

Wychavon

Strategic Housing Market Assessment 2019

Wychavon District Council

Final Report
September 2019

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Executive Summary

Introduction

The Wychavon Strategic Housing Market Assessment (SHMA) 2019 provides the latest available evidence to help to shape the future planning and housing policies of the area. This study will support forthcoming reviews of the South Worcestershire Development Plan (SWDP) and similar reports have been prepared for Malvern Hills and Worcester City which are located in the SWDP area. SHMA findings will also be used to inform the development of local housing strategies and the commissioning of new affordable and other housing products in each authority area. It considers the need for affordable housing and the size, type and tenure of housing need for different groups within the community. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area.

The SHMA (2019) comprises:

- a review of existing (secondary) data, data analysis and modelling;
- an online survey of stakeholders; and
- interviews with estate and letting agents.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development, in accordance with Government policy and guidance.

Housing market context

House prices

Median house prices in the Wychavon District have been consistently higher than those for the West Midlands region and for England as a whole¹.

During 2018, median prices across the Wychavon were £260,000, compared with £179,500 across the West Midlands².

Dwelling stock

This 2019 study assumes a total of 56,010 dwellings³. There are 1,297⁴ vacant properties, indicating a dwelling vacancy rate of 2.7%. There are an estimated 44,253 households living in Wychavon⁵.

¹ Land Registry Price Paid Data

² Land Registry Price Paid Data

³ MHCLG 2017 Dwelling stock estimate

⁴ MHCLG 2017 Vacancy statistics

⁵ 2016-based MHCLG household projections; 2018 households

Based on 2011 Census household data, the tenure profile of Wychavon is: 72.7% owner occupied (38.7% owned outright and 34% owned with a mortgage or loan or shared ownership), 12.3% private rented or living rent free and 14.9% affordable (rented from a social landlord).

The latest 2017 Valuation Office Agency data reports that:

- 14.4% are 1 or 2-bedroom houses, 38.4% are 3-bedroom houses, 24.3% are 4 or more-bedroom houses;
- 5.2% are 1-bedroom flats, 5.3% are 2 or more-bedroom-flats;
- 7.9% are 1 or 2-bedroom bungalows and 4.6% are 3 or more bedroom-bungalows.

Demographic drivers

The population of Wychavon District is projected to increase by 10.6% over the period 2016-2030, from 123,100 in 2016 to 136,000 in 2030⁶. There will be a marked increase in the number and proportion of older residents. The population aged 65+years is expected to increase by 35.7% from 30,000 in 2016 to 40,700 in 2030⁷. This compares with an increase of 38% across the West Midlands and 45.1% across England over the period 2016-2030.

Economic drivers

Across Wychavon, 66.3% of Household Reference People are economically active and in employment (2011 Census) and a further 15.8% are retired from work, 6.4% are other economically active and 11.4% are economically inactive. 54.2% of residents in employment work within the Wychavon District, with the remainder commuting out of the district to work in areas such as Worcester (10.6%), Stratford-on-Avon (4.3%) and Birmingham (3.6%), 9.3% elsewhere in the West Midlands and 18% outside the West Midlands. The ONS identifies that across the district earnings are similar to the regional average, but below the national average. Lower quartile earnings in 2017 were £20,472 (compared with £20,124 across the West Midlands) and median incomes were £29,993 (compared with £27,636 across the West Midlands)⁸.

Dwelling need, type and mix

This SHMA report considers **future housing need** based on the 'standard methodology' outlined in National Planning Practice Guidance (PPG). Using 2014-based household projections and latest (2018) affordability indicators, the minimum local housing need figure for Wychavon is 499 dwellings each year. Further scenario analysis has been prepared by Edge Analytics to verify that the dwelling need calculation using the standard methodology is

⁶ ONS 2016-based Subnational Population Projections

⁷ ONS 2016-based Subnational Population Projections

⁸ ONS 2018 Annual Survey of Hours and Earnings

appropriate for Wychavon. Employment-led scenarios consider whether the number of new dwellings will sufficiently support economic growth and concludes that it will; and a dwelling-led scenario has considered the impact of including vacant dwellings in need statistics.

The scale of **affordable requirements** has been assessed using latest (July 2018) housing register data. The overall net annual imbalance is calculated to be 43 dwellings each year. It is important that the council maintains an affordable housing target to ensure the continued delivery of affordable housing to support long-term community sustainability and provide affordable housing for newly-forming households. It is recommended that 61.1% of new affordable dwellings have one-bedroom, 27.3% two-bedrooms, 9.4% three-bedrooms and 2.2% four or more-bedrooms.

SWDP policy 15 sets out the current affordable housing policy for the district:

- on sites of 15 or more dwellings on greenfield land, 40% of the units should be affordable and provided on site; and
- on sites of 15 or more dwellings on brownfield land, 30% of the units should be affordable and provided on site.

The overall market mix by dwelling type, size and tenure is summarised in Table ES1. Note that this illustrates the mix on the basis of the quantity of housing need arrived at using the standard method (499 dwellings per annum) and applying a policy of 30% affordable housing to the quantity of overall annual need.

Table ES1 Overall annual dwelling mix based on range of housing need			
Annual dwelling need = 499			
Dwelling type/size	Market (70%)	Affordable (30%)	Total
1 or 2-bedroom house	19	26	45
3-bedroom house	161	14	175
4 or more-bedroom house	94	3	97
1-bedroom flat	3	31	34
2-bedroom flat	2	24	26
3-bedroom flat	2	0	2
1 or 2-bedroom bungalow	33	48	81
3 or more-bedroom bungalow	35	0	35
Other	4	0	4
TOTAL	352	147	499

Note: The table is subject to rounding errors

Source: arc⁴

A broad tenure split of 80% rented and 20% intermediate tenure as set out in the council's 2016 Affordable Housing Supplementary Planning Document (SPD) remains appropriate.

The needs of other groups

Over the period to 2030, the number of **older person households** is going to increase by around 6,048 and there will be a 35.7% increase in older people living in the district. The majority of older people want to stay in their home with help and support when needed but

there is also a need to diversify the range of specialist older persons housing. Analysis suggests across Wychavon an increase of 824 units of specialist older person (C3) dwellings such as extra care and retirement housing (which is part of the overall housing need); and an increase in around 347 units of C2 residential care dwellings. 'C2' and 'C3' are planning use class types.

There is expected to be an increase of around 300 dwellings needing adaptation across all households to 2030.

Regarding **housing for people with disabilities**, it is estimated that 23.8% of all residents have an illness/disability and this is expected to increase to 26% by 2030. It is estimated there are around 454 households requiring wheelchair accessible dwellings in Wychavon, although no data is available on the total stock currently available to these households.

Given the ageing population in Wychavon and the identified levels of disability amongst the population, it is recommended that a policy to provide new homes built to **accessibility standards** is included in the Local Plan. It is recommended (subject to financial viability testing) that a minimum of 1% of new dwellings should be built to M4(3) dwelling standard (wheelchair use dwellings) and 20% of new dwellings should be built to M4(2) dwelling standard (accessible and adaptable dwellings).

There is interest in **self and custom-build** and at November 2018, 55 households had registered for a self/custom build plot, with need across the district and a particular preference for dwellings with 3 or more bedrooms.

1. Introduction

Background and objectives

- 1.1 The Wychavon District Strategic Housing Market Assessment (SHMA) 2019 has been commissioned by Wychavon District Council ('the Council') to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 This study will support forthcoming reviews of the South Worcestershire Development Plan (SWDP). The SHMA findings will also be used to inform the development of local housing strategies and the commissioning of new affordable and other housing products in each authority area. The Wychavon (SHMA) 2019 supports the requirements of the National Planning Policy Framework (NPPF 2019) and associated Planning Practice Guidance (PPG) including February 2019 PPG *Housing Need* which sets out the standard method for assessing housing need and available evidence to help to shape the future planning and housing policies of the area. The South Worcestershire Development Plan presented an Objectively Assessed Housing Need (OAHN) range of 26,700 to 27,300 for the 2006-2030 plan period, underpinned by an economic – led approach. Data to inform this calculation was prepared by Edge Analytics and published by AMION Consulting in 2014. The adopted plan was published in 2016, outlining economic and housing growth aspirations for South Worcestershire districts. Since the evidence base was prepared for South Worcestershire, a 'standard methodology' for determining housing numbers has been adopted by the Ministry of Housing, Communities and Local Government (MHCLG) and a range of new data sources have become available. The purpose of this study is to set out the new approach for assessing need and how this relates to a broader range of demographic evidence.
- 1.3 This 2019 SHMA study includes a review of the housing market, an assessment of future need, the identification of the housing needs of specific groups and a consideration of the requirement for affordable housing.
- 1.4 Collectively, the overall evidence base will satisfy the requirements of government policy and guidance, as set out within 2019 NPPF and PPG.

Government policy and guidance

- 1.5 The latest National Planning Policy Framework (NPPF) was published in February 2019 and associated Planning Practice Guidance (PPG) was updated in February and June 2019. The NPPF 2019 sets out the Government's planning policies for England and how these are expected to be applied. Paragraph 10 of the NPPF states that plans and decisions should apply a '*presumption in favour of sustainable development*'. As part

of this, in relation to plan-making, it sets out that this means that *‘strategic policies should, as a minimum, provide for objectively assessed needs for housing...’⁹.*

- 1.6 Paragraph 59 provides an important context to the policy for housing delivery, as follows:

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

- 1.7 It goes on to state (paragraph 60) that:

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

- 1.8 The NPPF 2019 (paragraph 65) requires 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 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.

- 1.9 The NPPF 2019 (paragraph 61) states that the size, type and tenure of housing need for different groups in the community, should be assessed and reflected in planning policies. This is identified as including, but not limited to:

- those who require affordable housing;
- families with children;
- older people;
- students;
- people with disabilities;
- service families;
- travellers
- people who rent their homes; and
- people wishing to commission or build their own homes.

⁹ NPPF Feb 2019, Paragraph 10

- 1.10 In addition, the NPPF 2019 paragraph 62 sets out that: *‘where a need for affordable housing is identified, planning policies should specify the type of affordable housing required...’*.
- 1.11 The NPPF 2019 (paragraph 65) requires 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 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.’*
- 1.12 The Localism Act 2010 introduced the ‘Duty to Co-operate’ as a replacement for Regional Spatial Strategy and this requirement is also established in National Planning Policy (NPPF 2019, paragraphs 24-27). Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the council will have to ensure that they are legally compliant with the Localism Act at examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities.

Funding for new housing

- 1.13 In October 2018 the Government announced the “geographical targeting” of five Homes England programmes to direct 80% of their funding to high affordability areas as defined by house prices to household income ratios. These funding streams which are targeted at land assembly, infrastructure, estate regeneration and short-term housebuilding will spatially focus £9.740bn of public sector investment across England in the period up to 2024. This announcement followed an earlier statement in June by the Ministry of Housing Communities and Local Government (MHCLG) which stated that newly available grant for approximately 12,500 social rented housing outside of London should be targeted at local authority areas which exhibited high affordability issues when measuring the gap between market and social rents across England.
- 1.14 An important context to the debate about the spatial targeting of housing resources is the development of the National Productivity Investment Fund. This lists five housing funds:
- Accelerated Construction Fund
 - Affordable Housing
 - Housing Infrastructure Fund;
 - Small Sites infrastructure Fund
 - Land Assembly Fund
- 1.15 Collectively these funds account for £12.185bn of investment over the period 2017-18 to 2023-24. The spatial targeting of Social Housing Grant announced by MHCLG was

based on a simple formula which compared average social housing rents with average private sector rents with eligibility being restricted to those areas where there was a difference of £50 per week or more between the two tenures. The decision made by MHCLG to target resources on the basis of house prices, rents and incomes produces very different outcomes compared to targeting on the basis of measurements of need.

Definitions

1.16 Definitions relating to affordable housing are presented in the NPPF 2019 (Annex 2):

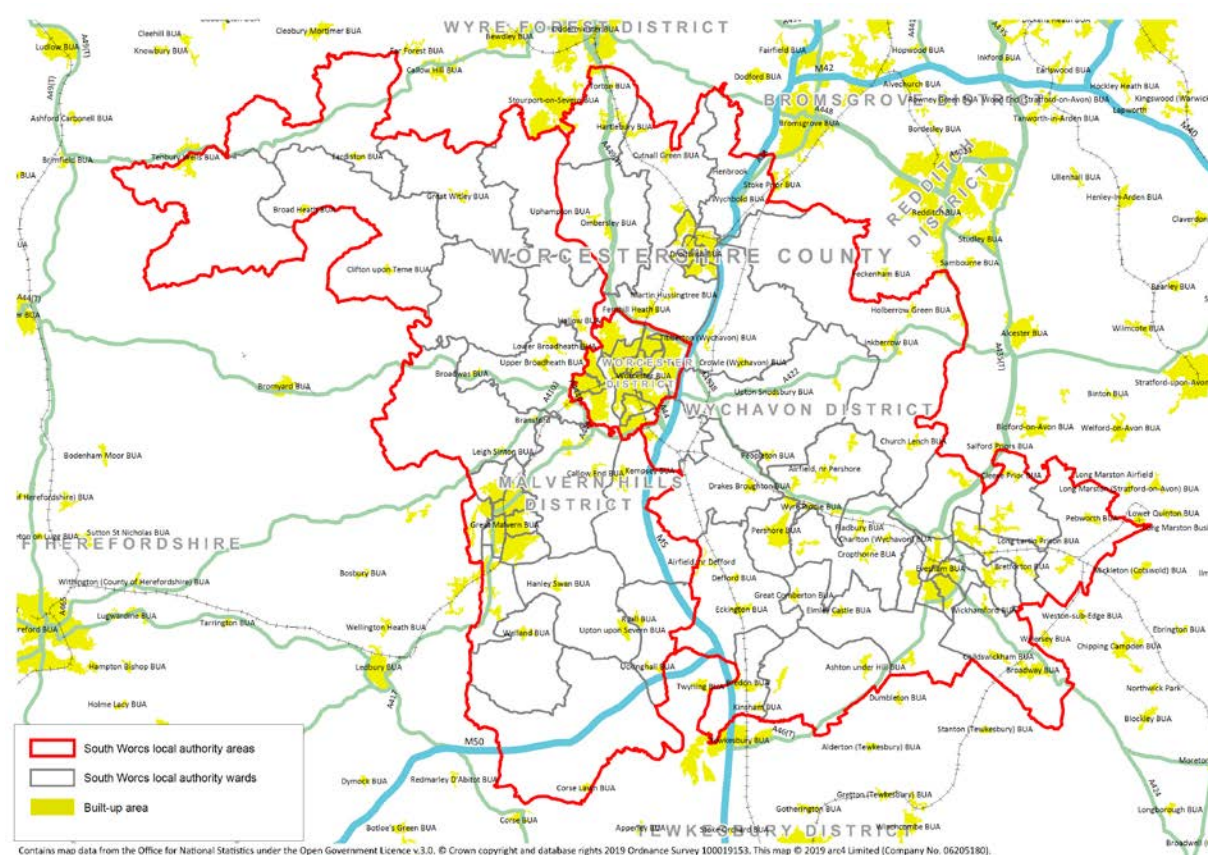
Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- 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.

Geography

- 1.17 Map 1.1 illustrates the geographical context of Wychavon within the County of Worcestershire and neighbouring areas.

Map 1.1 Wychavon District and the wider South Worcestershire geographical context



- 1.18 Wychavon district is located within the county of Worcestershire, in the West Midlands of England. The other two South Worcestershire districts of Malvern Hills and Worcester City border the west of Wychavon District. Beyond the northern boundary are the districts of Wyre Forest, Bromsgrove and Redditch borough (Worcestershire). To the east and south of the district are the district councils of Stratford-on-Avon, Cotswold and Tewksbury. The resident population of the district is estimated at around 125,200 people in 2018¹⁰.
- 1.19 The largest settlements within the district include Droitwich Spa, Pershore and Evesham.

