



Bromsgrove District Housing and Economic Development Needs Assessment 2021

**Volume 2: Housing type, mix and affordable housing
need**

For **Bromsgrove District Council**

February 2022

Important Notice

HDH Planning & Development Ltd has prepared this report (as subcontractors to Stantec) for the sole use of Bromsgrove District Council in accordance with the instructions under which our services were performed. No other warranty, expressed or implied, is made as to the professional advice included in this report or any other services provided by us. This report may not be relied upon by any other party without the prior and express written agreement of HDH Planning & Development Ltd.

Some of the conclusions and recommendations contained in this report are based upon information provided by others (including the Council and consultees) and upon the assumption that all relevant information has been provided by those parties from whom it has been requested. Information obtained from third parties has not been independently verified by HDH Planning & Development Ltd, unless otherwise stated in the report. The conclusions and recommendations contained in this report are concerned with policy requirement, guidance and regulations which may be subject to change. They reflect a Chartered Surveyor's perspective and do not reflect or constitute legal advice and the Council should seek legal advice before implementing any of the recommendations.

Certain statements made in the report may constitute estimates, projections or other forward-looking statements and even though they are based on reasonable assumptions as of the date of the report, such forward looking statements by their nature involve risks and uncertainties that could cause actual results to differ materially from the results predicted. HDH Planning & Development Ltd specifically does not guarantee or warrant any estimate or projections contained in this report.

HDH Planning & Development Ltd

Clapham Woods Farm
Keasden, Nr. Clapham
Lancaster. LA2 8ET
info@hdhplanning.co.uk
015242 51831 / 07989 975 977
Registered in England
Company Number 08555548

Issued 14th February 2022

THIS DOCUMENT HAS BEEN FORMATTED FOR DOUBLE SIDED PRINTING

COPYRIGHT

© This report is the copyright of HDH Planning & Development Ltd. Any unauthorised reproduction or usage by any person other than the addressee is strictly prohibited.



Tables of Contents

1. Introduction.....	7
Purpose.....	7
Government Guidance	8
Coronavirus	9
Local housing market boundaries	10
Housing market indicators.....	10
Conclusion.....	13
Report coverage.....	14
Stakeholder consultation	14
2. Local housing market drivers	15
Introduction	15
Demography.....	15
Ethnicity	16
Number of households.....	17
Income	18
Household income	21
Dwelling stock	21
Accommodation profile.....	22
Tenure	24
Tenure by bedroom.....	26
3. The cost and affordability of housing	27
Introduction	27
Relative prices.....	27
The cost of housing	29
Private rents.....	31
Social Rents.....	33
Affordable Rents	33
Analysis of housing market ‘gaps’.....	34
Intermediate products.....	36
Intermediate Rent / Rent-to-Buy.....	36
Shared Ownership	37
Shared Equity	38
First Homes	39
Local Housing Allowance.....	41
Affordability of housing	41
Affordability for specific household groups	42
4. Overall housing need.....	45
Step 1 – Setting the baseline	46
Step 2 – An adjustment to take account of affordability	46
Step 3 – Capping the level of any increase	47
Step 4 – Cities and urban centres uplift.....	48
Overall level of housing need.....	49
Understanding the uplift	50

5. Type and tenure of future housing needed.....	53
Introduction	53
Disaggregating the local housing need.....	53
Population profile	55
Household profile	55
Methodology of the demand model.....	57
Tenure of housing required.....	59
First Homes	59
Size of housing required within each tenure	60
6. Affordable housing need.....	65
Introduction	65
Estimate of net annual affordable housing need.....	65
Overall households in affordable housing need by type (gross).....	67
Type of affordable home required.....	67
Sensitivity analysis - affordability threshold.....	69
7. Requirements of specific groups	71
Introduction	71
Housing Needs of Older People	72
Current situation and projected growth.....	72
Future requirement	73
Specialist accommodation	74
People with disabilities	78
Number of people in receipt of relevant benefits	78
Projected health of the future population	79
Accessible and adaptable housing.....	81
Adaptations and support.....	85
Families with children	86
Current situation	86
Future requirement	87
The private rented sector (PRS)	87
Growth.....	87
Those resident in the tenure	89
Current trends.....	90
The benefit-supported private rented sector.....	92
People wishing to build their own homes	93
Park homes and houseboats	94
8. Conclusions	97
Appendix 1: Stakeholder consultation	103
Introduction	103
Stakeholder workshop.....	103
<i>Summary of discussion at event</i>	<i>104</i>
Written consultation.....	104
Appendix 2: Details of the NMSS model.....	111
Overview	111

Appendix 3: Detail of the calculation of the affordable housing need in Bromsgrove District	113
Stage 1: Current unmet gross need for affordable housing	113
Affordability	114
Total current need	115
Stage 2: Newly arising affordable housing need	116
Need from newly forming households	116
Existing households falling into need	117
Total newly arising need	117
Stage 3: Current affordable housing supply	118
Current occupiers of affordable housing in need	118
Surplus stock	118
Committed supply of new affordable units	118
Planned units to be taken out of management	118
Total current affordable housing supply	119
Stage 4: Future housing supply of social re-lets and intermediate affordable housing ...	119
The future supply of Social/Affordable Rented housing	119
Supply of intermediate housing	120
Annual future supply of affordable housing	120
 Appendix 4: Evidence to support the affordability threshold used in the report	 123
The affordability threshold	123
Quantitative analysis	123
Qualitative research	123
Conclusion	124
 Appendix 5: Accounting for the home office requirement.....	 125



1. Introduction

Purpose

- 1.1 Bromsgrove is a district in the West Midlands to the south of Birmingham, with which it has historically strong links. These links are continued with rail and road links that allow quick access into the city and the rest of the region. Bromsgrove Town is the largest settlement in the district and whilst there are a number of other villages and smaller settlements, a notable portion of the district is rural.
- 1.2 Bromsgrove District Council is currently carrying out a comprehensive Local Plan review both in response to the PPG requirement to review plans in whole or in part every five years, and to the specific commitment in the adopted Bromsgrove District Plan (2017) to undertake a full Green Belt Review within an early Local Plan Review. The review is considering the level and locations of growth to be accommodated in Bromsgrove District. As part of this review process, the Council has commissioned this new Housing and Economic Development Needs Assessment (HEDNA) to ensure that the local economy can grow as envisaged and provide evidence that will support housing and employment policies that will deliver the right types of development through the new Local Plan to meet local economic and demographic need, including affordable housing and the requirements for older people. This means identifying the suitable mix of new housing within the new homes the Council is intending to deliver during the plan-period.
- 1.3 The study is being reported in two volumes. Volume 1 covers total housing numbers, together with the economy, labour market alignment and employment land. This document, Volume 2 looks at housing in more detail, considering the mix and tenure of new homes needed – including unit sizes, numbers of affordable homes and special groups such as the elderly. This report provides this detail for the Council and presents evidence for the comprehensive Local Plan review to enable the formulation of suitable housing policies. The information presented in this report complies with the current Government guidance on undertaking these studies as set out in the 2021 National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG)¹, as described below.

¹ The latest iteration of the PPG before the report was finalised was the version as at 24th May 2021. The report has been written so that it responds to the PPG as at this date.

Government Guidance

- 1.4 In February 2019, the NPPF was updated, and the new PPG published², which theoretically ended a period of considerable change in the planning system and in the wider development industry. Paragraph 35 (a) of the NPPF requires that plans are positively prepared. The NPPF was further updated on the 20th July 2021, these recent changes made are not material to this report. As a minimum, the NPPF requires strategic policies to provide for objectively assessed needs for housing. This carried forward the requirements under the 2012 NPPF and concerns the overall housing requirement.

60. To support the government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

62. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

Paragraphs 60 to 62 – 2021 NPPF

- 1.5 The requirement for housing is derived through the Standard Method and is then disaggregated into the different types of housing the future population will need. Following which, an assessment of the number of households in need of affordable housing must be undertaken. In essence the first output³ required by the NPPF, for a study of this type, is to disaggregate the new housing number as derived through the Standard Method. The second task is the assessment of Affordable Need, and the final task is the understanding of the needs of groups with specific housing requirements.
- 1.6 The NPPF outlines how a Local Housing Need Assessment fits into the wider housing policy framework and the PPG sets out how the various elements of a Local Housing Need Assessment should be undertaken, including detailing a comprehensive model for the assessment of affordable housing need (Chapter 6 of this report). The affordable housing

² It should be noted that subsequently the PPG on housing needs assessments was divided into three different elements; 'housing and economic needs assessments', 'housing needs of different groups' and 'housing needs of older and disabled people'. This report contains the information that meets the requirements within each of these.

³ Before this is done it is necessary to profile the local housing market and socio-economic situation, to ensure that the subsequent outputs have a meaning in a local situation. However there are no outputs required within the NPPF from this contextual study.

need figure is an unconstrained figure set in the current housing market situation. It is not a component of the overall housing need, but is entirely independent, calculated using a different approach and different data sources.

- 1.7 This HEDNA includes a Long-Term Balancing Housing Markets (LTBHM) model (Chapter 5 of this report) which breaks down the overall housing need into the component types (tenure and size) of housing required. Whilst both the Affordable Needs model (Chapter 6) and the LTBHM model (Chapter 5) produce figures indicating an amount of affordable housing required, they are not directly comparable as, in line with the PPG, they use different methods and have different purposes. The affordable housing need figure is calculated in isolation from the rest of the housing market and is used solely to indicate whether a Local Planning Authority should plan for more houses where it could help meet the need for affordable housing⁴. The figure produced by the LTBHM model is based on the population projections and occupation patterns of household groups (considering the trends in how these occupation patterns are changing). This is the mix of housing for which the authority should be planning. How these figures should be used in Bromsgrove District, is summarised at the conclusion of this report, in Chapter 8.
- 1.8 On 16th December 2020, the Government revised the Standard Method calculation⁵. This has resulted in the slight modification to the Standard Method originally set out, with the guidance in the PPG detailing how the Standard Method is updated to reflect this. This report has followed the approach set out in the PPG (as revised on 16th December 2020). On 24th May 2021 the Government published detail on First Homes and their implementation⁶, after a period of consultation on the concept in the second half of 2020. This report assesses the likely requirement for First Homes as part of the housing mix required to accommodate the future population.

Coronavirus

- 1.9 This assessment has been carried out during the coronavirus pandemic. The coronavirus (COVID-19) was reported in China, in December 2019 and was declared a pandemic in March 2020. The majority of the data sources utilised in this report were released within the last year and include data collated prior to the pandemic. This means that the results produced reflect

⁴ The following High Court Judgements are relevant. Satnam Millennium v Warrington BC [2015] EWHC 370 (Admin), Oadby and Wigston v Bloor Homes [2015] EWHC 1879 (Admin), Housing market area Council of King's Lynn and West Norfolk v Elm Park Holdings Ltd [2015] EWHC 2464 (Admin), Jelson Ltd v Hinckley and Bosworth Housing market area Council [2016] EWHC 2979 (Admin).

⁵ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

⁶ <https://www.gov.uk/guidance/first-homes>

the normal housing market in Bromsgrove District and the recommendations will inform the suitable responses to the normal market.

- 1.10 The lockdown periods have seen a significant change to normal society (including travel restrictions, a higher mortality rate, different working conditions, the loss of jobs and different consumer behaviour). The impact of these changes on the housing market will not be understood for some time and it is difficult to predict what the long-term consequences will be, which could be far-reaching or relatively minimal. Until the Government indicates otherwise, the NPPF and PPG remain the documents that advise how local housing need assessments should be undertaken, this report therefore follows these documents and produces the outputs that they indicate are required.
- 1.11 There are real material uncertainties around the values of property, and therefore the costs of housing, that are a direct result of the COVID-19 pandemic. It is not the purpose of this assessment to predict what the impact may be and how long the effect will be. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that the Council keeps the assessment under review.

Local housing market boundaries

- 1.12 Chapter 4 of Volume 1 of this report considers the latest data on commuting flows and migration trends in Bromsgrove District, to establish what this indicates about the extent of the housing market that the district operates in. This concludes that Bromsgrove district is part of the Greater Birmingham and Black Country Housing Market Area, with very strong linkages with Birmingham City, which is immediately to the north of the district.

Housing market indicators

- 1.13 It is useful to compare the price of housing in Bromsgrove District with the authorities closest to it to see the similarities and differences between the housing markets in the area. The table below presents the average property price for dwellings sold in Bromsgrove District and the surrounding authorities in 2020, presented in descending order by overall average price. The table shows the overall average price of homes sold as well as the average for each dwelling type categorised by the Land Registry. Although 2020 was an unusual year because the coronavirus pandemic had a dramatic effect on society, in mid-2021 it is clear that a return to a pre-pandemic situation is still some way off, with continued restrictions on everyday life and, as such, the housing market and wider economy remain impacted. The use of data from 2020 therefore better reflects current market conditions, rather than data from prior to the pandemic.
- 1.14 It should be noted that a stamp duty holiday was introduced in July 2020 to help buyers affected by the coronavirus pandemic. This holiday meant that stamp duty was not required on the first £500,000 of the price of a home. This stamp duty holiday finished at the end of September 2021. The published data for 2020 and 2021 suggests that the stamp duty holiday had a negligible effect on prices. The stamp duty holiday did cause a slight increase in sales levels after a notable initial downturn at the start of the pandemic, however sales levels remained lower than pre-pandemic levels in Bromsgrove district.

- 1.15 The table indicates that the prices of homes in Bromsgrove District are higher than in most of the other areas profiled, with only those in Stratford-on-Avon and Solihull being more expensive. Prices in Solihull are closest to those in Bromsgrove District with Wychavon the next most similar in price. Prices in Dudley are cheapest followed by Birmingham, Redditch and Wyre Forest. Prices in South Staffordshire are in the middle of the range presented.

Table 1.1 Average property prices in 2020 in Bromsgrove District and surrounding authorities					
Location	Detached	Semi-detached	Terraced	Flat	Overall average price
Stratford-upon-Avon	£538,889	£315,876	£277,043	£205,046	£396,814
Solihull	£538,742	£309,805	£239,218	£185,425	£347,763
Bromsgrove	£477,092	£288,213	£242,534	£155,029	£343,766
Wychavon	£425,182	£258,093	£222,433	£144,175	£326,094
South Staffordshire	£372,609	£215,125	£197,512	£128,711	£278,379
Wyre Forest	£362,423	£202,538	£167,243	£117,796	£234,864
Redditch	£333,635	£218,074	£177,698	£118,252	£234,292
Birmingham	£463,240	£234,648	£184,188	£162,800	£228,934
Dudley	£306,290	£192,590	£160,964	£104,223	£206,470

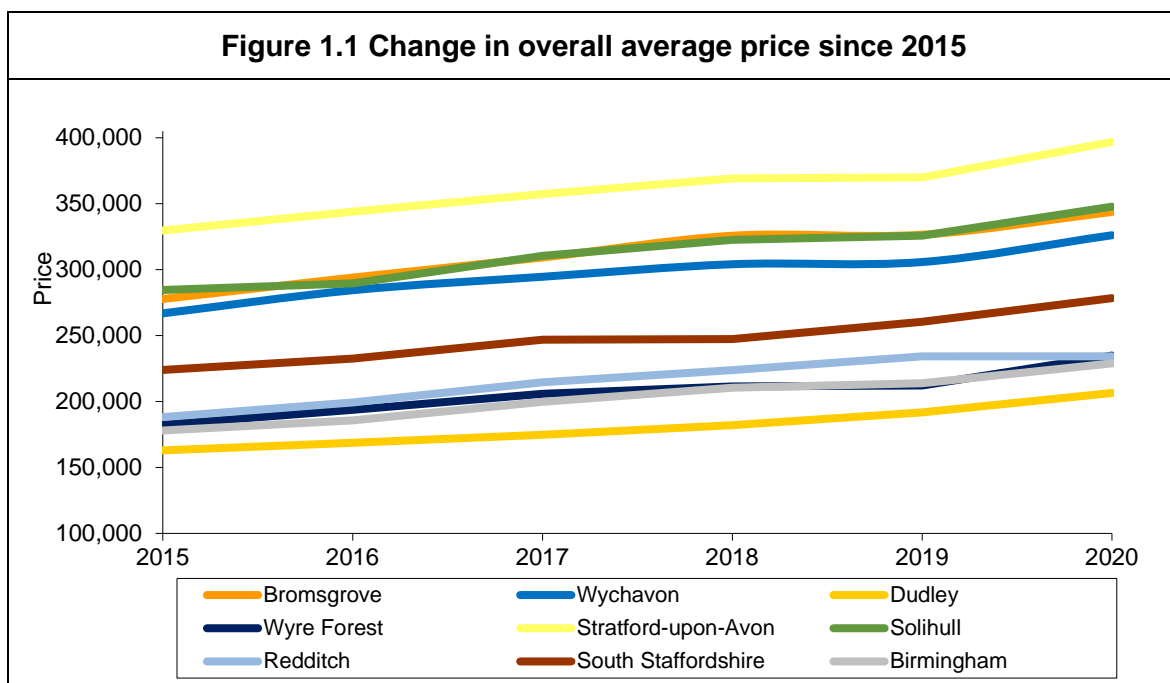
Source: Land Registry

- 1.16 The table below shows the distribution of sales by property type in each of these areas in 2020, which allows comparison of the profile of dwelling stock in each authority. The data indicates that in Bromsgrove District sales of detached and semi-detached houses are most common and sales of flats are least frequent. The data implies that South Staffordshire is the authority with the accommodation profile most similar to Bromsgrove District followed by Stratford-on-Avon and Wyre Forest, with Birmingham recording a profile of property sales that is most distinct.

Location	Detached	Semi-detached	Terraced	Flat	Total sales
Bromsgrove	39.2%	34.5%	18.9%	7.4%	1,242
Wychavon	49.3%	26.4%	17.0%	7.3%	1,576
Dudley	24.7%	44.2%	23.4%	7.7%	3,103
Wyre Forest	30.1%	36.0%	26.1%	7.8%	1,036
Stratford-upon-Avon	44.6%	26.5%	18.9%	10.0%	1,699
Solihull	29.7%	38.9%	17.0%	14.4%	2,333
Redditch	31.9%	31.2%	27.3%	9.6%	929
South Staffordshire	44.3%	34.7%	16.9%	4.1%	1,097
Birmingham	11.0%	35.5%	35.7%	17.8%	8,252

Source: Land Registry

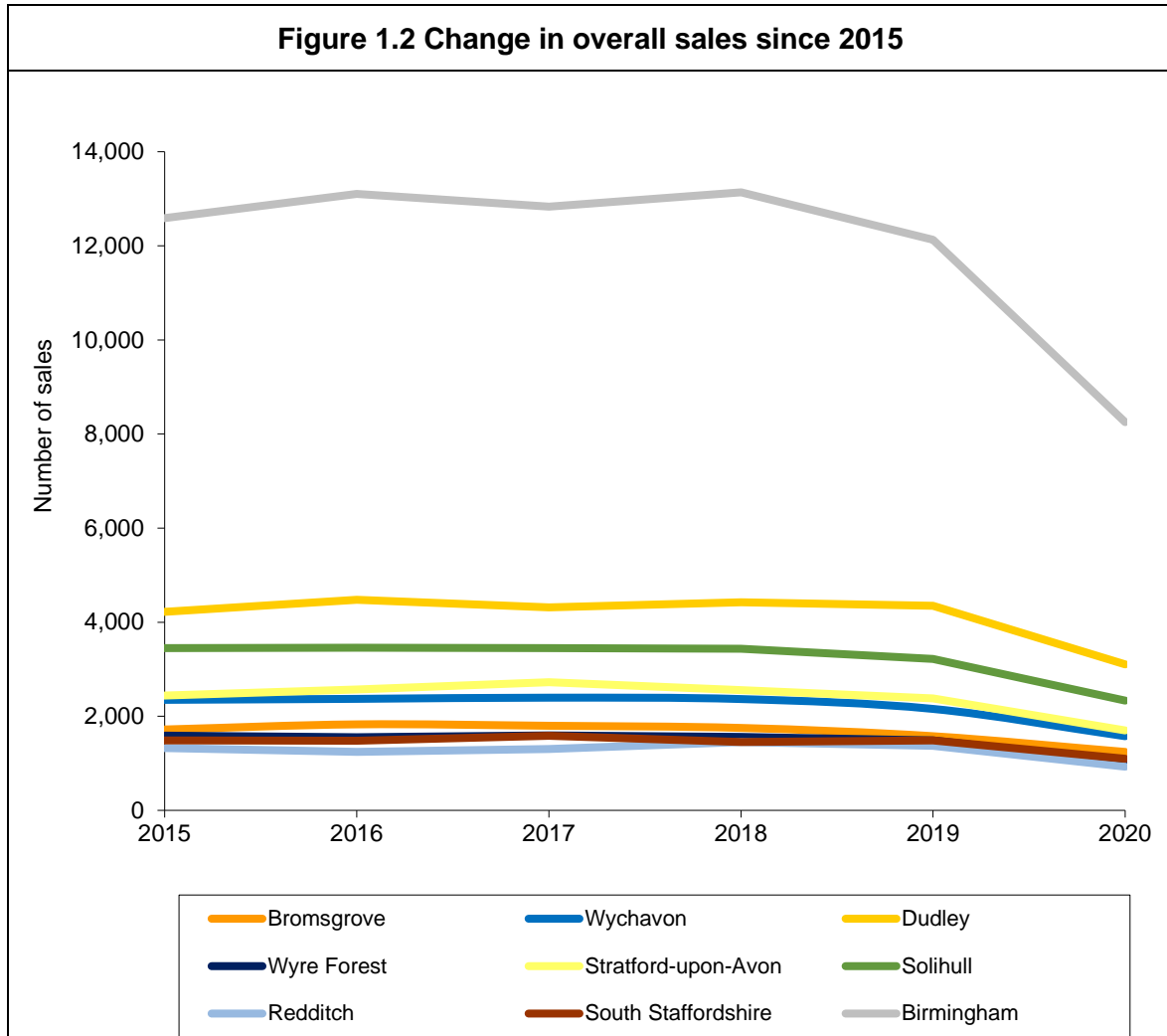
1.17 The figure below shows the change in average overall property price in each authority area over the last five years. The figure shows that prices have continued to rise steadily in all areas, however over the last five years average prices have increased the most in Wyre Forest (28.7%) and Birmingham (by 28.6%) and the smallest increase has been recorded in Stratford-on-Avon (20.4%). Prices in Bromsgrove District have risen by 23.8% between 2015 and 2018, which is most similar to the price rises in South Staffordshire (24.3%) and Redditch (24.5%).



Source: Land Registry

1.18 The figure below shows the change in the number of property sales in each authority area over the last five years. In most areas the number of sales had begun to fall in 2019 before dropping more substantially in 2020 in response to the coronavirus pandemic. Wyre Forest

has recorded the largest fall in sales (a 34.7% decrease), with Birmingham recording the next largest fall at 34.4%. South Staffordshire recorded the smallest fall in sales over the five-year period (26.3%), followed by Dudley (26.5%). Bromsgrove District recorded a decrease of 27.7%, most similar to the figure recorded in Dudley.



Conclusion

1.19 Bromsgrove District has logically been identified as being part of the Greater Birmingham and Black Country Housing Market Area and the analysis presented in the volume 1 HEDNA report justifies this position. Whilst Bromsgrove District is part of this identified wider housing market, it is appropriate to undertake this study in separation from the other authorities, because of the separate local plan timetable it is operating under and the distinct nature of the geography of the district. This approach aligns with what is suggested in the PPG.



Report coverage

1.20 This report is focused on detailing the amount of new housing required over the plan period in Bromsgrove District, the size and tenure of housing that would be most suitable for the future population, the housing requirements of specific groups of the population and the level of affordable housing need that exists in the district. The report contains the following:

Chapter 2 presents an examination of the latest data on the labour market and the resident population and a profile of the housing stock in Bromsgrove District and the changes that have occurred within them.

Chapter 3 contains a detailed analysis of the cost of property in Bromsgrove District and the affordability of the different forms of housing for residents.

Chapter 4 Paragraph 008 of the PPG indicates that '*Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process*⁷.' The chapter sets out the calculation of the local housing need figure for the district.

Chapter 5 disaggregates the local housing need to show the demographic profile of the future population in the district. The chapter uses this information to produce an analysis of the nature of future housing required within the long-term balancing housing markets model (LTBHM).

Chapter 6 sets out the calculation of outputs for the affordable housing needs model strictly in accordance with the PPG approach. The chapter identifies both the type of households in housing need and the tenure of affordable housing that would meet this housing need.

Chapter 7 contains an analysis of the specific housing situation of the particular sub-groups of the population identified within the NPPF.

Chapter 8 is a conclusion summarising the implications of these results.

Stakeholder consultation

1.21 To help disseminate the purpose of this work and ensure the accuracy of this report (and the assumptions used), stakeholders' views have been sought through the development of this study. A consultation event was held on 3rd June 2021, and written comments requested. This process is documented in Appendix 1.

⁷ Reference ID: 2a-008-20190220

2. Local housing market drivers

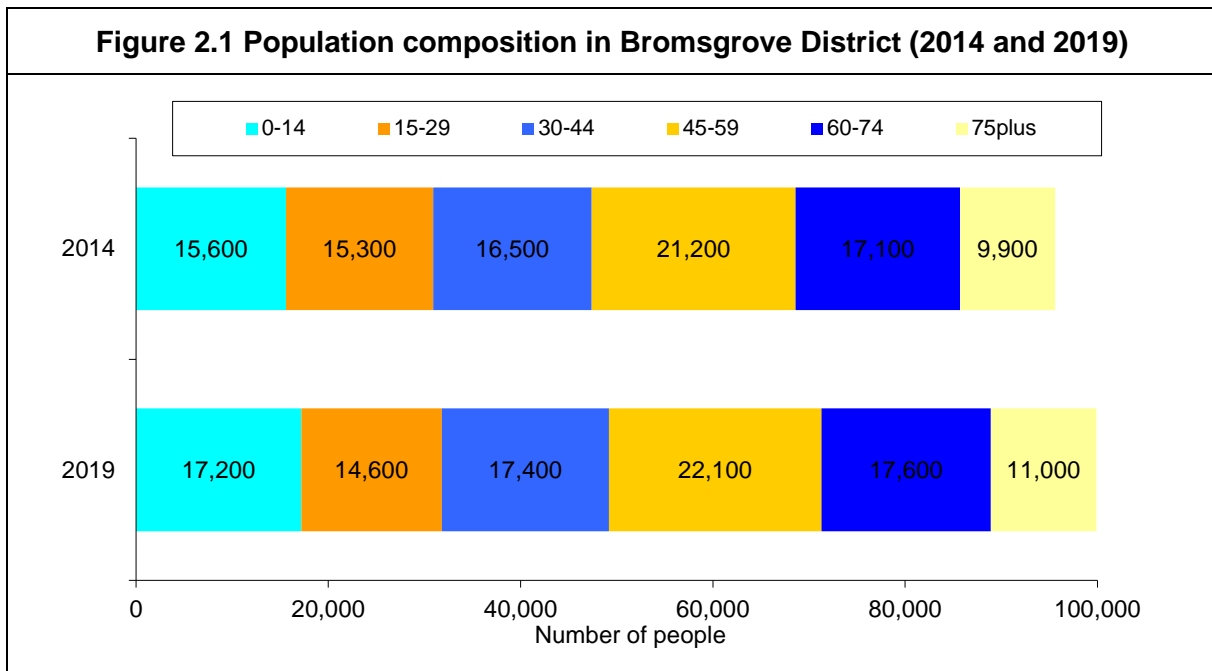
Introduction

- 2.1 Two main drivers of the housing market are the resident population and the local labour market. They affect the nature of housing demand, including household formation rates and households' investment in housing. This socio-economic situation is important context to be understood before the level of housing need is calculated. The first part of this chapter uses the most recently available data to document the current demographic profile in Bromsgrove District and how it has changed. The current labour market conditions are discussed in Chapter 4 of Volume 1 of this report.
- 2.2 Analysis of the stock of housing allows an understanding of the current market balance and existing occupation patterns. A range of data sources, including the 2011 Census, are used to provide an overview of the housing stock in Bromsgrove District and a comparison to the regional and national situation will be presented where the data is available.

Demography

- 2.3 The 2019-based population estimates produced by the ONS show the age profile of the population in Bromsgrove District and how it has changed over the last 5 years. These population estimates indicate that the resident population in Bromsgrove District in 2019 was 99,900, and that since 2014 the population had increased by 4.5%, around 4,300 people. In comparison, the population of the West Midlands region increased by 3.6% over the same period, whilst the population of England grew by 3.9%.

2.4 The figure below illustrates the age composition of the population in Bromsgrove District in 2014 and 2019 according to the latest population estimates. The data shows that since 2014 the number of people aged 75 or over has markedly increased in the district. In contrast, the number of people aged between 15 and 29 has decreased. The 2019-based population estimates indicate that the median age in Bromsgrove District in 2019 was 45.5, whilst for the West Midlands the figure was 39.6, and across England it was 40.0.



2.5 The population density in Bromsgrove District in 2017 was 460 people per sq. km according to the 2019-based population estimates, similar to the figure for the region (457 people per sq. km) but higher than that recorded for England as a whole (432 people per sq. km).

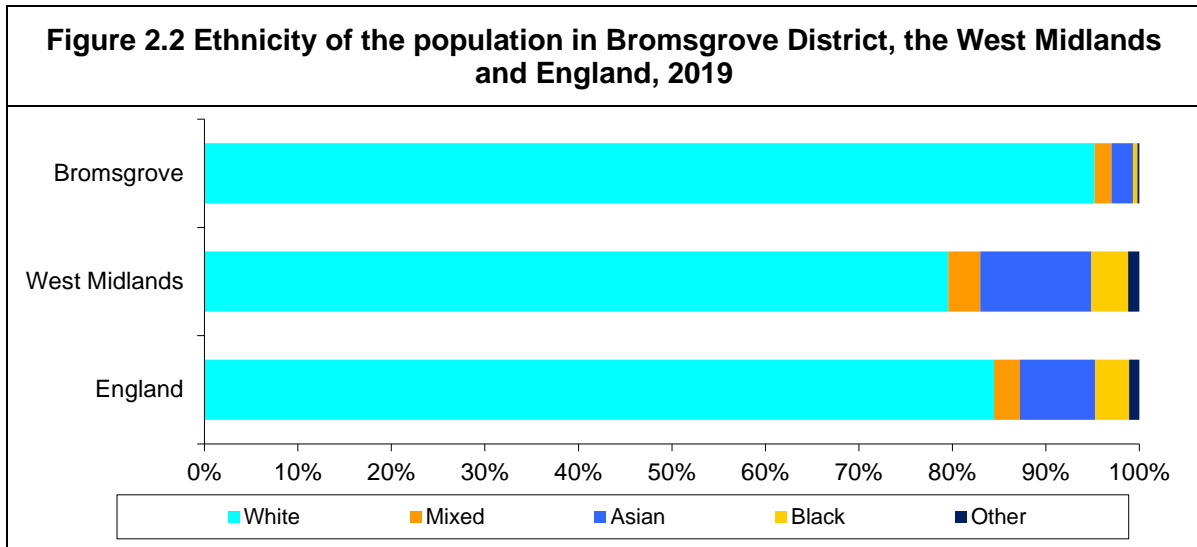
Ethnicity

2.6 The ONS has published estimates on the ethnicity of the population in local authorities across England that were produced in response to a specific request. The figures are consistent with the mid-year local area population estimates, however ONS notes that these figures should be treated with caution as they have not been produced using methods which have undergone formal Quality Assurance. These figures do however provide the most up-to date profile of the ethnicity of the population at different geographies across the country. The figure below shows the estimated ethnicity in Bromsgrove District in 2019, alongside regional and national equivalents.

