

Catshill and North Marlbrook Housing Needs Assessment (HNA)

September 2019

Quality information

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Revision History

Revision	Revision date	Details	Authorized	Name	Position
V1	June 2019	Research and Drafting	KS	Karlene Stubbs	Graduate Planner
V2	July 2019	Technical Review	SW	Stuart Woodin	Technical Director
V3	July 2019	Draft for Group Review	KS	Karlene Stubbs	Graduate Planner
V4	August 2019	Second internal PA review following group review, plus additional Tenure chapter		Paul Avery	Senior Consultant
V5	August 2019	Draft for Locality Review	KS	Karlene Stubbs	Graduate Planner

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1.1 Introduction

1. Catshill and North Marlbrook in Bromsgrove commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed 2 research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

1.2 Research Questions

2. Research Questions, abbreviated to 'RQ,' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct our research and provide the structure for the HNA.
3. Below we set out the RQs relevant to this study, as discussed and agreed with Catshill and North Marlbrook.

1.2.1 Quantity

4. Catshill and North Marlbrook does not currently benefit from a specific housing requirement figure (HRF) provided by Bromsgrove through the Local Plan process.
5. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Bromsgrove has stated it will provide Catshill and North Marlbrook with a HRF as part of the next iteration of its Local Plan review. However, the neighbourhood planners have asked if AECOM is able to calculate, as an interim step, their potential HRF in line with national policy and best practice, and Bromsgrove have indicated they have no in-principle objection to this element of the HNA.
6. As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by Bromsgrove after the completion of this report, and that in line with national policy, the Bromsgrove HRF will supersede that calculated by AECOM (if it comes to a different figure).
7. Should the Bromsgrove HRF be lower than the AECOM figure, it will supersede it, having incorporated the crucial supply-side information beyond the scope of our study. As such, the NA is not exposed to the risk of additional development but instead can use the AECOM figure a positive target to work towards in their site allocation process, or for future needs.
8. With all this in mind, an appropriate RQ for this study is as follows:

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

1.2.2 Type and Size

9. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
10. The aim of this research question is to provide Neighbourhood Planning Groups with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

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

1.2.3 Tenure and Affordability

11. 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.
12. This evidence will allow Catshill and North Marlbrook 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 3: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

1.3 Findings of RQ 1: Quantity

13. This HNA recommends an overall HNF of 399 dwellings, equating to 21 (rounded) dwellings per year between 2011 and 2030, and a residual HNF of 257 dwellings, equating to 23 (rounded) dwellings per year for the remainder of the Plan period.
14. The housing figure for Bromsgrove is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Bromsgrove and any indicative housing requirement figure provided by Bromsgrove for neighbourhood areas.
15. At the time the final Neighbourhood Plan housing requirement figure is provided by Bromsgrove, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.

1.4 Findings of RQ 2: Type and Size

16. Catshill and North Marlbrook's stock of existing housing is made up of similar dwellings to Bromsgrove, though the parish has a particularly high proportion of terraced homes compared to the rest of the District.
17. The composition of Catshill and North Marlbrook's households reflects its stock of medium-to-large housing, and more than half of the dwellings in Catshill have three-bedrooms. Although there has been an uptick in the building of very large homes in the area, there has been a decline in those families with dependent children, and with HRP's between the ages of 25 and 44. Although the age profile is generally younger in Catshill and North Marlbrook than Bromsgrove and the national average, young adults seem to be migrating from the area at a steady pace.
18. The tightened supply of smaller homes reduces the ability for single people and young families to remain in the area. Affordability issues are explained in more detail within the tenure section of this report.
19. Between the 2001 and 2011 Censuses, Catshill and North Marlbrook saw its younger population decline much faster than that of Bromsgrove, and its older population expand at a faster rate, it is reasonable to expect the ageing of Catshill and North Marlbrook's future population will be even more marked than that of Bromsgrove.
20. Catshill's main demographic challenge is this significant contraction in the replacement younger population, and growth in the elderly population. As seen in the tenure section below, an affordability problem has limited the ability of many to access housing. With regard to type of housing, the lack of young people in the area could indicate that there is an insufficient supply of affordable dwellings appropriate to young and newly forming households and that this shortfall should urgently be addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. In either case, the provision of smaller dwellings should be encouraged.
21. In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as flats, should be addressed. The size recommendation that 7.2% of dwellings in new developments should have one bedroom and 39.5% should have two bedrooms should help to achieve this.
22. It is also advisable to promote the delivery of bungalows where possible in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in Catshill and North Marlbrook.

1.5 Findings of RQ 3: Tenure and Affordability

23. Catshill and North Marlbrook has a higher proportion of those who own their own home than the national average, and a corresponding lack of affordable dwellings for rent. The proportion of those in social rented accommodations is higher than that of the District, while private rented accommodations remain lower.
24. Shared ownership appears to be a popular option in the NA, but the rates of growth of this tenure have been significantly less than the national average, meaning that there was a previous wave of this tenure type. While private renting remains a lower proportion in the NA as compared to the national average, it has seen tremendous growth since 2001.

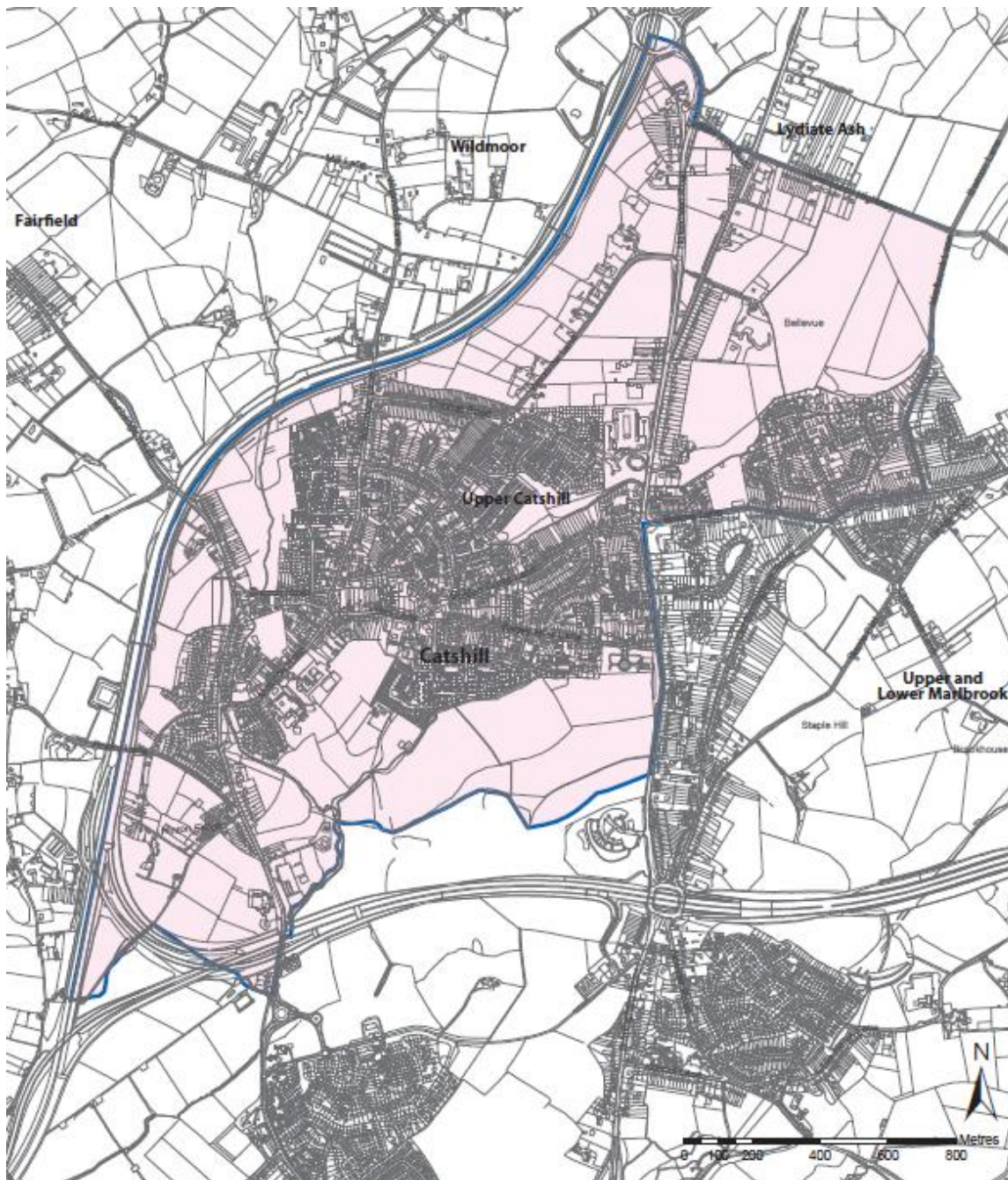
25. Given the rates of private renting and shared ownership across Bromsgrove, it is therefore likely that these tenures are becoming more common as a way to meet demand from those priced out of market home ownership, which is not close to being affordable for the vast majority of people on average incomes. 25% shared ownership and social rent are within reach of households on average incomes, but those earning within the lower quartile bracket are unable to afford any of the tenures described, pointing to an overwhelming issue of affordability in the area.
26. Average house prices in the NA have been rising steadily, from £168,000 in 2009 to £216,000 in 2018. The price of all homes rose by 28% in the last 9 years, with the highest growth in semi-detached homes (32.7%).
27. Every effort should be made to maximise AH provision in future while ensuring that overly ambitious targets do not imperil the viability of new development in general. Delivering more affordable houses for market sale and market rent would also reduce affordability pressures on these tenures and expand the options available to households at all income levels.
28. We estimate that 73 households in Catshill and North Marlbrook are currently unable to access housing that meets their needs, and that a further 38 households will be in need of AH over the plan period. Following the 2012 Worcestershire SHMA, we recommend a tenure split of 85% Affordable Housing for rent, 65% of which is social rent and 20% Affordable rent, as well as 15% intermediate tenures, which include 10% starter homes and 5% shared ownership schemes.
29. As long as new development in the parish is Local Plan policy compliant in terms of the 40% proportion of AH, and sufficient sites come forward that are above the 10-dwelling size threshold required to deliver that AH contribution, this should be sufficient to meet the AH needs of the community, which amounts to 111 dwellings. Providing smaller dwellings of 1 or 2 bedrooms may help young families and elderly people find accommodations that meet their affordability and accessibility needs.
30. There is a clear need, then, for the high proportion of owner-occupation in Catshill and North Marlbrook to be diversified towards options that are either currently affordable to most households (such as Social and Affordable Rent), and other options that may become more affordable if supplied in greater numbers or smaller sizes. Achieving or exceeding Bromsgrove's target of 40% AH on developments of 10 units or more should therefore be encouraged wherever possible.

2. Context

2.1 Local context

31. Catshill and North Marlbrook is a Neighbourhood Plan area and parish, located in Bromsgrove District, Worcestershire. The Neighbourhood Area (NA) boundary comprises Catshill, Upper Catshill, Hinton Fields, and Bellevue and was designated in October 2016.
32. The proposed Neighbourhood Plan period starts in 2011 and extends to 2030, therefore comprising a planning period of 19 years.
33. Catshill village lies to the West of the A38 trunk Road with North Marlbrook lying to the East. It is in a semi-rural location being bounded by the M5 motorway to the North and West with the M42 motorway to the South. To the West and East is open countryside, to the North the Birmingham conurbation and approximately 4 kilometres to the South the centre of Bromsgrove Town. The parish has a long history and was based around hand making of nails; some of the cottages used for this industry are still in existence.
34. Given the parish's close proximity to the town of Bromsgrove, it is often included within Bromsgrove as an area of assessment for the District Council. For the purposes of providing an accurate HNA for the area, however, we will restrict our analysis to the parish boundary with the data source used for this NA being Catshill and North Marlbrook parish, mirroring the neighbourhood plan area.
35. Approximately 90% of Bromsgrove District is currently designated as Green Belt, although this figure will reduce slightly with the release of land around Redditch. This forms an integral part of the West Midlands Green Belt, which was established to prevent the outward expansion of the conurbation. The NPPF requires Green Belt boundaries to be capable of enduring beyond the plan period and can only be altered in exceptional circumstances or through the preparation or review of a Local Plan.
36. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 6,858 residents.
37. A map of the Plan area appears on the following page in Figure 2-1.