¹⁰ 2016-based Subnational Population Projections (ONS)

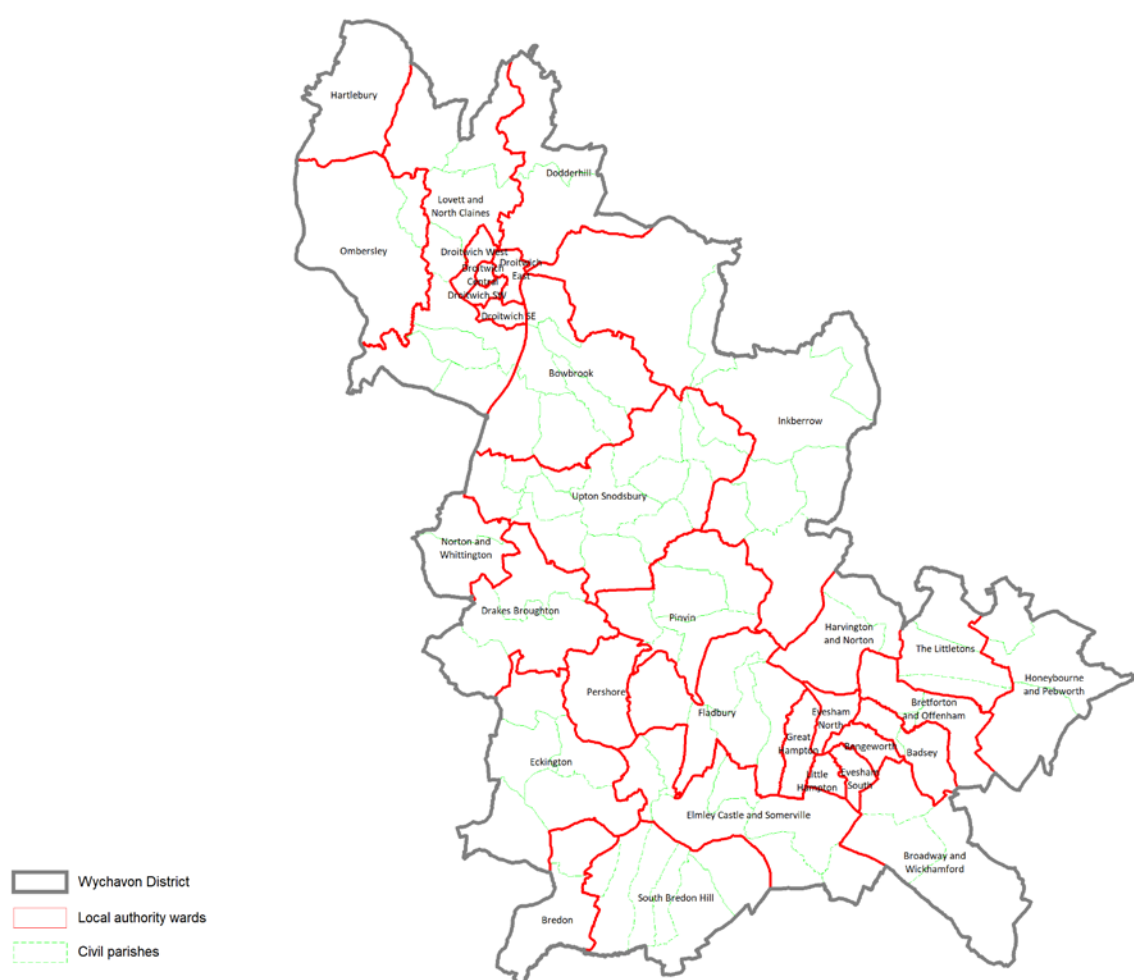
- 1.20 The data in this report has been presented at parish and ward level depending on data availability. The smallest 2011 Census geography is at postcode level and for the purposes of this report, this data has been presented based on 81 parishes. Where data is originally at Lower Super Output Area (LSOA) level it is not possible to fit this data to the parish geography and therefore, when this is the case, the data has been presented by ward. Map 1.2 shows the geography within Wychavon District.

Table 1.1 Parishes in Wychavon		
Parishes		
Abbots Morton	Eckington	Norton and Lenchwick
Aldington	Elmbridge	Oddingley
Ashton under Hill	Elmley Castle	Offenham
Aston Somerville	Elmley Lovett	Ombersley
Badsey	Evesham	Overbury
Beckford	Fladbury	Pebworth
Besford	Flyford Flavell	Peopleton
Birlingham	Grafton Flyford	Pershore
Bishampton	Great Comberton	Pinvin
Bredon	Hadzor	Pirton
Bredon's Norton	Hampton Lovett	Rous Lench
Bretforton	Hanbury	Salwarpe
Bricklehampton	Hartlebury	Sedgeberrow
Broadway	Harvington	South Littleton
Broughton Hackett	Hill and Moor	Spetchley
Charlton	Himbleton	Stock and Bradley
Childswickham	Hindlip	Stoulton
Church Lench	Hinton on the Green	Strensham
Cleeve Prior	Honeybourne	Throckmorton
Cookhill	Inkberrow	Tibberton
Crophorne	Kemerton	Upton Snodsbury
Crowle	Little Comberton	Upton Warren
Defford	Martin Hussingtree	White Ladies Aston
Dodderhill	Naunton Beauchamp	Whittington
Dormston	North Claines	Wick
Drakes Broughton and Wadborough	North and Middle Littleton	Wickhamford
Droitwich Spa	Norton Juxta Kempsey	Wyre Piddle

Table 1.2 Wards in Wychavon	
Badsey	Evesham South
Bengeworth	Fladbury
Bowbrook	Great Hampton
Bredon	Hartlebury
Bretforton and Offenham	Harvington and Norton
Broadway and Wickhamford	Honeybourne and Pebworth
Dodderhill	Inkberrow
Drakes Broughton	Little Hampton
Droitwich Central	Lovett and North Claines
Droitwich East	Norton and Whittington
Droitwich South East	Ombersley

Droitwich South West	Pershore
Droitwich West	Pinvin
Eckington	South Bredon Hill
Elmley Castle and Somerville	The Littletons
Evesham North	Upton Snodsbury

Map 1.2 Parishes and wards within Wychavon District



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Research methodology

1.21 To deliver the Wychavon District Council SHMA 2019, a multi-method approach has been adopted, which comprises:

- A review of relevant secondary data including the 2011 Census, house price trends, 2016 ONS sub-national population projections and 2014 MHCLG household projections, CORE lettings data and MHCLG statistics;
- An online stakeholder survey and follow up interviews;
- Interviews with estate and letting agents operating within the district.

1.22 Further information on the research methodology is presented at Appendix A.

Report structure

1.23 The Wychavon District SHMA 2019 report is structured as follows:

- **Chapter 2** reviews the national and strategic policy context within which the research needs to be positioned;
- **Chapter 3** considers the main features of the housing market dynamics, including house price and rental trends, migration and travel to work patterns;
- **Chapter 4** reviews the current housing market and provides a detailed analysis of the main tenures;
- **Chapter 5** reviews demographic and economic data, including market drivers and local trends;
- **Chapter 6** considers the need for all types of housing, including affordable housing need and a consideration of household groups with particular housing requirements;
- **Chapter 7** sets out an assessment of dwelling type and mix for future housing development within the District; and
- **Chapter 8** concludes the report with a summary of findings and a consideration of strategic issues.

1.24 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the SHMA. The technical appendix material includes:

- General methodology (Appendix A);
- Policy review (Appendix B);
- Housing need calculations (Appendix C);
- Agent review (Appendix D).

2. Policy and strategic review

- 2.1 The purpose of this chapter is to set out the policy and strategic context for housing delivery in Wychavon District.

National context

- 2.2 The European Union Referendum of June 2016 resulted in significant changes in the political climate at a number of levels. Changes in Government leadership – with the appointment of Theresa May as Prime Minister – quickly led to discussions regarding the direction of housing and planning policy. Alongside significant delays (and in some cases abandonment) in the implementation of secondary legislation relating to aspects of the Housing and Planning Act 2016; conference speeches, ministerial statements and the Housing White Paper (February 2017) indicated a change in attitude towards housing policy. The 2016-17 Administration signalled a broader ‘multi-tenure’ housing strategy, including support for a range of tenures in addition to home ownership. The Neighbourhood Planning Act 2017 was passed with the intention of strengthening neighbourhood planning by ensuring that decision-makers take account of well-advanced neighbourhood development plans and giving these plans full legal weight at an earlier stage.
- 2.3 The snap General Election of June 2017 created a new wave of political change and uncertainty, although the overall Government leadership remains under Conservative control and ministers appear keen to keep housing as a key domestic policy priority.
- 2.4 A detailed national policy review is presented at Appendix B.

Strategic context

- 2.5 Wychavon District sits within one of the Local Enterprise Partnership (LEP) areas¹¹, the Worcestershire LEP. Whilst the LEPs have no statutory land use planning powers, they are responsible for determining local economic priorities and undertaking activities to drive economic growth and local job creation.
- 2.6 The Worcestershire LEP (WLEP) includes the authority areas of Bromsgrove, Redditch, Worcester City, and Malvern Hills, along with Wychavon. WLEP’s vision is:
- “To build a connected, creative, dynamic economy that delivers increased prosperity for all those who choose to live, work, visit and invest in Worcestershire.”
- 2.7 The WLEP has the vision to create the following by 2025:
- 25,000 new jobs,

¹¹ Note that LEP areas could be changing and LEP review was published in July 2008 <https://www.gov.uk/government/news/government-proposes-shake-up-of-local-enterprise-partnerships>

- increase GVA by 2.9bn, and
- 21,500 new homes.

Local context

- 2.8 The South Worcestershire Development Plan (SWDP)¹² was adopted and published in February 2016. This forms the local plan for the local authorities of Worcester City, Wychavon and Malvern Hills for the period 2006 to 2030.
- 2.9 The plan sets out a vision for south Worcestershire in 2030. The Vision covers a range of topics, including housing:
- “In 2030 South Worcestershire remains a highly desirable place in which to live and work. The planned growth in housing and employment, supported by the work of the Worcestershire Local Enterprise Partnership, has created a robust, competitive local economy....”*
- “...South Worcestershire residents have access to a range of housing types and tenures that help to meet the needs of young families, older people and single households...”*
- “...Affordable and accessible housing is widely available and helps to secure and sustain local communities, services and facilities”.*
- 2.10 A series of five SWDP objectives are set out; these have been designed to help to deliver the vision. They are:
- A. Economic success that is shared by all
 - B. Stronger communities
 - C. A better environment for today and tomorrow
 - D. Improving health and well-being
 - E. Communities that are safe and feel safe
- 2.11 The plan contains 7 strategic policies to deliver the development strategy
- SWDP 1: Overarching Sustainable Development Principles.
 - SWDP 2: Development Strategy and Settlement Hierarchy.
 - SWDP 3: Employment, Housing and Retail Provision Requirement and Delivery.
 - SWDP 4: Moving Around South Worcestershire.
 - SWDP 5: Green Infrastructure.
 - SWDP 6: Historic Environment.
 - SWDP 7: Infrastructure.

¹² South Worcestershire Development Plan <http://www.swdevelopmentplan.org/wp-content/uploads/2016/06/The-Adopted-SWDP-February-2016.pdf>

- 2.12 Further policies providing detailed guidance are contained within SWDP 8 to SWDP 63.
- 2.13 The South Worcestershire authorities started a review of the SWDP in 2017 in order to meet the government requirements that local plans should be updated every five years; the revised SWDP is required by 2021. An Issues and Options consultation was held in November/December 2018 and it is expected that a revised SWDP will be adopted by November 2021.
- 2.14 The new Local Plan will have a plan period of 2016-2041.

Neighbourhood Development Plans

- 2.15 The 2011 Localism Act introduced a new type of planning which allows local people to come together to decide how they want their area to develop. Once adopted, Neighbourhood Development Plans form part of the statutory development plan for the area and must be taken into consideration when determining planning applications. Across Wychavon district there are currently four adopted neighbourhood plans:
- North Claines Neighbourhood Area (plan made in 2017);
 - Drakes Broughton and Wadborough with Priton Neighbourhood Area (plan made in 2017);
 - Bredon, Bredon's Norton and Westmancote Neighbourhood Area (plan made in 2017);
 - Cleeve Prior Neighbourhood Area (plan made in 2018); and
- 2.16 A further 15 parishes are currently designated as at May 2018.

Concluding comments

- 2.17 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. The government has established its housing and planning priorities within the context of local decision-making and accountability, reduced capital expenditure on housing, fundamental changes to welfare, a changing role for social rented housing, and a need for future housing investment to support economic growth.
- 2.18 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate and taking into account updated national planning policy, this SHMA 2019 provides the Council with an excellent range of material to inform the new Local Plan and shape local and sub-regional strategic housing priorities.

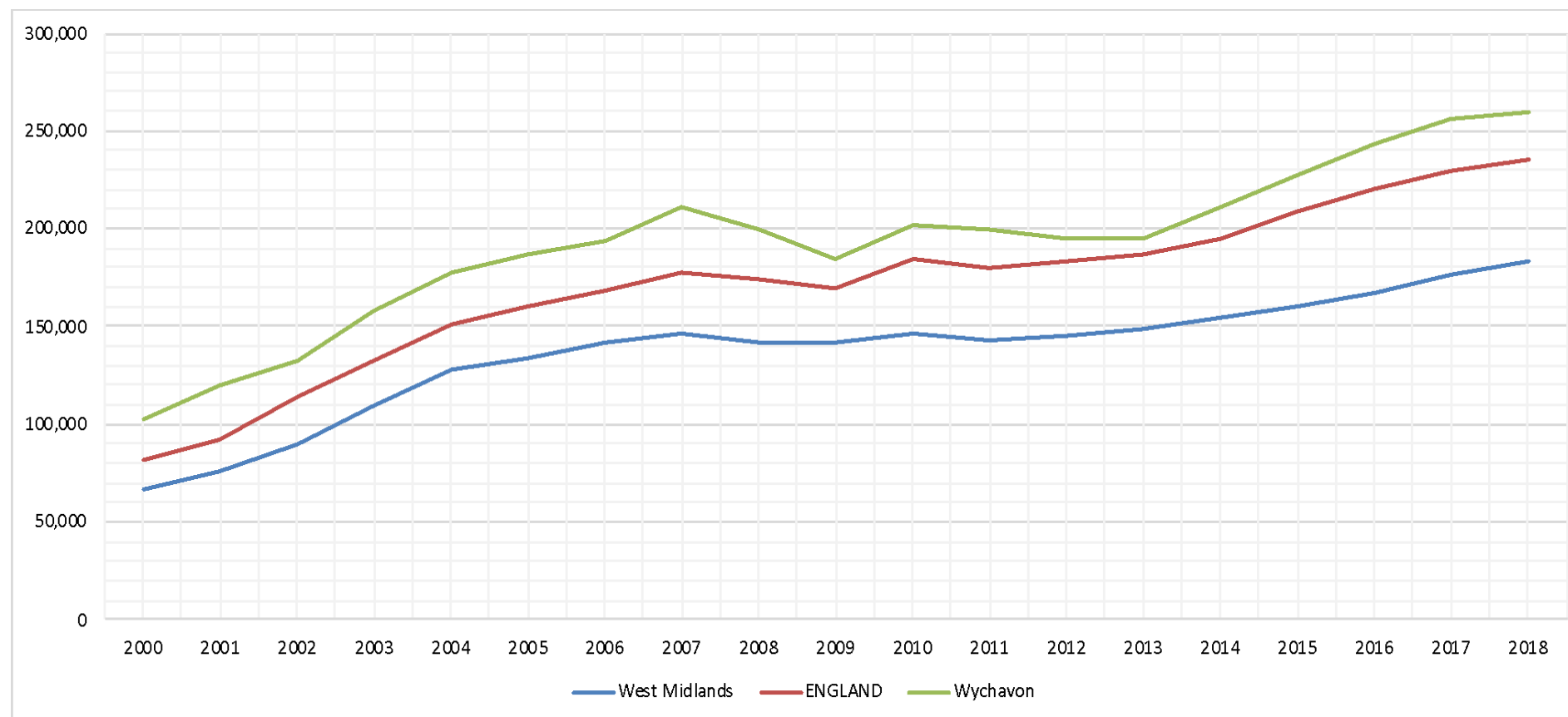
3. Understanding the housing market dynamics

Introduction

- 3.1 The purpose of this chapter is to assess the geographical context of the housing market in the Wychavon District Council area and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the dynamics of the Wychavon housing market emerges. This chapter considers house price trends, relative affordability, household migration, travel-to-work patterns and dwelling completions data for Wychavon. It provides a clear overview of the housing market dynamics of the area, providing the key evidence needed to determine the appropriate approach to assessing housing need.