2.7 These estimates suggest that 4.8% of the total population in Bromsgrove District in 2019 was from a Black, Asian or Minority Ethnic (BAME) group, which was lower than both the regional figure (20.1% in the West Midlands), and the national figure (15.5% in England). The figure below presents the ethnicity of the population in Bromsgrove District in 2019. The Asian or



Asian British represents the largest BAME group in the district (comprising 2.3% of total population).



Source: Office of National Statistics, 2019

2.8 The 2019-based population estimates indicate that in 2019, just 0.2% of the population of Bromsgrove District had been resident in the UK for less than a year, compared to 0.8% in the West Midlands region and 1.0% across England.

Number of households

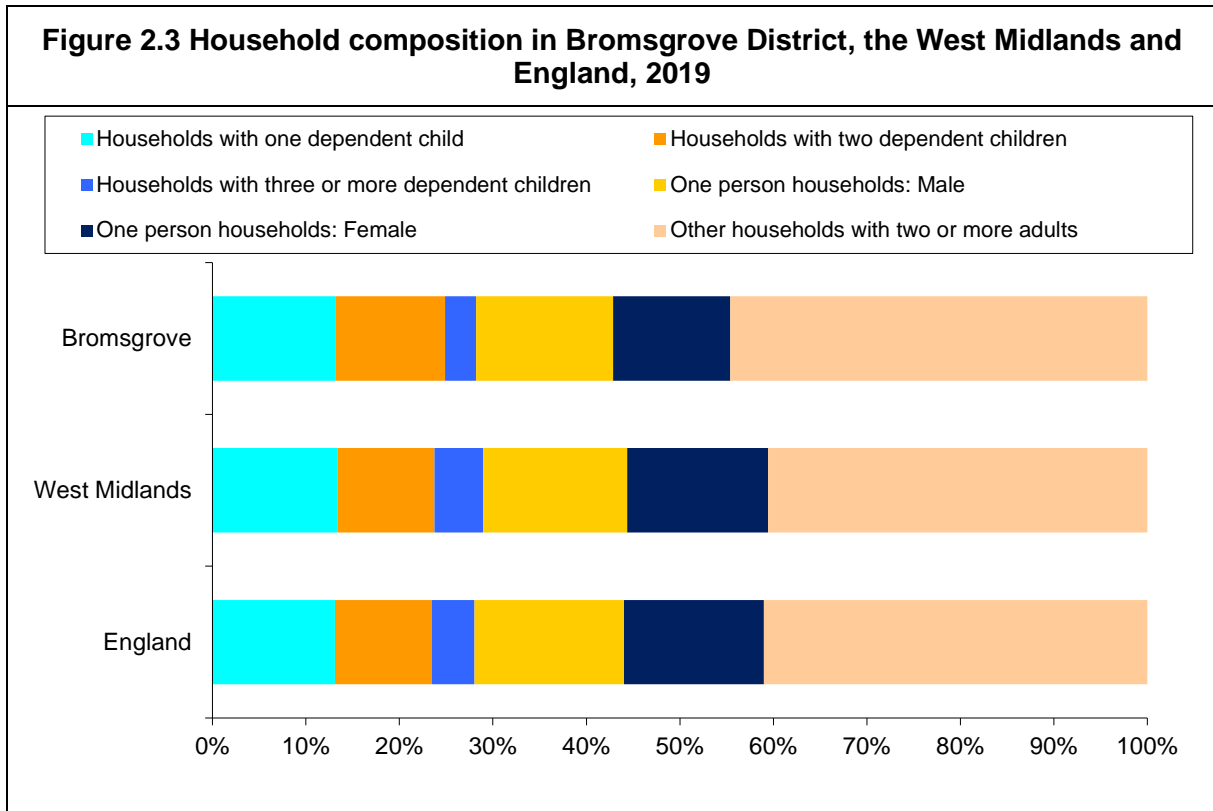
2.9 The 2018-based household projections indicated that the number of households in Bromsgrove District has increased by 6.0% since 2014, reaching 41,070 households in 2019. This compares to the regional average of 4.0% and the national figure of 3.9%. In Bromsgrove District, the household population has increased at a notably slower rate than the number of households between 2014 and 2019, resulting in a falling average household size, as is illustrated in the table below. However, at both a regional and a national level, the number of households has risen at the same rate as the population in households and the average size of households has remained unchanged.

Table 2.1 Change in average household size between 2014 and 2019		
<i>Location</i>	<i>Average household size in 2014</i>	<i>Average household size in 2019</i>
Bromsgrove District	2.38	2.34
West Midlands	2.41	2.41
England	2.37	2.37

Source: Mid-year population and household estimates

2.10 The figure below compares the household composition in Bromsgrove District in 2019 with that recorded for the West Midlands region and England. The data indicates that there are

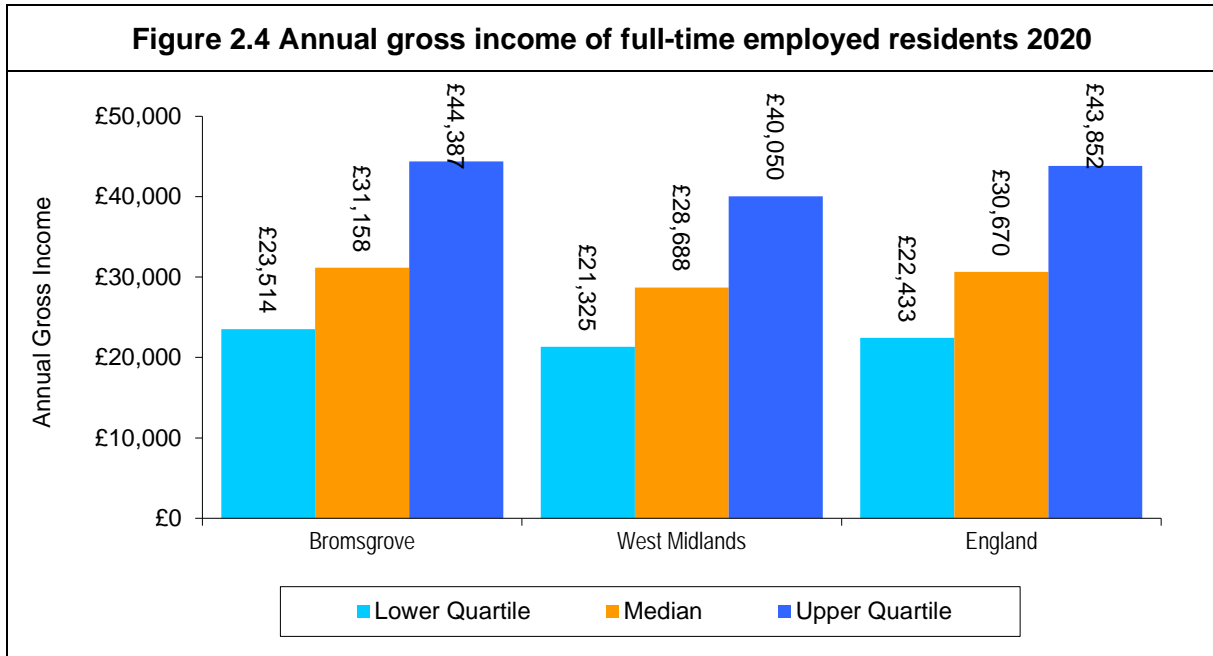
fewer single person households and more other households with two or more adults in Bromsgrove District than are recorded regionally and nationally.



Income

2.11 Income has a core effect on the level of choice a household has when determining their future accommodation. The mean earned gross income for full-time employees resident in Bromsgrove District in 2020 was £38,152, according to the ONS Annual Survey of Hours and Earnings. In comparison, the regional figure was £33,971 and the national average was £37,341. It is important to note that these figures assess individual incomes rather than household incomes. It should also be noted that the median figures (set out in the figure below) provide a more accurate average than the mean figures as they are less influenced by extreme values, however the mean figures are presented for context.

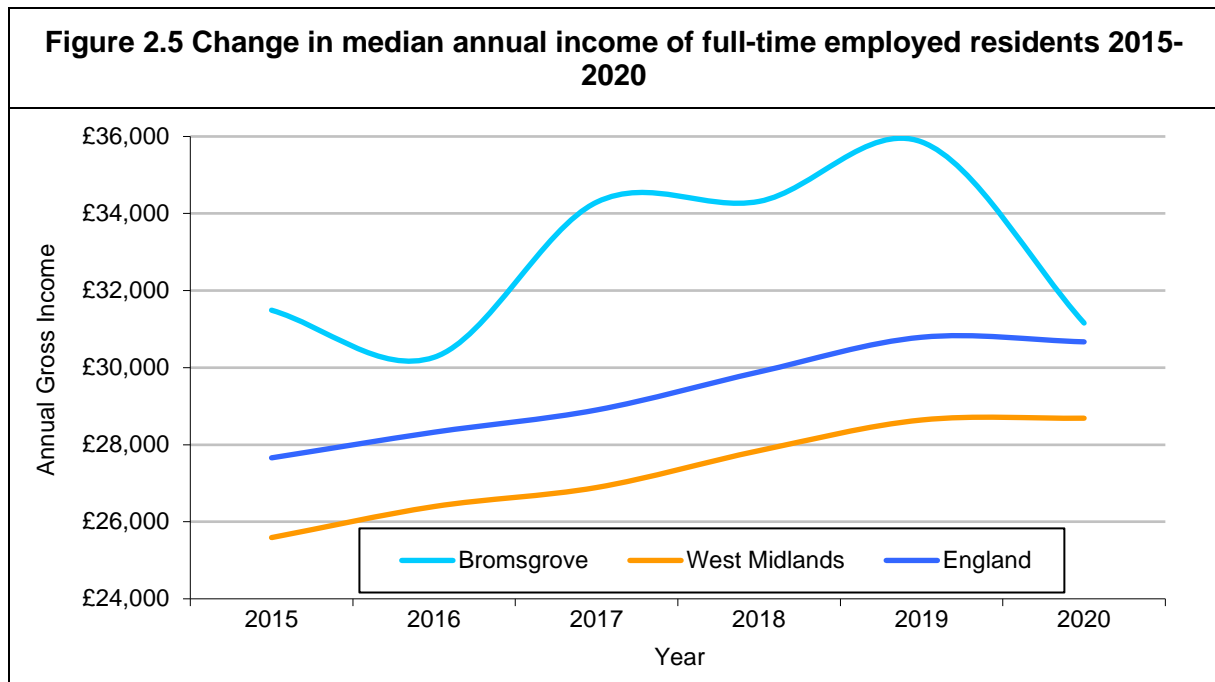
2.12 The figure below shows that, at all points on the distribution, annual gross incomes in Bromsgrove District are higher than the regional and national equivalents. In Bromsgrove District there is a relatively small difference between higher earners and lower earners (in comparison to nationally).



Source: ONS Annual Survey of Hours and Earnings (2020)



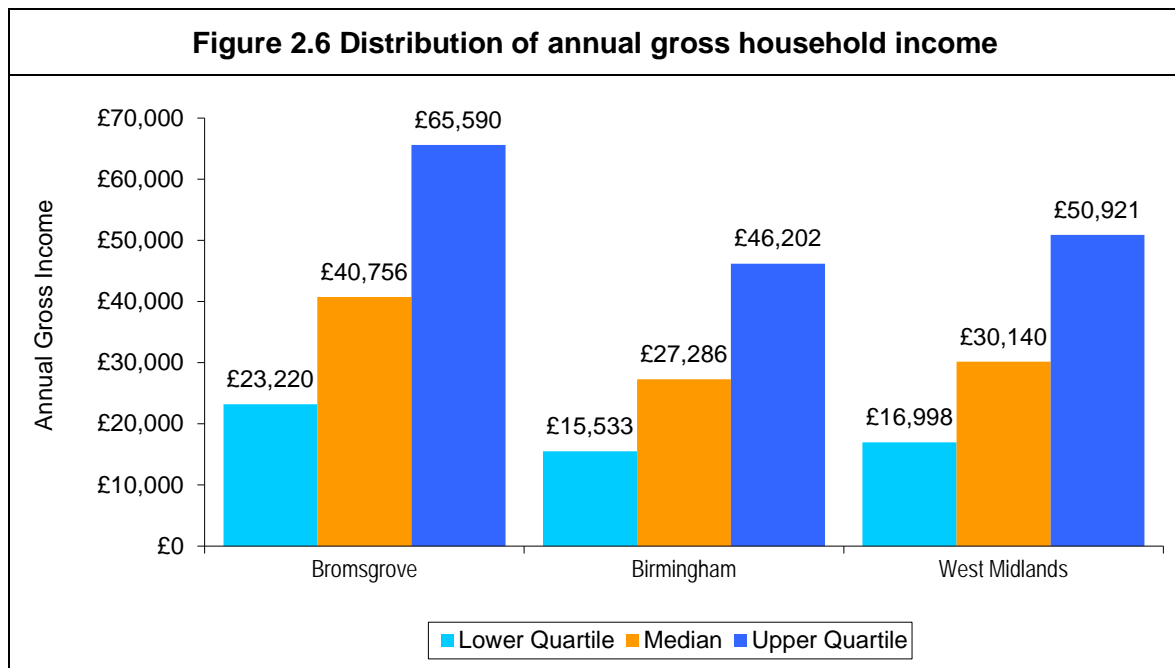
2.13 The figure below shows the change in the median income of full-time employees resident in Bromsgrove District, the West Midlands region and England since 2015. Bromsgrove District has recorded a notable decrease in the last year, which has not been recorded in the other areas as distinctly, although the figures for the district are based on a small sample so are more prone to annual change than the regional and national equivalents. This has had a dramatic impact on the overall five-year trend; the median annual income of full-time employed residents in Bromsgrove District has reduced by 1.1% between 2015 and 2020, whilst in the West Midlands the figure has increased by 12.1% and across England it has grown by 10.9%.



Source: ONS Annual Survey of Hours and Earnings (2015-2020)

Household income

2.14 CACI Paycheck⁸ estimates that the mean gross annual household income in Bromsgrove District is £48,545, which is 45.5% above the equivalent for the West Midlands (£37,870), it is also notably higher than the figure for Birmingham City (£34,527). The figure below shows household income at various points on the income distribution for the district alongside the Birmingham and regional equivalents. The data indicates that households in Bromsgrove District are significantly more affluent than households in Birmingham and the West Midlands at all points on the income distribution.



Dwelling stock

2.15 The latest Ministry of Housing, Communities and Local Government (MHCLG) live tables⁹ indicates that there were 41,644 dwellings in Bromsgrove District in 2019, and that, over the last five years, the number of dwellings had increased by 4.3%, over 1,700 properties¹⁰. In comparison, the dwelling stock in the West Midlands region increased by 4.2% between the 2014 and 2019, whilst the dwelling stock of England increased by 4.5%.

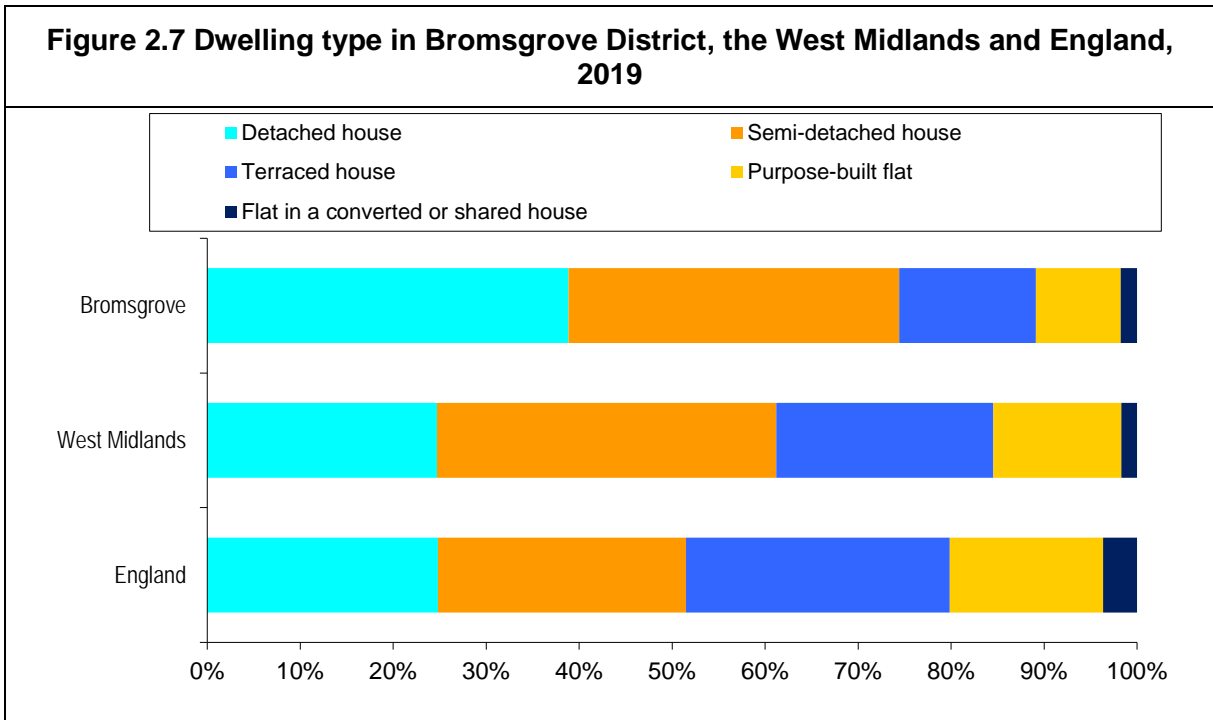
⁸ CACI is a commercial company that provides households income data.

⁹ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

¹⁰ This figure tallies with the number of new dwellings recorded over the same period by the Council within its Annual Monitoring Reports (1760).

Accommodation profile

2.16 The figure below compares the type of accommodation in Bromsgrove District in 2019 with that recorded for the West Midlands region and England. Bromsgrove District contains more detached and semi-detached houses than the regional and national averages. The district contains notably fewer terraced house and flats than is found across the region and nationally.



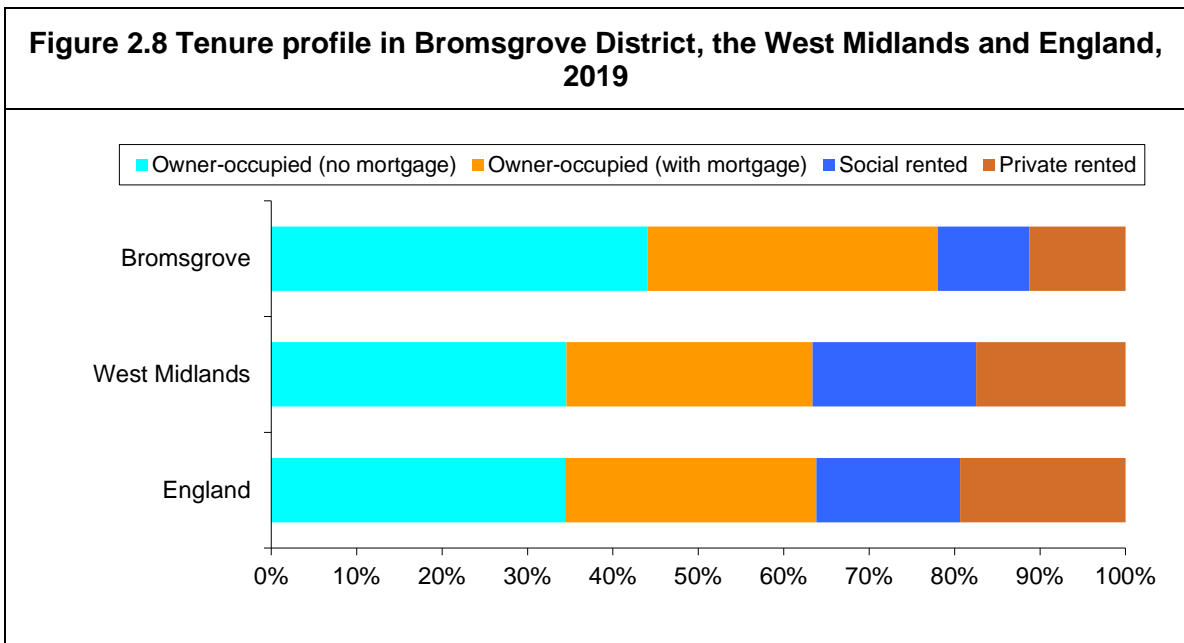
2.17 The table below compares the size of accommodation (in terms of rooms) in Bromsgrove District, the West Midlands region and England. The table indicates that Bromsgrove District has a greater proportion of larger homes (homes with 6 or more rooms) and fewer smaller dwellings (four or fewer rooms) than the West Midlands region and England as a whole. Overall, over 40% of all dwellings in Bromsgrove District have seven or more rooms.

Table 2.2 Size of dwelling stock in Bromsgrove District, the West Midlands and England, 2019			
<i>Property size*</i>	<i>Bromsgrove District</i>	<i>West Midlands</i>	<i>England</i>
2 or fewer rooms	1.0%	1.9%	0.7%
3 rooms	6.6%	8.9%	9.4%
4 rooms	12.9%	17.4%	22.7%
5 rooms	18.9%	25.1%	28.7%
6 rooms	19.8%	20.5%	19.2%
7 rooms	15.8%	11.4%	10.3%
8 or more rooms	25.1%	14.7%	9.1%
Total	100.0%	100.0%	100.0%

*The number of rooms available excludes utility rooms but does include bathrooms and kitchens. Source: Survey of English Housing 2019, modelled 2011 Census data

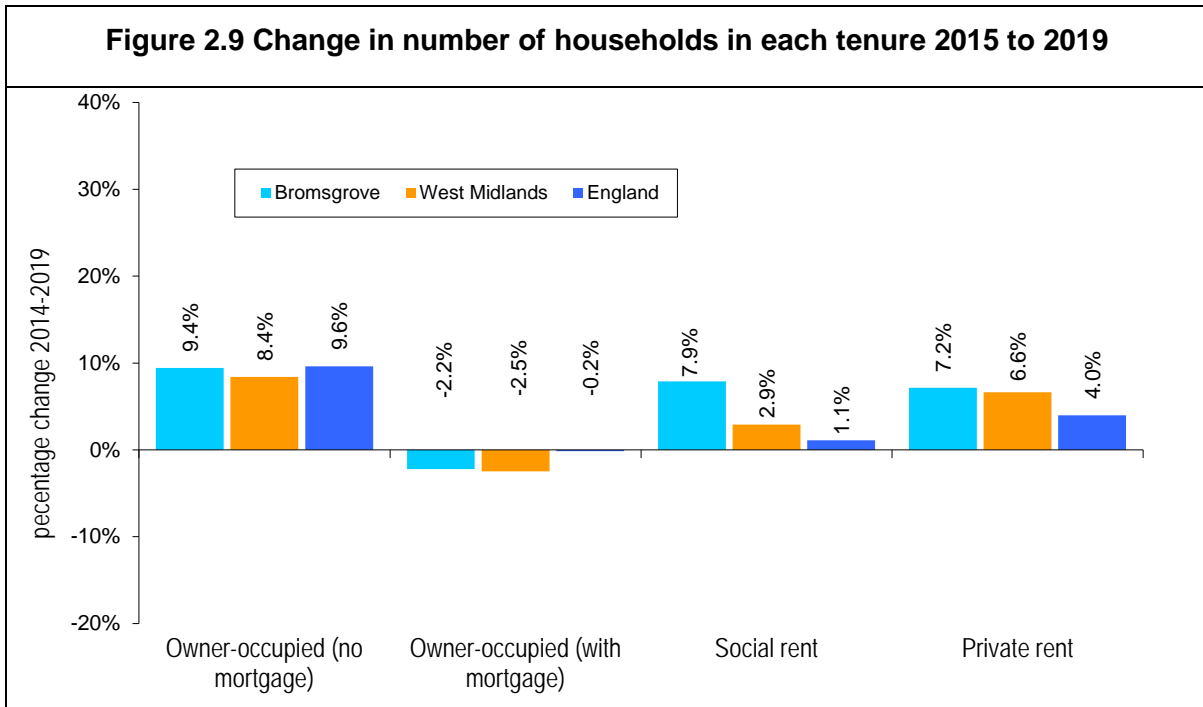
Tenure

2.18 The figure below compares the tenure of households in Bromsgrove District in 2019 with that recorded for the West Midlands region and England. The data indicates that 44.0% of households in the district are owner-occupiers without a mortgage, compared to 34.6% in the region and 34.4% nationally. The proportion of owner-occupiers with a mortgage in Bromsgrove District (34.0%) is also higher than both the regional (28.8%) and national average (29.4%). Some 10.8% of households in Bromsgrove District are resident in the Social Rented sector, lower than the figure for the West Midlands region (19.1%) and the national average (16.8%). This reflects a low level of affordable housing being built in the area rather than a dramatic loss of stock through Right-to-Buy. Finally, some 11.2% of households in Bromsgrove District live in private rented accommodation, compared to 17.5% in the West Midlands region and 19.3% across England.



Source: Survey of English Housing 2019, modelled 2011 Census data

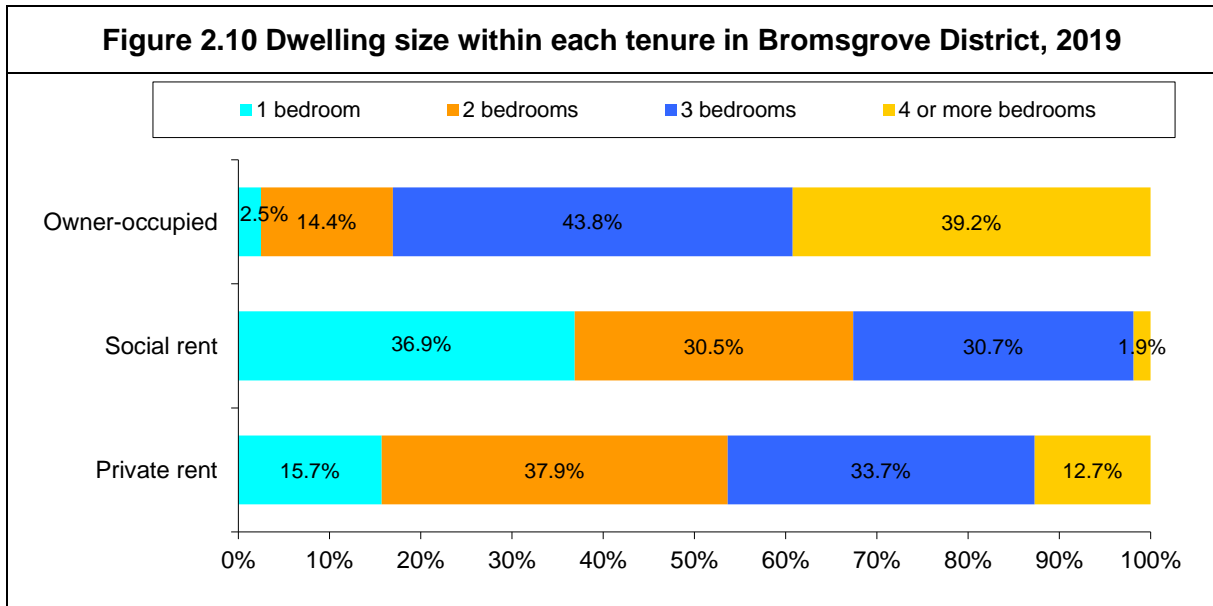
2.19 The figure below shows the change in the size of each tenure between 2015 and 2019. The figure shows that in all areas the number of owner-occupiers with no mortgage has increased dramatically and the private rented sector has also grown. In comparison, the number of owner-occupiers with a mortgage has decreased. Nationally and regionally the Social Rented sector has recorded a small growth, however in Bromsgrove this growth has been more pronounced (partly reflecting the low level of Social Rented stock in the district historically).



Source: Survey of English Housing 2019, modelled 2011 Census data

Tenure by bedroom

2.20 Finally, it is useful to understand the size of accommodation within each tenure as recorded in the LTBHM model (discussed further in Chapter 5). This is shown in the figure below. The data indicates that in Bromsgrove District, rented accommodation is smaller on average than owned dwellings. This pattern is common across the country and reflects the profile of dwellings built in each sector alongside the size of homes lost from the affordable stock through Right-to-Buy rather than the aspirations of those in the different tenures.



3. The cost and affordability of housing

Introduction

- 3.1 An effective local housing need assessment is founded on a thorough understanding of local housing – what it costs and how this varies. This chapter initially considers the cost of market housing in Bromsgrove District in a regional and national context. Subsequently, it assesses the entry-level costs of housing across the district. A comparison of the cost of different tenures will be used to identify the housing market gaps that exist and the suitability of different intermediate products to fill these gaps. Finally, the chapter will report on the affordability of housing for different groups of the population currently.

Relative prices

- 3.2 The table below shows the average property price by dwelling type in 2020 in Bromsgrove District, the West Midlands region, and England as a whole, as presented by the Land Registry¹¹. The data indicates that the overall average property price in Bromsgrove District is 6.2% higher than the national figure and 40.6% higher than the figure for the West Midlands. The data also shows that detached and semi-detached houses in the district are typically more expensive than their national equivalent, however terraced houses and flats in Bromsgrove District are typically cheaper than the national figures, with the difference for flats notably marked.

Dwelling type	Bromsgrove District		West Midlands		England & Wales	
	Average price	% of sales	Average price	% of sales	Average price	% of sales
Detached	£477,092	39.2%	£375,791	28.6%	£444,297	27.2%
Semi-detached	£288,213	34.5%	£215,731	35.3%	£277,069	29.9%
Terraced	£242,534	18.9%	£177,538	26.5%	£264,423	28.0%
Flat	£155,029	7.4%	£143,860	9.6%	£307,556	15.0%
Overall average price	£343,766	100.0%	£244,527	100.0%	£323,549	100.0%
Mixed adjusted overall average price**	£306,824	-	£237,785	-	£323,549	-

*This is average price per sold property. **See paragraph 3.3 for a definition. Source: Land Registry, 2020

¹¹ <http://landregistry.data.gov.uk/app/standard-reports/report-design?utf8=%E2%9C%93&report=avgPrice>.