Figure 2-1: Map of the Catshill and North Marlbrook Neighbourhood Plan area¹



Source: <http://www.catshillandnorthmarlbrookplan.org.uk>

¹ Available at
<http://www.catshillandnorthmarlbrookplan.org.uk/uploads/images/neighbourhood%20plan/Catshill%20Parish%2011000%2027-09-16%20low%20res.pdf>

2.2 Planning policy context

38. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
39. In the case of Catshill and North Marlbrook, the relevant local planning context is as follows:
40. The adopted Bromsgrove Local Plan covers the period of 2011-2030 and was adopted in 2017. It sets an overall growth target of 7,000 homes, 2,300 of which are still to be allocated. The current plan identifies 6 main settlement areas to deliver outstanding homes, one of which is Catshill and North Marlbrook.
41. A full Green Belt Review will be carried out and further sites will be allocated within a Local Plan Review to contribute approximately 2,300 dwellings towards the 7,000 target. The timing of this review will be determined by updated evidence including the GBSLEP Strategic Housing Needs Study and the monitoring of housing delivery against the Council's projected housing trajectory. The review will be completed by 2023 at the latest, and update the existing plan period to 2035.⁴
42. It is important to note that Catshill and North Marlbrook is uncertain when a Housing Needs Figure from the District will be allocated, and as such are evaluating possible sites within the parish outside of the district's site allocation.

2.2.1 Policies in the adopted local plan⁵

Table 2-2: Summary of Bromsgrove adopted policies having relevance to Catshill and North Marlbrook Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
BDP 3 Future Housing and Employment Growth	Bromsgrove District Plan Adopted 2017	The District is aiming for 4,700 dwellings to be built outside of the Green Belt, and 2,300 on the Green Belt once a Green Belt review has taken place.
BDP 4 Green Belt		The Green Belt review will identify sufficient land in suitable locations to deliver 2,300 homes up to 2030, safeguard land from 2030-2040 to meet development needs, and help to deliver the objectively assessed housing requirements of the West Midlands conurbation within the current plan period.
BDP 5 Bromsgrove Strategic Site Allocations		To achieve the 5,562 dwellings required to fulfil the 7,000 target by 2030, a strategic site has been allocated to the north western edge of Catshill. The development has reserved matters planning permission for 80 dwellings (12/0586) and is now complete.
BDP 7 Housing Mix and Density		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.

² Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

³ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁴ Available at <https://www.bromsgrove.gov.uk/media/2673698/Adopted-BDP-January-2017.pdf>.

⁵ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
BDP 8 Affordable Housing		<p>Contributions will not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1000 sq m. Where there is a net increase of 11 or more dwellings affordable housing provision will be expected on-site and will be calculated against the net number of new dwellings as follows:</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

Source: <https://www.bromsgrove.gov.uk/council/policy-and-strategy/planning-policies/local-development-plan/the-bromsgrove-district-plan-2011-30/adopted-bdp.aspx>

3. Approach

3.1 Research Questions

43. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct our research and provide the structure for the HNA.
44. Below we set out the RQs relevant to this study, as discussed and agreed with Catshill and North Marlbrook.

3.1.1 Quantity

45. As demonstrated in our review of the current planning context (Chapter 2 above), Catshill and North Marlbrook does not currently benefit from a specific housing requirement figure (HRF) provided by Bromsgrove through the Local Plan process.
46. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Bromsgrove has stated it will be providing Catshill and North Marlbrook with an HRF as part of the next iteration of its Local Plan review. However, the neighbourhood planners have asked if AECOM is able to calculate, as an interim step, their potential HRF in line with national policy and best practice, and Bromsgrove have indicated they have no in-principle objection to this element of the HNA.
47. As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by Bromsgrove after the completion of this report, and that in line with national policy, the Bromsgrove HRF will supersede that calculated by AECOM (if it comes to a different figure).
48. Should the Bromsgrove HRF be lower than the AECOM figure, it will supersede it, having incorporated the crucial supply-side information beyond the scope of our study. As such, the NA is not exposed to the risk of additional development but instead can use the AECOM figure a positive target to work towards in their site allocation process, or for future needs.
49. With all this in mind, an appropriate RQ for this study is as follows:

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

3.1.2 Type and Size

50. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
51. The aim of this research question is to provide Neighbourhood Planning Groups with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

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

3.1.3 Tenure and Affordability

52. 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.
53. This evidence will allow Catshill and North Marlbrook 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 3: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

3.2 Relevant Data

3.2.1 Local authority evidence base

54. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Catshill and North Marlbrook Neighbourhood Area is located within Bromsgrove's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is the 2012 Worcestershire SHMA.
55. For the purpose of this HNA, data from Bromsgrove District Council's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections and housing market transactions. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area, and has been referenced as appropriate.

3.2.2 Other relevant data

56. In addition to the Bromsgrove evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Recent population and household projections produced by the Office of National Statistics (ONS);
 - Neighbourhood-level survey and consultation work giving further detail. In the case of Catshill and North Marlbrook, this comprises the results of the Catshill and North Marlbrook's "Vision, Objectives & Policy Options Consultation Questionnaire".
 - Bromsgrove District Plan Settlement Hierarchy Background Paper 2012;
 - Information on current property asking prices, for housing for sale or rent, from home.co.uk;
 - Land Registry data on prices paid for housing within the local market.

4. RQ 1: Quantity

RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?

4.1 Introduction

57. The NPPF (paragraph 65) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
58. NPPF paragraph 66 states that “Where it is not possible to provide a requirement figure for a neighbourhood area⁶ the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”⁷
59. Given that no indicative housing requirement figure has been provided to Catshill and North Marlbrook at the time of writing there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Plan area.
60. In calculating this HNF, it should be noted that paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). Having said this, clearly AECOM’s calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it seeks to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
61. The Planning Practice Guidance⁸ states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
62. A housing need figure is a ‘policy-off’ figure. This means that, while it takes account of the factors set out paragraph 66 of the NPPF and already permitted dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a policy-on Neighbourhood Plan housing requirement figure.
63. We have estimated the number of new dwellings that should be sought in the Neighbourhood Plan area over the Plan period (the Housing Need Figure or HNF) using a four-step approach seeking to reflect to the maximum extent the 2019 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) advice. This is set out in the box overleaf.

⁶ For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

⁷ NPPF, paragraph 66, page 18- available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

⁸ Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Step 1: “the population of the neighbourhood area”

The HNF for the Neighbourhood Plan area should take as its starting point the housing target for the Local Planning Authority (LPA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LPA Local Housing Need (LHN) figure that reflects the share of the LPA population living in the Plan area.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the standard method.⁹ This calculation takes the most recent MHCLG-approved household population projection for the LPA, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

Step 2: “most recently available planning strategy of the planning authority”

We then follow the guidance presented in the NPPF which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”¹⁰ and “the most recently available planning strategy of the local planning authority.”¹¹

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LPA housing target that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

Step 3: Dwelling completions

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide a HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed) at this point, they should not be deducted from the total until they are completed.

Step 4: the Local Authority

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their area where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the Neighbourhood Plan area. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.¹²

64. Employing this methodology, the Housing Needs Figure for the Neighbourhood Area may be calculated as follows.

⁹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁰ NPPF, paragraph 65, page 18.

¹¹ Ibid.

¹² Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

4.2 Standard method (Step 1)

65. Firstly, we calculate the Local Housing Need (LHN) for the LPA using the standard method outlined in Planning Policy Guidance, before taking the population of the Neighbourhood Plan area, and calculating the proportion of the total population of the LPA area that it represents. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Neighbourhood Plan area.
66. The Bromsgrove LHN figure, using the standard method, is calculated as follows¹³:
67. **Stage one** is to set the baseline, by calculating the projected average annual household growth in Bromsgrove over a 10-year period, beginning with the current year, using the most recent ONS household projections:
- According to Bromsgrove's 2014-based household projection, total household growth will be 2,757 households (thus occupying 2,757 dwellings) between 2019 and 2029.
 - This equates to 276 (rounded) dwellings per year.
68. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,¹⁴ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:
- Bromsgrove's 2018 median affordability ratio is 10.60. Using the formula outlined in PPG to calculate the adjustment factor¹⁵ results in a minimum annual figure of 390 dwellings (rounded).
69. **Stage three** is to apply a cap which limits the magnitude of increase an LPA can face. How this is calculated depends on the current status of the relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
 - Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
 - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
 - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
70. As the Bromsgrove District Plan was adopted in 2017 and includes a strategic policy with a defined housing target, we therefore use option one to define the cap.
71. In policy BDP 3 of the District Plan, the total dwelling target for the period 2011-2030 is 7,000 dwellings (composed of 4,700 in 2011-2030 plus 2,300 in 2023-2030). This equates to 368 (rounded) dwellings per year.
72. We now apply a 40% uplift to this figure to produce the cap: $368 + 40\% = 515$ dwellings per year. The cap is therefore 515 dwellings. As this is higher than 390 (the result of Step 2), the cap does not apply.
73. Having derived Bromsgrove's LHN, we now calculate Catshill and North Marlbrook's share of that target, by determining what proportion of Bromsgrove's population currently reside in Catshill and North Marlbrook and applying that percentage to Bromsgrove's LHN.
74. At the time of the last Census, there were 6,858 people living in Catshill and North Marlbrook, or 7.3% of the 93,637 people in Bromsgrove. Therefore, applying this percentage to Bromsgrove's annual LHN of 390 gives an indicative HNF

¹³ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁴ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

¹⁵ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

for Catshill and North Marlbrook of 28 dwellings (rounded) per annum, or 532 dwellings over the Neighbourhood Plan period 2011-2030.

