

Wythall

Housing Needs Assessment (HNA)

October 2022

Quality information

Prepared by	Checked by	Approved by
Tony Sloan Senior Town Planner	Paul Avery Principal Housing Consultant	Paul Avery Principal Housing Consultant

Revision History

Revision	Date	Details	Authorized	Name	Position
1	07/09/2022	First Draft	TS	Tony Sloan	Senior Town Planner
2	12/09/2022	Internal Review	PA	Paul Avery	Principal Housing Consultant
3	13/09/2022	Issue for Group Review	TS	Tony Sloan	Senior Town Planner
4	04/10/2022	Issue following Group Review	ALH	Anne-Louise Henderson	Deputy Parish Clerk
5	07/10/2022	Issue for Locality Review	TS	Tony Sloan	Senior Town Planner
6	27/10/2022	Locality Sign-off	AO	Annabel Osborne	Neighbourhood Planning Officer
7	27/10/2022	Final Report	TS	Tony Sloan	Senior Town Planner

Prepared for:

Wythall Parish Council

Prepared by:

AECOM Infrastructure & Environment UK Limited
Aldgate Tower
2 Leman Street
London E1 8FA
United Kingdom
aecom.com

© 2022 AECOM Infrastructure & Environment UK Limited. All Rights Reserved.

This document has been prepared by AECOM Infrastructure & Environment UK Limited ("AECOM") for sole use of our client (the "Client") in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

1. Executive Summary.....	6
Research Questions.....	6
Findings of RQ 1: Tenure, Affordability and the Need for Affordable Housing	6
Findings of RQ 2: Type and Size.....	8
Findings of RQ 3: Specialist housing for older people.....	10
2. Context.....	13
Local context.....	13
The Housing Market Area Context	14
Planning policy context.....	15
Policies in the adopted local plan	15
Quantity of housing to provide.....	17
3. Approach	19
Research Questions.....	19
Tenure and Affordability.....	19
Type and Size	19
Specialist Housing for Older People.....	20
Relevant Data	20
4. RQ 1: Tenure, Affordability and the Need for Affordable Housing	21
Introduction	21
Current tenure profile	23
Affordability.....	24
House prices	24
Income	25
Affordability Thresholds.....	26
Affordable housing- quantity needed	32
Affordable Housing policy guidance	33
Conclusions- Tenure and Affordability	37
5. RQ 2: Type and Size.....	40
Introduction	40
Existing types and sizes.....	40
Background and definitions	40
Dwelling type.....	41
Dwelling size	42
Age and household composition	43
Age structure.....	43
Household composition	44
Occupancy ratings.....	45
Dwelling mix determined by life-stage modelling.....	46
Suggested future dwelling size mix	46
Conclusions- Type and Size	50
6. RQ 3: Specialist housing for older people	52
Introduction	52
Current supply of specialist housing for older people	53
Tenure-led projections	54
Housing LIN-recommended provision	57

Conclusions- Specialist Housing for Older People	59
7. Next Steps	62
Recommendations for next steps	62
Appendix A : Calculation of Affordability Thresholds.....	63
A.1 Assessment geography	63
A.2 Market housing	64
i) Market sales	64
ii) Private Rented Sector (PRS).....	65
A.3 Affordable Housing	66
i) Social rent.....	66
ii) Affordable rent	67
iii) Affordable home ownership	68
Appendix B : Housing Needs Assessment Glossary	71

List of acronyms used in the text:

BDC	Bromsgrove District Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HEDNA	Housing and Economic Development Needs Assessment
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
MSOA	Middle Layer Super Output Areas
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Wythall is a Neighbourhood Area located in the local authority area of Bromsgrove District Council (BDC). The Neighbourhood Area boundary covers the areas administered by Wythall Parish Council.
2. The Office for National Statistics mid-2020 population estimate for Wythall is 12,383 individuals, showing an increase of 705 individuals since the 2011 Census.
3. There has been significant development in Wythall since 2011, with BDC providing completions data from 2011 to 2022 which showed the development of 324 dwellings. The total quantity of dwellings in the NA is therefore estimated to be 5,310.
4. BDC could only provide a tenure breakdown of completions from 2016 onwards. Out of the 204 dwellings completed in the NA since 2016, 64 dwellings were affordable, representing 31.4% of new housing in Wythall.
5. This Executive Summary details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.

Research Questions

Findings of RQ 1: Tenure, Affordability and the Need for Affordable Housing

Tenure Profile

6. At the time of the 2011 Census, Wythall had a very high proportion of home ownership compared to the district and national averages. As a result of this, the portion of shared ownership, private rent and social rent were lower than the local and national levels.
7. The 2021 Census will provide the most robust and up-to-date picture. However, it is interesting to observe the change recorded between the 2001 and 2011 Census. The private rented sector expanded by 128% in Wythall across that period, compared to a growth of 82% across the nation.

House Prices

8. In terms of house prices, there has been a steady increase in values between 2012 and 2021. The greatest change can be seen in lower quartile prices, which grew by 57.7%. The mean house price, increased by 49.5%, whilst the median house price grew by 45.6%. Looking at the median price for each individual house type we can see that semi-detached dwellings experienced the greatest growth at 62.4%, significantly higher than the average recorded across all types. Terraced houses experienced the next highest growth at 40.3%. Detached dwellings are overall the most expensive dwelling type, experiencing a growth of 35.4%. Flats experienced the lowest growth at 30.6%.

Affordability Thresholds

9. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:

10. Those on average incomes (£43,800) cannot access median or entry-level homes market homes. The median house price would require an annual income nearly double the current average. Therefore, market housing is likely to remain out of reach to most.
11. Private renting is generally only accessible to those on higher than average incomes, while lower quartile earners cannot afford the entry level rental thresholds. Therefore, Rent to Buy maybe a viable route to affordable home ownership to those earning above average incomes but with low savings for a deposit, although this is likely to be out of reach for most.
12. There is a 'can rent, can't buy' cohort, earning between around £39,731 and £75,696 per year who are able to afford to rent privately but cannot afford home ownership. This group may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
13. The income required to afford First Homes has been tested against the implications of 30%, 40% and 50% discount levels. The maximum discount level of 50% appears to make First Homes affordable for those on average incomes, however, a discount of well over 50% would be required in order for lower quartile earners to be able to access discounted market sales.
14. The discount on average market sale price required to enable households on average incomes to afford median priced homes is 50%. For single earner households on lower quartile incomes, a discount of 83% would be required, while dual-earners would need a discount of 66%. Given that 50% is the maximum, this is justified from an affordability perspective in Wythall. Other considerations, notable development viability, may also apply.
15. Shared ownership (particularly at 10% equity) appears to be more affordable than First Homes. While the income threshold for a 10% equity shared ownership home may be within the reach of median earners, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

Affordable housing- quantity needed

16. Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Wythall, who can afford few other options.
17. According to Bromsgrove completions figures, 31.4% of new housing in Wythall since 2016 has been affordable.
18. When Bromsgrove's HEDNA figures are pro-rated to Wythall based on its fair share of the population (12.3% of Bromsgrove's population), Wythall can be assumed to have a need for 11 affordable homes per annum or approximately 193 homes over the Neighbourhood Plan period (2023-2040). Note, this figure may not accurately represent actual need in the NA but is a useful guide to the scale of need that is likely on the basis of the population size.
19. Assuming 40% of dwellings were built as affordable, to deliver 193 affordable dwellings a total of 483 dwellings would need to be built in the NA. This would appear achievable

when compared to the pro-rated HEDNA figure which suggests 802 dwellings are required in Wythall to meet the NA's potential share of BDC's total dwelling requirement over the seventeen-year plan period. However, this HEDNA-based rate of delivery would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022, which equalled 324 dwellings in total or approximately 29 dwellings per annum.

20. As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited.

Affordable Tenure Split

21. Based on a list of considerations presented in the 'policy guidance' section of this chapter, we recommend that an appropriate balance between affordable rented tenures and affordable home ownership within the Affordable Housing that comes forward on mainstream development sites would be 70% rent to 30% ownership. This complies with various minimum requirements mandated nationally and the emerging BDC Local Plan Review guideline mix of 70% rented to 30%.
22. We recognise it would be advantageous to propose a higher proportion of affordable rent. However, the national policy which stipulates that 'First Homes' should make up at least 25% of the affordable housing requirement essentially restricts the proportion of affordable rent we can recommend. The reason is that flexibility is needed to accommodate the 25% First Homes requirement as well as other, potentially more affordable, intermediate tenures such as Shared Ownership (particularly at 10% equity).

Findings of RQ 2: Type and Size

Existing Types and Sizes

23. According to Valuation Office Agency (VOA) 2021 data, the proportion of detached and semi-detached units is comparable between Wythall and Bromsgrove, both representing significantly higher proportions of these accommodation types compared to the national average.
24. Wythall has a much greater proportion of bungalows than the wider District, and especially than England as a whole. Although not a given, bungalows can represent an appealing offering for older people and those with mobility challenges. The NA has a lower proportion of terraced units and flats compared to the District, although both rates are significantly below the national averages for these types.
25. Three-bedroom dwellings remain the most dominant size in Wythall between 2011 and 2021. Across this time period, the proportion of smaller to mid-sized dwellings (two-bedroom and three-bedroom) grew whilst the proportion of the smallest dwellings (one-bedroom) fell from 5% to 4.5%. The proportion of larger four-bedroom and five or more-bedroom dwellings also fell, perhaps indicating a lack of demand for the largest dwellings in Wythall.

26. Wythall has a higher proportion of three-bedroom dwellings compared Bromsgrove. Wythall has lower proportions within the remaining categories of dwelling sizes, although the relative proportional splits are largely reflective of local averages.

Age and Household Composition

27. The age structure of the population is a key indicator of the future need for housing. At the time of the 2011 Census, the NA population was generally older than the district and national averages.
28. Between 2011 and 2020, the largest proportional change is seen in the 85 and over age band, which increased by 48.0%. The largest growth in actual numbers is in the 0-15 age group (represented a 19.6% increase), contrasting with a 19.1% decline in the subsequent 16-24 age group. The 45-64 age band remains the largest single age band in Wythall, despite a minor decline of 2.6%.
29. In 2011 the household composition was relatively comparable between Wythall and Bromsgrove. Both the NA and District had lower levels of one person households and higher levels of family households when compared to the national average.
30. In 2011 Wythall had a higher proportion of non-dependent children compared to Bromsgrove and England. 'Non-dependent children' refers to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. While the data is quite old at this point, this may reflect the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households.
31. Wythall has a high rate of under-occupancy: 84.3% of people lived in a home with at least one extra bedroom in 2011. Extreme under-occupancy (+2 rating) is strongly correlated with age, with older age groups much more likely to under-occupy their homes. The percentage of people living in homes with fewer bedrooms than they might be expected to need is relatively low. Around 168 people (1.4%) may have been (or still be) living in inadequate housing conditions in the parish.

