographic Growth

- 7.90 The population projections linked to the Borough's housing need shows a notable decrease in the number of people aged under 18 of around 1,500 between 2022 and 2040 (from 20,400 people to 18,900). From this perspective, there is likely to be little if any need for additional placements.

- 7.91 Furthermore, the national and County Council policy is to ensure that children are firstly cared for in the home and secondly within a foster home. The success of this strategy ultimately determines the true need for children’s care homes in the Borough.
- 7.92 The County Council were also at pains to suggest that the demographic approach is flawed as it is more about ensuring that children’s needs are matched to a vacancy at any given time.
- 7.93 The WMS statement said, “Local planning authorities should give due weight to and be supportive of applications, where appropriate, for all types of accommodation for looked after children in their area that reflect local needs”.
- 7.94 As noted the County Council would like to see additional Children’s homes prioritising local children, the Council should therefore consider including such accommodation as part of wider, appropriately located, housing allocations or larger permissions or setting out criteria directing growth to the most appropriate locations.
- 7.95 It is also crucial that the right type of homes are delivered and that they are run collaboratively with appropriate engagement with the County Council social services team as part of the commissioning framework. Different local authorities have varying policies on the types of homes allowed, with a preference for detached homes with parking.
- 7.96 The current best practice is to deliver these 3-4 bedroom “ordinary homes” on sites in with most appropriate locations according to Ofsted’s Location Assessment²⁵. In summary, this includes ensuring safeguarding concerns are met and that children have access to services.
- 7.97 Efforts are being made to make homes resemble regular houses and reduce the reliance on children's care homes, given the significant cost difference between care homes and fostering.
- 7.98 Providers in the Borough are also encouraged to collaborate with the County Council. There is also a need for a consistent approach to prevent the exportation of needs.
- 7.99 There will also be a need for supported accommodation for young adults and the Council should work with Registered Providers to explore opportunities to provide this through developer contributions and in the existing stock.

Looked After Children – Summary

- 7.100 There is a numerical oversupply of children’s care homes compared to the number of children from Wyre in need. However, the Borough needs to improve the availability of its capacity to local children and its capacity to deal with those with more complex needs.
- 7.101 The population projections linked to the Borough's housing need show a notable decrease in those aged under 18 between 2022 and 2040. From this perspective, there is likely to be very little if any need for additional placements of general children’s homes to meet local need.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/339545/Children_s_homes_regulations_amendments_2014.pdf

Students

- 7.102 There are no higher education facilities in the borough although the Nautical College and Myerscough College do offer some higher education courses. However, it does not report to the Higher Education Statistics Authority (HESA) so it is not possible to track the numbers.
- 7.103 To understand the impact on housing that students have in Wyre we have examined some Census statistics and engaged with Myerscough College to understand their current accommodation offer and their aspirations.
- 7.104 We also sought to engage with the Nautical Campus which is part of Blackpool and The Fylde College but they were not available for engagement. We do however note that the courses provided by the nautical college tend to be short term courses and they have their own accommodation. This means that by staggering courses they can accommodate a larger number of students than would otherwise be possible. It also means that their impact the wider housing market is minimal
- 7.105 According to the 2021 Census, there are 2,330 people aged 18 and over who are in Full Time Education. This will, however, include 18 year olds still at school. However, there are still 1,234 people aged over 21 years of age and in Full-Time Education.
- 7.106 Myerscough College offers Higher Education (HE), Rail Apprenticeships (block), and Further Education (FE) programs. As a residential college, they have 560 approved bedspaces, including some twin rooms, but typically operate at a lower capacity of 400-440.
- 7.107 Due to the specialised nature of their courses i.e. agriculture, horticulture, rugby, golf, football, basketball, and autosports (for both coaches and professionals), they also accommodate day students.
- 7.108 Over the past three years, they have hovered around the 350 residential students mark, although this year marks their first approach to full capacity. Indeed there is currently a waiting list of around a dozen individuals but the college expects some students to drop out of their course in the initial weeks, and their accommodation is transferred to those on the waiting list. It is not however just an absolute consideration of numbers as the allocation of accommodations requires consideration of gender and age groups, dividing between those under and over 18.
- 7.109 The College's main campus (the Preston Campus) is in the village of Bilsborrow which is in a fairly remote part of Wyre although it is on the A6. As such there is not a ready supply of accommodation choices for students and that which is available is expensive. The college therefore provides Full-time HE students with accommodation for the entire three-year duration.
- 7.110 The College plans to expand courses and apprenticeships, backed by a £500k investment, including residential course options. These courses are block-booked as they involve work placements, and there is available space in the existing accommodation to manage additional students. The College also has planning permission for two additional halls but the need to implement those plans has not arisen.

