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Blaenau Gwent Local Housing Market Assessment

Report of Findings for
Blaenau Gwent County Borough Council

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Opinion Research Services

Spin-out Company of the
University of Wales Swansea

Blaenau Gwent Local Housing Market Assessment

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1. Introduction

Project Overview

- 1.1 Opinion Research Services (ORS) was commissioned by Blaenau Gwent County Borough Council to undertake a local housing assessment, including a comprehensive study of current and future housing requirements and housing need. The assessment was undertaken to inform local policies, in particular relating to the housing strategy and investment programme and planning policies surrounding affordable housing provision.
- 1.2 The Blaenau Gwent assessment was primarily based on the analysis of 1,500 interviews conducted with households across the borough. Secondary data from the Land Registry and a range of other information also informed the analysis.
- 1.3 The housing requirements assessment was undertaken using the ORS Housing Market Model – which was also the basis of the Greater London Housing Requirements Study completed by ORS, and which has been used by numerous local authorities across the UK. The study exceeds the standards promoted in all relevant Government Good Practice publications and the model and its analysis has withstood detailed scrutiny at numerous local planning inquiries.
- 1.4 The study was comprehensive in considering the different components of housing requirements and supply. In addition to households identified as currently being in housing need, the study identified the future housing requirements of established and newly forming households across the area together with inward migrants from within the UK and abroad. These gross housing requirements were offset against the likely supply of housing from within the existing stock to yield a net requirement for additional housing.
- 1.5 The outputs considered household affordability in terms of the ability to afford appropriate market housing, the ability to afford more than social rented housing without being able to afford appropriate market housing, and the inability to afford any more than the appropriate social rent. Therefore the requirements for market housing, intermediate housing and social housing were comprehensively covered.
- 1.6 This report summarises the key findings of the study, in particular where they relate to existing policies or have implications for future policy decisions. Information from the primary data analysis is statistically reliable at a Local Authority level, but reliable information cannot be provided with statistical confidence for smaller sub-areas.

The Strategic Policy Context

- 1.7 In the last decade there has been a growing interest in local and regional assessments of housing requirements (and in particular housing need), involving housing and planning departments of local councils, as well as on occasion other departments (social services, environmental health, economic development etc.) and various partner organisations including Registered Social Landlords (RSLs).
- 1.8 The objective of a decent home for all, irrespective of ability to pay, has long been a central tenet of housing policy in the UK, no matter which political party has been in power. The duty of local authorities (LAs) to consider housing conditions and any need for further housing was set out in legislation as long ago as the Housing Act 1936, with such duties now set out under the Housing Act 2004 (which came into effect in April 2006).
- 1.9 Nevertheless, the public resources available for investment in housing have declined considerably and greater emphasis has been placed on ensuring the most effective targeting of available resources. Local authorities remain anxious to make as powerful a case as is possible for the allocation of resources, for investment in the repair and improvement of the private housing stock and to secure the allocation of social housing grants to support the work of RSLs.
- 1.10 Since the introduction of local housing strategies, and particularly since they have been perceived by central government as genuinely strategic and based on sound housing assessments, the significance of local studies has grown. Guidance to LAs on the preparation of their housing strategies has stressed the importance of evidence based approaches that effectively address needs across all tenures.
- 1.11 Finally, alongside the importance of local housing assessments in housing policy terms has been the recognition of the potential for the land use planning system to help secure a proportion of “affordable” social housing within private housing development, provided that the case is supported by sound evidence of local housing needs. Technical Advice Note 2 (TAN2) enables local authorities to negotiate with developers for the provision of a proportion of social housing on sites for private housing, where there is evidence of need.
- 1.12 Existing Unitary Development Plans (UDPs) and emerging Local Development Plans (LDPs) have to make reference to housing need to enable the local authority to negotiate mixed tenure development. Furthermore, realistic and robust estimates of future housing requirements at a local level which, taking account of migration and projected household formation as well as likely affordability, can feed in to strategic planning debates at the regional and sub regional levels.
- 1.13 This report will provide the robust evidence base required by TAN2 and Circular 13/97 to determine appropriate affordable housing targets to assist in addressing identified local housing need through the planning process. In addition, information in the report is likely to prove useful as a source for a wide variety of housing issues, in particular in relation to the housing strategy and developing and delivering other housing related policies.

Housing Requirements: The Fundamental Questions

- 1.14 Local housing assessments must involve a consideration of housing requirements across the whole market and it is important to understand the different components. For any housing requirement study, the key or core issues are:
- How many additional units are required?
 - How many additional units should be affordable homes?
 - What is the appropriate mix for future housing provision?
- 1.15 Everyone has a housing requirement but many people can satisfy their own requirements in the private housing market since they are able to afford to purchase a home of their own (usually with a loan or mortgage) or to pay a market rent. These households can be regarded as *housing demand* – in other words, housing demand takes account of preference (with the analysis being choice led) but is controlled by the ability to pay.
- 1.16 However, a proportion of households may be unable to attain housing of at least a minimum standard (defined in terms of size, type, condition and location) without some form of assistance, either through the provision of a home in the social rented sector or through subsidised access to the private sector (i.e. through housing benefit or by the provision of intermediate home ownership opportunities). These households can be regarded as *housing need* – in other words, housing need takes account of those without adequate housing who are unable to resolve their situation without assistance.
- 1.17 It can be seen that housing *requirement* encompasses both housing *demand* and housing *need*, and is the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay. In other words, it is the amount of housing necessary to accommodate the population at appropriate minimum standards.
- 1.18 Our study has sought to address a number of key issues which underlie these aspects of housing requirement in Blaenau Gwent. These include:
- Current and future assessments of housing needs and demand.
 - The affordability of different tenure options for new and existing households, analysing the relationship between housing costs in the private sector and available financial resources. As we have already indicated, the issue of affordability is critical to the development of development plan policies.
 - Issues around the condition of the existing housing stock (although it should be noted that this is based upon occupiers' perceptions and is not by any means a comprehensive picture of current housing conditions), which will help inform the Local Housing Strategy.
 - The housing and support needs of different sectors of the population, which have implications not only for housing and planning policies but also for wider health and social care planning.
 - Estimates of the number of homes needed to meet current and future housing requirements. The housing shortfalls are broken down by size, tenure and price.

Data Sources

- 1.19 The analysis was based on primary data gathered by the Household Survey (2006), complemented by secondary data sources. The Household Survey was conducted between March and May 2006 and a total of 1,500 households were successfully interviewed. The sample was based on a simple random probability selection and identified non-response issues were addressed by a comprehensive statistical weighting process.
- 1.20 Information derived from the weighted data was consistent with reliable comparable data from a range of other secondary sources – including demographic details, data from the 2001 Census, and secondary housing statistics. When considering the entire dataset, primary data for the authority is accurate to within $\pm 2.5\%$ points at the 95% level of confidence based on a 50:50 split. Where there is a majority-minority split of 90:10, the data accuracy improves to $\pm 1.5\%$ points at the 95% level of confidence. Further details about the fieldwork, associated validation process and statistical accuracy of the data can be found in Appendix A.
- 1.21 All figures from the Household Survey presented in this report have been grossed-up to represent the overall population – therefore where the report discusses specific numbers of households or dwellings, it is not the number of respondents that is referred to but the number of households or dwellings across the borough that they represent.
- 1.22 Information from the Household Survey was complemented by secondary data sources to correspond with the date of the primary data – and was therefore based on a reference point of Quarter 1 2006 (or Quarter 4 of the financial period 2005/06). This is also the base date for the study projections.

Summary of Key Points

- Local authorities have a duty to consider housing conditions and any need for further housing, and local Housing Strategies must be based on robust local housing assessments;
- The study sought to estimate the number and mix of new homes needed to meet current and future housing requirements;
- The assessment was based primarily on the analysis of 1,500 interviews conducted with households across the area between March and May 2006;
- Additional data from the WAG, Land Registry and a range of other information from the Council also informed the analysis;
- All data was based on a reference point of Quarter 1 2006 (i.e. Quarter 4 2005/06) to correspond with the fieldwork period for the interview sample, and this is the base date for the study projections;
- Information from the analysis is statistically reliable at a borough wide level.

2. Identifying Local Housing Market Areas

Introduction

- 2.1 Local Housing Market Areas (HMAs) are defined as being:

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

- 2.2 HMAs are important in considering housing schemes and economic development because they inform decision makers of the areas which are likely to be affected by them. A typical way to measure this is to define a HMA as an area where 70-75% of everyone who moves chooses to stay in the area.
- 2.3 The definition of a HMA is unlikely to match with the boundaries of local authorities. Instead HMAs are often likely to overlap between authorities. Therefore, the ability to define a HMA is important because of the necessity of neighbouring authorities to cooperate with each other when the projects they are planning are likely to affect each other.
- 2.4 HMAs are not discrete and it is not possible for every dwelling to be correctly associated with one, and only one, HMA. It is arguable that HMAs exist as a hierarchy – with larger HMAs encompassing many smaller HMAs. For this reason, defining HMAs is somewhat more of an art than a science, and applying fixed rules often leads to inadequate conclusions.

Using Migration Patterns to Determine Local HMAs

- 2.5 One of the primary determinants of a HMA is that the substantial majority of those moving house without changing employment will choose to stay within that geographic area. In defining local HMA boundaries, it is therefore necessary to consider the migration patterns apparent when people move address. A typical way to measure this is to define a HMA as an area where 70-75% of everyone who moves chooses to stay in the area – though this should be treated as a guide as oppose to being a strict rule.
- 2.6 A number of data sources exist to track migration patterns, including the NHS Central Patient Register and the Royal Mail National Change of Address Database – but the most detailed information (in terms of origin-destination geography) comes from the UK Census of Population. The 2001 Census provides details on all persons who did not live at the address that they occupied at the time of the Census one year prior to this date. For all persons identified, the Census reports:
- For those that have moved from a dwelling elsewhere in the UK, the Output Area of their previous address;
 - For all others who had moved within the UK, the fact that they had no usual address one year earlier; and
 - For those that moved from overseas, their country of origin.

2.7 Figure 1 (below) summaries the overall migration levels identified by the 2001 Census for the period April 2000 to April 2001.

Migrant Persons	Total
Moves within the LA	
Total moves	4,830
Moves from the rest of the UK	
Inward moves to the LA	984
Outward moves from the LA	1,300
Net moves to the LA from the rest of the UK	(316)
NET MOVES WITHIN THE UK	(316)
People with no usual address one year before Census	495
Inward moves from overseas	40

Figure 1: Migration for Blaenau Gwent in 2001

Source: UK Census of Population 2001

2.8 On the basis of this information, Blaenau Gwent does meet the 70-75% criteria for a HMA a total of 83.1% of all UK moves originate in Blaenau Gwent. Furthermore, of those people vacating homes in Blaenau Gwent, as many as 78.8% stayed within the area boundary.

Travel to Work Patterns in Defining Local HMAs

2.9 The other factor to be considered when defining HMAs is the location of employment relative to housing – i.e. travel to work patterns. Once again, we can identify travel to work behaviour through analysis of the 2001 Census data.

2.10 The data identifies that 16,000 people both live and work in Blaenau Gwent. This represents around 64% of all those living in the area who have a job, and 76% of all those who work in Blaenau Gwent (Figure 2).

UK Region	Travel to Work to Blaenau Gwent	Travel to Work from Blaenau Gwent	Net Travel to Work from Blaenau Gwent
Blaenau Gwent	16,019	16,019	0
North East	0	15	15
North West	12	12	0
Yorkshire & Humberside	0	9	9
East Midlands	0	12	12
West Midlands	78	136	58
Eastern	9	36	27
London	3	30	27
South East	15	45	30
South West	42	174	132
Wales	4,923	8,609	3,686
Scotland	0	9	9
Northern Ireland	0	0	0
Total	21,101	25,106	4,005

Figure 2: Travel to Work to and from Blaenau Gwent by UK Region: 2001

Source: UK Census of Population 2001

- 2.11 Figure 3 shows the travel to work patterns to and from Blaenau Gwent for each of the other unitary authorities in Wales in 2001. This shows that many of the residents of Blaenau Gwent work in Caerphilly, Monmouthshire, Newport and Torfaen. Far fewer work in Cardiff or Merthyr Tydfil. However, this pattern is likely to change in the future.
- 2.12 The opening of a new railway station in Ebbw Vale in 2007 is likely to lead to many workers from Cardiff, who would be attracted by the relatively low house prices in Blaenau Gwent, moving to the area. The new campus of Gwent College in Ebbw Vale is also likely to have a major impact upon the travel to work patterns of Blaenau Gwent.

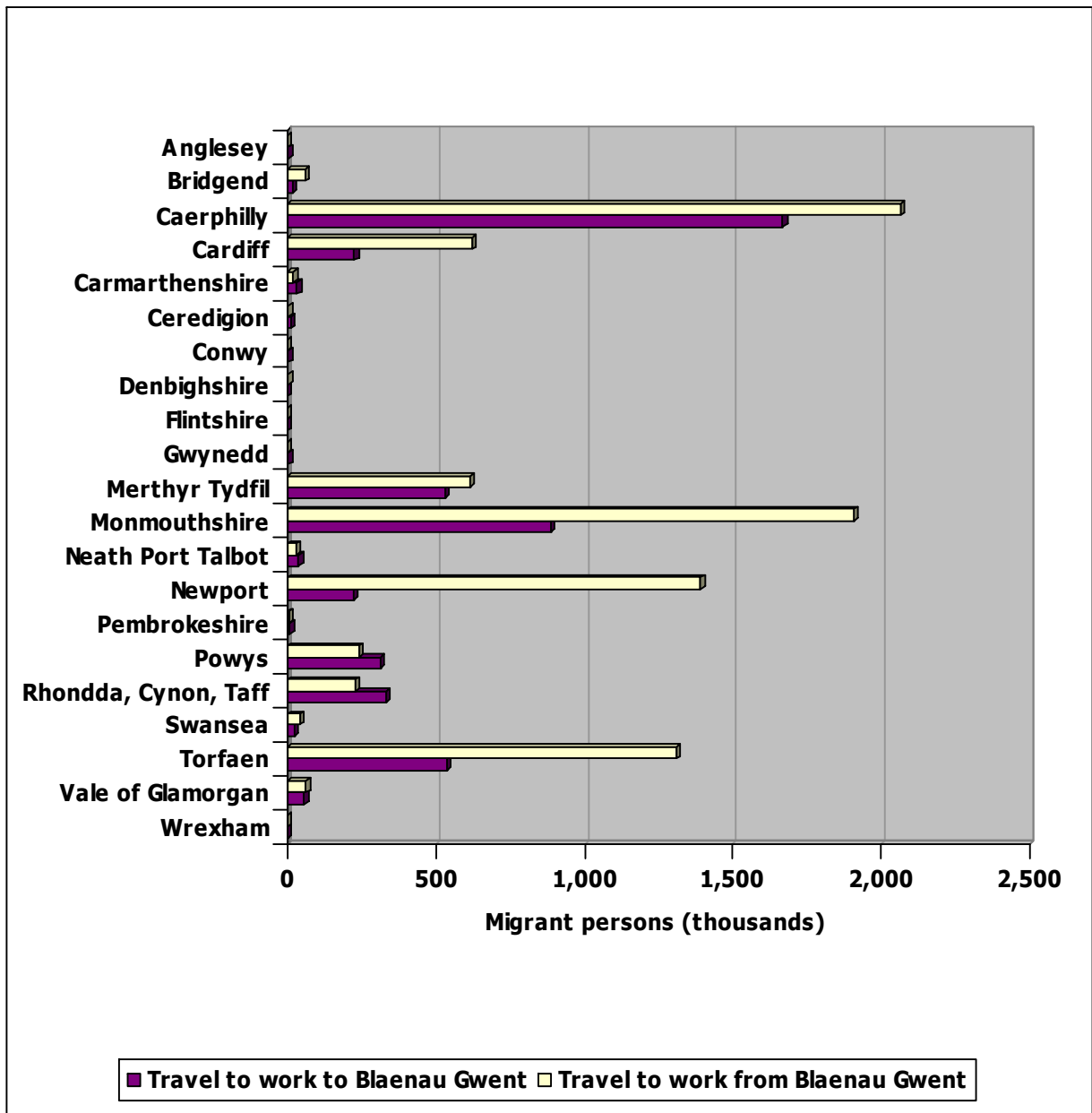


Figure 3: Travel to Work to and from Blaenau Gwent by Other Welsh Unitary Authorities 2001

Source: UK Census of Population 2001

Local Housing Market Areas in Blaenau Gwent

- 2.13 In the context of the identified migration and travel to work patterns, it is reasonable to conclude that Blaenau Gwent satisfies the definition of a HMA – with the substantial majority of the employed population living and working in the area and where most people moving house choose to stay.
- 2.14 Nevertheless, when we consider the functional operation of the Blaenau Gwent housing market, it is apparent that it smaller housing areas can be identified.
- 2.15 Figure 4 (below) illustrates the origin and destination of all movers either to or from the Tredegar HMA – with Tredegar HMA being defined as the outlined area. On the map a coloured dot is placed at both the point of origin and destination for each migrant – and whilst it is apparent that a number of movers originate or leave for areas outside the shaded zone, the vast majority of points fall within this area.

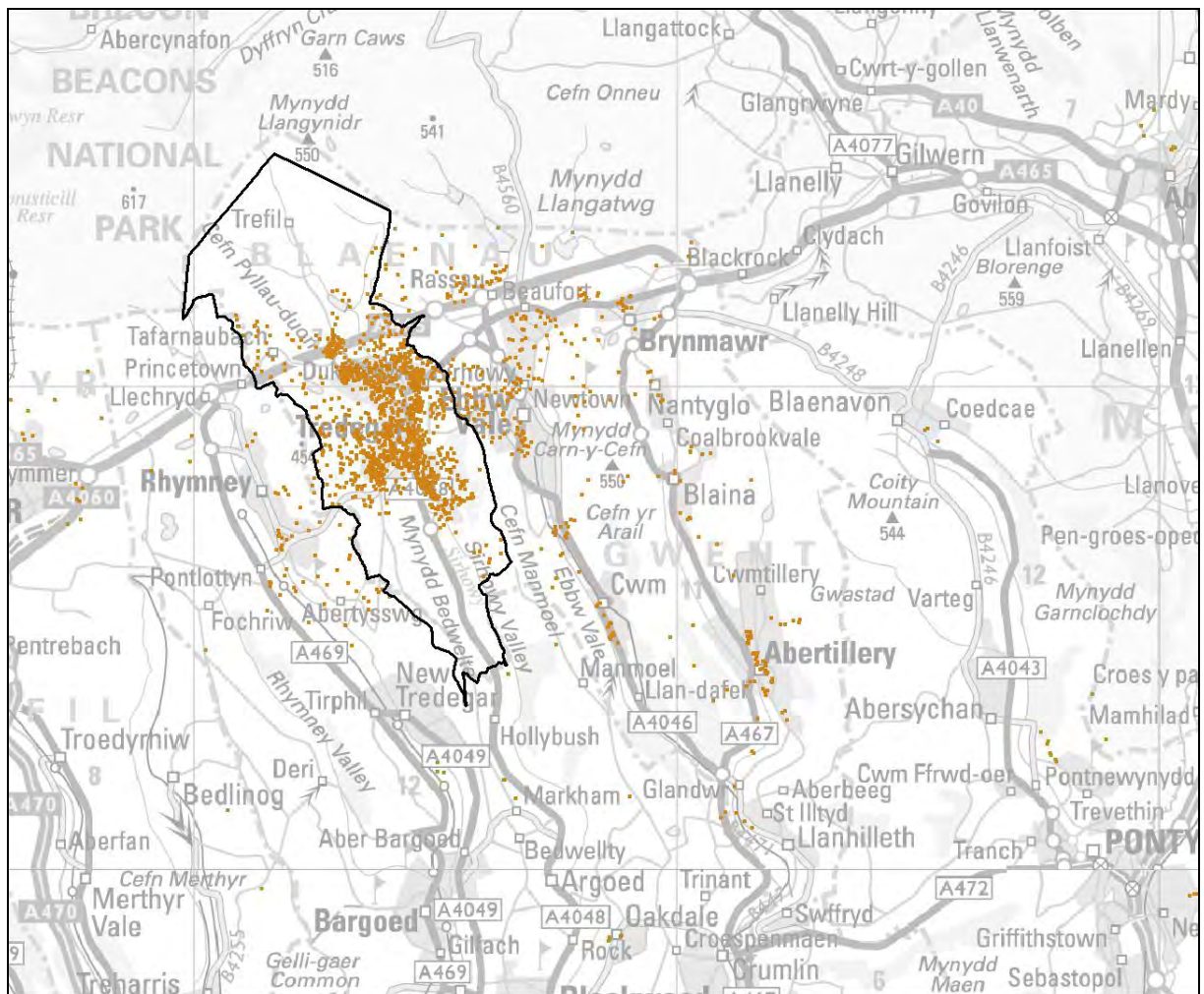


Figure 4: Identifying the Tredegar Functional Housing Market Area

Source: UK Census of Population 2001

- 2.16 Within this shaded area, 66.7% of all people moving within the UK to homes in the identified area already lived within the area, and 68.9% of persons vacating homes stayed in that area. On this basis, we would conclude that the functional HMA for Tredegar is not the same as the Blaenau Gwent housing market, but is the smaller area identified in Figure 4.

- 2.17 Through replicating this process on an iterative basis, we can identify the other local HMAs that exist within Blaenau Gwent. Each of these areas shows a large degree of self-containment in terms of both migration and travel to work patterns.
- 2.18 On the map below (Figure 5), the same principle is used as in the earlier illustration of the Tredegar functional HMA (Figure 4) with a dot being placed at the origin and destination of all moves. The colour of the dot relates to the location of its pair on the basis – so the dot at the origin of the move will take the colour of the local HMA of the destination, and similarly the dot at the destination will take the colour of the local HMA of the origin.
- 2.19 As an example, if a household were to move from Abertillery (in the far South) to Tredegar the dot at the origin (in Abertillery) would be brown (the colour of the Tredegar HMA) and the dot at the destination (in Tredegar) would be red (the colour of the Abertillery HMA). Where both the origin and destination fall within the same HMA, both origin and destination dots take the same colour – that of the HMA with which they are associated.

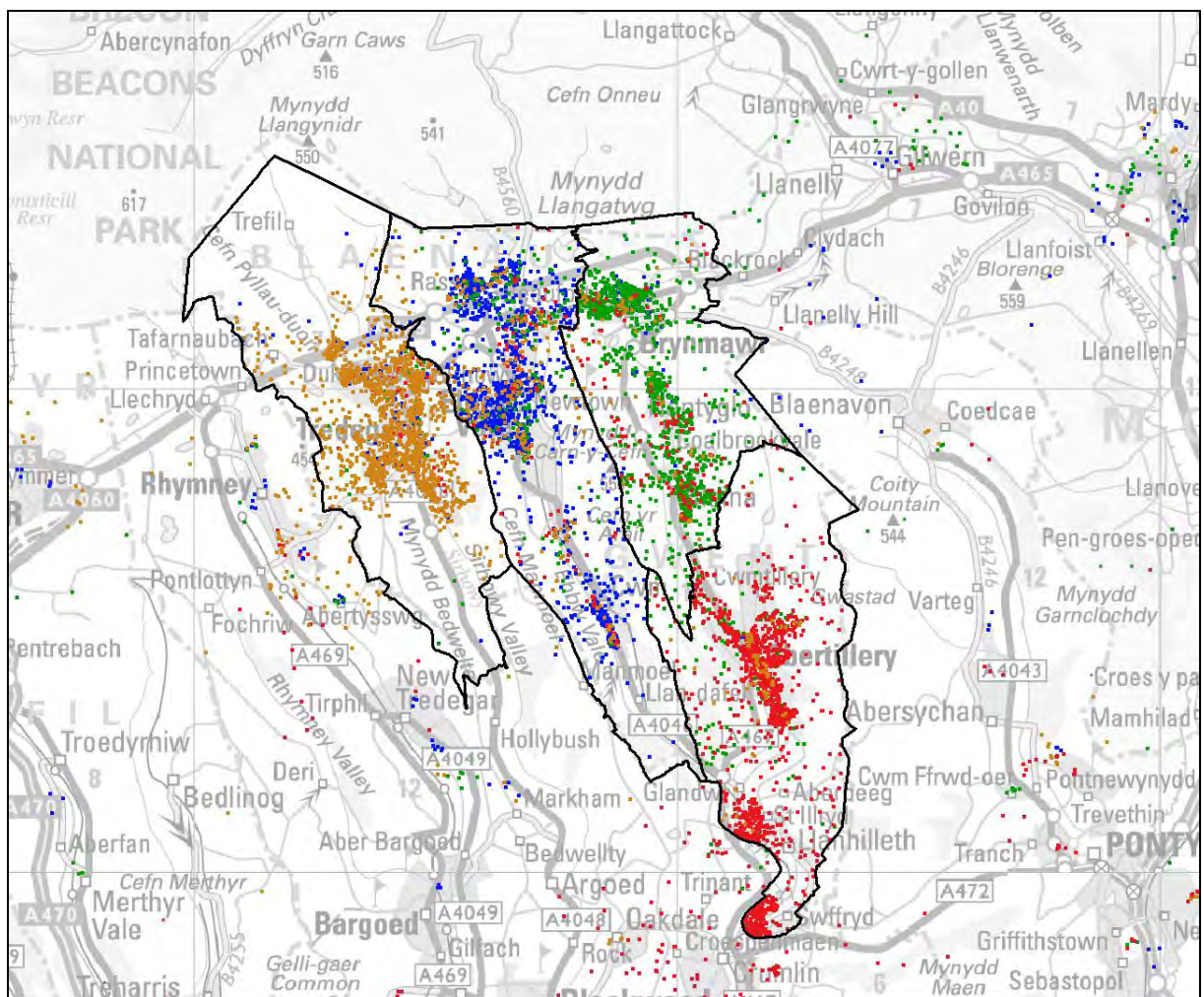


Figure 5: Identifying the Blaenau Gwent Functional Housing Market Areas

Source: UK Census of Population 2001

- 2.20 Whilst there are some dots that inevitably cross between HMAs, the significant majority of dots within each HMA are local to that area – i.e. both origin and destination of the moves were local. This leads us to conclude that Blaenau Gwent contains four HMAs – Abertillery, Blaina/Brynawr, Ebbw Vale and Tredegar.

Summary of Key Points

- Local Housing Market Areas are defined as being the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay;
- Blaenau Gwent can be described as a Housing Market Area – for 64% of local residents in employment work in the borough and 9% of people changing address within the area stayed within the local authority boundary;
- A detailed analysis of movement patterns clearly identify a further four local HMAs, each with their own centre of population. These are Abertillery, Blaina/Brynmawr, Ebbw Vale and Tredegar.

3. Socio-Economic Context

Introduction

- 3.1 This section of the report considers the local population across the borough, concentrating in particular on how local circumstances have changed over recent years and how they are projected to change in future. Further information is also provided on the characteristics of local households, and how local employment compares to that elsewhere.

Population

- 3.2 Blaenau Gwent is an area which has seen a decline in its population. The long term decline of Blaenau Gwent is illustrated in Figure 6. Taking the 1981 population as a base, it shows that the population of Blaenau Gwent fell by nearly 10% in the period up to 2004 from 75,700 to 68,800 people. This compares with a rise in population of over 5% for the whole of Wales.

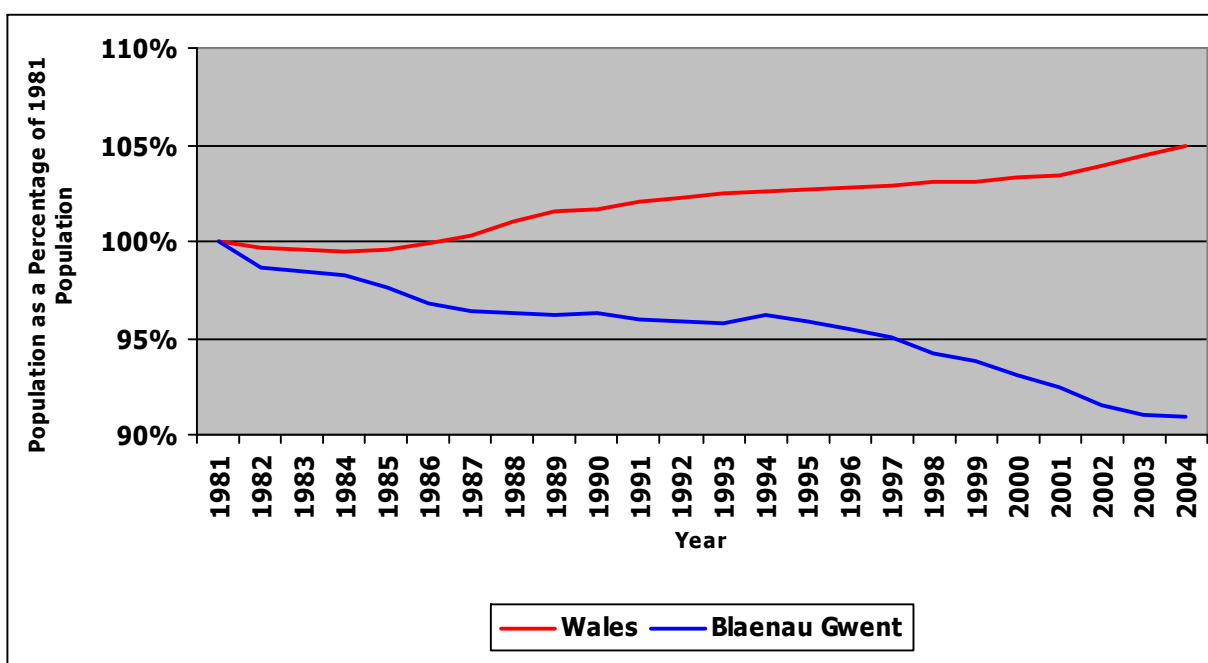


Figure 6: Population of Blaenau Gwent and Wales: 1981-2004

Source: ONS Mid-Year Population Estimates

- 3.3 The age structure of the population of Blaenau Gwent (Figure 7) shows that there are more 10-19 year olds in the area than in Wales as a whole. The 20-24 year olds are marginally below the national average – though this would be expected given that Blaenau Gwent does not contain a university.

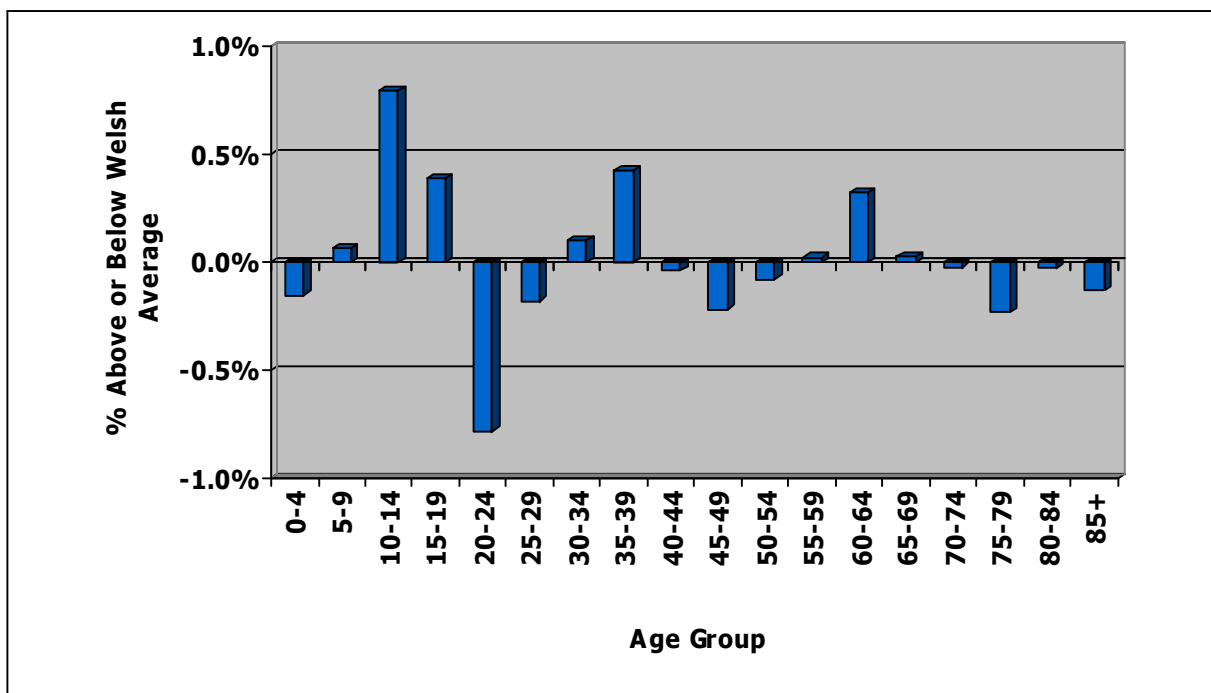


Figure 7: Age Profile for Blaenau Gwent Compared with Wales: 2004
Source: ONS Mid-Year Population Estimates

Migration

- 3.4 The data used in this section comes from recording of NHS registration and de-registrations with GPs. The data records individuals who move from one GP to another in a different area. The data represents the only annual measure of migration within England and Wales, and therefore it has the advantage of allowing the analysis of trends in migration patterns over time.
- 3.5 Its major disadvantage is that it records only movements between local authorities and not within them. Therefore, if someone moves houses, but stays within the same local authority they will not be recorded as a migrant.
- 3.6 Figure 8 and Figure 9, overleaf, show the net migration to Blaenau Gwent from every region of England and Wales in the past 6 years. Overall, migration accounted for a fall in the population of Blaenau Gwent of 1,000 people from 1999 to 2004. Blaenau Gwent has gained population from the, South East, South West and London regions, but a net 1,320 migrants left Blaenau Gwent for the rest of Wales.
- 3.7 It is also noticeable that in 2004 Blaenau Gwent experienced a positive in-migration of 200 people with a gain being experienced from almost all regions of England.