Suggested Future Dwelling Size Mix

32. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that new development of all tenures might involve the following share of dwelling sizes:
 - 17.2% as one bedroom,
 - 21.9% as two bedrooms,
 - 34.4% as three bedrooms,
 - 20.3% as four bedrooms and
 - 6.2% as five or more bedrooms.
33. These results are a starting point for thinking about how best to address the more nuanced needs of the future population.

34. Affordability is a serious and worsening challenge in Wythall. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation. Neighbourhood Plan policies can provide a steer on this, clearly setting out the expectations of the community, even if final decisions will be made through negotiations with the Local Planning Authority.
35. It would be unwise for any new housing to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Findings of RQ 3: Specialist housing for older people

Current Supply

36. There are currently estimated to be around 1,827 people aged 75 or over living in Wythall. Applying district-level projections to Wythall's population suggests that the 75+ population in the parish will increase from 12.3% of the total currently to 17.7% in 2040 – equivalent to 1,107 additional older individuals and a 77% growth rate for that age cohort.
37. There appears a total of 133 units of specialist accommodation in the NA at present, the majority are available for social rent for those in financial need, with small proportion being offered for leasehold market purchase. This suggests that current provision is in the region of 114 units per 1,000 of the 75+ population.
38. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

Projections

39. These two methods of estimating the future need in Wythall produce a range of 277 to 356 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
40. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6 6, the majority of the need, at 81.45%, is identified for specialist market housing compared to subsidised affordable rent. Slightly more need is identified for sheltered housing at 54.1% compared to 45.9% extra-care. The greatest sub-category of need was identified for market sheltered housing at 46.9% of the total need. However, this need is for individuals with less severe limitations and market housing is considered the most appropriate for adaptations, so at least some of this need

could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.

41. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
42. Adopted Local Plan policy BDP 10 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Parish approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
43. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the borough falling into this category.
44. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
45. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
46. It is considered that Wythall is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-

effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Wythall in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.

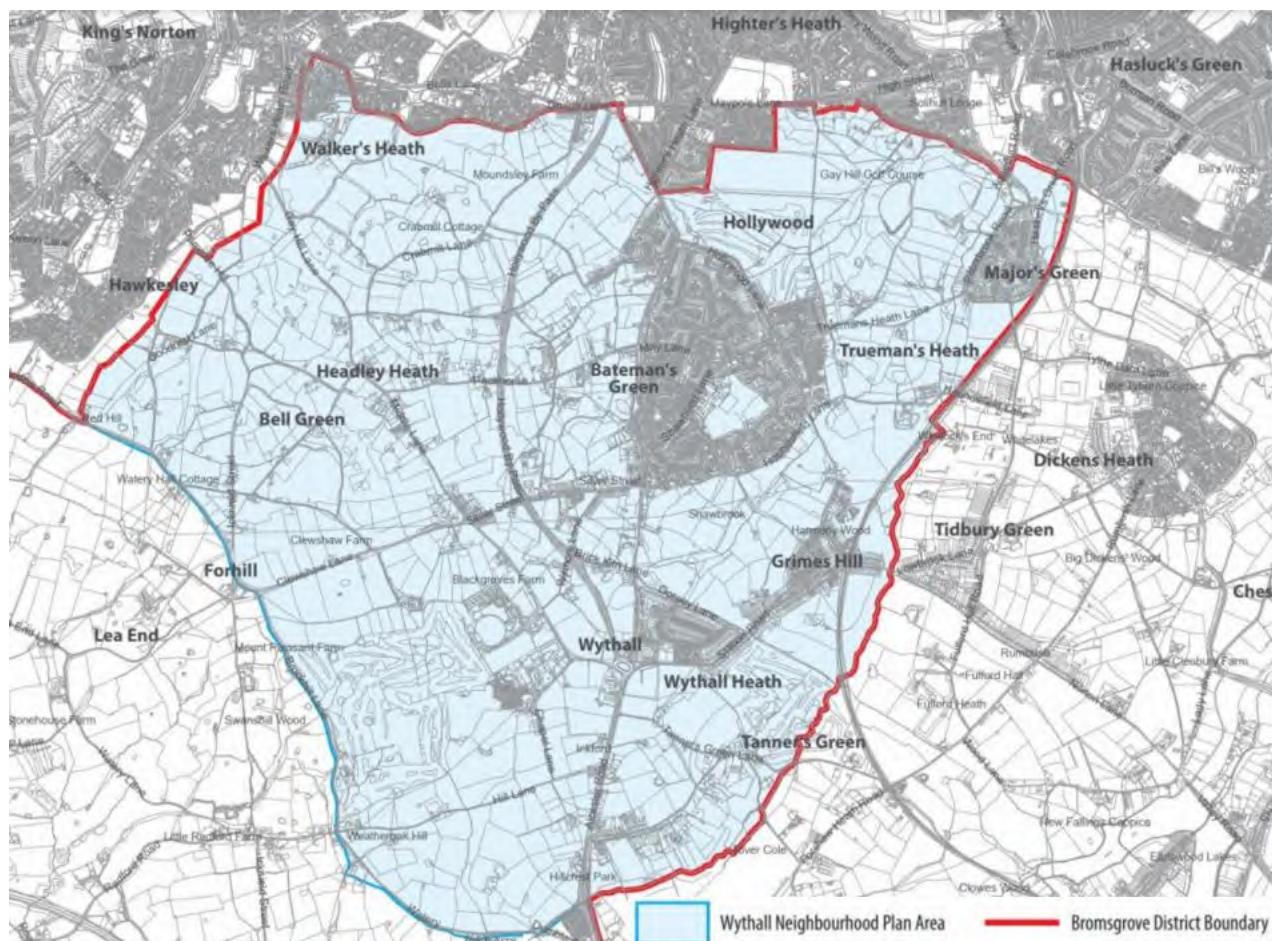
47. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

2. Context

Local context

48. Wythall is a Neighbourhood Area located in Bromsgrove District, in the West Midlands of England.
49. The Neighbourhood Area (NA) boundary was designated in September 2020, aligning with the existing Parish of Wythall boundary. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Wythall Neighbourhood Area¹



Source: Bromsgrove District Council

50. The proposed Neighbourhood Plan period starts in 2023 and extends to 2040, therefore comprising a planning period of 17 years. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
51. The NA covers approximately 1,930 hectares of land located in the north-east corner of the district of Bromsgrove, encompassing the villages of Wythall, Hollywood, Major's Green and the surrounding hinterland. The parish borders Solihull and Birmingham, with Wythall village located approximately 7 miles south of Birmingham City Centre. Wythall

¹ Available at <https://www.bromsgrove.gov.uk/media/5759118/Wythall-Parish-Map.pdf> (Accessed July 2022)

railway station serves the NA, with regular trains in each direction between Birmingham Snow Hill and Stratford-upon-Avon.

52. The statistics show that in the 2011 Census the NA had a total of 11,678 residents, formed into 4,877 households and occupying 4,986 dwellings. Data provided by BDC² indicates that 324 additional dwellings have been completed within the NA between 2011 and 2022.
53. Whilst BDC are unable to provide precise demographic data relating to the completed dwellings, other data sources can provide an indication of current population figures. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Wythall is 12,383 – indicating population growth of around 705 individuals since 2011, this increase broadly aligns with the amount of new development that has taken place in the NA since 2011. However, it is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

The Housing Market Area Context

54. Whilst this HNA focuses on Wythall neighbourhood area it is important to keep in mind that neighbourhoods are not self contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Wythall, the parish sits within the Greater Birmingham and the Black Country (GBBC) housing market area, which covers: Birmingham City Council, Bromsgrove District Council, Cannock Chase District Council, Dudley Borough Council, Lichfield District Council, Redditch Borough Council, Solihull Metropolitan Borough Council, Tamworth Borough Council, North Warwickshire District Council, Stratford-on-Avon District Council, Sandwell Borough Council, South Staffordshire District Council, Walsall Borough Council and Wolverhampton City Council³ This means than when households who live in these authorities move home, the vast majority move within this geography.
55. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Wythall, are closely linked to other areas. In the case of Wythall, changes in need or demand in settlements nearby are likely to impact on the neighbourhood.
56. In summary, Wythall functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Bromsgrove District Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the

² As provided in an e-mail from Tamsin Brewer, BDC, August 2022

³ As described in the Bromsgrove District Housing and Economic Development Needs Assessment (January 2022). Available at: <https://www.bromsgrove.gov.uk/council/policy-and-strategy/planning-policies-and-other-planning-information/bromsgrove-district-plan-review/evidence-base/housing-and-economic-development-needs-assessment.aspx>

neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing polices to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

57. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁴ In the case of Wythall, the relevant adopted Local Plan for Bromsgrove District Council (BDC) consists of the Bromsgrove District Plan 2011-2030 (Adopted January 2017); the Longbridge Area Action Plan (Adopted April 2009) and various Supplementary Planning Guidance documents.
58. BDC is currently preparing a review of the Bromsgrove District Plan. This early review is a requirement of the adopted plan, as BDC has to find land for the additional identified housing development needs not allocated in the current plan. The adopted plan identified a target of 7,000 dwellings, to be delivered across the district by 2030. The adopted plan identifies sufficient land to deliver 4,700 dwellings of the required 7,000 by 2023 without altering Green Belt boundaries. Following a Green Belt Review, sufficient land will need to be identified in the emerging Local Plan Review for the remaining 2,300 dwellings.
59. An Issues and Options consultation for the emerging local plan was held between 24th September and 19th November 2018. The next key stage will be the publication of the Preferred Options document. It is proposed that the emerging local plan will have likely start date of 2023 and an end date of 2040.

Policies in the adopted local plan

60. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Wythall.