- 7.111 Although the student population has a negligible impact on the local housing market, there are challenges with affordable rental accommodation for staff. The on-site staff housing is at full capacity, prompting new staff to find alternative lodgings.
- 7.112 Staff members reside across the North West including in Warrington, Cumbria, and Greater Manchester, with most within a 30-mile radius of the Preston campus. While the ideal location for staff living is the A6 corridor, the cost of accommodation poses recruitment challenges.

Students – Summary

- 7.113 There are no higher education facilities in the borough although the Nautical College and Myerscough College do offer some higher education courses. Engagement with Myerscough suggested that due to the College's remote location they offer residential accommodation to all that need it. As a result there is minimal impact on the wider housing market. The College plans to expand courses and apprenticeships but there is available space in the existing accommodation to manage additional students. The College also has planning permission for two additional halls but the need to implement those plans has not yet arisen.

Service Personnel

- 7.114 According to the most recent Ministry of Defence (MOD) statistics there are only 10 military and 10 civilian MOD personnel stationed in Wyre although this appears to be a rounding up as the overall number is also given as 10. These are all Army personnel. This is a substantial reduction from previous years when the number was as high as 390²⁶.
- 7.115 This suggests that there is no need to develop a policy which addresses the specific need of MOD personnel. That said Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. As such, accommodation specifically comes under the definition of affordable housing. Depending on their incomes this group will already be accounted for within the affordable housing need and will largely not be additional to it.
- 7.116 The Planning Practice Guidance for First Homes includes ensuring that any local connection criteria are disapplied for all active members of the Armed Forces, divorced/separated spouses or civil partners of current members of the Armed Forces, spouses or civil partners of a deceased member of the armed forces (if their death was wholly or partly caused by their service) and veterans within 5 years of leaving the armed forces.
- 7.117 The most acute and pressing issue is likely to be finding accommodation for those transitioning out of the forces. First Homes could play a part in meeting this demand as it would provide a discounted route to home ownership.
- 7.118 In addition, the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations ensure that Service personnel (including bereaved spouses or civil partners) are allowed to establish a 'local connection' with the area in which they are serving or have served.

²⁶ This figure may be erroneous as the breakdown by service does not reflect this and has the figure as zero for the most part.

7.119 This means that ex-service personnel would not suffer a disadvantage from any 'residence' criteria chosen by the Local Authority in their allocations policy. Furthermore, any ex-armed forces personnel with mental health issues who present themselves to the Council as homeless would be assisted as a vulnerable group and will be given priority need for housing.

Service Personnel – Summary

7.120 There are no military establishments in Wyre and the most recent Ministry of Defence (MOD) statistics suggest that there are 10 military and 10 civilian MOD personnel stationed in the borough although this is a substantial reduction from previous years. This suggests that there is no need to develop a specific policy addressing their need.

Other Groups: Key Messages

Private Rented Sector

- The private rented sector (PRS) accounts for around 18% of all households in Wyre (as of 2021) – a very slightly lower proportion than seen across Lancashire, the North West and nationally (21%). The number of households in this sector has however grown substantially (increasing by 44% in the 2011-21 period).
- The PRS has some distinct characteristics, including a younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 44% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit/Universal Credit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements. The number of tenants claiming housing related benefits increased dramatically as a result of the Covid lockdown in 2020 and has remained above typical pre-pandemic levels – this group will be generating a need for social/affordable rented housing.
- There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their own merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

Self- and Custom-Build Housing

- The Council are required to permit the level of custom and self-build plots per annum identified within their register within three years of the end of each base period. The level of interest should however be monitored and responded to. Since the introduction of the self and custom build register, there has been an annual average of 3 registered expressions of interest in a serviced plot of land in Wyre. Over the same period there has been an average supply of 31 suitable permissions for custom and self-build housing. This would suggest a minimal policy response to the identified need. As a general principle, the Council could support the submission and delivery of self-build and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Looked after Children

- There is a numerical oversupply of children's care homes compared to the number of children from Wyre in need. However, the Borough needs to improve the availability of its capacity to local children and its capacity to deal with those with more complex needs. The population projections linked to the Borough's housing need show a notable decrease in those aged under 18 between 2022 and 2040. From this perspective, there is likely to be very little if any need for additional placements of general children's homes to meet local need.

Other Groups: Key Messages (cont...)Students

- There are no higher education facilities in the borough although Myerscough College does offer some higher education courses. Due to the College's remote location they offer residential accommodation to all that need it. As a result there is minimal impact on the wider housing market. The College plans to expand courses and apprenticeships but there is available space in the existing accommodation to manage additional students. The College also has planning permission for two additional halls but the need to implement those plans has not yet arisen.

Service Personnel

- There are no military establishments in Wyre and the most recent Ministry of Defence (MOD) statistics suggest that there are 10 military and 10 civilian MOD personnel stationed in the borough although this is a substantial reduction from previous years. This suggests that there is no need to develop a specific policy addressing their need.