4.3 Latest available LPA planning strategy (Step 2)

75. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available¹⁶ development plan document for the LPA. The policies reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the Neighbourhood Plan area that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
76. In Bromsgrove, this document is the Bromsgrove District Plan, adopted in 2017. The overall strategy for the pattern and scale of development is outlined in BDP2 Settlement Hierarchy and BDP3 Future Housing and Employment Growth, although it does leave a degree of room for interpretation.
77. Policies BDP2, BDP3 and the surrounding text indicate that the 4,700 dwellings within Bromsgrove's 7,000 overall dwelling target have already been committed or allocated through expansion sites in and around Bromsgrove Town and sites within other settlement boundaries that are not in the Green Belt. This includes an 80-dwelling site on the edge of Catshill. The remaining 2,300 dwellings will be sought elsewhere, subject to a Green Belt Review, which may include changes to the Green Belt boundary around Catshill and North Marlbrook, but is unlikely to involve further site allocations in and around Bromsgrove Town.
78. Policy BDP2 sets out a settlement hierarchy that designates Bromsgrove Town as the 'principally preferred location for growth'. Catshill and North Marlbrook are designated as one of six large settlements within the District that are appropriate for housing growth. The lowest classification in the settlement hierarchy is a group of 17 small settlements where there may be opportunities for small affordable housing schemes.
79. The fact that Bromsgrove Town sites have already been allocated and only small affordable housing schemes are likely to be permitted in the small settlements, it is reasonable to assume that the majority of the 2,300 remaining dwellings will be allocated to the large settlements following the Green Belt Review.
80. In order to make use of the overall strategy for the scale and pattern of development across Bromsgrove for the purpose of this HNA, it is therefore necessary to derive Catshill and North Marlbrook's approximate share of the 2,300 dwellings that are needed in the six large settlements.
81. However, the pattern of distribution for the 2,300 homes across the six large settlements is not detailed in the District Plan, which explains that "at this stage it is not considered appropriate to apportion a particular number or percentage of dwellings to tiers within the settlement hierarchy or individual settlements. This is considered to be inflexible and it is more important to focus on identifying the most suitable and sustainable sites for growth" (para 8.20).
82. However, the evidence behind the settlement hierarchy is set out in a 2012 Background Paper. This background paper does give a 'sustainability score' to each of the six larger settlements on the basis of the services and infrastructure presently available in each of them.
83. To derive the share of the 2,300 new homes that Catshill and North Marlbrook should plan for, we therefore determine Catshill and North Marlbrook's proportion of the total population of the six large settlements with reference to the 2011 Census population. We then determine Catshill and Marlbrook's proportion all sustainability points given to the large settlements in the Bromsgrove District Plan Settlement Hierarchy Background Paper.¹⁷ Finally, we take an average of the two resulting percentages.
84. The specific population data given in the 2011 Census is used only as a means to obtaining the percentage that is attributable to Catshill and North Marlbrook. The populations of the six large settlements are as follows:
 - Alvechurch (5,611 people)

¹⁶ This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of Bromsgrove, the most recently 'available' planning strategy is the Bromsgrove District Plan Review Issues and Options Consultation Document, even though this is not the most recently 'adopted' planning strategy.

¹⁷ https://www.bromsgrove.gov.uk/media/751592/CD_61_Settlement_Hierarchy.pdf. Note that the relevant settlement in the Background Paper is Catshill and Marlbrook – an area that includes but is slightly larger than the NA of Catshill and North Marlbrook. It is for this reason that, while the sustainability score of Catshill and Marlbrook is used as a suitable proxy, the 2011 Census population figures are deemed to be more accurate than the population figures given in the Background Paper.

- Barnt Green (1,794 people)
- Catshill and North Marlbrook (6,850 people)
- Hagley (4,851 people)
- Rubery (6,511 people)
- Wythall (including Drakes Cross, Grimes Hill and Hollywood) (11,678 people)

85. Catshill and North Marlbrook's share of the 37,295 total is 18.37%.

86. The sustainability ranking in the Bromsgrove District Plan Settlement Hierarchy Background Paper ranks Catshill and Marlbrook as the lowest among the six settlements, due to its lack of rail services, employment opportunities and secondary school. Based on these rankings, we can derive Catshill and Marlbrook's percentage of the total sustainability scores across the large settlements. The sustainability points for each large settlement are as follows:

- Alvechurch (53)
- Barnt Green (44)
- Catshill and Marlbrook (43)
- Hagley (66)
- Rubery (52)
- Wythall (including Drakes Cross, Grimes Hill and Hollywood) (57)

87. Catshill and Marlbrook's share according to its proportion of the total of 315 sustainability points is 13.65%.

88. The average of Catshill and North Marlbrook's share according to its 2011 population and Catshill and Marlbrook's share according to its proportion of the sustainability points is 16%.

89. We therefore take Catshill and North Marlbrook's share of the development earmarked for the six large settlements to be 16%. This equates to 368 of the outstanding 2,300 dwelling total, and therefore 5.26% of the total Bromsgrove housing target of 7,000. This is slightly lower than the percentage of the Bromsgrove population living in Catshill and North Marlbrook, which is 7.3%, and does make a moderate difference to the calculation of the HNF.

90. We have now determined that, according to the local authority's strategy for the pattern and scale of development, approximately 5.26% of Bromsgrove housing need is attributable to Catshill and North Marlbrook. This percentage can now be applied to Bromsgrove's LHN of 390 dwellings per annum, which is equivalent to the annual dwelling target of 368 stated in the District Plan (7,000 divided by a period of 19 years), but based on the new, mandated standard method of calculating housing need.

91. This results in a housing need figure for Catshill and North Marlbrook of 21 (rounded) dwellings per annum, or 399 dwellings over the Plan period. This is 7 dwellings per year lower than the result of Step 1 above, and it is appropriate to take forward this slightly higher figure because it complies with the PPG requirement that the local authority's strategy for the scale and pattern of development is taken into consideration.

92. The fact that Catshill and North Marlbrook's housing need is lower when Bromsgrove's wider planning strategy is referred to (Step 2) than when it is calculated purely on the basis of the NA's share of Bromsgrove's population (Step 1) reflects the specific opportunities and constraints that hold across the District. For example, much of the area is rural and lacking in the services required to support sustainable residential development, so the larger settlements need to take a slightly larger share of housing growth (as long as sustainable growth is possible), while smaller rural settlements that are likely to be even more constrained by the green belt, are expected to take a slightly lower proportion of housing growth.

4.4 Past dwelling completions (Step 3)

93. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period, i.e. the period between 2011 and the present, as well as to consider commitments.
94. There have been 142 dwelling completions in Catshill and North Marlbrook between 2011 and 2018 (inclusive), as confirmed in annual monitoring data supplied by Bromsgrove District Council. There are currently 6 outstanding dwelling commitments (i.e. planning permissions that are yet to be implemented). However, AECOM recommends that commitments should not yet be discounted from the overall quantity figure; it is only once they are completed that this can take place.
95. Deducting the 142 completions results in a residual HNF of 257 dwellings for the remainder of the Plan period to 2030, equating to 23 (rounded) dwellings per year. The relatively low rate of delivery since 2011 has therefore slightly increased the average annual number of dwellings required.
96. If all 6 outstanding commitments are built within the Plan period, additional sites need only be identified for 251 dwellings.

4.5 Final Housing Need Figure

97. Based on the evidence above, this HNA recommends an overall HNF of 399 dwellings, equating to 21 (rounded) dwellings per year between 2011 and 2030, and a residual HNF of 257 dwellings, equating to 23 (rounded) dwellings per year for the remainder of the Plan period.
98. The housing figure for Bromsgrove is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Bromsgrove and any indicative housing requirement figure provided by Bromsgrove for neighbourhood areas.
99. At the time the final Neighbourhood Plan housing requirement figure is provided by Bromsgrove, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.

5. RQ 2: Type and Size

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

5.1 Introduction

100. The Catshill and North Marlbrook Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
101. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Catshill and North Marlbrook. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

5.2 Existing types and sizes

5.2.1 Background and definitions

102. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
103. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
104. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows¹⁸:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 3, 4 or more bedrooms
105. It is also useful to clarify the Census terminology around dwelling names and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.¹⁹ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared

¹⁸ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

¹⁹ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

dwelling.

106. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as *"One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."*²⁰ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

107. The 2011 Census shows that there were 2,923 households in Catshill and North Marlbrook, living in 990 detached houses, 990 semi-detached, 644 terraced houses, and 299 flats. Compared with the LPA, Catshill and North Marlbrook is characterised by a slightly lower proportion of detached and semi-detached homes, but a greater proportion of terraced homes. Rates of flats in both areas are similar, and lower than the national average, especially in terms of purpose-built blocks of flats or tenements (see Table 5-1 below).

Table 5-1: Accommodation type (households), Catshill and North Marlbrook, 2011

Dwelling type		Catshill and North Marlbrook	Bromsgrove	England
Whole house or bungalow	Detached	33.9%	37.5%	22.4%
	Semi-detached	33.9%	36.2%	31.2%
	Terraced	22.0%	14.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	9.0%	8.9%	16.4%
	Parts of a converted or shared house	0.6%	1.1%	3.8%
	In commercial building	0.7%	0.9%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

108. Table 5-2 on the following page sets out the distribution of the number of rooms by household space. The housing stock in Catshill and North Marlbrook is characterised by a majority of five and six-room homes, following the pattern of larger home sizes and types as evidenced in the table above. Whilst rates of one, two and three-room dwellings are comparable between Catshill and North Marlbrook and Bromsgrove District, the Parish contains significantly more five-room dwellings, but on average less large homes of eight or nine-rooms or more.
109. The size of dwellings is crucial in providing manageable and affordable homes across an array of incomes. The lack of dwellings under four rooms demonstrates the NA's tendency towards larger, and therefore more expensive, homes, and an inability for single people or new families to find accommodation.

²⁰ Ibid.

Table 5-2: Number of rooms per household in Catshill and North Marlbrook, 2011

Number of Rooms	2011 Catshill and North Marlbrook	2011 Bromsgrove
1 Room	0.1%	0.1%
2 Rooms	1.2%	1.1%
3 Rooms	6.7%	6.3%
4 Rooms	9.6%	12.4%
5 Rooms	30.3%	20.7%
6 Rooms	22.6%	21.3%
7 Rooms	14.2%	15.2%
8 Rooms or more	8.6%	10.9%
9 Rooms or more	6.8%	12.0%

Source: ONS 2011, AECOM Calculations

110. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that Catshill lost significant proportions of one and two-room dwellings, whilst gaining high rates of very large homes of six to eight-rooms or more. The decline in two and four-room dwellings in Catshill is not seen in Bromsgrove District or the national average, and its rate of eight-rooms or more also exceeds the data from the wider geographies.
111. This decline could be due to a rise in home extensions in the area, demolitions or a merging of flats within the same building. Regardless, there has been a rise in large homes being built in the NA, and is likely linked to its growing average house prices and diminishing affordability, as explored in the subsequent chapter.

Table 5-3: Rates of change in number of rooms per household in Catshill and North Marlbrook, 2001-2011

Number of Rooms	Catshill and North Marlbrook	Bromsgrove	England
1 Room	-33.3%	-42.5%	-5.2%
2 Rooms	-8.3%	15.0%	24.2%
3 Rooms	12.4%	18.6%	20.4%
4 Rooms	-17.5%	2.4%	3.5%
5 Rooms	-9.2%	-10.7%	-1.8%
6 Rooms	10.4%	3.5%	2.1%
7 Rooms	13.6%	18.0%	17.9%
8 Rooms or more	48.5%	37.5%	29.8%

Source: ONS 2001-2011, AECOM Calculations

112. It is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that more than half of the dwellings in Catshill have three-bedrooms, which is a higher proportion than Bromsgrove District and the national average. Although Catshill saw a large increase in large and very large homes being built from 2001-2011, the proportion of large homes in the area remains below the District and national average. Catshill has almost half the proportion of two-bedroom units compared to the national average.