Table 2-1: Summary of relevant adopted policies in the Bromsgrove District Plan 2011-2030

Policy	Provisions
BDP2 Settlement Hierarchy	Proposals for new development for Bromsgrove's needs should be located in accordance with the District's settlement hierarchy. Wythall is identified as a Large Settlement.
BDP3 Future Housing and Employment Growth	Establishes a development target of 7,000 dwellings across Bromsgrove by 2030. Of this total, approximately 4,700 dwellings will be delivered over the plan period, without development in the Green Belt. The remaining 2,300 dwellings will be subject to a full Green Belt Review to ensure that sufficient land can be identified and allocated via a Local Plan Review.

⁴ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

Policy	Provisions
BDP4 Green Belt	<p>This policy highlights that a Local Plan Review including a full Review of the Green Belt will be undertaken in accordance with BDP 3 in advance of 2023 to identify:</p> <ul style="list-style-type: none"> a) sufficient land in sustainable locations to deliver approximately 2,300 homes in the period up to 2030 to deliver the objectively assessed housing requirement for Bromsgrove District. b) Safeguarded land for the period 2030-40 to meet the development needs of Bromsgrove District and adjacent authorities based on the latest evidence; and c) Land to help deliver the objectively assessed housing requirements of the West Midlands conurbation within the current plan period ie. up to 2030. <p>The Green Belt boundary review will follow sustainable development principles and take into account up to date evidence and any proposals in Neighbourhood Plans. Where appropriate, settlement boundaries and village envelopes on the Policies Map will be revised to accommodate development.</p>
BDP5B Other Development Sites	<p>Identifies two development sites with a total capacity of 254 dwellings located to the north (Bleakhouse Farm) and east (Selsdon Close) respectively of the existing residential area at Wythall.</p>
BDP7 Housing Mix and Density	<p>Proposals for housing must take account of identified housing needs in terms of the size and type of dwellings. To ensure mixed and vibrant communities are created, development proposals need to focus on delivering 2 and 3 bedroom properties. On schemes of 10 or more dwellings it is accepted that a wider mix of dwelling types may be required.</p>
BDP8 Affordable Housing	<p>The following affordable housing provision will be expected on-sites where there is a net increase of 11 or more dwellings:</p> <ul style="list-style-type: none"> • Up to 40% affordable housing (or a higher % if proposed) on greenfield sites or any site accommodating 200 or more dwellings; • Up to 30% affordable housing (or a higher % if proposed) on brownfield sites accommodating less than 200 dwellings. <p>BCD will seek to negotiate the mix of affordable housing tenures on individual schemes taking into account local needs, the housing mix in the local area and the impact on viability. Affordable housing should be distributed throughout new developments and not be visually distinguishable from market housing.</p>

Policy	Provisions
BDP9 Rural Sites	<p>Exceptionally, affordable housing will be allowed in or on the edge of settlements in the Green Belt where a proven local need has been identified. In accordance with the Settlement Hierarchy (BDP2) Bromsgrove Town and the large settlements (including Wythall) are not acceptable locations for rural exception housing.</p> <p>Applications under this policy must contain a Local Housing Needs Survey and will be subject to a sequential test. Housing won't be considered on sites that are detached from settlements and appear isolated in open countryside. Schemes should not generally be larger than 15 units. BDC has a preference for 100% affordable housing schemes, however, where it can be robustly justified through a viability appraisal the inclusion of other tenures within a scheme may be acceptable.</p>
BDP10 Homes for the Elderly	<p>Seeks the provision of housing for the elderly and for people with special needs, where appropriate whilst avoiding an undue concentration in any location. BDC encourages a wide range of elderly accommodation including the development of residential care homes, close care, 'extra care' and assisted care housing; and in particular Continuing Care Retirement Communities which encompass an integrated range of such provision. Sites should be sustainable by virtue of their location and there will be a preference for sites within defined settlements.</p>

Quantity of housing to provide

61. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
62. The Neighbourhood Group are not currently in receipt of a housing requirement as the Local Plan is under review and decisions on allocations have not been published yet. The question of how many houses to plan for is outside the scope of this Housing Needs Assessment, as discussed and agreed with the Parish Council. The issue of quantity has been excluded from the Research Questions (see Chapter 3).
63. Therefore, discussion has not been provided in this assessment on the overall quantity of homes to be delivered and conclusions drawn on what tenure and type or size of dwelling required can be used as a basis for housing policy in the Neighbourhood Plan, which any planning application would be required to conform with.
64. Although there is no formal housing requirement for Wythall, the HEDNA suggests that 383 dwellings per year are required across BDC, equalling 6,511 dwellings over the seventeen-year plan period.

65. When the HEDNA figures are pro-rated to Wythall based on its fair share of the population (12.3% of the LPA's population⁵), this equates to approximately 47 (rounded) dwellings per annum or approximately 802 homes over the Neighbourhood Plan period (2023 – 2040). This would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022, which equalled 324 dwellings in total or approximately 29 dwellings per annum.

⁵ Based on ONS mid-year population estimates for 2020

3. Approach

Research Questions

66. The following research questions were formulated at the outset of the research through discussion with the Wythall Parish Council. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

67. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

68. This evidence will allow Wythall to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 1: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Type and Size

69. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The neighbourhood group recognises there is a need to provide adequate housing to retain young people within the area as well as fulfilling the needs of the elderly population.

70. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

71. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

72. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Specialist Housing for Older People

73. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Relevant Data

74. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Rightmove.co.uk](https://www.rightmove.co.uk);
- Local Authority housing waiting list data; and
- Bromsgrove District Housing and Economic Development Needs Assessment (January 2022).

75. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ 1: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

76. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
77. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
78. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as '*housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers; and which complies with one or more of the following definitions*⁶*. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.*

⁶ Available here - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1 Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little as 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

79. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁷ Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

80. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

81. Table 4-2 presents data on tenure in Wythall compared with Bromsgrove and England from the 2011 Census, which is the most recent available source of this information. Wythall has a significantly high proportion of home ownership compared to the district and national averages. As a result of this, the portion of Shared Ownership, Private Rent and Social Rent are all lower than the local and national levels.

⁷ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

82. Out of the 204 dwellings completed in the NA since 2016, 64 dwellings were affordable, representing 31.4% of new housing in Wythall. However, there is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Wythall the private rented sector expanded by 128% in that period, compared to a growth of 82% across the nation.

Table 4-2 Tenure (households) in Wythall, 2011

Tenure	Wythall	Bromsgrove	England
Owned	85.4%	79.5%	63.3%
Shared ownership	0.4%	0.6%	0.8%
Social rented	7.8%	10.0%	17.7%
Private rented	5.5%	8.8%	16.8%

Sources: Census 2011, AECOM Calculations

Affordability

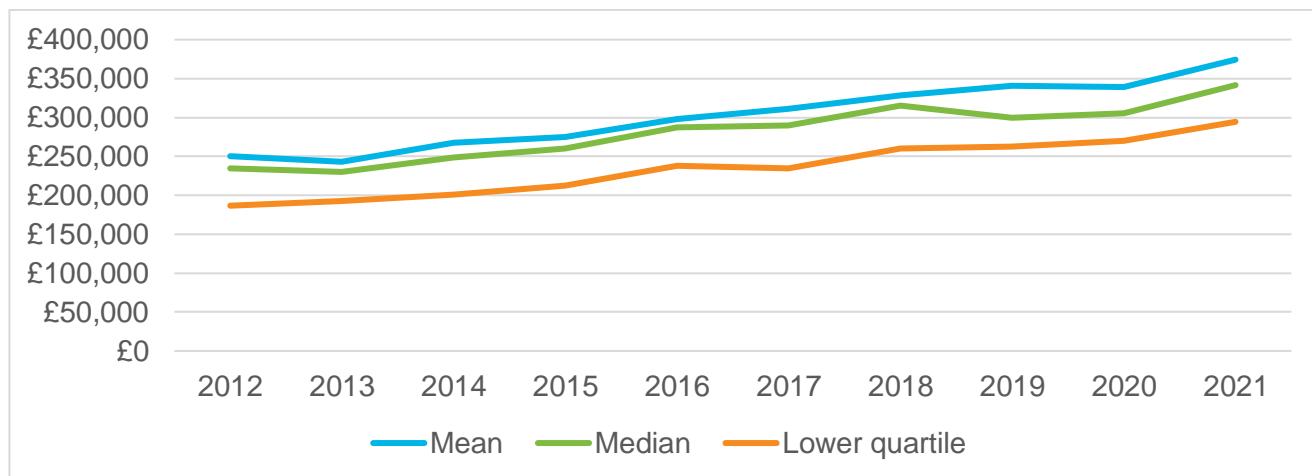
House prices

83. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

84. Figure 4-1 looks at the average and lower quartile house prices in Wythall based on sales price data published by the Land Registry over the previous ten-year period (2012 to 2021 inclusive). It shows that there has been a steady increase in house prices, with 2021 representing the highest prices across all three measures. The mean, which captures the average of all house prices, both high and low, remains higher than the median throughout as the few outlying data points on the high end cause it to increase. The median remains lower as it is the middle number when the data is sorted from smallest to largest. By definition the lower quartile price, which represents the bottom 25% value of all properties sold, remains lower than both the median and mean prices.

85. The lower quartile house price experienced the greatest growth over this period, increasing by 57.7% from £186,625 in 2012 to £294,375 in 2021. The mean price increased from £250,391 in 2012 to £374,311 in 2021, indicating 49.5% growth. Median price growth was slightly lower at 45.6%, increasing from £234,500 in 2012 to £341,500 in 2021.

Figure 4-1 House prices by quartile in Wythall, 2012-2021



Source: Land Registry PPD

86. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the greatest level of growth was in semi-detached dwellings at 62.4%, significantly higher than the average recorded across all types. Terraced houses experienced the next highest growth at 40.3%. Detached dwellings are overall the most expensive dwelling type, experiencing a growth of 35.4%. Flats experienced the lowest growth at 30.6%.

Table 4-3 Median house prices by type in Wythall, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£324,995	£306,995	£328,000	£325,000	£366,000	£372,500	£409,000	£442,000	£425,000	£440,000	35.4%
Semi-detached	£197,000	£215,000	£230,000	£237,875	£246,250	£261,000	£305,000	£290,250	£302,500	£320,000	62.4%
Terraced	£196,000	£200,000	£190,000	£215,000	£234,000	£247,475	£220,000	£245,500	£262,000	£275,000	40.3%
Flats	£124,000	£129,950	£144,750	£130,750	£128,500	£141,000	£163,000	£156,250	£167,500	£162,000	30.6%
All Types	£234,500	£230,000	£248,975	£260,000	£287,000	£290,000	£315,000	£300,000	£305,750	£341,500	45.6%

Source: Land Registry PPD

Income

87. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

88. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £43,800 in 2018. A map of the area to which this data applies is provided in Appendix A.

89. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning.

Bromsgrove's gross individual lower quartile annual earnings were £15,030 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,060.

90. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

91. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
92. AECOM has determined thresholds for the income required in Wythall to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
93. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
94. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs.
95. Rising interest rates will also have an impact on affordability, as this can affect a borrower's ability to meet their repayments. However, given the variation in available mortgage products and individual circumstances were not able to factor the impact of increasing interest rates within our affordability calculations. It's clear that different assumptions would alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.
96. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income

required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-4 Affordability thresholds in Wythall (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes?	Affordable on LQ earnings (single earner)?	Affordable on LQ earnings (2 earners)?
Market Housing						
Median House Price	£307,350	-	£87,814	No	No	No
Estimated NA New Build Entry-Level House Price	£279,323		£79,807	No	No	No
LQ/Entry-level House Price	£264,938	-	£75,696	No	No	No
LA New Build Median House Price	£296,996	-	£84,856	No	No	No
Average Market Rent	-	£14,875	£49,584	No	No	No
Entry-level Market Rent	-	£11,919	£39,731	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£195,526	-	£55,865	No	No	No
First Homes (-40%)	£167,594	-	£47,884	No	No	No
First Homes (-50%)	£139,661	-	£39,903	Yes	No	No
Shared Ownership (50%)	£139,661	£3,879	£52,835	No	No	No
Shared Ownership (25%)	£69,831	£5,819	£39,349	Yes	No	No
Shared Ownership (10%)	£27,932	£6,983	£31,258	Yes	No	Marginal
Affordable Rented Housing						
Affordable Rent	-	£5,936	£19,766	Yes	No	Yes
Social Rent	-	£4,883	£16,260	Yes	Marginal	Yes

Source: AECOM Calculations

97. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

98. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless

they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income almost double the current average.

99. Private renting is generally only affordable to higher than average earners. As such, Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

100. There is a relatively large group of households in Wythall who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £39,731 per year (at which point entry-level rents become affordable) and £75,696 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
101. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
102. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. The maximum discount of 50% would be required to bring a new entry-level home within reach of the average earning household. In order for lower quartile earners to be able to access discounted market sales, a discount of well over 50% would be required.
103. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table 4-5 Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single earner	LQ	Dual earning household	LQ
NA Median House Price	50%	83%		66%	
NA Estimated New Build Entry-Level House Price	45%	81%		62%	
NA Entry-Level House Price	42%	80%		60%	
LA Median New Build House Price	48%	82%		65%	

Source: Land Registry PPD; ONS MSOA total household income

104. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁸ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

105. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.

106. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents (i.e. £49,584). On that basis, Rent to Buy would be less affordable than First Homes and shared ownership.

107. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service

⁸ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

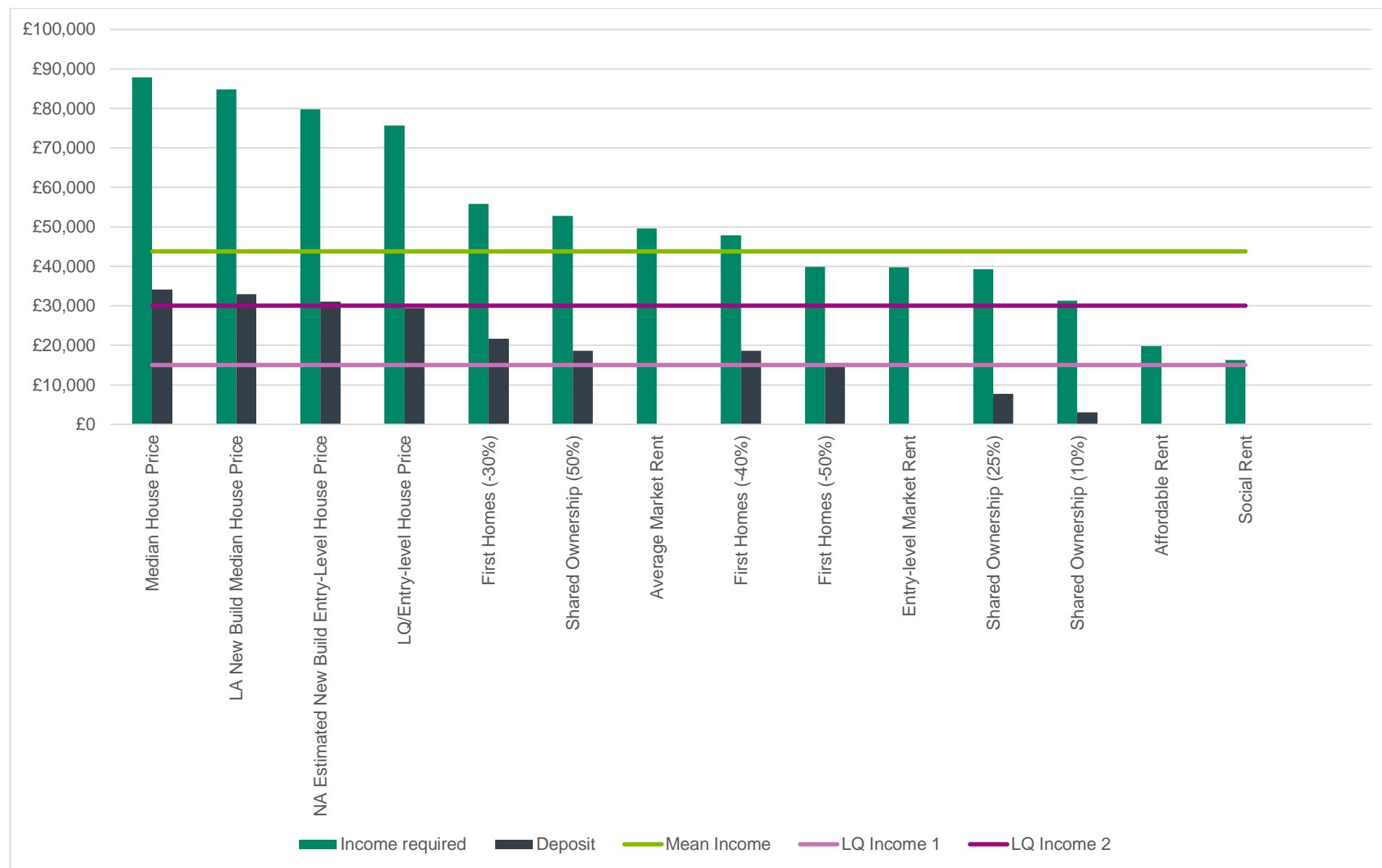
108. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

109. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

110. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Wythall as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2 Affordability thresholds in Wythall, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

111. The starting point for understanding the need for affordable housing in Wythall is the relevant Housing and Economic Development Needs Assessment (HEDNA). A HEDNA was undertaken for Bromsgrove in 2022. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance. The HEDNA identifies the need for 92 additional affordable homes each year in Bromsgrove as a whole. This total encompasses the need for both affordable homes for rent and for sale, the two are not disaggregated further in the HEDNA.

112. When the HEDNA figure is pro-rated to Wythall based on its fair share of the population (12.3% of the LPA's population⁹), this equates to approximately 11 homes per annum or approximately 193 homes over the Neighbourhood Plan period (2023 – 2040).

113. This pro-rated figure may not accurately represent actual need in the NA but is a useful guide to the scale of need that is likely on the basis of the population size. For comparison, Housing Register data provided by BDC¹⁰ suggests there are a total of 55 households unable to access affordable rented homes suitable to their needs in the NA, across a range of priority bands (see Figure 4-3). It is important to keep in mind that the households identified on the Housing Register don't necessarily lack their own housing but may require different housing to meet their circumstances.

Figure 4-3 NA Housing Register (August 2022)

	Choice 1 - Wythall	Choice 1 - Hollywood
Household Type:	22	33
Family	15	24
Couple	0	0
Single	1	2
Pensioner/DLA	3	4
Other	3	3
Bed Need:		
1 Bed Need	7	7
2 Bed Need	7	11
3 Bed Need	6	14
4 Bed Need	2	1
Banding:		
Gold Plus	11	9
Gold	3	9
Silver Plus	0	0
Silver	0	0
Reduced Banding	2	3
Bronze Plus	6	12
Bronze	0	0

Source: Bromsgrove District & Redditch Borough Councils

⁹ Based on ONS mid-year population estimates for 2020

¹⁰ Email from Amanda Delahunty, Housing Strategy & Enabling Manager Bromsgrove District & Redditch Borough Councils, August 2022

114. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
115. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

116. Bromsgrove's adopted policy on this subject BDP 8 requires up to 40% of all new housing on qualify sites to be affordable. According to Bromsgrove completions figures, 64 affordable dwellings out of a total of 204 dwellings have been completed in the NA since 2016. Given that Affordable Housing made up just 31.4% of new housing in Wythall since 2016, it is understood that this upper target is not usually met on sites in the NA.
117. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
118. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is to be considered on a site-by-site basis according to adopted local policy. However, emerging Bromsgrove District Plan Review suggests a 70% affordable rented to 30% affordable ownership split is appropriate. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Wythall specifically.
119. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
 - A. **Evidence of need for Affordable Housing:** Based on the Bromsgrove HEDNA, this study estimates that Wythall requires roughly 193 units of affordable housing over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes. Whilst both forms of Affordable Housing would be valuable in meeting the needs of people on various incomes, the HEDNA data and affordability thresholds presented in this HNA suggest there is a greater need for social/affordable units (i.e. households who live in unsuitable housing and who cannot afford to access market rents).

B. Can Affordable Housing needs be met in full? The NA does not currently have a housing requirement figure. Therefore, it is difficult to predict whether housing development in Wythall across the Plan period would be able to deliver the level of housing required to ensure 193 affordable units were provided.

Assuming 40% of dwellings were built as affordable, to deliver 193 affordable dwellings a total of 483 dwellings would need to be built in the NA (28 dwellings per annum). This would appear achievable when compared to the pro-rated HEDNA figure which suggests 802 dwellings are required in Wythall to meet the NA's potential share of BDC's total dwelling requirement over the seventeen-year plan period. However, this HEDNA-based rate of delivery would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022, which equalled 324 dwellings in total or approximately 29 dwellings per annum.