UK Region	Year						Total
	1999	2000	2001	2002	2003	2004	
NUMBER OF PERSONS							
North East	0	0	0	-10	0	0	-10
North West	10	-10	0	0	-20	10	-10
Yorkshire and Humberside	0	-30	-10	0	-10	-10	-60
East Midlands	-10	-10	10	-10	30	20	30
West Midlands	-60	10	-10	-20	-10	30	-60
Eastern	-20	10	0	-10	20	50	50
London	10	0	-10	10	50	30	90
South East	-30	0	10	50	30	100	160
South West	-50	10	10	20	70	40	100
Wales	-190	-270	-340	-320	-180	-20	-1,320
Total	-300	-300	-300	-300	0	200	-1,000

Figure 8: Net Migration to Blaenau Gwent by England and Wales Region 1999-2004

Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales (based on patient register data and patient re-registration recorded in the NHSCR), 1999-2004
 Note: Figures may not sum due to rounding

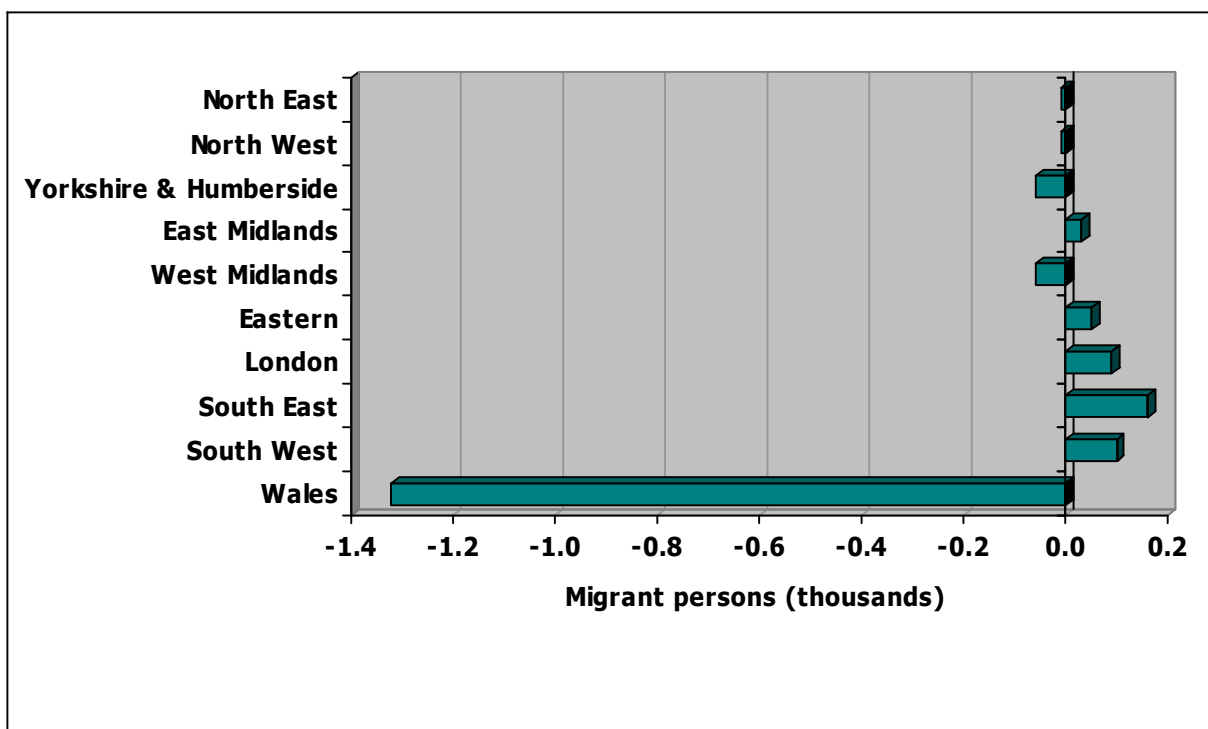


Figure 9: Net Migration to Blaenau Gwent by the Government Office Regions of England and Wales 1999-2004

Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales (based on patient register data and patient re-registration recorded in the NHSCR), 1999-2004

3.8 Figure 11 shows the net migration patterns which Blaenau Gwent has experienced with the other local authorities in Wales. The migrants from Blaenau Gwent have typically moved to South East and South West Wales. It also appears to be the case that migrants have moved to areas such as Swansea and Carmarthenshire which still have Corus steelwork plants. Interestingly, net migration to Merthyr Tydfil and Rhondda Cynon Taff has been very small.

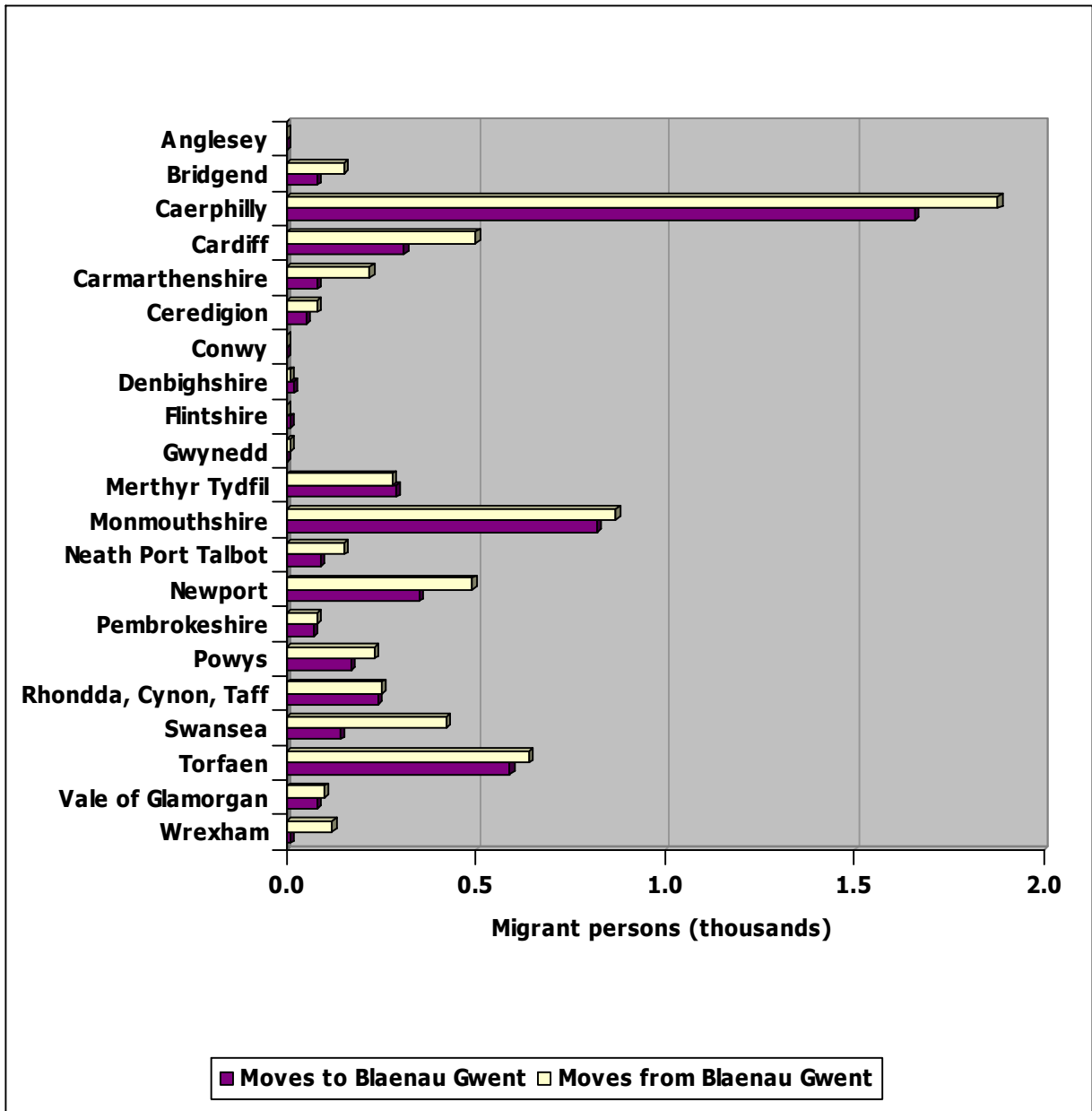


Figure 10: Migration to and from Blaenau Gwent by Other Welsh Unitary Authorities 1999-2004

Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales (based on patient register data and patient re-registration recorded in the NHSCR), 1999-2004

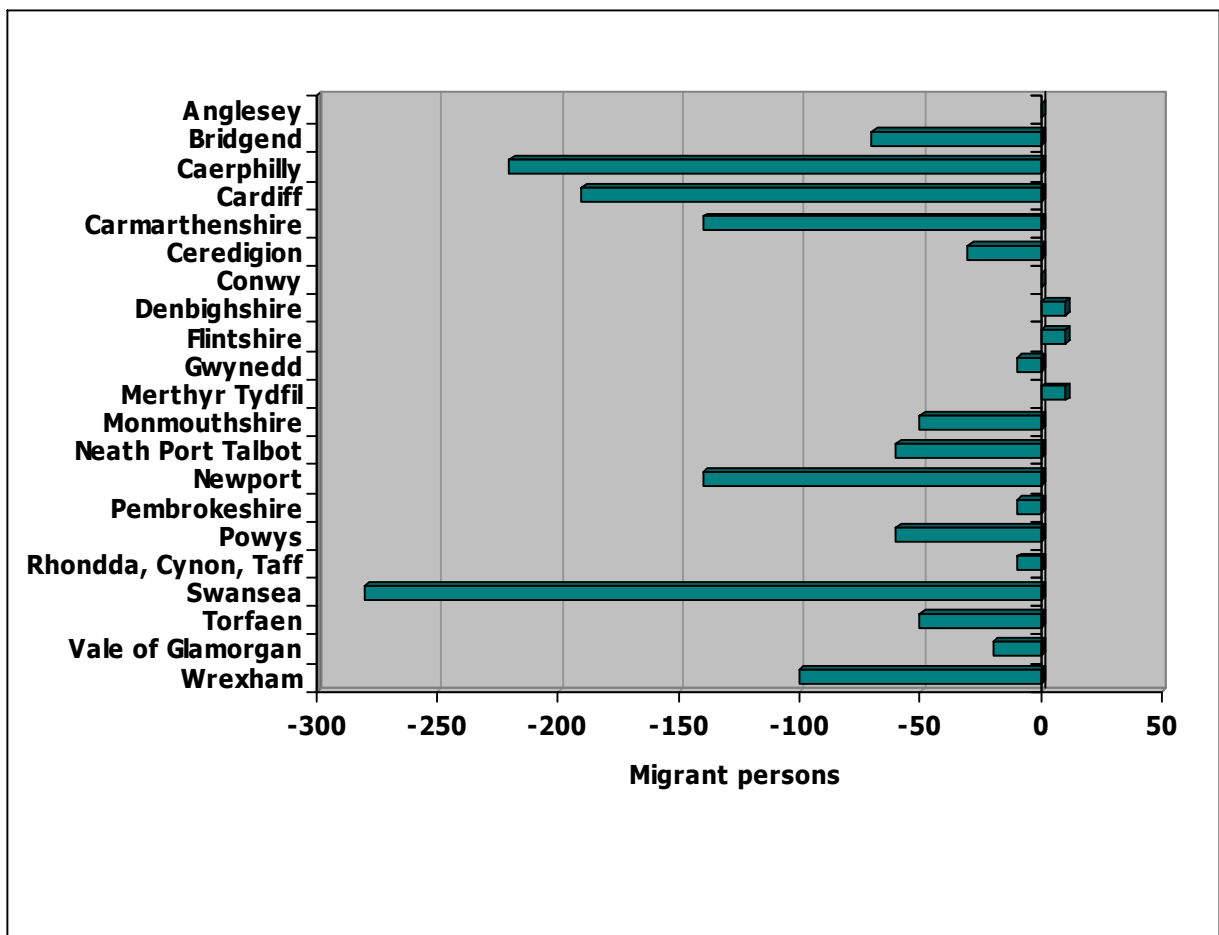


Figure 11: Net Migration to Blaenau Gwent by Other Welsh Unitary Authorities 1999-2004

Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales (based on patient register data and patient re-registration recorded in the NHSCR), 1999-2004

3.9 The age structure of the net migrants to Blaenau Gwent is shown in Figure 12 and Figure 13. This highlights that Blaenau Gwent is an area which has been losing its younger population through migration. However, it is again noticeable that in 2004 both the 0-15 years and 25-44 years age groups experienced a net migration to Blaenau Gwent.

Age group	Year						Total
	1999	2000	2001	2002	2003	2004	
0-15 years	-80	-110	-110	-70	10	30	-330
16-24 years	-130	-100	-90	-120	-50	-50	-540
25-44 years	-140	-120	-110	-80	-100	80	-470
45-64 years	0	50	-60	-10	100	120	200
65+ years	0	-30	0	0	40	70	80
Total	-300	-300	-300	-300	0	200	-1,000

Figure 12: Net Migration to Blaenau Gwent by Age Group 1999-2004

Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales (based on patient register data and patient re-registration recorded in the NHSCR), 1999-2004
 Note: Figures may not sum due to rounding

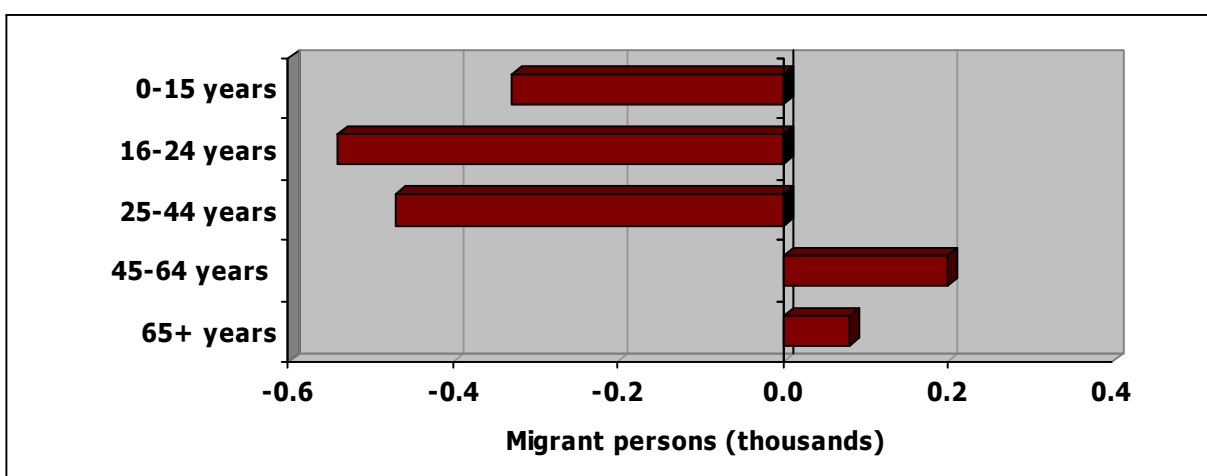


Figure 13: Net Migration to Blaenau Gwent by Age Group 1999-2004

Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales (based on patient register data and patient re-registration recorded in the NHSCR), 1999-2004

3.10 The NHSCR statistics do not record any ethnic dimension to migration. However, the Census included a question on where someone had been living one year earlier, and this allows the analysis of the ethnicity of migrants between 2000 and 2001. The ethnic group of migrants to and from Blaenau Gwent is detailed in Figure 14 (below).

3.11 Figure 14 shows that in the year before the 2001 Census there was a net migration from Blaenau Gwent to the rest of the UK of 254 people. Overall, there was a net out migration of one Non-White person from Blaenau Gwent in the year before the Census.

3.12 Figure 14 also records the inward migration from overseas to Blaenau Gwent. This is not balanced by any measure of migration overseas from Blaenau Gwent, and therefore we cannot say anything about net overseas migration. The data shows that only 6 Non-White individuals moved to Blaenau Gwent from overseas in the year before the Census.

Ethnic Group	Migration from UK Households			Other Migration	
	In	Out	Net	No Usual Address	Overseas
White	947	1,200	(253)	486	33
Indian	12	0	12	0	0
Pakistani and South Asian	3	0	3	7	0
Chinese	0	9	(9)	0	0
Black	6	7	(1)	0	3
Mixed	9	9	0	0	0
Other	0	6	(6)	0	3
Total	977	1,231	(254)	493	39

Figure 14: Ethnicity of Migrants for Blaenau Gwent in 2001

Source: UK Census of Population 2001

Note: Figures exclude anyone moving within the borough

BME Population

3.13 The Black and Minority Ethnic (BME) population in Blaenau Gwent comprised 1.8% of the total population in the 2001 Census – including 1.0% of the population who were White, but not White British, and a further 0.8% who could be considered as a visible Non-White population. In the household survey 1.3% of the population come from BME groups with 0.4% of the population coming from visible Non-White groups. However, it is likely that the BME population of Blaenau Gwent has grown since the survey was undertaken. It is believed that a number of Polish migrants workers have moved to the area while working in a chicken packing factory in Abergavenny.

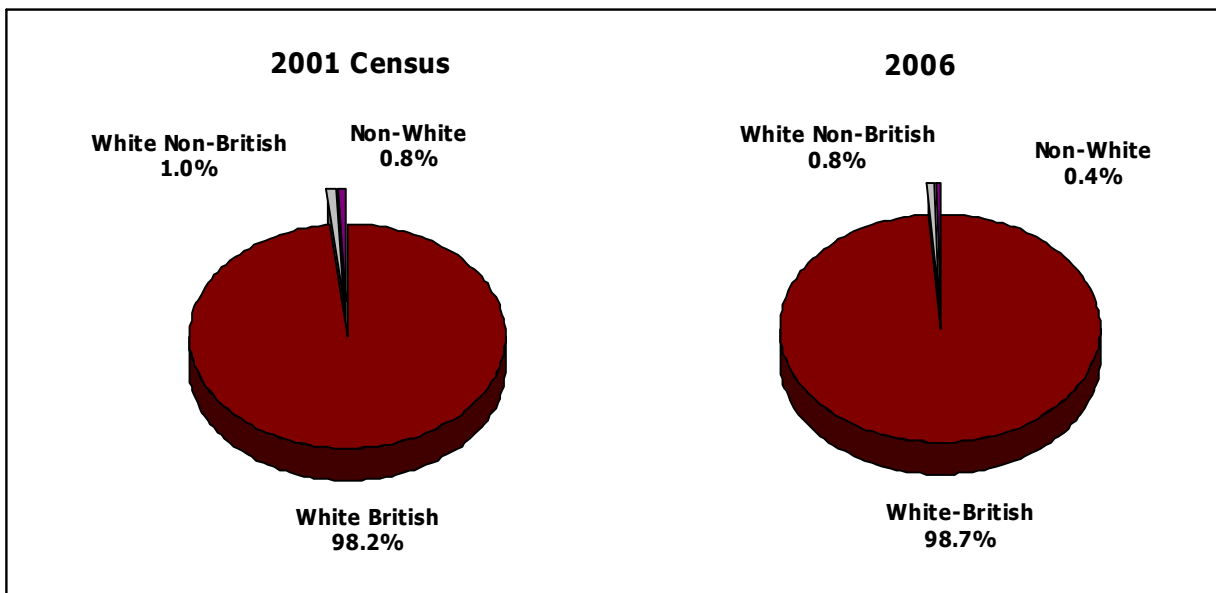


Figure 15: Population of Blaenau Gwent in 2001 and 2006 by Ethnic Group

Source: UK Census of Population 2001 and Blaenau Gwent Household Survey 2006

3.14 Between 1991 and 2001, Blaenau Gwent's Non-White population grew from 0.5% to 0.8% (Figure 16).

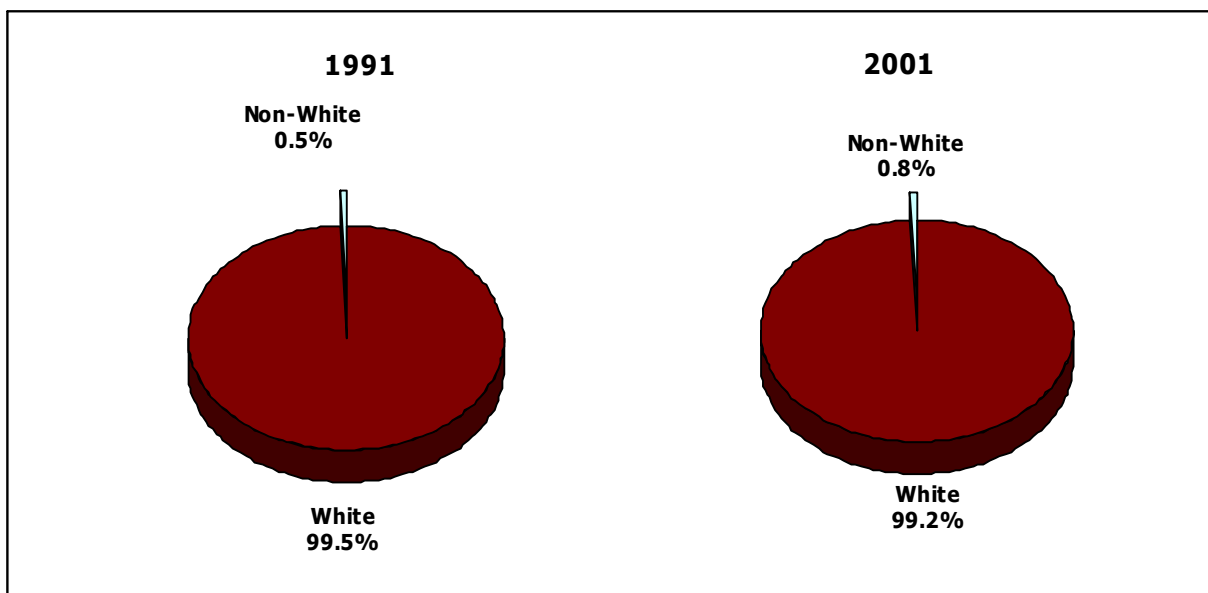


Figure 16: Non-White Population of Blaenau Gwent 1991 and 2001

Source: UK Census of Population 1991 and 2001

- 3.15 Unfortunately, because of changes between the 1991 and 2001 Censuses, it isn't possible to provide a similar comparison across all BME groups. The ethnicity question was refined in the 2001 Census to include additional categories relating to mixed ethnicity and the "Other White" group which were previously not included.
- 3.16 The Census classifies ethnic groups on the basis of sixteen categories which are standardised across all UK government sources (Figure 17). This classification is also used by the Commission for Racial Equality and many other organisations interested in analysing information about BME communities. These sixteen categories can be grouped together into five aggregate groups – these being White, Mixed, Black, Asian and Other – and some information sources do not provide any details beyond these broad groupings (though White British and White Non British are sometimes reported independently).
- 3.17 Within this report, we have sought to provide information about the sixteen different groups wherever possible – but in some cases we have adopted the broader classification, and very occasionally, the White British group is compared with all the other ethnic groups together or the White population is compared with the Non White population. This is primarily due to the availability of published information.
- 3.18 Of course, there are important differences between each of the separate groups – and the study aims to disaggregate the data as far as possible without compromising the clarity of the information or the robustness of the analysis.

Broad Ethnic Group Classification	Detailed Ethnic Group Classification
White	White: British
	White: Irish
	White: White Other
Mixed	Mixed: White and Black Caribbean
	Mixed: White and Black African
	Mixed: White and Asian
	Mixed: Other Mixed
Asian	Asian or Asian British: Indian
	Asian or Asian British: Pakistani
	Asian or Asian British: Bangladeshi
	Asian or Asian British: Other Asian
Black	Black or Black British: Black Caribbean
	Black or Black British: Black African
	Black or Black British: Other Black
Other	Chinese or Other Ethnic Group: Chinese
	Chinese or Other Ethnic Group: Other Ethnic Group

Figure 17: Ethnic Group Classification

Source: UK Census of Population 2001

- 3.19 Information from the Census is based on individual responses – insofar as each person must decide themselves to which ethnic group they belong – and this inherently introduces some degree of inaccuracy into the data. For instance, when we consider those people that were born in the Middle East, there is a clear division between those classifying themselves as “Asian Other” and those choosing “Other Ethnic Group” despite their actual origins being the same.
- 3.20 The ethnic minority population of Blaenau Gwent compared with Wales and England and Wales is shown in Figure 18. As previously noted, the BME population (including White Non-British and Non-White residents) accounts for 1.8% of the total – compared with 4% for Wales and 12.5% for England and Wales as a whole. The Non-White population in Blaenau Gwent (0.8%) compares with 2.1% in the Wales as a whole, and 8.7% in England and Wales.
- 3.21 Compared with England and Wales as a whole, and to Wales, Blaenau Gwent has a lower share of its population in all of the ethnic groups. The only ethnic groups in Blaenau Gwent with more than 100 residents are White Other (497), White Irish (173) and Indian (105).

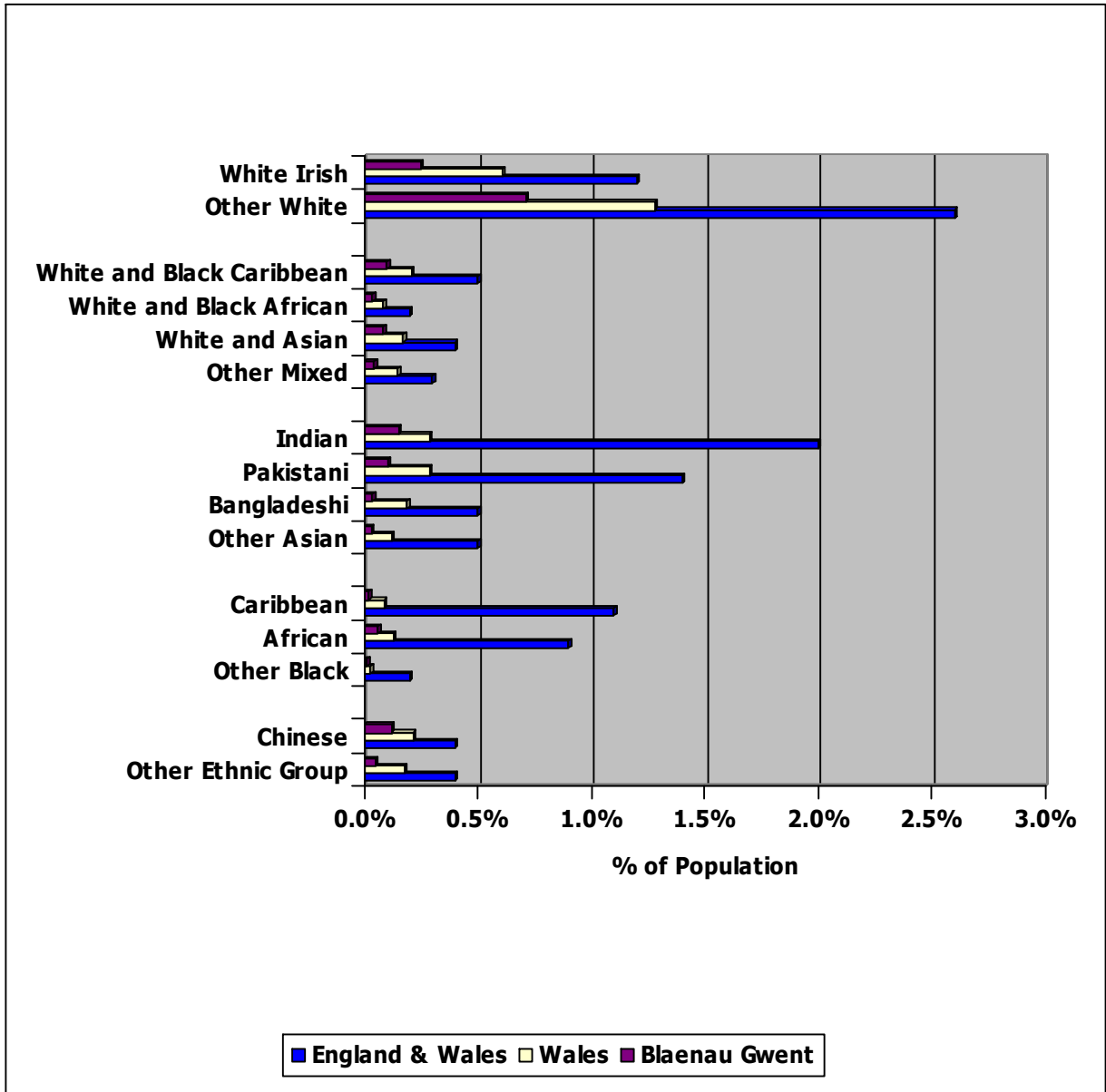


Figure 18: Black and Ethnic Minority Population by Ethnic Group in 2001
 Source: UK Census of Population 2001

Household Structure

- 3.22 It is important to consider the structure of households when assessing housing needs. An area with more single people requires more separate accommodation, while an area with large families will require larger houses to accommodate them.
- 3.23 The household structure of Blaenau Gwent shows that there are fewer adult couples with no children, but more single parents than the Welsh average.

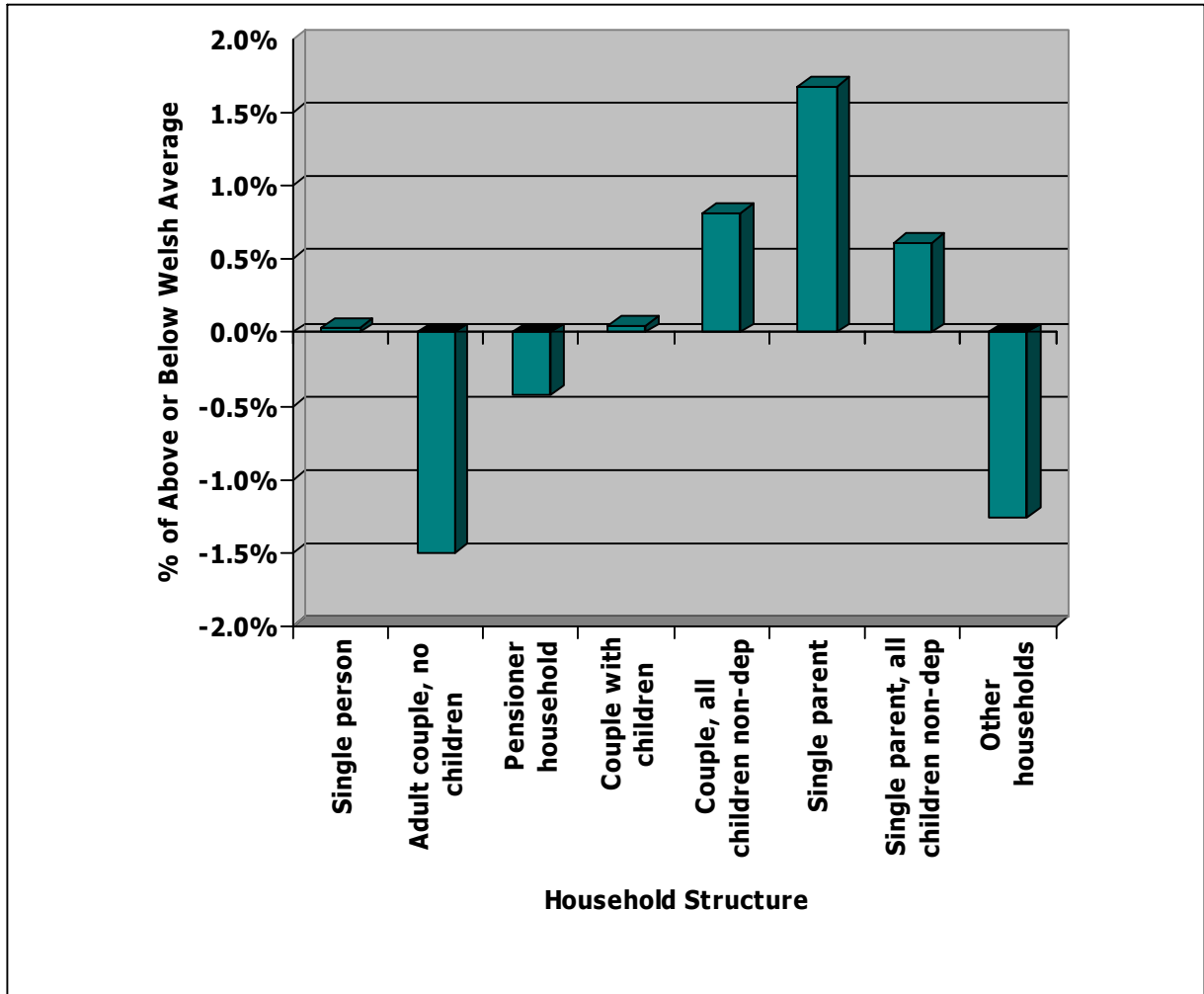


Figure 19: Household Structure for Blaenau Gwent and Wales

Source: UK Census of Population 2001

General Health

3.24 The health of the population of Blaenau Gwent appears to be much worse than the average for Wales and England and Wales as a whole. Over 50% of all households in Blaenau Gwent contain a member with a limiting long-term illness and 27% of all people suffer from limiting long-term illnesses.

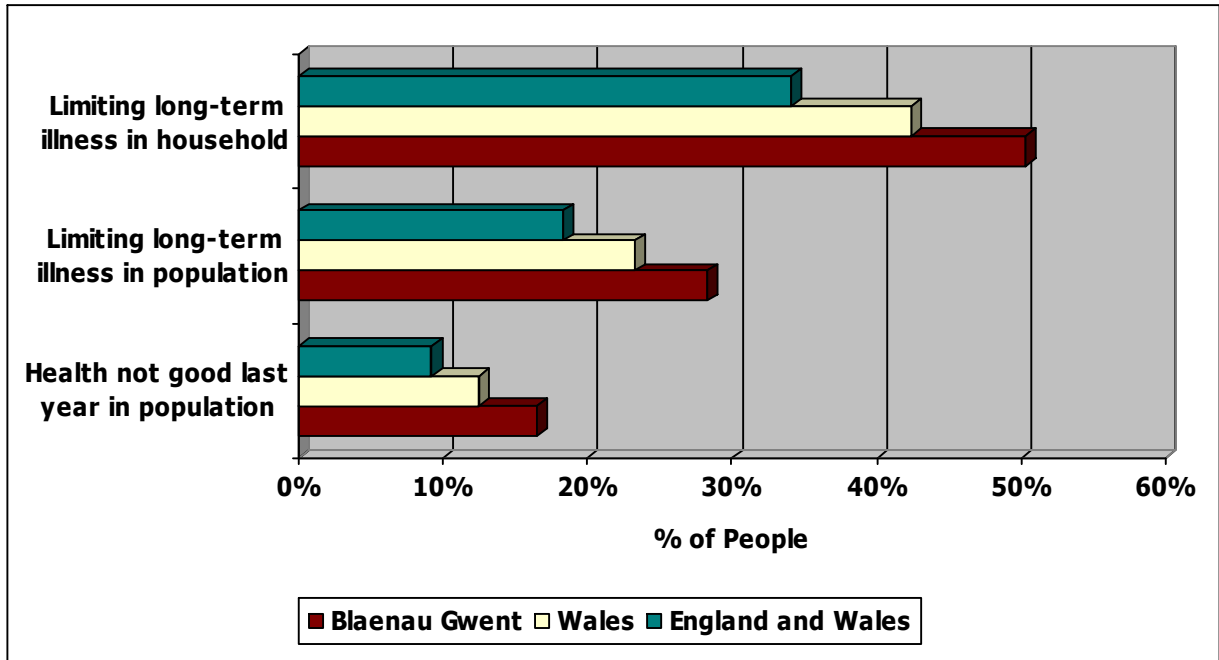


Figure 20: Long-term Disability and Poor Health by Blaenau Gwent, Wales and England and Wales

Source: UK Census of Population 2001

3.25 Figure 21 compares limiting long-term illness across age groups. This shows that the proportion of people suffering from limiting long-term illness in Blaenau Gwent is much higher among the older age groups than it is in Wales and England and Wales as a whole.