As discussed in paragraph 1.12, the use of data from 2020 suitably reflects current market conditions because the impact of the coronavirus pandemic is continuing still.

- 3.3 The dwelling profile is not the same across the three areas (with Bromsgrove District having a greater proportion of sales of detached houses and a notably smaller proportion of flats than nationally), so a mix adjusted average has therefore been derived to work out what the average price would be were the dwelling mix in Bromsgrove District and the West Midlands to be the same profile as is recorded across England. The mix adjusted average price indicates that equivalent properties in Bromsgrove District are around 5.2% lower than those found nationally and 29.0% higher than those across the West Midlands as a whole. However, the fact that the profile of homes available skews towards the more expensive property types (detached houses) means that the majority of housing is more expensive than in many neighbouring authorities.
- 3.4 The average property price in Bromsgrove District has risen by 23.8% between 2015 and 2020 compared to an increase of 18.9% nationally and a growth of 24.1% across the region. The number of sales in Bromsgrove District over this period has fallen by 27.7% compared to a decrease of 31.8% in England and a fall of 29.5% for the West Midlands.
- 3.5 The table below shows the average private rents by dwelling size in 2019-2020 in Bromsgrove District, the West Midlands region, and in England as recorded by the Valuation Office Agency. The data indicates that whilst the overall average rental price in Bromsgrove District is 12.9% lower than the national figure, it is 8.4% higher than the figure for the West Midlands. The data also shows that two, three and four bedroom rents in the district are more expensive than their regional equivalent, however one bedroom rents are cheaper than the regional figure. The mix adjusted average rent indicates that equivalent properties in Bromsgrove District are around 14.5% lower than those found nationally and 6.6% higher than those in the West Midlands.

Table 3.2 Average private rents in 2019-2020* (price per month)						
Dwelling size	Bromsgrove District		West Midlands		England	
	No. of rentals	Average price	No. of rentals	Average price	No. of rentals	Average price
One bedroom	90	£524	6,110	£544	81,180	£712
Two bedroom	190	£679	14,640	£648	183,820	£790
Three bedroom	130	£841	10,150	£751	110,200	£908
Four bedroom	30	£1,276	2,190	£1,137	34,050	£1,525
Overall average rent**	450	£736	34,850	£679	436,810	£845
Mixed adjusted rent	-	£742	-	£696	-	£867

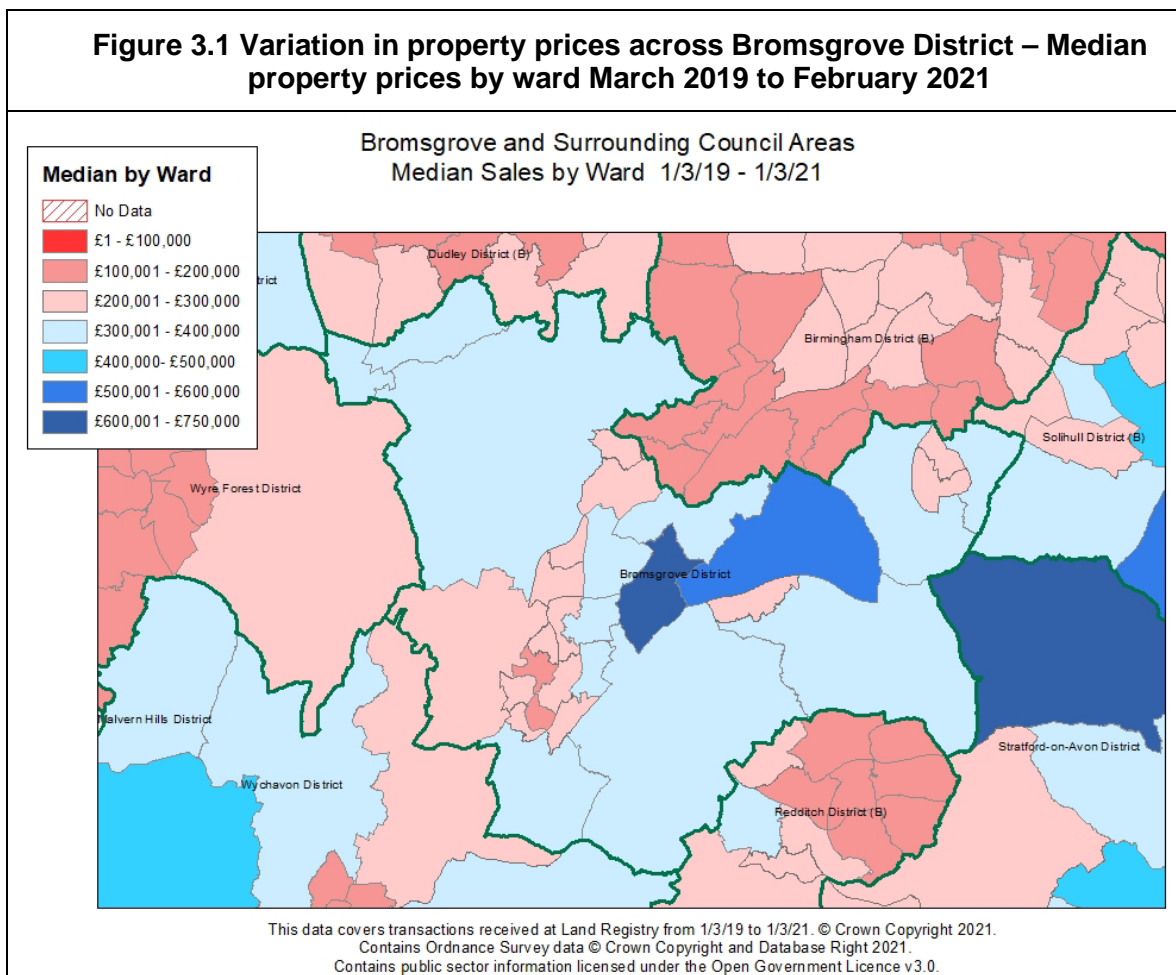
*Recorded between 1 October 2019 to 30 September 2020 **This figure includes the rents for room and studio accommodation which are not presented in this table. Source: Valuation Office Agency, 2021

- 3.6 The overall average rents in Bromsgrove District have risen by 4.4% between 2014-15 and 2019-20 compared to an increase of 7.2% nationally and a growth of 14.1% across the region. The number of lettings in Bromsgrove District over this period has decreased by 20.4%

compared to a fall of 10.4% in England and a decrease of 17.8% for the West Midlands. It is hard to be precise about why lettings have fallen over this period, but it may reflect evidence from the Office of National Statistics that, as the average age of those in the private rented sector has increased, the average tenancy length has also grown, resulting in a lower churn in the sector.

The cost of housing

3.7 Ward-level Land Registry data has been used to consider the variations in property price across the district. This is presented in the figure below. The figure indicates that there is notable variation across the district, with prices generally less expensive in Bromsgrove town and the areas immediately next to it. The rural parts of the district are generally more expensive with the areas centred on the Barnt Green & Hopwood and Lickey Hills wards especially expensive.

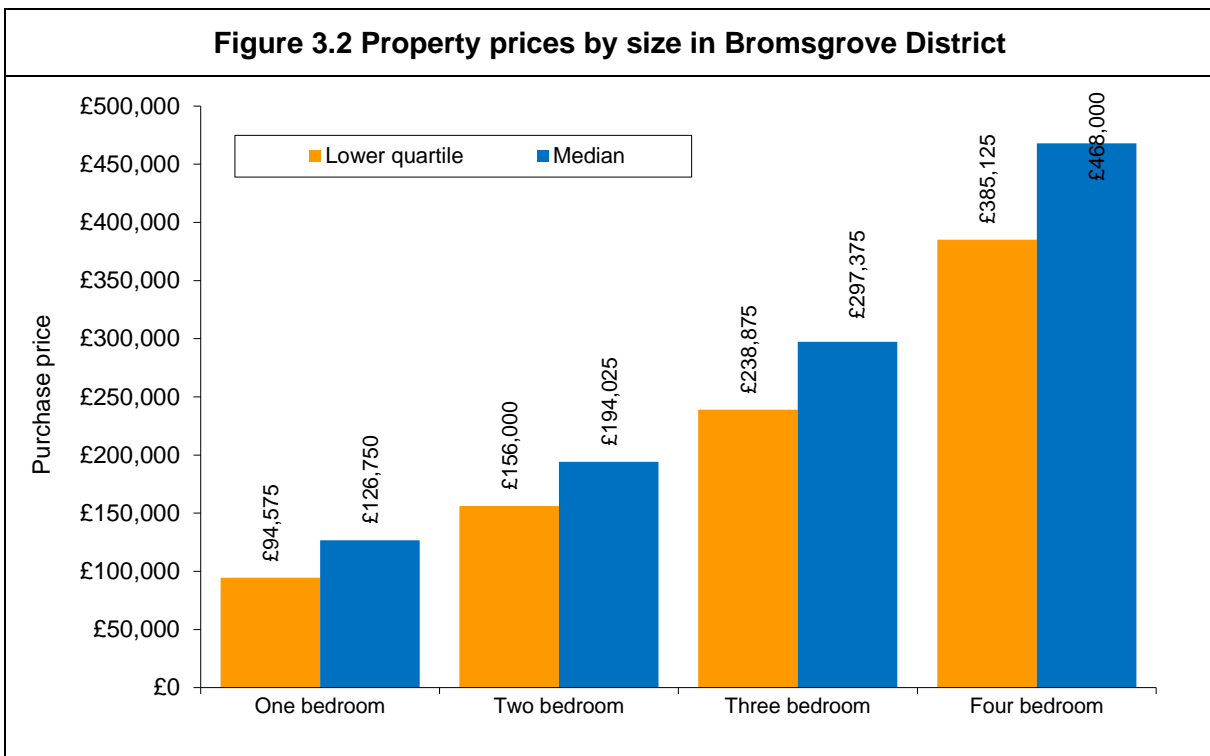


Source: Land Registry, 2021

3.8 To fully understand the affordability of housing within an area, it is necessary to collect data on the cost of housing by number of bedrooms. This ensures that it is possible to assess the ability of households to afford market housing of the size required by that particular household. No published secondary data contains this information at a local authority level. As part of

this study, we have therefore undertaken a price survey to assess the current cost of market (owner-occupied and private rented) and affordable housing in Bromsgrove District. At the time of the price survey, there were over 750 homes advertised for sale, and over 170 properties available to rent in Bromsgrove District, providing a suitably large sample size for this process.

3.9 Median property prices by number of bedrooms were obtained in Bromsgrove District via an online search of properties advertised for sale during April 2021. Whilst the survey was conducted during the stamp-duty holiday, there is no evidence yet to suggest that this means the prices are inflated above regular market levels. The results of this online price survey are presented in the figure below. The prices recorded include a discount to reflect that the full asking price is not usually achieved (interviews with local estate agents indicated that sales values are typically 2.5% lower than the asking price). In terms of market availability, the analysis showed that three bedroom properties are most commonly available to purchase in Bromsgrove District, with two bedroom homes the next most widely available. The smallest supply is of one bedroom homes.



Source: Online estate agents survey April 2021

3.10 The online survey also collected information at different points of the price distribution. Entry-level property prices are presented. In accordance with the PPG, entry-level prices are based on lower quartile prices (paragraph 021 Reference ID: 2a-021-20190220). This lower quartile price reflects the cost of a home in suitable condition for habitation, some of the properties available in the lowest quartile are sub-standard and will require modernisation and updating which will add further expense to the purchase price. The figure indicates that entry-level

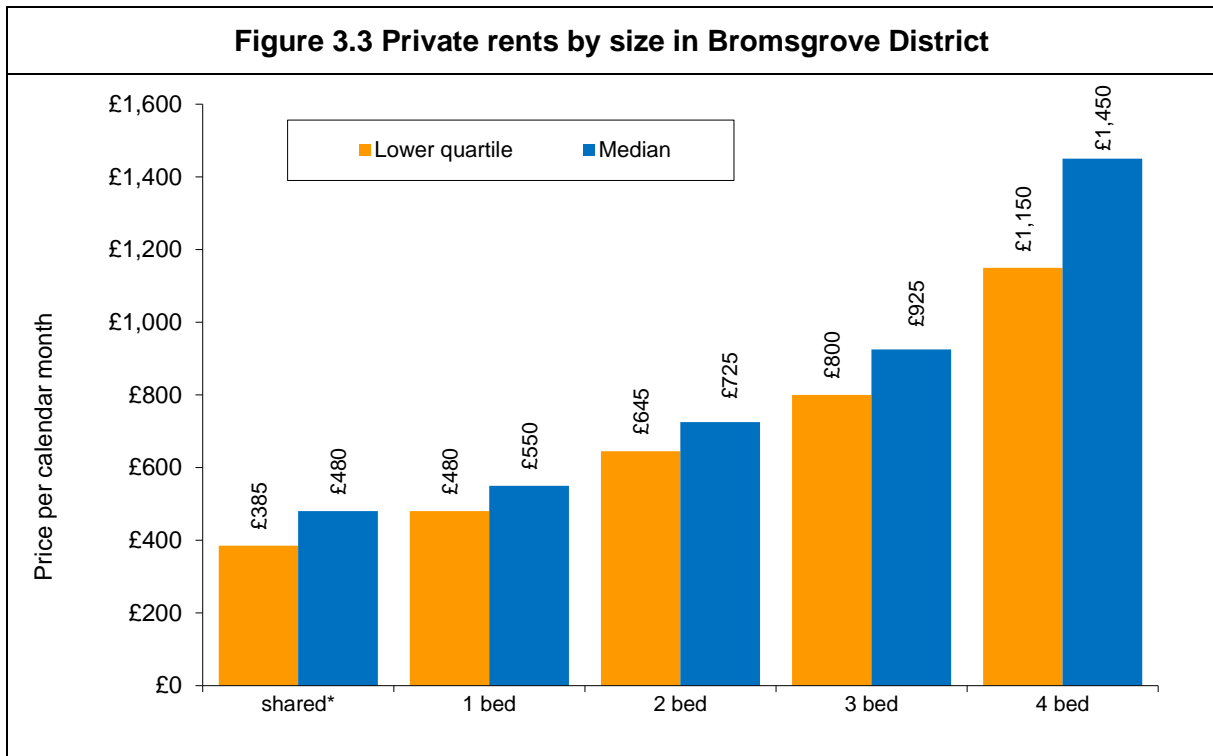
prices in Bromsgrove District range from £94,575 for a one bedroom home, up to £385,125 for a four bedroom property.

Private rents

- 3.11 Whilst private rent levels vary across the district, the distinction between the areas is less marked than with owner-occupation, reflecting that location is not as important a determinant in rent levels as the condition and quality of the property. It also reflects that private rented properties are less geographically spread across the district, with the majority being located in Bromsgrove town and the other urban areas. The median price for private rented accommodation by property size in each sub-area is presented in the figure below. The costs recorded are the agreed letting cost rather than the advertised cost, although generally there is little distinction between the two, especially for smaller properties where the demand is high relative to supply. The figure also includes the cost of a room within a shared dwelling within the private rented sector¹².

¹² The Local Housing Allowance regulations, which indicates that single people 35 or under are only entitled to the shared accommodation rate rather than the rate for a one bedroom home, imply that these individuals are deemed suitable to meet their housing needs within the market in this way. The cost of a room within shared accommodation is therefore included as it represents appropriate accommodation for single person households of 35 or under and this group of households will be tested against its ability to afford this in the affordable housing needs model set out in Chapter 6.

3.12 The profile of properties available is somewhat different to that for purchase with a greater proportion of one and two bedroom homes available to rent in the district. Entry-level private rents for Bromsgrove District are also presented in the figure below. The figure indicates that entry-level rents range from £480 per month for a one bedroom home, up to £1,150 per month for a four bedroom property.



* Shared is a room in a shared dwelling. Source: Online estate agents survey April 2021

Social Rents

- 3.13 The cost of Social Rented accommodation by dwelling size in Bromsgrove District can be obtained from the Regulator of Social Housing's¹³ Statistical Data Return dataset. The table below illustrates the cost of Social Rented dwellings in Bromsgrove District. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the Social Rented and market sectors.

Table 3.3 Average Social Rented costs (per month)	
<i>Bedrooms</i>	<i>Average cost</i>
One bedroom	£343
Two bedrooms	£399
Three bedrooms	£433
Four bedrooms	£500

Source: Regulator of Social Housing's Statistical Data Return 2020

Affordable Rents

- 3.14 Affordable Rent was introduced in 2010 to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable housing in the NPPF, and is intended to house households on the Housing Register. It is not an intermediate product, but affordable housing for rent that coexists with the existing Social Rent tenure. Whilst the majority of tenancies in Bromsgrove District are Social Rent (both existing and new tenancies) in reflection of the Council's current affordable housing population, Affordable Rented accommodation is increasingly common in the district. Due to its different cost level, detail will be presented on its relative affordability in comparison with Social Rent where this is possible (in Chapter 6).

¹³ <https://www.gov.uk/government/statistics/private-registered-provider-social-housing-stock-and-rents-in-england-2019-to-2020>

- 3.15 Affordable Rents can be set at up to 80% of open market rents, implying there is flexibility as to what they may cost. The table below details the Affordable Rent levels charged in Bromsgrove District. A comparison with median market rents indicates that Affordable Rent levels are around 60% to 75% of median market rents.

Table 3.4 Average Affordable Rented costs (per month)	
<i>Bedrooms</i>	<i>Average cost</i>
One bedroom	£415
Two bedrooms	£500
Three bedrooms	£549
Four bedrooms	£651

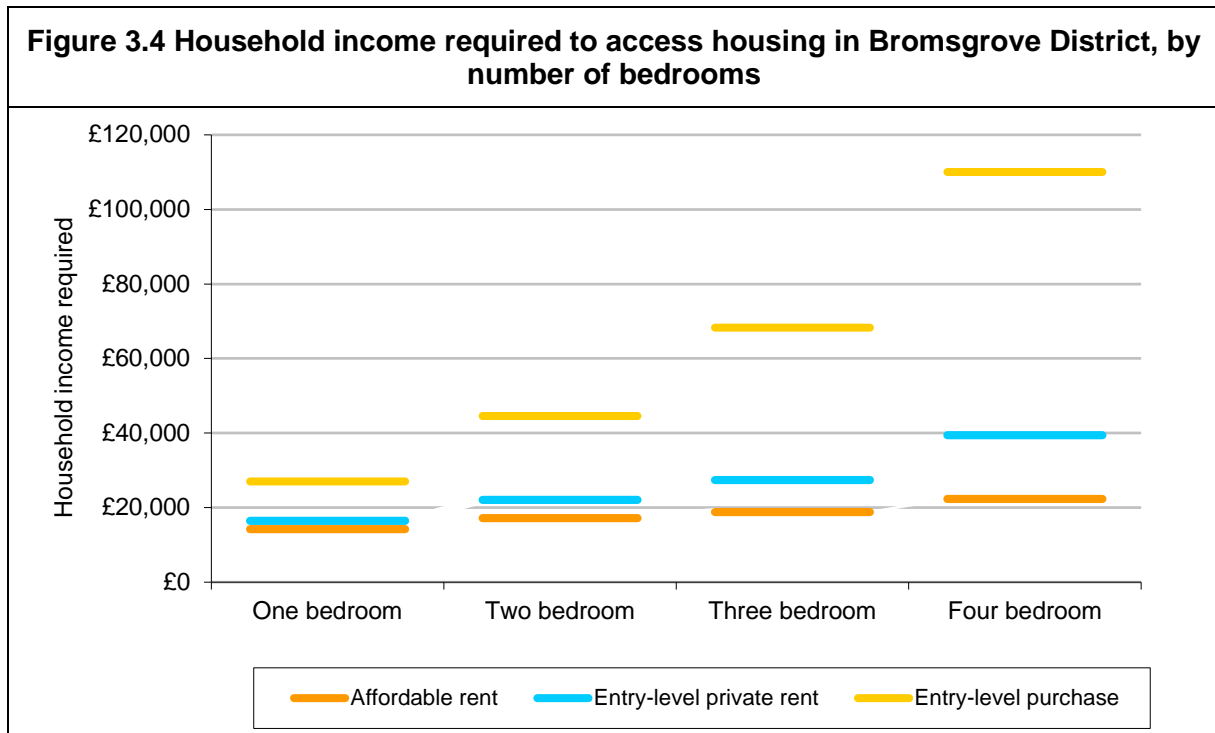
Source: Regulator of Social Housing's Statistical Data Return 2020

Analysis of housing market 'gaps'

- 3.16 Housing market gaps analysis has been developed to allow comparison of the costs of different tenures. The figure below shows the housing ladder that exists for different sizes of property. The housing ladder is illustrated by comparing the different types of housing in terms of the income required to afford them. To do this, we have divided the entry-level property price (set out in Figure 3.2) by 3.5¹⁴ to get an annual income figure (to reflect the likely minimum income required to be granted a mortgage on the property) and multiplied the annual rent by 2.857 to produce a comparable figure. This latter step was carried out for Affordable Rents (set out in Table 3.4) and market rents (set out in Figure 3.3). These approaches assume a household spends no more than 35% ($1/35 = 2.857$) of gross household income on rent – this assumption is used to enable a comparison of the different housing costs. The appropriate affordability threshold within Bromsgrove District was discussed at the stakeholder consultation and the consensus was that 35% reflects the reality of the current market in Bromsgrove district.

¹⁴ The most recent data available from the Bank of England suggests that the multiple of 3.5 for owner-occupation is most appropriate. (<https://www.bankofengland.co.uk/-/media/boe/files/statistics/mortgage-lenders-and-administrators/mlar-longrun-detailed.xlsx?la=en&hash=C19A1AC6C462416B0DA71926A744233793B8049B> (table 1.31)). This data indicates that of all residential loans to individuals (both regulated and non-regulated) given in England in 2018 to both joint and single applicants, 3.5 is the median income multiple used (49.2% of loans had used a multiple greater than 3.5 and 50.8% used a multiple lower than 3.5. The mortgages recorded as having an 'other' multiple have been excluded from this calculation) For modelling purposes, it is presumed there is no requirement for a deposit as there is no local level data available on household savings and capital levels to enable this analysis.

3.17 The figure shows a comparison of the indicative income requirements per household for different types of housing. Measurement of the size of the gaps between these ‘rungs of the ladder’ helps assess the feasibility of households moving between the tenures – the smaller the gaps, the easier it is for a household to ascend the ladder.



Source: Online survey of property prices April 2021; Regulator of Social Housing’s Statistical Data Return 2020

3.18 The figures above indicate that, for all dwelling sizes in Bromsgrove District, the gap between Affordable Rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom accommodation are large; in Bromsgrove District an additional £17,100 per year is required to access a four bedroom private rented home over the cost of a four bedroom Affordable Rented property, with a further £70,600 in household income required to move to a four bedroom owner-occupied home.

3.19 The following table shows the size of the gaps for each dwelling size in Bromsgrove District. The table indicates, for example, that three-bedroom market entry rents in the district are 45.8% higher (in terms of income required) than the cost of Affordable Rented. The notable gap recorded between Affordable Rents and market entry rents for most dwelling sizes indicates that intermediate housing could potentially be useful for many households. The very large gap between market entry rents and market entry purchase in all cases indicates notable potential demand for part-ownership products for households in this gap.

Table 3.5 Scale of key housing market gaps		
<i>Property size</i>	<i>Affordable Rent < entry-level private rent</i>	<i>Entry-level private rent < entry-level purchase</i>
One bedroom	15.7%	64.2%
Two bedrooms	28.9%	101.6%
Three bedrooms	45.8%	148.8%
Four bedrooms	76.6%	179.1%

Source: Online survey of property prices April 2021; Regulator of Social Housing's Statistical Data Return 2020

Intermediate products

3.20 A range of intermediate options are potentially available for households in Bromsgrove District; the costs of these are profiled below.

Intermediate Rent / Rent-to-Buy

3.21 Rent-to-Buy is a route to home ownership where homes are let to working households at an Intermediate Rent (i.e. less than the full market rent) to give them the opportunity to save for a deposit to buy their first home. It is aimed at those able to afford more than social rent but unable to afford private rent. Households do not have to be on a Council's housing register to be applicable for this product. It is planned that by landlords providing a discounted rent for tenants for a minimum of 5 years, they will have sufficient time to acquire a deposit so that they may purchase the home. It is set out that the Intermediate Rent must not exceed 80% of the current market rent (inclusive of service charge), however the product is distinct from Affordable Rent which is available to tenants on the same basis as Social Rent (only available to those in locally defined housing need). As demonstrated above, Affordable Rents are usually priced notably below 80% of the current market rent, so Intermediate Rent is available at a different price point.

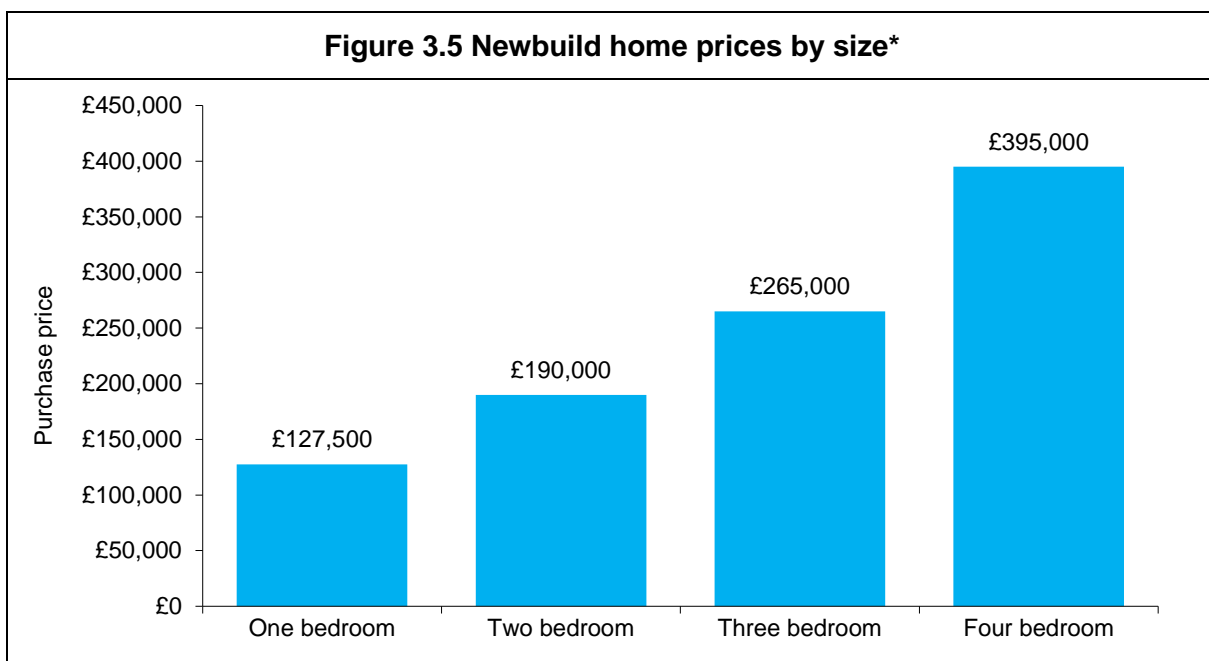
3.22 Although the availability of Rent-to-Buy in the area is extremely limited currently, its potential suitability for households can be tested by modelling its theoretical cost. The table below sets out the costs of Intermediate Rent in Bromsgrove District, presuming that the rent is set as 80% of median market rents. The table shows that, in all instances, other than four-bedroom accommodation, Intermediate Rent is cheaper than market entry rent and can be considered an affordable product. In all cases, it is also more expensive than the Affordable Rent currently charged within Bromsgrove District (as local Affordable Rents are priced at between 60% and

75% of median market rents as discussed in paragraph 3.15). As in all instances Intermediate Rent is more expensive than Affordable Rent (and is therefore serving a separate portion of the housing market), it will be considered for its suitability for meeting those in housing need in Chapter 6.

<i>Bedrooms</i>	<i>Intermediate Rent</i>	<i>Entry-level private rent</i>	<i>Affordable Rent</i>
One bedroom	£440	£480	£415
Two bedrooms	£580	£645	£500
Three bedrooms	£740	£800	£549
Four bedrooms	£1,160	£1,150	£651

Source: Online survey of property prices April 2021; Regulator of Social Housing's Statistical Data Return 2020

3.23 The remainder of the intermediate products profiled are principally available as a new home (whilst some products are available for resale, this supply is very limited). It is therefore useful to set out the purchase price of newbuild dwellings in Bromsgrove District at the time of the price survey. These are set out in the figure below.



* Entry-level property prices (generally second-hand properties) are set out in Figure 3.2
Source: Online survey of property prices April 2021

Shared Ownership

3.24 Shared Ownership Housing is within the definition of affordable housing in the NPPF. Under Shared Ownership the buyer purchases part of the home, and then pays a rent on the

proportion (known at the retained equity) not purchased. Table 3.8 below presents the estimated costs of Shared Ownership housing in Bromsgrove District as obtained from the online estate agent survey. The open market values are based on newbuild prices set out above. The monthly costs of purchasing the property with a 40% equity share, with a 25% equity share and a 10% equity share are all presented. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.79%¹⁵ paid on the equity share owned and a rent payable at 2.75% on the remaining equity (i.e. the part of the house not purchased).

- 3.25 The table shows that a 25% equity share Shared Ownership is cheaper than market entry rent for all dwelling sizes. A 40% equity share Shared Ownership is cheaper than market entry for one and two-bedroom accommodation whereas three and four-bedroom homes is more expensive than entry-level market to rent (although it is cheaper than entry-level home ownership). A 10% equity share Shared Ownership home is cheaper than market entry housing in all instances.

Shared Equity

- 3.26 Shared Equity is a product similar to Shared Ownership that is typically offered by the private sector rather than by Registered Providers. With Shared Equity a mortgage is offered on the equity owned but with no rent due on the remaining equity. Whilst Shared Equity is not confined to newbuild housing (whilst Shared Ownership is) and it can be used to access second-hand housing, in Bromsgrove District it is only available on new dwellings. The typical proportion of the equity sold for a shared equity product is 75%. The monthly costs of purchasing a Shared Equity property with a 75% equity share are set out in the table below. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.79% paid on the equity share owned.