As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited. We therefore recommend that affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. The suggested 70% rented 30% ownership guideline mix in the emerging Local Plan Review may offer an appropriate benchmark. This suggested mix prioritises those in most need, adhering to the national first homes policy limitations (noted below) and provides flexibility to deliver other intermediate tenures.

C. Government policy (eg NPPF) requirements: current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Bromsgrove, where up to 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure suggested in the emerging Local Plan Review.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Wythall would impact on the ability to deliver social/affordable rented homes.

D. Local Plan policy: As noted above, the adopted Local Plan seeks a flexible approach to tenure split of via consideration on a site-by-site basis. The Issues and Options document from the emerging Bromsgrove District Plan Review suggests a 70% affordable rented to 30% affordable ownership is appropriate.

E. First Homes policy: the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This would unlikely be the case in Wythall as the emerging Local Plan Review suggest 70% affordable rented.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Bromsgrove, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Wythall:** As per the evidence presented in this chapter, Wythall has low rates of shared ownership and social rented tenures.

This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.

- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Wythall and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

120. On the basis of the considerations above, Table 4-6 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
121. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing may be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. The emerging BDC Local Plan Review guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.
122. Given the affordability thresholds presented earlier, we recognise that it could be advantageous to propose an even higher proportion of affordable rent (i.e. beyond 70%). However, the national 'First Homes' policy essentially restricts the proportion of affordable rent we can recommend. As at least 25% of affordable housing for ownership is required for 'First Homes' it is sensible to increase the proportion of intermediate accommodation to ensure there is flexibility to facilitate other, potentially more affordable, intermediate tenures. For example, the affordability thresholds for Wythall suggest that Shared Ownership (particularly at 10% equity) is more affordable than First Homes, increasing the proportion of affordable rent reduces the amount Shared Ownership that could be facilitated. Rent to Buy does not feature in the recommended mix as it was considered the least affordable tenure locally.
123. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
124. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Bromsgrove to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
125. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of

affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-6 Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	70%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

126. At the time of the 2011 Census, Wythall had a very high proportion of home ownership compared to the district and national averages. As a result of this, the portion of shared ownership, private rent and social rent were lower than the local and national levels.
127. The 2021 Census will provide the most robust and up-to-date picture. However, it is interesting to observe the change recorded between the 2001 and 2011 Census. The private rented sector expanded by 128% in Wythall across that period, compared to a growth of 82% across the nation.
128. In terms of house prices, there has been a steady increase in values between 2012 and 2021. The greatest change can be seen in lower quartile prices, which grew by 57.7%. The mean house price, increased by 49.5%, whilst the median

house price grew by 45.6%. Looking at the median price for each individual house type we can see that semi-detached dwellings experienced the greatest growth at 62.4%, significantly higher than the average recorded across all types. Terraced houses experienced the next highest growth at 40.3%. Detached dwellings are overall the most expensive dwelling type, experiencing a growth of 35.4%. Flats experienced the lowest growth at 30.6%.

129. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
130. Those on average incomes (£43,800) cannot access median or entry-level homes market homes. The median house price would require an annual income nearly double the current average. Therefore, market housing is likely to remain out of reach to most.
131. Private renting is generally only accessible to those on higher than average incomes, while lower quartile earners cannot afford the entry level rental thresholds. Therefore, Rent to Buy maybe a viable route to affordable home ownership to those earning above average incomes but with low savings for a deposit, although this is likely to be out of reach for most.
132. There is a 'can rent, can't buy' cohort, earning between around £39,731 and £75,696 per year who are able to afford to rent privately but cannot afford home ownership. This group may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
133. The income required to afford First Homes has been tested against the implications of 30%, 40% and 50% discount levels. The maximum discount level of 50% appears to make First Homes affordable for those on average incomes, however, a discount of well over 50% would be required in order for lower quartile earners to be able to access discounted market sales.
134. The discount on average market sale price required to enable households on mean incomes to afford median priced homes is 50%. For single earner households on lower quartile incomes, a discount of 83% would be required, while dual-earners would need a discount of 66%. Given that 50% is the maximum, this is justified from an affordability perspective in Wythall. Other considerations, notable development viability, may also apply.
135. Shared ownership (particularly at 10% equity) appears to be more affordable than First Homes. While the income threshold for a 10% equity shared ownership home may be within the reach of median earners, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
136. Affordable rented housing (particularly social rent) is essential for accommodating those on the lowest incomes in Wythall, who can afford few other options.
137. According to Bromsgrove completions figures, 31.4% of new housing in Wythall since 2016 has been affordable.

138. When Bromsgrove's HEDNA figures are pro-rated to Wythall based on its fair share of the population (12.3% of Bromsgrove's population), Wythall can be assumed to have a need for 11 affordable homes per annum or approximately 193 homes over the Neighbourhood Plan period (2023-2040). Note, this figure may not accurately represent actual need in the NA but is a useful guide to the scale of need that is likely on the basis of the population size.
139. Assuming 40% of dwellings were built as affordable, to deliver 193 affordable dwellings a total of 483 dwellings would need to be built in the NA. This would appear achievable when compared to the pro-rated HEDNA figure which suggests 802 dwellings are required in Wythall to meet the NA's potential share of BDC's total dwelling requirement over the seventeen-year plan period. However, this HEDNA-based rate of delivery would significantly exceed the rate of housing provision recorded across the NA between 2011 and 2022, which equalled 324 dwellings in total or approximately 29 dwellings per annum.
140. As there are currently no new site allocations within the NA and because the level of affordable housing provision on any sites is unknown, it is reasonable to assume that supply will be limited.
141. Based on a list of considerations presented in the 'policy guidance' section of this chapter, we recommend that an appropriate balance between affordable rented tenures and affordable home ownership within the Affordable Housing that comes forward on mainstream development sites would be 70% rent to 30% ownership. This complies with various minimum requirements mandated nationally and the emerging BDC Local Plan Review guideline mix of 70% rented to 30%.
142. We recognise it would be advantageous to propose a higher proportion of affordable rent. However, the national policy which stipulates that 'First Homes' should make up at least 25% of the affordable housing requirement essentially restricts the proportion of affordable rent we can recommend. The reason is that flexibility is needed to accommodate the 25% First Homes requirement as well as other, potentially more affordable, intermediate tenures such as Shared Ownership (particularly at 10% equity).

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Introduction

143. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Wythall in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
144. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

Existing types and sizes

Background and definitions

145. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
146. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
147. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
148. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

149. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. Completions data for the NA since 2011 isn't broken down by either type and size so for both datasets VOA is used alongside the Census.

Dwelling type

150. Census 2011 data is presented in Table 5-1, alongside VOA figures (which counts the stock of properties according to council tax banding), however, this unfortunately cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of semi-detached properties), and because the Census data relates to a slightly larger proxy area. Note also that VOA data is rounded to the nearest 10 in each dwelling category.

Table 5-1 Accommodation type, Wythall, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	770 (14.6%)
Flat	379 (7.6%)	390 (7.4%)
Terrace	460 (9.2%)	610 (11.6%)
Semi-detached	2,055 (41.2%)	1,670 (31.7%)
Detached	1,996 (40.0%)	1,690 (32.1%)
Unknown/other	-	140 (2.7%)
Total	4,890 (100%)	5,270 (100%)

Source: ONS 2011, VOA 2021, AECOM Calculations

151. It is helpful to compare the NA dwelling mix with the wider District and country. BDC only recorded the type of dwelling completions in Wythall from 2019/20 onwards, meaning that these incomplete figures cannot be used to update the 2011 Census stock.

152. VOA data has been used in Table 5-2 for consistency in the comparison between Wythall, Bromsgrove and England. Table 5-2 shows that the proportion of detached and semi-detached units is comparable between Wythall and Bromsgrove, both representing significantly higher proportions of these accommodation types compared to the national average. Wythall has a much greater proportion of bungalows than the wider District, and especially than England as a whole. Although not a given, bungalows can represent an appealing offering for older people and those with mobility challenges. The NA has a lower proportion of terraced units and flats compared to the District,

although both rates are significantly below the national averages for these types.

Table 5-2 Accommodation type, various geographies, 2021

Dwelling type	Wythall	Bromsgrove	England
Bungalow	14.6%	8.2%	9.2%
Flat	7.4%	11.2%	23.7%
Terrace	11.6%	16.4%	26.1%
Semi-detached	31.7%	31.0%	23.7%
Detached	32.1%	31.5%	15.8%
Unknown/other	2.7%	1.8%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

153. Turning to dwelling size, Table 5-3 sets out current statistics and the change in the mix of housing by number of bedrooms in Wythall, comparing the 2011 Census mix to 2021 VOA data. Three-bedroom dwellings remain the most dominant size in Wythall. Across this time period, the proportion of smaller to mid-sized dwellings (two-bedroom and three-bedroom) grew whilst the proportion of the smallest dwellings (one-bedroom) fell from 5.0% to 4.5%. The proportion of larger four-bedroom and five or more-bedroom dwellings also fell, perhaps indicating a lack of demand for the largest dwellings in Wythall.

154. Note the 2011 Census data in Table 5-3 only includes active dwellings, whereas the 2011 Census Data in Table 5-2 includes all properties. Also, the discrepancy between the VOA totals in Table 5-2 and Table 5-3 is likely a result of small-scale rounding within each category, full clarity is not available.

Table 5-3 Dwelling size (bedrooms), Wythall, 2011 and 2021

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	4 (0.1%)	-
1	244 (5.0%)	230 (4.5%)
2	902 (18.5%)	1,000 (19.5%)
3	2,415 (49.5%)	2,750 (53.7%)
4	1,015 (20.8%)	880 (17.2%)
5+	297 (6.1%)	250 (4.9%)
Unknown	-	10 (0.2%)
Total	4,877 (100%)	5,120 (100%)

Source: ONS 2011, VOA 2021, AECOM Calculations

155. Again, VOA data is used to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Wythall has a higher proportion of three-bedroom dwellings compared Bromsgrove. Wythall has lower proportions within the remaining categories of dwelling sizes, although the relative proportional splits are largely reflective of local averages.