Table 5-4: Number of bedrooms in household spaces in Catshill and North Marlbrook, 2011

Bedrooms	Catshill and North Marlbrook		Bromsgrove		England	
All categories: no. of bedrooms	2,865	100.0%	38,290	100.0%	22,063,368	100.0%
No. bedrooms	1	0.0%	52	0.1%	54,938	0.2%
1 bedroom	211	7.4%	2,712	7.1%	2,593,893	11.8%
2 bedrooms	440	15.4%	7,262	19.0%	6,145,083	27.9%
3 bedrooms	1,583	55.3%	17,390	45.4%	9,088,213	41.2%
4 bedrooms	519	18.1%	8,329	21.8%	3,166,531	14.4%
5 or more bedrooms	111	3.9%	2,545	6.6%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

5.3 SHMA findings

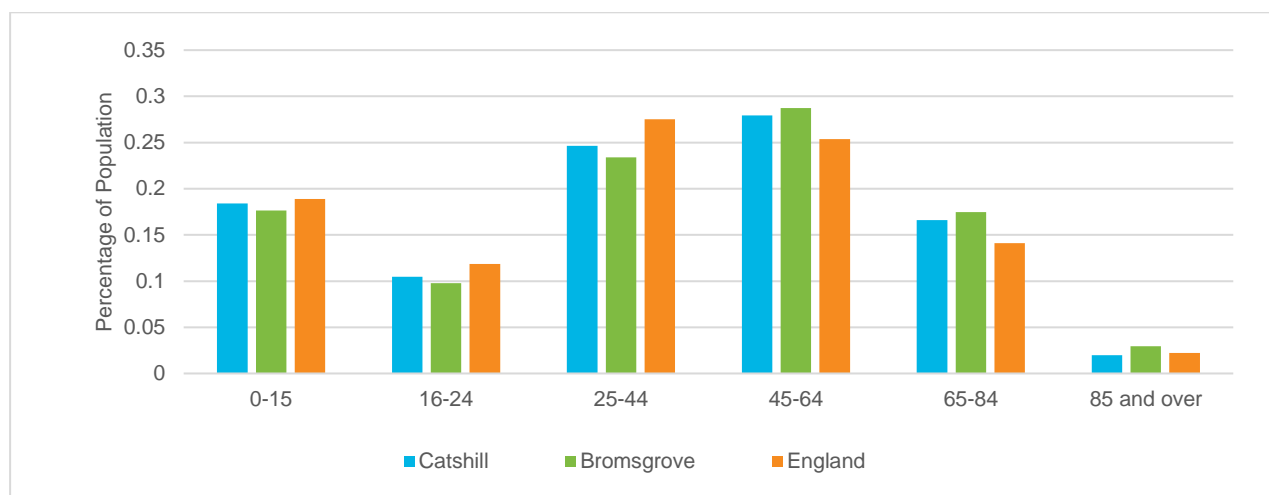
113. The 2012 Worcestershire SHMA found that the largest proportions of dwellings in the County are either detached (37.7%) or semi-detached (36%), with Bromsgrove having higher proportions of large properties (7+ rooms) and Redditch and Worcester showing comparably higher levels of smaller properties.
114. Bromsgrove's market is driven by its commuting links with Birmingham in particular. The rural areas remain in demand particularly amongst young families seeking larger, four-bedroom plus detached properties with strong transport links. It was noted that, as with parts of Redditch, the town of Bromsgrove itself had a distinct housing market driven by large number of traditional small to medium properties on the large housing estates which define large parts of the town.
115. Within Bromsgrove the lettings market remains buoyant with three-bedroom houses with gardens being in particular demand. Flats are less popular and there is a high turnover rate associated with this property type. There is high demand throughout Bromsgrove and areas close to transport hubs are always popular.

5.4 Household composition and age structure

116. We have now established the current stock profile of Catshill and North Marlbrook and identified recent changes in its composition. The evidence assembled below examines the composition and age structure of households both in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

5.4.1 Age structure

117. The 2011 Census data reveals that Catshill and North Marlbrook's population contains slightly higher rates of those under 44, and lower rates of those 45 and older, as compared with the District average (see Figure 5-1 on the following page). This appears to confirm the assumption that many younger families tend to locate in the area, and that there is a significantly lower proportion of those 85 and over.

Figure 5-1: Age structure in Catshill and North Marlbrook, 2011

Source: ONS 2011, AECOM Calculations

118. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the NA population has grown significantly for those 85 and over, and shrunk at a sizeable rate for those 25-44 (see Table 5-5 below).
119. Catshill's main demographic challenge is this significant contraction in the replacement younger population, and growth in the elderly population. With regard to housing, this could indicate that there is an insufficient supply of dwellings appropriate to young and newly forming households and that this shortfall should urgently be addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. A neighbourhood household survey could help to clarify the primary reason for this shift, but there is also an opportunity to supply dwellings that would be appropriate to the needs and financial capabilities of both young households and downsizing households, such as two-bedroom homes.
120. The surprising fall in those aged 15 and younger suggests that couples with young children are choosing to raise them elsewhere, perhaps moving to a neighbouring parish or to larger towns and cities for better access to schools and employment.

Table 5-5: Rate of change in the age structure of Catshill and North Marlbrook population, 2001-2011

Age group	Catshill and North Marlbrook	Bromsgrove	England
0-15	-12.3%	-2.6%	1.2%
16-24	10.4%	20.5%	17.2%
25-44	-12.3%	-8.2%	1.4%
45-64	4.9%	10.9%	15.2%
65-84	27.2%	23.4%	9.1%
85 and over	55.2%	46.9%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.4.2 Household composition

121. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
122. In assessing Census data on household composition, we see that Catshill and North Marlbrook is almost identical to the LPA (Table 5-6). Both geographies have lower proportions of one person households than the national average, and slightly higher (but not statistically significant) rates of families with dependent children.

Table 5-6: Household composition (by household), Catshill and North Marlbrook, 2011

Household composition		Catshill and North Marlbrook	Bromsgrove	England
One person household	Total	26.1%	26.2%	30.2%
	Aged 65 and over	13.0%	13.5%	12.4%
	Other	13.1%	12.8%	17.9%
One family only	Total	69.5%	69.4%	61.8%
	All aged 65 and over	10.4%	11.8%	8.1%
	With no children	19.3%	19.6%	17.6%
	With dependent children	28.6%	27.4%	26.5%
	All children Non-Dependent	11.2%	10.7%	9.6%
Other household types	Total	4.4%	4.4%	8.0%

Source: ONS 2011, AECOM Calculations

123. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were an increase in one person households aged 65 and over and a decrease in families with dependent children (see Table 5-7).
124. Given that over the intercensal period Catshill and North Marlbrook saw its younger population decline much faster than that of Bromsgrove, and its older population expand at a faster rate, it is reasonable to expect the ageing of Catshill and North Marlbrook's future population will be even more marked than that of Bromsgrove.
125. Catshill and North Marlbrook's share of growth in one person households under age 65 is less than half of that of Bromsgrove and the national average, suggesting that those moving into the area are more likely to be older couples, and that there is a lack of sufficient housing for younger one person households.

Table 5-7: Rates of change in household composition, Catshill and North Marlbrook, 2001-2011

Household type		Percentage change, 2001-2011		
		Catshill and North Marlbrook	Bromsgrove	England
One person household	Total	12.2%	17.3%	8.4%
	Aged 65 and over	16.2%	10.9%	-7.3%
	Other	8.4%	24.9%	22.7%
One family only	Total	2.5%	5.7%	5.4%
	All aged 65 and over	14.6%	11.7%	-2.0%
	With no children	2.8%	4.2%	7.1%
	With dependent children	-4.5%	4.0%	5.0%
	All children non-dependent	11.9%	6.8%	10.6%
Other household types	Total	1.6%	14.0%	28.9%

Source: ONS 2001-2011, AECOM Calculations

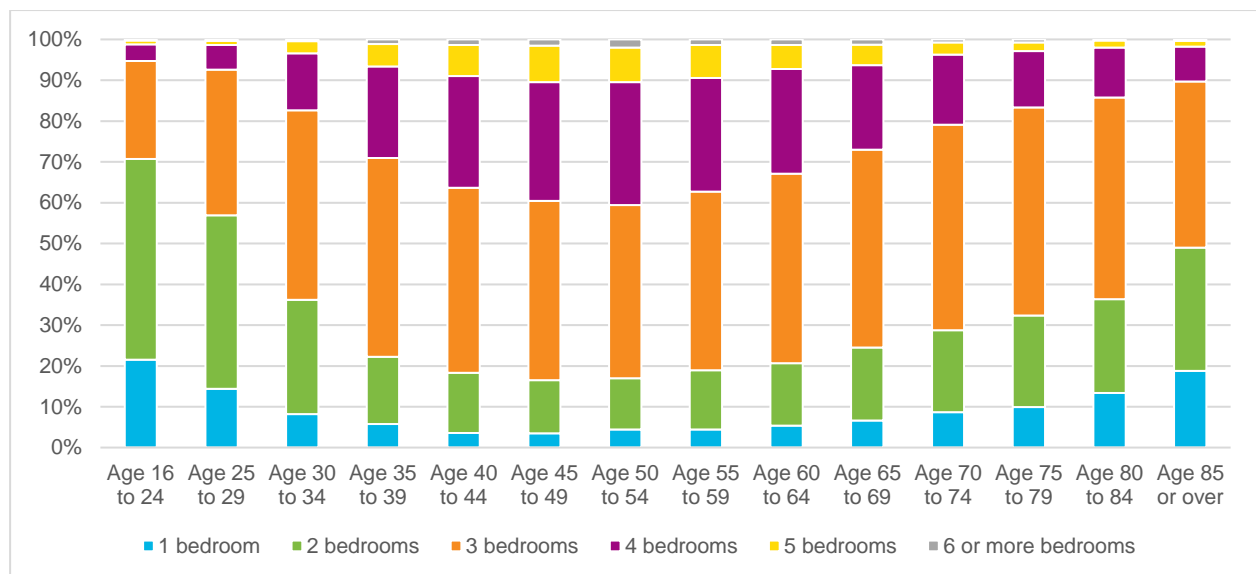
5.5 Dwelling mix determined by life-stage modelling

126. Recognizing the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that current occupation

patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.

127. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
128. Figure 5-2 on the following page sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that while a majority of Bromsgrove households under the age of 30 live in one- or two-bedroom dwellings, the proportion of households occupying these smaller dwellings declines steeply as households age, before gradually increasing from the age of 55-59, until they are half of households only from the age of 85 onwards. This shows a reluctance or inability amongr those over the age of 55 to downsize into smaller accommodations.
129. Three-bedroom dwellings are the most common dwelling size for 12 of the 14 age bands considered here. The occupation of dwellings with four or more bedrooms follows a similar curve to that of two-bedroom dwellings, but peaks at the age of 50-54, while the occupation of one-bedroom dwellings is consistently low, in accordance with the fact that only 7.1% of dwellings in Bromsgrove are one-bedroom.

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



Source: ONS 2011, AECOM Calculations

130. We then use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2030, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-8 below.

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

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	646	3,295	15,038	7,366	11,945
2014	573	3,041	14,617	7,196	13,586
2030	565	2,533	14,823	7,201	17,976
2039	560	2,248	14,939	7,204	20,445

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

131. At this point, it is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Catshill and North Marlbrook. To do so, the percentage of increase expected for each group across Bromsgrove, derived from the data presented above was mapped to the population of Catshill and North Marlbrook. The results of this calculation are detailed in Table 5-9 below:

Table 5-9: Projected distribution of households by age of HRP, Catshill and North Marlbrook

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	69	303	1,130	544	819
2014	61	280	1,098	531	932
2030	60	233	1,114	532	1,232

Source: AECOM Calculations

132. Then, to complement the two stages above, in Table 5-10 below we set out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Bromsgrove by the end of the plan period.

Table 5-10: Age of household reference person to size, grouped, Bromsgrove, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	21.6%	10.7%	4.2%	4.9%	10.7%
2 bedrooms	49.1%	33.9%	14.0%	14.9%	22.0%
3 bedrooms	24.0%	42.1%	44.8%	45.1%	48.4%
4 bedrooms	4.0%	10.8%	27.6%	26.7%	15.3%
5+ bedrooms	1.2%	2.5%	9.3%	8.4%	3.6%

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

133. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Bromsgrove and Catshill and North Marlbrook falling into each of these stages by the end of the Plan period in 2030, it is now possible to recommend how the housing stock could evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see Table 5-11 on the following page).
134. The table takes in turn each projected age group in 2030, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. By doing so for each age bracket and then adding together the totals for each dwelling size, we arrive at an estimation of what proportion of each size of dwelling will be required overall. By multiplying a number of households by the percentages in Table 5-10 above, the results are rarely whole numbers and are therefore presented as rounded. Because the totals are derived from the exact (non-rounded) data, not all columns and rows will sum precisely.