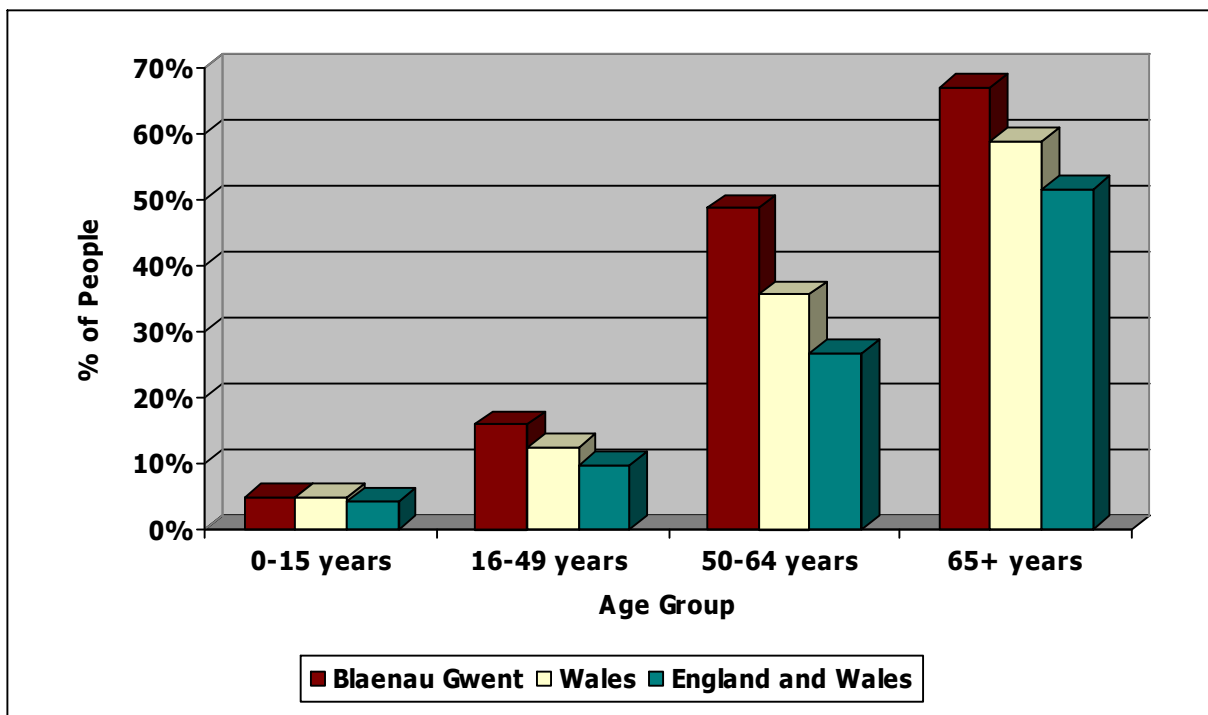


Figure 21: Limiting Long-term Illness by Age Group for Blaenau Gwent, Wales and England and Wales.

Source: UK Census of Population 2001

Households and Persons with Health Problems

3.26 The respondents to the household survey were asked about health issues for their households. The question was designed to discover if the household contained anyone who was suffering from long-term health problems. It was not designed to discover how chronic the health problems were. Instead, the follow-up questions were largely designed to assess the impact of any health problems on the housing and care needs of the household.

3.27 46% of households reported that their household contained someone who was suffering from a health problem. This is a very high figure when compared with the rest of Wales.

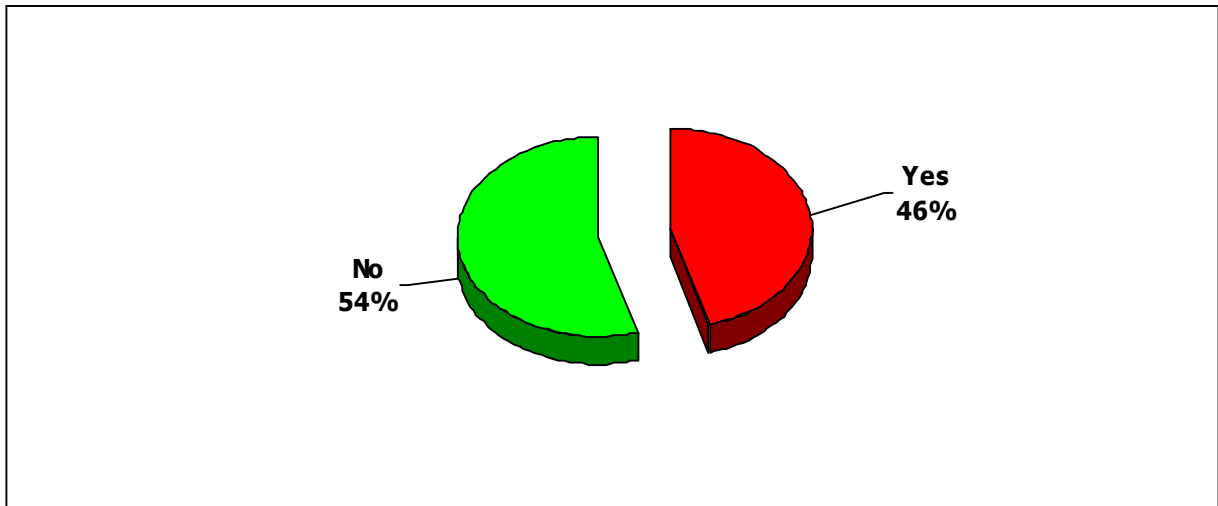


Figure 22: Do any of the people currently living as part of your household suffer from any health problems, such as long-term illness, disability or infirmity – including problems associated with old age? By long standing I mean anything that has troubled them over a period of time or that is likely to affect them over a period of time. By all households

- 3.28 The health details of each person in the household were also collected. Therefore, the results of the survey can be extrapolated to show the health problems in the population of Blaenau Gwent, and not just for households as a whole. The overall results show that 24% of all persons in Blaenau Gwent suffered from a health problem. These health problems are explored in Figure 23. It must be remembered that many people will suffer from more than one illness.
- 3.29 The main problems faced by some persons are walking and mobility problems and difficulties due to old age.

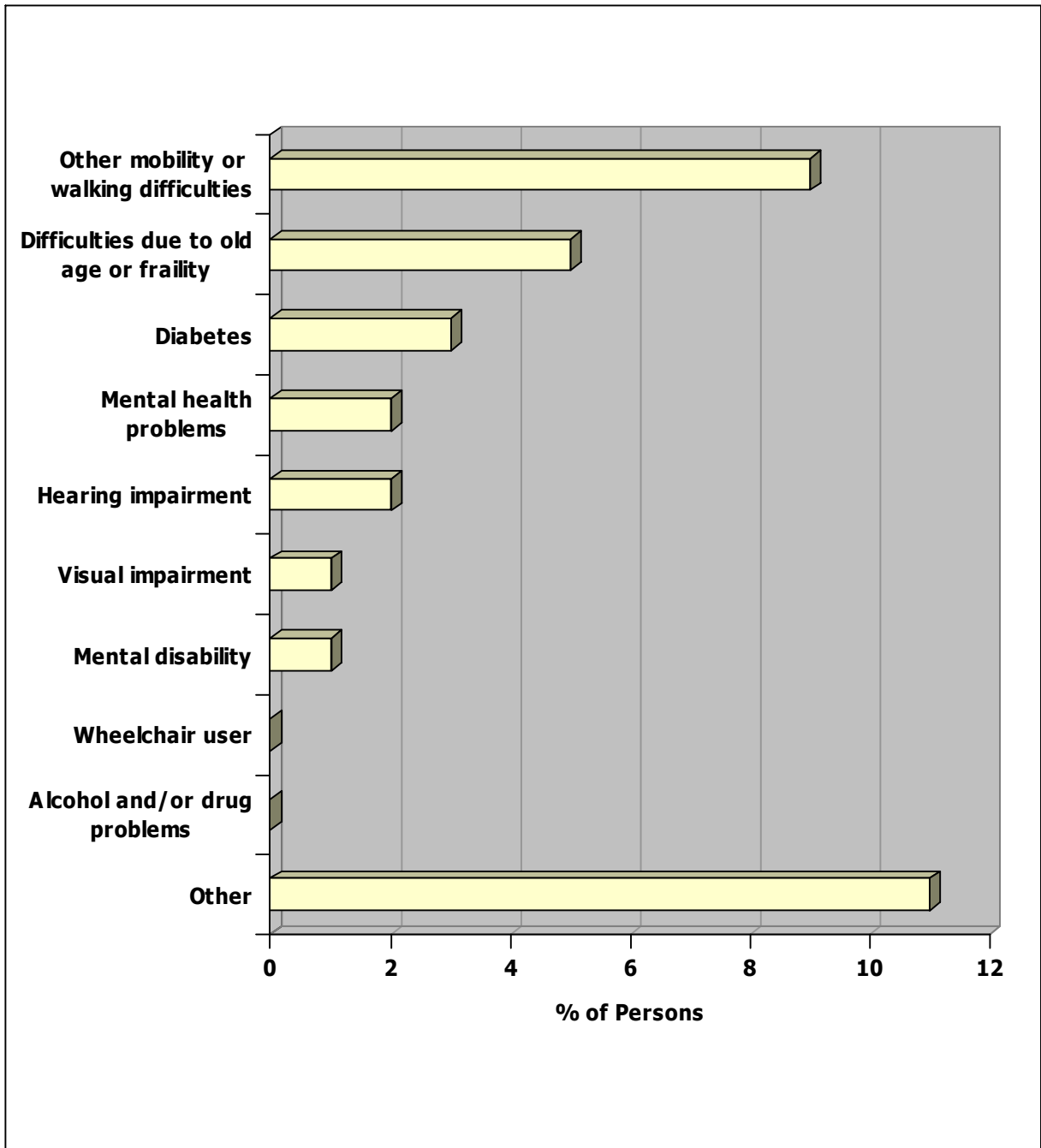


Figure 23: Which problems are most relevant to them? By all persons

Care Needs

3.30 Of the 24% of persons in Blaenau Gwent who experienced health problems, Figure 24 shows that 66% were able to care for themselves, and the remaining 34% needed some form of care or support. Based on the evidence within this survey, 8% of persons in Blaenau Gwent required some form of care.

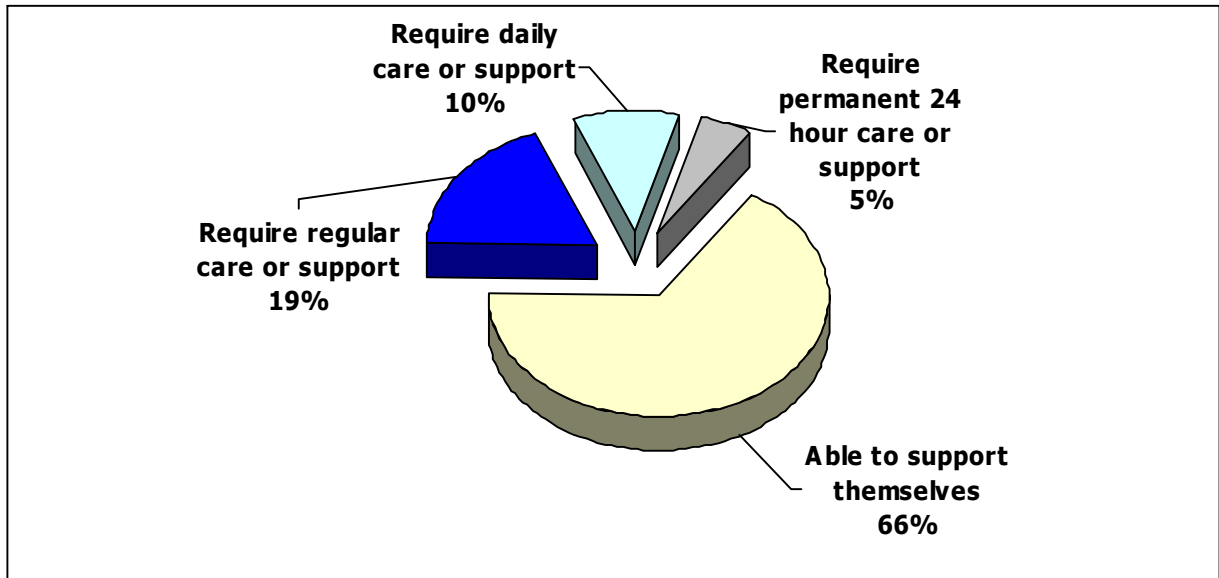


Figure 24: Which describes their care needs? By all persons

3.31 Of those persons who did require care, it was felt that for 87% that their care needs were being met already. However, 6% of those with care needs required more care services, 2% required a respite carer to be provided and 4% required the person needing care to be moved to another form of accommodation. Overall, the results show that across Blaenau around 1% of persons were not having their care needs met satisfactorily.

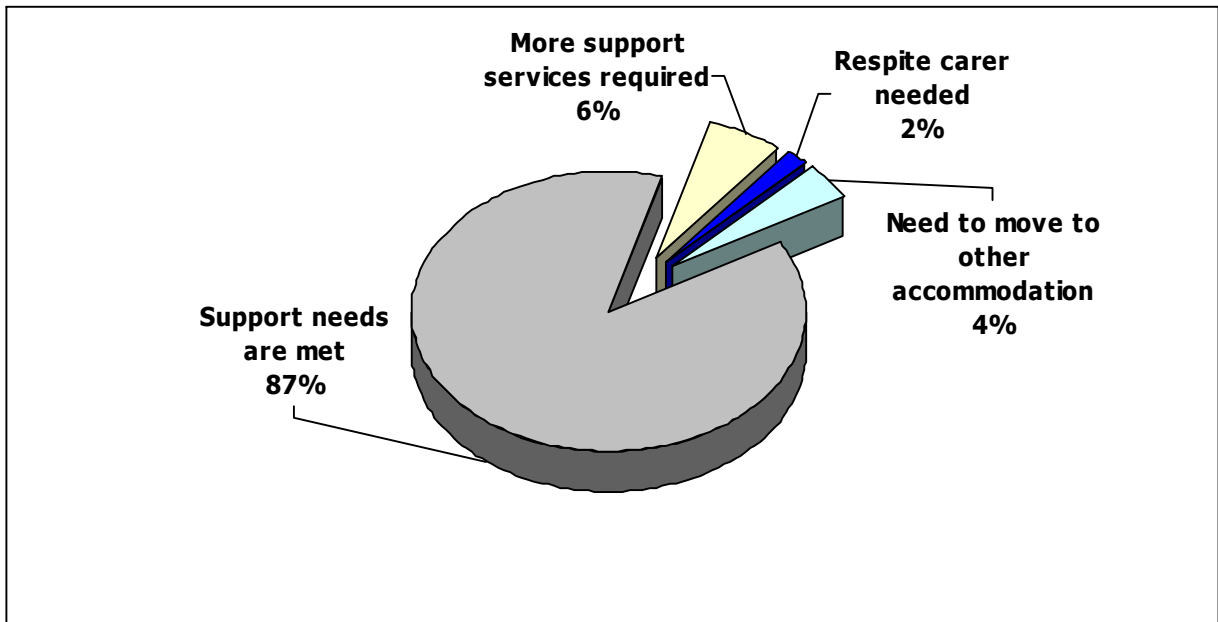


Figure 25: Thinking of the care provided, which best describes their current situation? By all persons

Health Problems Which Affect Housing Requirements

- 3.32 Of the 46% of households which contained someone who had a health problem, 32% felt that this affected their housing requirements.
- 3.33 Of those who do require special housing requirements, 65% felt that their requirements were already met by their current home, which implies that 35% of households felt that their homes were not currently adequately adjusted to the health problems of household members. This represents 5% of all households in Blaenau Gwent.

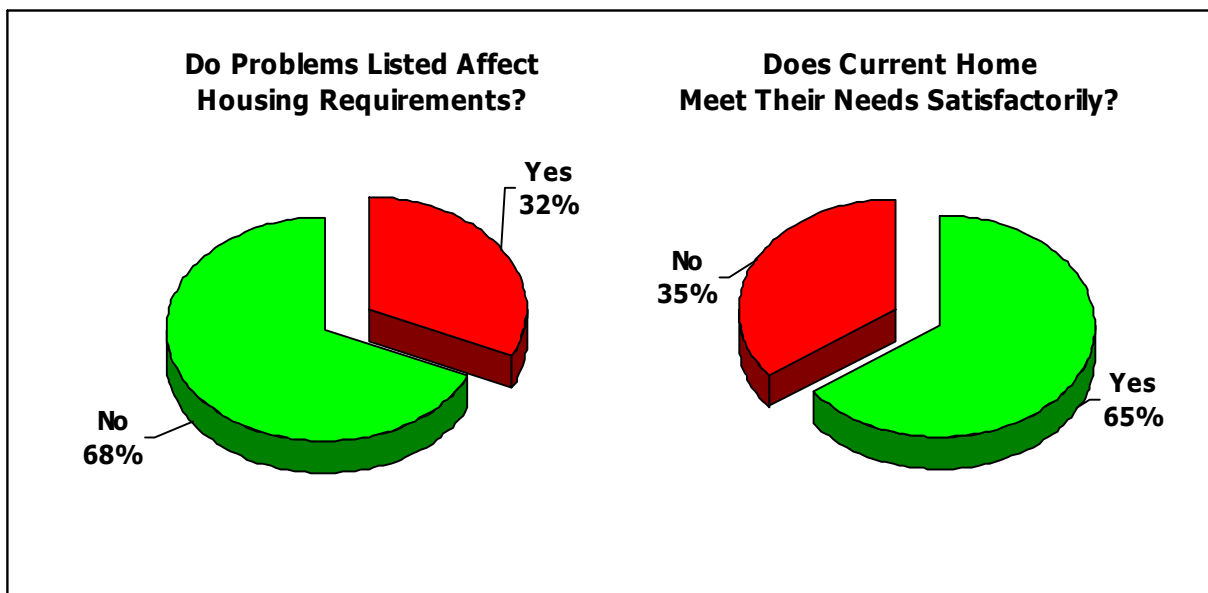


Figure 26: Do you have any special housing requirements due to ill-health? By all households which contained at least one member with a health problem

- 3.34 Figure 27 shows that of the 5% of households who felt that their house was not adequate to meet the needs generated by the health problem of persons, major problems identified were climbing stairs, general mobility and bathing and showering. All of these are natural consequences of the health problems being linked to mobility and old age.

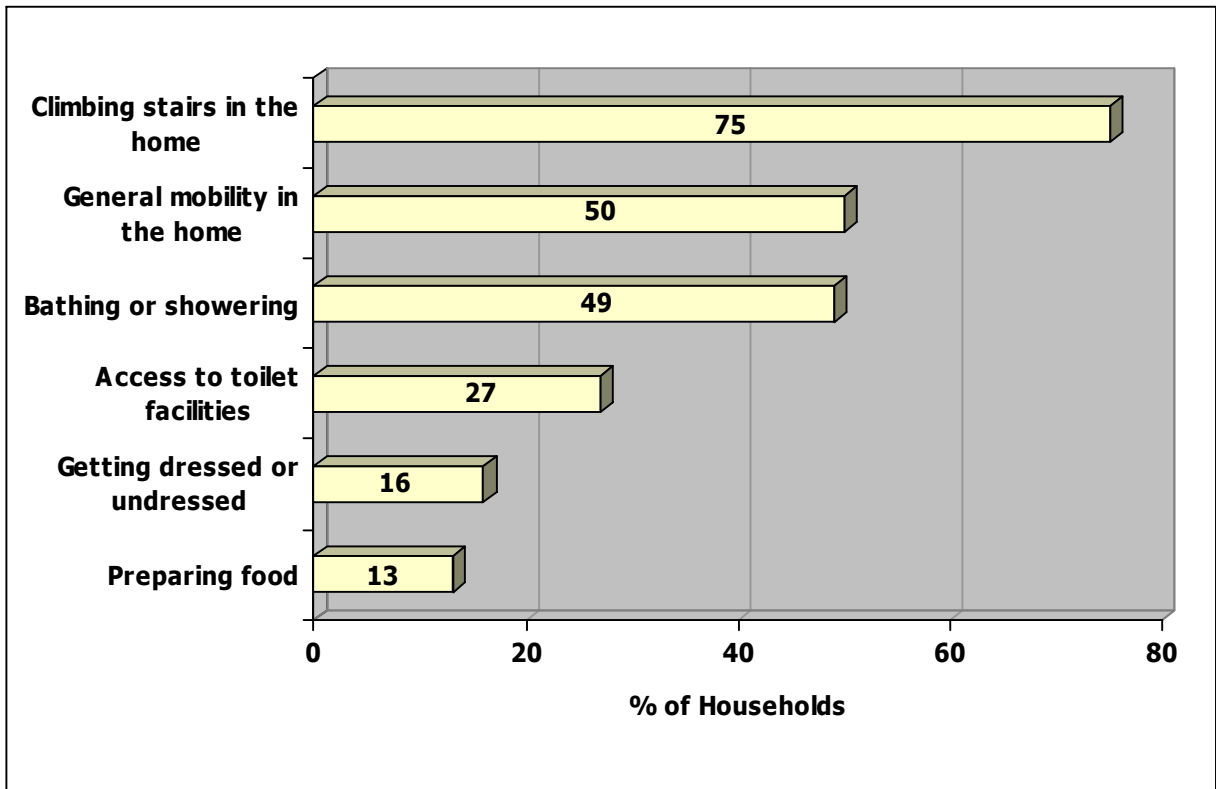


Figure 27: Which of the following activities, if any, are difficult for them because of the layout of your current home? By all households where the home did not satisfactorily meet the health needs of its members

Adaptations for Housing Requirements

- 3.35 Figure 28 shows that of the 5% of households who felt that their current home does not satisfactorily meet housing needs due to health problems and who responded to the question, 58% felt that their current home could be adapted to meet their needs. Another 21% felt that physical adaptations would not resolve their needs. Only 21% felt that they would need to move to another home which was more suitable for their needs.
- 3.36 Therefore, the majority of those households where their home was not meeting their housing needs due to a health problem did not require to move to another home. Around 1% of all households required other accommodation to satisfactorily meet the health needs of members of the household.

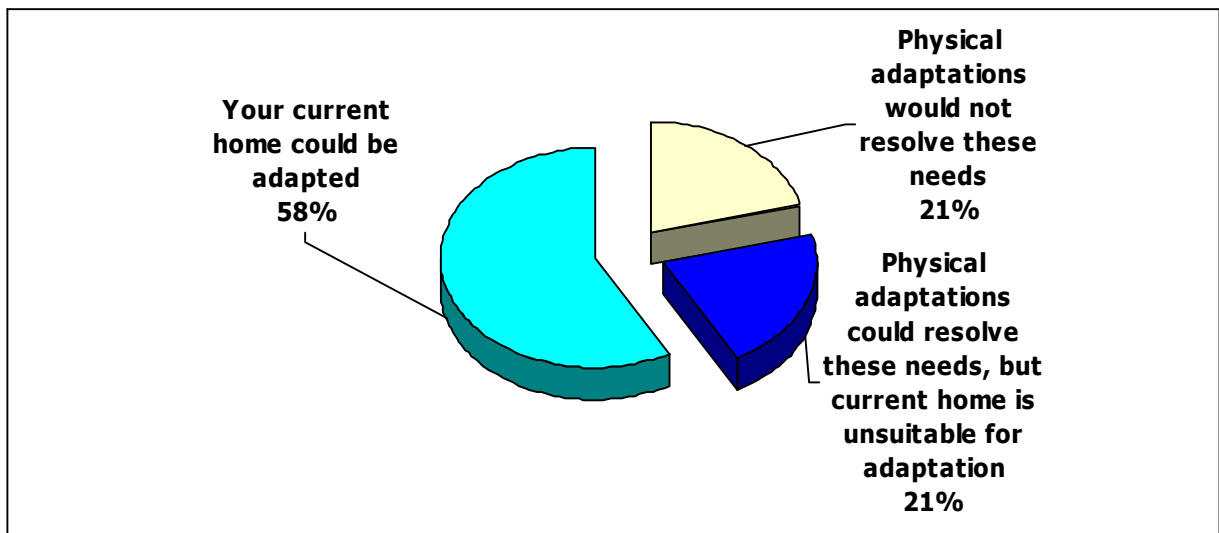


Figure 28: Which best describes the needs of those experiencing difficulties? By all households whose home did not satisfactorily meet the health needs of its members

3.37 For those households who did require physical adaptations to their home a major problem was the ability to afford them. Of those who required adaptations, 42% felt that they were responsible for them, but could not afford to undertake them.

3.38 This suggests that there were a small number of owner occupiers who had housing needs due to health problems in Blaenau Gwent, and were unable to afford the changes required.

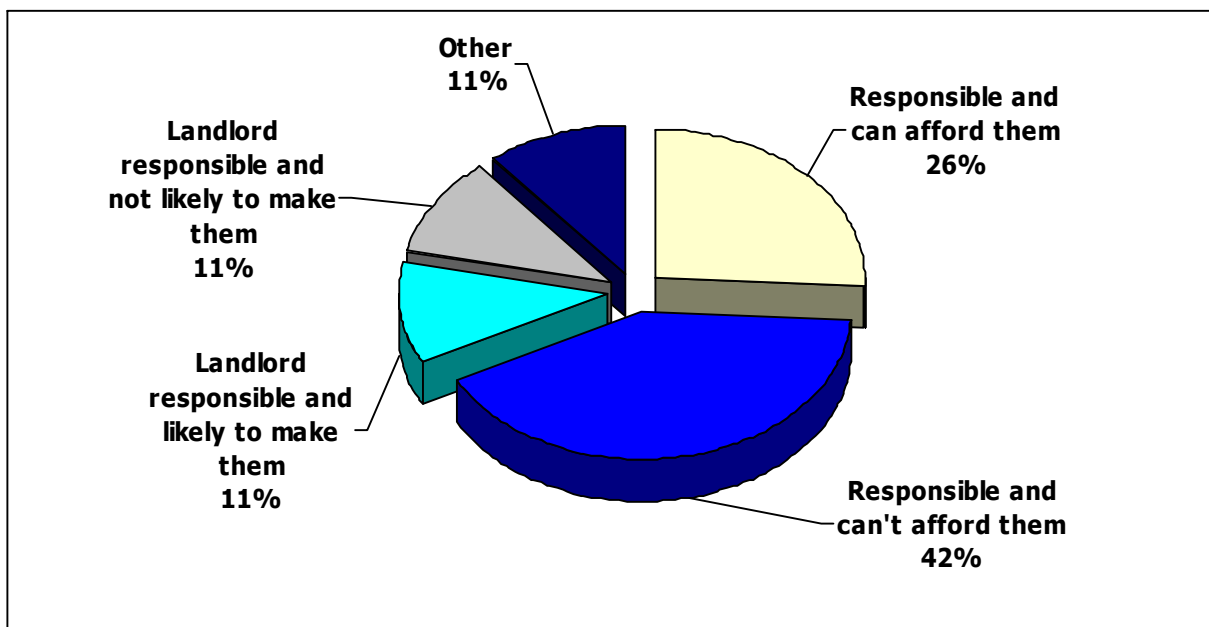


Figure 29: Who would be responsible for making the required adaptations? By all households whose home required at least one adaptation

Adjustments to Growing Older

3.39 Households who were aged 60 years or over were also asked how likely it was they would consider moving to particular types of accommodation. Figure 30, overleaf, shows that 32% of households felt that it was likely that they would eventually be living in a bungalow, and 20% of households felt that it was likely that they would eventually be living on single floor accommodation. 11% of households thought it was likely that they would be living in sheltered housing.

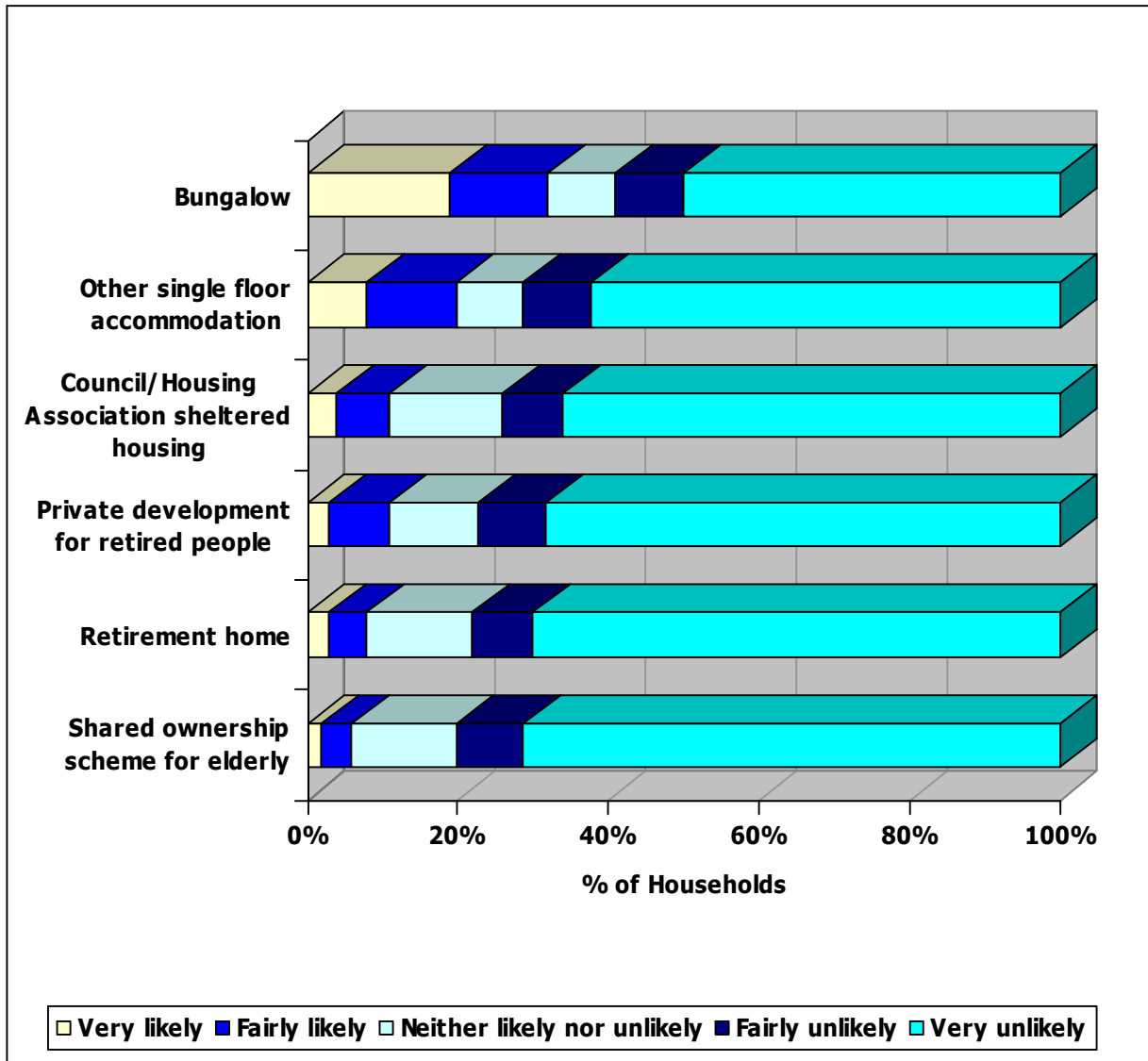


Figure 30: If you were/are getting older, how likely or unlikely is it that you would consider moving to...? By all households aged 60 years or over

Employment and Economic Activity

3.40 Figure 31 shows that unemployment has been in long-term decline in Blaenau Gwent, Wales and England and Wales. The unemployment rate for Blaenau Gwent is still higher than the average for Wales, but the majority of those who are economically active are in employment.

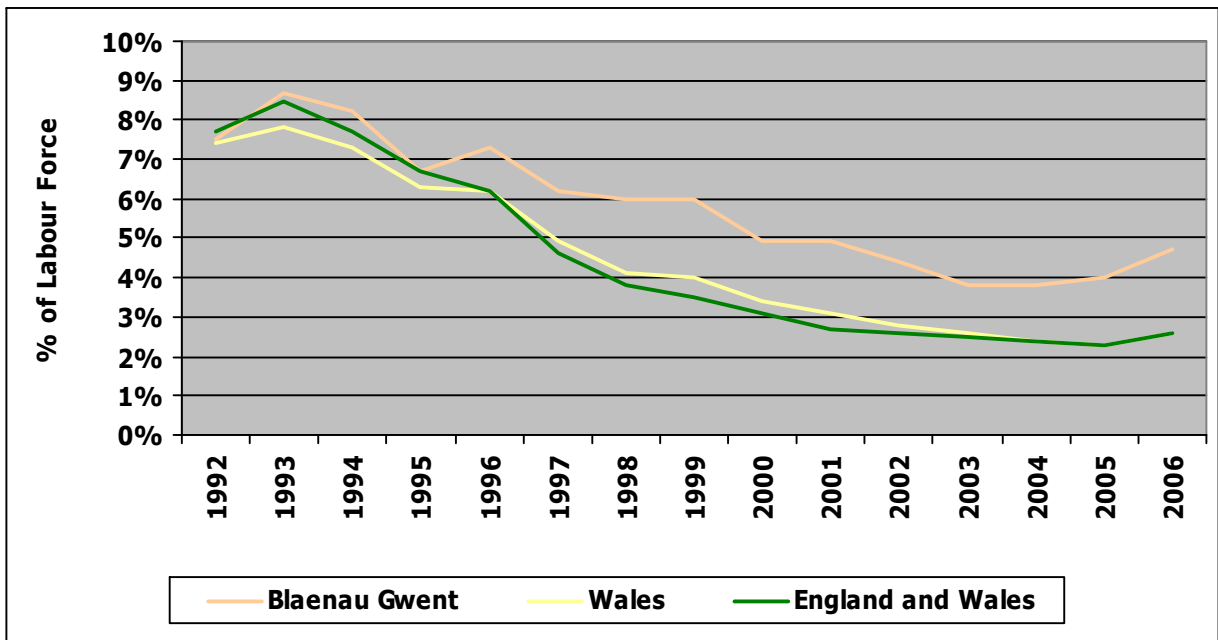


Figure 31: Unemployment Rate for Working Age Population for Blaenau Gwent, Wales and England and Wales: 1992-2006

Source: Nomis and Claimant Count
 Note: Data is from April

- 3.41 There are two commonly used main measures of disability. These are the person is suffering from a work limiting disability or that they are disabled under the definition given in the Disability Discrimination Act (DDA). It is possible for a person to fall in to both of these categories, or just one.
- 3.42 Figure 32 shows that in Blaenau Gwent 25.7% of the working age population are disabled under the definition offered by the DDA, and 25.1% suffer from work limiting disabilities. The proportion of people disabled under both definitions is higher than for Wales as a whole.