House price trends

- 3.2 Figure 3.1 shows how house prices in the district area have changed over the period 2000 to 2018, based on full-year Land Registry price paid data. This is compared with the West Midlands region and England as a whole.
- 3.3 Median house prices in the Wychavon District have been consistently higher than those for the West Midlands region and for England as a whole. Median house prices in Wychavon more than doubled in the period 2000-2007, rising from £103,000 in 2000 (West Midlands median was £67,000) to £210,750 in 2007 (West Midlands median was £147,000). The next period up to 2014 saw prices decrease and stagnate again reflecting regional and national trends, with prices fluctuating and only rising to the 2007 median price (£210,750) by 2015. However, the rate of growth has accelerated in the last three years.

Figure 3.1 Median house price trends 2000 to 2018: Wychavon, the West Midlands and England

Source: Data produced by Land Registry © Crown copyright 2018

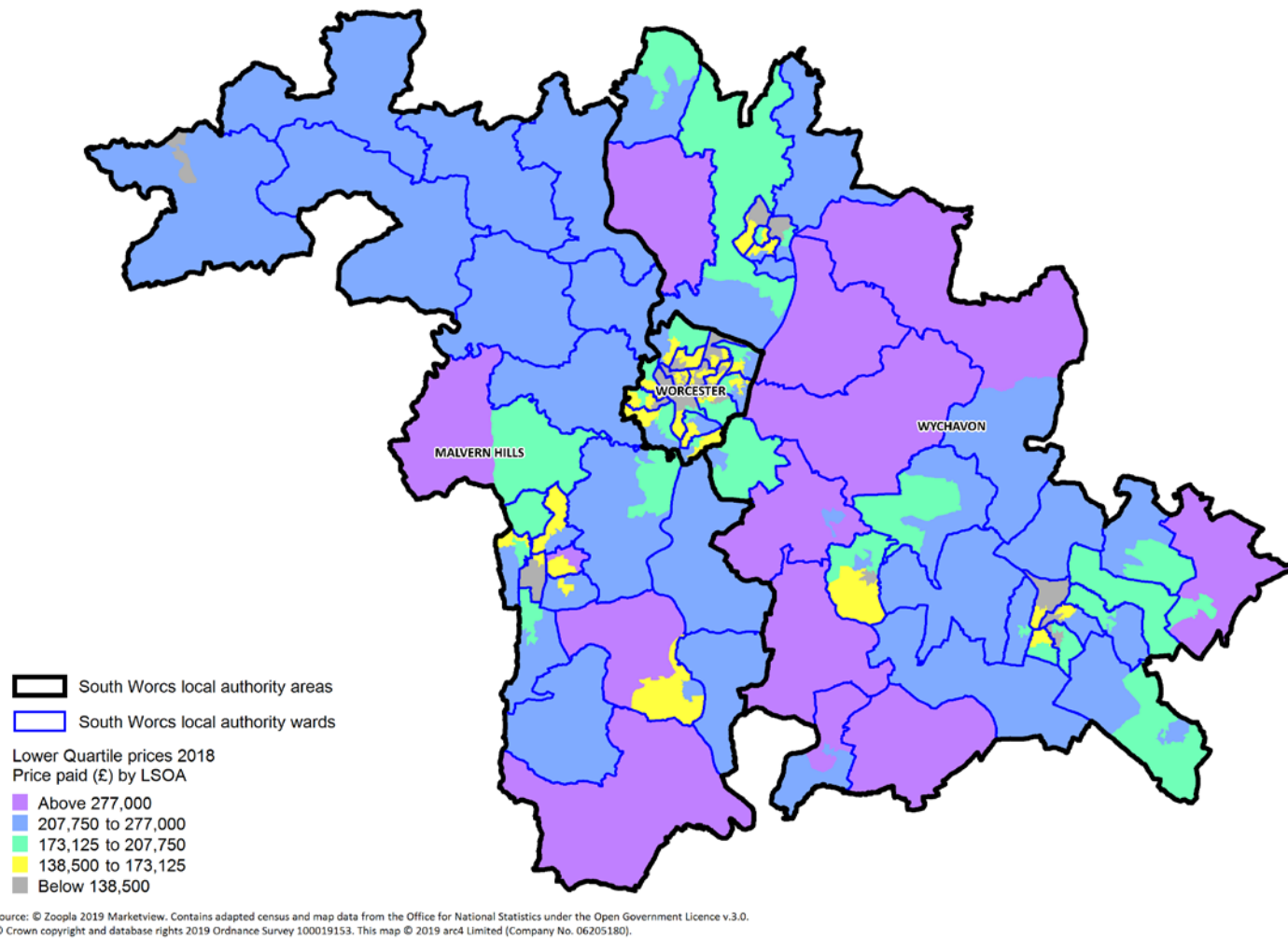
- 3.4 Table 3.1 sets out comparative house price change over the period, ranked in order of percentage change from highest to lowest. This indicates that the rate of growth in Wychavon has been comparable with the neighbouring areas of South Worcestershire and most other neighbouring local authorities but lagged behind the growth experienced in the West Midlands and England as a whole.

Table 3.1 Comparative house price change 2000-2018 with neighbouring local authority areas, the West Midlands and England

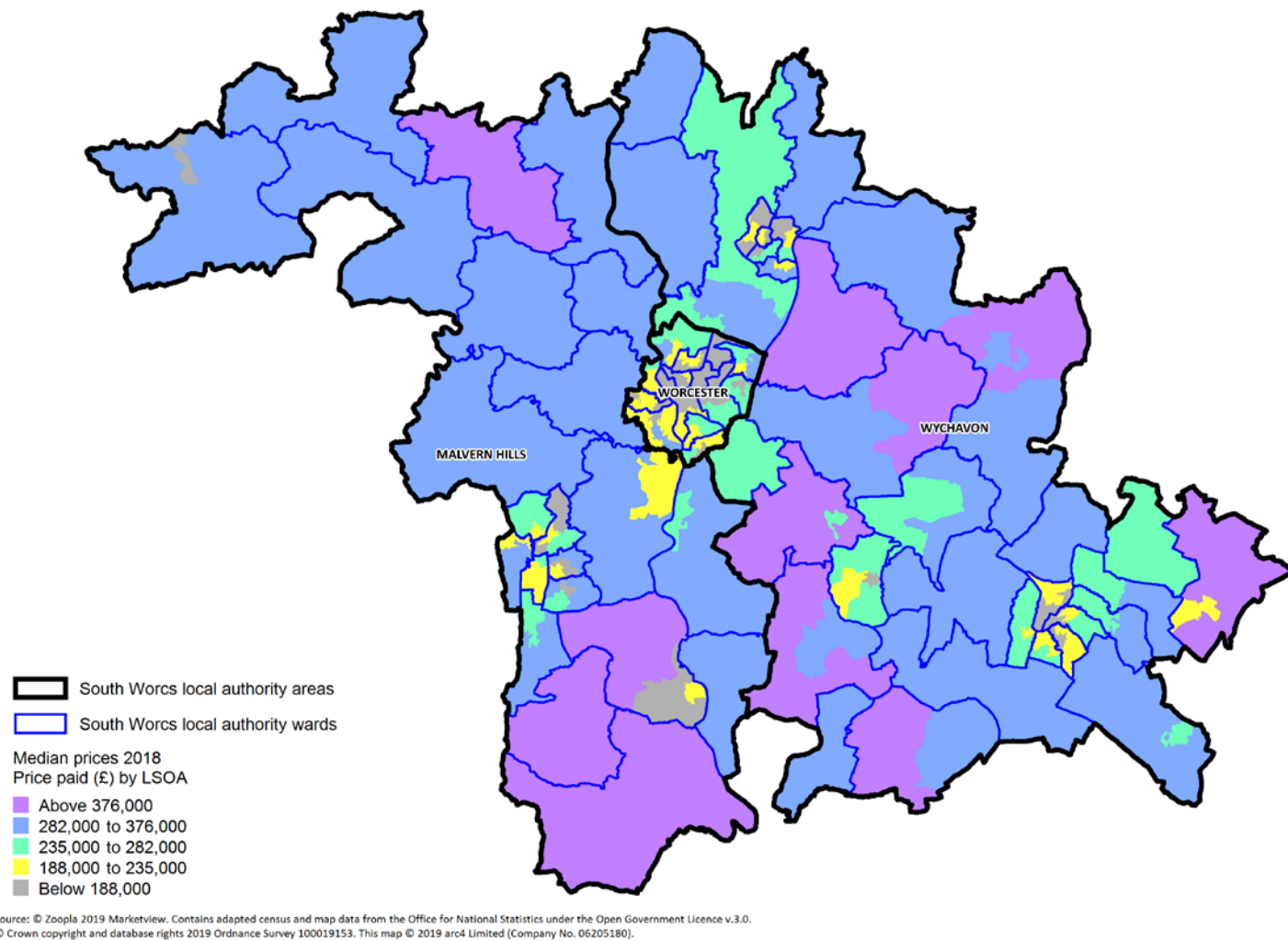
Location	Median price (£)		% Change 2000-2018
	2000	2018	
Tewkesbury	£89,375	£255,000	185.3
England	£82,000	£235,000	186.6
Shropshire	£75,000	£212,000	182.7
Forest of Dean	£74,500	£215,000	188.6
West Midlands	£67,000	£179,500	167.9
County of Herefordshire UA	£83,500	£232,500	178.4
Cotswold	£133,375	£338,000	153.4
Malvern Hills	£100,000	£262,500	162.5
Worcester	£73,000	£192,500	163.7
Wyre Forest	£69,000	£181,000	162.3
Wychavon	£103,000	£260,000	152.4
Redditch	£77,000	£197,250	156.2
Stratford-on-Avon	£123,000	£300,000	143.9
Bromsgrove	£111,000	£277,500	150.0

Source: Data produced by Land Registry © Crown copyright 2018

- 3.5 During 2018, median prices as reported by the Land Registry across the Wychavon District were £260,000 and lower quartile prices were £195,000. The distribution of median and lower quartile house prices during 2018 is illustrated in Maps 3.1 and 3.2. These indicate relatively higher prices outside of the three main settlements, particularly to the West, East and South of the district boundary.

Map 3.1 Lower quartile house prices 2018 by LSOA within ward across Wychavon and adjacent South Worcestershire authorities

Source: Data produced by Land Registry © Crown copyright 2018

Map 3.2 Median house prices 2018 by LSOA within ward across Wychavon and adjacent South Worcestershire authorities

Source: Data produced by Land Registry © Crown copyright 2018

Relative affordability

- 3.6 The relative affordability of open market dwellings in Wychavon is compared with neighbouring local authorities in the West Midlands, the South West and England in Tables 3.2 and 3.3. These tables are produced by ONS, based on a ratio of earnings to house prices using Land Registry Price Paid and ONS workplace-based and resident-based Annual Survey of Hours and Earnings data.
- 3.7 In terms of relative affordability based upon lower quartile prices (rank based on workplace-based least-to-most affordable), Wychavon District is the fifth least affordable local authority area of the 12 neighbouring local authority areas listed, with a price to income ratio in 2017 of 9.85, i.e. lower quartile house prices are 9.44x lower quartile gross earnings. This compares with a regional figure of 6.89 and national figure of 7.29. Note that under residence-based data, the affordability ratio is slightly lower.

Area	Workplace-based				Resident-based			
	2015	2016	2017	2018	2015	2016	2017	2018
Cotswold	11.45	12.89	12.80	12.39	11.35	12.55	12.10	11.77
Malvern Hills	9.25	10.79	10.67	10.18	8.89	9.24	8.65	9.19
Bromsgrove	10.84	11.56	10.34	10.69	7.45	8.30	8.45	9.06
Stratford-on-Avon	9.89	10.33	9.99	10.56	9.38	10.14	9.59	10.12
Wychavon	8.81	9.34	9.44	9.85	8.95	9.15	10.06	9.77
Forest of Dean	7.82	8.82	9.03	8.61	6.92	7.52	7.35	8.14
County of Herefordshire	8.82	8.51	8.80	9.51	8.67	8.22	8.92	9.03
Tewkesbury	8.22	8.13	8.65	8.63	8.19	8.67	8.92	9.78
Shropshire	7.99	8.16	8.52	8.15	7.50	7.79	7.70	7.76
Redditch	7.79	7.53	7.89	7.96	8.16	7.52	7.91	8.14
Wyre Forest	7.05	7.32	7.81	7.94	6.56	6.62	7.17	7.37
Worcester City	8.06	7.78	7.49	7.63	7.24	7.78	7.46	7.71
England	7.11	7.16	7.26	7.29	7.11	7.16	7.26	7.29
West Midlands	6.49	6.54	6.68	6.89	6.50	6.53	6.65	6.88

Sources: ONS Ratio of house price to earnings

- 3.8 In terms of relative affordability based on median prices, Wychavon again is the fifth least affordable local authority area compared with its 12 neighbours, with a median income to house price ratio in 2018 of 9.82 as illustrated in Table 3.3. This is again based on Land Registry Price Paid and ONS Annual Survey of Hours and Earnings data. This compares with a regional figure of 6.78 and national figure of 8.00. Note that under residence-based data, the affordability ratio is slightly lower, indicating that properties are more affordable.

Table 3.3 Relative affordability of median prices by local authority area

Area	Workplace-based				Resident-based			
	2015	2016	2017	2018	2015	2016	2017	2018
Cotswold	12.10	13.20	14.00	13.63	10.97	11.51	11.06	10.96
Malvern Hills	9.68	10.37	10.63	11.31	8.63	9.02	7.73	9.77
Bromsgrove	10.33	10.39	10.24	10.60	7.60	8.07	8.00	8.22
County of Herefordshire	9.66	8.87	9.49	9.82	8.98	8.11	9.31	9.27
Wychavon	8.84	9.35	9.36	9.82	8.25	8.74	8.88	9.00
Stratford-on-Avon	9.68	9.54	9.26	10.41	9.40	9.25	9.35	10.02
Forest of Dean	8.06	8.23	8.74	9.09	6.67	6.54	6.45	7.80
Shropshire	7.62	7.81	8.39	8.11	7.14	7.12	7.61	7.77
Tewkesbury	8.22	7.98	7.92	8.50	7.33	7.77	7.99	9.30
England	7.52	7.72	7.91	8.00	7.53	7.72	7.91	8.00
Wyre Forest	7.08	7.35	7.79	8.26	6.12	6.41	6.78	6.91
Redditch	7.32	7.15	7.52	8.25	8.02	7.66	7.48	8.20
Worcester City	7.00	6.94	6.61	6.79	6.57	6.88	6.45	6.85
West Midlands	6.27	6.38	6.60	6.78	6.29	6.40	6.59	6.80

Sources: ONS Ratio of house price to earnings

Household migration

- 3.9 Data reported in the 2011 Census provides evidence from which the degree of self-containment of Wychavon can be derived. PAS guidance recommends that migration data are tested and that at least 70% of all migration excluding long-distance migration should be contained within the HMA. A suitable test are two migration containment ratios:
- **Supply side (origin):** moves within the area divided by all moves whose origin is in the area, excluding long-distance moves; and
 - **Demand side (destination):** moves within the area divided by all moves whose destination is in the area, excluding long-distance migration.
- 3.10 Table 3.4 presents the relevant migration data for Wychavon. Of the total 9,638 moving residents in the year preceding the census, 52.1% originated in Wychavon, 7.2% from Worcester, 3.2% from Bromsgrove, 17.3% from elsewhere in the West Midlands and 20.2% from elsewhere in the UK. Excluding long-distance moves (elsewhere in the UK), the base is 7,692 movers of whom 65.2% originated in Wychavon.
- 3.11 Table 3.5 summarises the containment ratios that apply to the origin and destination of moving residents. In line with PPG, this excludes long-distance migration (which in this case is taken as moves from outside the West Midlands). Based on these criteria, the origin containment ratio is 65.2% and the destination is 66.2%. This indicates reasonably high level of self-containment in terms of population migration.