Table 5-11: Ideal dwelling size distribution in Catshill and North Marlbrook by the end of the Plan period, based on modelled household life-stages

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Pop. 2030	60	233	1,114	532	1,232	-
1 bedroom	13	25	47	26	132	243
2 bedrooms	30	79	156	79	271	615
3 bedrooms	14	98	500	240	597	1,448
4 bedrooms	2	25	308	142	188	666
5+ bedrooms	1	6	104	45	45	200

Source: Census 2011, AECOM Calculations

135. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-11 above modelling the change in the age structure of the population in Catshill and North Marlbrook.
136. Table 5-12 below indicates that, by 2030, the size distribution of dwellings should be as follows: almost half of the dwellings in Catshill and North Marlbrook should be three-bedrooms, followed by four-bedroom and two-bedroom. The dwelling sizes that should become less common are three-bedrooms, while all other sizes should remain the same or become more common.

Table 5-12: 2011 housing sizes compared to ideal distribution at end of Plan period, Catshill and North Marlbrook

Number of bedrooms	2011 (%)		2030 (%)	
1 bedroom	211	7.4%	243	7.7%
2 bedrooms	440	15.4%	615	19.4%
3 bedrooms	1,583	55.3%	1,448	45.7%
4 bedrooms	519	18.1%	666	21.0%
5 or more bedrooms	111	3.9%	200	6.3%
Total households	2,865	100.0%	3,171	100.0%

Source: Census 2011, AECOM Calculations

137. Table 5-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.
138. Noticeable is the negative figure for three-bedroom dwellings, which results as a function of the current imbalance of supply, and a suggestion of two- and four- bedrooms being needed.

Table 5-13: Future potential misalignments of supply and demand for housing, Catshill and North Marlbrook

Number of bedrooms	2011	2030	Change to housing mix	Recommended split
1 bedroom	211	243	32	7.2%
2 bedrooms	440	615	175	39.5%
3 bedrooms	1,583	1,448	-135	0.0%
4 bedrooms	519	666	147	33.2%
5 or more bedrooms	111	200	89	20.1%

Source: AECOM Calculations

139. The interim result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand, 7.2% of dwellings in new developments should have 1 bedroom, 39.5% should have two bedrooms, 0% should have three bedrooms, 33.2% should have four bedrooms and 20.1% should be of 5 or more bedrooms.
140. As the combined 46.7% one- to two-bedroom sizes tend to be more affordable than larger homes, their addition could contribute to the maintenance of young people in the area, as well as lower renting costs for those unable to access market ownership. However, the model also recommends an increase in larger dwelling sizes, and particular those with five or more dwellings which are particularly undersupplied at present.
141. Note that the changes to the housing mix given above for three-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further three-bedroom dwellings over the Neighbourhood Plan period.

5.6 Conclusions- Type and Size

142. Catshill and North Marlbrook's stock of existing housing is made up of similar dwellings to Bromsgrove, though the parish has a particularly high proportion of terraced homes compared to the rest of the District.
143. The composition of Catshill and North Marlbrook's households reflects its stock of medium-to-large housing, and more than half of the dwellings in Catshill have three-bedrooms. Although there has been an uptick in the building of very large homes in the area, there has been a decline in those families with dependent children, and with HRP's between the ages of 25 and 44. Although the age profile is generally younger in Catshill and North Marlbrook than Bromsgrove and the national average, young adults seem to be migrating from the area at a steady pace.
144. The tightened supply of smaller homes reduces the ability for single people and young families to remain in the area. Affordability issues are explained in more detail within the tenure section of this report.
145. Between the 2001 and 2011 Censuses, Catshill and North Marlbrook saw its younger population decline much faster than that of Bromsgrove, and its older population expand at a faster rate, it is reasonable to expect the ageing of Catshill and North Marlbrook's future population will be even more marked than that of Bromsgrove.
146. Catshill's main demographic challenge is this significant contraction in the replacement younger population, and growth in the elderly population. As seen in the tenure section below, an affordability problem has limited the ability of many to access housing. With regard to type of housing, the lack of young people in the area could indicate that there is an insufficient supply of affordable dwellings appropriate to young and newly forming households and that this shortfall should urgently be addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. In either case, the provision of smaller dwellings should be encouraged.
147. In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as flats, should be addressed. The size recommendation that 7.2% of dwellings in new developments should have one bedroom and 39.5% should have two bedrooms should help to achieve this. It is also advisable to promote the delivery of bungalows where possible in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in Catshill and North Marlbrook.

6. RQ 3: Tenure and Affordability

RQ3: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

6.1 Introduction

148. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
149. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.²¹

6.2 Definitions

150. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.²² To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
151. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
152. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
153. In paragraph 64 of the NPPF, 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*". In line with PPG,²³ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

6.3 Current tenure profile

154. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 6-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Catshill and North Marlbrook, compared to the rest of Bromsgrove and England.
155. There is a higher proportion of households who own their own home in the NA as compared with the national average, but slightly lower than the District average. Interestingly, shared ownership has a larger proportion than Bromsgrove or the national average.
156. Occupancy of Social rented dwellings is higher in the NA than at the District level, while that of the private rented sector is slightly lower than the District. Private renting in the NA is less than half as common than the national average.

²¹ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²² NPPF 2019.

²³ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

Table 6-1: Tenure (households) in Catshill and North Marlbrook, 2011

Tenure	Catshill	Bromsgrove	England
Owned; total	73.5%	79.5%	63.3%
Shared ownership	1.5%	0.6%	0.8%
Social rented; total	16.5%	10.0%	17.7%
Private rented; total	7.5%	8.8%	16.8%

Sources: Census 2011, AECOM Calculations

157. In Table 6-2, we note the changes in the way households have occupied their homes during the intercensal period. Private renting has grown at more than twice the rate of the national average, even though it only consists of 7.5% of tenures in Catshill and North Marlbrook. The large growth in private renting and decline in social rented accommodations may be contributing to a lack of affordable places for young people to live.
158. Although Catshill and North Marlbrook has a high proportion of shared ownership currently, the rate of change from 2001-2001 was only 10.5%, significantly less than the District or national average.

Table 6-2: Rates of tenure change in Catshill and North Marlbrook, 2001-2011

Tenure	Catshill	Bromsgrove	England
Owned; total	2.0%	4.3%	-0.6%
Shared ownership	10.5%	79.7%	30.0%
Social rented; total	-3.1%	2.8%	-0.9%
Private rented; total	190.5%	160.0%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

6.4 SHMA findings

159. The 2012 Worcestershire SHMA finds that Bromsgrove has the lowest rate of social rented stock in the County. Only 10% of the housing in the District is non-private, as Right to buy activity has reduced the amount of social rented properties in the area.
160. Within Bromsgrove, there are significant pockets surrounding Catshill and North Marlbrook where the median price paid for a home is between £300,000 and £450,000. These substantial prices reflect the inability of those with lower than average earnings to enter the existing housing market.
161. As of July 2011 there were 23,719 households registered as awaiting affordable housing across Worcestershire on local authorities' waiting lists. When this is compared to the annual level of lettings, this provides a more representative indicator of the significant imbalance between affordable housing needs and affordable housing supply across Worcestershire. There were 499 households in 'Significant Need' of affordable housing in 2011.

6.5 Affordability

162. Having now reviewed both the tenure of the existing housing stock in Catshill and North Marlbrook, we now turn to the status of the housing market, and then to assess future provision over the Neighbourhood Plan period.

6.5.1 House prices

163. In line with PPG²⁴, we consider evidence of affordability by looking specifically at the relationship between housing costs and incomes. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.²⁵ An entry-level dwelling can also be understood as one suitable for a household comprising two or three

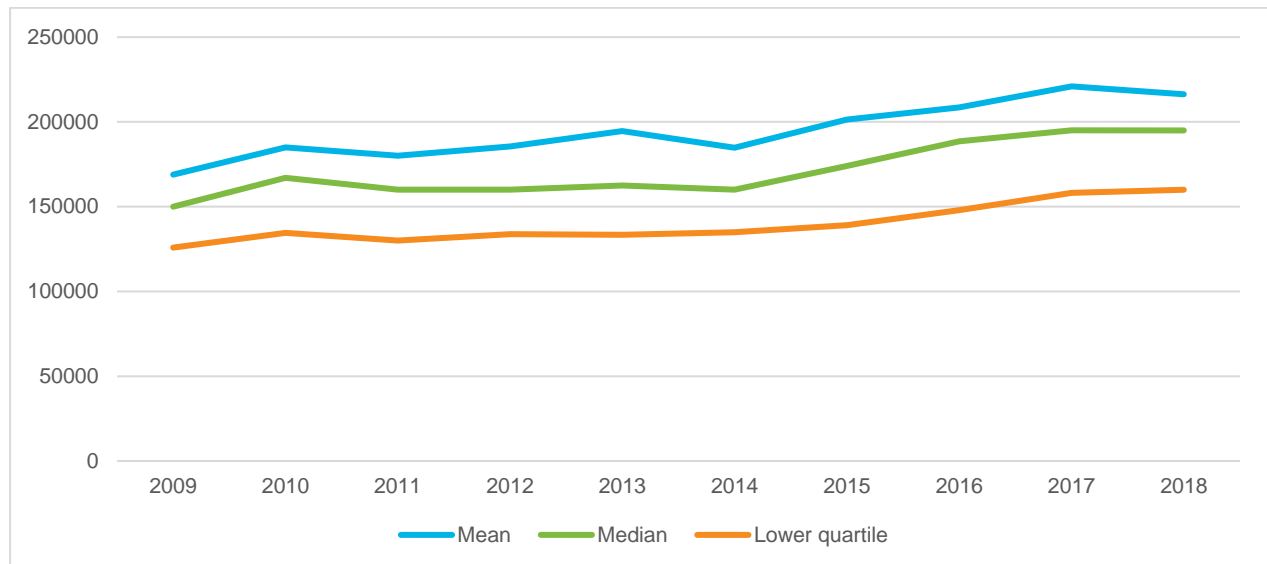
²⁴ See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁵ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.

164. Figure 6-1 below looks at selected measures of house prices in Catshill and North Marlbrook. It shows that house prices in the NA have risen steadily since 2009, the average rising from £168,000 to £216,000. Lower quartile homes are now £160,000, with the median being £195,000.

Figure 6-1: House prices in Catshill and North Marlbrook between 2009 and 2018



Source: Land Registry PPD

165. Table 6-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that the price of all homes rose by 28% in the last 9 years, with the highest growth observed for semi-detached homes (32.7%).

Table 6-3: House prices by type in Catshill and North Marlbrook, 2008-2017

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£254,453	£282,581	£260,702	£261,742	£302,818	£287,290	£304,947	£300,250	£329,931	£311,917	22.6%
Semi-detached	£162,524	£177,820	£170,530	£163,859	£176,700	£177,229	£191,348	£193,232	£211,232	£215,623	32.7%
Terraced	£142,587	£153,784	£153,411	£150,591	£148,414	£156,641	£161,676	£160,857	£171,507	£178,952	25.5%
Flats	£104,206	£110,773	£123,064	£111,381	£110,215	£110,824	£118,357	£115,069	£113,854	£107,239	2.9%
All Types	£168,924	£185,038	£180,000	£185,574	£194,537	£184,828	£201,454	£208,540	£220,975	£216,271	28.0%

Source: Land Registry PPD

6.5.2 Income

166. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used two sources of data for household incomes in the NA.