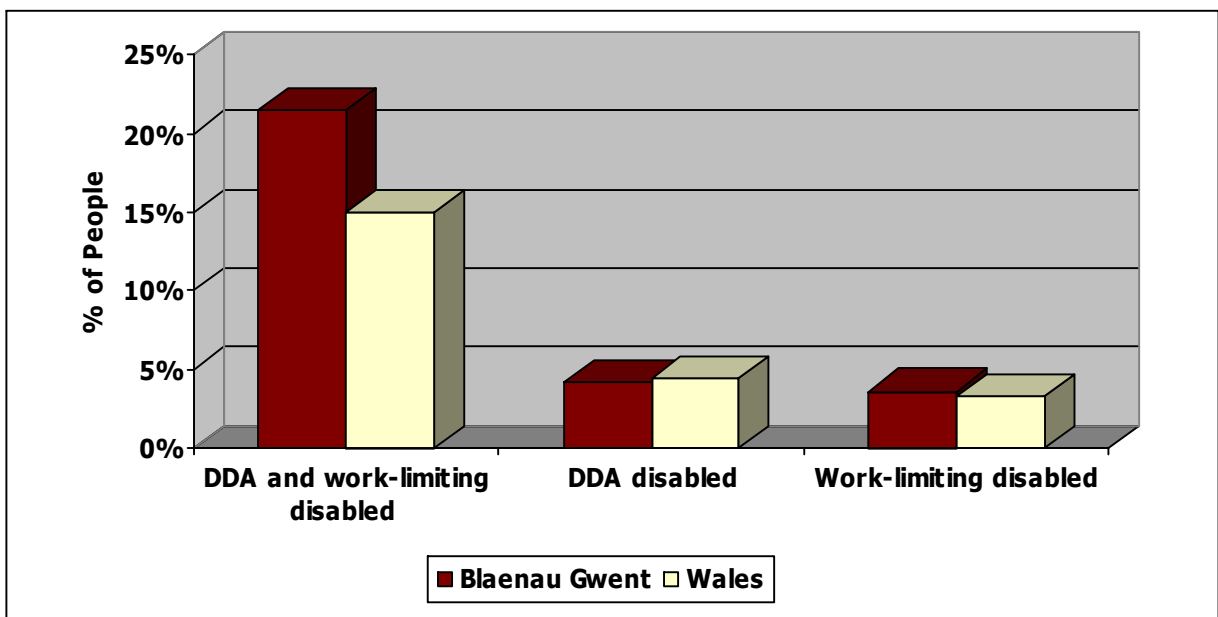


Figure 32: Disability Rates Amongst Working Age Population for Blaenau Gwent and Wales December 2005

Source: Annual Population Survey 2005

Education

- 3.43 Figure 34 shows the proportion of the population over 16 years who are educated to different levels. A definition of qualification levels is shown in Figure 33.
- 3.44 Compared with the rest of Wales, the population of Blaenau Gwent is over-represented in the lower qualification categories and under-represented in the high qualification categories.

Qualification Level	Description
0	No qualifications: No academic; vocational or professional qualifications.
1	Level 1: 1+ 'O' levels/CSE/GCSE (any grade); NVQ level 1; Foundation GNVQ.
2	Level 2: 5+ 'O' levels; 5+ CSEs (grade 1); 5+ GCSEs (grade A - C); School Certificate; 1+ A levels/AS levels; NVQ level 2; Intermediate GNVQ or equivalents.
3	Level 3: 2+ 'A' levels; 4+ AS levels; Higher School Certificate; NVQ level 3; Advanced GNVQ or equivalents.
4 / 5	Level 4/5: First degree; Higher Degree; NVQ levels 4 - 5; HNC; HND; Qualified Teacher Status; Qualified Medical Doctor; Qualified Dentist; Qualified Nurse; Midwife; Health Visitor or equivalents.
Other / unknown	Other qualifications/level unknown: Other qualifications (e.g. City and Guilds; RSA/OCR; BTEC/Edexcel); Other Professional Qualifications.

Figure 33: Description of Highest Qualification Obtained

Source: UK Census of Population 2001

Level	Area	
	Blaenau Gwent	Wales
Level 0	45.0%	33.0%
Level 1	17.4%	15.5%
Level 2	17.4%	19.8%
Level 3	4.2%	7.1%
Level 4 / 5	9.3%	17.4%
Other / unknown	6.7%	7.2%
TOTAL	100.0%	100.0%

Figure 34: Qualifications by for Blaenau Gwent and Wales

Source: UK Census of Population 2001

3.45 Figure 35 and Figure 36 show that nearly two-thirds of the population of Blaenau Gwent aged over 50 years possess no formal qualifications. The results for the young population are also not encouraging, with only just over 10% of everyone aged 25-49 years having the equivalent to a degree or higher.

Level	Percentage of Age group			
	16-24	25-34	35-49	50+
Level 0	25.7%	25.3%	39.3%	65.6%
Level 1	20.4%	29.3%	21.6%	7.6%
Level 2	35.2%	21.7%	18.2%	8.3%
Level 3	10.9%	5.7%	3.5%	1.5%
Level 4 / 5	5.4%	12.3%	10.5%	8.5%
Other / unknown	2.3%	5.6%	6.9%	8.5%
TOTAL	100.0%	100.0%	100.0%	100.0%

Figure 35: Qualifications by Age Group for Blaenau Gwent

Source: UK Census of Population 2001

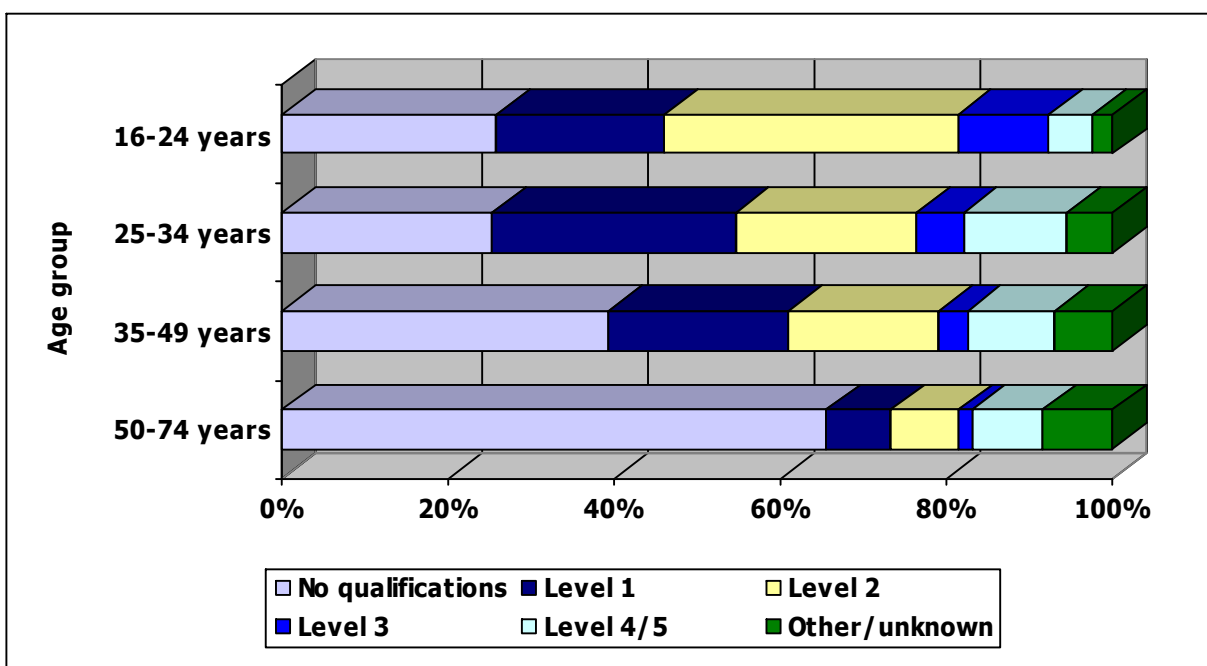


Figure 36: Qualifications by Age group for Blaenau Gwent

Source: UK Census of Population 2001

Occupation & Industry

3.46 Figure 37 shows occupation of Blaenau Gwent residents and Figure 38 show how this compares to the overall population of Wales. Figure 38 shows that the occupations of Blaenau Gwent residents differ from those of the overall population of Wales with fewer people employed in professional and administrative occupations and more in elementary and plant and machinery ones.

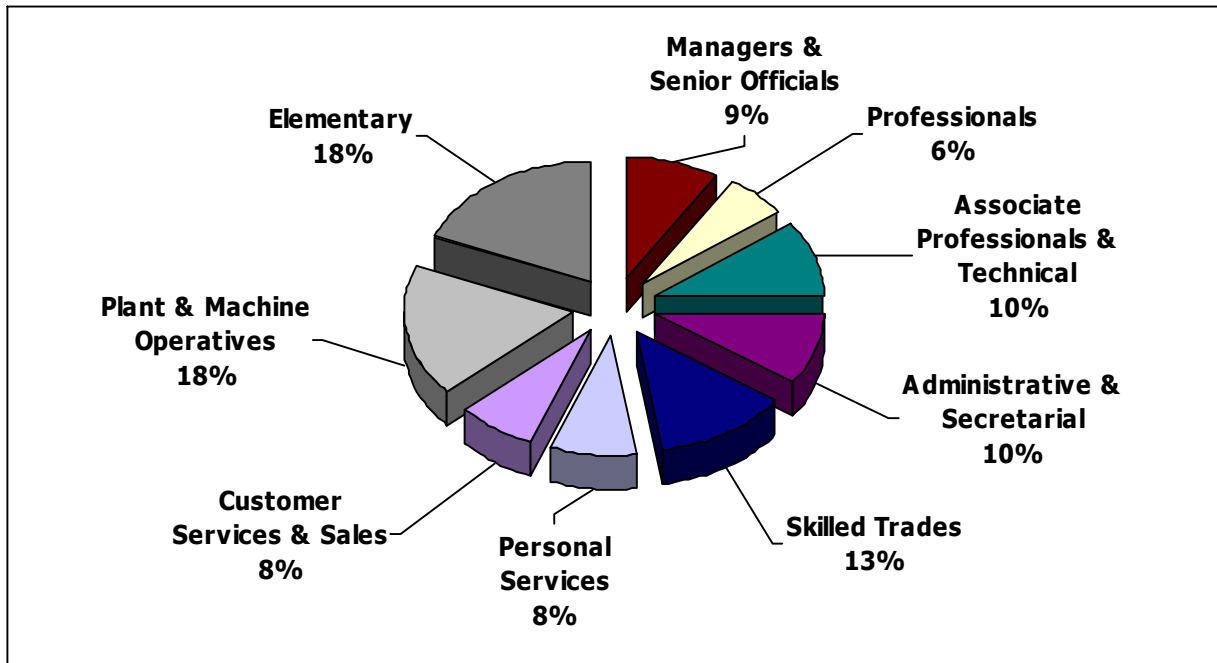


Figure 37: Occupation for Blaenau Gwent Residents

Source: UK Census of Population 2001

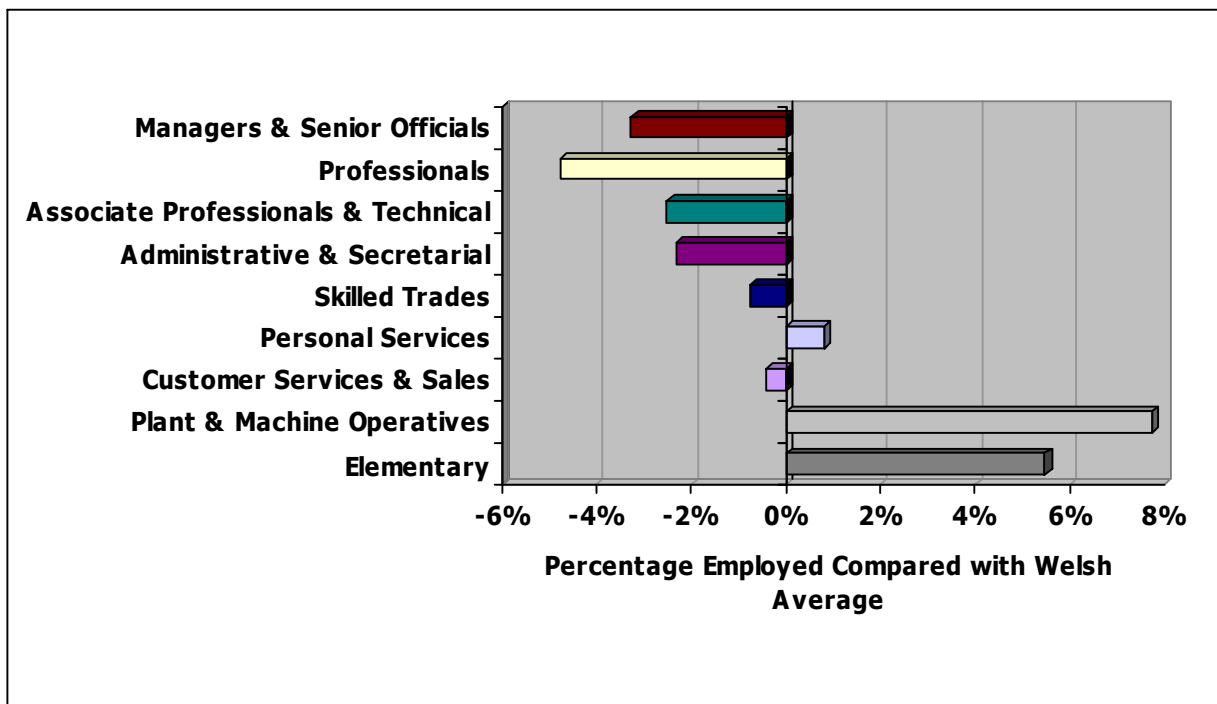


Figure 38: Occupation for Blaenau Gwent Residents Compared with Welsh Average

Source: UK Census of Population 2001

3.47 These results are confirmed when analysing the National Statistics Socio-economic Classifications (NS-SeC) for residents of Blaenau Gwent in Figure 39 and how these results compared with Wales as a whole in Figure 40. Figure 40 shows that the population of Blaenau Gwent contains proportionally fewer people in managerial and professional occupations and more in routine and semi-routine occupations. It should be noted that never worked refers to people who are old enough to work and who have left full-time education. Therefore, this group is not composed of current students. It should also be noted that the Ebbw Vale rail-link to Cardiff is likely to see Blaenau Gwent attract more professional workers to the area.

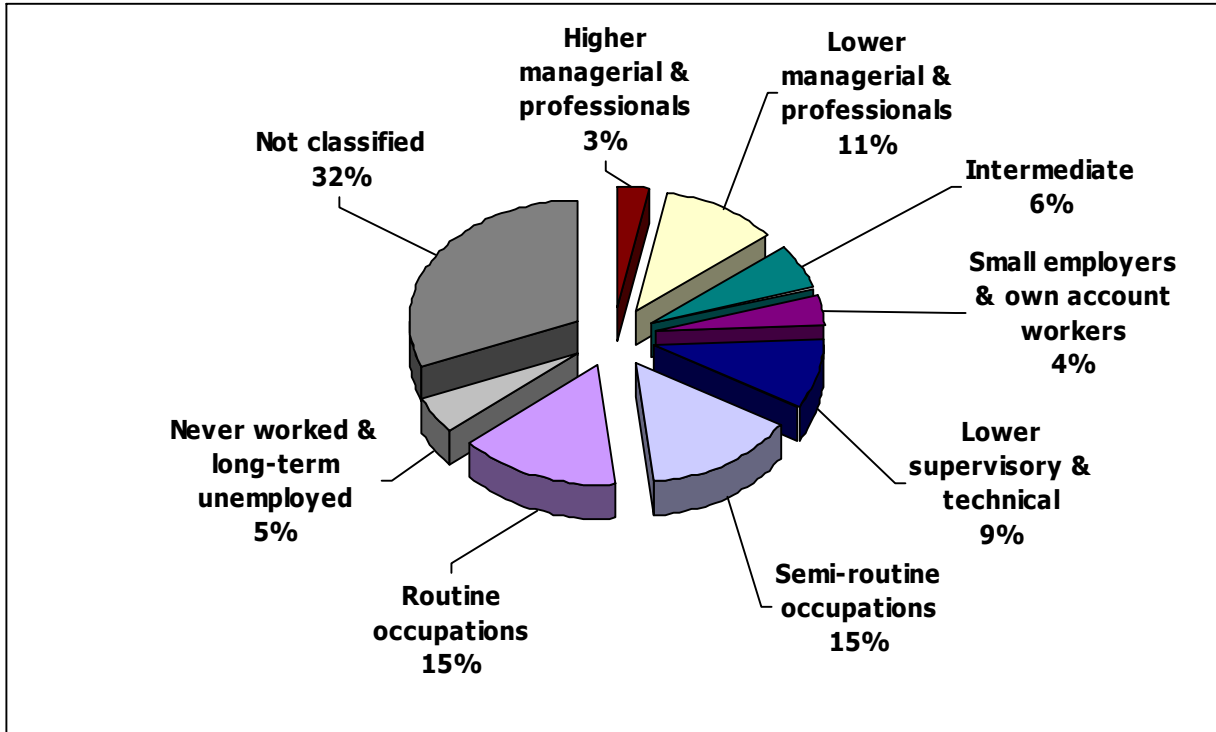


Figure 39: NS-SeC for Blaenau Gwent Residents
 Source: UK Census of Population 2001

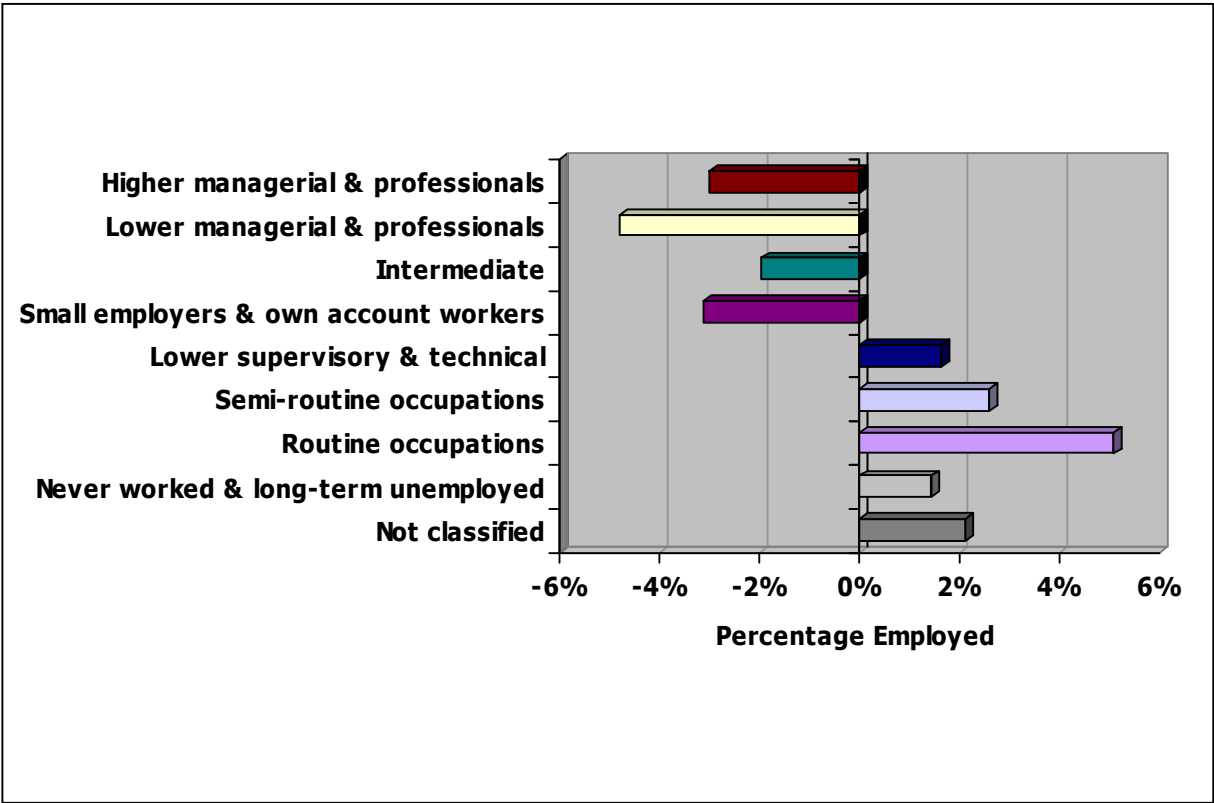


Figure 40: NS-SeC for Blaenau Gwent Residents Compared with Welsh Average
 Source: UK Census of Population 2001



3.48 Figure 41 and Figure 42 show the industry of employment of residents of Blaenau Gwent, and how this compares with the population of Wales. Figure 41 shows that manufacturing is extremely important to the Blaenau Gwent economy.

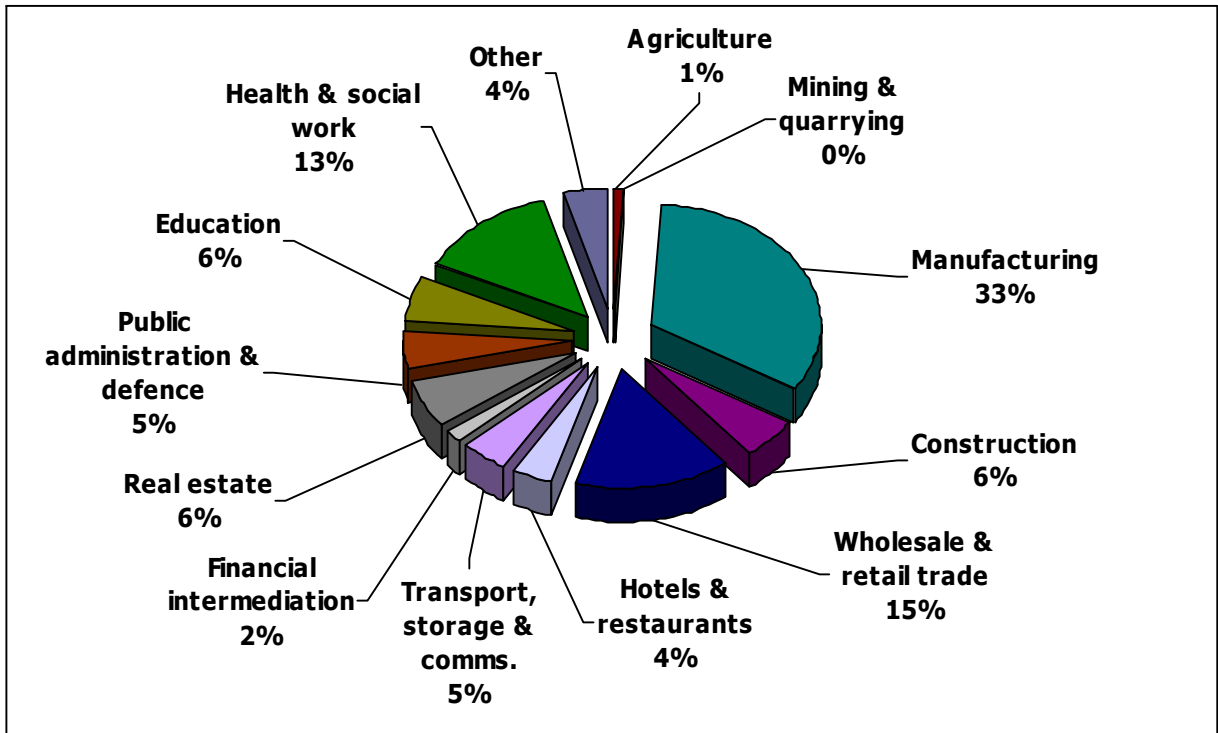


Figure 41: Industry of Employment for Blaenau Gwent Residents

Source: UK Census of Population 2001

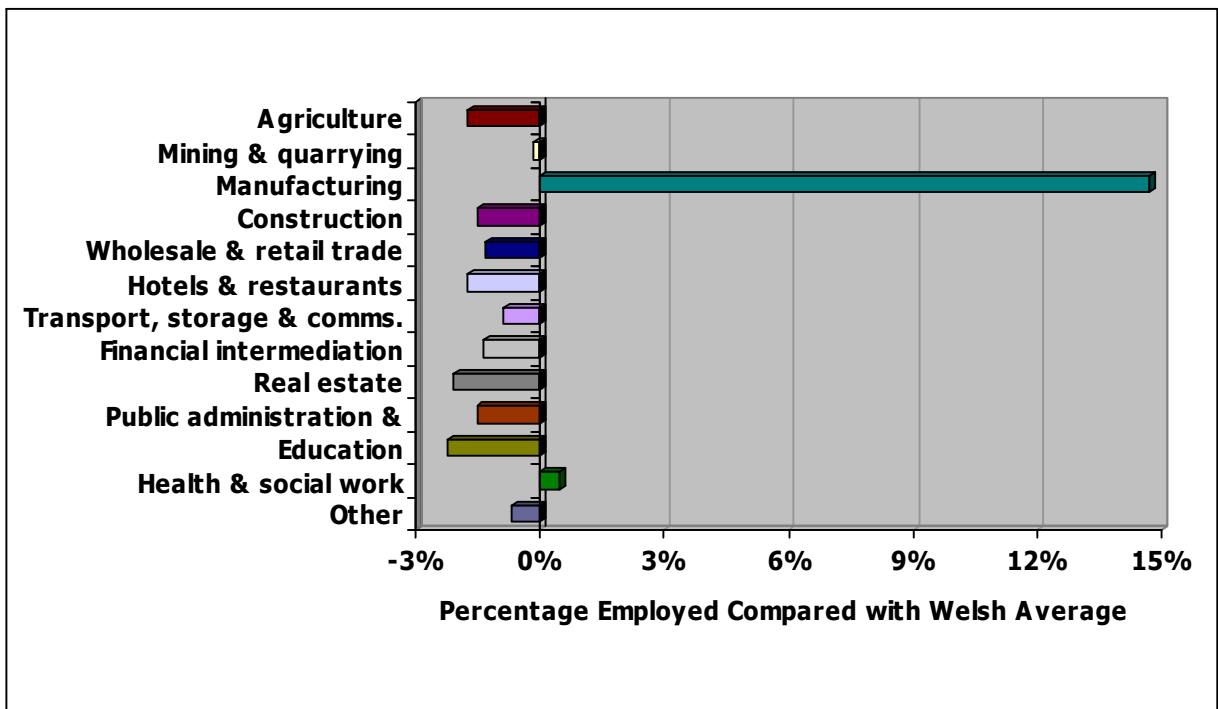


Figure 42: Industry of Employment for Blaenau Gwent Residents Compared with Welsh Average

Source: UK Census of Population 2001

New Business Start-up

3.49 A measure of innovation and entrepreneurship is the number of new VAT registered businesses in a year. A business must register for VAT if its turnover exceeds £58,000 per year. It can de-register if its turnover falls below £56,000. In practice most de-registration is likely to be due to the business being acquired, merged or liquidated. Figure 43 shows that VAT registrations in Blaenau Gwent have tended to be above the Welsh average since 1995. However, the rate of de-registrations has also been above the Welsh average. The key result is that for every year except one since 1997 the rate of new registrations has been higher than de-registration. This implies that the number of businesses in Blaenau Gwent has been growing since 1997.

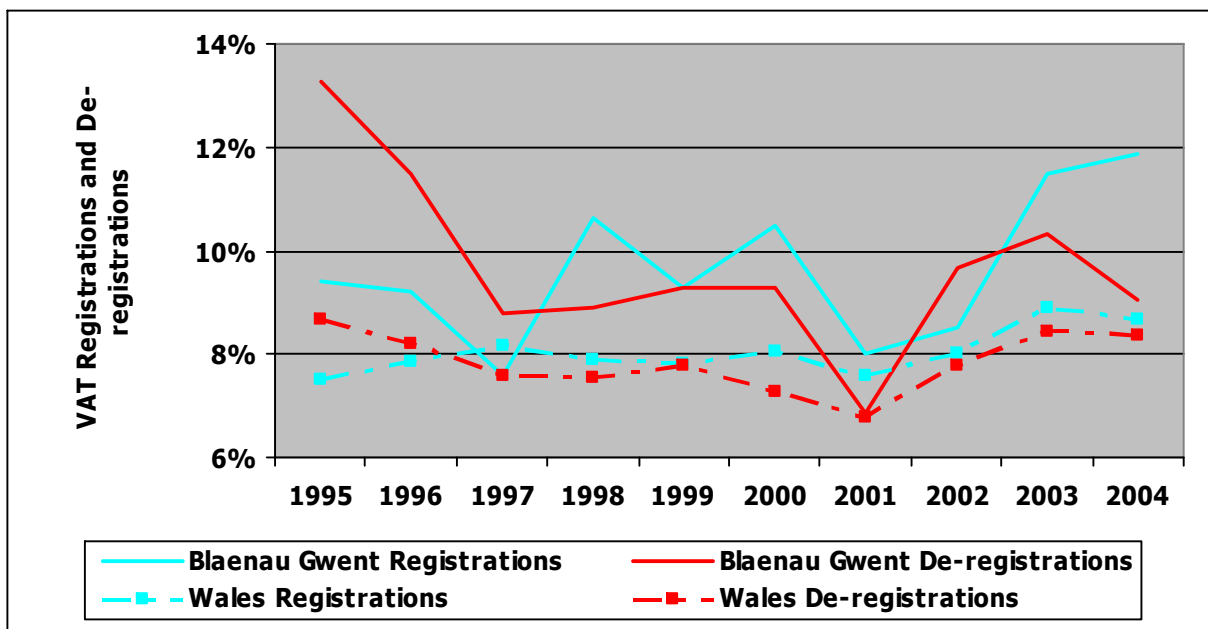


Figure 43: New VAT Registered and De-registered Businesses in Blaenau Gwent and Wales as a Percentage of the Previous Years Stock: 1995-2004

Source: VAT Registrations

Incomes and Earnings

3.50 Alongside economic activity the other key component of the economy of an area is the wages earned by workers. There are two separate ways to analyse average earnings in a local authority. One is to examine only those who are employed within the authority. The other is to examine the earnings of the residents of the authority. Since 2002 the New Earnings Survey (NES) and subsequently the Annual Survey of Hours and Earnings (ASHE) has recorded both measures for all local authorities.

3.51 Figure 44 shows the comparisons for Blaenau Gwent for average full-time hourly wages excluding overtime for 2005. This measure is normally taken as the most accurate reflection of earnings. The results show that residents of Blaenau Gwent earn much less on average than those who are employed in the authority. This implies that many of those who work in higher paying jobs in Blaenau Gwent live outside of the authority.

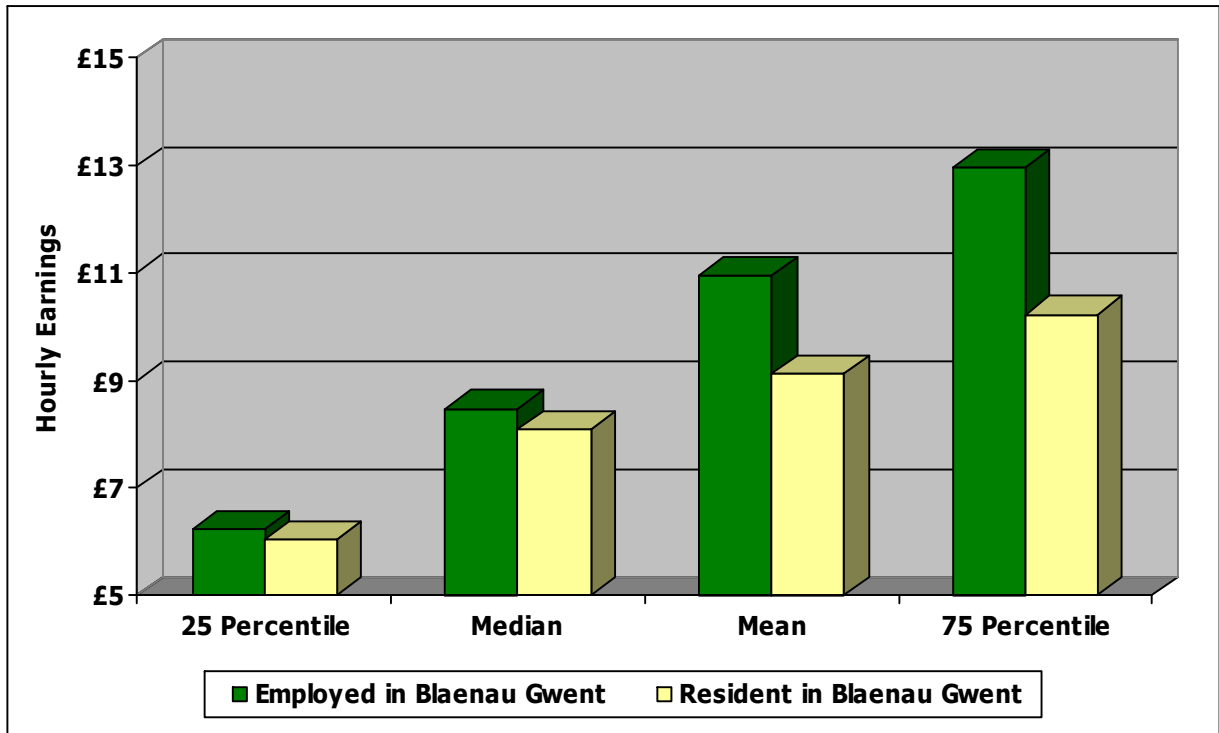


Figure 44: Average Hourly Earnings Excluding Overtime for Blaenau Gwent in 2005 for Full-time Employees
 Source: ASHE 2005

3.52 The evidence from Figure 45, shows that salaries have been rising in Blaenau Gwent since 1998, but they have been rising less steeply for lower earners.