Table 5-4 Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Wythall	Bromsgrove	England
1	4.5%	7.1%	12.6%
2	19.5%	20.6%	28.4%
3	53.7%	48.0%	43.0%
4	17.2%	18.6%	12.1%
5+	4.9%	5.4%	3.3%
Unknown	0.2%	0.3%	0.6%

Source: VOA 2021, AECOM Calculations

Age and household composition

156. Having established the current stock profile of Wythall and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

Age structure

157. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The 45-64 age group represented the largest single age group in Wythall across 2011 and 2020 (despite a minor decline of 2.6%). The largest proportional change is seen in the 85 and over age band, which increased by 48.0%. The largest growth in actual numbers is in the 0-15 age group (representing a 19.6% increase), contrasting with a 19.1% decline in the subsequent 16-24 age group. The remaining age groups (25-44 and 65-84) experienced modest growth.

158. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

159. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

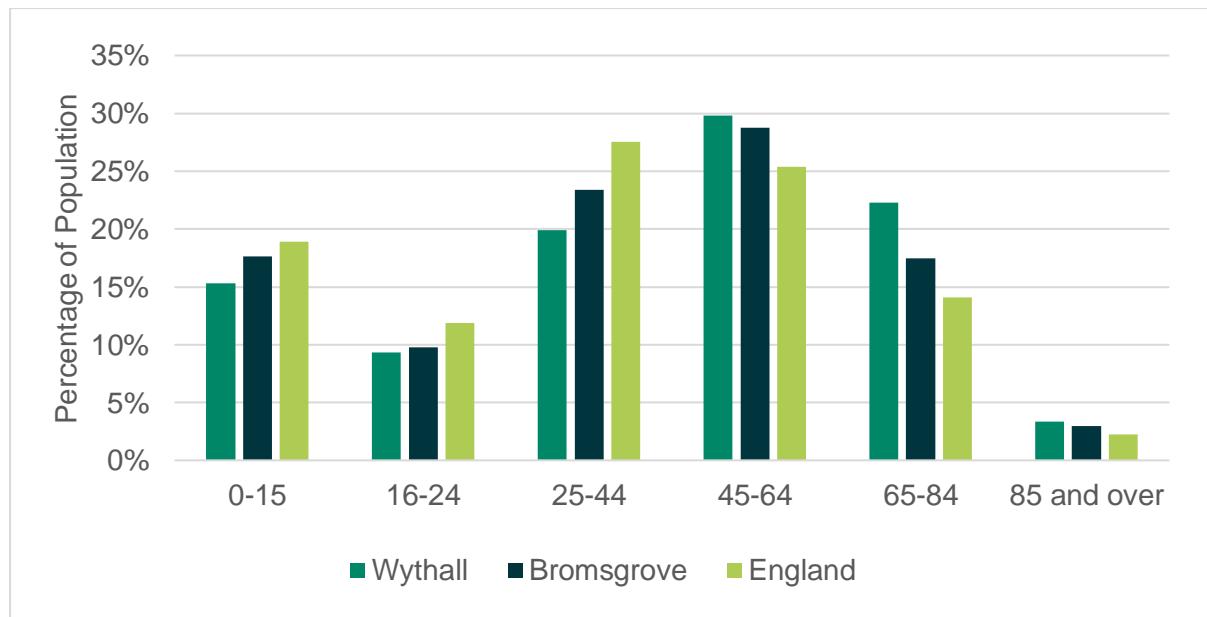
Table 5-5 Age structure of Wythall population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)		Rate of Change
	Pop.	%	Pop.	%	
0-15	1,788	15.3%	2,139	17.3%	19.6%
16-24	1,089	9.3%	881	7.1%	-19.1%
25-44	2,324	19.9%	2,509	20.3%	8.0%
45-64	3,481	29.8%	3,391	27.4%	-2.6%
65-84	2,602	22.3%	2,880	23.3%	10.7%
85 and over	394	3.4%	583	4.7%	48.0%
Total	11,678	100%	12,383	100%	6.0%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

160. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that the NA population was generally older than the local and national averages. As noted above 45-64 year olds represent the largest single age group in Wythall. Compared to Bromsgrove and England, Wythall has a lower share of the population in the 0-15, 16-24 and 25-44 age groups and higher shares in the 45-64, 65-84 and 85 and over age groups.

Figure 5-1 Age structure in Wythall, 2011



Source: ONS 2011, AECOM Calculations

Household composition

161. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Wythall and Bromsgrove are relatively comparative in terms of household composition. Both the NA and District have lower levels of one person households and higher levels of family households when compared to the national average.

162. Wythall has a higher proportion of non-dependent children compared to Bromsgrove and England. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. This may reflect the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households.

Table 5-6 Household composition, Wythall, 2011

Household composition		Wythall	Bromsgrove	England
One person household	Total	25.1%	26.2%	30.2%
	Aged 65 and over	15.1%	13.5%	12.4%
	Other	10.1%	12.8%	17.9%
One family only	Total	70.8%	69.4%	61.8%
	All aged 65 and over	15.7%	11.8%	8.1%
	With no children	19.0%	19.6%	17.6%
	With dependent children	23.8%	27.4%	26.5%
	With non-dependent children ¹¹	12.2%	10.7%	9.6%
Other household types	Total	4.0%	4.4%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

163. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

164. In Wythall, a combined 84.3% of people lived in a home with at least one extra bedroom in 2011, with 51.2% living in a home with two or more extra bedrooms. The percentage of people living in homes with fewer bedrooms than they might be expected to need is low at 1.4%, indicating that around 168 people (1.4% multiplied by 11,678) may have been (or still be) living in inadequate housing conditions in the parish.

165. It is useful to cross-reference this data by age bracket, presented in Table 5-7 below. Extreme under-occupancy (+2 rating) is strongly correlated with age, with older age groups much more likely to under-occupy their homes. This is likely because such households tend to be small (i.e. after children have moved

¹¹ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

out) but remain in homes large enough for families either by preference or for a lack of more suitable options nearby.

Table 5-7 Occupancy rating by age in Wythall, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	73.3%	23.4%	3.3%	0.0%
Single person 65+	53.1%	28.9%	18.0%	0.0%
Family under 65 - no children	80.2%	17.1%	2.7%	0.0%
Family under 65 - dependent children	27.8%	45.0%	24.2%	3.0%
Family under 65 - adult children	28.2%	49.5%	20.5%	1.8%
Single person under 65	54.7%	34.6%	10.8%	0.0%
All households	51.2%	33.1%	14.3%	1.4%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

166. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

- The starting point is the age distribution of Wythall households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.

- This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.

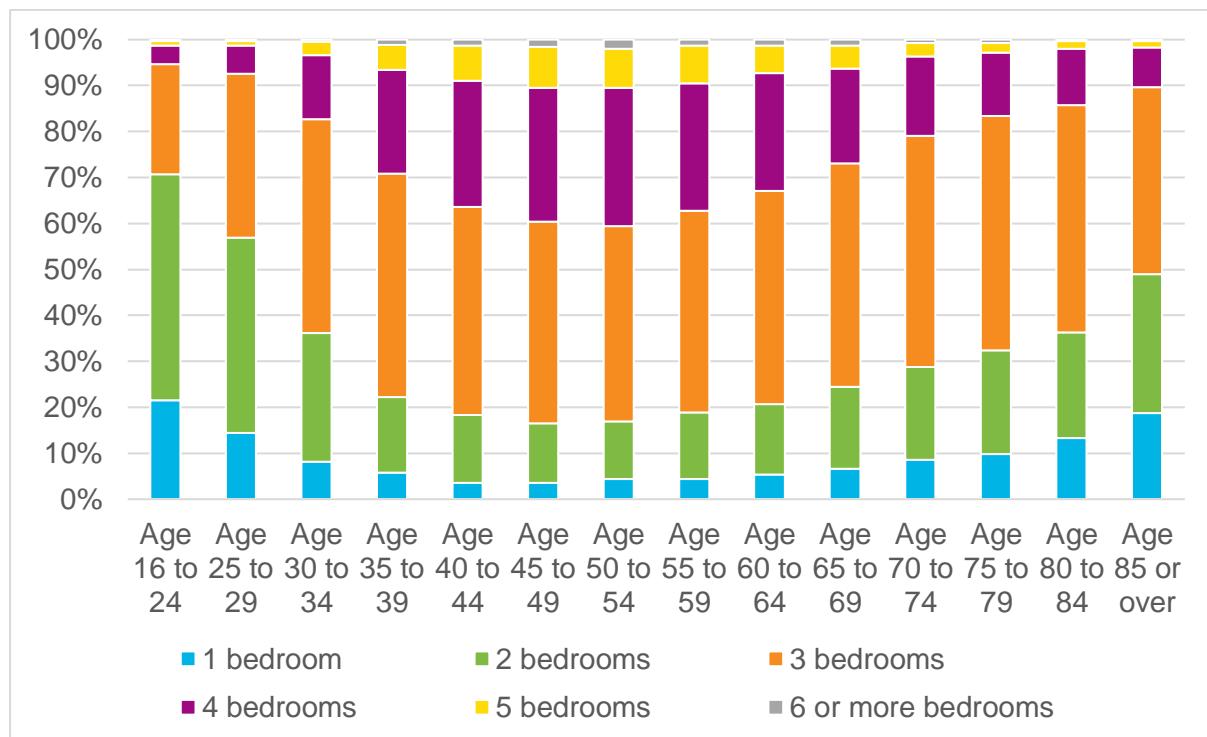
167. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.

168. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

169. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

170. The first, given as Table 5-2, sets out the relationship between household life stage and dwelling size for Bromsgrove in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-2 Age of household reference person by dwelling size in Bromsgrove District Council, 2011



Source: ONS 2011, AECOM Calculations

171. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Wythall households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with the largest growth seen in the 65 and over age category, which increases by 53% from 2011. Interestingly the next highest growth is seen in the 25-34 age group, which increases by 30%. There are more modest increases for the remaining age groups.

Table 5-8 Projected distribution of households by age of HRP, Wythall

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	53	303	1,722	966	1,833
2040	58	395	1,948	1,100	2,805
% change 2011-2040	9%	30%	13%	14%	53%

Source: AECOM Calculations

172. The final result of this exercise is presented in Table 5-9. The model suggests that in terms of demographic change, new development might involve the following share of dwelling sizes: 17.2% as one bedroom, 21.9% as two bedrooms, 34.4% as three bedrooms, 20.3% as four bedrooms and 6.2% as five or more bedrooms.