¹⁵ This interest rate is available as a five-year fixed product to potential homeowners with a high loan to value ratio currently. It is also a rate with no additional product fee associated with it. Whilst there are lower interest rates available for those with lower loan to value ratios we are principally assessing households looking to purchase a home for the first time who are likely to have higher loan to value ratios. Lower interest rates are available for those choosing a shorter fixed term period, however we feel that the use of a five-year period provides a known cost for households becoming owners for a good amount of time.

3.27 Shared Equity accommodation with a 75% equity share is more expensive than entry-level private rent. It is also more expensive than all sizes of Shared Ownership accommodation. It is however cheaper than entry-level home ownership in Bromsgrove District for all property sizes larger than one bedroom.

<i>Bedrooms</i>	<i>New build Open market value</i>	<i>Shared Ownership – 40% equity</i>	<i>Shared Ownership – 25% equity</i>	<i>Shared Ownership – 10% equity</i>	<i>Shared Equity</i>	<i>Entry-level private rent</i>	<i>Entry-level owner- occupation*</i>
One bedroom	£127,500	£413	£368	£322	£445	£480	£440
Two bedrooms	£190,000	£615	£548	£480	£663	£645	£726
Three bedrooms	£265,000	£858	£764	£670	£925	£800	£1,112
Four bedrooms	£395,000	£1,279	£1,139	£999	£1,379	£1,150	£1,793

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 3.79%. Source: Online estate agents survey, April 2021

First Homes

3.28 On 24th May 2021 the Government brought to an end the period of consultation on a First Homes policy by publishing the First Homes Guidance¹⁶. First Homes are a new initiative to help deliver discounted homes to local people. They are intended to be newly built properties sold with a discount of at least 30% below market value. It is anticipated that no interest will be paid on the un-bought equity, rather, when the home is sold on in the future, it will be available at the same proportion of discount for which it was originally bought. First Homes are subject to price caps – outside of London a First Home cannot be sold for more than £250,000 (once the discount has been applied). The cap only applies to the first time that a First Home is sold – it does not apply to subsequent sales of the property.

3.29 Local Planning Authorities can set specific local connection restrictions provided they are evidenced; however, these restrictions should only apply for the first three months the property is available for sale, to ensure First Homes do not remain unsold¹⁷. First-time buyers are the target market for this product and this group is identified using the same definition that is used for Stamp Duty Relief for First-Time Buyers as set out in the Finance Act 2003. However, mechanisms also exist to help prioritise members of the armed forces and key workers.

¹⁶ <https://www.gov.uk/guidance/first-homes>

¹⁷ Local connections can be applied to prioritise those currently resident in the district, those whose employment is crucial to the district's economy and those with family connections or caring responsibilities in the district. Local connections should be disappplied to those associated with the Armed Forces.

- 3.30 Whilst the product is available to those with notable savings levels, First Homes can only be purchased using mortgage finance or equivalent which covers at least 50% of the purchase value. The product is not suitable for investors as a First Home can only be bought if it is the buyer's only home. Outside of London, households acquiring a First Home cannot have an income over £80,000. Whilst the Government does allow Local Planning Authorities to set lower income caps, where the need and viability of this option can be evidenced, these local caps are time limited to the first three months that the property is for sale.
- 3.31 The guidance is clear that 30% is the minimum level of discount applied, however Local Planning Authorities will *'be able to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this'*¹⁸. It is useful therefore to understand whether a larger discount would be required in Bromsgrove District currently. This is presented in the table below. The table suggests that a 30% discount will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation and will therefore address a gap in the housing market locally. The cost of a four bedroom home with a 30% discount however is above the £250,000 threshold set out in the First Homes Guidance, whereas small/medium sized homes (3 or fewer bedrooms) are within it. It should be noted that a stakeholder commented that greater discounts for homebuyers over the 30% threshold proposed may lead to viability concerns on Section 106 schemes and less social housing where the need is greater.

Table 3.8 A comparison of the potential price of a First Home with entry-level owner-occupation			
<i>Bedrooms</i>	<i>Newbuild prices</i>	<i>Newbuild prices with a 30% discount</i>	<i>Entry-level owner-occupation (second-hand property as set out in figure 3.2)</i>
One bedroom	£127,500	£89,250	£94,575
Two bedrooms	£190,000	£133,000	£156,000
Three bedrooms	£265,000	£185,500	£238,875
Four bedrooms	£395,000	£276,500	£385,125

Source: Online survey of property prices April 2021

- 3.32 Four bedroom homes with a 30% discount are still priced in excess of the cap level of £250,000 (a discount of 36.5% is required for a four bedroom home to be priced at the cap level of £250,000). It is therefore presumed that the cap will be the limiting factor for four bedroom

¹⁸ Paragraph: 004 Reference ID: 70-004-20210524

homes, rather than the level of discount, and all modelling done on the future demand for four bedroom First Homes will be based on the assumption that it is available for £250,000.

Local Housing Allowance

- 3.33 Local Housing Allowance (LHA) is the mechanism for calculating Housing Benefit and the housing element of Universal Credit outside of the Social Rented Sector. It is designed to assist people in their ability to pay for their housing, however there is a limit as to how much financial assistance will be provided dependent on the location and size of the property. The LHA cap sets out what this maximum limit for the Broad Rental Market Area (BRMA) in which the claim is made as determined by the Valuation Office Agency. If the rent charged is in excess of this cap, it is the responsibility of the household to pay the shortfall.
- 3.34 The table below sets out the monthly LHA caps that apply in Bromsgrove District, which is covered by four BRMAs – the majority of the district is within the Birmingham BRMA, with a portion of households in the west of the district in the Black Country BRMA, part of the south of the district in the Worcester North BRMA and a section of the north east of the district in the Solihull BRMA. A comparison with the Affordable Rent levels in Bromsgrove District indicates that the local Affordable Rents are currently cheaper than the LHA caps for all dwellings sizes in all four BRMA areas other than shared rooms and one bedroom homes in the Black Country BRMA. A comparison with the entry-level private rents in Bromsgrove District suggests that the LHA caps are 10-15% lower than entry-level private rent, outside of the Solihull BRMA where the caps are notably higher than in the other areas. This means that households in receipt of the full LHA applicable in the private rented sector are likely to need additional income sources to be able to pay for their rent.

Table 3.9 Local Housing Allowance Cap (per month)						
<i>Bedrooms</i>	<i>Birmingham BRMA</i>	<i>Black Country BRMA</i>	<i>Solihull BRMA</i>	<i>Worcester North BRMA</i>	<i>Affordable Rent</i>	<i>Entry-level private rent</i>
Shared room	£290	£261	£371	£288	£280	£385
One bedroom	£524	£398	£534	£439	£415	£480
Two bedrooms	£623	£509	£723	£549	£500	£645
Three bedrooms	£673	£593	£873	£648	£549	£800
Four bedrooms	£848	£748	£1,197	£848	£651	£1,150

Source: Valuation Office Agency 2021

Affordability of housing

- 3.35 Assessing the affordability of market housing in an area is crucial to understanding the sustainability of the housing market. As discussed further in Chapter 4, the affordability ratio at March 2021 was 10.13 in Bromsgrove District (with a figure over 4 indicating a market adjustment is required). In comparison the affordability ratio in 2020 in the West Midlands was 6.78, whilst the national figure was 7.84. The affordability ratio in Bromsgrove District has improved by 1.9% (or 0.2 of a percentage point) over the last 5 years (it was 10.33 in 2015).

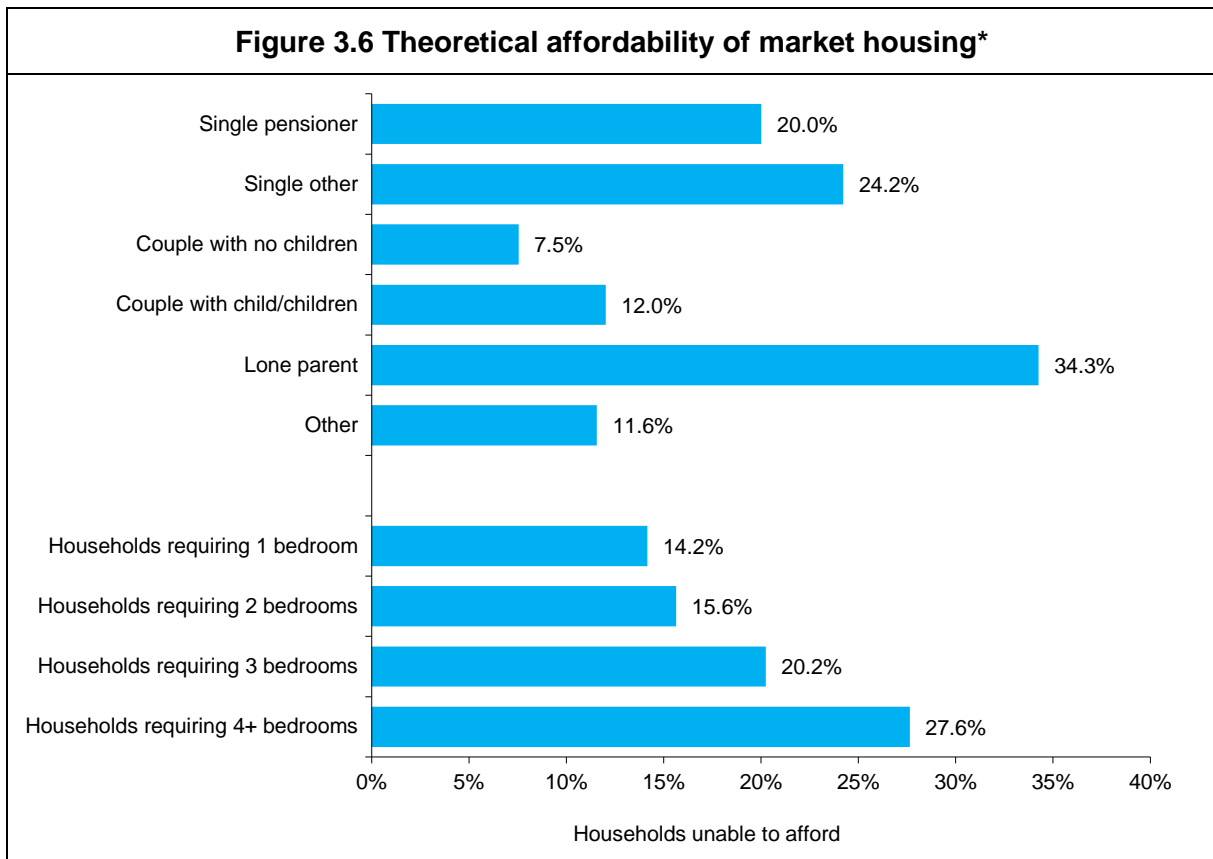
In comparison over the same time period the affordability ratio has worsened by 8.1% for the West Midlands (from 6.27 in 2015) and by 4.3% nationally (a 2013 base of 7.52).

Affordability for specific household groups

- 3.36 The household income distribution referred to in Figure 2.8, differentiated by household type, can be used to assess the ability of households in Bromsgrove District to afford the size of home that they require (according to the bedroom standard used by the Council¹⁹). The entry-level cost of housing by bedroom size is presented in Figures 3.3 and 3.4 and the test is based on the affordability criteria discussed above.
- 3.37 The figure below shows the current affordability of households in Bromsgrove District by household type and number of bedrooms required. This is the theoretical affordability of households, as the analysis considers all households regardless of whether the household intends to move. It is used to just demonstrate the comparative affordability of different household groups for contextual purposes and does not represent information that the Council needs to plan against.

¹⁹ This is the number of bedrooms that is required and is calculated depending on the age, sex and relationship status of the members to the household. A separate bedroom is allocated for each couple and any single person aged 16 or over. Any children aged 10-16 of the same sex is presumed to be able to share a bedroom as are each pair of children under 10 (regardless of gender). Any unpaired child aged 10-16 is paired, if possible, with a child under 10 of the same sex, or, if that is not possible, they are counted as requiring a separate bedroom, as is any unpaired child under 10.

3.38 The data indicates that 34.3% of lone parent households in Bromsgrove District would be unable to afford market housing (if they were to move home now). Single person households are also relatively unlikely to be able to afford market housing, whilst couple households without children are most likely to be able to afford market housing in the district. Households requiring a four-bedroom home are least likely to be able to afford this size of market housing in Bromsgrove District.



*Unable to afford both entry-level private rent and entry-level home ownership



4. Overall housing need

- 4.1 The NPPF indicates that planning authorities should use the Standard Method to establish the overall need for housing. The Standard Method was introduced in 2018 to allow a simple and transparent assessment of the minimum number of homes needed in an area. The full Standard Method was then set out within the PPG published in February 2019²⁰. In August 2020, the Government opened a consultation on changes to the Standard Method²¹, which led to a revised Standard Method being published within the PPG on 16th December 2020.
- 4.2 The revised Standard Method calculation retains the majority of the features of the previous iteration to retain stability in the plan-making process, however greater emphasis has been placed on delivering houses in the largest urban areas with the addition of a further step in the calculation that affects the 20 largest cities in England. The aim is to ensure that the Government’s ambition for 300,000 new homes per year nationally is deliverable, but the strain is not too great in rural areas and instead there will be greater opportunity for development in large cities. This prioritisation of large cities (within which brownfield sites will be prioritised) is intended to make the best use of existing infrastructure, to provide the flexibility for housing development to respond to the structural change currently taking place in the retail and commercial sector related to both technological developments and behavioral changes resulting from the coronavirus pandemic, and finally to reduce the environmental impact of new housing development by maximizing the use of sustainable locations. The approach is still based on a standardised calculation using publicly available data.
- 4.3 This chapter will describe the steps involved in the revised Standard Method, following the approach described in the revised PPG²². It is expected that authorities will follow the Standard Method to determine the minimum annual local housing need figure. The latest approach will be followed to calculate the minimum housing need figure for Bromsgrove District. The PPG makes it clear that, whilst it is not mandatory, any deviation from the Standard Method should only be pursued in exceptional circumstances.
- 4.4 The evidence presented in the Volume 1 report indicates that there are no exceptional circumstances that apply in Bromsgrove district that mean it is suitable to deviate from the Standard Method approach. It should be reiterated however that this does not mean that the Council cannot decide to pursue a figure higher than that indicated by the Standard Method, Paragraph 10 of the PPG²³ states: *‘The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It*

²⁰ All the steps were described in paragraph 004 (Reference ID: 2a-004-20190220)

²¹ See footnote 5.

²² All the steps are described in paragraph 004 (Reference ID: 2a-004-20201216).

²³ Reference ID: 2a-010-20201216.

does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.’

4.5 This chapter sets out the policy-off calculation of the Standard Method figure.

Step 1 – Setting the baseline

4.6 The baseline is set using the 2014-based household projections in England²⁴. The PPG indicates that ‘Using these projections, calculate the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).’ The table below sets out the results of Step 1 of the Standard Method. The baseline figure in Bromsgrove District for the current year of 2021 is therefore 277.

Table 4.1 Calculating the baseline figure in Bromsgrove District			
<i>Local authority area</i>	<i>Totals households in 2021</i>	<i>Totals households in 2031</i>	<i>Average annual household growth</i>
Bromsgrove District	40,756	43,522	277

Source: 2014-based household projections, 2016

Step 2 – An adjustment to take account of affordability²⁵

4.7 The average annual projected household growth figure produced in Step 1 should then be adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios.²⁶ Paragraph 006 of the PPG²⁷ describes why an affordability ratio is applied, to account for any constrained household formation and to ensure that people aren’t prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace.

²⁴ <https://www.gov.uk/government/collections/household-projections>. Paragraph 005 of the PPG (Reference ID: 2a-005-20190220) states that the 2014-based projections are used (in preference to the more recently published 2016-based projections) as they are more suitable for meeting ‘the Government’s objective of significantly boosting the supply of homes.’

²⁵ Paragraph 006 of the PPG (Reference ID: 2a-006-20190220) describes why an affordability ratio is applied – principally to account for any constrained household formation and to ensure that people aren’t prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace. The affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG (Reference ID: 2a-011-20190220).

²⁶ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

²⁷ Reference ID: 2a-006-20190220

- 4.8 The PPG is also absolute that the affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG²⁸, which states that ‘*the standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.* Furthermore Paragraph 002 of the PPG²⁹ makes it clear that following the Standard Method is sufficient to address any historic under-supply.
- 4.9 An affordability adjustment is only required where the ratio is higher than 4 and ‘*for each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent.*’ The full formula is detailed in the PPG:

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

- 4.10 The table below sets out the results of Step 2 of the Standard Method calculation for Bromsgrove District. The 2021 baseline figure, adjusted to take account of 2020 affordability ratios in the District, is 383.

Table 4.2 Adjusting to take account of affordability				
<i>Local authority area</i>	<i>2020 affordability ratio* (a)</i>	<i>Adjustment factor (((a-4)/4)*0.25)+1</i>	<i>Baseline figure</i>	<i>Baseline figure adjusted for affordability</i>
Bromsgrove District	10.13	1.383125	277	383

Source: Ratio of median house price to median gross annual workplace-based earnings by local authority 2020
*ONS, March 2021

Step 3 – Capping the level of any increase

- 4.11 As the PPG describes:

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing. Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.³⁰ Alternatively ‘where the relevant strategic policies for housing were adopted more than 5 years ago..., the local housing need figure is capped at 40% above whichever is the higher of:

²⁸ Reference ID: 2a-011-20190220

²⁹ Reference ID: 2a-002-20190220

³⁰ ‘This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and found to not require updating.’

- a. *the projected household growth for the area over the 10-year period identified in step 1; or*
- b. *the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).*

4.12 In Bromsgrove District, the most recent Local Plan is the *Bromsgrove District Plan 2011 to 2030* which was adopted in January 2017. Whilst this is under five years old currently, by the time the plan will be submitted to the Secretary of State for examination it will be over five years old so the second of the two approaches described by the PPG is applied.

4.13 The first potential cap is based on a 40% increase to the annual projected household growth set out in step 1. This cap is therefore 388 (277 x 1.4). The second potential cap is based on a 40% increase to the annual housing requirement set out in the 2017 District Plan. This document stated an aim to build 7,000 dwellings in the district over the 19-year plan period, an annual total of 368. This cap is therefore 516 in Bromsgrove District (368 x 1.4). The second of these two figures is higher and therefore forms the cap limit in Bromsgrove District. The annual local housing need figure of 383 per year in Bromsgrove District is within this cap and therefore the cap does not need to be applied.

Step 4 – Cities and urban centres uplift

4.14 This is the step that has been introduced within the December 2020 modifications to the calculation. The PPG states that, after the housing need figure has been adjusted as a consequence of the cap, ‘a 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.’ The PPG advises that the list of the top 20 cities and urban centres in England is identified by ranking the ONS’s list of Major Towns and Cities by population size based on the most recent mid-year population estimates.

4.15 The boundaries of the urban areas created by the ONS’s method for identifying the major towns and cities in England are not conterminous with local authority boundaries, with urban areas often spread over several local authorities. The PPG therefore clarifies that it is only the 20 authorities which contain the largest proportion of the city or urban centre’s population in which the 35% uplift is applied – any other local authority in which the urban area is partly situated is not required to apply the uplift³¹. The PPG finally lists the twenty largest cities and urban centres, as at December 2020, as London, Birmingham, Liverpool, Bristol, Manchester, Sheffield, Leeds, Leicester, Coventry, Bradford, Nottingham, Kingston upon Hull, Newcastle upon Tyne, Stoke-on-Trent, Southampton, Plymouth, Derby, Reading, Wolverhampton, and Brighton and Hove.

4.16 Birmingham features on the list (the 2nd largest urban area) and whilst the city boundary identified by the ONS is partly within Bromsgrove District, the overwhelming majority of the urban area of Birmingham is located in the Birmingham City Council area and the 35% uplift

³¹ In London the uplift applies to all the authorities that comprise Greater London.

figure should therefore only be applied there and no adjustment is required to the figure for Bromsgrove District.

Overall level of housing need

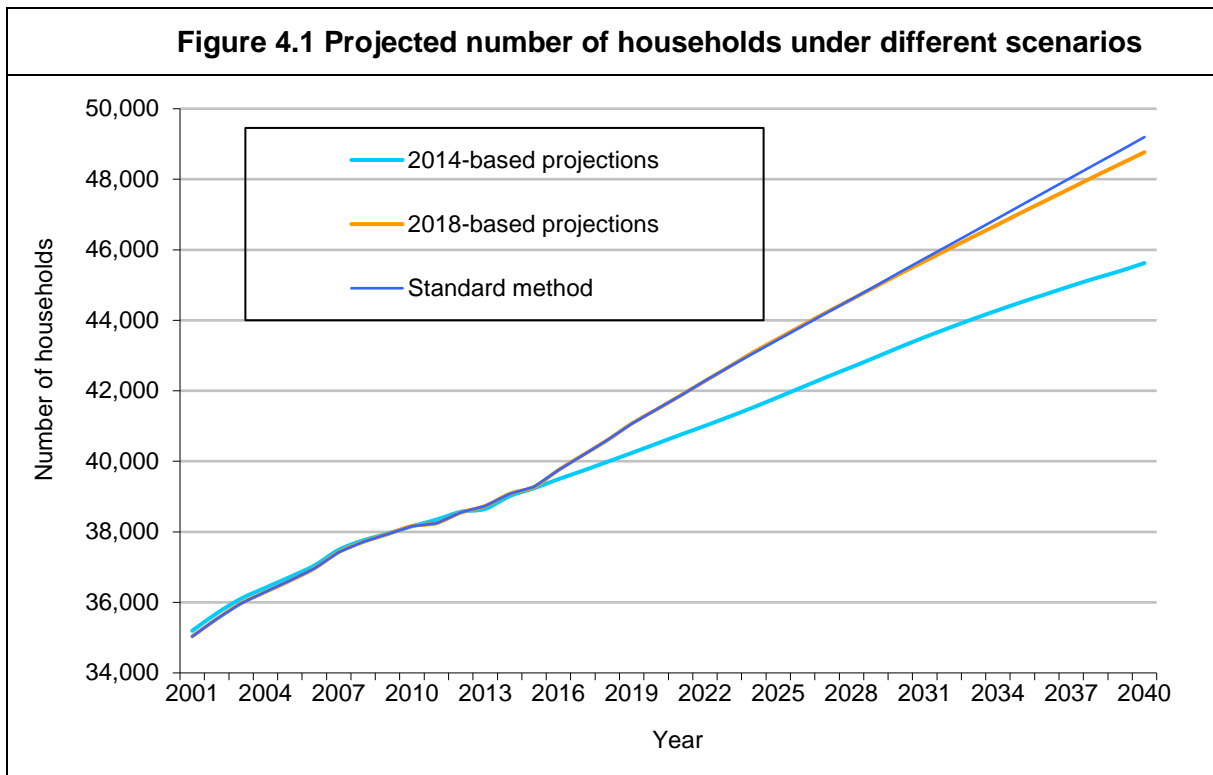
- 4.17 The final housing need in Bromsgrove District, as assessed using the revised Standard Method in 2021, is **383** dwellings per year. Paragraph 008 of the PPG³² notes that whilst *‘the standard method may change as the inputs are variable..., local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.’* As noted in Paragraph 012 of the PPG³³, this approach provides an annual figure which can be applied to a whole plan period. The NPPF requires strategic plans to identify a supply of sites for 15 years, however the emerging Local Plan for Bromsgrove District will run from 2023 to 2040, so for the plan-period modelling presented in Chapter 5 of the report, a 17-year period is used.
- 4.18 As at 2021, across the seventeen-year plan period a minimum of **6,511** new additional homes should be planned for in Bromsgrove District.

³² Reference ID: 2a-008-20190220

³³ Reference ID: 2a-012-20190220

Understanding the uplift

4.19 The figure of 383 is the final annual housing need figure in Bromsgrove District. It is however useful to compare the trajectory that it results in with both 2014-based household projections (from which the number is derived) and the 2018-based household projections (which are the most recent estimates published). The figure below shows the projected household total in Bromsgrove District for every year from 2001 through to the end of the plan period in 2040 as recorded by the 2014-based household projections³⁴, the 2018-based equivalent and the Standard Method scenario in which, the 2018-based projections grow by 383 every year from 2023 onwards.



Source: ONS 2014 and 2018 household projections

4.20 Whilst the graph indicates that there is a divergence between the 2014 and 2018-based projections, the Standard Method figure is still in excess of the 2018-based projections. There is no reasonable basis to divert from the Standard Method approach which is designed to be applied consistently across all authorities in England wherever possible.

4.21 It is clear that the 2018-based household projections estimate the number of households in Bromsgrove District to be larger in 2018 than was projected by the 2014-based equivalents.

³⁴ It should be noted that the 2014-based projections only extended as far as 2039, the figure for 2040 has therefore been derived by applying the average annual change in the five years prior to 2039 and applying that to the figure for 2039.

It is useful to understand the reason for this difference. The table below shows the net population change recorded in Bromsgrove District for the period between 2014 and 2018 for natural change (births minus deaths), intra-UK migration and international migration as recorded by the 2014 based-population projections and also the 2018-based population estimates. This clearly shows that the most recent population estimates for Bromsgrove District have recorded a notably larger net migration³⁵ to the district between 2014 and 2018, resulting in a larger population in Bromsgrove District in 2018 than was projected within the 2014-based projections³⁶.

Table 4.3 Estimated net population change in Bromsgrove District between 2014 and 2018		
<i>Element</i>	<i>2014-based population projections</i>	<i>2018 population estimates</i>
<i>Natural change (births minus deaths)</i>	-800	-627
Intra-UK migration	2,400	4,395
International migration	0	423
Total	1,600	4,191

- 4.22 This increased net migration growth within Bromsgrove District has been projected forward in the 2018-based projections, explaining why the household totals projected in the district from 2018 onwards are higher in the 2018-based projections than in the 2014-based equivalents. Although across England the 2014-based projections indicate higher household growth³⁷ than the 2018-based equivalents, the opposite is true across the West Midlands and many authorities within it, including Bromsgrove District.
- 4.23 In accordance with the PPG, the 2014-based projections have been used to determine the local housing need, but the 2018-based projections have been used to disaggregate this figure in terms of age and gender profile (detailed further in Chapter 5). The 2018-based projections benefit from the ONS's latest methodology and its most recent data and assumptions on key factors such as fertility and mortality rates and migration flows.

³⁵ the difference between those moving into an area and those moving out of it, a positive net migration figure indicates that this is a source of population growth.

³⁶ It is worth noting that the headship rates recorded between 2014 and 2018 between the two data sources were also compared and whilst there were slight differences, this was not the cause of the 2018-projections recording a higher households total in Bromsgrove District in 2018 than the 2014-based projections. It was entirely because of greater migration to the district being recorded.

³⁷ MHCLG have chosen to revert to the 2014-based projections for the Standard Method simply because they happen to produce a national housing need total that is closer to their objective of building 300,000 homes a year, not because they have doubts about the ONS's methodology in the latest projections

- 4.24 It is worth emphasising that the Standard Method figure is correctly calculated and that just because the 2018-based projections are based on a trend period of high net in-migration to the district (resulting in the Standard Method figure producing a reduced uplift relative to the most recent household projections), does not mean that the Council is under any obligation to increase its planned household growth.
- 4.25 As the PPG notes, *‘the standard method for assessing housing need ... does not break down the [overall figure] into the housing need of individual groups³⁸*. Chapter 5 of this report presents the disaggregation of this local housing need figure into the overall sizes, types and tenures of homes required, which means the housing needs of individual groups can be addressed (presented in Chapter 7).

³⁸ Reference ID: 67-001-20190722

5. Type and tenure of future housing needed

Introduction

- 5.1 The requirement within paragraph 62 of the NPPF to disaggregate the local housing need figure to ‘*assess the size, type and tenure of housing needed for different groups in the community*’ is reiterated in Paragraph 17 of the PPG. This chapter describes the long-term balancing housing markets (LTBHM) model which determines the future demand for housing by size and tenure based on the profile of the population derived within the local housing need calculation (set out in Chapter 4).
- 5.2 There are two stages to this process, the first is to disaggregate the local housing need as derived to produce a population profile for the district at the end of the plan period in 2040. The second process uses secondary data to model the future demand for housing arising from this future population and compare it to the current housing stock so that a profile of new accommodation required can be determined³⁹.
- 5.3 The demand modelling is described in more detail subsequently, however this chapter initially presents the process for disaggregating the future local housing need. The change in the household composition indicated within these projections, drives the size and tenure demand profiles generated by the model.

Disaggregating the local housing need

- 5.4 In Bromsgrove District, the 2021 Standard Method local housing need figure of 383 dwellings per annum will necessitate the construction of more homes than is implied by the official projections as described in Chapter 4. If these 383 homes are built, the population will be larger than projected in the published projections, as the Standard Method calculation makes an upward adjustment to account for affordability. It is necessary to determine the profile of this additional population and disaggregate the total local housing need, using the Neil McDonald Statistical Solutions (NMSS) model,⁴⁰ so that appropriate accommodation can be provided for the whole population of Bromsgrove District in 2040.

³⁹ This will include a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 6, as described in para 1.6, and the two should not be compared.

⁴⁰ The model is detailed in Appendix 2.

5.5 The model takes as its starting point the 2018-based population projections⁴¹. These projections are then adjusted to make them align with the local housing need figure in Bromsgrove District using the following assumptions:

- The Standard Method makes it clear that what the uplift in housing is trying to achieve is partly to reverse the falling level of household formation that has been recorded amongst younger people. The first step is therefore to progressively increase the household formation for all age groups under 45 towards the peak national rate recorded in 2001. This group is prioritised ahead of an increase in in-migrants moving into the district in response to guidance in the PPG and, as detailed in Chapter 4, because the 2018-based population projections have a built-in presumption of a high-level of in-migration to the district.
- The age and gender profile of this adjusted population (increased household formation and increased in-migrants) will be aged-on (presumed to grow older each year) and have the same propensity to have children, move away from the area and die as other residents in Bromsgrove district of the same gender and age. In this way it will be possible to estimate how the additional population (above that suggested by the latest population projections) is likely to develop over time.

⁴¹ The 2018-based population projections are used as a basis as these are the most recent and benefit from the ONS's latest methodology and their most recent data and assumptions on key factors such as fertility and mortality rates and migration flows. In accordance with the PPG, we have used the 2014-based projections to determine the local housing need, we are using the 2018-based projections to disaggregate this figure in terms of age and gender profile

Population profile

5.6 The table below sets out the age profile of the population in Bromsgrove District in 2040 according to the population projections produced to populate the Standard Method figure, in comparison to the age profile of the district at the start of the plan period (2023). The table suggests that those aged 75 or over are going to constitute a greater section of the population by the end of the plan period – those aged 75 or over will rise from 12,410 in 2023 to 16,461 in 2040, an increase of 32.6%.