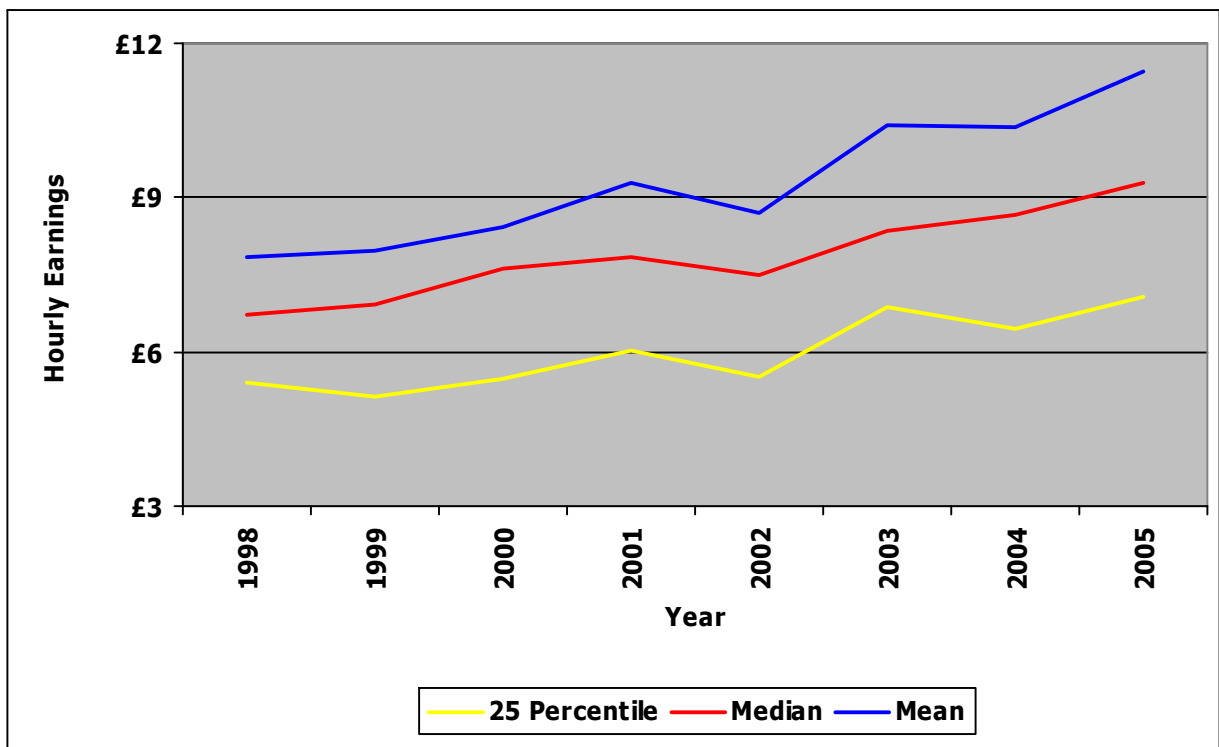


Figure 45: Average Hourly Earnings Excluding Overtime for Full-time Employees Employed in Blaenau Gwent 1998-2005
 Source: ASHE 1998-2005

Summary of Key Points

- Blaenau Gwent has seen a fall in population of 10% in the period 1981-2004, compared with a 5% for Wales over the same period;
- The area has experienced an out-migration of population of 1,000 people in the period 1999-2004. A net 1,320 migrants moved to the rest of Wales;
- The Black and Minority Ethnic (BME) population in Blaenau Gwent comprised 1.8% of the total population in 2001, including 1.0% from Non-White groups and 0.8% from White groups other than White British.
- The household structure shows that Blaenau Gwent has proportionally more single parents than Wales as a whole;
- The health of the population of Blaenau Gwent appears to be much worse than the average for Wales. 50% of all households in Blaenau Gwent contain a member with a limiting long-term illness and 27% of all people suffer from limiting long-term illnesses;
- 5% of households felt that their homes were not currently adequately adjusted to the health problems of household members;
- Many households reported that they could not afford the adjustment to their home which were required to make it suitable for the person with a health problem;
- Unemployment has been in long-term decline, with virtually all of those who are economically active are now in employment.
- The proportion of people disabled under the definition of the Disability Discrimination Act is much higher than for Wales as a whole;
- The population of Blaenau Gwent is over-represented in the lower qualification categories and under-represented in the higher qualification categories. Two-thirds of those aged over 50 years have no formal qualifications;
- There are fewer people employed in professional and administrative occupations and more in elementary and plant and machinery occupations. Manufacturing is very important to the Blaenau Gwent economy;
- VAT registration have been higher than de-registrations, indicating the number of businesses in Blaenau Gwent has been growing;
- Salaries have been rising more slowly for those on lower incomes.

4. Existing Housing Stock

Introduction

- 4.1 This section of the report considers the existing housing stock in the county borough, in particular the mix of housing and issues concerning the mismatch of households and housing, such as overcrowding. Some information is also provided on the condition of local housing – but this should not be seen as definitive, for the results are based on individual occupier perceptions, and not the professional views of a qualified surveyor.

Property Type and Tenure

- 4.2 Figure 46 (below) shows the mix of existing properties in Blaenau Gwent in terms of both property type and age. As illustrated, terraced housing makes up the majority of the stock (60%), with smaller proportions of detached and semi-detached housing and flat/maisonettes. The small percentage of other types of housing are made up of caravans, other mobile or temporary structures.
- 4.3 In terms of age, over two fifths of the households interviewed estimated that their property was built pre 1919. In contrast only 2% of the stock was built in 2000 or later years.

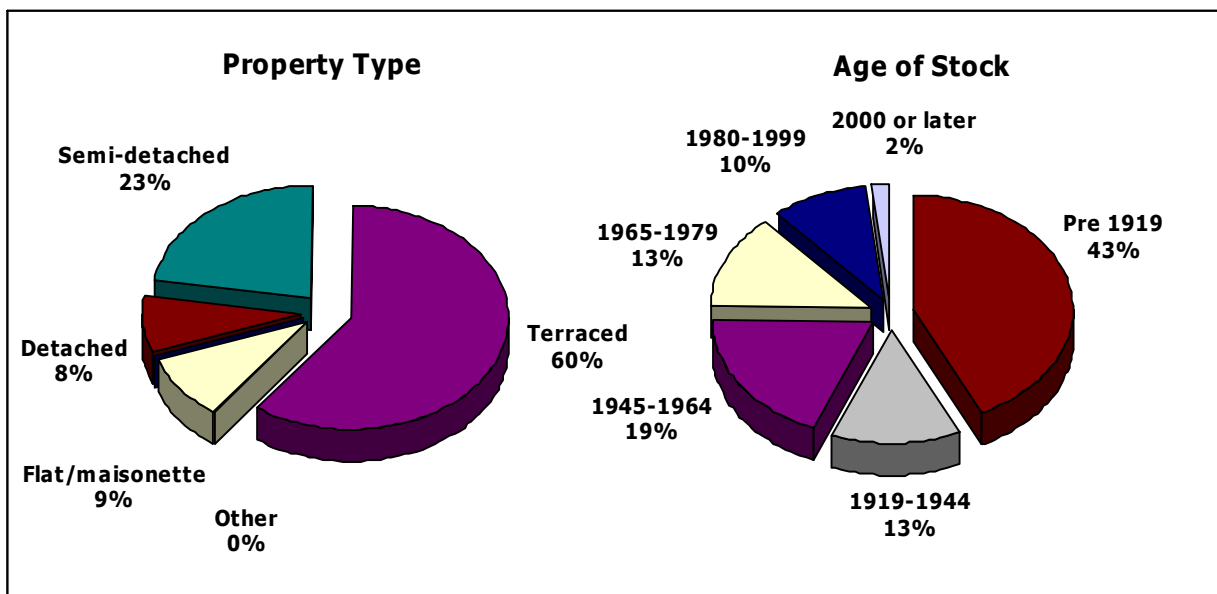


Figure 46: Property Type and Age of Stock in Blaenau Gwent

Source: Blaenau Gwent Household Survey 2006

4.4 Figure 47 shows the difference in tenure which exists between market and social housing in Blaenau Gwent. 64% of market housing in Blaenau Gwent is terraced, but almost all detached properties are in the market sector. 45% of all social housing is terraced, but almost all of the flats or maisonettes are in the social sector. By comparison across the whole of Wales, 27% of dwellings are detached, 33% semi-detached, 29% terraced and 11% flats/maisonettes.

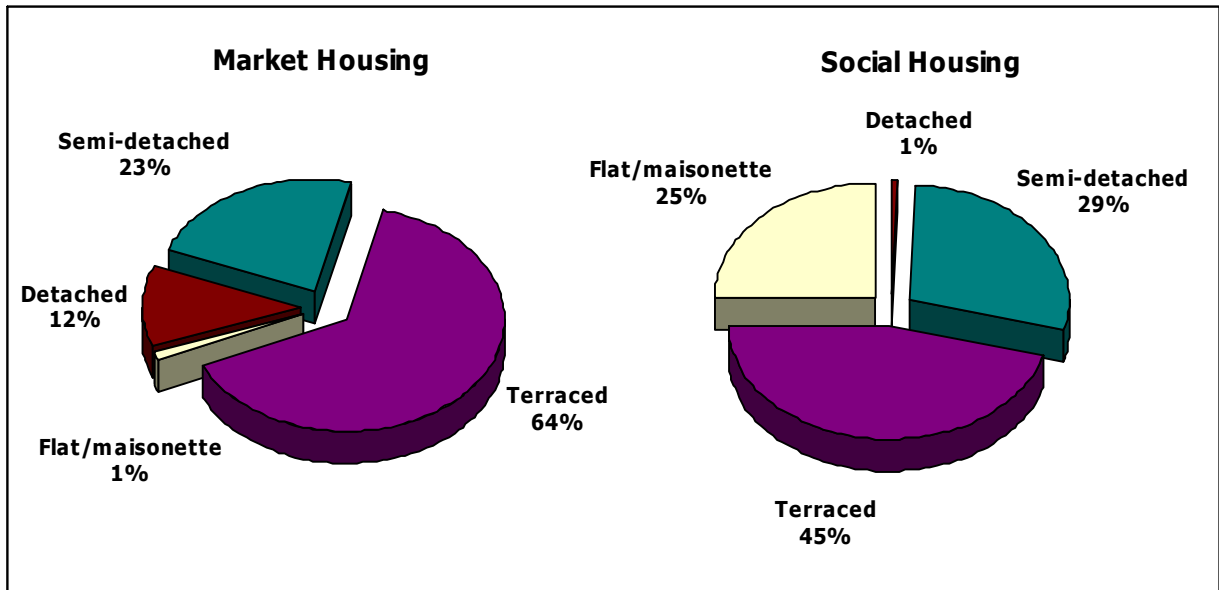


Figure 47: Property Type by Tenure in Blaenau Gwent
 Source: Blaenau Gwent Household Survey 2006

4.5 Figure 48 shows the tenure of housing stock, identifying that the dominant form of housing being owner occupation. Just under two-thirds of all properties across Blaenau Gwent are owned outright or owned with a mortgage, with a small number (less than 1%) part owned through shared ownership in addition. Around a quarter of the stock is rented from social landlords with the remaining 8% renting from a private landlord or in tied accommodation.

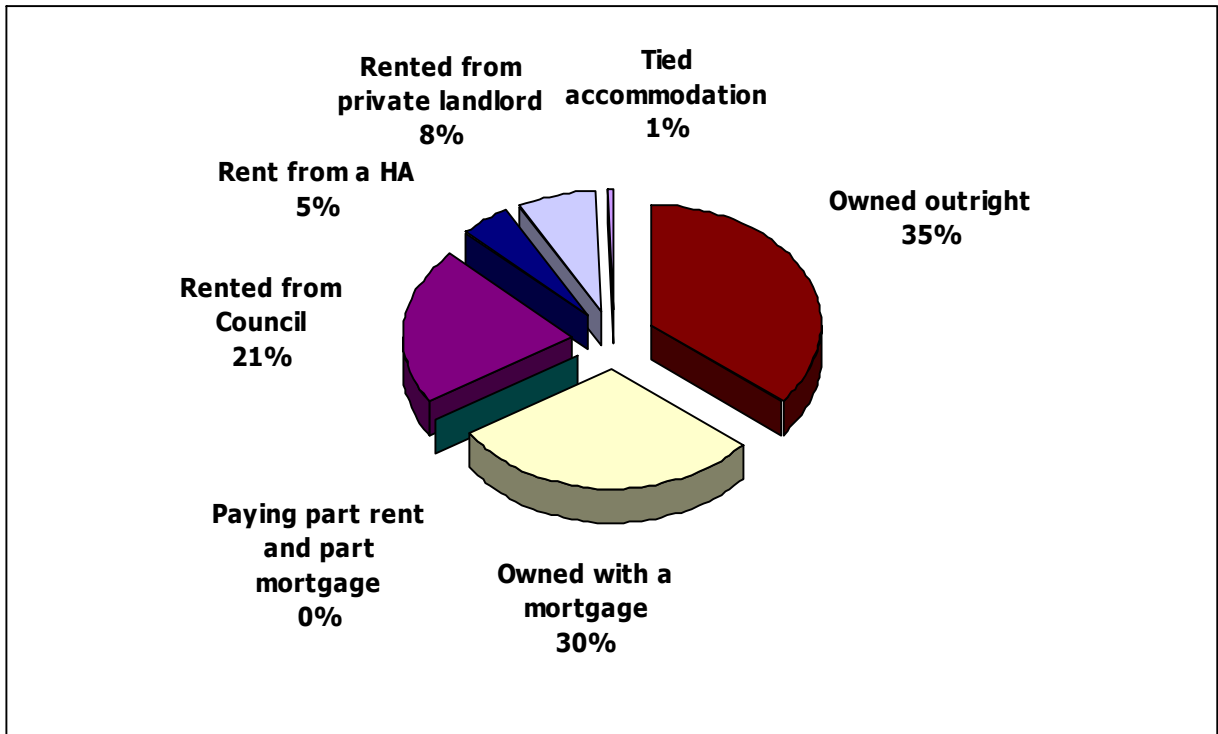


Figure 48: Tenure of Existing Stock
Source: Blaenau Gwent Household Survey 2006

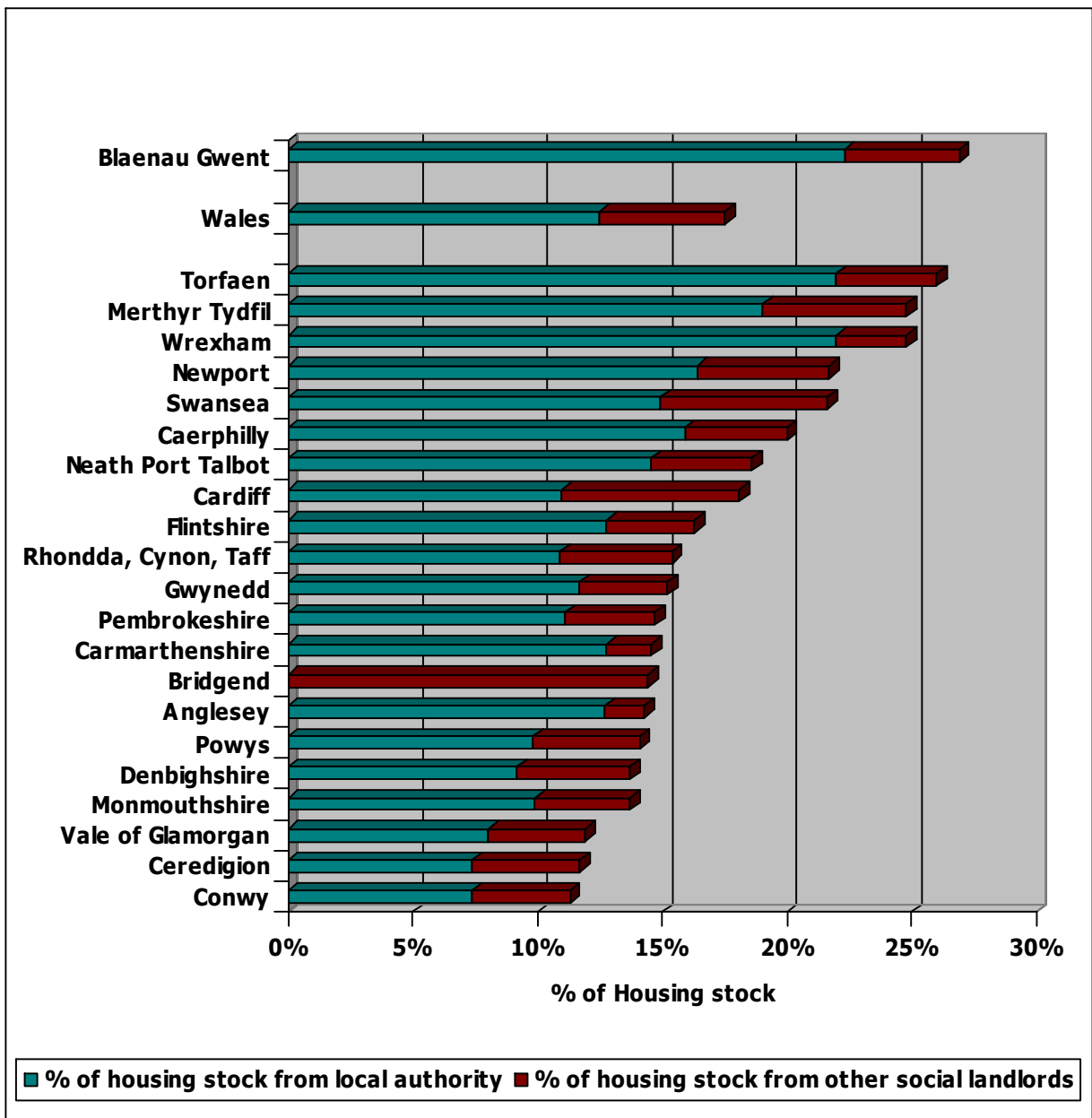


Figure 49: Socially Rented Houses by Local Authorities in Wales: 2004

Source: Welsh Housing Statistics 2004

Note: Bridgend transferred all its housing stock to registered social landlords in September 2003

Housing Size Mix of Properties

- 4.6 When we consider the size mix of the existing stock (Figure 50), it is clear that over half of all properties (58%) have three bedrooms. Around a third of all properties have one or two bedrooms (8% and 29%) with just 5% having four bedrooms or more.

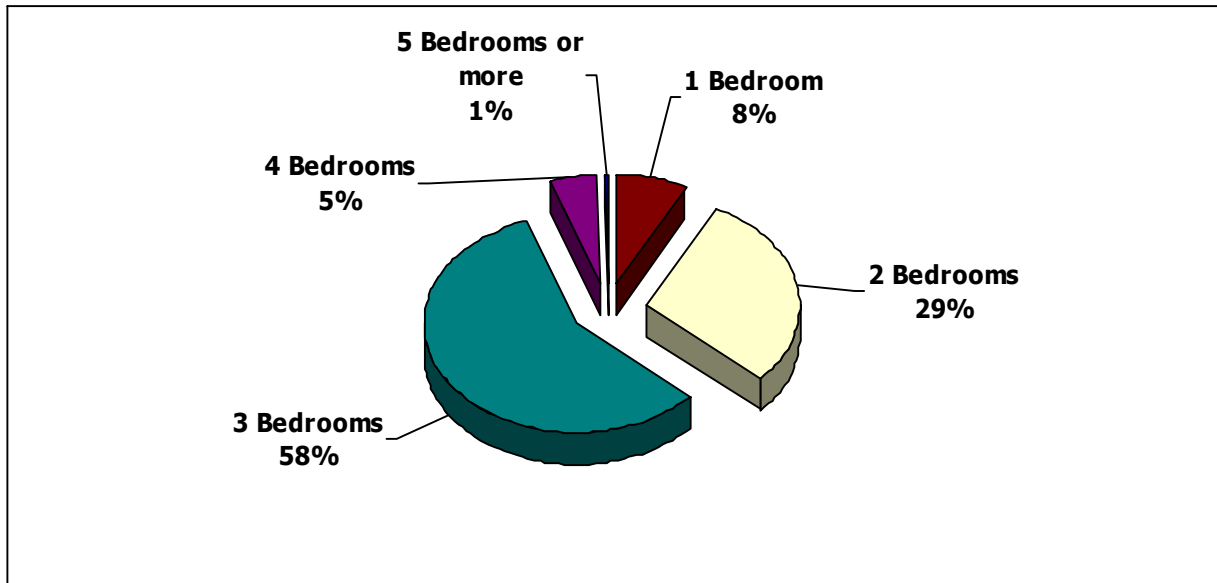


Figure 50: Number of Bedrooms for Blaenau Gwent

Source: Blaenau Gwent Household Survey 2006

- 4.7 As would be expected, tax band A has a higher proportion of one and two bed properties than the other bands (49%) have only 1 or 2 bedrooms, with 73% of properties in band F or higher having at least 4 bedrooms. The full distribution of sizes is shown in Figure 51 (below).

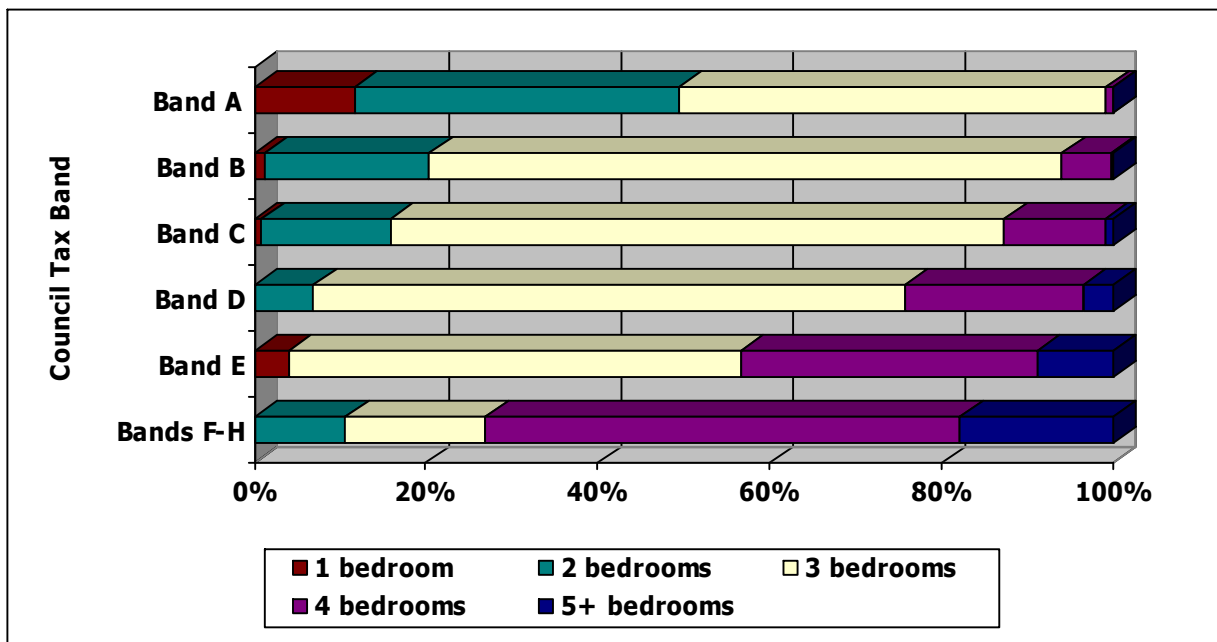


Figure 51: Number of Bedrooms by Council Tax Band for Blaenau Gwent

Source: Blaenau Gwent Household Survey 2006

4.8 When we consider the match (or mismatch) of households and properties in terms of property size, it is interesting to note that whilst the vast majority (80%) felt that they had about the right number of rooms, almost a sixth of those households interviewed felt that they had too few rooms, with around one-in-twenty considering their current home to be too large.

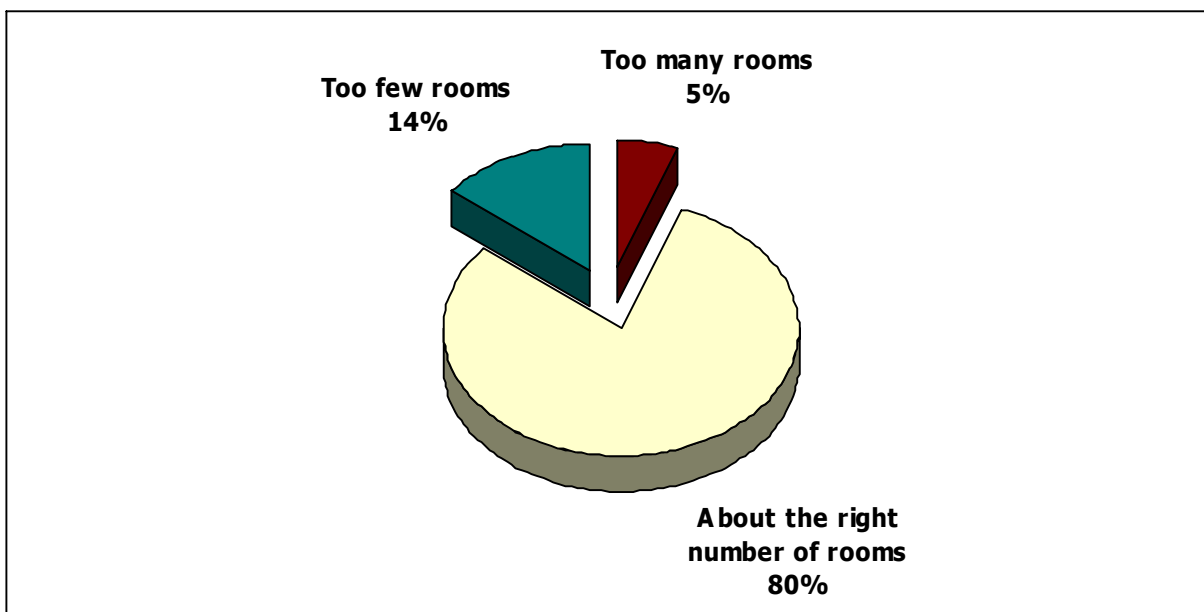


Figure 52: Too few and too many rooms for Blaenau Gwent
Source: Blaenau Gwent Household Survey 2006

4.9 When we consider these subjective views in the context of an objective comparison of household structure and number of bedrooms available (detailed further in appendix B).

Occupancy Level	Household Perception			All Households
	Too Many Rooms	About Right	Too Few Rooms	
Number of Bedrooms				
3+ bedrooms too few	-	-	23	23
2 bedrooms too few	-	39	113	152
1 bedroom too few	-	300	335	635
Correct number of bedrooms	19	5,174	1,916	7,109
1 bedroom too many	274	10,005	1,264	11,542
2 bedrooms too many	1,179	6,793	327	8,298
3+ bedrooms too many	76	453	19	551
ALL HOUSEHOLDS	1,551	22,767	3,993	28,310

Figure 53: Perceived Size Problems compared with Overcrowding
Source: Blaenau Gwent Household Survey 2006
Note: Figures may not sum due to rounding

4.10 It is apparent that whilst most households consider their home to have “about the right number of rooms”, as many as 20,391 households (72%) technically under-occupy their property – nearly half of these by a factor of two bedrooms or more. It is also interesting to note that as many as 1,610 households who already under-occupy their property still consider that they have too few rooms available.

4.11 Overall, a total of 810 households are currently living in technically overcrowded housing – though as many as 339 of these households (42%) consider their home to be about the right size.

Extending Property

4.12 In total 2.5% of households are planning to extend their property, with 7.3% of all those households who felt they had too few rooms planning to do so.

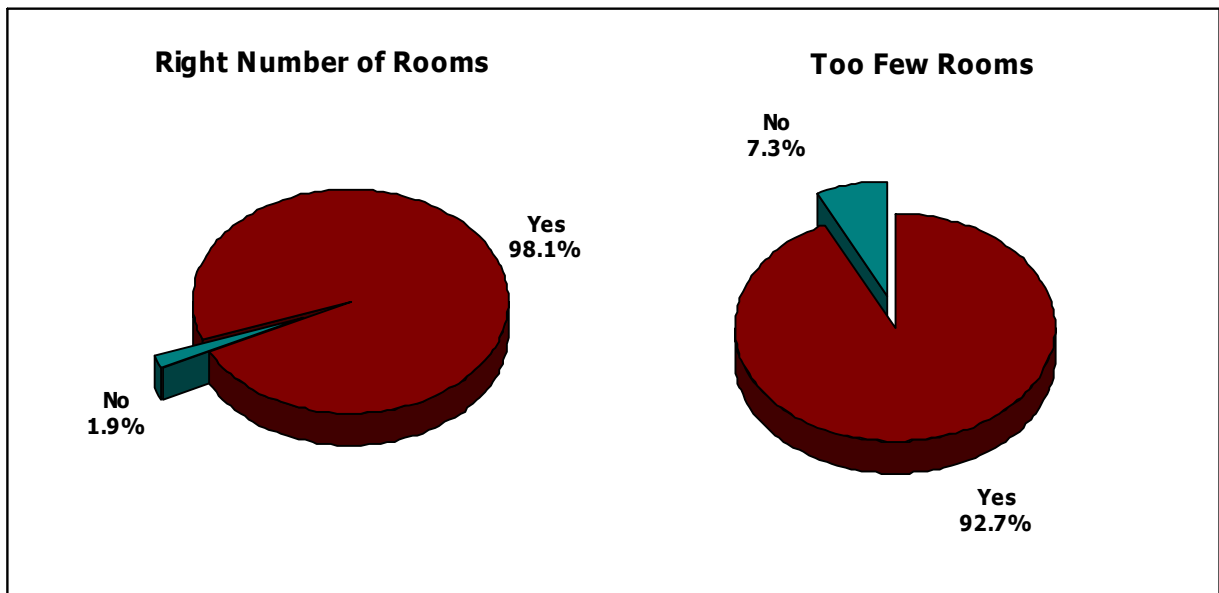


Figure 54: Planning to Extend Home by Perception of Number of Rooms in Home
Source: Blaenau Gwent Household Survey 2006

4.13 Figure 55 overleaf shows that the main types of extension which households plan to carry out are to add extra bedrooms or a conservatory to their home.

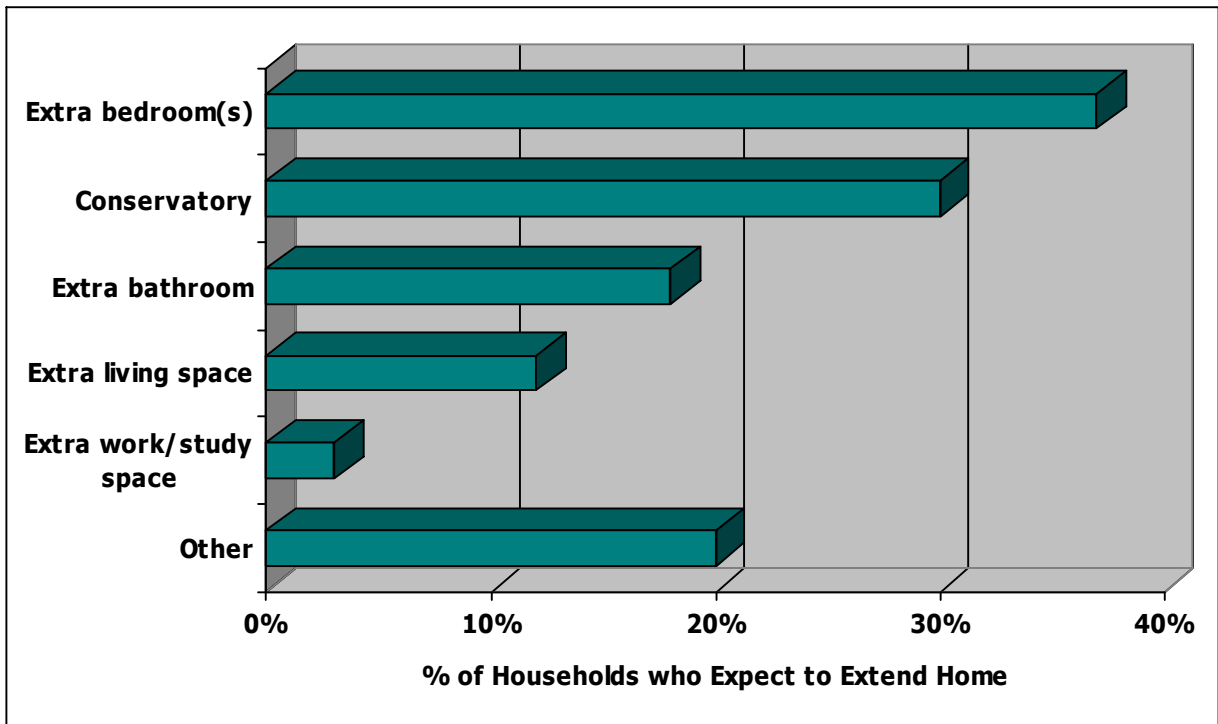


Figure 55: Extensions Expected to Home
 Source: Blaenau Gwent Household Survey 2006

Condition of Local Housing

4.14 When asked about satisfaction with their current home, the vast majority were either very or fairly satisfied (59% and 30% respectively), with only 7% stating dissatisfaction.

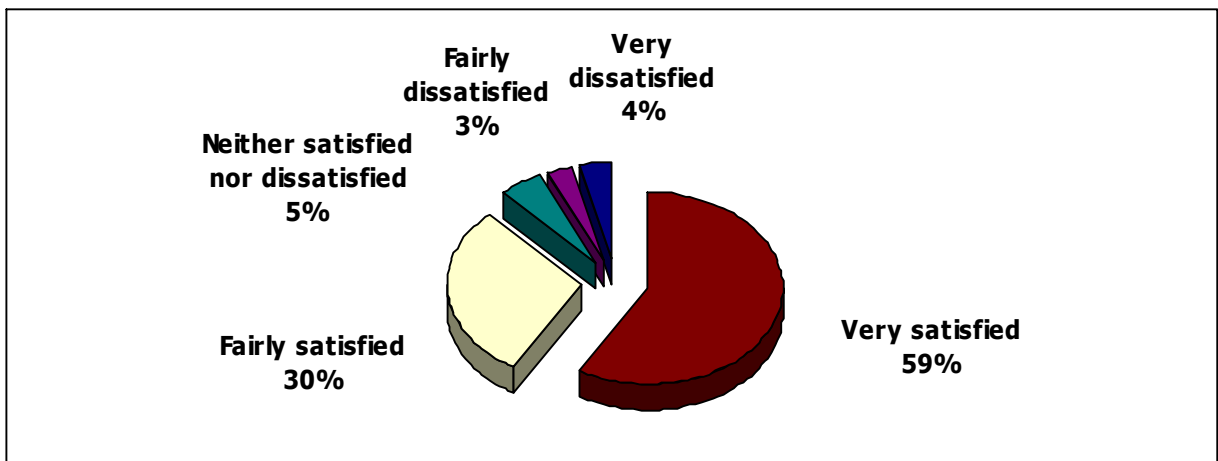


Figure 56: Overall Satisfaction with Home for Blaenau Gwent
 Source: Blaenau Gwent Household Survey 2006

4.15 Figure 57 and Figure 58 overleaf show that satisfaction with their current home varies by tenure. For owner occupiers, 93% were satisfied with their home and only 3% were dissatisfied. However, for Council tenants, 80% were satisfied, but 14% were dissatisfied.