167. The first is locally specific but limited to the average total household income and the median net annual household income. This is derived from the average household income estimates published by ONS²⁶ at the level of the Middle-layer Super Output Area (MSOA)²⁷. In the case of Catshill and North Marlbrook the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02006702. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
168. The average net annual household income before housing costs (equalised) across E02006702 in 2015/16 was £24,900, while the average total annual income was £36,400.²⁸
169. The second source of data provides the Lower Quartile (LQ) average income that is helpful for understanding affordability challenges among those with lower than average incomes, but it is only available at the District level and so is less locally-specific.
170. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2018 provisional data has been published, the revised 2017 data is considered more robust and is therefore used here.
171. Bromsgrove's gross LQ weekly income for 2017 was £288.8, or approximately £15,017 per year.
172. This LQ figure of is a helpful indication of what those in the lowest income brackets are able to put towards their housing costs, although it is important to note two caveats. First, this figure applies to the wider District and may therefore differ from actual LQ income levels within the NA itself. Second, it is an indication of gross rather than net incomes, and so the actual amount of income received after taxes and expenses will likely differ.

6.5.3 Affordability Thresholds

173. In order to gain a clearer understanding of local housing affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase Thresholds (PT) denote the standard household income needed to access mortgage products, and Income Thresholds (IT) denote the maximum share of a family's income that should be spent on accommodation costs. The PT is particularly helpful for understanding the affordability of market homes.
174. We have determined thresholds for: market purchase; Private Rented Sector (PRS); shared ownership at 25%, 50%, and 75%; affordable rent set at 80%, and estimated social rent levels across Catshill and North Marlbrook. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations. Table 6-4 on the following page shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Catshill and North Marlbrook.

²⁶Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

²⁷ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

²⁸ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

Table 6-4: Affordability thresholds in Catshill and North Marlbrook (income required, £)

Tenure	Cost of purchase	Annual rent	Income required
Entry-level market sale	£144,000	N/A	£41,143
Shared ownership (75%)	£108,000	£4,000	£34,857
Starter homes	£115,200	N/A	£32,914
Entry-level market rent	N/A	£8,195	£32,778
Shared ownership (50%)	£72,000	£8,000	£28,571
Affordable rent	N/A	£6,556	£26,222
Shared ownership (25%)	£36,000	£12,000	£22,286
Social rent - 3 bed dwelling	N/A	£5,244	£20,977
Social rent - 2 bed dwelling	N/A	£4,622	£18,489

Source: AECOM Calculations

175. The income required to afford the different tenures is then benchmarked, in Figure 6-2 below, against the two measurements of household income set out above. These are lower quartile annual household income of £15,017 and the mean net household income of £24,900.
176. Taking into consideration the affordability thresholds set out above, it is apparent that those on lower quartile incomes are not able to afford any of the housing tenures considered. The inability of those on lower quartile incomes to afford entry-level market rents, affordable rent and social rent suggests that their pricing is incompatible with those in need of affordable homes. Those on average incomes are only able to afford shared ownership at a 25% share and social rent. This indicates a general crisis of affordability in Catshill and North Marlbrook.
177. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.²⁹ In the case of Catshill and North Marlbrook, the table above suggests that the most appropriate tenures to help implement this policy goal locally are shared ownership schemes, which already as a comparatively large presence in the area. Although its growth is not as robust as the District, the expansion of shared ownership schemes indicate the potential importance of its future role.
178. Despite being introduced back in the 1970s, Shared Ownership has only recently become popular. This is largely due to the scheme being relaunched in 2009, followed by a sudden increase in development. As a form of tenure, it is generally more affordable than buying and renting privately – both in Catshill and North Marlbrook and the country as a whole. Shared Ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families, which makes it a suitable form of tenure for the NA for those with average incomes.
179. However it should be noted that there are some caveats to Shared Ownership which bring its affordability into question. For example, buyers may still have to pay service chargers which are not fixed and can increase unpredictably. Staircasing can also be costly, given that the purchase of the additional share may rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling.
180. In line with Paragraph 64 of the NPPF, at least 10% of the homes provided in a development³⁰ should be available for affordable home ownership. In terms of the tenure mix within this 10%, the analysis above suggests that in Catshill and North Marlbrook, there is potential to provide shared ownership schemes and affordable rents. Lower quartile incomes cannot afford any tenures mentioned.
181. The NPPF also specifies that exceptions to the 10% affordable home ownership requirement are permissible when such development will “significantly prejudice the ability to meet the identified affordable housing needs of specific groups”-

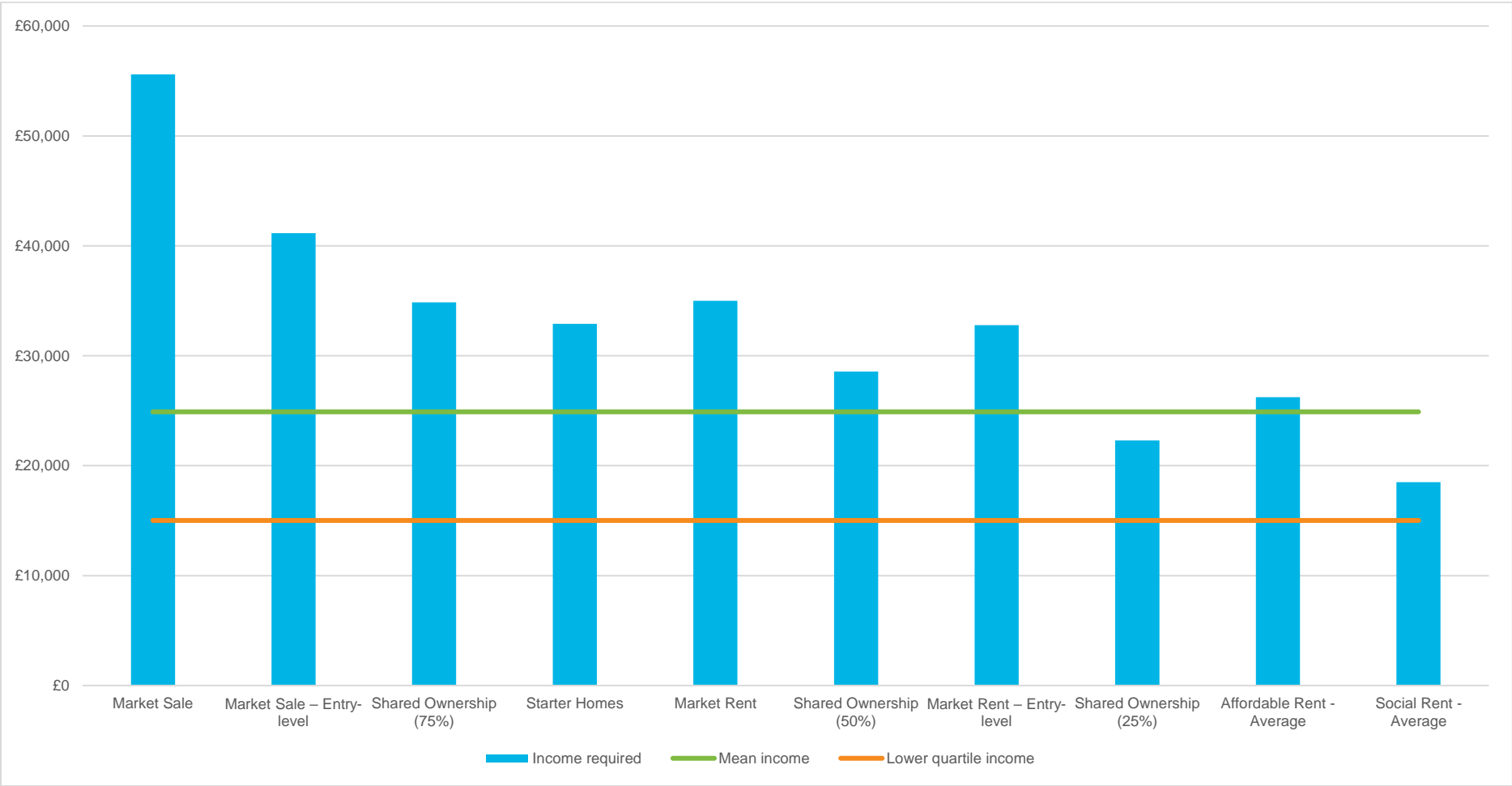
²⁹ See the White Paper ‘Fixing Our Broken Housing Market’, at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

³⁰ The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

in other words, in cases where the development of affordable home ownership dwellings would reduce the provision of other types of affordable housing such as social and affordable rented homes. Based on the findings of this chapter, there is evidence that going beyond the 10% threshold in Catshill and North Marlbrook would prejudice the provision of much needed affordable rented homes.

182. The findings of this chapter on the potential for providing affordable and low-cost tenures across the Neighbourhood Plan area align with those of the SHMA. The SHMA states that Bromsgrove demonstrates a high required affordable housing tenure split of 85% in favour of social rented housing, which, here, comes closest to being able to meet the needs of those on lower incomes.

Figure 6-2: Affordability thresholds in Catshill and North Marlbrook (income required, £)



Source: AECOM Calculations

6.5.4 Tenure split within Affordable Housing

183. In terms of the most appropriate mix of tenures within Affordable Housing, it is important to reference Bromsgrove's affordable housing policy, as set out in the Local Plan, which seeks (from developments of 11 units or more) up to 40% Affordable Housing contributions on greenfield sites and up to 30% Affordable Housing on brownfield sites. The council will seek to negotiate the mix of affordable housing tenures (social rented, intermediate housing and affordable rent) on individual schemes taking into account local needs, the housing mix in the local area and the impact on viability.
184. The 2012 Worcestershire SHMA recommends a balance of 85% Affordable Housing for rent and 15% intermediate tenures for Bromsgrove. This breakdown will be used as the basis for future analysis of tenures in the area.
185. In Table 5-6 below, we take forward this estimate and further break down the tenure split into its component parts based on the analysis of affordability thresholds above. It is recommended that for Catshill and North Marlbrook around 65% should be social rented tenures, in line with the proportions of the SHMA and the affordability thresholds found above, and 15% should be intermediate tenures (split between Starter Homes and shared ownership in order to reflect the relative unaffordability of starter homes observed above).
186. This tenure split should be considered a guideline for the ideal mix of tenures to be delivered within the NA. However, it is based foremost upon district-level guidance that benefits from detailed local income data and studies of development viability, with the more detailed breakdown based on the conclusions of our affordability analysis. As such, it will be a useful point of reference when planning applications are considered, but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.
187. Where the neighbourhood planners wish to craft policy that enforces this split more rigidly, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option 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 6-6: Recommended tenure split (Affordable Housing)

Routes to home ownership, of which	15%
Starter Homes	10%
Shared ownership	5%
Affordable Housing for rent, of which	85%
Social rent	65%
Affordable rent	20%

Source: AECOM calculations

188. In line with Paragraph 64 of the NPPF, at least 10% of the homes provided in a development³¹ should be available for affordable home ownership. As Local Policy and our affordability analysis suggest, there is the ability to provide more than this within the NA. As Figure 6-2 shows, shared ownership at 25% and then 50% are the most affordable forms of intermediate tenure. Shared ownership at 75% should be avoided given it is out of reach for those on a lower quartile and mean income. It should be noted, however, that the recommendation here for shared ownership at 25% and 50% shares is only an indication of what would serve the community best, and its deliverability will depend on viability and what providers are able to deliver. The precise ownership share to be offered is not something that it is in the power of neighbourhood planning policies to enforce.
189. The NPPF also specifies that exceptions to the 10% affordable home ownership requirement are permissible when such development will "significantly prejudice the ability to meet the identified affordable housing needs of specific groups"- in other words, in cases where the development of affordable home ownership dwellings would reduce the provision of other types of affordable housing such as social and affordable rented homes. Based on the findings of this chapter,

³¹ The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

there is no evidence that going beyond the 10% threshold in Catshill and North Marlbrook would prejudice the provision of much needed affordable rented homes.