Table 5.1 Age of projected population in Bromsgrove District in 2040 compared with the age profile at the start of the plan period					
<i>Age</i>	<i>2023 Population</i>	<i>2023 Percentage</i>	<i>2040 Population</i>	<i>2040 Percentage</i>	<i>% change</i>
0-14	18,986	18.4%	20,087	17.4%	5.8%
15-29	13,232	12.8%	14,590	12.7%	10.3%
30-44	19,188	18.6%	20,257	17.6%	5.6%
45-59	21,521	20.8%	23,771	20.6%	10.5%
60-75	17,945	17.4%	19,952	17.3%	11.2%
75+	12,410	12.0%	16,461	14.3%	32.6%
Total	103,281	100.0%	115,118	100.0%	11.5%

Household profile

5.7 This population projection is then converted into a household projection by:

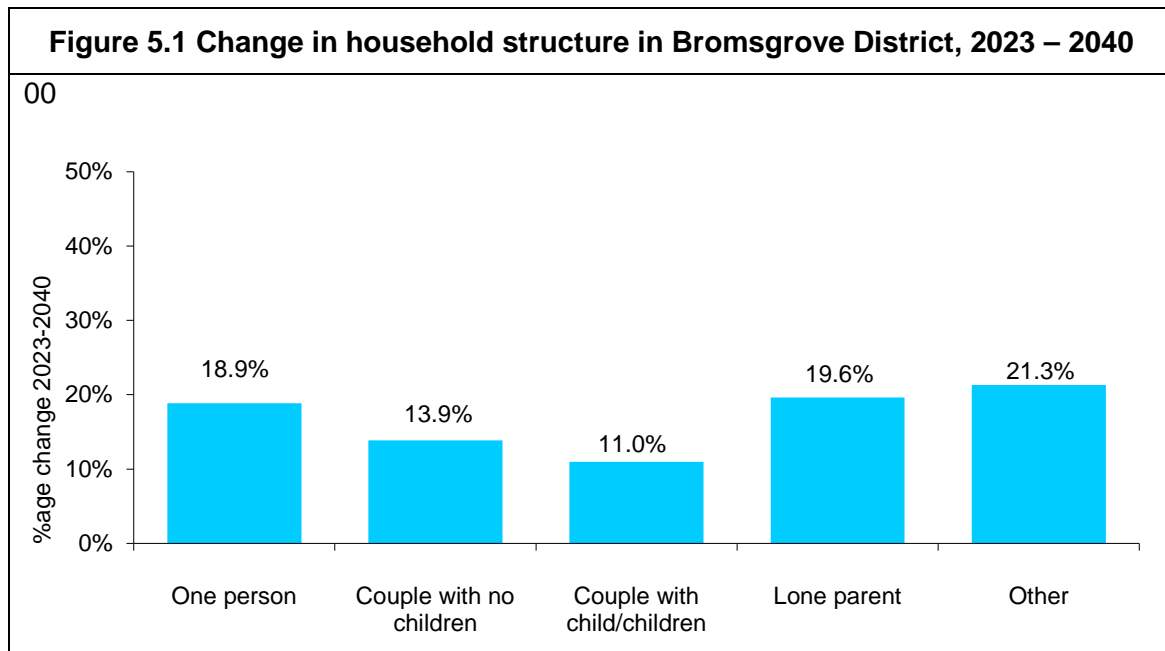
- Removing from the population projection an estimate of those living in communal establishments such as old people's homes. This is done using the same assumptions as in the official projections. The resulting population is known as the household population.
- Household formation rates are then applied to the household population to produce a household projection. The household formation rates are taken from the official 2018-based household projections, with the adjustments made to return household formation rates towards national 2001 levels amongst younger age groups as described earlier in the chapter.

5.8 The table below sets out the number of households that will be resident in Bromsgrove District in 2040 disaggregated by broad household type according to these projections. The 2023 household profile is also presented as a reference point, as 2023 is the base date for this model.

Table 5.2 Projected household population in Bromsgrove District in 2040 by household type				
<i>Household type</i>	<i>2023 Number</i>	<i>2023 Percentage</i>	<i>2040 Number</i>	<i>2040 Percentage</i>
One person	11,729	27.5%	13,942	28.3%
Couple with no children	13,244	31.0%	15,079	30.7%
Couple with child/children	12,113	28.4%	13,443	27.3%
Lone parent	3,606	8.4%	4,314	8.8%
Other*	1,993	4.7%	2,417	4.9%
Total	42,685	100.0%	49,196	100.0%

*Other households include multi-generational households, student households, households of unrelated people sharing accommodation as well as other groups.

5.9 The figure below indicates the percentage increase in these household types that will occur between 2023 and 2040 in Bromsgrove District. The figure indicates that the largest relative growth will be in ‘other’ and lone parent households (from a relatively low base), with the number of single person households also projected to grow notably. The absolute growth in households will be largest for one person households, followed by couple households with no children.



Methodology of the demand model

5.10 The demand model uses secondary data to determine the future demand for housing by size and tenure as derived from the profile of household’s resident in the area at the end of the plan-period. It is based on both a detailed understanding of the current stock of housing in the district, and also the occupation patterns of households in Bromsgrove District and how they are changing. It is driven by the changes projected to the composition of the population over the 17-year plan period, as set out above.

5.11 The Census provides information on the size (in terms of bedrooms) and tenure of accommodation in Bromsgrove District in 2011. This has been adjusted⁴² to reflect the changes since 2011 to provide an accommodation profile in 2023.

5.12 The 2011 Census also provides detail on the occupational patterns of different household groups in Bromsgrove District, which means that the profile of housing occupied by each

⁴² Using the latest data from the Regulator of Social Housing’s Statistical Data Return and trends indicated within the English Housing Survey and by the Census.



household type can be determined. Rather than assuming the current usage patterns for each household type will apply to the future population of that household group, the model assesses the current trends in occupation patterns (recorded by the change in the tenure profile of each household type between the 2001 and 2011 Census in Bromsgrove District and adjusted to reflect any more recent behavioural trends recorded nationally in the English Housing Survey, with the changes in the size of accommodation occupied within each tenure also accounted for), and models their continuation through to 2040⁴³. This approach is in line with the PPG.

- 5.13 A further adjustment is made to counter the existence of overcrowding, which the PPG indicates should be addressed. Households currently overcrowded will therefore be housed in adequately sized accommodation within the model⁴⁴. This means that the future housing stock will better reflect the requirements of the future population in the area.
- 5.14 This profile of suitable accommodation for each household type is applied to the size of the household group in 2040. The accommodation profile required in 2040 is then compared to the current accommodation profile and the nature of additional housing is derived. It should be noted that the model works by matching dwellings to households, so the figures are based on the change in number of households identified within the housing need calculations.

⁴³ These behavioural changes recorded by the English Housing Survey would not include any adjustments to behaviour caused by the coronavirus pandemic, such as the requirement for an extra bedroom to use as a home office. In light of comments submitted by stakeholders during the consultation, an alternative output has been presented in Appendix 5 showing the housing mix were the need for a home office to be a permanent requirement amongst relevant households.

⁴⁴ Using the example of a lone parent household residing in a two bedroom property but requiring a three bedroom home, the modelled accommodation profile for this household group would assign this household a three bedroom property rather than a two bedroom dwelling. This means that it is anticipated that for equivalent households in the future, none would be expected to live in an overcrowded home.

Tenure of housing required

5.15 The tables below show the projected tenure profile in Bromsgrove District at the end of the plan period. The profile in 2023 at the start of the plan period is also set out for context. The data shows that, in 2040, the housing stock across Bromsgrove District should comprise 75.2% owner-occupied accommodation, 11.7% private rented homes, 1.7% Shared Ownership properties and 11.4% Social Rented/Affordable Rented housing.

Table 5.3 Current tenure and tenure profile projected in Bromsgrove District in 2040				
<i>Tenure</i>	<i>Base tenure (2023)</i>		<i>Projected tenure (2040)</i>	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
Owner-occupied	32,706	76.6%	36,986	75.2%
Private rented	4,960	11.6%	5,758	11.7%
Shared Ownership	456	1.1%	827	1.7%
Social Rent/Affordable Rent	4,563	10.7%	5,625	11.4%
Total	42,685	100.0%	49,196	100.0%

5.16 The table below shows the tenure profile required by households resident in Bromsgrove District in 2040, in comparison to the anticipated tenure profile in the District at the start of the plan period in 2023. The difference between these two distributions is the change required to the housing stock over this period. The results show that 65.7% of new housing in Bromsgrove District should be owner-occupied, 12.3% private rented, 5.7% should be Shared Ownership and 16.3% Social Rent/Affordable Rent.

Table 5.4 Tenure of new accommodation required in Bromsgrove District over the 17-year plan period				
<i>Tenure</i>	<i>Base tenure profile (2023)</i>	<i>Tenure profile 2040</i>	<i>Change required</i>	<i>% of change required</i>
Owner-occupied	32,706	36,986	4,280	65.7%
Private rent	4,960	5,758	798	12.3%
Shared Ownership	456	827	371	5.7%
Social Rent/Affordable Rent	4,563	5,625	1,062	16.3%
Total	42,685	49,196	6,511	100.0%

First Homes

5.17 As discussed in Chapter 3, First Homes are an intermediate product that have been introduced to specifically help potential first-time buyers access home ownership. It is clear from the cost

profile of First Homes, set out in Chapter 3, that their likely price-level will mean that they could be suitable for a notable number of households that would otherwise reside in the private rented sector⁴⁵. However, as it is a product that has only recently been introduced into the market, it cannot be modelled using the same trend data as is utilised for the rest of the LTBHM model. The potential demand for this new product over the plan period can be derived by making assumptions about the likelihood of different household groups within the private rented sector to try and acquire this form of housing, informed by an affordability analysis of the tenure and the length of time required to save a deposit.

- 5.18 This approach identifies that, between 2023 and 2040, there would be a potential demand for 310 First Homes in Bromsgrove District, which would represent 4.8% of all new housing over this period. These figures are therefore deducted from the total requirement for private rented accommodation (where the LTBHM model presumes they would otherwise be housed). The demand for 310 First Homes in Bromsgrove District, identified using this process, should be treated as an indicative figure rather than an absolute target.

Size of housing required within each tenure

- 5.19 The tables below present the size of owner-occupied accommodation required in Bromsgrove District in 2040 in comparison to the size profile recorded in the sector at the base date. The implied change to the housing stock is also presented. The data shows that some 31.5% of new owner-occupied housing in Bromsgrove District should be three bedroom homes, with 28.2% being two bedroom units, 25.5% should have four or more bedrooms and 14.8% one bedroom accommodation.

Table 5.5 Size of new owner-occupied accommodation required in Bromsgrove District over the 17-year plan period				
<i>Size of home</i>	<i>Base size profile (2023)</i>	<i>Size profile 2040</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	807	1,439	632	14.8%
Two bedroom	4,598	5,805	1,207	28.2%
Three bedroom	13,796	15,144	1,348	31.5%
Four or more bedrooms	13,505	14,598	1,093	25.5%
Total	32,706	36,986	4,280	100.0%

⁴⁵ The likely price of First Homes is markedly cheaper than entry-level owner-occupation in Bromsgrove district and households unable to access owner-occupation without this product would instead find accommodation in the private rented sector.

- 5.20 This analysis can be repeated for private rented housing and is presented in the table below. The data indicates that, of the 798 private rented homes required within Bromsgrove District, 28.7% should be three bedroom properties and a further 25.0% should have two bedrooms. Some 23.5% should be one bedroom accommodation and 22.7% should be homes with four or more bedrooms.

Table 5.6 Size of new private rented accommodation required in Bromsgrove District over the 17-year plan period				
<i>Size of home</i>	<i>Base size profile (2023)</i>	<i>Size profile 2040</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	764	952	188	23.5%
Two bedroom	1,888	2,088	200	25.0%
Three bedroom	1,655	1,885	229	28.7%
Four or more bedrooms	653	834	181	22.7%
Total	4,960	5,758	798	100.0%

- 5.21 The table below sets out the equivalent analysis for Shared Ownership housing. The data indicates that of the 371 Shared Ownership dwellings required within Bromsgrove District, 30.9% should be three-bedroom properties with a further 30.2% two bedroom accommodation. Some 23.9% should have one bedroom and 15.0% should have four or more bedrooms.

Table 5.7 Size of new Shared Ownership accommodation required in Bromsgrove District over the 17-year plan period				
<i>Size of home</i>	<i>Base size profile (2023)</i>	<i>Size profile 2040</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	101	190	89	23.9%
Two bedroom	148	260	112	30.2%
Three bedroom	160	274	114	30.9%
Four or more bedrooms	47	103	56	15.0%
Total	456	827	371	100.0%

- 5.22 The table below shows the size of accommodation required in the Affordable Rented/Social Rented sector. The table shows that, of the 1,062 additional Affordable Rented units required within Bromsgrove District over the 17-year plan period, 37.4% should have four or more bedrooms, 25.4% three bedrooms, 21.5% one bedroom and 15.7% two bedrooms. It should be noted that this is the net requirement for new Affordable Rented/Social Rented homes over the plan period. If there is loss of affordable stock through Right-to-Buy, this will also need to be replaced.

5.23 Through the stakeholder consultation the primary local Registered Provider commented that *‘as the main social housing landlord in Bromsgrove we have seen a noticeable increase in cases of overcrowding over the last 3 years which can only be solved by a big increase in the number of larger family homes. The acute shortage of existing rented family housing of all types across Bromsgrove is putting a huge strain on services and adversely impacting the health and quality of life of so many people. There are currently 260 families (as at 14/6/2021) in unsuitable homes in the rented sector and we therefore welcome the recognition of this need in the Bromsgrove HEDNA Housing assessment for higher percentages of 3 bed and 4 bed + homes. This will help immensely and improve life chances of so many struggling families if it translates into more homes of this size coming through the planning process for social housing. The current stock of homes will not solve these cases, only new supply will do this, and it is important that developers understand what is really needed in Bromsgrove to start to address this housing and social crisis’.*

Table 5.8 Size of new Social Rent/Affordable Rent required in Bromsgrove District over the 17-year plan period				
<i>Size of home</i>	<i>Base size profile (2023)</i>	<i>Size profile 2040</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,682	1,911	228	21.5%
Two bedroom	1,392	1,559	167	15.7%
Three bedroom	1,403	1,673	270	25.4%
Four or more bedrooms	86	483	397	37.4%
Total	4,563	5,625	1,062	100.0%

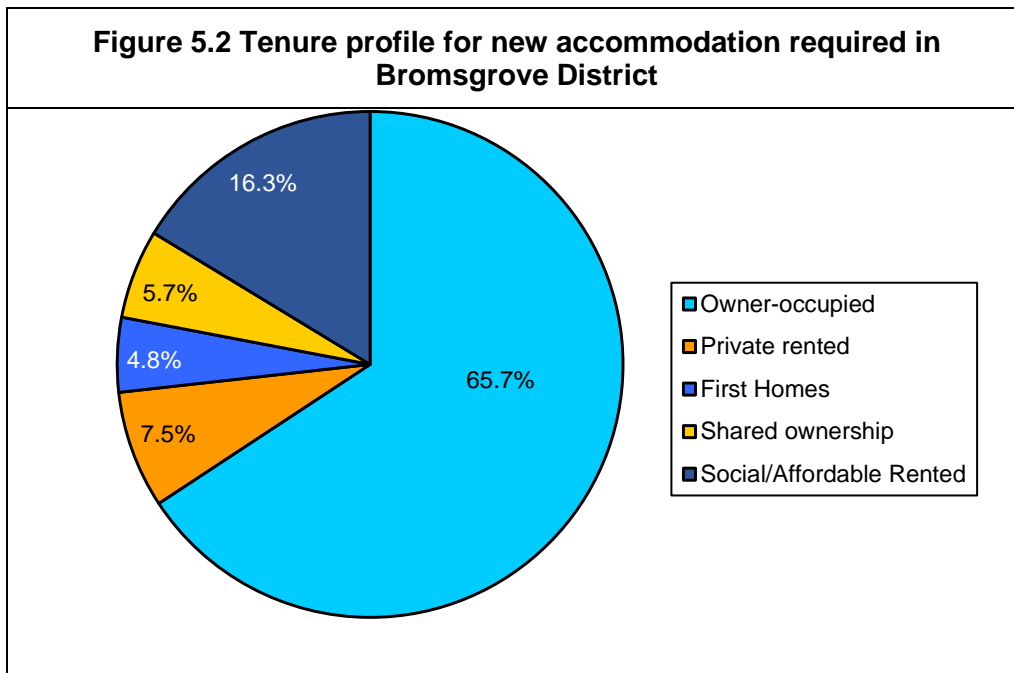
5.24 The table below shows the size of First Homes that would be required to house some households that would otherwise reside in the private rented sector. The residual private rented requirement, once the potential demand from households for this alternative product has been deducted, is also set out in the table. The model indicates that in Bromsgrove District, 31.5% of the First Homes should have two bedrooms, 28.9% one bedroom, 21.7% three bedrooms and 17.9% four or more bedrooms.

Table 5.9 Potential demand for First Homes in Bromsgrove District over the 17-year plan period				
Size of home	First Homes		Residual private rented homes	
	Number required	Proportion required	Number required	Proportion required
One bedroom	90	28.9%	98	20.1%
Two bedroom	98	31.5%	102	20.9%
Three bedroom	67	21.7%	162	33.2%
Four or more bedrooms	55	17.9%	126	25.7%
Total	310	100.0%	488	100.0%

5.25 The table below summarises the results for presented for each tenure individually above and shows the profile the new housing required in Bromsgrove District over the 17-year plan period.

Table 5.10 Profile of new accommodation required in Bromsgrove District					
Size of home	Owner occupied	Private rented	First Homes	Shared Ownership	Social/ Affordable Rented
1 bedroom	632	98	90	89	228
	14.8%	21.1%	28.9%	24.0%	21.5%
2 bedroom	1,207	102	98	112	167
	28.2%	20.9%	31.5%	30.2%	15.7%
3 bedroom	1,348	162	67	114	270
	31.5%	33.2%	21.7%	30.7%	25.4%
4+ bedrooms	1,093	126	55	56	397
	25.5%	25.7%	17.9%	15.1%	37.4%
Total	4,280	488	310	371	1,062

5.26 The following figure shows the overall tenure profile of new homes required alongside the distribution specifically in the affordable sector.



6. Affordable housing need

Introduction

- 6.1 As indicated in the PPG, it is necessary to undertake a separate calculation of affordable housing need. Paragraph 18 (Reference ID: 2a-018-20190220) to Paragraph 24 (Reference ID: 2a-024-20190220) of the PPG details how affordable housing need should be calculated. The affordable housing need figure is calculated in isolation from the rest of the local housing need and is used solely to indicate whether the Local Planning Authority should plan for more dwellings where it could help meet the need for affordable housing.
- 6.2 The model outlined in the PPG is an assessment of the local housing market at a particular point of time (April 2021), and does not consider likely future changes to the housing market that may impact the results (such as future loss of affordable stock through Right to Buy), i.e. it is based on what is known at the time of the assessment. The PPG (Paragraph 19) defines affordable housing need as *‘the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market’*.
- 6.3 Appendix 3 presents the results of the three broad stages of the model used to calculate affordable housing need. This chapter sets out the overall annual estimate of the affordable housing need in Bromsgrove District⁴⁶ as a consequence of following the steps detailed in the appendix, and the tenure of accommodation most appropriate to meet this need is discussed.

Estimate of net annual affordable housing need

- 6.4 Once all of the steps of the calculation of the affordable housing needs model (detailed in Appendix 3) have been completed, it is necessary to bring this evidence together to determine the overall net annual affordable housing need. This is set out below.
- 6.5 Paragraph 024 of the PPG⁴⁷ states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).
- 6.6 The second step is to convert this total net current need figure into an annual flow. The PPG indicates that annual flows should be based on the plan period. For the purposes of this study

⁴⁶ This will imply a figure for the amount of affordable accommodation required over the plan period, however this is derived using a different approach and has a different purpose to the equivalent figure in Chapter 4, as described in para 1.6, and the two should not be compared.

⁴⁷ Reference ID: 2a-024-20190220.

the period of 19 years will be used to fit in with the remaining timeframe of the Local Plan (from the year in which this assessment takes place, 2021, through to the end of the plan period of 2040) ⁴⁸. The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). The table below sets out this process. It leads to a total net need for affordable housing of 92 units per year in Bromsgrove District. In accordance with paragraph 024 of the PPG, this figure should be compared with the local housing need identified following the Standard Method to determine whether an uplift to the local housing need is required. This is discussed in Chapter 8.

Table 6.1 Results of the affordable housing needs model in Bromsgrove District	
<i>Stage in calculation</i>	
Stage 1: Current unmet gross need for affordable housing (Total) (Table A3.3)	662
Stage 2: Newly arising affordable housing need (Annual) (Table A3.5)	359
Stage 3: Current affordable housing supply (Total) (Table A3.6)	536
Stage 4: Future housing supply (Annual) (Table A3.9)	274
Stage 5.1 Net current need (Stage 1 - Stage 3) (Total)	127
Stage 5.2 Annualise net current need (Stage 5.1/19) (Annual)	7
Stage 5.3 Total need for affordable housing (Stage 2 + Stage 5.2 – Stage 4) (Annual)	92
Total gross annual need (Stage 1/19 + Stage 2) (Annual)	393
Total gross annual supply (Stage 3/19 + Stage 4) (Annual)	302

⁴⁸ The affordable housing needs model is an assessment of the situation currently. It is presumed that this affordable need will be addressed through the plan period, the figures are therefore divided by 19 to reflect that there is 19 years from the current assessment to the end of the plan period

Overall households in affordable housing need by type (gross)

6.7 The table below gives a breakdown of the gross annual households in need, by household type in Bromsgrove District. The table shows that some 4.2% of lone parent households are in housing need compared to 0.4% of couple households with no children. Overall, lone parent households comprise over a third of all households in need.

Table 6.2 Annual need requirement by household type in Bromsgrove District					
<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	68	11,387	11,455	0.6%	17.3%
Couple with no children	56	12,956	13,012	0.4%	14.2%
Couple with child/children	97	11,845	11,942	0.8%	24.6%
Lone parent	148	3,371	3,519	4.2%	37.5%
Other	25	1,915	1,941	1.3%	6.4%
Total	393	41,475	41,868	0.9%	100.0%

Type of affordable home required

6.8 As discussed in Chapter 3, a range of affordable products is available to meet affordable housing need in Bromsgrove District. This section will consider the suitability of these different products for meeting affordable housing need.

6.9 As the relative cost of each product is not always the same (for example, in some instances, Shared Ownership housing with a 25% equity share is more expensive than Intermediate Rent, but in other cases the reverse is true), each product is tested individually. The table below illustrates how many households in affordable housing need in Bromsgrove District are able to afford the different affordable products. Several intermediate options are affordable to some households, so the table presents the maximum number of households able to afford each product. Households can therefore be included in more than one row. The only exception is the final row which includes only households unable to afford a product more expensive than Social Rent. The Social Rented group also includes those unable to afford any accommodation without support from Housing Benefit or Local Housing Allowance, as this is the tenure in which these households are most likely to reside.

- 6.10 The table below shows that of the 393 households in gross need (i.e. the total need, before adjusting for supply) each year in Bromsgrove District, 7.5% could afford a First Home, 8.5% could afford Shared Ownership with a 40% share, 26.6% could afford Shared Ownership with a 25% share, 45.5% Shared Ownership with a 10% equity share, 11.2% could afford Intermediate Rent and 40.5% could afford Affordable Rent as it is currently priced. To provide clarity on the importance of the price at which Affordable Rents are set, two further rows have been added to the table. Firstly, the table shows that just 11.2% of households in need would be able to afford Affordable Rents at 80% of the median rent (the maximum level that they can be priced and notably higher than the current Affordable Rents levels in the district). If Affordable Rents were priced at the LHA cap operating in the district, then only 8.4% of households in need would be able to afford this level.
- 6.11 Some 46.5% of households in affordable housing need can only afford Social Rent or require support. These figures are based on the products being available at the costs set out in Chapter 3. If there is no data in a cell it is because the product is not available below the price of the market entry cost of the same sized home (this is usually private rented accommodation in Bromsgrove district) – households able to afford this accommodation would also be able to afford a market home in the district and therefore would not be in need.

Table 6.3 Size and type of affordable home households in need are able to afford (per annum) in Bromsgrove District						
<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total</i>	<i>Total (%)</i>
First Home	16	13	-	-	29	7.5%
Shared Ownership – 40% equity share	18	16	-	-	33	8.5%
Shared Ownership – 25% equity share	47	51	6	1	105	26.6%
Shared Ownership – 10% equity share	61	81	22	15	179	45.5%
Intermediate Rent	0	34	10	-	44	11.2%
Affordable Rent – 80% market rents	0	34	10	-	44	11.2%
Affordable Rent – At current level	16	75	43	24	159	40.5%
Affordable Rent – At LHA cap	3	21	8	1	33	8.4%
Social Rent/requires assistance	63	79	29	12	203	46.5%
All households	124	160	73	37	393	100.0%

Sensitivity analysis - affordability threshold

- 6.12 The results presented in this chapter are based on using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in Bromsgrove District, reflecting the current market reality. The impact of adjusting this affordability threshold is considered in the table below, which details the results of the PPG affordable housing need model across Bromsgrove District where the cost of housing could constitute different proportions of household incomes.
- 6.13 In paragraph 020 of the PPG, it is noted that households should be considered against their ability to afford owner-occupation, where that is their aspiration. Unfortunately, the data sources do not collect information on the tenure that the households in need aspire to. To gauge the impact of presuming all households aspire to owner occupation, the final column in the table shows the results of the affordable housing need model if households were tested for their ability to afford market entry owner-occupation rather than market rents.
- 6.14 The table indicates that the net requirement would increase from 92 to 131 affordable homes per year in Bromsgrove District if 30% of gross household income could be spent on housing costs. This would increase further to 182 affordable homes per year if 25% of income could be spent on housing costs. If it was presumed that home ownership was the market access point, then there would be a need for 286 affordable homes per year (net).

Table 6.4 Impact of different affordability assumptions on affordable housing requirement in Bromsgrove District				
	<i>Rent payable constitutes no more than:</i>			<i>Market entry is based on owner-occupation</i>
	<i>Affordability threshold: 35% of gross household income</i>	<i>30% of gross household income</i>	<i>25% of gross household income</i>	
Stage 1: Current gross need	662	735	828	983
Stage 2: Newly arising need	359	394	441	539
Stage 3: Current supply	536	544	549	595
Stage 4: Future supply	273	273	273	273
Stage 5.1 Net current need	127	192	279	388
Stage 5.2 Annual net current need	7	10	15	20
Stage 5.3 Total net annual need	92	131	182	286

7. Requirements of specific groups

Introduction

7.1 Paragraph 60 of the NPPF seeks ‘... that the needs of groups with specific housing requirements are addressed ...’, and then paragraph 62 requires:

... the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).

7.2 This chapter considers the specific profiles of the specific groups of the population. For each group the analysis will present the relative prevalence of the population, the current accommodation situation and information on their future requirements. As stated in Paragraph: 001 (Reference ID: 67-001-20190722) of the PPG, ‘*Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area.*’ Whilst the LTBHM model (set out in Chapter 5 above) considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. The results presented in this chapter that are derived from the LTBHM model show the requirements for the entire population anticipated in the district in 2040. It should be noted that, in the PPG, guidance on housing needs assessments are divided into three different sections: ‘*housing and economic needs assessments*’, ‘*housing needs of different groups*’ and ‘*housing needs of older and disabled people*’. This chapter will contain information that meets the requirements within the final two categories.

7.3 The chapter looks at the following groups of the population which all have an appreciable impact on the housing market in Bromsgrove District:

- Older persons
- People with disabilities
- Family households

7.4 This chapter will also examine the private rented sector in more detail and comment on the level of demand from people wishing to build their own homes as well as the extent of park homes in the district. Student housing and service families are not profiled in detail in this report as Bromsgrove District contains no higher education establishments or Ministry of Defence bases. The needs of travellers in Bromsgrove district are being considered in a separate study.

Housing Needs of Older People

- 7.5 Paragraph: 001 of the PPG⁴⁹ recognises that *‘the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing.... Offering older people, a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.’* Page 70 of the NPPF provides the following definition of older people: *‘People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.’* The analysis of older people presented here is focused on people aged 65 and over.

Current situation and projected growth

- 7.6 Figure 2.1 sets out the age profile of the population in Bromsgrove District in 2019. Analysis shows that some 22.6% of the population in the district were aged 65 or over. This compares to a figure of 18.6% across the West Midlands region and 18.4% nationally. This highlights that the profile of the population in Bromsgrove District is currently notably older than average.
- 7.7 The disaggregated local housing need projections (set out in Chapter 5) indicate that the population aged 65 or over is going to increase notably in Bromsgrove District over the plan period; from 23,680 in 2023, to 29,829 in 2040, a rise of 26.0%. The projections also suggest that there will be an increase in the number of households headed by someone over 65 in Bromsgrove District from 14,465 in 2023, to 18,850 in 2040, an increase 26.7%. The projections indicate that the proportion of older persons living alone in Bromsgrove District will increase from 41.3% in 2023, to 42.4% in 2040.

⁴⁹ Reference ID: 63-001-20190626

Future requirement

7.8 The results of the LTBHM model can be disaggregated into different household groups within the whole population. The table below shows the projected accommodation profile for older person households in Bromsgrove District in 2040 arising from that model.

Table 7.1 Type of accommodation projected for 'older person only' households in Bromsgrove District in 2040*					
<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes**</i>	<i>Shared Ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	1,341	199	4	51	1,358
2 bedroom	4,883	305	3	23	644
3 bedroom	7,689	104	0	4	137
4+ bedrooms	1,751	23	0	0	31
Total	15,665	631	7	78	2,170

*This represents housing demand within the market sector and includes a notable amount of under-occupying within the owner-occupied tenure, reflecting that some older persons households choose to remain in their home rather than downsize to a smaller property. **Older persons households occupying First Homes at the end of the plan period are households that will not be old when they purchase the home but will be classified as old by the end of the plan period.

7.9 In line with the updated PPG that says '*offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems*' it will be necessary for the Council to consider how the requirements of these groups could be accommodated in the future. It is anticipated that the majority of older person households will reside in the general housing stock in Bromsgrove District in 2040 (as they do now) so it is important that new housing is suitable for the widest range of groups.

7.10 There are a range of tools for achieving this, such as following the HAPPI⁵⁰ design principles so housing may be suitable for older people (although these design features will appeal more widely across the population), adoption of the Building for Life⁵¹ Standards (these are broad design principles), and adopting the Accessible and Adaptable Standards⁵² of construction, as set out in the Building Regulations. The Council will need to determine which approach is most suitable for their requirements and this may vary for different sites in the district.