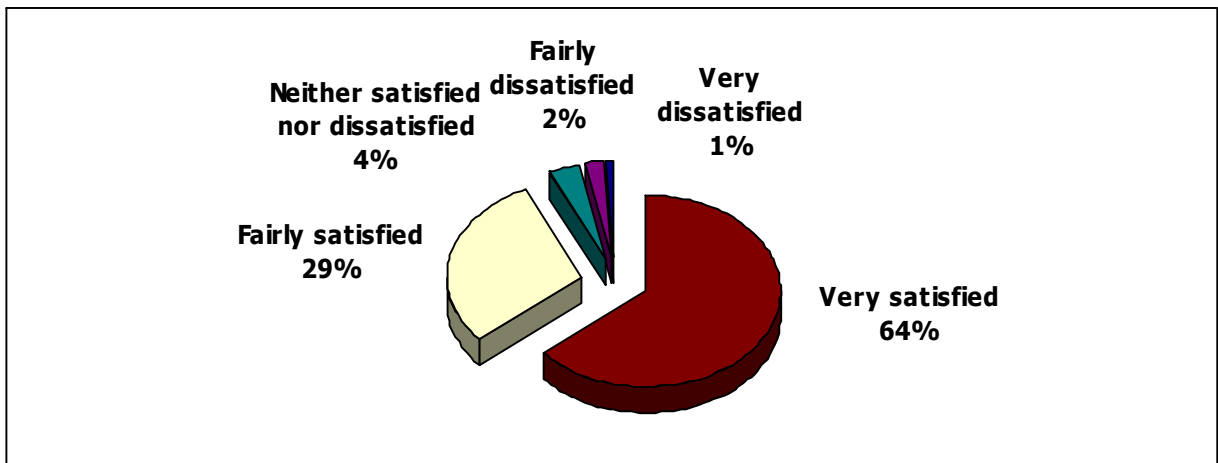


Figure 57: Overall Satisfaction with Home for Owner Occupiers

Source: Blaenau Gwent Household Survey 2006

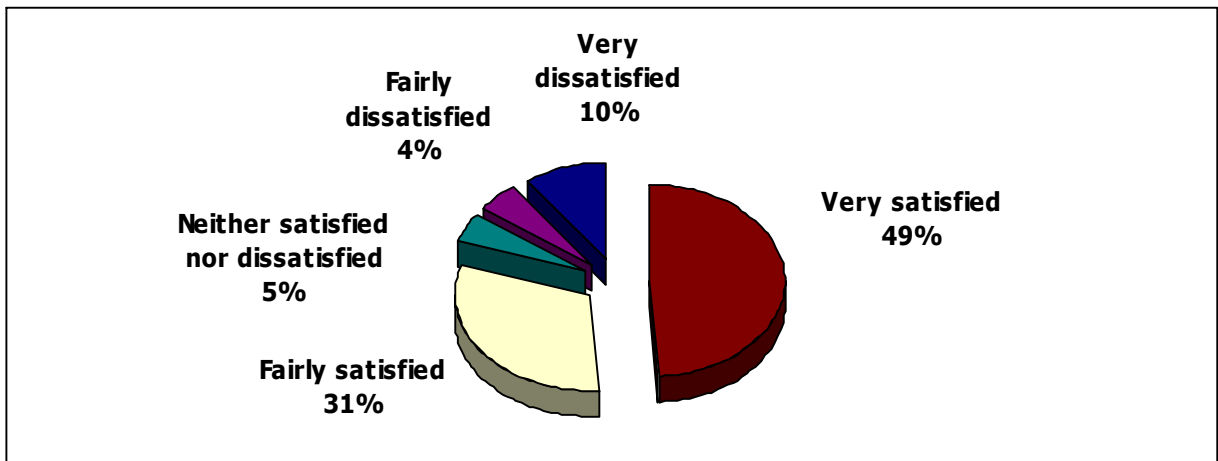


Figure 58: Satisfaction with Home for Council Tenants

Source: Blaenau Gwent Household Survey 2006

4.16 In terms of problems with the current home, only 21.5% of households reported that they had any concerns.

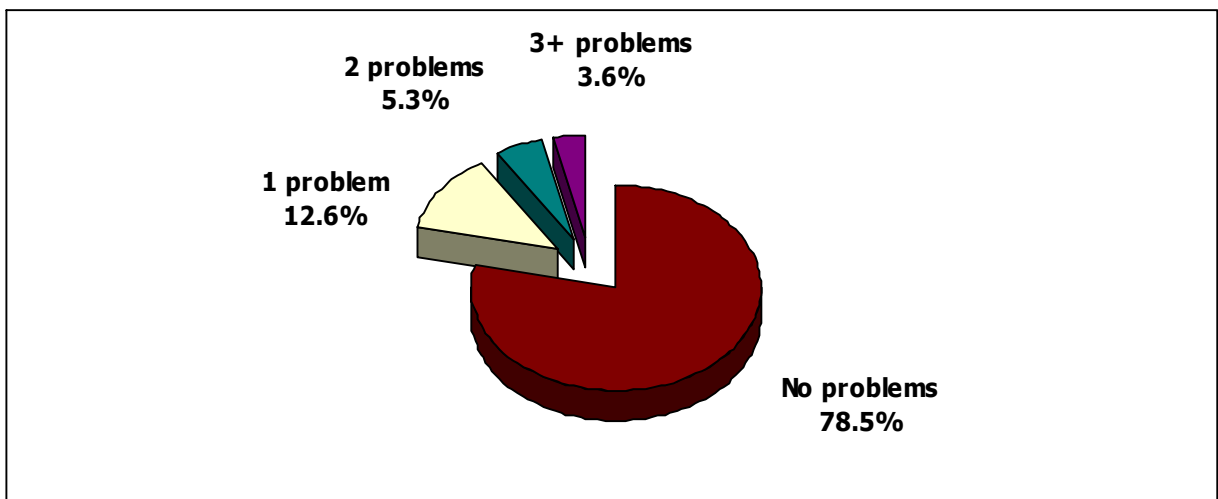


Figure 59: Number of Problems Identified with the Current Home for Blaenau Gwent

Source: Blaenau Gwent Household Survey 2006

4.17 Problems with the home do show considerable variation by tenure. Figure 60 shows that 84% of owner occupiers felt that they had no problems with the home. However Figure 61 shows that only 63% of Council tenants felt that they had no problems with their home which implies that 37% did have at least one problem.

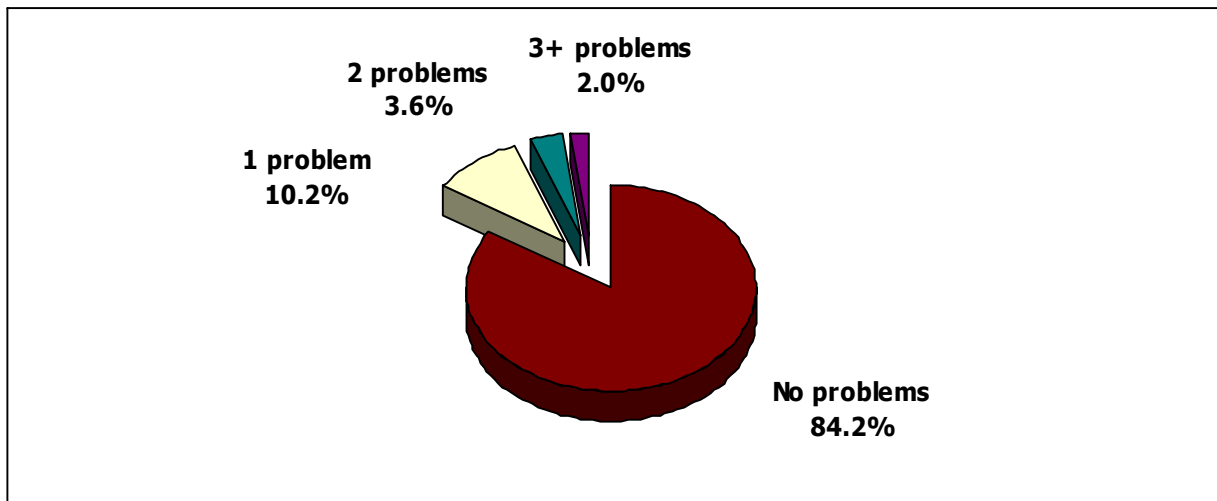


Figure 60: Number of Problems Identified with the Current Home for Owner Occupiers

Source: Blaenau Gwent Household Survey 2006

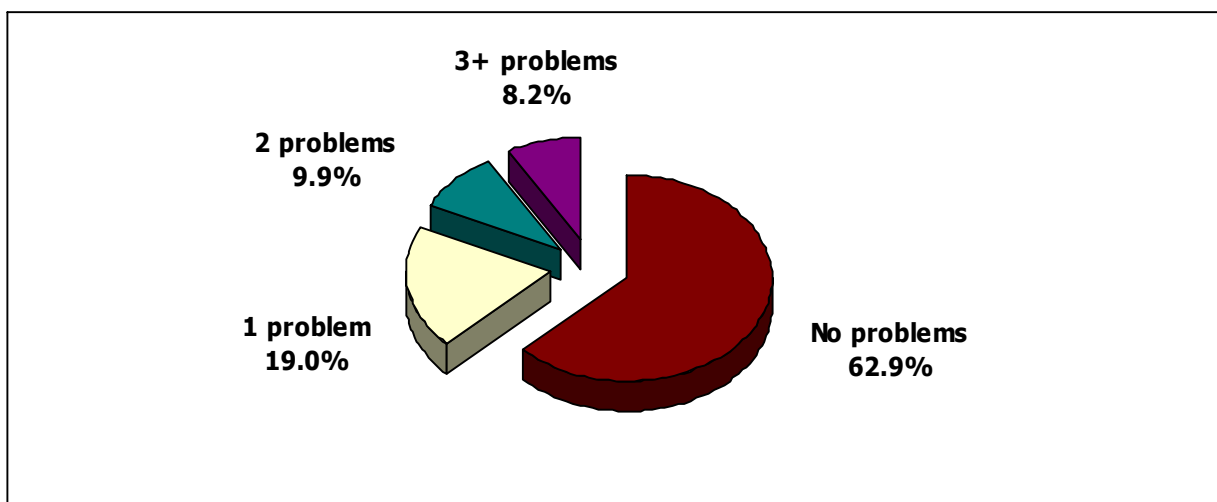


Figure 61: Number of Problems Identified with the Current Home for Council Tenants

Source: Blaenau Gwent Household Survey 2006

4.18 Figure 62 illustrates the nature of problems experienced, also showing those problems that households perceived as being serious. The largest problems cited related to problems with damp penetration or condensation (8.9%), window repairs (4.4%) and roof repairs (4.3%), with such problems identified by 14.3% of households in total. All of the other listed problems affect less than 3% of the population, and each serious problem typically affecting fewer than 2% of households.

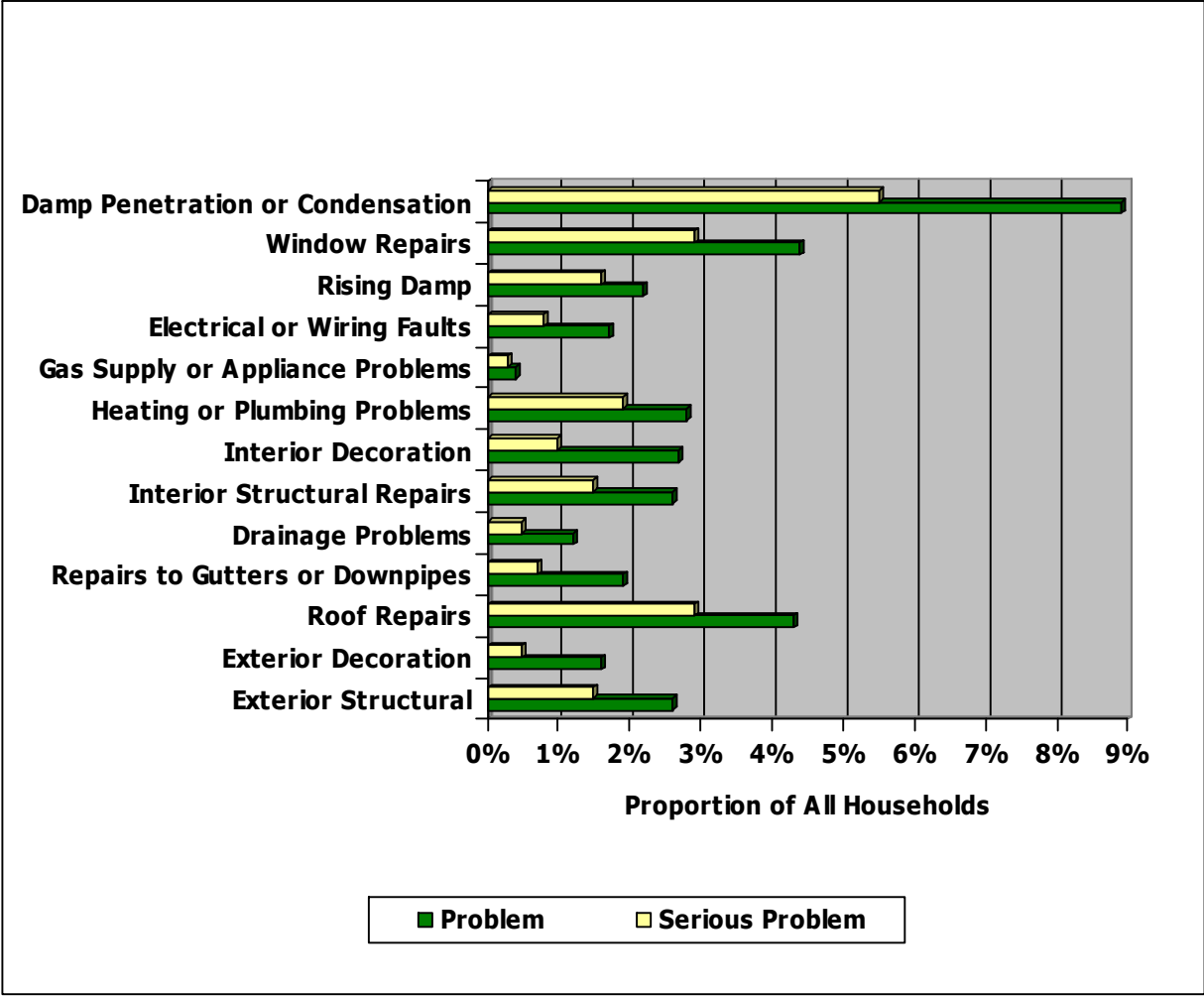


Figure 62: Problems Experienced by Households in their Current Home

Source: Blaenau Gwent Household Survey 2006



Shared Housing & Communal Establishments

4.19 When looking at housing needs it must be remembered that not all people live in standard households. Figure 63 shows that 1% of the population of Blaenau Gwent live in communal residences. These people primarily reside in medical and care establishments.

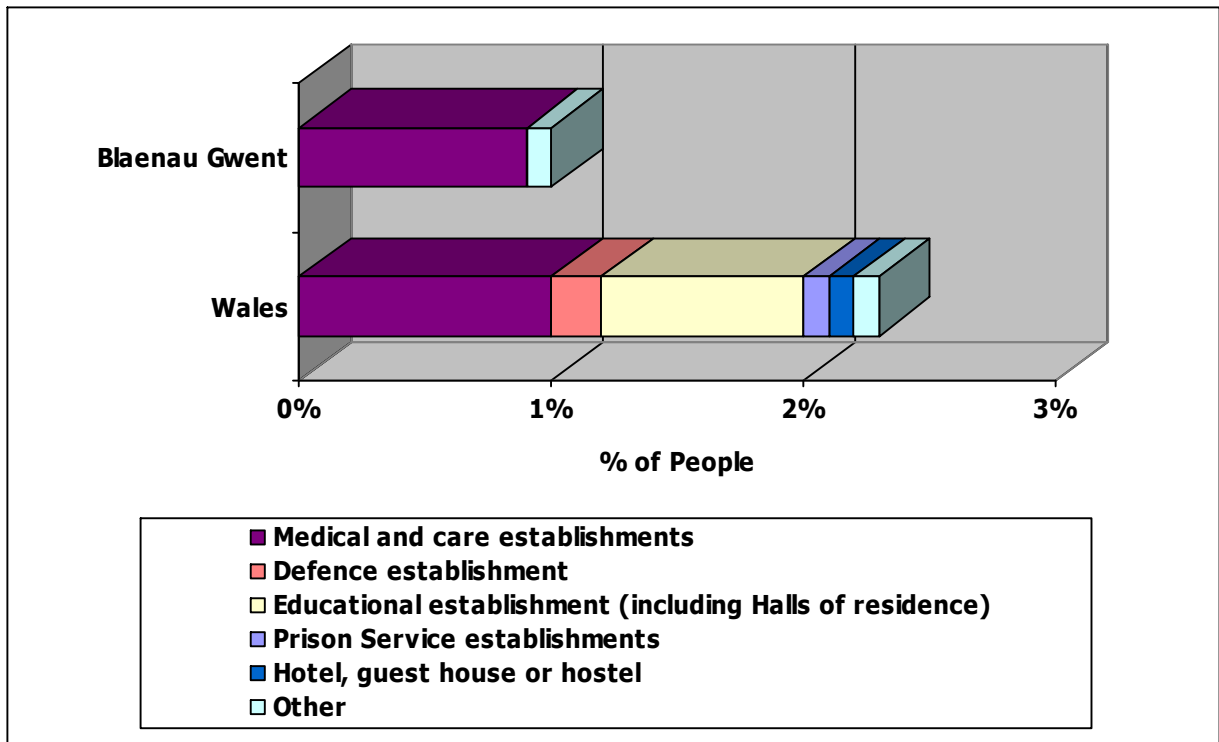


Figure 63: Proportion of People in Communal Housing by Type of Establishment in Blaenau Gwent and Wales

Source: UK Census of Population 2001

Summary of Key Points

- Terraced housing accounts for 60% of the total stock;
- Over two-fifths of the households interviewed estimated that their property was built pre 1919, with only 2% of stock built in 2000 or later years;
- Just under two-thirds of all properties across the Blaenau Gwent are owned outright or owned with a mortgage, with a small number (less than 1%) part owned through shared ownership. Around a quarter of the stock is rented from social landlords with the remaining 8% in the private rented sector or tied accommodation;
- Tax band A has the highest proportion of 1 and 2 bedroom properties (49%), with 73% of properties in band F or higher having at least 4 bedrooms;
- 810 households (2.9%) are currently living in technically overcrowded housing, but almost a sixth of households considered their current home to be too small. Whilst 72% of households technically under-occupy their property, only 5% said that they currently had too many rooms;
- The vast majority (89%) of households were satisfied with their current home, and 79% stated that they had no problems with the condition of their property. However, Council tenants were more likely to be dissatisfied with their home and to report that they had at least one problem;
- 1% of the population in Blaenau Gwent live in communal housing, with the majority of these in medical or care establishments.

5. The Active Housing Market

Owner Occupied Housing Market

- 5.1 Figure 64 shows that the average property prices in Blaenau Gwent for each quarter in from the beginning of 2001 until October 2006. It should also be noted that discounted local authority properties bought under 'right-to-buy' are not included in the statistics.
- 5.2 During this six year time period, the average price of a property in Blaenau Gwent remained stable until early 2003, before rising by 122% in the period to October 2006.

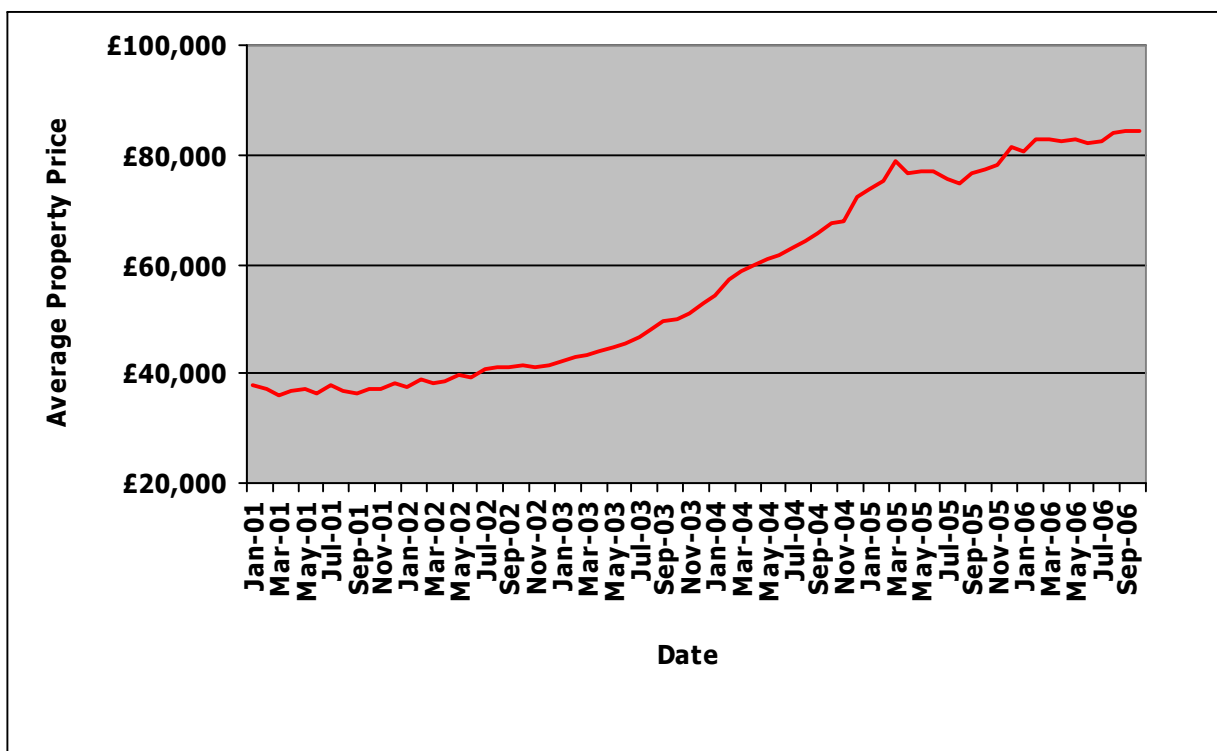


Figure 64: Average Price of Properties Sold in Blaenau Gwent: January 2001 to October 2006

Source: HM Land Registry

- 5.3 Figure 65 overleaf shows the average house prices in Blaenau Gwent by tenure from January 2001 to October 2006. This shows that the rises in prices have been evenly distributed across tenures with each having risen by over 120% in this time period.

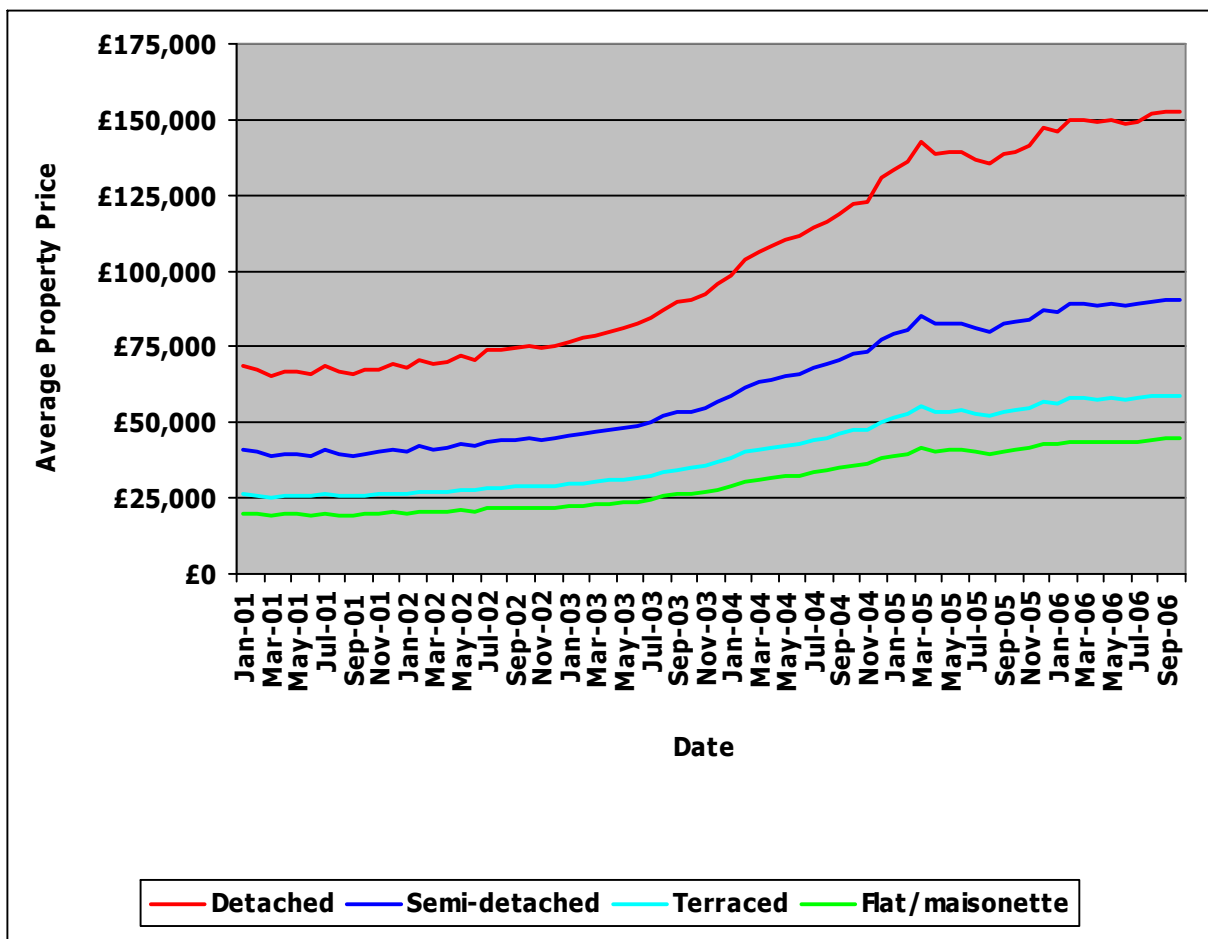


Figure 65: Average Price of Properties Sold in Blaenau Gwent by Tenure: January 2001 to October 2006

Source: HM Land Registry

- 5.4 The average property prices for an area suggest only a limited amount information about the conditions in a local housing market. The overall picture of the housing market is much more dependent upon the spread of property prices which are to be found in it, and how these relate to incomes in the area.
- 5.5 Figure 66 shows how relative property prices in Blaenau Gwent compare to average incomes earned in the authority. In 1999, the price of an average property in Blaenau Gwent was 2.3 times the average earnings of someone working in the authority. By 2005 this had risen to over 3.9 times the average earnings.
- 5.6 Whilst such a comparison is relatively simplistic (for there will often be more than one earner in each household, and the household's capacity to borrow is only one of the elements that determine affordability), the relationship between local purchase prices and local incomes is clearly important. Furthermore, the relationship is particularly relevant for single person households without existing equity – for they often are relying exclusively on their capacity to borrow (though even they may not earn the average income or need to purchase an average size and price home).

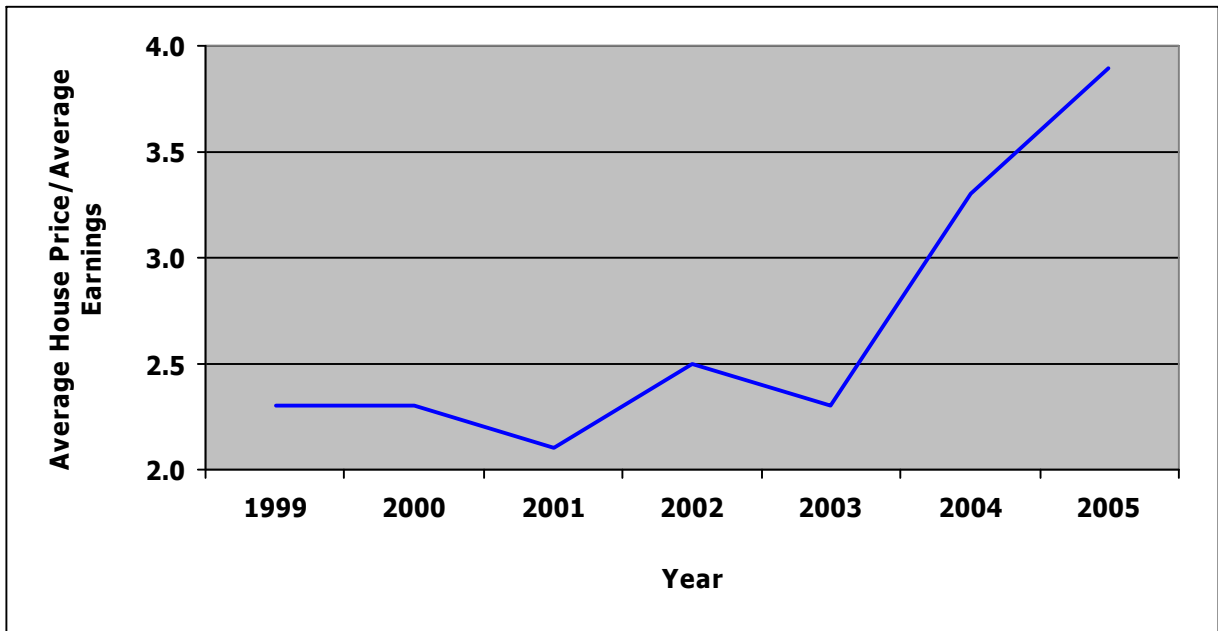


Figure 66: Blaenau Gwent Average House Price Relative to Average Gross Annual Earnings: 1999-2005

Source: HM Land Registry, New Earnings Survey and ASHE

5.7 Figure 67 shows how relative property prices in Blaenau Gwent have evolved over the last 7 years. This figure compares the prices of properties in Blaenau Gwent with those in Wales.

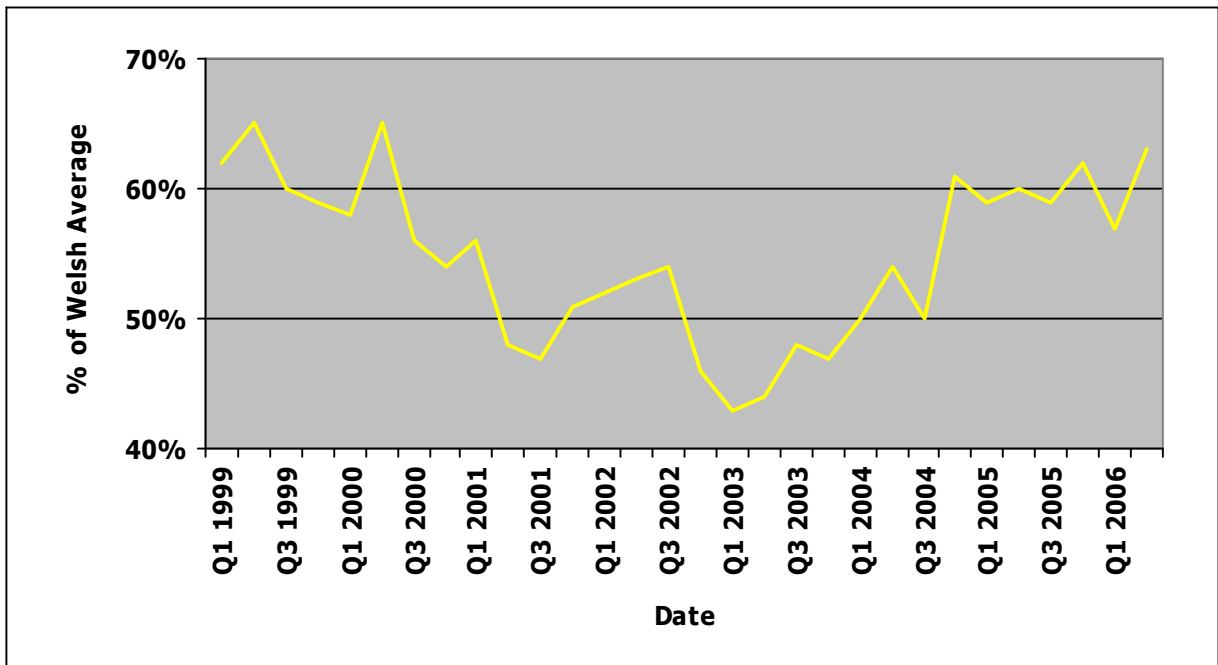


Figure 67: House Prices in Blaenau Gwent as a Percentage of Welsh Average: Q1 1999-Q2 2006

Source: HM Land Registry

5.8 In the first quarter of 1999 an average house in Blaenau Gwent sold for a price which was 62% of the Wales average – so housing in was much cheaper than the regional average. By the first quarter of 2003, the average house price in Blaenau Gwent sold for 43% of the price of an average house in Wales, but by the second quarter of 2006 this had risen back to 62%. Therefore, whilst average house prices in Blaenau Gwent are now relatively more

expensive than they were in early 2003, they are still much less expensive than the rest of Wales.

5.9 Figure 68 illustrates how property prices have changed in Blaenau Gwent. In the second quarter of 2000, over 35% of all completed property sales were priced at less than £30,000. This figure was around 1%-3% of all sales in 2005. More importantly, in the second quarter of 2000, over 90% of properties sold for less than £80,000. This figure had fallen to less than 60% by 2005.