190. Given that shared ownership is recommended as an affordable route to home ownership at a reasonable proportion, it is worth looking at the scheme in more detail. Despite being introduced back in the 1970s, shared ownership has only recently become popular. This is largely due to the scheme being relaunched in 2009 and then a sudden increase in development. As a form of tenure, it is generally more affordable than buying and renting privately – both in the NA and the Country as a whole. Shared ownership is particularly known for being an affordable option for those seeking to get on the housing ladder such as newly forming households and families. Given that Catshill and North Marlbrook has proof of attracting these demographics, makes it a suitable form of tenure for the NA.
191. It is also popular due to the increased choice, control and security it offers in comparison to other tenures. However it should be noted that there are some caveats to shared ownership which bring its affordability into question. For example, buyers still have to pay service charges which are not fixed and can increase unpredictably. Buyers are also responsible for the maintenance of the property, however small their share in the property. Staircasing can also be costly. Given that the purchase of the additional share will rise as market values rise. Furthermore, the discount attained through renting the remaining share can in certain locations be similar to the difference in price between a new build and existing dwelling, meaning that a new shared ownership dwelling is often no more affordable than an existing dwelling offered for market sale.

6.6 Affordable housing - quantity needed

192. In Table 6-5 below we have calculated, using PPG as a starting point,³² an estimate of the total need for affordable housing in Catshill and North Marlbrook over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out in Table 6-5 are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
193. The table shows that there are currently about 73 households in Catshill and North Marlbrook unable to access affordable housing tenures suitable to their needs. The table also suggests that, over the Plan period, 38 additional households in the Neighbourhood Plan area will fall into need, producing a total affordable housing need of 111 dwellings.
194. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
195. It should be noted that figures in Table 6-5 are largely dependent on information provided by Bromsgrove in its capacity as manager of the local housing waiting list. Bromsgrove District does not keep record of specific wards, nor what area applications wish to be housed in. As such, we have used Catshill and North Marlbrook's proportion of the District population as a representative figure of need in the area, as the robust information we require is unavailable. We acknowledge this figure lacks precision given the data available at the time. Should a figure become available from the registry, it will supersede our figure and contribute to a more accurate estimation of Affordable Housing need in the NA.
196. The information provided by Bromsgrove District Council shows there are 325 households in Bromsgrove categorized as gold, gold plus, or priority banding for housing need. As Catshill and North Marlbrook contains 7.48% of the District population, it can be estimated that there are 24 households (rounded) in current need of affordable housing within the area.
197. The table below relies only on the priority band to avoid the risk over over-estimating or double-counting affordable housing need. As Bromsgrove District Council is a member of the Home Choice Plus Partnership, the allocation policy

³² Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

follows the partnership's allocation mechanisms. These are labelled 'Gold Plus' and 'Gold', whose criteria is set out below:³³

Gold Plus (6 months time limit) (Local Connection)

- Homeless cases where no statutory duty to re-house (excludes intentional homeless)
- Homeless cases accepted for a full rehousing duty by a Local Authority within the partnership (but not the LA that accepted the duty)
- Occupying property in a serious state of disrepair; factors taken into consideration by the Local Authority or its agent include where the Local Authority could have served an improvement notice for a Category 1 hazard or equivalent (not for overcrowding and space hazards)
- Verified high medical need / disability that is directly affected by the current housing situation and would be immediately improved by moving
- Applicant is homeless or threatened with homelessness, through no fault of their own (excludes those in priority band)
- Requiring move-on from supported accommodation
- Tenants who are under-occupying social rent or affordable rent housing in the Home Choice Plus partnership area
- Tenants who are occupying a social housing property in the Home Choice Plus partnership area with major adaptations that they do not need
- Households suffering with serious overcrowding (3 or more bedrooms lacking)
- Two or more criteria in Gold

Gold (12 months time limit) (Local Connection)

- Households who have been determined to have become homeless intentionally
- Households suffering from harassment (excludes priority band cases)
- Overcrowding or lacking up to and including 2 bedrooms

198. The net result of Table 6-5 is that, over the Neighbourhood Plan period, it can be estimated that there will be a need to plan for 111 households in affordable housing need.
199. It is important to realise that this figure does not overlap entirely with, or supersede, the overall Housing Requirement Figure for the Neighbourhood Plan area. Rather, it has an unspecified degree of overlap with it. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for it to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners, as outlined above, that can help ensure that it is met to a greater extent if resources permit.
200. It is also important to remember that even after the Catshill and North Marlbrook, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
201. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

Table 6-5 : Affordable Housing Model as applied to Catshill and North Marlbrook

Step	Stage	Source	Calculations (rounded)	Stage and Step Description
1. CURRENT HOUSING NEED (GROSS)				
a	Homeless households	ONS Census 2011 (QS101EW - Residence type)	0	The 2011 Census recorded 0 homeless households in Catshill and North Marlbrook.

³³ <https://www.homechoiceplus.org.uk/Data/Pub/PublicWebsite/ImageLibrary/Allocations%20Policy.pdf>

Step	Stage	Source	Calculations (rounded)	Stage and Step Description
b	Priority need on housing waiting list	Bromsgrove	24	As of August 2019, Bromsgrove advises that there are 325 households on the affordable housing waiting list for Bromsgrove. Catshill and North Marlbrook is home to 7.48% of the total number of households in the District, therefore an estimated 24 households (rounded) are of priority (Gold and Gold Plus) need on the Home Choice Plus registry.
c	Overcrowded households	Census 2011	22	Assumption applied that the number remains the same as in the 2011 Census, in which Catshill and North Marlbrook recorded 22 households with an occupancy rating of less than 1, and that these households are not on the Housing Needs Register.
d	Concealed households	Census 2011	27	Assumption applied that the number remains the same as in the 2011 Census, in which Catshill and North Marlbrook recorded 27 households who were concealed, and that these households are not registered on the Housing Needs Register.
e	Backlog need	AECOM	73	Sum of stages a-d
2. NEWLY ARISING NEED				
f	Number of households in 2011	Census 2011	2,865	The 2011 Census recorded a total of 2,865 households in Catshill and North Marlbrook.
g	Annual household formation between 2011 and end of Plan period	MHCLG 2014-based household projections; AECOM calculations	18	Taking households in 2011 in Catshill and North Marlbrook as a proportion of all households in the LPA (7.48%), Catshill and North Marlbrook's share of LPA households at the end of the Plan period will be 3,216 (rounded) ($7.48\% \times 43,000 = 3,216$), an increase of 351 from the 2011 Census. This equates to an annual increase of 18 households (rounded) ($351/19$ years).
h	New household formation between 2011 and 2030	AECOM calculations	351	As above.
i	Estimated current number of households	AECOM calculations	3,216	Sum of f + h
j	New household formation between 2019 and end of Plan period	AECOM calculations	198	$g \times 11$ (number of years between 2019 and 2030)
k	Proportion of newly forming households unable to access market housing	AECOM calculations	19%	On account of the lack of income data available at Catshill and North Marlbrook level, the formula used to determine the proportion of newly-forming households unable to access market housing comprises the number of people in social housing at the time of the 2011 Census (473) + backlog need (73) divided by all households (2,865).

Step	Stage	Source	Calculations (rounded)	Stage and Step Description
l	Newly Arising Need	AECOM calculations	38	j x k (rounded)
m	TOTAL AFFORDABLE HOUSING NEED		111	Sum of e + l

6.7 Conclusions- Tenure and Affordability

202. Catshill and North Marlbrook has a higher proportion of those who own their own home than the national average, and a corresponding lack of affordable dwellings for rent. The proportion of those in social rented accommodations is higher than that of the District, while private rented accommodations remain lower.
203. Shared ownership appears to be a popular option in the NA, but the rates of growth of this tenure have been significantly less than the national average, meaning that there was a previous wave of this tenure type. While private renting remains a lower proportion in the NA as compared to the national average, it has seen tremendous growth since 2001.
204. Given the rates of private renting and shared ownership across Bromsgrove, it is therefore likely that these tenures are becoming more common as a way to meet demand from those priced out of market home ownership, which is not close to being affordable for the vast majority of people on average incomes. 25% shared ownership and social rent are within reach of households on average incomes, but those earning within the lower quartile bracket are unable to afford any of the tenures described, pointing to an overwhelming issue of affordability in the area.
205. Average house prices in the NA have been rising steadily, from £168,000 in 2009 to £216,000 in 2018. The price of all homes rose by 28% in the last 9 years, with the highest growth in semi-detached homes (32.7%).
206. Every effort should be made to maximise AH provision in future while ensuring that overly ambitious targets do not imperil the viability of new development in general. Delivering more affordable houses for market sale and market rent would also reduce affordability pressures on these tenures and expand the options available to households at all income levels.
207. We estimate that 73 households in Catshill and North Marlbrook are currently unable to access housing that meets their needs, and that a further 38 households will be in need of AH over the plan period.
208. As long as new development in the parish is Local Plan policy compliant in terms of the 40% proportion of AH, and sufficient sites come forward that are above the 10-dwelling size threshold required to deliver that AH contribution, this should be sufficient to meet the AH needs of the community, which amounts to 111 dwellings.
209. Following the 2012 Worcestershire SHMA, we recommend a tenure split of 85% Affordable Housing for rent and 15% intermediate tenures. In addition, providing smaller sized dwellings for young families and elderly people may provide opportunities for these groups to have access to more affordable tenures.
210. There is a clear need, then, for the high proportion of owner-occupation in Catshill and North Marlbrook to be diversified towards options that are either currently affordable to most households (such as Social and Affordable Rent), and other options that may become more affordable if supplied in greater numbers or smaller sizes. Achieving or exceeding Bromsgrove's target of 40% AH on developments of 10 units or more should therefore be encouraged wherever possible.

7. Conclusions

7.1 Overview

211. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings specific to Catshill and North Marlbrook with a potential impact on Neighbourhood Plan housing policies

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	2018 National Planning Policy Framework (NPPF), Planning Practice Guidance (PPG), Bromsgrove Local Plan 2011-2030, Bromsgrove District Plan Settlement Hierarchy Background Paper	<p>Bromsgrove's Local Housing Need figure is calculated to be 390 net additional dwellings per year.</p> <p>At the time of the last Census, there were 6,858 people living in Catshill and North Marlbrook, or 7.3% of the 93,637 people in Bromsgrove. Therefore, applying this percentage to Bromsgrove's annual LHN of 390 gives an indicative HNF for Catshill and North Marlbrook of 28 dwellings (rounded) per annum, or 532 dwellings over the Neighbourhood Plan period 2011-2030.</p> <p>However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the LPA.</p> <p>Policies BDP2 and BDP3 in the Bromsgrove District Plan designate Catshill and North Marlbrook as one of six large settlements which, it is implied, are to accommodate the remaining 2,300 dwellings of the District's total 7,000 dwelling target (the rest of which have already been allocated in and around Bromsgrove Town and other non-Green Belt areas).</p> <p>We determined Catshill and North Marlbrook's proportion of the total population of the six large settlements with reference to the 2011 Census population, and its share of the sustainability points</p>	<p>The percentage of 16% derived from the District planning strategy can then be applied to Bromsgrove's LHN of 390 dwellings per annum, resulting in a housing need figure for Catshill and North Marlbrook of 21 (rounded) dwellings per annum, or 399 dwellings over the Plan period.</p> <p>Deducting the 142 dwelling completions during the Plan period to date results in a residual HNF of 257 dwellings for the remainder of the Plan period to 2030, equating to 23 (rounded) dwellings per year.</p> <p>If all 6 outstanding commitments are built within the Plan period, additional sites need only be identified for 251 dwellings.</p> <p>A final Neighbourhood Plan housing requirement provided by Bromsgrove will supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.</p>