⁵⁰ <https://www.housinglin.org.uk/Topics/browse/Design-building/HAPPI/>

⁵¹ https://www.designcouncil.org.uk/sites/default/files/asset/document/Building%20for%20Life%2012_0.pdf

⁵² See paragraph 63-009-20190626 of the PPG and <https://www.gov.uk/guidance/housing-optional-technical-standards>

Specialist accommodation

- 7.11 Given the dramatic growth in the older population, and the higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options. As Paragraph 004 of the PPG⁵³ notes *‘the future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed’*. To assess this need we have used the approach advocated by the Housing Learning and Improvement Network’s (Housing LIN) Strategic Housing for Older People (SHOP) tool, which is the model recommended within Paragraph 004 of the PPG⁵⁴. It should be noted that this tool is only driven by demographic changes and does not consider people’s choices or aspirations as to what form of accommodation they would prefer.
- 7.12 According to data compiled from both Bromsgrove District Council and Worcestershire County Council, there are 819 units of Sheltered Housing for older people/retirement housing⁵⁵ in Bromsgrove District currently, alongside 92 Extracare units/supported living housing⁵⁶. It is worth noting that around three quarters of the Sheltered Housing for older people/retirement housing is in the affordable sector as is all of the Extracare units/supported living housing, despite the overwhelming propensity of older persons only households to be owner-occupiers.
- 7.13 The current prevalence of Sheltered Housing for older people/retirement housing in Bromsgrove District is 69 per thousand head of population aged 75 or over, with the prevalence rate for Extracare units/supported living housing 7 per thousand head of population aged 75 or over. The SHOP model helps authorities to plan to deliver more of this type of accommodation in response to the growth of the population that utilises it (principally those aged 75 or over). The SHOP model uses these prevalence rates as the key variant when modelling future demand. For the purposes of this study, it is presumed that the prevalence rates in Bromsgrove District will move to the sub-regional averages over the plan period (as the current rates are notably below the average for the sub-region). The sub-regional prevalence rates are 85 per thousand head of population aged 75 or over for Sheltered Housing for older people/retirement housing and 20 per thousand head of population aged 75 or over for Extracare units/supported living housing.

⁵³ Reference ID: 63-001-20190626

⁵⁴ Reference ID: 63-004-20190626

⁵⁵ A collection of self-contained units of accommodation (usual bedsits within a communal block), which have on-site warden support (usually daytime only with on call service at night) and communal social areas and activities. This is very similar to the housing type *‘Retirement living or sheltered housing’* as defined in the PPG.

⁵⁶ Extracare housing is similar to sheltered accommodation, but with enhanced provision for personal care of frailer older people. On-site support is usually provided on a 24 hour rather than day-time only basis. Extracare housing is often focused on addressing the needs of people with dementia. These two housing types are similar to the *‘Extra care housing or housing-with-care’* definition in the PPG. Supported living is a combination of suitable accommodation, with some forms of personal care (like help with washing or cooking).

- 7.14 To establish the potential demand for these accommodation types in Bromsgrove District at the end of the plan period, these prevalence rates are applied to the total number of people aged 75 or over in Bromsgrove District in 2040 according to the disaggregated local housing need projections. The demand that is derived is then compared to the current stock. This process is summarised in the table below. The future tenure profile of this specialist stock takes account of the modelling that indicates that over three quarters of all older person households will live in market accommodation in 2040, as evidenced in Table 7.1.
- 7.15 To meet local demand rates in 2040, the model identifies a requirement for 565 additional units of Sheltered housing for older people/ retirement housing and 225 additional Extracare units/ supported living housing in Bromsgrove District over the plan period (definitions set out in footnotes 55 and 56). Of the 565 new units of Sheltered housing for older people/retirement housing, some 80% should be market accommodation, with the remainder affordable. Of the 225 new Extracare housing/ supported living housing, 50% should be market and 50% affordable. Both of these forms of specialist housing are Class C3 dwellings.

Table 7.2 Projected requirement for specialist accommodation for older person households in Bromsgrove District over the plan period to 2040				
<i>Type of specialist accommodation</i>	<i>Tenure</i>	<i>Base profile (2023)</i>	<i>Profile 2040</i>	<i>Additional units required</i>
Sheltered housing for older people/ retirement housing	Market	198	653	456
	Affordable	621	730	109
	Total	819	1,384	565
Extracare housing/supported living housing	Market	0	107	107
	Affordable	92	210	118
	Total	92	317	225
All specialist accommodation for older person households	Market	198	760	563
	Affordable	713	940	227
	Total	911	1,701	790

- 7.16 The requirement for 790 additional specialist units for older person households represents 12.1% of the total household growth in Bromsgrove District for the period 2023 to 2040. The actual numbers and type of specialist accommodation needed may depend on changes in patterns of demand and expectations. It is therefore appropriate to consider this level of need with the acknowledgement that the form of accommodation delivered should not be too prescriptive.

- 7.17 As well as the need for specialist housing for older people, there will also be an additional requirement for Registered Care⁵⁷ (Class C2). According to the Projecting Older People Population Information (POPPI) website⁵⁸, there are around 1,187 spaces in nursing and residential care homes in Bromsgrove District currently. Utilising information recorded in the Regulator of Social Housing’s Statistical Data Return 2020, it is estimated that just over a quarter of these are in the affordable sector.
- 7.18 As part of the process of projecting the future household typology within the disaggregation of the overall housing need figure as, described in Chapter 5, the population that will reside in communal establishments is calculated. The model identifies that in 2040 there will be 1,943 people aged 65 and over in Bromsgrove District that will be resident in Registered Care. This figure is dependent on the communal population rates (separated by age and gender), that have been produced through to 2043 for each local authority in England as part of the 2018-based household projections dataset, and therefore presumes that these are accurate.
- 7.19 This implies that there will be a requirement for 756 additional Registered Care spaces between 2023 and 2040, of which 46.3% should be in the affordable sector and 53.7% within a market tenure. The table below details these calculations.

Table 7.3 Projected requirement for Registered Care for older persons in Bromsgrove District over the plan period			
<i>Tenure</i>	<i>Base profile (2023)</i>	<i>Profile 2040</i>	<i>Additional units required</i>
Market	874	1,280	406
Affordable	314	663	350
Total	1,187	1,943	756

- 7.20 It should be noted that the modelling presented above, is based on occupation patterns in this sector recorded prior to the coronavirus pandemic. Whilst the full impact of the coronavirus pandemic on society may not be known for some time, it appears that those living in residential care have been more adversely affected than the wider population. This may change the perception of the sector amongst potential residents and lead to a reduction in the demand for such accommodation. The Council should therefore closely monitor the take-up of Registered Care in Bromsgrove District to identify whether the demand pattern identified will be fulfilled.

⁵⁷ Residential care homes and nursing homes: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes. This is the same as the definition in the PPG.

⁵⁸ <https://www.poppi.org.uk/>

7.21 The table below brings together the analysis presented in the previous three tables, to show the full profile of accommodation required by older persons in Bromsgrove District at the end of the plan period.

Table 7.4 Type of accommodation required for older person households in Bromsgrove District in 2040						
<i>Size of home</i>	<i>Market</i>			<i>Affordable</i>		
	<i>General housing*</i>	Sheltered housing/ retirement housing	Extra care housing/ supported living housing	<i>General housing*</i>	Sheltered housing/ retirement housing	Extra care housing/ supported living housing
1 bedroom	1,078	393	70	705	559	150
2 bedrooms	4,890	261	37	439	172	60
3 bedrooms	7,793	-	-	140	-	-
4+ bedrooms	1,774	-	-	31	-	-
Total in households	15,535	653	107	1,315	730	210
Residential care	1,280			663		

This includes 'age-restricted general market housing' as defined in the PPG (the type of housing is generally for people aged 55 and over and the active elderly) as well as general housing available to all people. This analysis is focused only on those where all household members are aged 65 or over.

7.22 The majority of older person households in Bromsgrove District are likely to remain in general housing, as Paragraph 012 (ID: 63-012-20190626) of the PPG notes '*Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs.*' Whilst this may result in homes being under-occupied, there is no mechanism for the Council to address this. The next section looks at the role of adaptations to help households remain in their home.

7.23 It should be noted that the general housing that older people aspire to reside in includes age-restricted general market housing. This is non-specialist housing located on sites that are exclusively used by older people, typically those aged 55 or over. It is hard to gauge the future demand for this accommodation as there is limited evidence of the current supply in Bromsgrove District, however it is envisaged that this will increase as the population ages over the plan period and the Council should monitor whether the existing provision is able to meet demand.

People with disabilities

- 7.24 Paragraph: 002 of the PPG⁵⁹ notes that ‘*The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives.... Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives.*’ The Glossary of the NPPF (page 70) provides the following definition of disabled people: ‘*People have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.*’ Due to a dearth of accurate data on the individual groups within this population, the analysis in this section will consider all those with a specific need unless otherwise stated.

Number of people in receipt of relevant benefits

- 7.25 The PPG indicates that a more up-to-date estimate of the number of people with a disability can be acquired by looking at the number of people in an area that are in receipt of Personal Independence Payment⁶⁰ or Attendance Allowance. Personal Independence Payment (PIP) helps with some of the extra costs caused by long-term disability, ill-health or terminal ill-health and is available for all people aged 16 or over. Data from the Department of Work & Pensions indicates that, as at January 2021, there were 2,888 people in Bromsgrove District in receipt of PIP, which equated to 2.8% of the population in the District. In comparison, some 3.8% of the population across the West Midlands and 4.3% of the population of England were in receipt of PIP.
- 7.26 Attendance Allowance is a benefit for people over the age of 65 who are so severely disabled, physically or mentally, that they need a great deal of help with personal care or supervision. The Department of Work & Pensions data shows that, as at November 2020, there were 2,785 people in Bromsgrove District in receipt of Attendance Allowance, which equated to 2.7% of the population in the District. In comparison, some 2.5% of the population in the West Midlands and 2.3% of the population nationally were in receipt of Attendance Allowance.
- 7.27 The PPG⁶¹ notes that ‘*whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.*’

⁵⁹ Reference ID: 63-002-20190626

⁶⁰ This has replaced Disability Living Allowance.

⁶¹ Reference ID: 63-005-20190626

Projected health of the future population

- 7.28 The POPPI website⁶² and the parallel Projecting Adult Needs and Service Information (PANSI) website⁶³ model the current and likely future incidence of a range of health issues for each authority in England. The table below sets out the number of people estimated to have one of five health conditions currently as determined by these data sources. The table also indicates the number of people projected to have these conditions in 2040, derived by applying the future prevalence rates used by the POPPI and PANSI modelling to the disaggregated future population for Bromsgrove District in 2040, as identified within the local housing need calculation. The table then goes on to report the current and future population in Bromsgrove District that require assistance with activities. These figures are derived using the same approach as described for the health condition modelling. The data from PANSI and POPPI is based on current and recent prevalence rates and, whilst these may vary in the future, the figures provide a useful baseline estimate. It should be noted that the groups are not mutually exclusive and people can be in more than one category and in both the *health condition* and *people requiring assistance with activities* sections.
- 7.29 The table shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot, is expected to increase by 31.5% between 2023 and 2040 in Bromsgrove District. This compares to an increase of 5.1% in the number of people aged 18-64 in the district with impaired mobility, a rise of 13.1% in the number of people aged 18-64 in Bromsgrove District with a common mental health disorder, an increase of 44.3% in the number of people aged 65 or over with dementia⁶⁴, and an increase of 18.4% in the number of people in Bromsgrove District with a moderate or severe learning disability.

⁶² <https://www.poppi.org.uk/>

⁶³ <https://www.pansi.org.uk/>

⁶⁴ Paragraph 019 (Reference ID: 63-019-20190626) of the PPG notes that ‘Evidence has shown that good quality housing and sensitively planned environments can have a substantial impact on the quality of life of someone living with dementia. People with dementia need to have access to care and support to enable them to live independently and homes need to be designed with their needs in mind.’

7.30 The table also shows that the number of those aged 65 or over that are unable to manage at least one mobility activity on their own, is expected to increase by 34.5% between 2023 and 2040, compared to an increase of 30.5% in the number of people aged 65 and over who need help with at least one domestic task, an increase of 29.9% in the number of people aged 65 and over who need help with at least one self-care activity and an increase of 6.4% in the number of people aged 18-64 with a serious personal care disability. It should be noted that these changes better reflect the projected change in the demographics of the population (an ageing population) rather than a notable change in the overall health of people.

Table 7.5 Number of people with particular health issues projected over the Local Plan period to 2040 in Bromsgrove District				
Condition	2023	2040	Total change	% change
Health condition				
People aged 65 and over with an illness*	5,043	6,631	1,588	31.5%
People aged 18-64 with impaired mobility	3,511	3,692	180	5.1%
People aged 18-64 with a common mental health problem	10,479	11,857	1,378	13.1%
People aged 65 and over with dementia	1,808	2,608	801	44.3%
People all ages with a learning disability	1,898	2,247	349	18.4%
People requiring assistance with activities				
People aged 65 and over that are unable to manage at least one mobility activity on their own**	4,544	6,113	1,570	34.5%
People aged 65 and over who need help with at least one domestic task***	7,040	9,185	2,145	30.5%
People aged 65 and over who need help with at least one self-care activity****	6,929	8,999	2,070	29.9%
People aged 18-64 with a serious personal care disability*****	541	576	35	6.4%
All people	103,281	115,118	11,837	11.5%

*A limiting long-term illness that limits them a lot.

**Activities include going out of doors and walking down the road; getting up and down stairs; getting around the house on the level; getting to the toilet; getting in and out of bed.

***These are activities which, while not fundamental to functioning, are important aspects of living independently such as doing routine housework or laundry, shopping for food, doing paperwork or paying bills.

****These are activities relating to personal care and mobility about the home that are basic to daily living.

*****Their physical disability means that they require someone else to help from getting in and out of bed, or getting in and out of a chair, dressing, washing, feeding, and use of the toilet.

Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2021, disaggregated local housing need figures, 2021.

Accessible and adaptable housing

- 7.31 The Nationally Described Space Standards (which set out national minimum space standards) published by the Department for Communities and Local Government in 2015⁶⁵ detail the minimum gross internal floor areas required in new dwellings and also the size of storage area required. The Nationally Described Space Standards also provide detail on the requirements of dwellings to meet the Accessible and Adaptable dwellings M4(2) and Wheelchair user dwellings M4 (3) standards⁶⁶.
- 7.32 Paragraph 008 of the PPG⁶⁷ sets out that *‘Accessible and adaptable housing enables people to live more independently, while also saving on health and social costs in the future.’* The same paragraph then goes on to clarify that *‘accessible and adaptable housing will provide safe and convenient approach routes into and out of the home and outside areas, suitable circulation space and suitable bathroom and kitchens within the home. Wheelchair user dwellings include additional features to meet the needs of occupants who use wheelchairs, or allow for adaptations to meet such needs.’*
- 7.33 The PPG⁶⁸ also details the data sources that can be used to provide evidence of the need in local planning authorities for dwellings that meet higher accessibility, adaptability and wheelchair housing standards. All of these have been researched, and whilst some have been used to provide the contextual information presented above, others have been used to model the future requirement for adaptable and accessible housing. The most important data input into the model is the CORE (Continuous REcording system) LA Area Lettings Reports which provide details about those that have moved into affordable accommodation – both general needs and specialist homes⁶⁹. The other data sources used in the model include the age profile of people in receipt of Disability Living Allowance in the district, the LTBHM modelling outputs on the current and future tenure profile of different household groups, the POPPI and PANSI projections (set out above) and analysis in the English Housing Survey.

⁶⁵

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard_Final_Web_version.pdf

⁶⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/540330/BR_PD_AD_M1_2015_with_2016_amendments_V3.pdf

⁶⁷ Reference ID: 63-008-20190626

⁶⁸ Reference ID: 56-007-20150327

⁶⁹ This source records whether households that moved into affordable housing in Bromsgrove require fully wheelchair accessible housing, whether they require level access housing, or whether they have other disability related requirements. Conversely, the data also indicates households where there were no disability related housing design or adaptation requirements.

7.34 The steps followed in the model to derive the future requirement for adaptable and accessible housing are set out below:

- The CORE LA Area Lettings Reports for the last three years (2017/18 to 2019/20) were examined and the total number of lettings that required a home to meet a mobility need was totalled alongside the total number of lettings (of all types). This was done within the general housing stock and separately within the supported housing⁷⁰ stock.
- To determine the requirement for adapted housing within the general stock that arises from households over 65, the proportion of people in receipt of the higher rate of the disability living allowance that are aged 65 or over in each authority as at May 2020 is calculated using the data published by the Department for Work and Pensions⁷¹. In Bromsgrove District this figure is 83.3%. It is therefore presumed that this proportion of the demand for adapted housing within the general stock arises from households over 65, with the remainder arising from younger households.
- The totals of the number of lettings of adapted housing over the last three years to these three groups; (those in sheltered accommodation, older persons households in general housing and households under 65 in the general stock) are then compared to the total number of lettings to each of these groups over the last three years, to generate a requirement rate for adapted housing for these three household groups in the affordable sector.
- To produce an equivalent requirement rate for adapted housing amongst the same groups of households resident in the market sector, the rate identified for each of these three groups in the affordable sector is adjusted by the difference between the proportion of affordable homes with adaptations nationally and the proportion of market homes with adaptations nationally as recorded by the Survey of English Housing⁷².
- The requirement rate for these three groups across the two broad tenures are then applied to the total number of households in these groups in 2023 as indicated by the LTBHM model. This provides us with an estimate of the current requirement for accessible and adaptable housing, differentiated both by the three household groups and the two broad tenures.
- To profile the future requirement, the total number of households under 65 in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 18-64 with an impaired mobility in each authority as modelled using the PANSI data set out in Table 7.5 above. The total number of

⁷⁰ Supported housing in this context refers to specialist housing for households (mainly older person households), such as that listed in Table 7.2.

⁷¹ <https://stat-xplore.dwp.gov.uk>

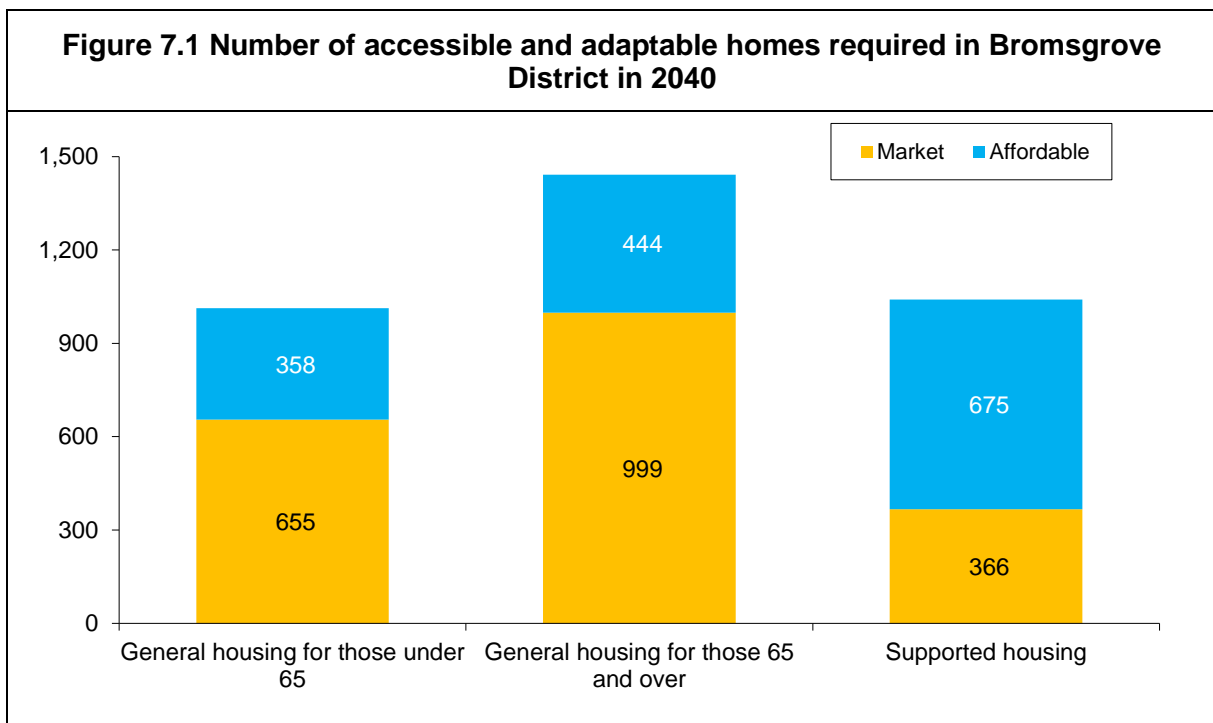
⁷² English Housing Survey Adaptions and accessibility factsheet 2018-19

<https://www.gov.uk/government/statistics/english-housing-survey-2018-accessibility-of-english-homes-fact-sheet>

households aged 65 and over in the general stock that require an adapted home currently is multiplied by the projected change in the number of people aged 65 and over that are unable to manage at least one mobility activity on their own in each authority as modelled using the POPPI data set out in Table 7.5 above. The total number of households in sheltered accommodation that require an adapted home currently is also multiplied by this figure derived from the POPPI modelling.

- This provides a total requirement for accessible and adaptable housing in 2040 in Bromsgrove District for the three different household groups. These are then divided by tenure, based on the tenure profile of these groups recorded in 2023, but also taking account of the changes in the tenure profile for each group that are projected to happen by 2040 according to the LTBHM model.

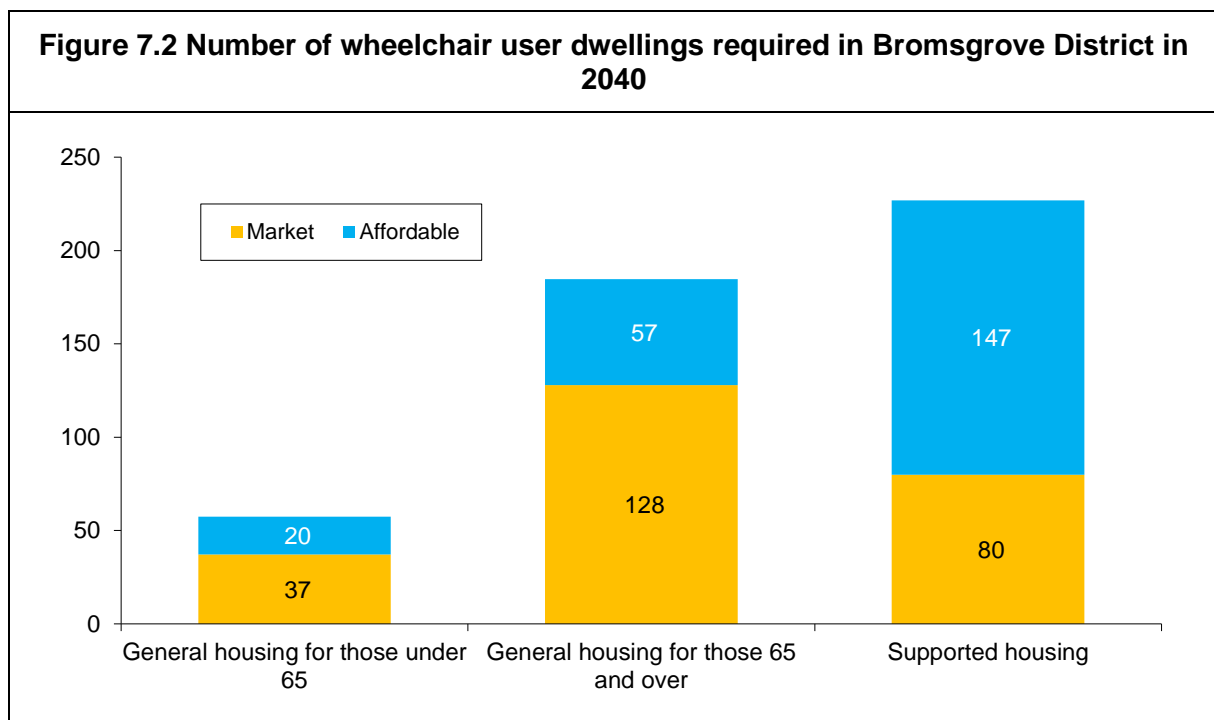
7.35 The figure below shows the final results of this model.



7.36 The figure indicates the requirement, for accessible and adaptable homes in Bromsgrove District in 2040, differentiated by setting, age group and tenure. In total 3,496 accessible and adaptable homes are required in 2040 in Bromsgrove District, of which 2,020 should be in the market sector and 1,476 in affordable accommodation. Of the 3,496 accessible and adaptable homes required, 2,455 should be in the general housing stock and 1,041 in supported accommodation. Not all of these dwellings have to be to be new properties; existing stock built to this criteria, or properties adapted to this standard to help address this need. There is no information available for the number of dwellings meeting these conditions in Bromsgrove district currently.

7.37 The outputs of the LTBHM model and the older persons' accommodation modelling have compared the future requirement with the current stock to identify the net change required to be delivered over the plan period. Whilst the future requirement for accessible and adaptable homes has been identified, there is limited information on the number of dwellings that fulfill these criteria in Bromsgrove District currently, and therefore there is not a detailed profile of the current stock from which to derive a net requirement. Overall, the requirement for 3,496 accessible and adaptable homes means that by the end of the plan period, around about 7.1% of the total stock should be available that meet these criteria. This is an estimated requirement for M4(2) Category 2 accessible and adaptable homes.

7.38 There is also a requirement for M4(3) Category 3 homes - wheelchair user dwellings. Using the same data sources but focusing specifically on those that require fully wheelchair accessible housing within the CORE LA Letting Reports figures and the data specifically on wheelchair dwellings within the English Housing Survey, it is possible to follow the same method to produce equivalent results that identify the future requirement for a wheelchair accessible home in Bromsgrove District in 2040.



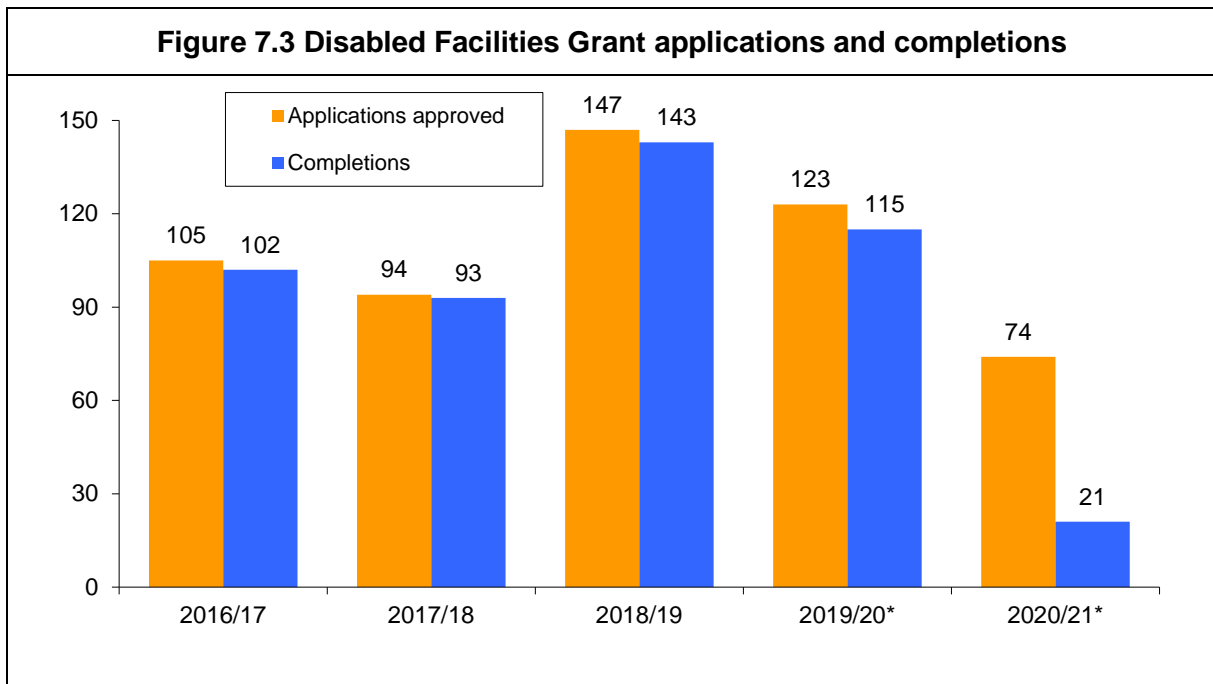
7.39 The figure indicates the requirement, for wheelchair user dwellings in Bromsgrove District in 2040, differentiated by setting, age group and tenure. In total, 469 wheelchair user dwellings are required in 2040 in Bromsgrove District, of which 245 should be in the market sector and 224 in affordable accommodation. Of the 469 wheelchair user dwellings required, 242 should be in the general housing stock and 227 in supported accommodation. Overall, the requirement for 469 wheelchair user dwellings will mean that by the end of the plan period, around about 1.0% of the total stock should be available to meet this criterion.

7.40 It is important to note that the PPG⁷³ is clear that the suitability of these requirements should be assessed to determine whether they are viable, and also that the authority should not impose any further requirements to the building regulations beyond what is set out in the building regulations for M4(2) and M4(3) dwellings.

Adaptations and support

7.41 In addition to specialist accommodation, the Council helps people to remain in their current home by providing support and assistance. Any adaptations to dwellings provided through this mechanism could reduce the requirement for new homes meeting the M4(2) standard, depending on the nature of the adaptation work completed.

7.42 The figure below shows the number of applications for Disabled Facilities Grants for home adaptations that have been approved by the Council over the last five years alongside the number of adaptations that have been completed within this programme over this period. The difference between applications and completions relates to the lag between application and completion rather than implying that there are unsuccessful applications. Disabled Facilities Grants are available in both the affordable and market stock. The Council assesses the income and savings of applicants before the grant is approved, therefore not all of the required adaptations are likely to be recorded in this data.



*A number of schemes in these years may be completed, but the record of these may not have been updated.

Source: Bromsgrove District Council, 2021

⁷³ Reference IDs: 56-003-20150327 & 56-008-20160519

- 7.43 In this context, paragraph 005 of the PPG⁷⁴ notes that '*Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.*' The provision of M4(2) homes would reduce the need for these adaptations to be applied to existing dwellings reactively, and make the housing stock more responsive to the evolving needs of the local population.