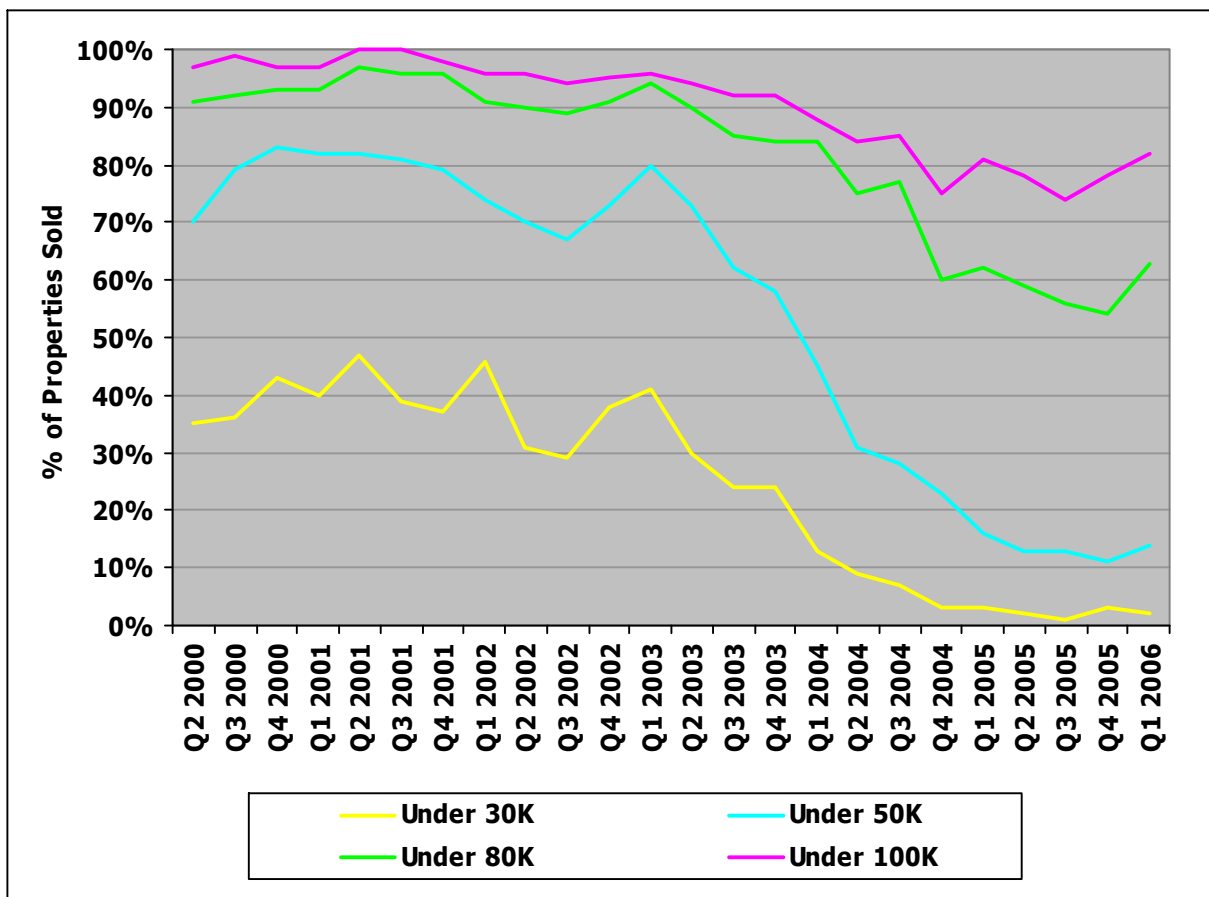


Figure 68: Percentage of Houses Sold for Less Than Key Price Bands in Blaenau Gwent: Q2 2000 to Q1 2006
Source: HM Land Registry

5.10 £80,000 is a key price band because it is around the maximum mortgage which is likely to be available to single first time buyers from key worker groups such as teachers, nurses and police officers. Therefore, affordability for this group of workers has declined sharply. Conversely, the number of houses selling for over £100,000 has risen from almost zero of all completions to over 20% of the total.

5.11 The stabilising of house prices in 2005 is reflected in the number of properties selling for under any particular price band also remaining stable.

- 5.12 Beyond looking at the obvious measure of a housing market – i.e. the prices at which properties are sold – it is also worth exploring the volume and composition of sales, for this can tell us more about the dynamics of the housing market.
- 5.13 Figure 69 shows the volume of annual property sales since 1998. It is apparent that the number of completions has climbed from around 700 sales annually in 1998 to a peak of almost 1,400 sales in late 2004. Since this time, the number of sales has declined again – to only 1,000 transactions during 2005-06.

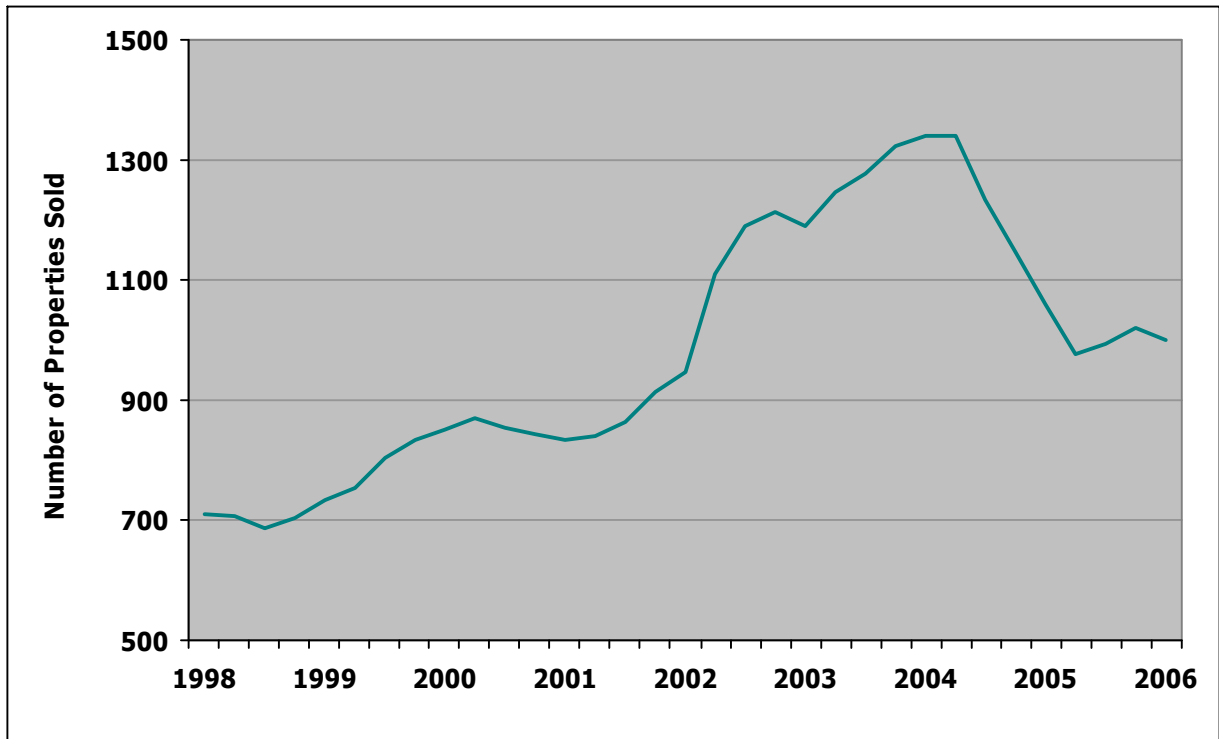


Figure 69: Volume of Properties Sold Annually in Blaenau Gwent: Q1 1998 to Q2 2006
 Source: HM Land Registry

- 5.14 Therefore, 2005 saw not only a levelling of property prices in Blaenau Gwent, but also a sharp reduction in the number of properties selling. The slow down in the number of completions may well reflect a lack of demand in the housing market with potential buyers thinking the market is over-priced.
- 5.15 Figure 70 overleaf shows the changing composition of property sales in Blaenau Gwent. The results show that whilst the overall volume of sales has fluctuated, the mix of properties has remained relatively consistent throughout the period with a domination of terraced properties.

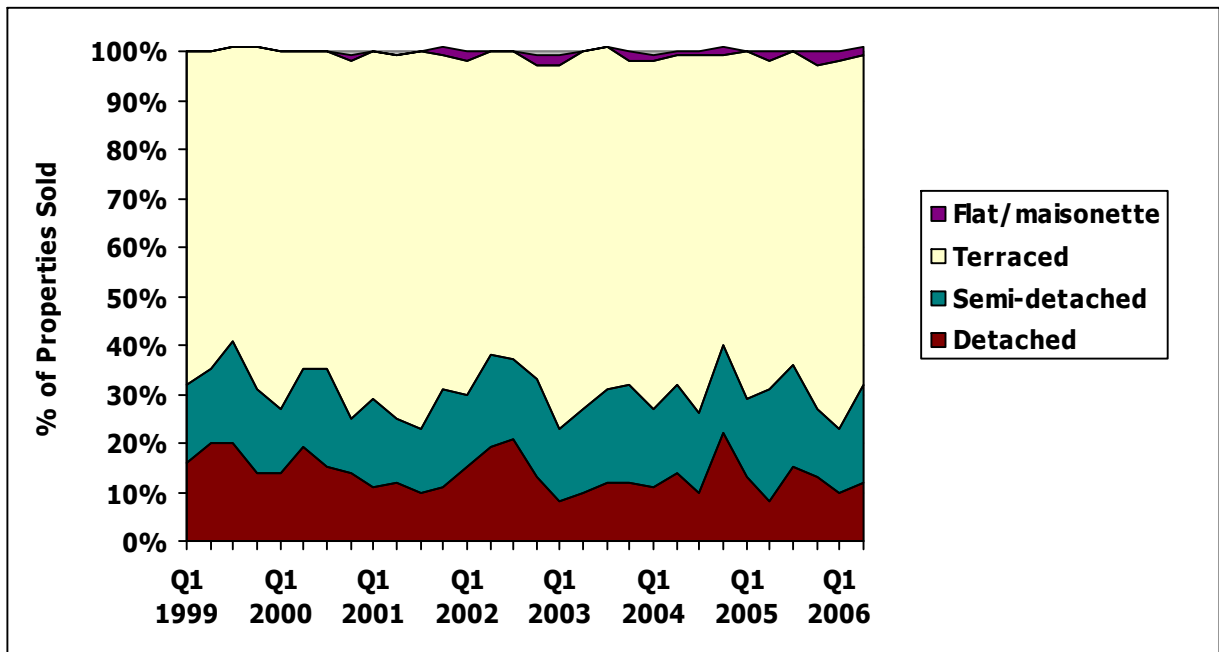


Figure 70: Properties Sold in Blaenau Gwent by Type: Q1 1999 to Q1 2006

Source: HM Land Registry

- 5.16 In measuring housing need (and effective housing demand) it is necessary to determine reasonable access thresholds for home purchase. The above information is drawn from the Land Registry, as this is widely recognised as the only fully comprehensive source of reliable information about property sales in England and Wales.
- 5.17 By using the information published by the Land Registry in combination with the information from the survey about the relationship between property price, property size and property type, we are able to identify the distribution of housing prices in terms of the number of bedrooms and determine appropriate thresholds. Of course, whilst the absolute threshold would be the minimum property price for each sized home, very few properties are likely to become available at this extreme – so merely being able to afford the minimum price would not guarantee households appropriate homes. For this reason, the lowest quartile is normally used – for households able to pay this amount should be able to afford at least a quarter of the appropriately sized properties sold. The average and lowest quartile purchase prices for properties of different sizes have also been calculated and are detailed below.

Property Size	Average Price	Lowest Quartile Price
PURCHASE PRICE		
1-2 bedrooms	£65,800	£49,000
3 bedrooms	£82,800	£63,000
4 bedrooms	£102,200	£64,000
5+ bedrooms	£111,200	£81,000

Figure 71: Lowest Quartile Prices for Owner Occupation by Property Size

Source: Computed based on HM Land Registry Q2 2005 – Q1 2006 and Blaenau Gwent Household Survey 2006

Relative House Prices and Rents

5.18 The following table details existing weekly rents, noting the current average rent for properties rented from registered social landlords as well as information about the lowest quartile and average weekly rents in the private rented sector.

Property Size	Social Rent		Private Rent	
	Current Average		Lowest Quartile	Average
	LA	RSL		
Bedsit / 1 bedroom	59.02	63.86	55.00	67.23
2 bedrooms			65.00	75.01
3 bedrooms			68.00	80.03
4+ bedrooms			90.00	94.11

Figure 72: Weekly Rent by Property Size and Tenure

Source: Blaenau Gwent Household Survey 2006

Assessing Affordability

5.19 Household affordability critically underpins the housing requirement analysis – determining both the ability to afford market housing (and be an effective housing demand) and the inability to afford market housing (and be a real housing need). Affordability is a complex issue and can be assessed in a number of different ways, but each method depends on common factors that are crucial to the analysis. The affordability of any particular household will depend on the relationship between:

- The cost of appropriate local housing, and
- The amount that the household is able to afford.

5.20 Having established the cost of local rented housing, it is also important to consider amount that households are able to afford. The National Housing Federation have traditionally promoted that it is appropriate for households to spend up to 30% of their net income on rent or mortgage payments, and in providing affordable housing, Local Authorities and RSLs have often based affordability tests on this relatively straight-forward calculation. Nevertheless, whilst this may be suitable for households expecting to pay relatively low rents in the social sector, the implications become somewhat unrealistic in considering the payments for more expensive properties in the private sector.

5.21 The London Housing Federation “Mind the Gaps” document recognises that households may be expected to contribute as much as 50% of net income towards their total housing costs – noting that it is not the proportion of income that is the over-riding factor, but that the most important consideration is the amount of residual income available after the identified costs have been paid.

5.22 The affordability tests used for the study seek to ensure that households are not committed beyond their means, but do not allocate affordable housing to households who are realistically able to afford housing in the private sector.

Assessing Affordability for Owner Occupation

5.23 In terms of the affordability assessment for owner occupiers, whilst private renters will be expected to meet recurring costs each week or month it is accepted that owner occupiers will normally rely upon a loan or mortgage from a building society or other lender.

Therefore, in the context of owner occupation, it is important that the householder is not only able to afford the repayments of such a loan but that also such a loan is accessible to that household. For this reason, a mortgage multiplier is normally applied to determine the amount households are able to afford when considering home purchase.

5.24 The assessment of mortgage eligibility adopted for this analysis is based upon the method proposed by Government in the emerging guidance for Local Housing Assessments – with lending for single incomes assumed to be 3.5x the income and lending for joint incomes based on a 2.9x multiplier. It is also important that the assessment of affordability for owner occupation considers other household resources, including:

- Savings;
- Debts;
- Equity (positive or negative) from current home (for current owners); as well as the
- Amount that can be borrowed.

5.25 Perhaps the most important additional resource is any equity that a household may have in their existing home because, whilst the early years of a mortgage may not impact significantly on the amount of capital repaid, increases in house prices can bring significant additional resources.

5.26 In summary, the amount affordable for owner occupation is therefore: savings minus debts plus/minus positive/negative equity plus the borrowable amount.

Assessing Affordability for Weekly Rent

5.27 Unlike with owner occupation, the rental market does not require a single capital payment to be made upfront that has to be funded from a source such as a mortgage. Instead, it is based exclusively on a recurring payment taken from the individual household budget. Once again, the assessment for rent has been based upon that proposed in the emerging guidance, with 25% of household gross income assumed to be available for rent.

5.28 In practice, the use of gross income (as oppose to the net income) reduces the assumed payments for lower income households – because they are typically liable for less deductions (such as income tax and national insurance) from their income. Where households have no deductions from their earnings, they are assumed to pay only 25% of their net income on housing cost – but this increases to a maximum contribution of 31.5% of net income for those households earning up to £15,000 gross.

Existing Households in Housing Need

5.29 An important element of housing requirements is housing need – households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some form of assistance (Bramley & Pawson, 2000). Overall, a total of 4,811 households were assessed as living in unsuitable housing due to one or more factors. The unsuitability problems experienced are shown below.

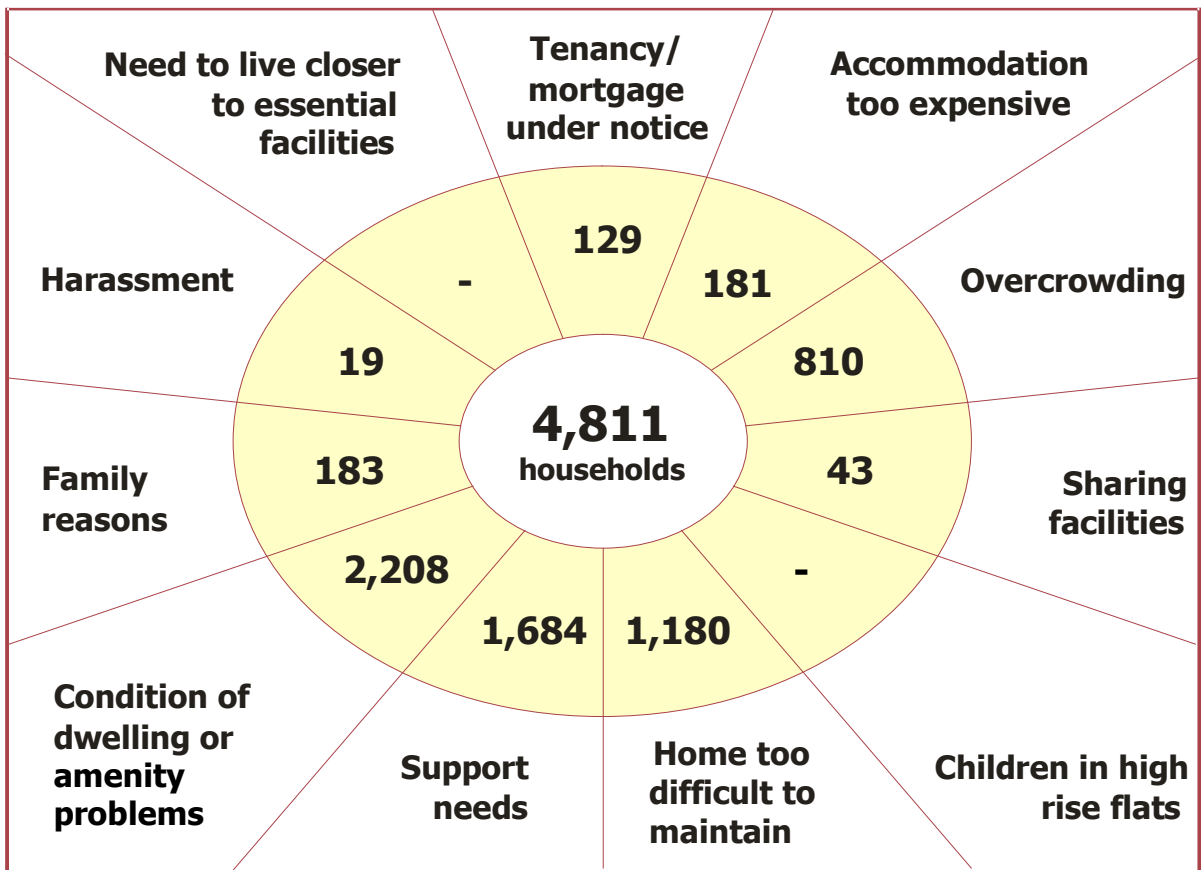


Figure 73: Established Households Living in Unsuitable Housing
 Source: Blaenau Gwent Household Survey 2006

5.30 It is worth noting that overall, this equals 17.0% of all established households in Blaenau Gwent, though many of these households may not need to move to resolve the identified problems as in-situ solutions may be more appropriate.

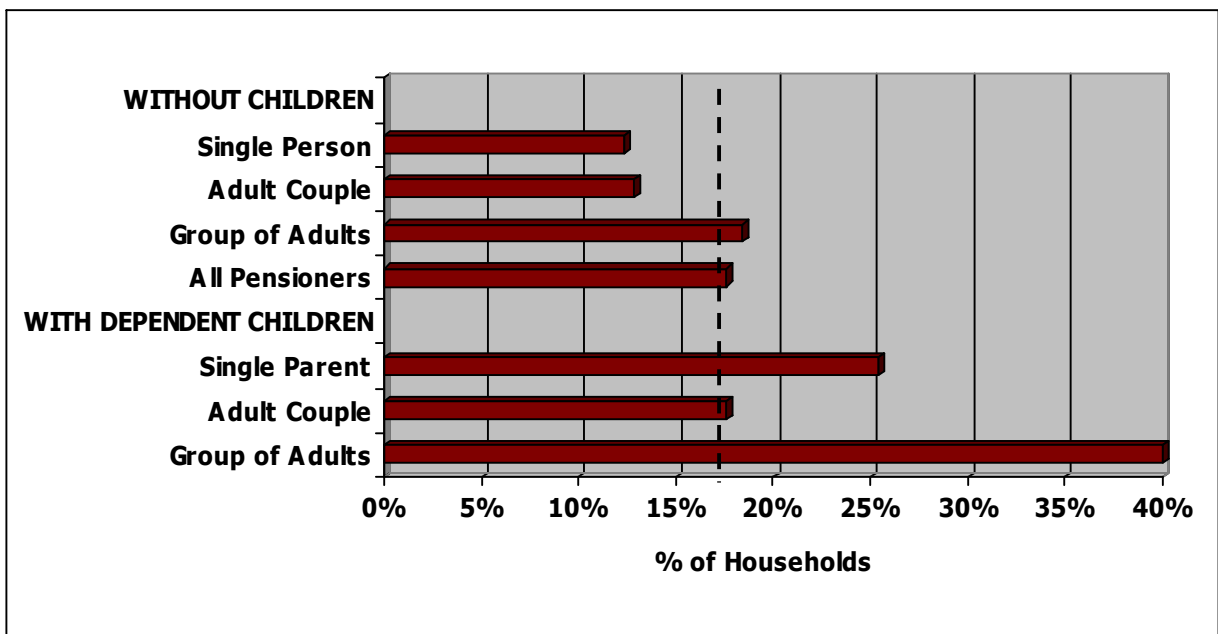


Figure 74: Proportion of Established Households in Unsuitable Housing by Household Type
 Source: Blaenau Gwent Household Survey 2006
 Note: Dashed line shows borough average

5.31 25.4% of single parent households, 17.6% of adult groups with children and as many as 48.1% of groups of adults with dependent children are living in unsuitable housing. Figure 75 (below) shows that young adults and households with children are most likely to live in unsuitable housing, and that the likelihood of living in unsuitable housing is generally much lower for those around pensionable age (other than the very old). Of course, this corresponds with the high proportion of households with dependent children living in unsuitable housing.

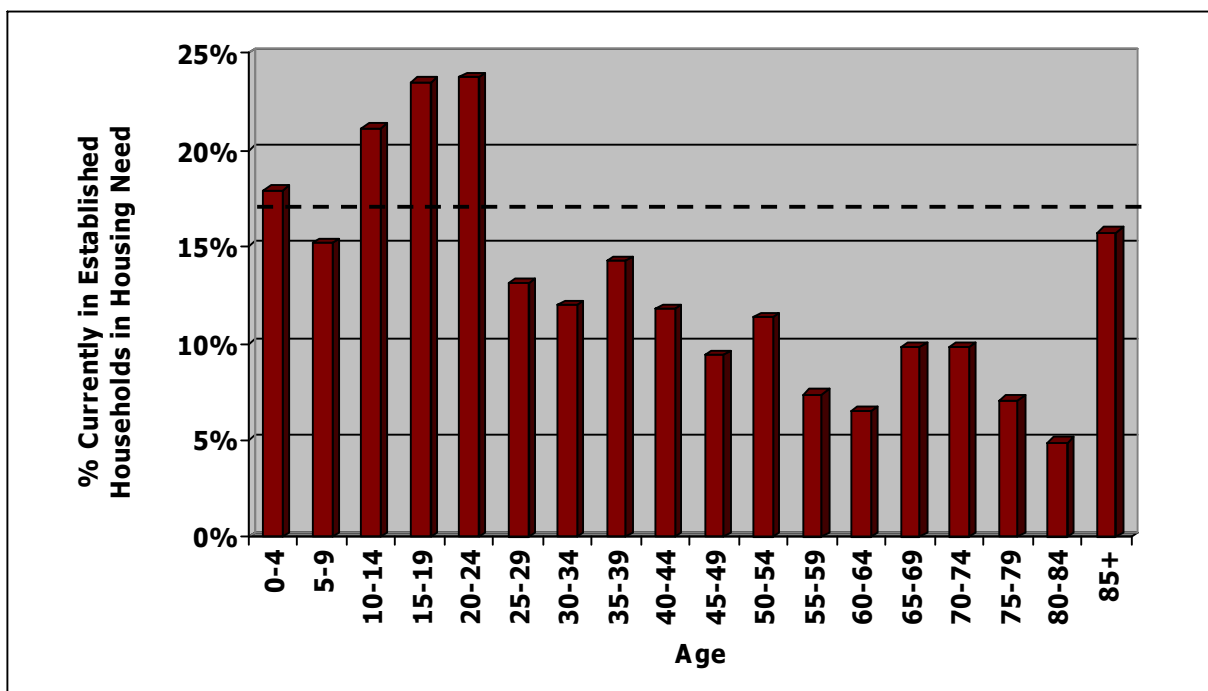


Figure 75: Proportion of Persons Living in Established Households in Unsuitable Housing by Age

Source: Blaenau Gwent Household Survey 2006
 Note: Dashed line shows borough average

Resolving Housing Unsuitability

5.32 Not all housing unsuitability problems require the households involved to move from their current home. In-situ solutions may be more appropriate to resolve some of the problems identified. For example, overcrowding could be resolved by one or more member(s) of the household leaving to live elsewhere, or an alternative solution could be to extend the existing property. Similarly, homeowners or landlords may undertake repairs to resolve problems with the condition of the property. In these cases (and many others) the problems identified can be resolved without the need for relocation to alternative accommodation.

5.33 Whilst in practice it is important to resolve the housing needs of individual households, a strategic analysis is primarily concerned with addressing overall housing need. In this context, it is particularly relevant to consider housing suitability issues concerned directly with the dwelling stock – such as major disrepair or unfit. Resolving such individual household needs (through enabling a move to alternative housing) will not reduce the overall level of housing need because the vacancy that arises will inevitably (over time) be occupied by another household, who will once again be in housing need. In such cases, it is investment in the existing stock (or in extreme cases, clearance and redevelopment) that is required to reduce the numbers unsuitably housed.

5.34 It should be noted that any dwellings that are lost from the stock through clearance programmes would need to be replaced in addition to the number of additional housing units

identified by this study – that is, our analysis considers the housing requirement in the context of a net increase in dwelling stock.

- 5.35 Where a move is appropriate and required to resolve a housing problem, some households may need to move to homes outside the area (for example, those moving for care or support), and others will choose to move further afield for other reasons. Where unsuitably accommodated households are likely to willingly leave the area, their needs should not be counted within the estimate of net need. Nevertheless, in discounting the needs of likely out-migrants, any needs of in-migrants to the area will add to the total requirement
- 5.36 Finally, a proportion of the households remaining will be able to afford to buy or rent an appropriate dwelling at (or above) threshold market prices. Therefore, when considering households who are in housing need, we must also discount from the total those who are able to afford.
- 5.37 The impact of each of these stages is summarised below:

Factor	Number of Households	
	Discounted	Remaining
Households assessed as currently living in unsuitable housing	-	4,811
Households with an objectively assessed in-situ solution	2,063	2,748
Households with a subjectively assessed in-situ solution (where the household neither wants nor expects nor needs to move)	1,685	1,063
Households that need to move, but that will leave the area	134	929
Households that need to move, but will be moving into institutional housing or join another household	56	872
Households that need to move, but can afford to rent or buy market housing	509	364

Figure 76: Resolving Housing Suitability Problems

Source: Blaenau Gwent Household Survey 2006

Note: Figures may not sum due to rounding

- 5.38 After discounting the households whose needs do not require alternative housing provision in Blaenau Gwent or can afford such housing in the private sector, only 364 (7.6%) of the identified 4,811 unsuitably housed households remain.

Modelling the Housing Market

- 5.39 For any housing requirement study, the key or core issues are:

- How many additional units are required?
- How many additional units should be affordable homes?
- For what type of open-market housing is there demand?
- How will 'demand' and 'need' change over time?

- 5.40 The ORS Housing Market Model addresses these issues by analysing the whole housing market. Instead of focusing only or primarily upon poorer households and social sector need, it interprets the interaction of requirement and supply across all sectors of the housing market. Social sector needs are interpreted within the context of market housing demands to take account of the interaction of effective and ineffective demands and needs and the likely supply from the range of properties vacated within the existing stock.
- 5.41 The Model interprets the market dynamically – by likening the interchange between households and vacancies to ‘musical chairs’. The musical chairs analogy brings out the dynamic relation between requirement and supply – for most households find suitable vacancies only because others move or suffer dissolution. In this context, the model is primarily concerned with households likely to (or that otherwise need to) move. Of course, some households likely to stay in their current home may still have housing needs that should be addressed – but, by definition, the appropriate solutions for such problems will be provided in situ and will therefore not impact on the mix of additional housing provision.
- 5.42 Whether households want or need to move, and what housing is appropriate for them, depends upon their characteristics, requirements and current accommodation. Effective demand is driven primarily by choice – nonetheless, even well-off households can find accommodation only if suitable vacancies arise. On the other hand, housing need is considered objectively – by evaluating households’ current housing circumstances alongside their ability to afford local housing to establish a realistic assessment of housing need.
- 5.43 Through analysing the creation and take-up of vacancies the Model recognises that it is only because some households wish to and do move that others can find suitable homes. Nevertheless, the lack of suitable existing housing does not constrain the allocation process – for the mix of housing required by all households (including those currently without housing and unable to afford) is analysed, and it is shortfalls identified in the existing stock that determine the mix of new housing required.
- 5.44 The elements of demand and need are as follows:
- Established households moving home, including homeless households temporarily accommodated in PSL housing;
 - In-migrant households to the area;
 - Hidden households emerging as newly forming households in the market; and
 - Homeless households temporarily housed in non-traditional housing such as Hostels and Bed & Breakfast accommodation.
- 5.45 The extent to which the market clears depends upon the match or mismatch between the households seeking housing, on the one hand, and the available stock, on the other. The supply of housing is generated by:
- Established households moving home;
 - Out-migration from the area; and
 - Household dissolution through deaths and households merging (e.g. through marriage).
- 5.46 The Model notionally assigns – or matches – available housing to households. Through matching gross housing requirements with supply (vacancies created), the model identifies

net housing requirements – i.e. those households who are unlikely to find suitable housing within the existing housing stock.

- 5.47 Such an approach was recognised by Bramley and Pawson (2000) in the DETR good practice guidance, where it was noted that:

The value of this approach is that it makes the connections between what is happening in the private sector and the social sector explicit. It keeps track of households, who can't just disappear without trace, and draws particular attention to the roles of migration.

- 5.48 Such an approach has subsequently been adopted by DTZ Pbeda Consulting in the "Housing Market Assessment Manual" produced for the Office of the Deputy Prime Minister (ODPM) – where the supply/demand dynamic between households and dwellings is considered at various levels of abstraction.
- 5.49 This focus on household moves is certainly the correct approach for properly understanding the household/dwelling dynamic – but it is important to recognise that policy initiatives to change the movement patterns for individual households will inevitably influence the modelling results.
- 5.50 An example of this may be to actively encourage households who are under-occupying larger properties to move to smaller homes. Whilst such households would currently be assumed to remain in their existing homes (and would therefore have no impact on the balance of housing), a successful relocation policy would increase the requirement for smaller properties whilst also increasing the supply of larger homes – thereby adjusting the appropriate mix of new housing to be delivered. Conversely, it may be appropriate to discourage households moving from smaller to larger homes by encouraging such households to extend their existing properties where appropriate. Whilst such households would currently be counted as moving, allowing suitable extensions to existing homes could reduce the need for larger properties and also reduce the supply of mid-sized homes – once again adjusting the appropriate mix for new housing provision.
- 5.51 Whilst it would be difficult to accurately predict the precise impact of such policies, it is still important to consider the role for initiatives that seek to change household behaviour (which in turn change the mix of new housing required) when determining the range of appropriate policy responses.
- 5.52 The projected flows of housing need, demand and supply for Blaenau Gwent are shown below.

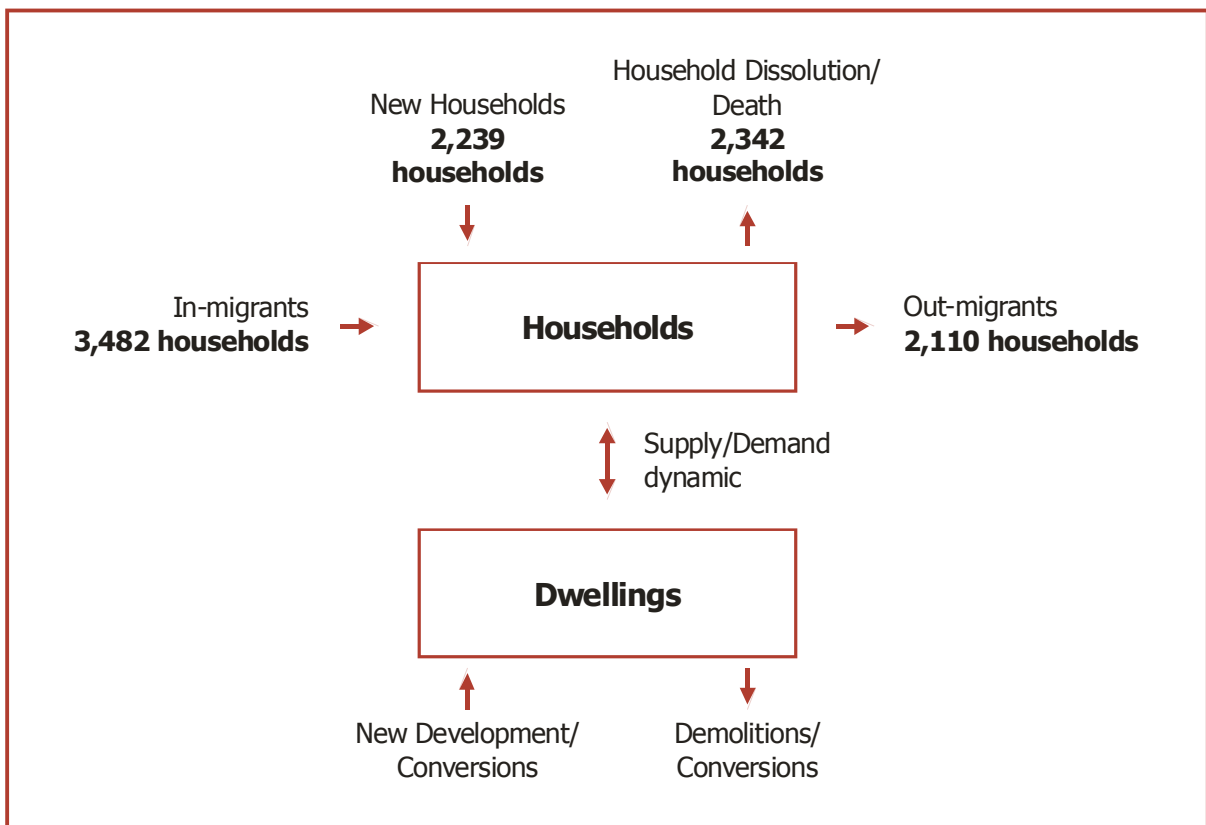


Figure 77: 5-Year Requirement/Supply Flow Analysis

Source: ORS Housing Market Model, Blaenau Gwent Local Housing Assessment 2006

5.53 In considering this combination of inward and outward household flows, we can determine the likely pressure placed upon the dwelling stock – and the implicit requirement for additional housing provision. The net gains and losses of each pair of flow streams are detailed below, where it is apparent that up to a net 1,269 additional dwellings would need to be provided over the 5-year period to sustain the existing supply/demand balance. If this number of homes is not provided, one or more flows will have to change.