Table 3.4 Flows of residents (all moves)						
Origin/ Destination	Supply Side (Origin)			Demand Side (Destination)		
	All Moves		Excluding Long Distance Moves	All Moves		Excluding Long Distance Moves
	Number	%	%	Number	%	%
Wychavon	5,019	52.1	65.2	5,019	49.9	66.2
Worcester	697	7.2	9.1	739	7.3	9.7
Bromsgrove	312	3.2	4.1	214	2.1	2.8
Stratford-On-Avon	266	2.8	3.5	238	2.4	3.1
Redditch	230	2.4	3.0	185	1.8	2.4
Malvern Hills	218	2.3	2.8	287	2.9	3.8
Birmingham	207	2.1	2.7	250	2.5	3.3
Wyre Forest	202	2.1	2.6	247	2.5	3.3
Rest of West Midlands	541	5.6	7.0	408	4.1	5.4
Tewkesbury	191	2.0		201	2.0	
Cotswold	148	1.5		132	1.3	
Cheltenham	97	1.0		153	1.5	
Rest of South West	318	3.3		561	5.6	
Elsewhere UK	1,192	12.4		1,423	14.1	
Total	9,638	100.0	100	10,057	100.0	100
Base (excluding long-distance moves)			7,692			7,587

Source: 2011 Census

Table 3.5 Containment ratios			
Origin	Moves within the area	All moves originating in the area	Containment Ratio
	5,019	7,692	65.20%
Destination	Moves within the area	All moves whose destination is in the area	Containment Ratio
	5,019	7,587	66.20%

Travel to work trends

- 3.12 The 2011 Census provides an analysis of travel to work (TTW) patterns and the extent to which residents in the Wychavon District travel to other areas together with details of how many people commute into the area. Table 3.6 presents this data and indicates that 54.2% of people who live in Wychavon work in the area; by comparison, 58.8% of workers in Wychavon, live in the district. This indicates a clear net outward movement of workers and illustrates that Wychavon is part of a wider functional economic area including Worcester.

Table 3.6 Wychavon 2011 Census commuting flows: workers (aged 16-74 years)**Where do people who live in Wychavon work?**

Live	Work	Number	%
Wychavon	Wychavon	29,427	54.2
	Worcester	5,753	10.6
	Stratford-On-Avon	2,315	4.3
	Birmingham	1,952	3.6
	Tewkesbury	1,865	3.4
	Bromsgrove	1,522	2.8
	Cotswold	1,460	2.7
	Malvern Hills	1,265	2.3
	Redditch	1,198	2.2
	Cheltenham	1,073	2.0
	Wyre Forest	1,043	1.9
	Other	5,376	9.9
Workers		54,249	100.0

Where to people who work in Wychavon live?

Where to people who work in Wychavon live			
Live	Work	Number	%
Wychavon	Wychavon	29,427	58.8
Worcester		5,054	10.1
Stratford-On-Avon		938	1.9
Birmingham		1,017	2.0
Tewkesbury		899	1.8
Bromsgrove		1,556	3.1
Cotswold		382	0.8
Malvern Hills		1,599	3.2
Redditch		1,149	2.3
Cheltenham		584	1.2
Wyre Forest		3,377	6.7
Other		4,058	8.1
Jobs		50,040	100.0

Source 2011 Census

- 3.13 In terms of defining market areas, the ONS provides a definition of travel-to-work (TTW) areas as follows:

*'The current criterion for defining TTW areas is that generally at least 75% of an area's resident workforce in the area and at least 75% of the people who work in the area also live in the area...however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted'*¹³

- 3.14 On this basis, it is concluded that Wychavon District cannot be considered to be self-contained in terms of the travel-to-work patterns of its own resident working

¹³<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangeoftraveltoworkareas/2001to2011>

population; however, it is part of a wider functional economic area extending across Worcester City and Malvern Hills in particular.

Housing market area

- 3.15 Wychavon is a broadly self-contained housing market area in terms of migration, but it is part of a wider functional economic area extending across Worcestershire. This corroborates the findings of the Worcestershire Economic Development Needs Assessment (September 2018) which concludes that ‘the primary functional economic market area for the South Worcestershire area can be approximated by the Worcestershire County area. A broader area extending to Stratford-upon-Avon, Cotswold, Tewkesbury and Cheltenham local authorities in the south and east and Birmingham in the north would be an approximation of a secondary functional economic area for South Worcestershire.’¹⁴ This evidence provides continued justification for the South Worcestershire Development Plan area.

Concluding comments

- 3.16 The purpose of this chapter has been to consider the general housing market context of Wychavon District and its inter-relationships with other areas. By reviewing house prices, relative affordability, migration, travel to work patterns and dwelling completions, a picture of the market dynamics of the district emerges.
- 3.17 House prices in Wychavon are considerable higher than the West Midlands average and also higher than England. In 2018, the median house price in Wychavon was £260,000 compared to £179,500 across the West Midlands and £235,000 across England. The lower quartile house price, according to the Land Registry in the district was £195,000 compared to £135,000 across the West Midlands and £150,000 across England.
- 3.18 Relative affordability, taking account of average earnings, reflects the cost of housing. Wychavon is less affordable than the England and West Midlands average and compared with its 11 neighbouring authorities, it is the second least affordable.
- 3.19 Analysis of migration and travel to work data indicates that Wychavon is broadly self-contained in terms of migration but part of a wider functional economic area which is also corroborated by the South Worcestershire Economic Development Needs Assessment. This evidence provides continued justification for the established South Worcestershire Development Plan area for planning policy purposes.

¹⁴ Paragraph 6.6 of the South Worcestershire Economic Development Needs Assessment, September 2018

4. Housing stock review

Introduction

- 4.1 The purpose of this chapter is to explore the characteristics of Wychavon's housing stock focusing on the current stock profile, condition and tenure characteristics. This includes a detailed analysis of the tenures: owner occupation, the private rented sector and affordable accommodation.

Estimates of current dwellings in terms of size, type, condition, tenure

- 4.2 There are several sources of data that provide an estimate of dwelling stock, stock attributes and households across Wychavon. According to the latest (2017) MHCLG data there are a total of **56,010** dwellings across Wychavon and of these 1,271 are vacant. The vacancy rate of 2.3% compares with a vacancy rate of 2.5% across England. This is slightly below the 'transactional vacancy level' of around 3%, which represents the proportion of stock which would normally be expected to be vacant to allow movement within the market.
- 4.3 2018 Valuation Office Agency (VOA) data report a total of 55,600 dwellings. VOA data provides a detailed breakdown of property type and number of bedrooms by sub-area and has been presented in this chapter.
- 4.4 Baseline dwelling statistics for the three main settlement areas are:
- Droitwich Spa - 10,600
 - Pershore - 3,770
 - Evesham - 11,710
- 4.5 Baseline dwelling statistics for each of the ward areas are set out in Table 4.1 based on 2018 VOA data.

Table 4.1 Dwelling stock by ward and parish	
Ward	Total Dwellings
Badsey	1,260
Bengeworth	3,290
Bowbrook	1,160
Bredon	1,120
Bretforton and Offenham	1,220
Broadway and Wickhamford	2,220
Dodderhill	1,260
Drakes Broughton	990
Droitwich Central	1,160
Droitwich East	2,810
Droitwich South East	2,110
Droitwich South West	2,210
Droitwich West	2,310
Eckington	1,230
Elmley Castle and Somerville	1,060
Evesham North	2,520
Evesham South	2,250
Fladbury	1,140
Great Hampton	1,340
Hartlebury	1,160
Harvington and Norton	1,130
Honeybourne and Pebworth	1,240
Inkberrow	2,440
Little Hampton	2,310
Lovett and North Claines	2,300
Norton and Whittington	1,340
Omersley	1,000
Pershore	3,770
Pinvinn	1,250
South Bredon Hill	1,030
The Littletons	1,200
Upton Snodsbury	1,120
Wychavon District total	55,600

Source: Wychavon District VOA 2018

Note: Numbers subject to rounding so total dwelling stock differs slightly from MHCLG estimate

Property size and type

- 4.6 Table 4.2 shows the breakdown of dwelling stock by type and size of property by settlement area and table 4.3 shows the breakdown by ward.
- 4.7 Smaller one- and two-bedroom houses account for 14.4% of overall dwelling stock and the proportion is highest in Evesham settlement (19.3%) and Little Hampton Ward (25.1%). Three or more-bedroom houses account for 62.7% of overall dwelling stock

and of the three settlement areas the proportions are highest in Droitwich Spa (63.9%). In Droitwich South East Ward, 84.8% of stock has three or more-bedrooms.

- 4.8 Flats account for 10.5% of dwelling stock; the majority of which have 1 or 2-bedrooms (10.1%). The proportions are highest in Evesham settlement area (18.8% flats) and at Ward level in Evesham North (33.7% flats) and in Droitwich East (31% flats)
- 4.9 Bungalows account for 12.4% of dwelling stock (7.8% have one or two-bedrooms and 4.6% have three or more-bedrooms). The proportion of bungalows is lower across the three main settlement areas than the district average. There are seven wards where around 20% of the dwelling stock are bungalows and the proportions are highest in Great Hampton (21.6%) and Upton Snodsbury (21.4%).

Table 4.2 Dwelling type and size by settlement

Dwelling type	Settlement (%)			District Total
	Droitwich Spa	Pershore	Evesham	
1/2 Bed House	11.6	17.8	19.3	14.4
3 Bed House	39.7	39.5	38.3	38.4
4 Bed House	24.2	19.4	15.9	24.3
1 Bed Flat	7.2	7.4	10.6	5.2
2 Bed Flat	8.1	6.1	7.6	4.9
3+ Bed Flat	0.1	0.8	0.6	0.4
1 Bed Bungalow	2.5	1.6	1.3	1.8
2 Bed Bungalow	4.6	4.8	4.8	6.1
3+ Bed Bungalow	2.0	2.7	1.7	4.6
Total	100.0	100.0	100.0	100.0
Base (valid data)	10,600	3,770	11,710	54,060

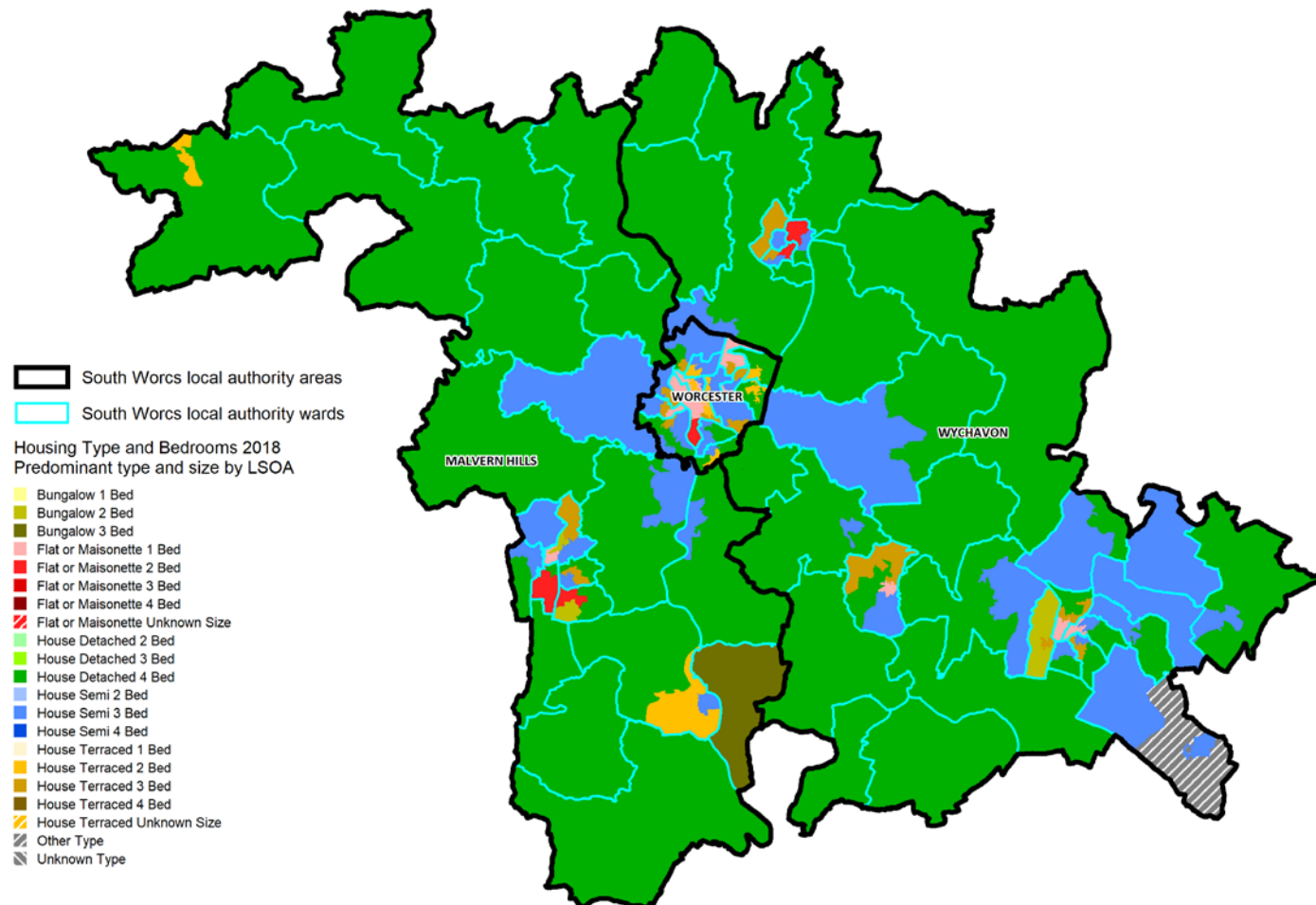
Source: Wychavon VOA Data 2018

- 4.10 Map 4.1 summarises the predominant dwelling stock type and size by LSOA for Wychavon and adjacent South Worcestershire authorities.