Families with children

Current situation

- 7.44 As set out in Table 5.2, there will be 15,719 family households in Bromsgrove District in 2023, which constitutes 22.9% of all households in the district. The modelling of the housing market undertaken for the LTBHM, indicates that some 3.7% of family households in the Bromsgrove District are currently living in overcrowded accommodation and the level of overcrowding amongst family households has increased from 3.1% in 2011. The affordability analysis, summarised in Figure 3.6, indicates that some 17.1% of family households across Bromsgrove District would not be able to move to a suitably sized home in the area, however just 10.5% of family households reside in affordable accommodation currently. This suggests that intermediate housing options are likely to be particularly useful for this group of the population.

⁷⁴ Reference ID: 63-005-20190626

Future requirement

7.45 The disaggregated local housing need projections indicate that the total population of families with children is going to rise from 15,719 in 2023 to 17,757 by 2040, a growth of 13.0%. It is estimated that the proportion of lone parent families within this group will grow from 22.9% in 2023 to 24.3% in 2040. The table below shows the projected accommodation profile for family households in Bromsgrove District in 2040 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation. This identifies that intermediate housing will be particularly useful for family households; it is estimated that by 2040, 50.3% of Shared Ownership dwellings and 44.8% of First Homes will be occupied by family households.

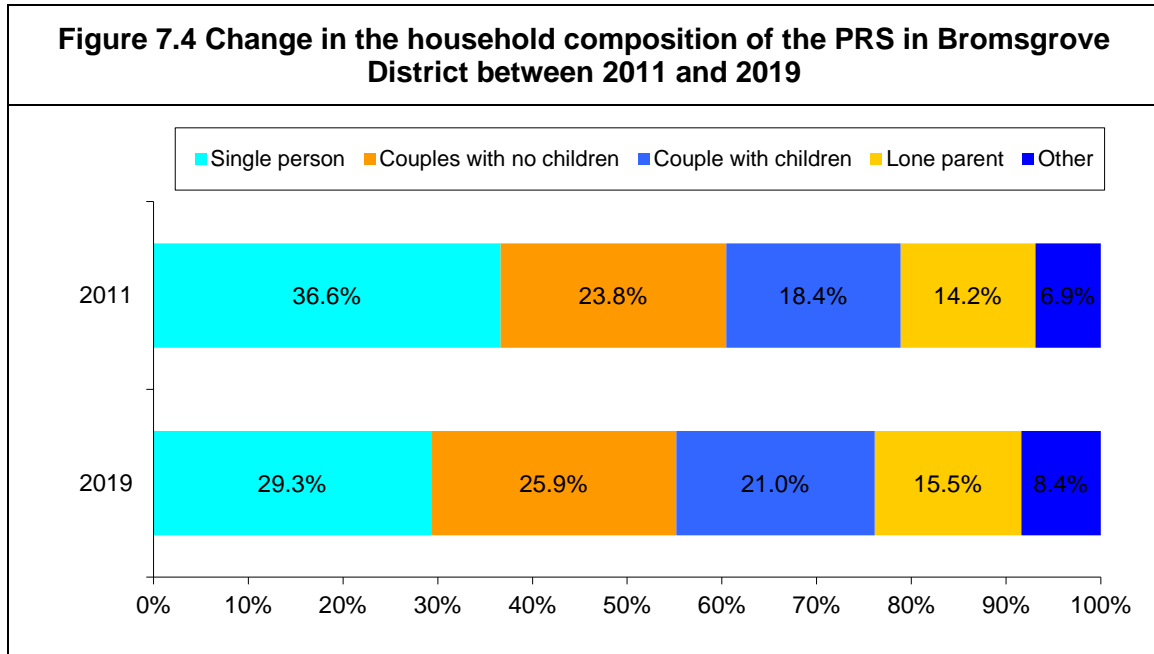
Table 7.6 Type of accommodation projected for households with dependent children in 2040 in Bromsgrove District					
<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared Ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	0	0	0	0	0
2 bedroom	701	69	56	121	703
3 bedroom	5,076	188	47	204	1,341
4+ bedrooms	8,855	121	36	91	150
Total	14,632	377	139	416	2,194

The private rented sector (PRS)

Growth

7.46 The current tenure profile in the district was modelled as part of the LTBHM model. This estimated that there are 4,068 private rented households in Bromsgrove District in 2019, which represents 11.2% of households in the district. The private rented sector (PRS) is becoming increasingly important in Bromsgrove District; as shown in Figure 2.9, the data indicates that it increased by 7.2% in Bromsgrove District between 2015 and 2019 – at a greater rate than was recorded nationally.

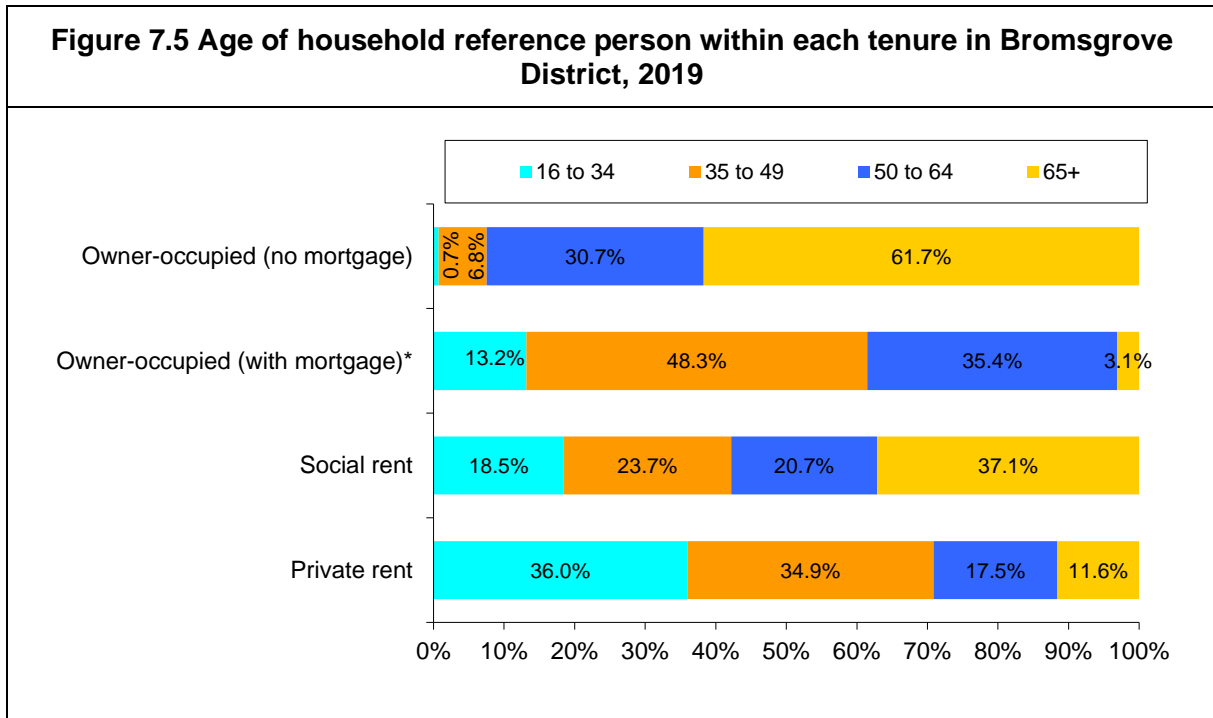
7.47 The figure below compares the household composition of the private rented sector in Bromsgrove District in 2011, with the profile of households resident in this tenure in Bromsgrove District in 2019. The data shows that not only has the private rented sector expanded, but the households in it have diversified.



Source: 2011 Census and LTBHM modelling

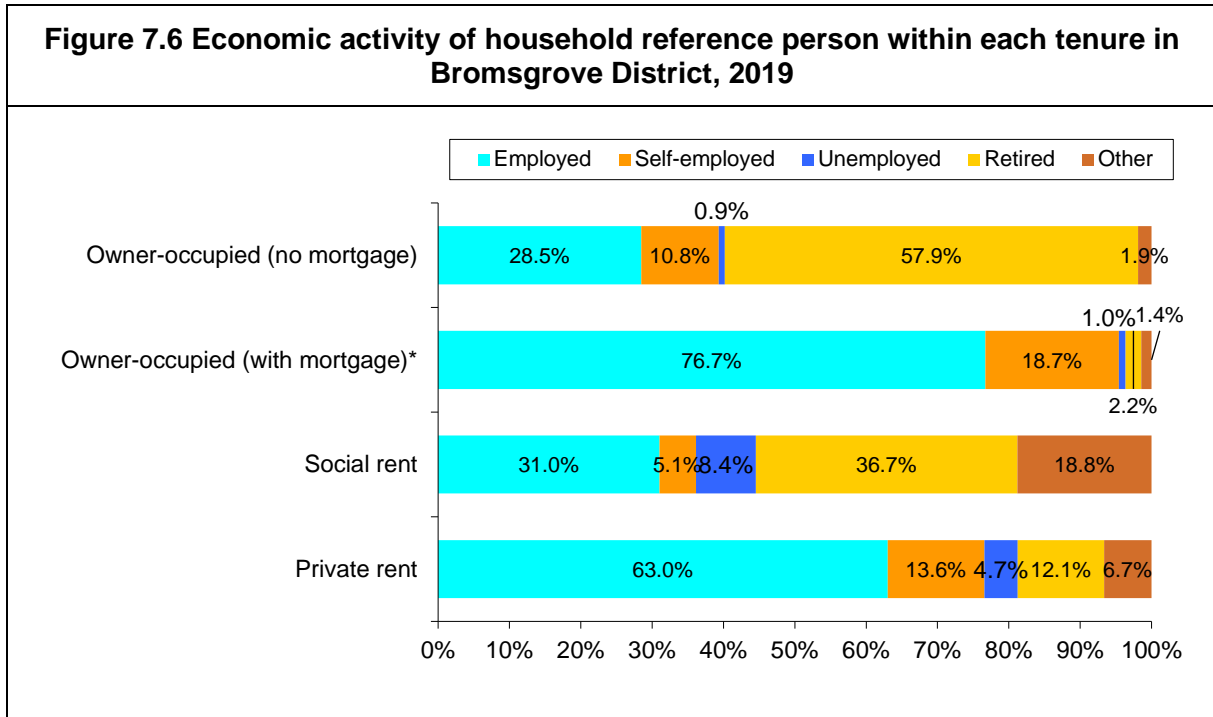
Those resident in the tenure

7.48 The figure below shows that, whilst the private rented sector has diversified, it is still notably more likely to be occupied by younger households, with over a third of household reference persons aged 34 or under compared to less than a quarter of household reference persons in all other tenures.



Source: LTBHM modelling *Includes Shared Ownership

7.49 The figure below shows that whilst the majority of household reference persons in the private rented in Bromsgrove District are in work, there are a number where the household head is unemployed or retired.



Source: LTBHM modelling. *Includes Shared Ownership

7.50 The LTBHM model set out in Chapter 4 has been used to model the future housing market. This indicates that the private rented sector is likely to grow further in importance in Bromsgrove District over the plan period with the number of homes in the tenure projected to increase by 492 households by 2040, a growth of 9.9%.

Current trends

7.51 The PPG suggests that ‘market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents.’ Therefore, to assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. The table below shows the change in private rents over the last five years at both the median and lower quartile level. This data is disaggregated by accommodation size and location. The table shows for example that between 2014/15 and 2019/20 two-bedroom lower quartile rents increased by 8.7% in Bromsgrove District.

7.52 Overall, the data suggests that the private rented sector is not under particular pressure in Bromsgrove District, as rent levels have risen at a slower rate than recorded nationally in all instances. It should also be noted that entry-level rents have risen at a slower rate in Bromsgrove District than in the West Midlands as a whole, across all bedroom sizes. The data does suggest that three-bedroom rents are the most pressurised in Bromsgrove District, followed by two-bedroom rents.

Table 7.7 Change in private rents charged in Bromsgrove District, the West Midlands and England between 2014/15 and 2019/20				
Lower quartile prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedrooms
Bromsgrove District	8.7%	8.7%	7.2%	5.3%
West Midlands	13.9%	15.8%	18.2%	13.3%
England	16.5%	11.1%	14.0%	11.8%
Median prices				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedrooms
Bromsgrove District	6.1%	8.0%	9.7%	4.2%
West Midlands	16.7%	13.6%	16.0%	13.5%
England	15.7%	17.6%	14.4%	8.3%

Source: Valuation Office Agency, 2014-15, 2019-20

The benefit-supported private rented sector

7.53 Data available from the Department of Work & Pensions⁷⁵ indicates that there were 1,409 households in the private rented sector in Bromsgrove District who were either in receipt of Housing Benefit or were receiving the housing element of Universal Credit in February 2021. This represents 30.6% of all households in the tenure and is lower than the equivalent proportion of households in the sector both regionally and nationally (some 44.3% of private rented households in the West Midlands were in receipt of one of these benefits, as were 42.7% of private rented households across England). The table below provides detail on households in the private rented sector in receipt of support towards their housing costs in Bromsgrove District, the West Midlands and nationally.

Area	Number of PRS households in receipt of support* February 2021	Proportion of all PRS households in receipt of support February 2021	Change in number of PRS households in receipt of support since February 2016	Proportion of PRS households in receipt of support in February 2021 that contain children	Change since February 2016 in the proportion of PRS households in receipt of support that contain children
Bromsgrove District	1,409	30.6%	61.2%	39.2%	-3.0%
West Midlands	181,192	42.7%	43.5%	47.7%	-2.5%
England	2,016,561	44.3%	48.9%	43.2%	-4.7%

* This refers to support toward their housing costs.

Source, Housing Benefit and Universal Credit data as presented by <https://stat-xplore.dwp.gov.uk> May 2021, LTBHM modelling

7.54 The table shows that the number of private rented tenants in receipt of assistance with their housing costs in Bromsgrove District, has increased by 61.2% between 2016 and 2021, in comparison to a regional growth of 43.5% and a national rise of 48.9% over the same period.

7.55 Some 39.2% of all households in the private rented sector in receipt of support towards their housing costs in Bromsgrove District in February 2021 contained children, a figure lower than the national (43.2%) and regional (47.7%) average. The proportion of households in the private rented sector in receipt of support towards their housing costs that contain children has decreased by 3.0% since February 2016. This change is not as great as recorded nationally.

7.56 It is important to recognise the role that the benefit-supported private rented sector plays in alleviating the pressure on the affordable housing stock, by housing some households that would otherwise be resident within the sector; however, it is not an official form of affordable housing as defined by the NPPF. In addition, a comparison of the entry-level private rents with

⁷⁵ <https://stat-xplore.dwp.gov.uk>

the LHA caps, as set out in Chapter 3, showed there is a notable gap between them, and the housing costs of households in need would not be fully met if they were to reside in this sector as noted in Chapter 3.

People wishing to build their own homes

- 7.57 It should be noted that the NPPF specifically refers to people *wishing to build or commission their own homes* within the examples cited in paragraph 62. Bromsgrove District Council has launched a list for people interested in undertaking a self-build development to register themselves. As at April 2021, this had 50 applicants of which 28 are currently local to Bromsgrove District and 22 are resident outside the District. Analysis of those currently on the register indicates that during the base periods, 8 applications were made in 2016, 15 in 2017, 6 in 2018, 8 in 2019, 6 in 2020 and 7 in 2021 (to April).
- 7.58 People interested in self-build on the Council's self-build register generally aspire towards a larger home; only 12.1% of those that provided details indicated that they intend to build a home with one or two bedrooms with the remainder intending to build a home with three or more bedrooms. There is also a high level of interest in building dwellings with a low environmental impact and rural locations are generally more sought after.

7.59 The PPG suggests that data from the Council’s self-build register can be supplemented by information collated on the Self Build Portal⁷⁶. The Self Build Portal presents a limited amount of self-build data at a Local Authority level (it contains more information on the national situation). This source assesses the relative level of self-build demand in each authority in England, which is presented in the table below.

Table 7.9 Demand for self-build plots per 100,000 people, 2019	
Area	Demand per 100,00 people
Bromsgrove District	32
Wyre Forest	0
South Staffordshire	13
Dudley	17
Redditch	26
Birmingham	35
Wychavon	67
Stratford-on-Avon	121
Solihull	179

Source: Self Build Portal

7.60 Bromsgrove District is assessed as having a demand for 32 self-build plots per 100,000 people in 2019. This figure is in the middle of the range recorded by the neighbouring authorities. The Self Build Portal also indicates that there was an increase in the number of people on the self-build register by 7 between 2018 and 2019 in Bromsgrove District, which suggests that demand for self-build properties in the district is growing, albeit slowly.

Park homes and houseboats

7.61 It is hard to accurately gauge the level of provision of park homes⁷⁷ in Bromsgrove district, the Census indicates that in 2011 there were some 363 households in the district resident in a caravan or other mobile or temporary structure. This represented 0.9% of all households and whilst this constitutes a very small proportion of all households, it is higher than the figures recorded for the West Midlands and England at the time (0.3% and 0.4% respectively). There is evidence that the number of park homes in the district has increased in the last decade, however they still consist of only a small fraction of the total dwellings available for households locally.

⁷⁶ <https://nacsba.org.uk/>

⁷⁷ A prefabricated building, often a detached bungalow-style unit, occupied as a permanent home, located with others usually set in a private estate, where they are located on plots known as 'pitches'.

- 7.62 The online market survey was expanded to establish the availability of Park Homes for local residents. The survey found that there are a small number of mobile homes across the district, some of which are available for permanent occupation as a park home. The price survey revealed that they make up less than 3% of the total supply of homes available on the market. The price of park homes range in price considerably across the district from £50,000 to £250,000 and the price variation seems to relate more to the age of the physical home than the location. This is because newer homes are higher in specification (particularly for insulation). Care should be taken in considering older park homes to be suitable market homes as they are unlikely to be adequate to accommodate a household all year round. Whilst newer park homes could be considered as suitable, their price is not notably lower than second hand traditional homes.
- 7.63 Around half of the park homes available in the online market survey were exclusively for people in a certain age bracket (most commonly those aged 55 or over). These are available as permanent accommodation in some instances but are also frequently used as a second or holiday home. Park homes designed to be suitable for people with accessibility issues had a notable premium on them. The Council should not consider this accommodation as providing a large-scale solution to the requirement for additional housing for older person households in the district although a small number of additional units provides further diversity in the options available to this group.
- 7.64 There is almost no data available on the number of houseboats that there are currently in the district. The online market survey did not identify any available and interviews with local estate agents indicated that they are not generally advertised through them. It is not considered to be a significant issue in Bromsgrove district.



8. Conclusions

- 8.1 Chapter 1 considered the geographic context in which the local housing market operates. This analysis concluded that Bromsgrove District's most established linkages are those with Birmingham reflecting the importance of the City of Birmingham as a regional employment hub. As set out in the HEDNA volume 1 report, it is therefore suitable to consider Bromsgrove a sub-market, within part of the Greater Birmingham and Black Country Housing Market Area.
- 8.2 Chapter 2 considered the drivers of the local housing market in Bromsgrove. It was shown that the population in the district is older than the national average, with fewer family households resident. Bromsgrove District is a relatively affluent area with household incomes notably higher than the regional equivalents. Finally, the chapter noted that Bromsgrove district also has a relatively small affordable stock currently.
- 8.3 Chapter 3 examined the cost of housing in the district. Market accommodation in Bromsgrove is more expensive than regional equivalents, so despite relatively high local incomes the affordability of market housing remains an issue in the district. The analysis of the local housing market indicated that there is a notable gap between the cost of Affordable Rent and entry-level market housing which could potentially be filled by intermediate products including discount home ownership options, such as First Homes. It is important to note that the suitability of these intermediate and sub-market products to meet housing need to the extent identified in the report is contingent on them being priced at the levels set out in Chapter 3.
- 8.4 Chapter 4 documented the derivation of the overall housing need in Bromsgrove following the revised Standard Method set out in the PPG⁷⁸. This indicated that as at 2021, a minimum of 383 new homes per annum need to be delivered in Bromsgrove district, which equates to a minimum of 6,511 new additional households to be planned for in Bromsgrove district across the plan period of 2023 to 2040.
- 8.5 The report has presented two main models, the Long Term Balancing Housing Markets (LTBHM) model (Chapter 5), which disaggregates the revised Standard Method local housing need calculations to identify the tenure and size of housing that should be sought over the plan period to best accommodate the future population, and the Affordable Housing Need model (Chapter 6), an unconstrained estimate of the amount of affordable housing required. The affordable housing need figure is calculated in isolation from the rest of the housing market and is only used to indicate whether the Standard Method local housing need figure should be increased. On completion of the calculation of the need for affordable housing paragraph 024 of the PPG⁷⁹ says:

⁷⁸ Reference ID: 2a-004-20201216

⁷⁹ Reference ID: 2a-024-20190220

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

- 8.6 Planning Authorities should consider whether the housing requirement in Local Plans should be increased to assist with meeting the need for affordable housing. Once this has been established, the future mix of all housing required over the plan period should be identified. In accordance with the PPG this is derived using a separate approach.
- 8.7 The total annual affordable housing need in Bromsgrove district of 92 per year (as set out in Chapter 6) represents 24.0% of the standard method figure in the District of 383 per year. It would be reasonable to expect this proportion of new housing as affordable to be delivered on a large housing site in Bromsgrove district, where a figure of 40% would be plausible (subject to viability). Based on the evidence in this report, it is recommended that the Council sets a target of at least 40% of all new housing as affordable on all new sites that meet the minimum dwelling threshold⁸⁰. The Council can therefore be confident that the affordable housing need identified in the model will be addressed by the dwelling growth identified by the Standard Method and no adjustment is required to this figure⁸¹.
- 8.8 To determine the size and tenure of the new housing required within the Standard Method local housing need to accord with the PPG, the LTBHM model outputs are used (the change required between 2023 and 2040). This model provides the profile of housing appropriate to meet the population over the plan period and is directly derived from the calculations used to determine the Standard Method local housing need. In comparison, it is not appropriate to base the recommended housing mix on the results of the affordable housing need model as this is an unconstrained figure with the sole purpose of determining whether an uplift to the Standard Method local housing need is required – it does not form a component of the Standard Method local housing need calculations.
- 8.9 Figure 8.1 sets out the size and tenure requirement for the 2021 based minimum of 6,511 dwellings (383 per annum) to be delivered over the plan period (between 2023 and 2040). The Housing White Paper published in February 2017⁸² proposes that Local Authorities should *'deliver... a mixed package of affordable housing that can respond to local needs and local*

⁸⁰ An affordable housing target of 40% should result in the delivery of around 24% of all new housing as affordable once sites that do not meet the criteria for an affordable housing obligation have been excluded.

⁸¹ If for example half of all dwellings delivered each year were on a large sites, contributing 40% affordable housing, the other half of sites would have only have to contribute 8.0% affordable housing. Alternatively, if a third of all dwellings delivered each year were on a large sites, contributing 40% affordable housing, the other two-thirds of sites would have only have to contribute 16.0% affordable housing.

⁸²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

markets' (paragraph A1.24). The NPPF sets out a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units, but this can include Shared Ownership homes and discounted market sales products as well as potentially First Homes. The Government's guidance on First Homes⁸³ indicates that '*a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes.*'

- 8.10 The overall requirement shown in Table 5.4 for 16.3% of housing to be Affordable Rented/ Social Rented and 10.5% affordable home ownership (of which 5.7% could be Shared Ownership⁸⁴ and 4.8% First Homes⁸⁵) reflects the mix of housing that would best address the needs of the local population. It does not take into account the funding that will be available to help provide subsidised housing, and it is acknowledged that current funding stream priorities mean that it will be easier to deliver intermediate housing rather than Affordable Rent/ Social Rent. It is important to note that in this scenario First Homes would represent 17.8% of all new affordable housing, so the 25% minimum threshold cited in the consultation paper is not quite reached. Presuming that 25% of all affordable housing in Bromsgrove district must be First Homes, it is suggested that the Council seek 60.9% of new affordable homes to be Affordable Rent/ Social Rent and 14.1% shared ownership (the effect of increasing the First Homes proportion is to decrease the shared ownership proportion as the two products are most similar). The derivation of these figures is set out in the table below.

Table 8.1 Derivation of Recommended affordable		
<i>Tenure</i>	<i>Original distribution</i>	<i>Revised distribution*</i>
First Homes	17.8%	25.0%
Shared ownership	21.3%	14.1%
Affordable Rent/ Social Rent	60.9%	60.9%

*Revised to take account of the government guidance indicating that '*a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes.*'

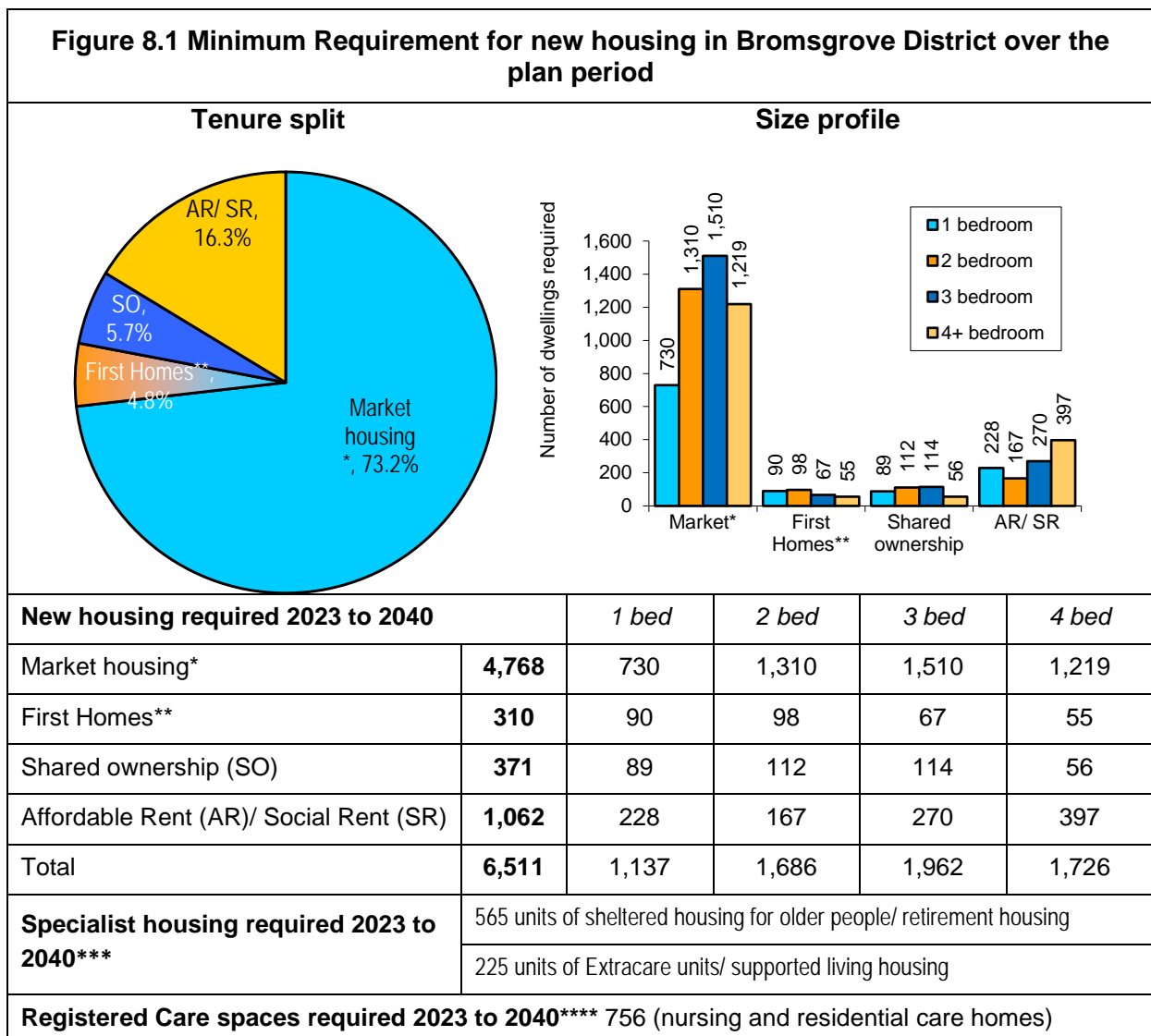
⁸³ <https://www.gov.uk/guidance/first-homes> (Paragraph: 012 Reference ID: 70-012-202105240)

⁸⁴ Shared Ownership refers to the version with a 25% equity share as this has been evidenced to cost less than market entry housing in Chapter 3.

⁸⁵ This figure is set out in paragraph 5.18 and Figure 5.2.

8.11 The profile set out is a guide to the overall mix of accommodation required in Bromsgrove district although it is acknowledged that the Council may wish to divert away from this profile in particular instances. It should also be noted that First Homes are a new product for which the demand data is less established than for the other tenures, therefore the potential demand is less robustly evidenced and should be treated with caution. It is also important to note that table 6.3 highlighted that the price at which Affordable Rent is set has a big impact on how affordable a product it is for households in need. Whilst current Affordable Rents in the district are fairly well priced to help address housing need, if they were to be increased to 80% of Market Rent or to the LHA Cap, they would be notably less useful. It is for this reason that it is suggested that the Council prioritize the delivery of social rented accommodation rather than Affordable Rent as this will provide homes more useful for the local population.

Figure 8.1 Minimum Requirement for new housing in Bromsgrove District over the plan period



*Market housing includes both owner-occupied and private rented **First Homes figures represent potential demand rather than a requirement. These figures represent the distribution of housing that should be delivered.

These form part of the new homes to be delivered. *These are provided to house those in institutional accommodation and are in addition to the total requirement for 6,511 new homes.

- 8.12 Chapter 7 considered the housing requirement of particular groups of the population. Paragraph 006 of the PPG⁸⁶ notes that '*Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people.... They could also provide indicative figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period.*'
- 8.13 In terms of specialist dwellings for older persons (Class C3), it is evidenced that in Bromsgrove, 565 additional units of Sheltered housing for older people/ retirement housing⁸⁷ and 225 additional Extracare units/ supported living housing⁸⁸ are required over the plan period within the housing requirement. Chapter 7 also identifies that an additional 756 Registered Care spaces (nursing and residential care homes) will be required over the plan period in Bromsgrove District (Class C2). This Registered Care demand identified may be affected by the coronavirus pandemic appearing to have had a greater impact on those living in this sector than the wider population.
- 8.14 In addition, it is calculated that adapted housing M4(2) Category 2 will be required for 3,496 households by 2040 in Bromsgrove, of which around 469 dwellings should be M4(3) Category 3 homes - wheelchair user dwellings. The most effective approach to ensuring the housing stock has the flexibility to meet the requirements of the future population would be for the Council to implement a policy of universal Category 2 standards in newbuild housing, with 10% of new housing meeting the wheelchair user standards across all tenures.

⁸⁶ Reference ID: 63-006-20190626

⁸⁷ See footnote 55.

⁸⁸ See footnote 56.