Table 5-9 Suggested dwelling size mix to 2040, Wythall

Number of bedrooms	Current mix (2011)	Target mix (2040)	Balance of new housing to reach target mix
1 bedroom	5.0%	7.8%	17.2%
2 bedrooms	18.5%	19.3%	21.9%
3 bedrooms	49.5%	46.1%	34.4%
4 bedrooms	20.8%	20.7%	20.3%
5 or more bedrooms	6.1%	6.1%	6.2%

Source: AECOM Calculations

173. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.

174. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.

175. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation. This is especially relevant in the size mix as it covers all tenures of housing. Whilst the smaller one-bedroom dwellings may be less popular on the open market, Table 5-9 also accounts for the size of affordable dwellings, for which the need is often for smaller dwellings.

176. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.

177. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider

objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Type and Size

178. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
179. According to Valuation Office Agency (VOA) 2021 data, the proportion of detached and semi-detached units is comparable between Wythall and Bromsgrove, both representing significantly higher proportions of these accommodation types compared to the national average.
180. Wythall has a much greater proportion of bungalows than the wider District, and especially than England as a whole. Although not a given, bungalows can represent an appealing offering for older people and those with mobility challenges. The NA has a lower proportion of terraced units and flats compared to the District, although both rates are significantly below the national averages for these types.
181. Three-bedroom dwellings remain the most dominant size in Wythall between 2011 and 2021. Across this time period, the proportion of smaller to mid-sized dwellings (two-bedroom and three-bedroom) grew whilst the proportion of the smallest dwellings (one-bedroom) fell from 5% to 4.5%. The proportion of larger four-bedroom and five or more-bedroom dwellings also fell, perhaps indicating a lack of demand for the largest dwellings in Wythall.
182. Wythall has a higher proportion of three-bedroom dwellings compared Bromsgrove. Wythall has lower proportions within the remaining categories of dwelling sizes, although the relative proportional splits are largely reflective of local averages.
183. The age structure of the population is a key indicator of the future need for housing. At the time of the 2011 Census, the NA population was generally older than the district and national averages.
184. Between 2011 and 2020, the largest proportional change is seen in the 85 and over age band, which increased by 48.0%. The largest growth in actual numbers is in the 0-15 age group (represented a 19.6% increase), contrasting with a 19.1% decline in the subsequent 16-24 age group. The 45-64 age band remains the largest single age band in Wythall, despite a minor decline of 2.6%.
185. In 2011 the household composition was relatively comparable between Wythall and Bromsgrove. Both the NA and District had lower levels of one person

households and higher levels of family households when compared to the national average.

186. In 2011 Wythall had a higher proportion of non-dependent children compared to Bromsgrove and England. 'Non-dependent children' refers to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. While the data is quite old at this point, this may reflect the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households.
187. Wythall has a high rate of under-occupancy: 84.3% of people lived in a home with at least one extra bedroom in 2011. Extreme under-occupancy (+2 rating) is strongly correlated with age, with older age groups much more likely to under-occupy their homes. The percentage of people living in homes with fewer bedrooms than they might be expected to need is relatively low. Around 168 people (1.4%) may have been (or still be) living in inadequate housing conditions in the parish.
188. The results of a modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that new development of all tenures might involve the following share of dwelling sizes:
 - 17.2% as one bedroom,
 - 21.9% as two bedrooms,
 - 34.4% as three bedrooms,
 - 20.3% as four bedrooms and
 - 6.2% as five or more bedrooms.
189. These results are a starting point for thinking about how best to address the more nuanced needs of the future population.
190. Affordability is a serious and worsening challenge in Wythall. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation. Neighbourhood Plan policies can provide a steer on this, clearly setting out the expectations of the community, even if final decisions will be made through negotiations with the Local Planning Authority.
191. It would be unwise for any new housing to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

6. RQ 3: Specialist housing for older people

RQ 3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

Introduction

192. This chapter considers in detail the specialist housing needs of older and disabled people in Wythall. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

193. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

194. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

195. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹² which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

196. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline

¹² Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹³

197. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁴ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

198. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.

199. Table 6-1 counts a total of 208 units of specialist accommodation in the NA at present. The majority are available for social rent for those in financial need, with small proportion being offered for leasehold market purchase.

200. There are also a number of care homes within the NA, including: Wythall Residential Home (22 residents), Hillside Residential Home (20 residents), Moundsley Hall (65 residents) and Glenfield House Nursing Home (42 residents). As noted above, these facilities are excluded from the following calculations as this HNA study only considers need for housing (i.e. private dwellings).

201. ONS 2020 population estimates suggest that there are currently around **1,827** individuals aged 75 or over in Wythall. This suggests that current provision (208) is in the region of **114** units per 1,000 of the 75+ population (a common measure of specialist housing supply).

¹³ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁴ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Table 6-1 Existing specialist housing for the elderly in Wythall

Name		Description	Dwellings	Tenure	Type
1	Dennis Potter Court	51no. properties: 2no. two-bedroom 43no. one-bedroom and 7no. studio apartments.	51 dwellings	Rent (social landlord)	Retirement housing
2	Houndsfield Grove	52no. one-bedroom flats.	52 dwellings	Rent (social landlord)	Retirement housing
3	Silver Mead Court	30no. flats and houses, including one, two- and three-bedroom dwellings	30 dwellings	Rent (social landlord) and Leasehold	Age exclusive housing
4	Green Gables	29no. two-bedroom bungalows/houses.	29 dwellings	Rent (social landlord)	Retirement Housing
5	Shawhurst Lane	46no. one-bedroom bungalows.	46 dwellings	Rent (social landlord)	Retirement Housing

Source: <http://www.housingcare.org>

Tenure-led projections

202. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Bromsgrove District Council, as this is the most recent and smallest geography for which tenure by age bracket data is available.

203. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2040. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

204. According to Table 6-2, a very high proportion of this age group own their own homes (87.2%), with just 8% in social rented housing and only 3.9% renting on the private market.

Table 6-2 Tenure of households aged 55-75 in Bromsgrove District Council, 2011

All owned	Owned					Private rented	Living rent free
	Owned outright	(mortgage) or Shared Ownership	All Rented	Social rented			
87.2%	62.6%	24.6%	12.8%	8.0%		3.9%	0.9%

Source: Census 2011

205. The next step is to project how the overall number of older people in Wythall is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Bromsgrove District Council at the end of the Plan

period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3, which indicates an increase of 1,017 people over 75 from 2011 numbers. Proportionally, Wythall will retain a higher elderly population than the wider district.

Table 6-3 Modelled projection of elderly population in Wythall by end of Plan period

Age group	2011		2040	
	Wythall (Census)	Bromsgrove (Census)	Wythall (AECOM Calculation)	Bromsgrove (ONS SNPP 2018)
All ages	11,678	93,637	14,355	115,103
75+	1,438	9,300	2,545	16,460
%	12.3%	9.9%	17.7%	14.3%

Source: ONS SNPP 2020, AECOM Calculations

206. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).
207. The people whose needs are the focus of the subsequent analysis are therefore the additional 1,017 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Bromsgrove in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 9,300 individuals aged 75+ and 6,237 households headed by a person in that age group in Bromsgrove. The average household size is therefore 1.49, and the projected growth of 1,017 people in Wythall can be estimated to be formed into around 742 households.
208. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

Table 6-4 Projected tenure of households aged 75+ in Wythall to the end of the Plan period

Owned	Owned outright	(mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
647	464	183	95	59	29	7

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

209. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 presents this data for Wythall from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-5 Tenure and mobility limitations of those aged 65+ in Wythall, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	606	21.6%	729	25.9%	1,477	52.5%
<i>Owned Total</i>	477	19.0%	647	25.8%	1,384	55.2%
Owned outright	434	18.9%	587	25.6%	1,271	55.5%
Owned (mortgage) or shared ownership	43	19.9%	60	27.8%	113	52.3%
<i>Rented Total</i>	129	42.4%	82	27.0%	93	30.6%
Social rented	104	45.8%	66	29.1%	57	25.1%
Private rented or living rent free	25	32.5%	16	20.8%	36	46.8%

Source: DC3408EW Health status

210. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is approximately 356 (rounded), comprising 210 market homes and 66 affordable rented.

211. These findings are set out in the table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-6 AECOM estimate of specialist housing need in Wythall by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	163
	40	123	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	193
	26	167	
Total	66	210	356

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

212. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

213. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

Table 6-7 Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) ³⁶	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: *Housing LIN SHOP Toolkit*

214. As Table 6-3 shows, Wythall is forecast to see an increase of 1,017 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times (1017/1000) = 66$
- Leasehold sheltered housing = $120 \times (1017/1000) = 133$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times (1017/1000) = 22.14$
- Extra care housing for rent = $15 \times (1017/1000) = 16.61$
- Extra care housing for sale = $30 \times (1017/1000) = 33.21$
- Housing based provision for dementia = $6 \times (1017/1000) = 6.64$

215. This produces an overall total of 277 specialist dwellings which might be required by the end of the plan period.

216. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-6. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population (AECOM's estimate in Table 6-6).

Table 6-8 HLIN estimate of specialist housing need in Wythall by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	78
	34	44	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	199
	66	133	
Total	100	177	277

Source: Housing LIN, AECOM calculations

Conclusions- Specialist Housing for Older People

217. There are currently estimated to be around 1,827 people aged 75 or over living in Wythall. Applying district-level projections to Wythall's population suggests that the 75+ population in the parish will increase from 12.3% of the total currently to 17.7% in 2040 – equivalent to 1,107 additional older individuals and a 77% growth rate for that age cohort.
218. There appears a total of 133 units of specialist accommodation in the NA at present, the majority are available for social rent for those in financial need, with small proportion being offered for leasehold market purchase. This suggests that current provision is in the region of 114 units per 1,000 of the 75+ population.
219. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
220. These two methods of estimating the future need in Wythall produce a range of 277 to 356 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
221. It is important to take into consideration the breakdown in levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-6, the majority of the need, at 81.45%, is identified for specialist market housing compared to

subsidised affordable rent. Slightly more need is identified for sheltered housing at 54.1% compared to 45.9% extra-care. The greatest sub-category of need was identified for market sheltered housing at 46.9% of the total need. However, this need is for individuals with less severe limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.

222. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
223. Adopted Local Plan policy BDP 10 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Parish approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
224. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the borough falling into this category.
225. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
226. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale.

This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

227. It is considered that Wythall is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Wythall in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.
228. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Next Steps

Recommendations for next steps

229. This Neighbourhood Plan housing needs assessment aims to provide Wythall with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Bromsgrove District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Bromsgrove District Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Bromsgrove District Council.

230. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

231. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Bromsgrove District Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

232. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

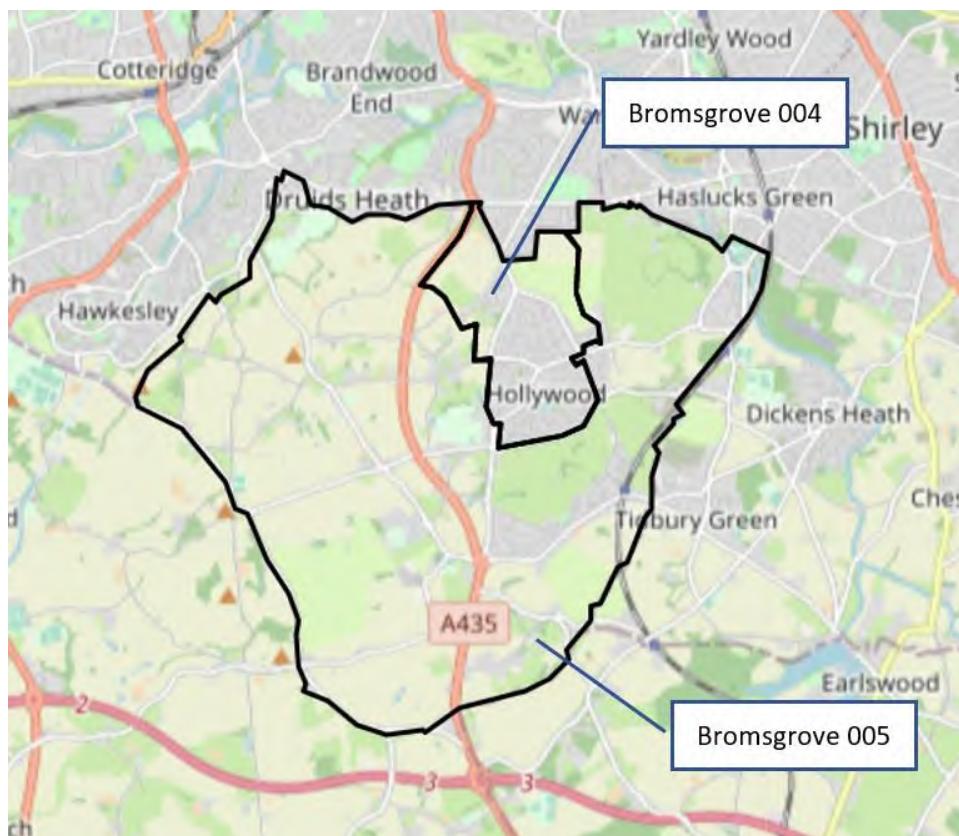
233. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

234. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. Wythall NA comprises two MSOAs, Bromsgrove 004 (E02006699) and Bromsgrove 005 (E02006700), which when combined fully align with the parish boundary:

- Bromsgrove 004 has a population of 5,939 and an average median income of £42,300.
- Bromsgrove 005 has a population of 5,739 and an average median income of £45,300.

235. As the parish's population is roughly split evenly between these two MSOAs we can take an average of the two MSOAs median incomes, to provide a proxy income figure for the NA (£43,800). A map of Bromsgrove 004 (E02006699) and Bromsgrove 005 (E02006700) appears in Figure A-1.

Figure A-1: MSOAs Bromsgrove 004 and Bromsgrove 005



Source: ONS

A.2 Market housing

236. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
237. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

238. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
239. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Wythall, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
240. The calculation for the purchase threshold for market housing is as follows:
 - Value of a median NA house price (2021) = £341,500;
 - Purchase deposit at 10% of value = £34,150;
 - Value of dwelling for mortgage purposes = £307,350;
 - Divided by loan to income ratio of 3.5 = purchase threshold of **£87,814**.
241. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £294,375, and the purchase threshold is therefore **£75,696**.
242. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in 2021. As there were no recent sales, AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home

ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Bromsgrove District Council and new build house prices in 2021 in the same area. This percentage uplift (5.4%) is then applied to the 2021 lower quartile house price in the NA (£294,375) to give an estimated NA new build entry-level house price of £310,359¹⁵ and purchase threshold of £79,807.

243. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Bromsgrove District Council in 2021. The median cost of new build dwellings in Bromsgrove District Council was £329,995, with a purchase threshold of £84,856.

ii) Private Rented Sector (PRS)

244. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.

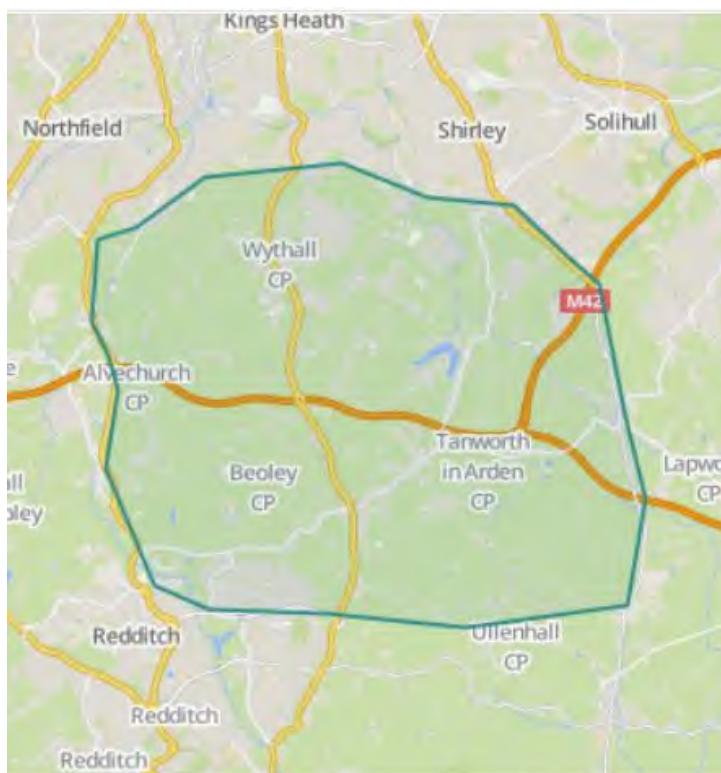
245. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

246. The property website [Rightmove.co.uk](https://www.rightmove.co.uk) shows rental values for property in the NA. According to [Rightmove.co.uk](https://www.rightmove.co.uk), there were only three properties available for rent in the NA at the time of search in August 2022. This number of properties is considered too small to calculate valid income thresholds for the private rental sector. As such, an alternative rental search area needs to be selected that is a best-fit proxy for the Neighbourhood Area.

247. Figure 7-1 shows the rental search area used to gather data for the private rent income threshold calculations. This area extends beyond the NA, covering adjacent rural parishes whilst excluding the more urban areas towards Solihull and Birmingham. As this search area forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

¹⁵ Compared to £330,289 – average of all NA new build sales between 2012-2021 (comprising 181 sales)

Figure 7-1 Rental Search Area



Source: [Rightmove.co.uk](https://www.rightmove.co.uk)

248. According to [Rightmove.co.uk](https://www.rightmove.co.uk), there were 61 rental properties within the proxy rental search area at the time of search in August 2022 (including 36 let agreed properties), with an average monthly rent of £1,240. There were 29 two-bed properties listed, with an average price of £993 per calendar month.
249. The calculation for the private rent income threshold for entry-level (two-bedroom) dwellings is as follows:
 - Annual rent = £993 x 12 = £11,919;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £39,731.
250. The calculation is repeated for the overall average to give an income threshold of £49,584.

A.3 Affordable Housing

251. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

252. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market

rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

253. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Wythall. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Bromsgrove District Council in the Table A-1.
254. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£79.32	£92.48	£100.95	£115.72	£93.90
Annual average	£4,125	£4,809	£5,249	£6,017	£4,883
Income needed	£13,735	£16,014	£17,481	£20,038	£16,260

Source: Homes England, AECOM Calculations

ii) Affordable rent

255. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
256. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
257. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Bromsgrove. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
258. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in Wythall are actually closer to 40.6% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£96.61	£115.46	£127.52	£147.16	£114.15
Annual average	£5,024	£6,004	£6,631	£7,652	£5,936
Income needed	£16,729	£19,993	£22,081	£25,482	£19,766

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

259. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

260. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

261. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

262. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £310,359.

263. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (estimated NA new build entry-level) = £310,359;
- Discounted by 30% = £217,251;
- Purchase deposit at 10% of value = £21,725;
- Value of dwelling for mortgage purposes = £195,526;
- Divided by loan to income ratio of 3.5 = purchase threshold of £55,865.

264. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £47,884 and £39,903 respectively.

265. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
266. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹⁶) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Wythall.

Shared ownership

267. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
268. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
269. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
270. The affordability threshold for a 25% equity share is calculated as follows:
 - A 25% equity share of £310,359 is £77,590;
 - A 10% deposit of £7,759 is deducted, leaving a mortgage value of £69,831;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,952;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £232,759;
 - The estimated annual rent at 2.5% of the unsold value is £5,819;

¹⁶ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- This requires an income of £19,397 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £39,349 (£19,952 plus £19,397).

271. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £31,258 and £52,835 respectively.

272. The income threshold for shared ownership at 10%, 25% and 50% equity shares remain below the £80,000 cap for eligible households

Rent to Buy

273. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

274. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.

275. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

This refers to the final confirmation of a local plan by a local planning authority.

Affordability

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Discounted market sales housing: is sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and Rent to Buy (which includes a period of intermediate rent). Where public grant funding

is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁷.

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The Basic Conditions are the legal tests that are considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard¹⁸

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

¹⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁸ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principal forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order¹⁹

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

Concealed Families (Census definition)²⁰

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

¹⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁰ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

First Homes

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, excluding bathrooms, toilets and halls.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRP's provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Market Area

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

Housing Needs Assessment

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household (i.e. detached, semi-detached, terraced including end of terraced, and flats). Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Income Threshold

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Intercensal Period

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low-cost market' housing, may not be considered as affordable housing for planning purposes.

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

Local Development Order

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local housing need (NPPF definition)

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council, London Borough Council, County Council, Broads Authority, National Park Authority or the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Market Housing

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market.

Mean (Average)

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Median Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices and is a key indicator of affordability of market housing for people on middle-range incomes.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²¹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

Overcrowding

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one

²¹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living “rent free”. Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of 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.

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable dwellings without grant funding.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing²²

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedrooomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

²² See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²³

²³ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