Housing Type	Inward Flow	Outward Flow	Net Requirement
5-YEAR REQUIREMENT			
Migration – households moving to and from Blaenau Gwent	3,482	2,110	1,372
Indigenous change – new household formations and deaths/dissolutions	2,239	2,341	(103)
Established household moves, including homeless households moving from temporary PSL housing	3,891	3,891	-
TOTAL	9,611	8,343	1,269

Figure 78: Summary of 5-Year Housing Requirements by Household Flows

Source: ORS Housing Market Model, Blaenau Gwent Local Housing Assessment 2006

Note: Figures may not sum due to rounding

5.54 Migration has a significant impact on the current housing market in Blaenau Gwent, though the number of moves in and out of the borough can fluctuate considerably from year to year. On the basis of current trends and existing population forecasts, the ORS Model estimates that almost 3,500 households will move to the borough over the next 5-years – though this will be offset against an estimated 2,100 dwellings likely to be vacated by

households leaving Blaenau Gwent. Nevertheless, when in- and out-migration are considered together, migrant households will generate a significant net requirement for additional housing in the area.

Understanding the Required Housing Mix

5.55 In seeking to understand the required housing mix, household affordability has been grouped into three classifications:

- **Social rented housing** – for those households unable to afford any more than target social rents;
- **Intermediate housing** – for those households able to afford more than target social rents, but unable to afford to buy and unable to afford to rent market housing, based on lowest quartile market prices; and
- **Market housing** – for those households able to afford to buy or able to afford to rent market housing.

5.56 An equivalent supply relates to each of these groups – with owner occupied housing and rented housing at or above the lowest quartile threshold accounting for market supply, private rented housing within the lowest quartile and existing shared ownership homes classified as intermediate supply, and existing social rented properties considered as social supply.

5.57 As previously noted, the ORS housing market model identified an overall requirement for 1,269 additional dwellings over a 5-year period. By matching housing need and demand (gross requirements) against supply it is possible to consider the overall net housing requirement for the area and the balance of this net requirement between the different housing types.

5.58 The gross housing requirements and likely supply are matched by the ORS Model as detailed below:

Housing Type	Gross Housing Requirement	Housing Supply	Net Housing Requirement (Surplus)
5-YEAR REQUIREMENT			
Market	6,152	5,316	836
Intermediate	200	-	200
Social	3,259	3,027	233
TOTAL	9,611	8,343	1,269

Figure 79: Summary of 5-Year Housing Requirements by Housing Type

Source: ORS Housing Market Model, Blaenau Gwent Local Housing Assessment 2006

Note: Figures may not sum due to rounding

5.59 In summary, the ORS housing market model identifies an overall 5-year requirement for just over 1,250 additional dwellings, with the balance between social housing, intermediate housing and market housing being 18:16:66.

5.60 Figure 80 (below) identifies the gross requirement for housing over the next 5-years in terms of housing type and size, and then details the overall net requirement and the net requirement on an annualised basis.

Housing Requirement	Type of Housing			
	Market	Intermediate	Social	All Sectors
Gross Requirement				
1 bedroom	391	-	1,948	2,339
2 bedrooms	1,963	200	997	3,160
3 bedrooms	3,254	-	296	3,550
4+ bedrooms	544	-	19	563
Total	6,152	200	3,259	9,611
Net Requirement				
1 bedroom	165	-	1,284	1,450
2 bedrooms	721	200	(246)	675
3 bedrooms	(152)	-	(824)	(976)
4+ bedrooms	102	-	18	120
Total	836	200	233	1,269
Net Requirement (Annualised)				
1 bedroom	33	-	257	290
2 bedrooms	144	40	(49)	135
3 bedrooms	(30)	-	(165)	(195)
4+ bedrooms	20	-	4	24
Total	167	40	47	254

Figure 80: 5-year Housing Requirement by Property Type and Size

Source: ORS Housing Market Model, Blaenau Gwent Local Housing Assessment 2006

Note: Figures may not sum due to rounding

5.61 Whilst over half (52.9%) of the requirement for market housing is for 3-bed dwellings (3,254 out of the 6,152 total), this is also the dominant supply of housing within the existing stock – to the extent that the model demonstrates a marginal surplus of such units across the county borough. Of course, this surplus is unlikely to be realised in practice, as the dwellings would be taken by some households actually seeking 2-bed housing (if they are able to afford the required costs) or 4-bed housing (if they are prepared to compromise on size).

5.62 When considering net requirement, the predominant demand is for additional smaller units, of which there are very few currently in the area. There is also an identified requirement for some additional larger housing (with 4+ bedrooms), mainly sought by households currently occupying 3-bed units.

5.63 Of the 3,459 households identified as being in housing need (and unable to afford market housing), only a very small proportion (5.8%) could afford any more than the costs associated with social rent. Nevertheless, as there is very little existing supply of intermediate housing (and none identified by the model as likely to be vacated over the period), this constitutes a far more significant proportion of the net affordable housing

requirement (200 of the 433 affordable units identified) – these being dominated exclusively by 2-bed homes.

- 5.64 In relation to social housing, the majority of households requiring such properties have been assessed to only need one or two bedrooms (1,948 and 997 households respectively). Nevertheless, the supply from within the existing Council and RSL stock tends to be two and three bed properties. The impact of this is to yield a substantial requirement for additional one-bed social rented homes with two and three bed properties showing a surplus. Of course, households requiring only one or two bedrooms may have their needs met by being housed in larger properties.
- 5.65 In this context, the Council should consider the allocation policies in relation to property size (possibly allowing an “extra” bedroom to be allocated to certain household types) to maximise the use of the stock.
- 5.66 Finally, the study also identified a small need for additional large social rented homes (with 4+ bedrooms) – and given the scarcity of such properties within the existing stock, it may be necessary to provide some such units to alleviate any existing overcrowding problems. Nevertheless, given the relatively small requirement identified, it will be necessary to consider other information sources (such as the housing register and transfer list) to establish those households requiring large housing to ensure it is provided at appropriate locations in the county.

Summary of Key Points

- Household affordability depends on the relationship between the cost of appropriate local housing and the amount that the household is able to afford. Whilst assessments should not commit households beyond their means, affordable housing should not be allocated to households able to afford housing in the private sector;
- Existing rents in the social sector do not tend to differ significantly by property size. Rents for smaller private rented properties are only marginally more expensive than social rent, but there is a larger differential for properties with more bedrooms;
- The study assumed the amount affordable for rent was 25% of gross household income. The amount affordable for owner occupation is the total amount borrowable (3.5x individual income or 2.9x joint income) together with any existing equity and savings, offset against any debts or negative equity;
- Over the seven-year period from 1999 to 2005, the average property price in Blaenau Gwent rose by 161%. Much of the rises in property prices occurred in 2003 and 2004 and since this time average prices have remained stable;
- In the second quarter of 2000, 90% of all completed property sales were priced at less than £80,000 – this figure was below 60% of all sales in 2005. Over the same period, the number of houses selling for over £100,000 has risen from almost zero to more than 20% of the total;
- 4,811 (17.0%) of established households in Blaenau Gwent are currently living in unsuitable housing, of which 364 need to move within the area to resolve their housing problems and cannot afford to buy or rent market housing – they are in housing need;
- A significant proportion of households with dependent children are currently in unsuitable housing – including 25.4% of single parents and 48.1% of groups of adults with dependent children;
- The ORS housing market model identifies an overall 5-year net requirement for 1,269 additional dwellings. The net requirement is attributable to a net gain of 1,372 households through migration offset against a slight indigenous decline in households;
- The balance of housing requirements is for 18% social housing, 16% intermediate housing and 66% market housing. This balance is determined on the basis of affordability, assuming that the relationship between house prices and income remains constant.

6. Study Conclusions and Implications

Overall Housing Requirement

- 6.1 Overall housing requirements comprise both housing need and housing demand, and the ORS Housing Market Model identified a 5-year gross housing requirement for Blaenau Gwent from approximately 9,600 households, of which 40% occurs as a result of established households moving, just over 35% as a result of households moving in to the Blaenau Gwent area for outside, and almost 25% from newly forming households.
- 6.2 However, this gross housing requirement from 9,600 households is in part off set by supply from within the existing stock – as existing households vacate properties, as households leave the area, and as a result of household dissolution. This suggests a 5-year net housing requirement of around 1,250 dwellings to meet aggregate needs and demand, an average provision of c.250 annually.
- 6.3 Currently, planning for housing provision is determined by the Unitary Development Plan (UDP) – which identified a total provision of 1,700 across the County Borough over a 15-year period, equivalent to an average annual provision of 113 dwellings. Nevertheless, we understand that actual provision in recent years has averaged around 150 dwellings annually.
- 6.4 It is clear that the annual net housing requirement identified by the ORS Housing Market Model suggests that requirement for housing in Blaenau Gwent is currently somewhat higher than in recent years. As previously noted in chapter 5, given the household-dwelling balance, any difference between the identified net housing requirement and the actual housing provision will lead to one or more of the identified household flows changing – that is fewer new households forming and/or fewer in-migrant households moving to the area and/or more out-migrant households leaving the area.
- 6.5 The Council is currently preparing a Local Development Plan (LDP) for the area for the period 2006-2021, which will include targets for housing provision during this time. Whilst this study has identified a requirement for 1,250 dwellings for the period 2006-2011, the longer-term nature of the 15-year plan means that longer-term trends should also be considered when determining an appropriate target for housing provision.
- 6.6 Whilst the LDP is currently only a draft document and remains subject to consultation and change, the Council are anticipating that housing allocation will be around 200 units p.a. – between the 150 unit average currently provided and the 250 unit figure identified by this study for the first five years of the plan.

Evidence of Housing Need and the Need for Affordable Housing

- 6.7 Having considered the overall housing requirement for Blaenau Gwent, it is appropriate to consider the appropriate housing mix. In-line with WAG guidance, affordable housing should not be considered in isolation, but instead a holistic approach should be adopted by taking account of the entire housing market to see how the different tenure options could help accommodate households in housing need.

- 6.8 The model identified that almost 36% of this housing requirement represents a need for some form of affordable housing provision – but allowing for a continuing supply of housing within the existing stock, differential shortfalls in the market and affordable housing sectors indicate that almost 433 units of the expected shortfall represent an anticipated need for additional affordable housing, including at least 233 homes for social rent.
- 6.9 Proportionately, the need for affordable housing constitutes 34% of the overall net housing requirement – with social housing accounting for just over half of this amount (at least 18% of the net total).
- 6.10 In determining an affordable housing policy position to deliver 34% of all additional housing as affordable, the Council could arguably promote an affordable housing target for qualifying sites of up to 35% or 40% (recognising that some sites would fall short of the target and that others would have to provide proportionately more than the 34% requirement if this level is to be achieved as an average). Nevertheless, in determining the appropriate mix of housing for the area, it will be important for the Council to balance the provision of additional affordable homes against a range of other important factors.
- 6.11 We have already noted that the Council are seeking to increase the level of current development in the county borough from 150 dwellings annually to a target of 200 units each year – and if this aim is to be achieved, it will be essential that the target for affordable housing is not set at such a level that would discourage development in the area. Clearly, it is the number of affordable homes delivered that is of paramount importance – and a lower percentage could actually yield a higher number of units if the overall level of delivery increased.

Housing Tenure & Size Mix

- 6.12 The net housing requirement identified by the Housing Market Model is focused primarily upon 2-bed market and intermediate homes and 1-bed homes for social rent – though some provision of additional larger social rented homes (with 4 or more bedrooms) and both 1-bed and larger market homes is also shown.
- 6.13 Nevertheless, in the context of social rented housing, whilst there is a significant need identified for additional 1-bed units, this is in the context of surplus requirements of 2-bed and 3-bed units. Affordable housing has been allocated on an objective basis (with the number of bedrooms required determined by household structure) and does not take account of household preferences. It seems likely that whilst households may only technically need one bedroom, they would accept larger homes if they were available.
- 6.14 Given the identified surpluses of mid-sized social sector homes, it would seem appropriate for the Council to consider allocation policies that would allow households to be housed in homes that were slightly larger than they require as a minimum in order to balance requirements across the existing stock – i.e. households who may only need one bedroom could be offered properties with two bedrooms, and similarly those needing two bedrooms could be offered three bedroom homes. This should ease the identified need for one-bed properties and offset the surplus of two- and three-bed homes.
- 6.15 In terms of additional housing provision in the social sector, it will be appropriate for the Council to seek a mix of property sizes – including some provision of larger homes, as it is unlikely that households requiring these properties will have their needs resolved within the existing stock. It may be worthwhile considering the requirements of larger households on the housing register when considering the location of such housing.

- 6.16 In relation to market housing, there is a bias towards smaller units that the Council should seek to encourage – but once again, the small surplus of three-bed market housing should not be taken to imply that no housing of this type should be provided at all.
- 6.17 Similarly, whilst the need for intermediate housing is focused upon 2-bed units, it would be appropriate to consider a mix of housing products to provide adequate choice in this emerging sector.
- 6.18 Finally, it will also be important to monitor the mix of new housing developed to ensure that products are available to the broadest possible cross-section of the community. The Council should aim to avoid polarised developments where social rented housing is provided within developments that could otherwise only include some of the most expensive market housing in the area – for this could inevitably lead to communities where housing is only available to the most prosperous and least prosperous households in the area, with no housing available for households falling between these extremes.

Appendix A:

Household Survey Technical Report

Survey Design

- A.1 In partnership with the Councils, a detailed questionnaire was designed to gather the required information – including comprehensive information about individual household members both past and present.
- A.2 The main sections of the questionnaire are detailed below.
- Second homes – tenure, value and location;
 - Household profile – age, gender and relationships;
 - Current housing circumstances –type, size and condition of current home;
 - Satisfaction with current area and local services;
 - Previous homes – area, type, tenure and reasons for moving;
 - Household changes – persons that have recently left household;
 - Health problems, special needs and housing options for getting older;
 - Future moves – likelihood of moving, preferred tenure and likely destination;
 - Financial issues – sources of income, income level, savings and debts;
 - Current home – tenure, value and equity;
 - Housing costs – current costs and experiences of financial difficulties;
 - Ethnic origin and nationality.

Sampling Framework

- A.3 The need for reliable data about household composition, affordability and other characteristics, such as special needs, tenure and bedroom requirements meant that a household survey (based upon detailed personal interviews in people's homes) was the most appropriate method for the study.
- A.4 Providing surveys are conducted with rigorous sampling and fieldwork standards to ensure a good approximation to a random survey, surveys can achieve very accurate results with quite moderate sized samples. However, it is not often understood that only proper random samples can be certified as more or less accurate at determinate confidence levels. The

fieldwork for the Blaenau Gwent Study involved a household survey of a random and representative sample of 1,513 households.

A.5 The population base for selecting the required sample was the Valuation Office Agency register of domestic hereditaments, the basis of local authority Council Tax Registers. This dataset has several advantages over the Postal Address File (PAF), including:

- The PAF is known to include c.5% of “deadwood” – where the addresses concerned either no longer exist (in the case of undetected deletions) or have yet to be built (in the case of premature additions). The Valuation List is actively maintained ensuring that additions and deletions are quickly and accurately amended.
- The PAF is a register of Royal Mail small users (i.e. those addresses that only receive small volumes of mail each week), and whereas the majority of such users are domestic homes they also include some small business and other non-residential addresses. The Valuation List explicitly identifies domestic properties thereby avoiding such rogue addresses entering the sample.

A.6 The sampling strategy was based upon a simple random probability selection – where all households had an equal chance of selection that would not be influenced by any previous selection, with the exception of prohibiting the selection of the same dwelling on more than one occasion.

A.7 In order to achieve 1,500 household surveys, an initial sample of 2,200 dwellings was issued – which would yield a response rate of c.68% before adjustment.

Fieldwork Procedures

A.8 Only experienced fieldwork staff that had previously worked on housing requirement studies with ORS undertook the interviews, and their work was carefully monitored on a day-by-day basis. Only householders or their partners were accepted as respondents, and they were interviewed in depth about their current and potential housing needs.

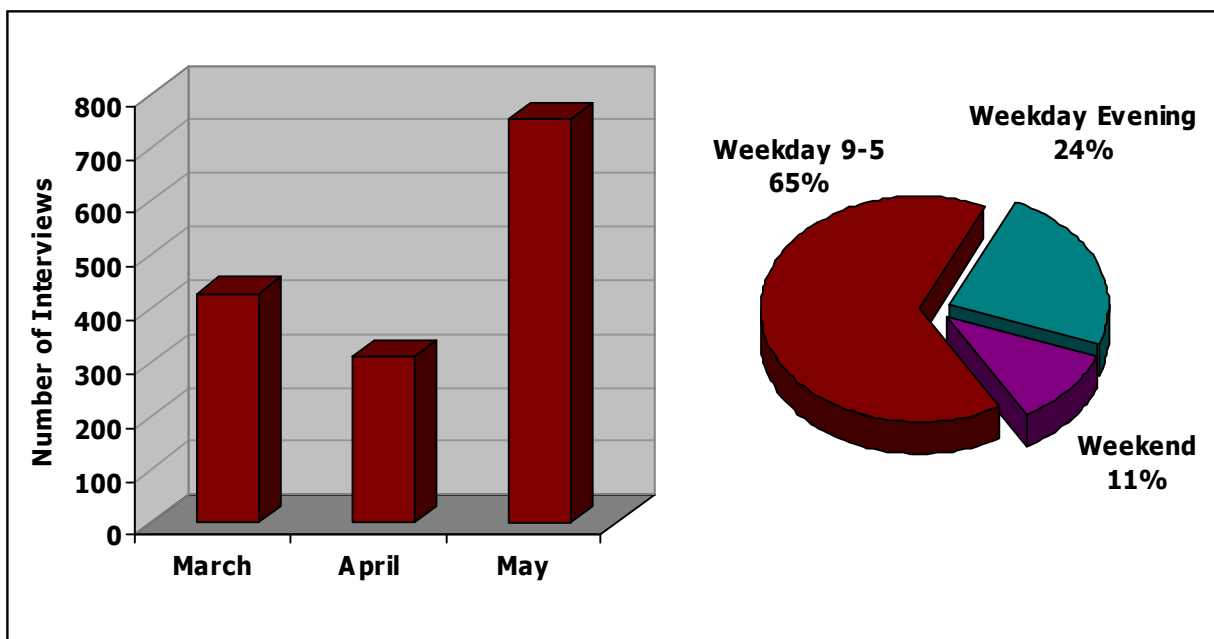


Figure 81: Number of Achieved Interviews by Interview Month and Time of Day

Source: Blaenau Gwent Household Survey 2006

A.9 Of the 2,200 addresses called on, 68.8% yielded a successful interview – though this increases to 75.6% when invalid addresses are discounted from the base sample. The remainder of the calls were as follows:

Interview Outcome	Number of Addresses Approached	% of Addresses Approached	% of Qualifying Households Approached
Household Interviewed			
Successful interview	1,513	68.8%	75.6%
Incomplete interview or interview failed quality control	6	0.3%	0.3%
Household Not Interviewed			
Refused to be interviewed	264	12.0%	13.2%
Not contactable	219	10.0%	10.9%
No Household Resident			
Property empty	165	7.5%	-
Non-residential or business only property	21	1.0%	-
Demolished or otherwise untraceable	12	0.5%	-
GRAND TOTAL	2,200	100.0%	100.0%

Figure 82: Summary of Interview Outcomes

Source: Blaenau Gwent Household Survey 2006

Note: Figures may not sum due to rounding

A.10 Government Guidance emphasises the importance of high response rates, and identifies an acceptable range of 60-80% (wider than the 67-75% identified in the earlier DETR Guidance). The achieved response rate of 75.6% clearly sits comfortably at the upper end of this range.

Statistical Confidence

A.11 A random sample should be representative of its population to within specified statistical limits, and (as previously noted) the Blaenau Gwent Local Housing Assessment achieved 1,513 personal interviews with households randomly selected throughout the area. The analysis for such a sample should represent the entire population of households to within $\pm 2.5\%$ points at the 95% level confidence – that is, if all households in Blaenau Gwent were interviewed, 19 times out of 20 the results would not differ by more than 2.5% points from the results for the sample.

A.12 Such error margins and levels of confidence are linked. Whilst we can be 95% confident that the overall sample is accurate to within $\pm 2.5\%$ points, we are confident that 4 times out of 5 the results will actually be within $\pm 1.6\%$ points. A further factor that influences the error margin is the split in opinion. If the result for a specific question is significantly biased to one response (e.g. if 95% of the sample stated Option A whilst only 5% stated Option B) the results will be subject to a smaller error than if there was less consensus (i.e. where both Option A and Option B are represented more equally). Whilst the achieved sample is always accurate to within $\pm 2.5\%$ points (based on the worse case scenario of a 50:50 split in opinion), the error margin reduces to $\pm 1.1\%$ points when at least 95% of respondents opt for the same option.

A.13 The level of accuracy and impact of changes in the opinion split are illustrated below, though most social research projects adopt a confidence level of 95% when reporting their findings.

Confidence Level	Opinion Split				
	50:50	75:25	90:10	95:5	99:1
MARGIN OF ERROR ±					
80% (4 times out of 5)	1.6%	1.4%	1.0%	0.7%	0.3%
90% (9 times out of 10)	2.1%	1.8%	1.3%	0.9%	0.4%
95% (19 times out of 20)	2.5%	2.2%	1.5%	1.1%	0.5%
99% (99 times out of 100)	3.3%	2.9%	2.0%	1.4%	0.7%

Figure 83: Differential Error Margins by Confidence Level and Opinion Split

A.14 Of course, the above table is based on results for the entire population. When results for individual sub-groups are considered, the error margins will increase – but to what extent will depend on the number of achieved interviews within the sub-group, as detailed below.

% of Overall Sample in Sub-sample	Opinion Split				
	50:50	75:25	90:10	95:5	99:1
MARGIN OF ERROR ± @ 95% Confidence Level					
75% of sample (1,135 cases)	2.9%	2.5%	1.7%	1.3%	0.6%
50% of sample (757 cases)	3.6%	3.1%	2.1%	1.6%	0.7%
25% of sample (378 cases)	5.0%	4.4%	3.0%	2.2%	1.0%
10% of sample (151 cases)	8.0%	6.9%	4.8%	3.5%	1.6%
5% of sample (76 cases)	11.2%	9.7%	6.7%	4.9%	2.2%

Figure 84: Differential Error Margins by Sub-Sample Size and Opinion Split

Response Bias

A.15 The confidence limits described above consider only the probability of errors arising in the figures from chance, and do not take account of other potentially more systematic errors arising from sample bias – that is, where some households are more likely to participate in the study than others.

A.16 As previously noted, interviews were achieved at 76.6% of all addresses approached – but this rate varied for different types of properties approached as detailed below.

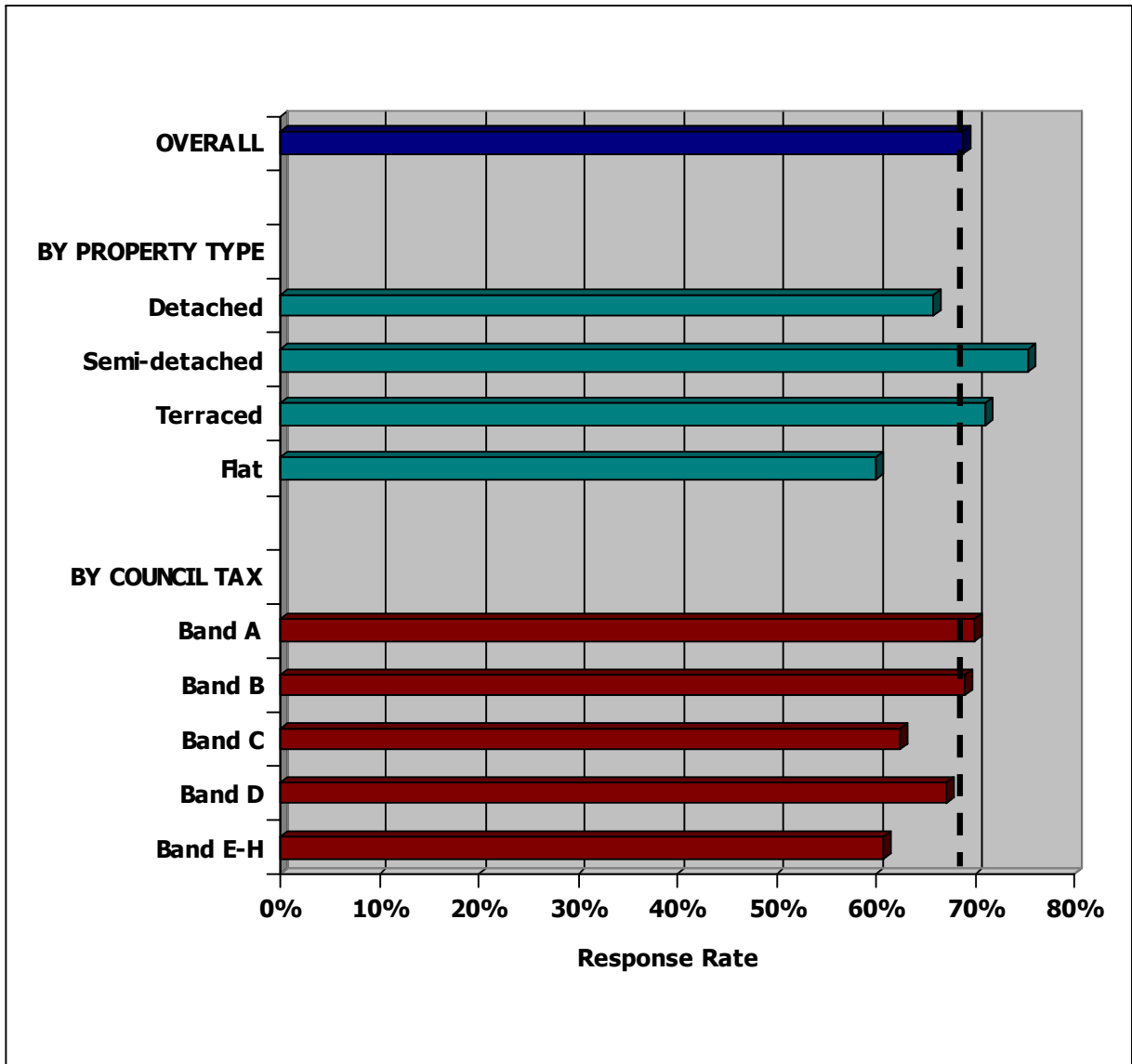


Figure 85: Response Rate by Property Type and Council Tax Band

Source: Blaenau Gwent Household Survey 2006

- A.17 To compensate for these differential response rates, a statistical weight is derived for each case on the basis of property type and council tax band to generate a weighting factor for each case.
- A.18 Whilst it isn't possible to identify further response bias in this way (insofar as no information is available about the households that were not interviewed), it is important to critically consider the profile of the achieved interviews against existing secondary data sources.

Identifying Unsuitably Housed Households

Introduction

- B.1 Housing need refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance (Bramley & Pawson, 2000). Therefore, to identify existing housing need we must first consider the adequacy and suitability of households' current housing circumstances.
- B.2 A classification of unsuitable housing, adapted from Parker and Stirling (1995): "Seen to be Fair: a guide to allocations", was presented by Bramley and Pawson (2000) in the DETR publication "Local Housing Needs Assessment: A Guide to Good Practice". The classification is sub-divided into four main categories, with a total of sixteen sub-divisions as detailed below.

Main Category	Sub-divisions
1. Homeless or with insecure tenure	<ul style="list-style-type: none"> i. under notice, real threat of notice, or lease coming to an end ii. living in temporary accommodation (e.g. hostel, B&B, with friends or relatives) iii. accommodation too expensive
2. Mismatch of household and dwelling	<ul style="list-style-type: none"> iv. overcrowded v. house too large (difficult to maintain) vi. households with children living in high flats or maisonettes vii. sharing a kitchen, bathroom or WC with another household viii. household containing person with mobility impairment or other special needs living in unsuitable dwelling (e.g. accessed via steps or containing stairs)
3. Dwelling amenities and condition	<ul style="list-style-type: none"> ix. lacks a separate bathroom, kitchen or inside WC x. subject to major disrepair or unfitness
4. Social requirements	<ul style="list-style-type: none"> xi. harassment or threats of harassment from neighbours or others living in the vicinity xii. relationship breakdown xiii. family unable to live together because of lack of accommodation xiv. need to give or receive support including living closer to family/friends xv. need to live closer to employment and/or other essential facilities xvi. want to live independently

Figure 86: Classification of Unsuitable Housing

Source: Bramley & Pawson, 2000

- B.3 Most of the identified sub-divisions concern established households and several may cause a household to need to move from one property to another, though many will not necessarily need to move if appropriate changes are made to their existing home.
- B.4 Even where a move is deemed necessary, facilitating households to relocate from one property to another will not inherently require additional homes to be provided because, whilst the characteristics of such dwellings may differ, the overall number of homes will remain the same. Nevertheless, to satisfy the needs of all households, it may be necessary to provide some additional housing with particular characteristics leaving an equivalent number of dwellings (with different characteristics) available to meet housing needs and demands from elsewhere in the market.
- B.5 Whilst the majority of sub-divisions concerning established households may not contribute directly to the additional housing requirement, households who are currently in temporary housing (group ii) and a number of sub-divisions of the social requirements category may each require additional housing provision.

Established Households in Unsuitable Housing

- B.6 Figure 86 established four main categories for identifying unsuitable housing, each with a number of sub-divisions. Whilst some of the indicators related to households currently lacking their own housing, the majority considered the circumstances of existing households.
- B.7 Information on a wide range of housing issues was collated by the Household Survey, and by drawing on information gathered throughout the questionnaire we are able to rigorously identify whether or not households' current homes are suitable for their needs. Whilst the assessment of housing suitability is based on responses to questions within the survey, many of the indicators are assessed relatively objectively on the basis of answers provided to factual questions. This is a far more sophisticated approach than relying on households identifying themselves with one or more problems selected from a "shopping list" of possibilities, and avoids households associating themselves with issues on the basis of interviewer prompts.
- B.8 Objective assessments (based upon factual information) can clearly be used in assessing issues such as households' lack of facilities. Where, for example, respondents are asked whether they have an inside WC or not. Such a factual yes/no response clearly leads to an objective assessment of the criteria.
- B.9 The measure of overcrowding and under-occupancy is also calculated objectively. The number of rooms required by a household is assessed through analysing the household profile against an agreed "bedroom & living room standard". This requirement is then set against the number of rooms available in the home. The bedroom standard used for the Redbridge study is similar as follows. It provides one bedroom for each of the following groups or individuals:
- Each adult couple;
 - Each remaining adult (aged 18 or over);
 - Each pair of children of the same gender;
 - Each pair of children aged 10 or under;
 - Each remaining child that has not been paired.

- B.10 The number of rooms required is then set against the number of bedrooms in the current home, to determine the level of overcrowding or under-occupation.
- B.11 A similar (though less complicated) assessment is used to identify children living in high rise flats – where the presence of children within the household is compared with the floor on which the household lives to determine whether or not the combination is acceptable.
- B.12 Where it is not possible to identify problems in an objective manner, subjective responses from the survey have been used. Nevertheless, these are largely responses provided in an unprompted manner to more general, open-ended questions. This avoids any bias being introduced by the interviewing process.
- B.13 A summary of the categories used to assess housing suitability from the Redbridge Household Survey data is detailed below:

Categories	Survey Analysis
1. Homeless or with Insecure Tenure	
Tenancy under notice, real threat of notice or lease coming to an end	Household wanting/having/needing to move because of end of tenancy, eviction, repossession or otherwise forced to move Or Landlord or mortgagor taking action to repossess the property or evict them because of arrears
Accommodation too expensive	Household currently in rent or mortgage arrears and currently finding housing costs extremely difficult to manage
2. Mismatch of Household and Dwelling	
Overcrowding	Size and composition of household used to assess number of bedrooms required; compared with Number of current bedrooms
Households having to share a kitchen, bathroom, washbasin or WC with another household	Household with children/pensioners; and Living in multiple occupancy dwelling; and Sharing at least one basic facility
Home too difficult to maintain	Someone in household has long-term illness and difficulty maintaining the garden; or Someone in the household has long-term illness and has problems maintaining the home
Children living in high-rise flats	Household with children aged under 16; and Living in a flat above 4th floor
Households with support needs	Someone in the household has long-term illness and has problems general mobility in the home, climbing stairs in/to the home or access to toilet facilities because of the homes layout; or Someone in the household has long-term illness and has problems with bathing or showering or preparing food because of the homes layout; or Need a carer to stay permanently or overnight and don't have space for them; or Need to move to supported housing, residential home, nursing home or hospital; or Household wanting/having/needing to move to receive care from a friend or relative

Continued...

Categories	Survey Analysis
3. Dwelling Amenities and Condition	
Dwelling Amenities and Conditions	Household having no bathroom or shower-room; or Household having no inside WC; or Household having no kitchen; or Household having no washbasin with running hot water; or Household having no heating in the home; or Household relying exclusively on portable fires or heaters; or Household experiencing serious problems (as opposed to only experiencing problems) with interior or exterior structural repairs, roof repairs or rising damp; or Household experiencing serious problems (as opposed to only experiencing problems) with two or more of the following: - Damp penetration or condensation - Window repairs - Electrical or wiring repairs - Gas supply or appliances - Heating or plumbing - Drainage problems - Repairs to gutters or down pipes
4. Social Requirements	
Harassment	Household wanting/having/needing to move because of racial or other harassment problems
Need to live closer to essential facilities	Household wanting/having/needing to move to live closer to hospital/doctor
Family reasons	Household wanting/having/needing to move because of separation from partner, to join other household members or to give care to a friend or relative

Figure 87: Classification of Unsuitable Housing

- B.14 Households are classified as being unsuitably housed if one or more of the above factors are found to apply. The households identified are considered to be living in unsuitable housing regardless of the number of problems that are identified. This avoids potential double counting.
- B.15 Although local authorities typically use points systems to score and prioritise overall needs, our analysis does not use artificial calculations to score the relative unsuitability of housing. After all, to say that some homes are more unsuitable than others does not mean that the households in the latter are not in need.

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