Appendix 1: Stakeholder consultation

Introduction

This appendix describes the stakeholder consultation that occurred during the production of this report. This appendix details the consultation process – who was contacted and the nature of the consultation. It also describes the event that took place, including what was discussed. Finally, the appendix sets out the submissions received in response to the consultation and the actions that they have resulted in.

Stakeholder workshop

An online consultation event on the draft report findings, took place on 3rd June 2021. A wide breadth and number of organisations were invited to attend to observe the preliminary outputs of the study and to discuss the methodological assumptions used to derive the estimates. A range of different organisations were invited including developers, agents, Registered Provider and planning professionals. In total, 27 different stakeholders attended the event. A full list of the businesses and organisations represented at the stakeholder event is set out in the table below. Representatives of housing and planning from Bromsgrove District Council were also present.

Iceni Projects	Turley
Rosconn Strategic Land	Wonderful Homes Limited
BPG Holdings	Delta Planning
Barton Willmore	TwelveTwentyOne Planning Services Ltd
H2Land	First City Limited
BDHT	Citizen Housing
BDC/RBC	Star Planning
Your Land Partner	BDC/RBC
Lichfields	Platform Housing
RPS Consulting Services Ltd	Claremont Planning Consultancy
Lone Star Land Ltd	Avison Young
RCA Regeneration Ltd	CBRE Ltd
Harris Lamb Ltd	Summix planning Ltd
Fisher German LLP	

The event was a presentation of the relevant national guidance which provides the framework for the study, an overview of the purpose of the report, and the two main models used to obtain the outputs, the assumptions used within the models and the initial study-wide outputs that had been derived. Questions were encouraged throughout and a few topics identified for more in-depth discussion where the topics were likely to be contentious:

- The correct cost of housing locally and the different intermediate options available,

- The impact of the introduction of First Homes,
- How to assess the impact of the coronavirus,
- The calculation of the standard method figure,
- The appropriate affordability threshold to use within the affordable housing need model.

Summary of discussion at event

The engagement at the event was quite good considering it was an online event and it is always harder to generate a discussion than when the event takes place face-to-face. Despite this, a good number of participants contributed points during the discussion. A summary of the discussion on the key topics is set out below:

- It was agreed that the coronavirus pandemic had changed the way households use their home and also the expectations on how much space that they need. Several participants agreed with the results of our discussions with estate agents that an additional bedroom to be used as a home office and outdoor space are becoming important in the marketplace as consequence of the pandemic. This has not been modelled, but this may be a factor for the Council to consider when developing policies.
- It was commented that the high requirement for larger affordable homes shown in the model reflects the very high level of overcrowding recorded in the district currently. It was also noted that Bromsgrove district has a very low proportion of affordable homes historically and that this must grow to help reduce affordable need.
- There was a discussion of the difference between demand and requirement. It was confirmed that the LTBHM model is demand based and looks at what households aspire towards (factoring what they are likely to be able to achieve), rather than being a prescriptive description of what a household requires (the model acknowledges that under-occupation is certain to continue in the future).
- There were a couple of queries as to whether the study will look at the necessity of uplifting the Standard Method figure to address other factors listed within the PPG (including unmet need from neighbouring authorities). It was confirmed that this would be done within the other part of the study.
- It was agreed that commentary would be added to the report on the impact of the loss of affordable housing under right to buy/acquire, although there is not capacity within the affordable housing needs model to take account of this directly.
- Finally, there was a query as to whether the impact of the pandemic could be quantified by looking at the current and potential future amount that the Council is paying on temporary housing costs.

Written consultation

A copy of the slides used in the presentation alongside a few prompter questions were sent to all the attendees. All recipients were encouraged to feedback their views.

Five submissions were received. The table below sets out the key points within the submissions – those that imply an alteration to the report or require a specific response. The responses and actions taken as a consequence of these points are set out in the final column. Some of the submissions were long and contained notable background information. For ease of presentation only the key summary points from the submission are set out in the table below.

Table A1.2 Summary of key points in the stakeholder submission and responses to these points

Organisation marking the submission	Comment that implies alteration to the report or requires a specific response	Action taken, or response to comment
Turley	<p>During the workshop, the Council's consultants rightly referenced the standard method of assessing housing need, and appear to have applied the method correctly in stating that the formula currently implies a need for 383 dwellings per annum in Bromsgrove. We were, however, concerned to hear this figure described on several occasions as "the requirement", with this presumably a simple error where Planning Practice Guidance (PPG) is unequivocal in stating that <i>'the standard method identifies a minimum annual housing need figure'</i> and indeed that it <i>'does not produce a housing requirement figure'</i> 1 (our emphases). We trust that this will be made absolutely clear in the final report, to ensure that the figure generated by the standard method is correctly interpreted as a minimum rather than a definitive figure from which the Council cannot depart</p>	<p>Good that there is agreement on the Standard Method calculation. The wording around the Standard Method and 'requirement' has been checked in the final report.</p>
	<p>We believe that the HEDNA, when applying the PPG in full, may well have to conclude that there is actually a higher need for housing in Bromsgrove than implied by the standard method, not least because its demographic baseline appears highly problematic when viewed in the context of up-to-date official statistics. Our previous submission highlighted that the population of Bromsgrove was growing much faster than had been assumed in the 2014-based projections that form the baseline for the standard method, and this continues to be the case when incorporating the further year of population data that is now available via the Office for National Statistics (ONS).</p>	<p>The PPG is clear that the 2014-based projections should be used to calculate the standard Method figure as they <i>'provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes'</i> (Paragraph: 005 Reference ID: 2a-005-20190220). Furthermore at paragraph 015 (Reference ID: 2a-015-20190220) it states that <i>'any method which relies on using household projections more recently published than the 2014-based household projections will not be considered to be following the standard method as set out in paragraph 60 of the National Planning Policy Framework'</i>. We therefore dispute that it is appropriate to depart from the Standard Method calculation and there is no mechanism within the PPG to do so because <i>'the demographic baseline appears problematic'</i> as contended by the submission.</p>

Table A1.2 Summary of key points in the stakeholder submission and responses to these points

Organisation marking the submission	Comment that implies alteration to the report or requires a specific response	Action taken, or response to comment
	<p>While it was encouraging to see some acknowledgement of this issue during the workshop, the situation was unfortunately muddled by the parallel reference to 2018-based household projections, in an apparent attempt to prove alignment between the outcome of the standard method for Bromsgrove and this projection of the future number of households in the district. This is considered to be a wholly inappropriate comparison, given that the 2018-based household projections have been roundly criticised and their use firmly discouraged by the PPG (PPG Reference ID 2a-015-20190220). The HEDNA can reasonably simplify matters and avoid this issue by focusing on population in the first instance, before drawing – and, where necessary, tweaking – assumptions on household formation rates from the 2014-based projections that continue to be widely used for this purpose. This process would be expected to produce a higher demographic baseline which reflects the recently shifting trend, and could justifiably replace the 2014-based household projections within the standard method</p>	<p>There was an unfortunate misunderstanding of the purpose of the comparison of the 2018-based and 2014-based projections in the presentation. As demonstrated in the report this is to understand the difference in the demographic growth components within both. We cannot see find anything within PPG Reference ID 2a-015-20190220 that suggests that the 2018-based projections have been roundly criticised (there is no mention of the 2018-based projections at all in that section of the PPG). The approach suggested at the end of the paragraph is not supported within the PPG.</p>
	<p>We understand that this will be an area of focus over the coming months once the economic elements of the HEDNA have made sufficient progress. We are pleased to see this commitment to exploring the relationship between housing need and employment growth, where – as was the case during the previous consultation – national policy still requires the Council to develop planning policies that both '<i>address potential barriers to investment, such as...housing</i>' and '<i>help create the conditions in which businesses can invest, expand and adapt</i>' (MHCLG (2019) National Planning Policy Framework, paragraphs 80 and 81) . We trust that the HEDNA will take a robust approach to modelling the housing needed to support what we hope to be an ambitious and deliverable level of job growth.</p>	<p>This element is addressed within Volume 1 of the Assessment</p>
<p>Barton Wilmore</p>	<p>All of the relevant sections are listed, but in respect of establishing the overall housing need figure for the district it is imperative to understand that the Standard Method formula provide s the minimum level of housing need (383 dwellings per annum). It is not a ceiling. This is not elaborated on in any detail by the consultation document, however this point should be highlighted.....It is therefore essential that HDH's assessment of housing need is unconstrained and identifies how the Standard Method formula provides the minimum level of housing need only. The Standard Method therefore provides a starting point in respect of housing need, from which other factors may lead to a higher figure.</p>	<p>This has been made clear within the report.</p>

Table A1.2 Summary of key points in the stakeholder submission and responses to these points

Organisation marking the submission	Comment that implies alteration to the report or requires a specific response	Action taken, or response to comment
	The PPG is clear that strategies for growth may lead to an increase in housing need. One such strategy could be for economic growth. In this context it is imperative that housing growth aligns with forecast or planned job creation. Determining how many homes are needed to support economic growth and ensure that unsustainable patterns of commuting are not exacerbated is an important part of establishing housing need.	This element is addressed within Volume 1 of the report.
	PPG (paragraph ID2a-010) advises that unmet need from neighbouring authorities could be a reason for housing need exceeding the Standard Method minimum. Bromsgrove District shares its northern boundary with the City of Birmingham and Dudley (part of the Black Country) It is therefore imperative that BDC consider the unmet need from the wider HMA when determining housing need, and it is encouraging to see that the most recent iteration of the emerging Plan identified a need to deliver homes from the West Midlands conurbation.	This element is addressed within Volume 1 of the report.
	An increase in the overall housing need figure should be considered where it can help to deliver much needed affordable housing.	This is considered in Chapter 8 of the report
RCA Regeneration Ltd	There will need to be a range of options available for more permanent lower quartile earners, or newly formed households, as well as those at the beginning of their careers who will experience income growth over the coming years – they are likely to want different products. Shared ownership with a 10% equity share should be considered. The restrictions on who is eligible for certain products (such as First Homes) means that a range of products is needed.	Noted. Analysis of Shared Ownership with a 10% equity share has been added to the report.
	In terms of dealing with Covid-19 (and indeed Brexit) it will be difficult to be certain at this stage what the financial and demographic impacts it will have. However, it is very likely that as the furlough scheme ends and the rates of evictions/repossessions increase, there will be a substantial increase in homelessness and affordable housing need. This will have an impact on the OAN for the District as this need will have to be addressed.	Noted

Table A1.2 Summary of key points in the stakeholder submission and responses to these points

Organisation marking the submission	Comment that implies alteration to the report or requires a specific response	Action taken, or response to comment
Bromsgrove District Housing Trust	<p>Due to the very high local market rents we believe that charging affordable rents is not affordable and social rents should always be the preference in planning policy for Bromsgrove. Affordable rents ultimately trap people into benefits and restrict options to move into employment together with life chances for the tenant and ultimately their children. Discount home ownership products also do not help address affordable housing need.</p>	Noted, commentary added to the report.
	<p>Affordable housing need in the area is acute currently and the current backlog of overcrowding should be an early years priority for Bromsgrove, not phased in over 17 years.</p>	Noted, commentary added to the report.
	<p>Housing for disabled individuals and families is another area of dire under-provision. Part M of the Building Regulations – We believe 100% of new homes should be the target, meeting the real need for ‘Accessible and Adaptable Dwellings’. In respect of ‘Wheelchair User Dwellings’ standard we believe at least 10% of any new development must meet this standard</p>	Noted, commentary added to the report.
	<p>We do not support any assumption that households should spend more than 30% of income on housing.</p>	Noted. The comments have informed the additional discussion on how the suitable affordability threshold has been determined which has been added in a new appendix in the report.
	<p>We do not support any assumption that advocates even greater discounts for homebuyers over the 30% threshold. This will lead to viability concerns on Section 106 schemes and less social housing where the need is greater.</p>	Noted, commentary added to the report
	<p>As the main social housing landlord in Bromsgrove we have seen a noticeable increase in cases of overcrowding over the last 3 years which can only be solved by a big increase in the number of larger family homes. The acute shortage of existing rented family housing of all types across Bromsgrove is putting a huge strain on services and adversely impacting the health and quality of life of so many people. There are currently 260 families (as at 14/6/2021) in unsuitable homes in the rented sector and we therefore welcome the recognition of this need in the Bromsgrove HEDNA Housing assessment for higher percentages of 3 bed and 4 bed + homes. This will help immensely and improve life chances of so many struggling families if it translates into more homes of this size coming through the planning process for social housing. The current stock of homes will not solve these cases, only new supply will do this, and it is important that developers understand</p>	Noted, commentary added to the report

Table A1.2 Summary of key points in the stakeholder submission and responses to these points

Organisation marking the submission	Comment that implies alteration to the report or requires a specific response	Action taken, or response to comment
	what is really needed in Bromsgrove to start to address this housing and social crisis.	
Harris Lamb	First, it is abundantly clear that Bromsgrove has failed to deliver significant amounts of housing to meet both its own needs and the overspill needs of the Birmingham and Black Country conurbations in recent years. This has clearly had an impact upon local house prices and the delivery of affordable housing.	It is worth noting that the PPG makes it clear that the Standard Method approach is sufficient to address any issue of under-delivery in an area. Paragraph 11 (Reference ID: 2a-011-20190220) states that <i>'the affordability adjustment is applied to take account of past under-delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.'</i>
	We understand from the presentation made at the HEDNA that Bromsgrove is now the fourth most expensive local housing market area in the West Midlands.	This is a misunderstanding. At the presentation it was indicated that Bromsgrove is the third most expensive authority area of the nine featured.
	In this context we believe it is important that the Council identifies not only its own housing requirements over the Plan period, but also the overspill requirement which will need to be accommodated from both the Birmingham and Black Country conurbations.	This element is addressed within Volume 1 of the report.
	The second point which we wish to make also relates to the identification of housing needs, but for the period beyond the Local Plan. This is important because Bromsgrove District is largely a Green Belt authority and it is clear that future housing needs beyond the current Plan period are also likely to be met in Green Belt locations. The authority will need to amend the current Green Belt in order to accommodate emerging housing needs, including the overspill needs of the conurbation.	A population and household profile has been generated for the District through to 2050 as part of the underlying calculations of the derivation of the future population and household profile. It is contained within a separate excel sheet that calculates the detailed modelling for the District.

Appendix 2: Details of the NMSS model

Overview

The Neil McDonald Statistical Solutions (NMSS) model is an Excel spreadsheet model which seeks to replicate as closely as is reasonably practicable the methods used by MHCLG and ONS in producing the official population and household projections. It was developed to support local authorities and others in estimating objectively assessed housing needs. It has been widely used in Local Plan preparation; Local Plan examinations; and S78 planning appeals and inspectors have been happy to rely on its conclusions.

The model takes as its starting point a set of official projections – currently the 2018-based population projections. It is a ‘stepping model’ which means it takes one year’s population figures and estimates of births, deaths and migration flows in the ensuing 12-month period to produce an estimate of the following year’s population. That process is then repeated year by year until the end of the projection period is reached.

The estimates of births, deaths and migration flows are based on flow rates derived from official projections and these can be adjusted to produce variant projections. The flow rates are applied to the previous year’s population which means that if the model is being used to explore, say, the consequences of assuming higher outflows of students than envisaged in the official projections, the impact this will have on births, deaths and migration flows is automatically taken into account.



Appendix 3: Detail of the calculation of the affordable housing need in Bromsgrove District

This appendix sets out the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations many of which themselves have a number of components. This appendix presents details of how each of these stages is calculated using locally available data for Bromsgrove District.

Stage 1: Current unmet gross need for affordable housing

The first stage of the model assesses current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing and are therefore in current need.

The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in the table below for Bromsgrove District, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double counting between them has been taken into account. Households can be unsuitably housed for more than one reason, so it is important that they are only counted once.

The first table shows that there are 1,639 households currently in unsuitable housing or lacking their own housing in Bromsgrove District and the most common reason for unsuitability is overcrowding. A stakeholder noted that the backlog of overcrowding is particularly acute and should be a priority for the Council to address. This figure of 1,639 represents 3.9% of all households in the district.

Table A3.1 Current households who lack their own housing or live in unsuitable housing in Bromsgrove District

<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	The Council's housing register as of April 2021.	173	173
Households in temporary accommodation	Section 9 of the Council's 2021 H-CLIC return.	22	0 ⁸⁹
Overcrowded households	Census and English Housing Survey data modelled to April 2021.	733	733
Concealed households*	Census and English Housing Survey data modelled to April 2021.	529	416
Other groups	The Council's housing register as of April 2021. Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above).	317	317
Total		1,774	1,639

Source: 2011 Census and English Housing Survey data modelled to 2021, the Council's Housing Register, the Council's H-CLIC return December 2020 *Concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household.

Affordability

Some of these households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector without requiring subsidy. The ability of these households to afford the cost of entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size (set out in Figures 3.2 and 3.3) is therefore tested. The housing register and the H-CLIC return detail the size of accommodation required by homeless households and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded for these households in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each dwelling size requirement, identified using the CACI income profile for the district, is adjusted to reflect that nationally the income of overcrowded households is 96.8% of the figure for all households (according to the English Housing Survey). Similarly, for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the

⁸⁹ All households in temporary accommodation are included within the Homeless count.

income of Social Rented households is 53.7% of the figure for all households (according to the English Housing Survey).

These households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in their authority area using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable in Bromsgrove District. The impact of using other thresholds is examined in the analysis in chapter 6. The table below shows the number of unsuitably housed households requiring different dwelling sizes and the proportion of these households able to afford the market-entry point (either to rent or to buy, whichever is cheaper). The number of households that are therefore in current need is shown in the final column.

Table A3.2 Affordability of households in unsuitable housing in Bromsgrove District			
<i>Number of bedrooms required</i>	<i>Unsuitable housed households</i>	<i>Percentage unable to afford both entry-level private rent and entry-level owner-occupation</i>	<i>Households in current need</i>
One bedroom	337	33.8%	114
Two bedroom	567	43.2%	245
Three bedroom	427	36.7%	157
Four or more bedrooms	308	47.8%	147
Total	1,639	40.4%	662

Some 40.4% (662 households) of unsuitably housed households or households lacking their own housing in Bromsgrove District are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need that would make the property available when they move (this includes occupiers of Social Rented and Shared Ownership accommodation that are not living with another household currently), and other households. It is estimated that some 393 households in need in Bromsgrove District currently live in affordable housing that would become available for reuse.

Total current need

The table below summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 662 households in current need in Bromsgrove District.

Table A3.3 Stage 1: Current unmet gross need in Bromsgrove District	
<i>Component</i>	
Homeless households and those in temporary accommodation	172
Overcrowded and concealed households	294
Other groups	197
Total current housing need (gross)	662

Stage 2: Newly arising affordable housing need

In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This calculation, as per paragraph 021 of the PPG (Reference ID: 2a-021-20190220), is based on two elements:

- Number of newly forming households each year (× proportion unable to afford market housing)
- Plus existing households falling into need per year

Need from newly forming households

One of the outputs produced within the process of disaggregating the total housing need into a future population and household typology (as described in Chapter 5) is the calculation of the number of households that will form over the plan period in Bromsgrove District. This figure is then averaged to provide an annual estimate for the number of newly forming households. Using this methodology, it is estimated that 886 new households will form per year in the Bromsgrove District area. This represents a household formation rate of 2.1%, higher than the figure of 1.4% recorded nationally by the English Housing Survey⁹⁰.

To assess the ability of these households to afford entry-level market housing (whichever is the cheaper of entry-level private rent and entry-level owner-occupation) of the appropriate size, the household composition for these new households identified within the disaggregation process are used to determine the appropriate size requirement profile. To test newly forming households' ability to afford market housing, the income distribution for each dwelling size

⁹⁰ The relatively high household formation rate reflects that increased household formation is being prioritised within the disaggregation of the local housing need figure as discussed in chapter 5, It is also worth noting that whilst the figure of 2.1% may appear high, the household formation rate nationally was above 2% between 1995/16 and 2000/01 (and also in 2004/05) and it is only more recently that it has dropped below 1.8% for a sustained period (it was most recently 1.8% four years ago in 2012/13).

requirement is adjusted to reflect that nationally the income of newly forming households is 88.5% of the figure for all households (according to the English Housing Survey).

The table below details the derivation of newly arising need from newly forming households. It shows that 18.7% of newly forming households will be unable to afford market housing in Bromsgrove District (both private rent and owner-occupation), which means that there will be an annual affordable housing requirement from 166 newly forming households.

Table A3.4 Newly arising need from new household formation (per annum) in Bromsgrove District	
<i>Component</i>	
Number of newly forming households	886
Proportion unable to afford entry-level market housing (both entry-level private rent and entry-level owner-occupation)	18.7%
Number of newly forming households requiring affordable accommodation	166

Existing households falling into need

The current PPG does not provide detail on how this step should be calculated, however the previous version (of the PPG) recommended that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the lettings of affordable accommodation within Bromsgrove District over the last three years indicates that there were 578 households that fell into need over the last three years in Bromsgrove District, excluding those that were newly forming households (which have featured in the previous step). Annualised this is 193 (578/3) households per year in affordable housing need.

Total newly arising need

The table below summarises the second stage of the assessment of affordable housing need as set out by the PPG. The table indicates that 359 (166+193) households will be in newly arising need per annum in Bromsgrove District.

Table A3.5 Stage 2 Newly arising need (per annum) in Bromsgrove District	
<i>Component</i>	
New household formation (gross per year)	886
Proportion of new households unable to buy or rent in the market	18.7% (166)
Existing households falling into need	193
Total newly arising housing need (gross per year)	359

Stage 3: Current affordable housing supply

Paragraph 022 (Reference ID: 2a-022-20190220) of the PPG indicates that the current supply of stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

Current occupiers of affordable housing in need

It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (as set out above), there are 393 households currently in need already living in affordable housing in Bromsgrove District.

Surplus stock

A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Bromsgrove District records a vacancy rate in the affordable sector of 1.0%. As the vacancy rate is lower than the 3% benchmark⁹¹, no vacant dwellings are considered available to be brought back into use to increase the supply of affordable housing in Bromsgrove District.

Committed supply of new affordable units

The PPG indicates that ‘*the committed supply of new net affordable homes at the point of the assessment (number and size)*’ be taken into account within the model. The Council has provided its list of committed affordable housing developments as at April 2021. In total, there are 143 new affordable homes committed across Bromsgrove District currently (although it is acknowledged that these will be delivered over the next few years).

Planned units to be taken out of management

The PPG states that the ‘*units to be taken out of management*’ should be quantified. The Council has indicated that there are no affordable housing replacement schemes that will lead to a net loss of affordable accommodation and so a figure of zero is used for this stage.

⁹¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/11812/Strategic_Housing_Market_Assessments-Practice_Guidance.pdf (page 47)

Total current affordable housing supply

Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in the tables below. The data shows that there will be an estimated 536 affordable homes available in Bromsgrove District at the time of the study.

Table A3.6 Stage 3 Affordable housing supply in Bromsgrove District	
<i>Component</i>	
Affordable dwellings occupied by households in need	393
Surplus stock	0
Committed supply of affordable housing	143
Units to be taken out of management	0
Total affordable housing stock available	536

Stage 4: Future housing supply of social re-lets and intermediate affordable housing

The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need⁹². It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector⁹³.

The future supply of Social/Affordable Rented housing

This is an estimate of likely future re-lets from the existing RSL rented stock (both social rent and Affordable Rent). Data on the affordable accommodation lettings within Bromsgrove District over the last three years as recorded in the CORE LA Area Lettings tables⁹⁴ is used for this figure. The table below sets out the number of RSL rented lettings that have occurred in the last three years, excluding lets made within brand new properties (the figures only include re-lets). The average number of re-lets across the Social and Affordable Rented sector over the three-year period was 249 per annum in Bromsgrove District.

⁹² Whilst this is not a step that is detailed in the current PPG, it is logically required to reflect that there is a flow of housing becoming available to meet need as well as a flow of households requiring affordable housing (Stage 2 of the model). This stage has also been included in all previous iterations of this model that have been published in government guidance.

⁹³ The intermediate sector includes all affordable tenures other than social rented and Affordable Rented.

⁹⁴ CORE (COntinuous REcording) is a national information source funded by the Department for Communities and local Government that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent and buy.

<https://www.gov.uk/government/collections/rents-lettings-and-tenancies>

Table A3.7 Past RSL rented supply (re-lets only)	
<i>Year</i>	<i>Number of re-lets</i>
2017/18	285
2018/19	229
2019/20	232
Average	249

Source: Social Housing Lettings in England - Local Authority Level Tables 2017/18, 2018/19 and 2019/20

It should be noted that the affordable housing need model is an assessment of the housing market at a particular point of time (May 2021) and does not consider likely future changes to the housing market that may impact the results – such as future loss of affordable stock through Right-to-Buy or gain in affordable dwellings from future new build programmes⁹⁵.

Supply of intermediate housing

In most local authorities, the amount of intermediate housing (mostly Shared Ownership) available in the stock is fairly limited (as is the case in Bromsgrove District). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore, we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the Social Rented sector⁹⁶ (5.5% in Bromsgrove District) to the estimated stock for each form of intermediate housing. This is set out in the table below. It is estimated that around 25 units of intermediate housing will become available to meet housing needs from the existing stock each year in the Bromsgrove District.

Table A3.8 Estimated intermediate supply in Bromsgrove District		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Shared Ownership	449	25

Source: Homes England's Statistical Data Return 2020, Council LAHS 2020

Annual future supply of affordable housing

The total future supply of affordable housing is the sum of the Social Rented supply and the intermediate supply as set out in the tables below.

⁹⁵ The loss of homes through Right-to-Buy would mean that the number of dwellings in the total stock is reduced so the re-let rate applies to a smaller total stock each year and will therefore produce a smaller supply of affordable housing. The reverse is true if future affordable housing delivery means that the total stock increase in size.

⁹⁶ This is calculated by dividing the average number of relets (249 as set out in the previous step) by the total stock of social and affordable housing as set out in the Homes England's Statistical Data Return, 2020.

Table A3.9 Stage 4 Future supply of all affordable housing (per annum) in Bromsgrove District	
<i>Component</i>	
Annual supply of Social/Affordable Rented re-lets	249
Annual supply of intermediate housing available for re-let or resale at sub-market levels	25
Annual supply of all affordable housing	274



Appendix 4: Evidence to support the affordability threshold used in the report

The affordability threshold

As part of the process of identifying future needs for affordable housing, the Planning Practice Guidance (Paragraph: 021 Reference ID: 2a-021-20190220) states that planning authorities should *'identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages)'*. Current cost can be identified as the percentage of household income spent on housing in the local market at the time of the assessment. This can be assessed through both a quantitative and qualitative analysis of the local housing market. The results of this analysis are presented below.

Quantitative analysis

A comparison of the median private rent across Bromsgrove District ascertained from the housing market price survey (set out in Figure 3.3) with the median household income in the private rented sector in the district (using the CACI income profiles summarised in Figure 2.6) shows that on average households in the tenure in Bromsgrove District spend 34.9% of the household income on rent. When lower quartile household incomes in the private rented sector are compared to lower quartile rents it can be seen that households at this level in Bromsgrove District typically spend 39.4% of their income on rent.

The information provided by CACI Paycheck, on the average amount paid on private rent by households in this tenure in Bromsgrove District, can be compared to the average household income in the sector. This shows that private rented households spend on average 36.3% of their household income on private rent.

Qualitative research

The affordability thresholds in operation in the market have also been substantiated through discussions with letting agents and mortgage brokers about the workings of the local market. Landlords want to let property at a rent that the tenant can afford so to avoid the expense of recovering rent arrears, evictions and re-letting, and lenders want to avoid the expensive repossession process. Both go to some length to ensure properties are affordable to the tenants or occupiers. Letting agents use credit reference agencies (such as Experian) and lenders require potential borrowers to fill out very detailed forms on all aspects of a household's expenditure.

The comments from letting agents were varied (some did not wish to engage). It was clear that multi-person households (either living as couples or just together) spend a relatively greater proportion of their income on housing and that for larger properties this may be over 45%. The letting agents considered this to be affordable – because the household afforded it

(as evidenced by the fact that they do not fall into arrears). Lower down the market, at the level we are considering (i.e. the lower quartile point), the general feedback was that the range of 33% to 40% of gross household income was affordable. Stakeholder representation however indicated that 30% was the maximum limit of what is affordable at the lower end of the market in Bromsgrove District.

This evidence indicated that the lower quartile figures derived from the quantitative analysis would be too high to base the affordability test on and that the median figures are more appropriate. The median figures were then rounded to the nearest 5% to better match the qualitative information and ensure the affordability thresholds used were not above average.

Conclusion

The report however is not trying to judge what is affordable but reflect how the market currently operates as per the Planning Practice Guidance - it presents a policy-off assessment of the level of affordable housing need. The market analysis presented above clearly shows that the current threshold in Bromsgrove District is 35%.

We include within the report the results of the model when alternative affordability thresholds are used to be transparent about the consequences of using this position, however the qualitative and quantitative data obtained from the market indicates that the baseline current position is as described.

Appendix 5: Accounting for the home office requirement

The LTBHM analysis presented in chapter 5 of the report models the ongoing behavioural changes recorded by the English Housing Survey, however this does not include any adjustments to behaviour caused by the coronavirus pandemic, such as the requirement for an extra bedroom to use as a home office. This appendix presents an alternative scenario showing the housing mix were the need for a home office to be a permanent requirement amongst relevant households. In this instance relevant households are those containing working age adults, that do not already contain a spare bedroom. The results are set out in the table below.

Table A5.1 Profile of accommodation required in Bromsgrove District in 2040 were working age households to require a home office*					
<i>Size of home</i>	<i>Owner occupied</i>	<i>Private rented</i>	<i>First Homes</i>	<i>Shared Ownership</i>	<i>Social/ Affordable Rented</i>
1 bedroom	1,341	199	4	51	1,358
2 bedroom	5,206	726	46	177	1,239
3 bedroom	14,327	3,017	195	447	2,211
4+ bedrooms	16,112	1,505	65	152	817
Total	36,986	5,448	310	827	5,625

*This only applies to those where a spare bedroom does not already exist

HDH Planning and Development Ltd is a specialist planning consultancy providing evidence to support planning authorities, landowners and developers. The firm is regulated by the RICS.

The main areas of expertise are:

- Community Infrastructure Levy (CIL)
- Housing market area wide and site specific Viability Analysis
- Local and Strategic Housing Market Assessments and Housing Needs Assessments

HDH Planning and Development have clients throughout England and Wales.

HDH Planning and Development Ltd

Registered in England Company Number 08555548
Clapham Woods Farm, Keasden, Nr Clapham, Lancaster. LA2 8ET
info@hdhplanning.co.uk 015242 51831 / 07989 975 977