Table 4.3 Dwelling type and size by Ward

Ward	Dwelling type/size										Base (no. dwellings)
	1/2 Bed House	3 Bed House	4 Bed House	1 Bed Flat	2 Bed Flat	3+ Bed Flat	1 Bed Bungalow	2 Bed Bungalow	3+ Bed Bungalow	Total	
Badsey	15.9	41.3	23.0	2.4	1.6	0.0	2.4	7.9	5.6	100.0	1,260
Bengeworth	16.7	38.9	15.2	11.9	10.9	1.2	0.3	3.0	1.8	100.0	3,290
Bowbrook	11.2	35.3	38.8	0.0	0.9	0.0	0.9	5.2	7.8	100.0	1,160
Bredon	12.5	35.7	33.0	0.0	1.8	0.0	0.9	9.8	6.3	100.0	1,120
Bretforton and Offenham	18.9	44.3	16.4	2.5	1.6	0.0	0.8	9.8	5.7	100.0	1,220
Broadway and Wickhamford	15.8	38.3	20.3	5.4	5.9	0.9	0.9	7.2	5.4	100.0	2,220
Dodderhill	15.1	38.9	27.8	4.8	5.6	0.0	1.6	2.4	4.0	100.0	1,260
Drakes Broughton	8.1	41.4	27.3	0.0	2.0	0.0	1.0	9.1	11.1	100.0	990
Droitwich Central	13.8	44.8	13.8	11.2	8.6	0.0	5.2	1.7	0.9	100.0	1,160
Droitwich East	12.5	32.4	16.7	13.5	17.1	0.4	2.1	3.9	1.4	100.0	2,810
Droitwich South East	8.5	29.4	55.5	0.0	0.0	0.0	0.0	3.8	2.8	100.0	2,110
Droitwich South West	12.2	41.6	19.5	4.5	8.1	0.0	3.2	7.7	3.2	100.0	2,210
Droitwich West	11.7	53.7	14.3	6.5	4.3	0.0	3.5	4.8	1.3	100.0	2,310
Eckington	12.2	33.3	30.1	1.6	1.6	1.6	0.8	7.3	11.4	100.0	1,230
Elmley Castle and Somerville	13.2	37.7	27.4	0.9	0.0	0.0	1.9	10.4	8.5	100.0	1,060
Evesham North	15.5	36.5	11.5	21.4	11.1	1.2	1.2	1.6	0.0	100.0	2,520
Evesham South	22.2	39.1	18.7	4.4	4.0	0.0	3.6	7.1	0.9	100.0	2,250
Fladbury	12.3	37.7	28.1	2.6	2.6	0.0	1.8	7.9	7.0	100.0	1,140
Great Hampton	17.9	41.0	9.0	5.2	5.2	0.0	1.5	11.9	8.2	100.0	1,340
Hartlebury	12.1	29.3	36.2	3.4	4.3	0.0	1.7	5.2	7.8	100.0	1,160
Harvington and Norton	12.4	45.1	19.5	2.7	0.0	0.0	3.5	9.7	7.1	100.0	1,130
Honeybourne and Pebworth	16.9	41.1	27.4	1.6	0.8	0.0	1.6	6.5	4.0	100.0	1,240
Inkberrow	11.1	32.8	34.4	0.8	0.4	0.0	1.6	8.2	10.7	100.0	2,440
Little Hampton	25.1	36.8	22.9	6.1	3.9	0.0	0.4	4.3	0.4	100.0	2,310
Lovett and North Claines	8.7	38.3	33.5	2.6	4.8	0.9	0.4	5.7	5.2	100.0	2,300
Norton and Whittington	13.4	35.8	35.8	3.7	3.7	0.0	0.7	3.0	3.7	100.0	1,340
Omersley	13.0	36.0	31.0	2.0	2.0	1.0	5.0	5.0	5.0	100.0	1,000
Pershore	17.8	39.5	19.4	7.4	6.1	0.8	1.6	4.8	2.7	100.0	3,770
Pinvin	12.0	33.6	30.4	0.8	1.6	0.8	2.4	10.4	8.0	100.0	1,250
South Bredon Hill	17.5	36.9	26.2	0.0	1.0	0.0	2.9	9.7	5.8	100.0	1,030
The Littletons	11.7	49.2	19.2	0.0	2.5	0.0	2.5	8.3	6.7	100.0	1,200
Upton Snodsbury	11.6	36.6	29.5	0.0	0.9	0.0	2.7	8.0	10.7	100.0	1,120
Wychavon Total	14.4	38.4	24.3	5.2	4.9	0.4	1.8	6.1	4.6	100.0	53,950

Source: Wychavon VOA Data 2018

Map 4.1 Predominant dwelling type and size: Wychavon and adjacent South Worcestershire authorities

Source: Table CTSOP4.1 2018, Valuation Office Agency. Contains adapted map and data from the Office for National Statistics under the Open Government Licence v.3.0.
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Dwelling age

- 4.11 The age profile of dwelling stock in Wychavon District is summarised in Table 4.4. The majority of the district's dwellings have been built since the end of the Second World War, with the highest rates between 1965 and 1982 (23.2%) and between 1983 and 1999 (20.8%).

Table 4.4 Age of dwelling		
Age of Dwellings	Number	%
pre-1919	9,930	17.7
1919-44	4,230	7.5
1945-64	7,780	13.9
1965-82	13,040	23.2
1983-99	11,650	20.8
post 1999	9,480	16.9
Total	56,110	100.0
Unknown	430	
Grand Total	56,540	

Source: Valuation Office Agency 2018

Property condition

- 4.12 The English Housing Survey (2013/14) produces national data on dwelling condition. Applying national trends to the stock profile of Wychavon would suggest that around 17.5% of dwelling stock is non-decent, which is lower than the national average of 20.6% (Table 4.5). The number of dwellings likely to fail the minimum standard of decent homes criteria is estimated to be 10.1% (compared with 11.9% nationally).
- 4.13 A full definition of what constitutes a decent home is available from MHCLG¹⁵ but in summary a decent home meets the following four criteria:
- It meets the current statutory minimum for housing;
 - It is in a reasonable state of repair;
 - It has reasonably modern facilities and services; and
 - It provides a reasonable degree of thermal comfort.

¹⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf

Table 4.5 Dwelling stock condition estimates in England and Wychavon								
England		Fails decent homes criteria					All dwellings in group (000s)	% dwellings
Dwelling age (ehs)	-	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919	-	40.1	28.7	11.2	3.9	11.9	4,648	20.0
1919-44	-	24.1	13.1	7.6	1.7	7.6	3,930	16.9
1945-64	-	16.6	8.0	3.6	2.0	5.7	4,505	19.4
1965-80	-	17.5	8.8	1.8	1.9	7.6	4,757	20.5
1981-90	-	17.6	4.7	*	.9	13.5	1,953	8.4
post 1990	-	1.5	1.5	*	*	*	3,460	14.9
Total		20.6	11.9	4.6	1.9	7.5	23,254	100.0
Wychavon		Fails decent homes criteria (estimate)					All dwellings	% dwellings
Dwelling age (ehs)	Dwelling age (voa)	Non-decent	Minimum standard	Repair	Modern facilities and services	Thermal comfort		
pre-1919	pre-1919	3,984	2,849	1,112	383	1,185	9,930	17.7
1919-44	1919-44	1,017	554	319	73	321	4,230	7.5
1945-64	1945-64	1,294	620	283	152	445	7,780	13.9
1965-80	1965-82	2,278	1,143	239	248	988	13,040	23.2
1981-90	1983-92	1,016	273	*	54	777	5,770	10.3
post 1990	post 1992	225	225	*	*	*	15,360	27.4
Total		9,815	5,664	1,954	909	3,716	56,110	100.0
% of all stock in Wychavon		17.5	10.1	3.5	1.6	6.6		
National % (as above)		20.6	11.9	4.6	1.9	7.5		

Source: English Housing Survey 2013 data applied to 2018 Valuation Office Agency dwelling stock age profile

Note '**' indicates sample size too small for reliable estimate

Housing development (past and planned)

Past trends in housing delivery

- 4.14 Over the ten years, 2006/07 to 2017/18 there has been an average of 524 completions (net) per year across Wychavon (Table 4.6). Of these, an average of 143 have been affordable dwellings and 380 have been private dwellings.

Table 4.6 Net dwelling completions 2006/07 to 2017/18			
Year	Affordable Completions	Private Completions	Total Dwelling Completions
2006/07	36	210	246
2007/08	64	199	263
2008/09	57	152	209
2009/10	0	155	155
2010/11	58	153	211
2011/12	57	252	309
2012/13	154	331	485
2013/14	258	608	866
2014/15	257	618	875
2015/16	217	620	837
2016/17	191	508	699
2017/18	370	757	1,127
12-year Total	1,719	4,563	6,282
Annual Average	143	380	524

Source: Annual Monitoring Report (AMR) 2018

- 4.15 Table 4.7 sets out the annual dwelling targets presented in policy SWDP 3 of the South Worcestershire Development Plan. Table 4.8 sets out the annual requirements for the constituent areas.
- 4.16 A comparison of net annual completions and the adopted Core Strategy annual target is set out in graphical form in Figure 4.1.

Table 4.7 Overall dwelling targets 2006 to 2030 across the South Worcester Development Plan Area

Sub Area	Area	Area Sub-Total	Market Housing	Affordable Housing
Wider Worcester Area (WWA)	Wider Worcester Area	12,150	8,350	3,800
	Wider Worcester Area (Worcester City)	6,800	5,100	1,700
	Wider Worcester Area (Malvern Hills and Wychavon*#)	5,350	3,250	2,100
Malvern Hills (excluding WWA)	Malvern Hills (excluding WWA)	5,650	3,950	1,700
Wychavon (excluding WWA)	Wychavon (excluding WWA)	10,600	7,300	3,300
	South Worcestershire	28,400	19,600	8,800

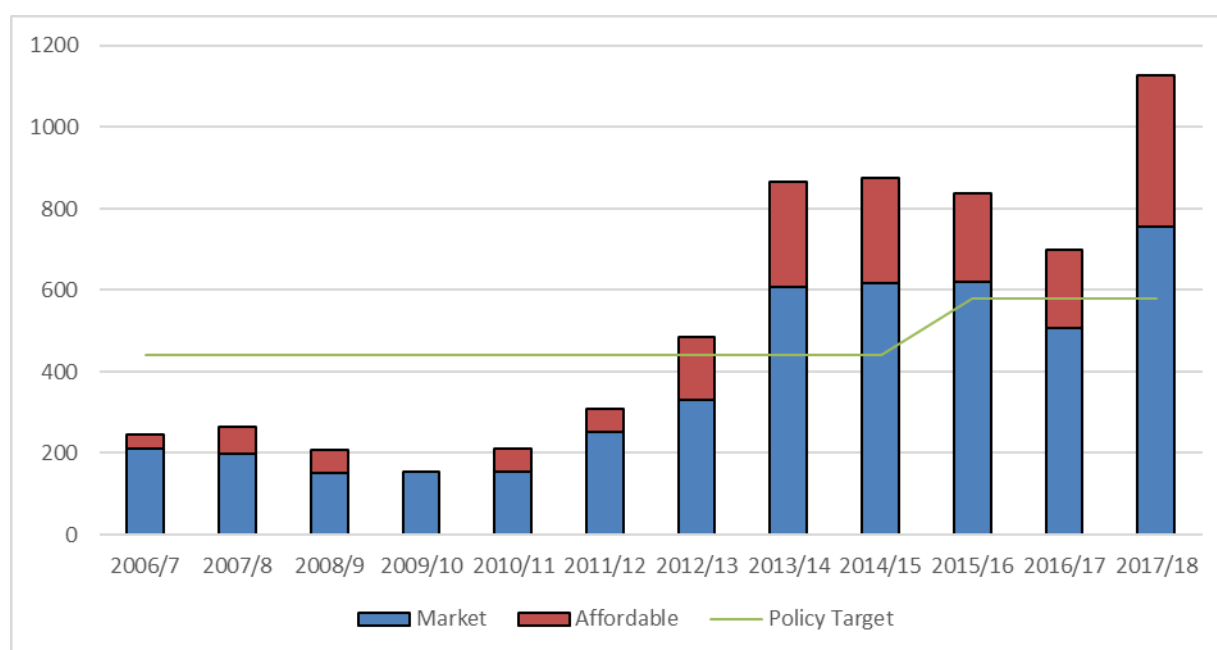
Source: South Worcestershire Councils

*Located within the districts(s) of Malvern Hills District and Wychavon District

#For monitoring purposes, the target (market housing and affordable housing) for that part of the WWA within Malvern Hills District 4,450 and the target for that part of WWA within Wychavon District is 900.

Table 4.8 Annual dwelling targets 2006 to 2030 across the South Worcester Development Plan Area

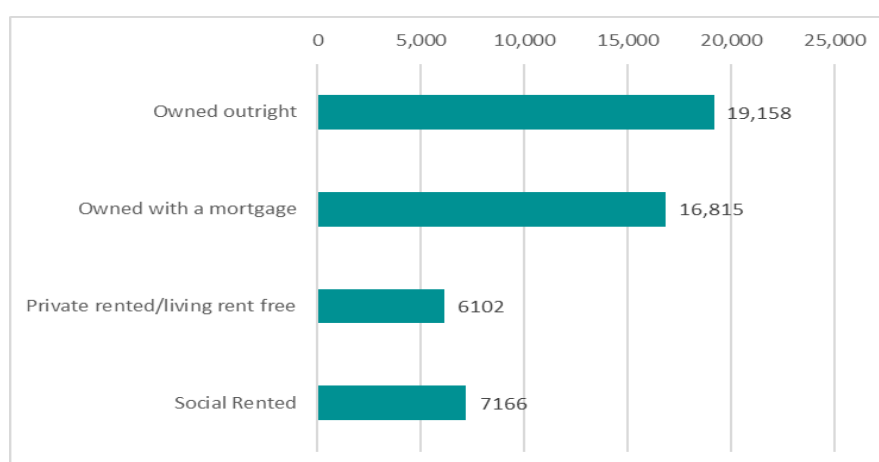
Area	Area Sub-Total	2006-2015	2015-18	2018-30
Wider Worcester Area (Worcester City)	6,800	283	371	261
Wider Worcester Area (Malvern Hills)	4,450	0	0	371
Wider Worcester Area (Wychavon)	900	56 (2014/15 only)	56	56
Malvern Hills (excluding WWA)	5,650	235	308	217
Wychavon (excluding WWA)	10,600	442	578	407
South Worcestershire	28,400	960 (1,016 in 2014/15)	1,314	1,314

Figure 4.1 Dwelling completions compared with the annual Core Strategy target

Source: Wychavon AMR and SWDP Plan Targets

Housing tenure

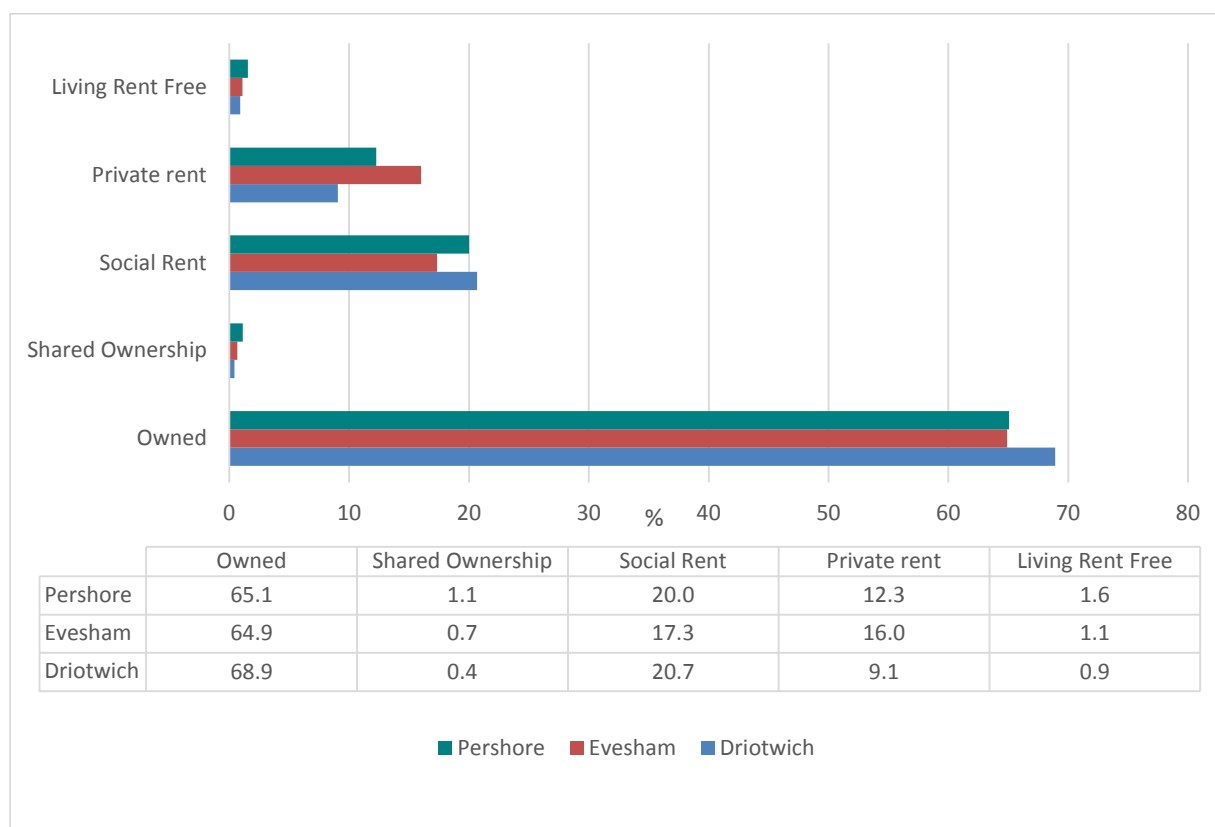
- 4.17 The 2011 Census provides a broad range of household data relating to the tenure of occupied dwellings. There are also several sources which provide more up to date information on the tenure of dwelling stock.
- 4.18 Based on the 2011 Census, the tenure profile of Wychavon District is summarised in Figure 4.2. Overall, 72.7% of occupied dwellings are owner-occupied, 14.5% are rented from a social housing provider, 12.3% are private rented (including tied accommodation/living rent free).