		<p>allocated within the Bromsgrove District Plan Settlement Hierarchy Background Paper.</p> <p>The average of Catshill and North Marlbrook's share according to its 2011 population and Catshill and Marlbrook's share according to its proportion of the sustainability points is 16%. This equates to 368 of the outstanding 2,300 dwelling total, and therefore 5.26% of the total Bromsgrove housing target of 7,000. This is only slightly lower than the percentage of the Bromsgrove population living in Catshill and North Marlbrook, which is 7.3%, but this does make a moderate difference to the calculation of housing need.</p>	
Housing type and size	<p>AECOM Calculations, ONS 2011, MHCLG 2014-based household projections, MHCLG 2011-based household projections</p>	<p>The composition of Catshill and North Marlbrook's households reflects its stock of medium-to-large housing, and more than half of the dwellings in Catshill have three-bedrooms. Although there has been an uptick in the building of very large homes in the area, there has been a decline in those families with dependent children, and with HRPs between the ages of 25 and 44.</p> <p>Although the age profile is generally younger in Catshill and North Marlbrook than Bromsgrove and the national average, young adults seem to be migrating from the area at a steady pace. The tightened supply of smaller homes reduces the ability for single people and young families to remain in the area.</p> <p>Between the 2001 and 2011 Censuses, Catshill and North Marlbrook saw its younger population decline much faster than that of Bromsgrove, and its older population expand at a faster rate, it is reasonable to expect the ageing of Catshill and North Marlbrook's future population will be even more marked than that of Bromsgrove.</p>	<p>In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as flats, should be addressed. The size recommendation that 7.2% of dwellings in new developments should have one bedroom and 39.5% should have two bedrooms should help to achieve this. The recommendation for 33.2% four bedroom and 20.1% five bedroom homes is a consequence of their relatively low provision in comparison with the wider trends of the District.</p> <p>It is also advisable to promote the delivery of bungalows where possible in order to meet the needs of the ageing population and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in Catshill and North Marlbrook.</p>

		<p>The lack of young people in the area could indicate that there is an insufficient supply of affordable dwellings appropriate to young and newly forming households and that this shortfall should urgently be addressed. Alternatively, it could indicate that younger age groups move away for other reasons and the stock of housing should be rebalanced to suit the growing retirement-age cohort. In either case, the provision of smaller dwellings should be encouraged.</p>	
Housing tenure and affordability	<p>AECOM calculations, Bromsgrove Local Plan 2011-2030, ONS 2011, MHCLG 2014-based household projections, MHCLG 2011-based household projections</p>	<p>Shared ownership appears to be a popular option in the NA, but the rates of growth of this tenure have been significantly less than the national average, meaning that there was a previous wave of this tenure type. While private renting remains a lower proportion in the NA as compared to the national average, it has seen tremendous growth since 2001.</p> <p>Average house prices in the NA have been rising steadily, from £168,000 in 2009 to £216,000 in 2018. The price of all homes rose by 28% in the last 9 years, with the highest growth in semi-detached homes (32.7%).</p> <p>Given the rates of private renting and shared ownership across Bromsgrove, it is likely that these tenures are becoming more common as a way to meet demand from those priced out of market home ownership, which is not close to being affordable for the vast majority of people on average incomes. 25% shared ownership and social rent are within reach of households on average incomes, but those earning within the lower quartile bracket are unable to afford any of the tenures described, pointing to an overwhelming issue of affordability in the area.</p>	<p>We estimate that 73 households in Catshill and North Marlbrook are currently unable to access housing that meets their needs, and that a further 38 households will be in need of AH over the plan period.</p> <p>As long as new development in the parish is Local Plan policy compliant in terms of the 40% proportion of AH, and sufficient sites come forward that are above the 10-dwelling size threshold required to deliver that AH contribution, this should be sufficient to meet the AH needs of the community, which amounts to 111 dwellings. Following the 2012 Worcestershire SHMA, we recommend a tenure split of 85% Affordable Housing for rent, 65% of which is social rent and 20% Affordable rent, as well as 15% intermediate tenures, which include 10% starter homes and 5% shared ownership schemes.</p> <p>There is a clear need for the high proportion of owner-occupation in Catshill and North Marlbrook to be diversified towards options that are either currently affordable to most households (such as Social and Affordable Rent), and other options that may become more affordable if supplied in greater numbers or smaller sizes. Achieving or exceeding Bromsgrove's target of 40% AH on developments of 10</p>

			<p>units or more should therefore be encouraged wherever</p> <p>Delivering smaller houses of 1 or 2 bedrooms for market sale and market rent would also reduce affordability pressures on these tenures and expand the options available to households at all income levels.</p>
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7.2 Recommendations for next steps

212. This Neighbourhood Plan housing needs assessment aims to provide Catshill and North Marlbrook 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 with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and 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 – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Bromsgrove, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for Bromsgrove and the neighbourhood plan areas within it.

213. 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.

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

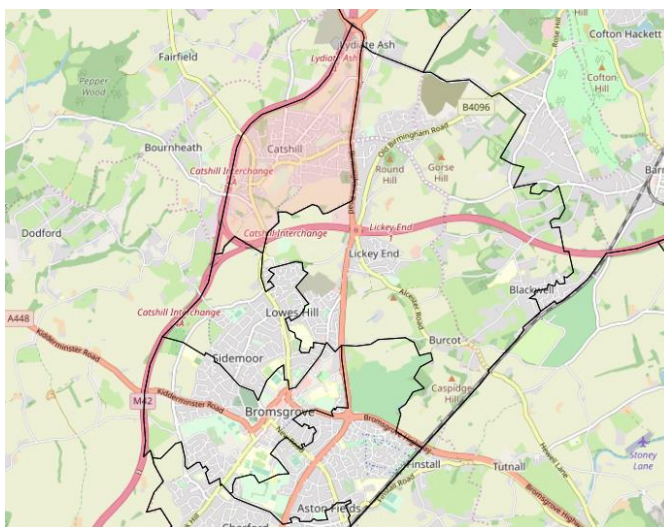
215. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

216. 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 Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
217. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Catshill and North Marlbrook, it is considered that MSOA E02006702 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02006702 appears below in Figure 7-1.

Figure 7-1: MSOA E02006702 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

218. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
219. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.
220. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
221. To determine affordability in market housing, we consider two primary indicators: income thresholds (IT), which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds (PT), which denote the standard household income required to access mortgage products.

i) Market sales

222. The starting point for calculating the affordability of a dwelling for sale (i.e. the PT) 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.

223. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Catshill and North Marlbrook. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

224. The calculation is therefore:

- Value of an 'entry level dwelling'³⁴ = £160,000;
- Purchase deposit = £16,000 @10% of value;
- Value of dwelling for mortgage purposes = £144,000;
- Loan to income ratio = 3.5 of value of mortgage;
- **Purchase threshold = £41,143.**

ii) Private Rented Sector (PRS)

225. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rent property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.

226. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,³⁵ such a home would require three habitable rooms (a flat or house with two bedrooms).

227. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the B61 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

228. According to [home.co.uk](https://www.home.co.uk), there are 8 two-bed properties currently listed for rent across Catshill and North Marlbrook, with an average price of £683 per calendar month.

229. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £683 x 12 = £8,195;
- Multiplied by 4 = £32,778;
- **Income threshold (private rental sector) = £32,778.**

230. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

A.3 Affordable Housing

231. There are a range of tenures that constitute the definition of Affordable Housing within the 2018 NPPF: social rent and affordable rent, starter homes, discounted market sales housing, and other affordable routes to home ownership.

232. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more sectors of the population, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

³⁴ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

³⁵ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

233. A good example is, in 2012, the introduction of dwellings for affordable rent. Rent for this tenure is set at up to 80% of market rent. Labelled an 'intermediate' product, this tenure is suitable for people with an income that precludes them from eligibility for socially-rented dwellings (where rent is set in accordance with the Government's rent policy), but who, at the same time, cannot afford to access the private market.
234. The overall aim is to restrict eligibility for social rent dwellings to those with very low household incomes, relatively speaking. However, within this tenure, market principles also apply, given the link between rents and size of dwelling. There is a strong financial incentive for households to only occupy a dwelling deemed suited to their needs, based on an 'occupancy rating' formula set by the Government.
235. We consider each of the affordable housing tenures in turn, before developing a recommendation for how the quota of affordable housing yielded by development should be divided between these tenures.

i) Social rent

236. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual 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 low incomes and is subject to strict eligibility criteria.
237. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the LPA level so must act as a proxy for Catshill and North Marlbrook. 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 in the table below.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£75	£89	£101	£114	£92
Annual average	£3,883	£4,622	£5,244	£5,944	£4,770
Income needed	£15,531	£18,489	£20,977	£23,774	£19,080

Source: Homes England, AECOM Calculations

ii) Affordable rent

238. Affordable rent is controlled at no more than 80% of the local market rent; as we have seen, the annual entry-level rent in Catshill and North Marlbrook is £8,195. In the event of a 20% reduction in rent to £6,556, the income threshold would reduce to an estimated **£26,222**.

iii) Intermediate tenures

239. Intermediate housing includes 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. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

Starter homes

240. The Housing and Planning Act 2016 introduced a duty on planning authorities in England to promote the supply of 'starter homes', and to require a minimum number or proportion of 'starter homes' on certain residential development sites. In paragraph 64 of the NPPF 2018, 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".
241. In effect, therefore, the NPPF permits neighbourhood planners to decide an appropriate level of affordable home ownership tenure, while taking note of the 10% policy expectation.
242. A starter home is a new build home with a value not exceeding £250,000 (or £450,000 in London); they are eligible for first time buyers aged 40 or younger.

243. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
244. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £160,000.
245. Applying a discount of 20% provides an approximate selling price of £128,000. Allowing for a 10% deposit further reduces the value of the property to £115,200. The income threshold at a multiple of 3.5 is **£32,914**.

Shared ownership

246. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% 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 leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned.
247. 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.
248. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £160,000.³⁶ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).
249. A 25% equity share of £160,000 is £40,000, from which a 10% deposit of £4,000 is deducted. The mortgage value of £36,000 (£40,000 - £4,000) is then divided by 3.5. To secure a mortgage of £36,000, an annual income of £10,286 (£36,000 / 3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £120,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,000 and requires an income of £12,000. Therefore, an income of around **£22,286** (£10,286 + £12,000) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
250. A 50% equity share of £160,000 is £80,000, from which a 10% deposit of £8,000 may be deducted. The mortgage cost of £72,000 (£80,000 - £8,000) is then divided by 3.5. To secure a mortgage of £72,000, an annual income of £20,571 (£72,000 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, comprising the unsold value of £80,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,000, requiring an income of £8,000. Therefore, an annual income of around **£28,571** (£20,571 + £8,000) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
251. A 75% equity share of £160,000 is £120,000, from which a 10% deposit of £12,000 can be deducted. The mortgage cost of £108,000 (£120,000 - £12,000) is then divided by 3.5. To secure a mortgage of £108,000, an annual income of £30,857 (£108,000 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, comprising the unsold value of £40,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,000, requiring an income of £4,000. Therefore, an annual income of around **£34,857** (£30,857 + £4,000) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

³⁶ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

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 house 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) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that 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.

d) 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 methods³⁷.

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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard³⁸

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.

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 principle forms of community-led models include co-operatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. Some of these models are also 'intentional communities' where there is an active vision of how children and adults want to live, play and work together. 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 Order³⁹

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)⁴⁰

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

³⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³⁸ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁴⁰ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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.

Extra Care Housing⁴¹

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to manage day-to-day tasks without assistance. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

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.

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. HRPs 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).

⁴¹ See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

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, such as Starter Homes, the Government's flagship 'housing product'.

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 years⁴², 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 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

⁴² See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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.

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%, 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 Housing⁴³

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 bed roomed. 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 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

⁴³ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.⁴⁴

⁴⁴ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