Figure 4.2 Wychavon: tenure profile of occupied dwellings

Source: 2011 Census

- 4.19 Figure 4.3 summarises the tenure profile by settlement area. Droitwich has the highest proportion of owner-occupied dwellings (68.9%) compared to around 65% in the other two areas. In Evesham, 16% of dwellings are private rented compared to 12.3% in Pershore and 9.1% in Droitwich.

Figure 4.3 Wychavon Settlement Areas: tenure profile of occupied dwellings



Source: 2011 Census

- 4.20 The ONS has produced subnational dwelling stock by tenure estimates for local authorities across England 2012-2017. They show¹⁶ that:
- Owner occupied stock was 73.2% of total stock in 2012 and 72.3% in 2017;
 - Private rented stock was 12.3% in 2012 and 12.7% in 2017;
 - By deduction, affordable stock represented around 14.5% of stock in 2012 and 15% in 2017.
- 4.21 Data from the Regulator of Social Housing SDR return 2018 indicates a total of 8,881 affordable dwellings (7,498 social rented, 95 supported housing units, 854 older person and 434 intermediate tenure). Based on this data, the affordable stock represents 15.9% of all dwellings.

¹⁶ Sample errors exceed +/-5% for these data

- 4.22 These data would suggest that the tenure profile in Wychavon has not changed since the 2011 census, but bear in mind that the 2011 census relates to households and the ONS data relates to dwellings.

Owner-occupied sector

- 4.23 According to the 2011 Census, 72.7% of households across the Wychavon District are owner occupiers. 38.7% of all households (19,158) own outright and 34.4% of all households (16,815) have a mortgage or loan.
- 4.24 In terms of the characteristics of owner-occupied stock, 94.5% of properties are houses or bungalows, and this is made up of 52.4% detached, 28.5% semi-detached and 14.5% terraced. 5.1% of owner-occupied dwellings are flats/apartments. In terms of property size, 2.7% of dwellings have one bedroom, 18.4% have two bedrooms, 42.6% have three bedrooms and 36.9% have four or more bedrooms¹⁷.
- 4.25 Over the period 2000 to 2018, Land Registry data reveals that lower quartile, median and average house prices across the Wychavon increased dramatically. This is summarised in Table 4.9. As shown in Table 3.1, house price change in Wychavon (+152.4%) has been similar to that experienced in neighbouring South Worcestershire Districts of Worcester City (163.7%), Malvern Hills (162.5%) but lagged behind regional (167.9%) and national (186.6%) price increases.
- 4.26 It is interesting to note that in 2000, a household income of £18,514 was required for a lower quartile price to be affordable; by 2018 this had increased to £50,143. In comparison, an income of £26,486 was required for a median priced property to be affordable in 2000 compared with £66,857 in 2018.

Table 4.9 Lower Quartile and median price and income required to be affordable				
Wychavon	House Price (£)		Income to be affordable*	
	2000	2018	2000	2018
Lower Quartile	£72,000	£195,000	£18,514	£50,143
Median	£103,000	£260,000	£26,486	£66,857

Source: Data produced by Land Registry © Crown copyright 2018

*Assuming a 3.5x income multiple and a 10% deposit is available

- 4.27 A range of socio-economic and demographic information on residents has been obtained from the 2011 Census. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 28.1% of owner occupiers are older (65 or over) singles and couples, 23.5% are couples (under 65 with no children), 21.4% are couples

¹⁷ 2011 Census data

with children under 18, 9.0% are singles (under 65), 2.9% are lone parents with adult children, 2.8% are lone parents with children under 18 and 4.7% are other household types;

- 65.7% of Household Reference People (Heads of Household) living in owner occupied dwellings are in employment and a further 32.0% are wholly retired from work;
- 35.7% of households in owner occupation are aged over 65. 64.3% are aged under 64, with 32.7% being between the ages of 50 and 64 and 26.6% aged between 35 and 49.

Private rented sector

- 4.28 The Government's Housing Strategy (November 2011)¹⁸, set out the Government's plans to boost housing supply. It recognised an increasingly important role for the private rented sector, both in meeting people's housing needs and in supporting economic growth by enabling people to move to take up jobs elsewhere and to respond to changing circumstances.
- 4.29 The private rented sector in England is growing; the Census 2011 confirmed that the sector totalled 16.8%, an increase from 8.8% in 2001. Increasing house prices pre-2007 and the struggling sales market when the down turn came are both factors that have underpinned the growth of the rental market for both 'active choice' renters and 'frustrated would-be' homeowners. Tenure reform and less accessible social rented housing are also likely to be an increasing factor to the growth in the private rented sector and the sector clearly now plays a vital role in meeting housing needs as well as providing an alternative to home ownership.
- 4.30 Local authorities have an important role in ensuring that the private rented sector meets both these requirements. Balancing good quality supply with demand will help to stabilise rents and encouraging good quality management will improve the reputation of the sector and encourage longer term lets and lower turnover. However, this is a challenging task where existing partners need to be encouraged to participate and new partners and investors need to be identified.
- 4.31 The private rented sector accommodates around 12.3% (6,102) of households across the Wychavon district.
- 4.32 According to the 2011 census, over two-thirds (71.2%) of private rented stock consists of houses or bungalows, and this is made up of 22.8% detached, 27.2% are semi-detached and 21.2% are terraced. One-quarter (28.8%) of private rented properties in Wychavon District are flats or apartments. In terms of property size, 18.4% of private rented dwellings have one-bedroom, 39.6% have two-bedrooms, 34.7% have three-bedrooms and 11.5% have four or more-bedrooms¹⁹.

¹⁸ *Laying the Foundations; A Housing Strategy for England, 2011*

¹⁹ 2011 Census data

- 4.33 In terms of the cost of renting, Tables 4.10 and 4.11 set out the comparative median and lower quartile rents for Wychavon, West Midlands and England as a whole.
- 4.34 The tables indicate that 2018 median (£693 pcm) and lower quartile (£594 pcm) rental prices are lower in the District than national levels but higher than the regional levels.
- 4.35 Comparing the rental price in 2018 with that in 2010 indicates that there has been an inflation increase of around 16.7% in median and 19.3% increase in lower quartile rental prices in Wychavon during the period. The rate of increase in median rentals is slightly lower in Wychavon than across the West Midlands but shows a much higher increase for lower quartile rentals compared to the region. Compared to England, median rental prices have not increased as much in Wychavon but again the local increase for lower quartile rates has been higher.

Table 4.10 Comparative median rental price 2010-2017

Location	Median price by year (£)		% change 2010-2018
	2010	2018	
Wychavon	594	693	+16.7%
West Midlands	546	650	+19.0%
England	893	1,075	+20.4%

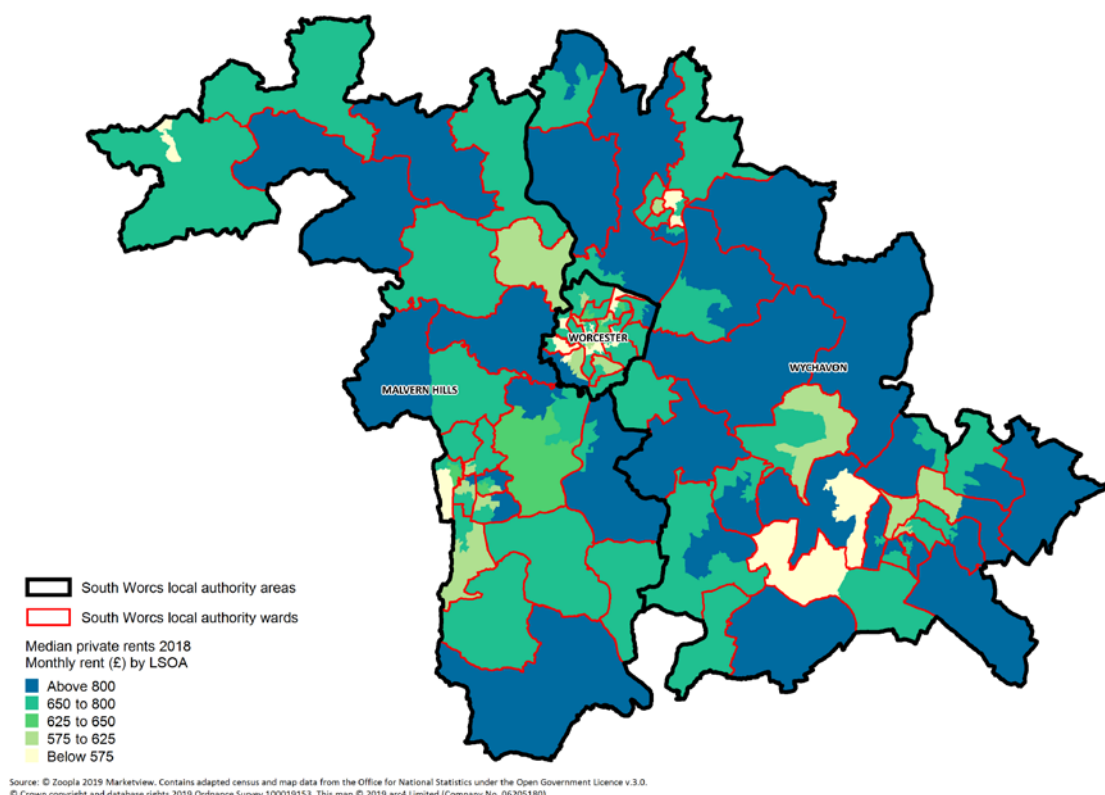
Source: Zoopla PPD 2018

Table 4.11 Comparative lower quartile rental price 2010-2017

Location	Lower quartile price by year (£)		% change 2010-2017
	2010	2018	
Wychavon	498	594	+19.3%
West Midlands	472	524	+11.0%
England	598	676	+13.0%

Source: Zoopla PPD 2018

- 4.36 In terms of spatial variation, Map 4.2 shows 2018 median rents across the wards of Wychavon and South Worcestershire more generally. This indicates that private rents are relatively high compared with neighbouring districts, with the highest prices to the East.
- 4.37 Estate agents report good demand across the main settlement areas of Droitwich, Pershore and Evesham, with investors competing for family sizes homes with first time buyers and households looking to upsize. In Droitwich agents told us of strong demand particularly from households claiming top up benefits. Local landlords would not avoid this group provided they could supply a guarantor. In Evesham it was noted that high demand is leading to rising rents and the local influx of European migrant workers have helped to fuel demand.

Map 4.2 Median rents 2018 by ward

Source: © 2018 Zoopla Limited

4.38 The Local Housing Allowance (LHA) rates for Wychavon were also examined. Wychavon is within four Broad Rental Market Areas (BRMAs). Cheltenham, Warwickshire South, Worcester North and Worcester South BRMAs²⁰:

Cheltenham BRMA:

- Shared accommodation rate - £70.40 per week
- 1-bedroom rate - £111.83 per week
- 2-bedroom rate - £143.34 per week
- 3-bedroom rate - £174.43 per week
- 4-bedroom rate - £240.59 per week

Warwickshire South BRMA:

- Shared accommodation rate - £74.02 per week

²⁰ A Broad Rental Market Area is an area 'within which a person could reasonably be expected to live having regard to facilities and services for purposes of health, education, recreation, personal banking and shopping, taking account of the distance of travel, by public and private transport and from those facilities and services'. A BRMA must contain 'residential premises for a variety of types, including such premises held on a variety of tenures' PLUS 'sufficient privately rented residential premises, to ensure that, in the rent officer's opinion, the LHA for the area is representative of the rents that a landlord might reasonably be expected to obtain in that area' Source: VOA BRMA statistics

- 1-bedroom rate - £122.66 per week
- 2-bedroom rate - £154.87 per week
- 3-bedroom rate - £181.80 per week
- 4-bedroom rate - £246.50 per week

Worcester North BRMA:

- Shared accommodation rate - £61.45 per week
- 1-bedroom rate - £92.05 per week
- 2-bedroom rate - £117.70 per week
- 3-bedroom rate - £133.32 per week
- 4-bedroom rate - £176.56 per week

Worcester South BRMA:

- Shared accommodation rate - £70.32 per week
- 1-bedroom rate - £99.06 per week
- 2-bedroom rate - £128.19 per week
- 3-bedroom rate - £153.02 per week
- 4-bedroom rate - £193.98 per week

4.39 We also examined the adjoining local authority LHA rates for a comparison with Wychavon rates. Table 4.12 highlights the LHA rates per week applicable in Wychavon and adjoining BRMAs.

Table 4.12 Comparative LHA Rates (£) in neighbouring areas					
BRMA	Shared accom. rate	1-bedroom rate	2-bedroom rate	3-bedroom rate	4-bedroom rate
Worcester North	61.45	92.05	117.70	133.32	176.56
Birmingham BRMA	57.34	98.87	123.90	132.00	173.41
Coventry BRMA	67.62	92.05	111.48	128.19	170.67
Black Country BRMA	60.00	86.30	104.89	120.29	151.50
Herefordshire BRMA	58.20	92.05	117.37	135.19	168.05
Shropshire BRMA	67.89	87.41	109.32	129.47	170.67
Solihull BRMA	73.25	116.53	149.59	172.60	230.14
Staffordshire North BRMA	53.58	80.55	90.90	109.32	139.84
Warwickshire South BRMA	74.02	122.66	154.87	181.80	246.50
Worcester South BRMA	70.32	99.06	128.19	153.02	193.98

Source: VOA / LHA rates per week

4.40 Census 2011 data on private rented tenants suggests that:

- there are around 11.7% of older (65 or over) singles and couples living in private rent, 24.2% are singles aged under 65, 22.8% are couples (under 65 with no children), 16.9% are couples with children, 11.1% are lone parents and 10.2% are other household types;
- 79.5% of Household Reference People (Heads of Household) living in private rent are in employment and a further 3.1% are unemployed;
- 34.1% of households in private rent are aged between 16 and 34, 31.9% are aged between 35 and 49. Only 14.2% are aged over 65.

4.41 Latest data from the Department for Work and Pensions (November 2018) indicates that 1,153 households living in the private rented sector are on Housing Benefit.

Affordable sector

- 4.42 There are two key sources of secondary data which can explore the characteristics of the affordable sector: the 2011 census and the latest (2018) Regular of Social Housing's Statistical Data Return (SDR). The SDR provides up to date information on overall dwelling stock number and size of dwelling. The 2011 census provides a broader range of data on the characteristics of households living in affordable housing.
- 4.43 The 2018 SDR identified a total of 8,881 affordable dwellings comprising 7,498 general needs, 95 supported, 854 dwellings for older people and 434 intermediate tenure dwellings. Using a base of 56,010 dwellings in 2018, 15.9% of all dwellings are affordable units. Of these, 29.3% have one-bedroom, 36.1% have two-bedrooms, 31.8% have three-bedrooms and 2.7% have four or more-bedrooms.
- 4.44 The 2011 Census found that there are around 7,166 households who live in an affordable (social rented) property across the Wychavon District, accounting for 14.5% of all occupied dwellings.
- 4.45 Of affordable housing stock across Wychavon, 71.5% of dwellings are houses or bungalows, of which 4.0% are detached, 41.6% are semi-detached and 25.8% are terraced. 28.5% of affordable dwellings are flats or apartments. In terms of number of bedrooms of occupied affordable stock, 29.5% of affordable dwellings have one-bedroom, 33.9% have two-bedrooms, 33.3% have three-bedrooms and 3.3% have four or more-bedrooms.
- 4.46 Within the affordable sector, around 32.1% of heads of households are aged over 65, 17.1% are aged between 16 and 34 and 50.8% are aged between 35 and 64.
- 4.47 Around 46.1% of heads of households within the affordable sector are in employment. 6.6% are unemployed, 31.6% are wholly retired from work and 8.8% are long-term sick or disabled.
- 4.48 Around 26.6% of households contain singles or couples aged over 65, 17.4% are lone parent households, with 70.7% of these having children aged under 18. 17.6% of households are couples with children and 10.5% are couples with no children. 19.3% are single occupants aged under 65 and around 4.1% are 'other' household types.

Concluding comments

- 4.49 The purpose of this chapter has been to explore the current housing market dynamics affecting and influencing the housing market within Wychavon. This chapter has provided detail on the current profile of dwellings by type, tenure and size along with property condition and property prices.
- 4.50 2017 VOA data shows that the majority of properties in Wychavon District are houses (76.9%), 12.3% are bungalows and 10.8% are flats/apartments. 8.1% have one-bedroom, 24.2% have two-bedrooms, 42.3% have three-bedrooms and 25.3% have four or more-bedrooms.
- 4.51 The 2011 census reported that 72.7% of households are owner occupiers, 14.3% are private rented tenants and 15% live in affordable tenures. An analysis of house prices and private rental costs indicates that open market housing has become more expensive in the district in recent years.

5. Affordable housing need and the needs of different groups

Introduction

- 5.1 The 2019 National Planning Policy Framework (Paragraph 61) requires that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policy. It sets out that these should include, but not be limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 5.2 The NPPF (Paragraph 62) also states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required.
- 5.3 The 2019 PPG considers how the housing need of particular groups relates to overall housing need calculated using the standard model:

'The need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is on the basis that the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.'

When producing policies to address the need of specific groups strategic policy-making authorities will need to consider how the needs of individual groups can be addressed within the constraint of the overall need established.

The standard method for assessing housing need does not breakdown the overall figure into different types of housing. Therefore, the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.

The household projections that form the baseline of the standard method are inclusive of all households including Gypsies and Travellers as defined within Planning Policy for Traveller Sites'²¹

- 5.4 In considering the need for different types of housing, the 2019 PPG makes specific reference to affordable housing, housing for older people, housing for people with disabilities, the private rented sector, self-build and custom housebuilding and student housing.
- 5.5 This chapter uses secondary data sources to assess affordable housing requirements in the District. It also considers the needs of particular groups to equip the council and its strategic partners in making policy decisions regarding future housing development.

²¹ Paragraph: 017 Reference ID: 2a-017-20190220

Affordable Housing Needs Assessment

- 5.6 As set out in the NPPF, a robust and defensible assessment of affordable housing need is essential for the development of housing policies.
- 5.7 The NPPF defines affordable housing as follows:
'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)...' (Annex 2)
- 5.8 The NPPF provides detailed definitions of different forms of affordable housing; this is set out in Chapter 1 of this report.
- 5.9 This section therefore considers affordable housing need for those households who cannot afford to meet their needs in the open market through home ownership or private rental. A range of secondary data are used to provide the robust and transparent evidence base required to assess housing need across the Wychavon District area. This is presented in detail at Appendix C of this report.
- 5.10 PPG 2019 states *'all households whose needs are not met by the market can be considered in affordable housing need'*²²
- 5.11 A detailed analysis of the following factors determines the extent to which there is a shortfall of affordable housing: -
- households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need); and those who can afford private rent but cannot afford to buy;
 - new households forming who cannot afford to buy or rent in the market;
 - existing households expected to fall into need; and
 - the supply of affordable housing through social/affordable renting and intermediate tenure stock.
- 5.12 Table 5.1 summarises the various stages of the analysis. A detailed discussion of the modelling is presented at Appendix C along with further breakdowns of affordable need data by ward and parish.

²² PPG 2019 Paragraph 018 Reference ID: 2a-018-20190220

Table 5.1 Affordable Needs Assessment Summary for Wychavon		
		WYCHAVON TOTAL
	Stage1: CURRENT NEED	
1.1	TOTAL in need and cannot afford open market (buying or renting)	2,305
	Stage 2: FUTURE NEED	
2.1	New household formation (gross per year)	824
2.2	% new households requiring affordable housing	55.2%
2.3	Number of new households requiring affordable housing	455
2.4	Existing households falling into need	Included in Stage 1
2.5	Total newly-arising housing need (gross each year)	455
	Stage 3: AFFORDABLE HOUSING SUPPLY	
3.1	Affordable dwellings occupied by households in need	819
3.2	Surplus stock	0
3.3	Committed supply of new affordable units	See comments at para 5.14
3.4	Total affordable housing stock available	819
3.5	Annual supply of social re-lets (net)	622
3.6	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	87
3.7	Annual supply of affordable housing	709
	Stage 4: ESTIMATE OF ANNUAL HOUSING NEED	
4.1	Total backlog need (1.1-3.4)	1,486
4.2	Quota to reduce over 5 years (20%)	20%
4.3	Annual backlog reduction	297
4.4	Newly-arising need (2.5)	455
4.5	Total annual affordable need (4.3+4.4)	752
4.6	Annual affordable capacity (3.7)	709
5.1	Net annual imbalance (4.5-4.6)	43

- 5.13 The above analysis indicates a net imbalance of 43 affordable dwellings each year over the next five years across Wychavon District based on the latest available data from the housing register. This is a minimum need as it is based on the number of households who have expressed a need for housing on the housing register.
- 5.14 There is an affordable newbuild pipeline supply of around 1,317 dwellings over the next 5 years. This will make considerable inroads into the affordable shortfall and evidences that the Council has effective affordable housing policies in place to help address affordable need and justifies the continuation of these policies in the forthcoming Local Plan.

Size of affordable dwellings

- 5.15 Regarding the size of affordable dwellings to be built, the housing register evidence would suggest a skew towards smaller dwellings as this is based on the allocation

policy recognised position on housing needs rather than wants or aspirations (Table 5.2)

Table 5.2 Affordable need by number of bedrooms		
No. Bedrooms	Current supply (%)	% based on housing register
1-bedroom	29.3	61.1
2-bedroom	36.1	27.3
3-bedroom	31.8	9.4
4-bedroom +	2.7	2.2
Total	100.0	100.0
Base	8,430	43

- 5.16 The assumptions underpinning each stage of the needs assessment model are presented in Appendix C.

Tenure split

- 5.17 No tenure preference data is available from the housing register. The overall tenure split based on arc⁴ national studies is 65% rented and 35% intermediate tenure. However, a final tenure split also needs to consider the current planning policy context as set out in the 2019 NPPF. This states in para 64:

‘where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership’

- 5.18 The current tenure split in the SWDP is 80% rented and 20% intermediate tenure (see Affordable Housing SPD 2016) and this remains an appropriate target, although the proportion of intermediate tenure dwellings may increase in the light of the NPPF. For instance, within larger developments:
- If 40% affordable housing is sought, 30% would be rented and 10% ownership (75/25 split);
 - If 30% affordable housing is sought, 20% would be rented and 10% ownership (67/33 split);
 - If 20% affordable housing is sought, 10% would be rented and 10% ownership (50/50 split)

Relative affordability of housing tenure options

- 5.19 The relative cost of alternative housing options across Wychavon, the main settlement areas and the parishes is explored in the tables below.
- 5.20 This includes affordable and market rent options and intermediate tenure options, including shared ownership. Table 5.3 shows the cost at the settlement and district

level for alternative tenure options and table 5.4 shows the income required. Tables 5.5 and 5.6 replicate the analysis at parish level. Caution should be taken when drawing conclusions from this data due to the small numbers of sales and rents recorded at this geography in a single year. Parishes for which no sales or rents were recorded have been excluded from the tables. Table 5.5 presents the assumptions underpinning the analysis.

- 5.21 This analysis indicates that for open market housing at Wychavon District level the minimum income required is £25,584 for rent (for lower quartile or entry-level renting) or £50,143 for buying (for lower quartile or entry-level house prices). Data relating to parishes are available in accompanying data tables.

Table 5.3 Price of alternative tenure options by main settlement area

Tenure option	Price (2018)			
	Droitwich	Evesham	Pershore	Wychavon Total
Social Rent (average)	£418	£418	£418	£418
Affordable Rent	£498	£498	£498	£498
Market Rent - Lower Quartile	£550	£576	£624	£533
Market Rent - Median	£650	£676	£854	£650
Market Rent - Average	£672	£667	£882	£699
Market Sale - Lower Quartile	£163,000	£165,000	£187,000	£195,000
Market Sale - Median	£227,000	£210,000	£225,000	£260,000
Market Sale - Average	£248,056	£222,448	£248,430	£294,068
Starter Home	£181,600	£168,000	£180,000	£208,000
Shared ownership (50%)	£113,500	£105,000	£112,500	£130,000
Shared ownership (25%)	£56,750	£52,500	£56,250	£65,000
Help to buy	£227,000	£210,000	£225,000	£260,000
Discounted home ownership	£173,639	£155,714	£173,901	£205,848

Source: Data produced by Land Registry © Crown copyright 2018, Zoopla 2018, RSH SDR 2018

Table 5.4 Income required for alternative tenure options by main settlement area

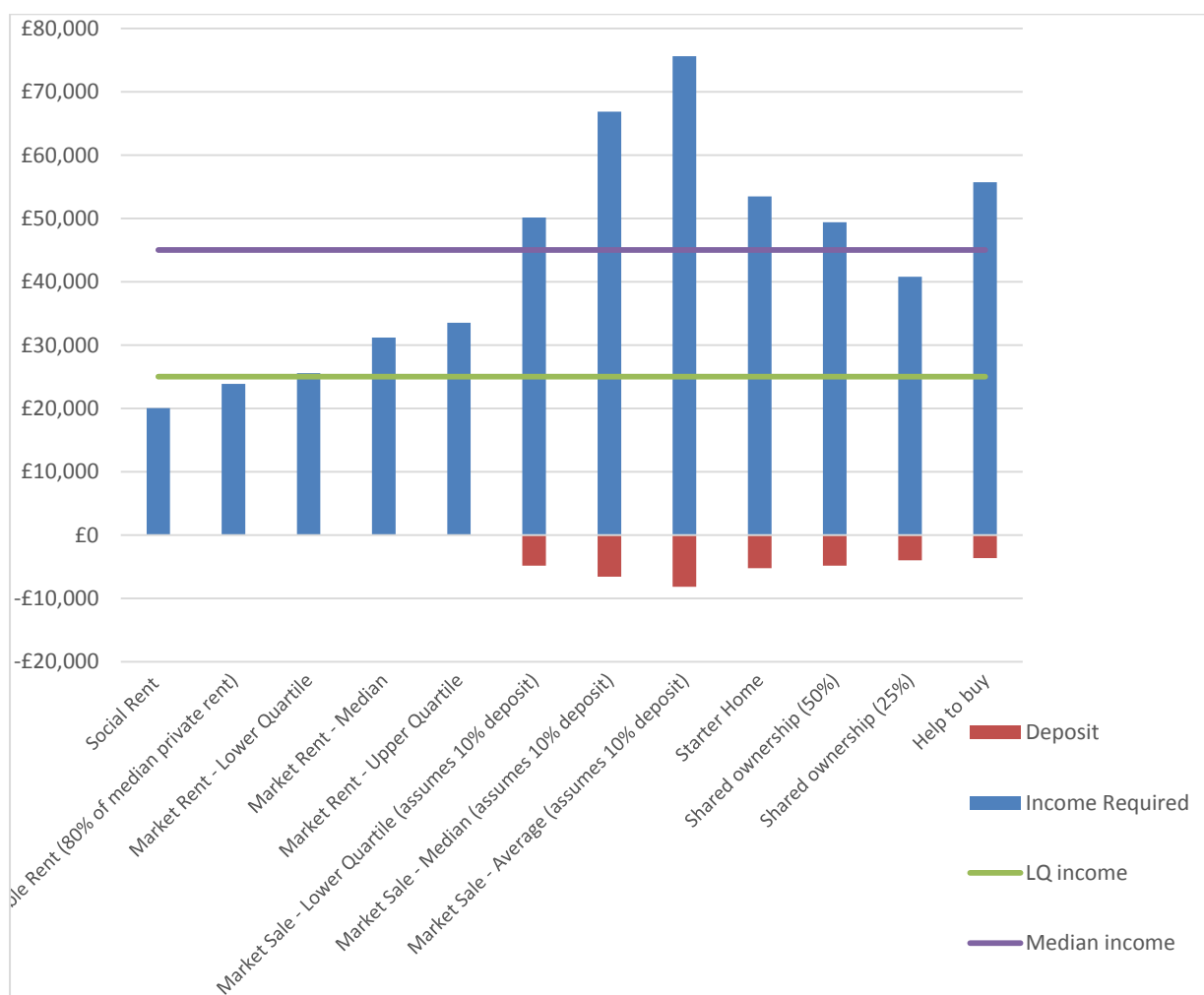
Tenure option	Price (2018)			
	Droitwich	Evesham	Pershire	Wychavon Total
Social Rent	£20,076	£20,076	£20,076	£20,076
Affordable Rent	£23,885	£23,885	£23,885	£23,885
Market Rent - Lower Quartile	£26,400	£27,648	£29,952	£25,584
Market Rent - Median	£31,200	£32,448	£40,992	£31,200
Market Rent - Average	£32,245	£32,005	£42,330	£33,553
Market Sale - Lower Quartile (assumes 10% deposit)	£41,914	£42,429	£48,086	£50,143
Market Sale - Median (assumes 10% deposit)	£58,371	£54,000	£57,857	£66,857
Market Sale - Average (assumes 10% deposit)	£63,786	£57,201	£63,882	£75,617
Starter Home	£46,697	£43,200	£46,286	£53,486
Shared ownership (50%)	£43,351	£40,230	£42,984	£49,409
Shared ownership (25%)	£35,811	£33,255	£35,510	£40,773
Help to buy	£48,643	£45,000	£48,214	£55,714
Discounted home ownership	£47,131	£42,265	£47,202	£55,873

Source: Data produced by Land Registry © Crown copyright 2018, Zoopla 2018, RSH SDR 2018

Table 5.5 Assumptions in assessing income required for alternative tenure options		
Tenure	Tenure price assumptions (and data source)	Affordability assumptions
Social rent	Latest prices (Regulator of Social Housing 2018 Statistical Data Return)	Affordability 25% of income
Affordable rent	Latest prices (Regulator of Social Housing 2018 Statistical Data Return)	Affordability 25% of income
Market Rent – lower quartile	2018 prices (Land Registry)	Affordability 25% of income
Market Rent – median	2018 prices (Land Registry)	Affordability 25% of income
Market Rent – upper quartile	2018 prices (Land Registry)	Affordability 25% of income
Market Sale – lower quartile	2018 prices (Land Registry)	90% LTV, 3.5x income
Market Sale – median	2018 prices (Land Registry)	90% LTV, 3.5x income
Market Sale – average	2018 prices (Land Registry)	90% LTV, 3.5x income
Starter Home	20% discount on full value (assumed to be median), 10% deposit on discounted portion, remainder mortgage based on 3.5x income	90% LTV, 3.5x income
Shared ownership (50%)	Total price based on median price and 50% ownership. Mortgage based on 40%. 10% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Shared ownership (25%)	Total price based on median price and 25% ownership. Mortgage based on 20%. 5% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Help to buy	Total price based on median price. Mortgage based on 75% equity. 20% loan and deposit of 5%. Loan fee of 1.75% in year 6 of outstanding equity loan increasing annually from yr7 at RPI+1%	75% LTV, 3.5x income
Discounted home ownership	70% of Average price	65% LTV, 3.5x income

5.22 Figure 5.1 below summarises in graphical form the relative affordability of alternative tenures at the district level, setting out the income and deposit required in the vertical axis for different options set against prevailing lower quartile and median earnings. It uses lower quartile and median earnings derived from CAMEO for 2018.

Figure 5.1 Affordability by tenure



Source: Data produced by Land Registry © Crown copyright 2018, © Zoopla Limited 2018, CLG, HCA, CAMEO 2018

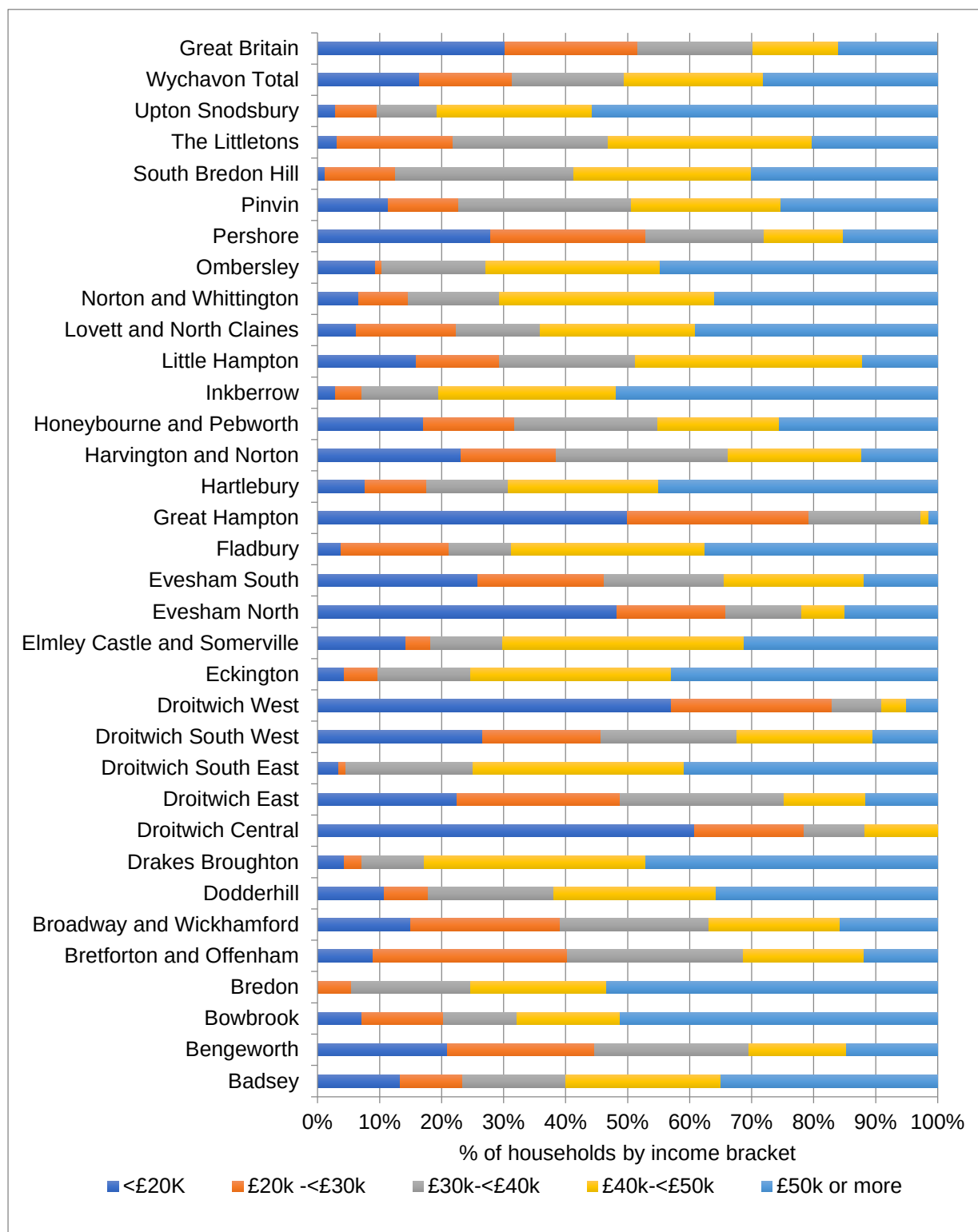
Note: The deposit requirements are shown on the figure as a negative number

5.23 This indicates that only social and affordable rent is affordable for households on lower quartile incomes. Households on median incomes can afford a higher proportion of housing options including affordable and market rent shared ownership (25%) and Help to Buy. By comparison, the majority of people – on lower quartile or median incomes – could not truly afford properties for sale on the open market at either the lower quartile or average price. The data shows the particular problem faced by households who do not have either existing equity or savings.

5.24 Ward-level household income data has been sourced for Wychavon using CAMEO data. The distribution of household income is summarised in Figure 5.2. This indicates considerable variation in income distribution by ward, with the proportion of

households with lower incomes (less than £20,000 each year) highest in the wards of Droitwich Central (60.8%) and Droitwich West (57.0%). High income households were particularly prevalent in Upton Snodsbury (where 55.8% had an income of £50,000 or more), Bredon (53.4%) and Inkberrow (51.9%).

Figure 5.2 Distribution of household income



- 5.25 Table 5.6 shows the Local Housing Allowance (LHA) rates from four BRMAs that apply to Wychavon. Table 5.6 also shows the relative affordability of Local Housing Allowance rates in the district, along with the proportion of households who can/cannot afford based on CAMEO income data (2018). Table 5.6 highlights the proportions of households who can afford each LHA category and those who cannot by BRMA.

Table 5.6 LHA rates (monthly) for Wychavon BRMAs and relative affordability				
Rate	Rate per week	Annual Income required	% of households who can afford	% of households who cannot afford
Worcester North				
Shared accommodation rate	£61	£12,782	92.6	7.4
1 bed rate	£92	£19,146	83.5	16.5
2 bed rate	£118	£24,482	76.1	24.0
3 bed rate	£133	£27,731	71.6	28.4
4 bed rate	£177	£36,724	57.7	42.3
Worcester South				
Shared accommodation rate	£70	£14,627	90.0	10.0
1 bed rate	£99	£20,604	83.5	16.5
2 bed rate	£128	£26,664	74.6	25.4
3 bed rate	£153	£31,828	66.8	33.2
4 bed rate	£194	£40,348	50.5	49.5
Cheltenham				
Shared accommodation rate	£70	£14,643	90.0	10.0
1 bed rate	£112	£23,261	79.0	21.0
2 bed rate	£143	£29,815	68.6	31.4
3 bed rate	£174	£36,281	74.6	25.4
4 bed rate	£241	£50,043	28.0	72.0
Warwickshire South				
Shared accommodation rate	£74	£15,396	90.0	10.0
1 bed rate	£123	£25,513	76.1	24.0
2 bed rate	£155	£32,213	65.0	35.0
3 bed rate	£182	£37,814	55.9	44.1
4 bed rate	£247	£51,272	28.0	72.0

Source: VOA LHA rates and TransUnion UK CAMEO Segmentation Income Data

Household Groups with specific housing needs

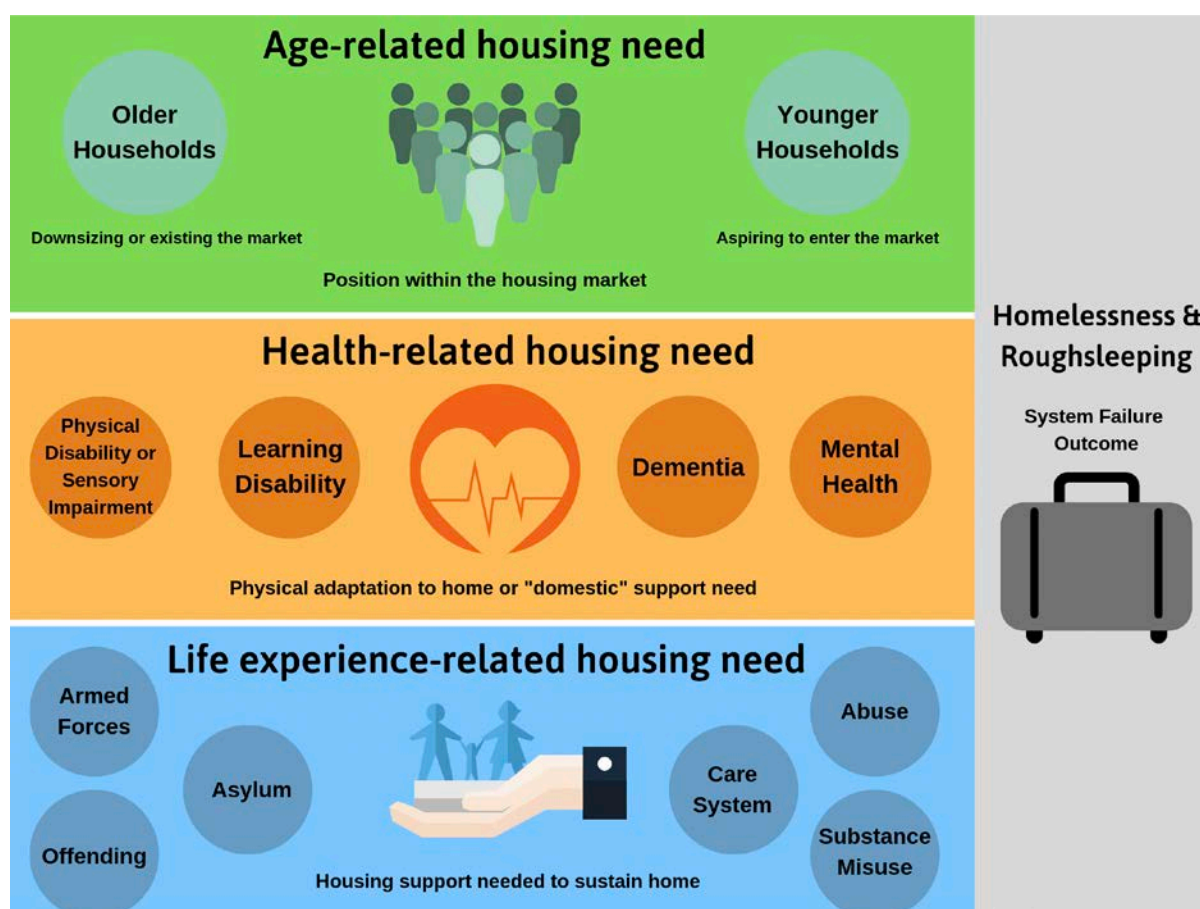
Introduction

- 5.26 The 2019 NPPF Paragraph 61 acknowledges that there are a range of household groups who have particular housing requirements. It sets out that the needs of different groups should be assessed and reflected in planning policy in terms of the size, type and tenure of housing. It states that these households include but are not limited to: those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.
- 5.27 The needs of those who require affordable housing have been addressed in the previous section of this chapter. The following sections look at other groups and consider their particular housing needs.
- 5.28 The PPG²³ states *'The need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is on the basis that the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. When producing policies to address the need of specific groups strategic policy-making authorities will need to consider how the needs of individual groups can be addressed within the constraint of the overall need established'*.

Housing requirements of older people, people with disabilities and other vulnerable groups

- 5.29 For older people, people with disabilities and other vulnerable groups, it is important that the evidence base considers those needing specific housing and housing-related support. This is a complex area of research, gathering evidence can be challenging and some people fall into multiple needs groups. Ultimately, evidence needs to translate to clear policy recommendations.
- 5.30 Figure 7.1 sets out the three key aspects of need which relate to these groups:
- Age-related housing need;
 - Health-related housing need; and
 - Life-experience related housing need.
- 5.31 A link to homelessness and rough sleeping is also made as a failure outcome of not providing appropriate accommodation for residents.

²³ 2019 PPG Paragraph: 017 Reference ID: 2a-017-20190220

Figure 7.1 Establishing need associated with age, health and life experience

Planning Practice Guidance

- 5.32 The February 2019 Planning Practice Guidance 'Housing and economic needs assessment' says that *'The health and lifestyles of older people will differ greatly, as will their housing needs. Strategic policy-making authorities will need to determine in relation to their plan period the needs of people who will be approaching or reaching retirement as well as older people now'*. It continues *'Strategic policy-making authorities will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services and providing more options for older people to move could also free up houses that are under occupied.'*
- 5.33 In June 2019, additional Planning Practice Guidance was issued which guides councils in preparing planning policies on housing for older and disabled people. The PPG also includes advice on accessible and adaptable housing. Regarding older people, the PPG says *'The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing...Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how*

*the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking*²⁴

- 5.34 Regarding people with disabilities, the PPG says *‘The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in helping them to live safe and independent lives. Unsuitable or unadapted housing can have a negative impact on disabled people and their carers. It can lead to mobility problems inside and outside the home, poorer mental health and a lack of employment opportunities. Providing suitable housing can enable disabled people to live more independently and safely, with greater choice and control over their lives. Without accessible and adaptable housing, disabled people risk facing discrimination and disadvantage in housing. An ageing population will see the numbers of disabled people continuing to increase and it is important we plan early to meet their needs throughout their lifetime.*²⁵
- 5.35 The PPG notes that *‘for plan-making purposes, strategic policy-making authorities will need to determine the needs of people who will be approaching or reaching retirement over the plan period, as well as the existing population of older people.’*²⁶

Structure of this chapter

- 5.36 This section is carefully structured to reflect the requirements of PPG. It is divided into the following sections:
- Housing for older people;
 - Adaptations to existing properties and assistance required in the home;
 - Housing for people with disabilities and additional needs and other vulnerable groups;
 - Optional accessibility standards for newbuild; and then considers
 - Families, homeless household data, Travellers, service families, students and demand for self- and custom build.

Housing for older people

- 1.1 The NPPF Annex 2 defines older people as *‘people over or approaching retirement age, including the active, newly-retired through to the very frail elderly; and whose housing can encompass accessible, adaptable general needs housing through to the full range of retirement and specialist housing for those with care and support needs.’*

²⁴ PPG June 2019 Paragraph: 001 Reference ID: 63-001-20190626

²⁵ PPG June 2019 Paragraph: 002 Reference ID: 63-002-20190626

²⁶ PPG June 2019 Paragraph: 003 Reference ID: 63-001-20190626

- 1.2 The February and June PPG recommends the following are considered in an assessment of older persons need:
- The future need for specialist accommodation (including but not restricted to age-restricted general market housing, retirement living or sheltered accommodation, extra-care or housing with care), broken down by type and tenure;
 - The need for care in residential care and nursing homes (C2);
 - The need for co-housing communities;
 - The role of general housing and in particular bungalows and homes that can be adapted to meet a change in needs.
- 1.3 PPG notes that *'plan-making authorities will need to count housing provided for older people against their housing requirement'*²⁷.

Housing for older people

- 5.37 PPG notes that *'the need to provide housing for older people is critical as people are living longer and the proportion of older people in the population is increasing'*²⁸. A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the district's older population. The number of people across the Wychavon aged 65 or over is projected to increase significantly during the Plan Period, from 30,000 in 2016 to 40,700 by 2030 (35.7% increase)²⁹. The increase in the population aged 85 or over is considerable, rising from 4,000 to 6,500 persons during the period 2016-2030 (62.5% increase).
- 5.38 According to 2014-based household projections³⁰, the number of households headed by someone aged 60 and over is expected to increase by 6,048. arc4 national household survey evidence indicates that the majority of older people (generally upwards of 65%) want to stay in their own homes with help and support when needed. However, it is important to diversify the range of older persons' housing provision.
- 5.39 arc⁴ national data (Table 5.8) indicates that older people are normally living in three- and four-bedroom houses but there are strong aspirations and expectations towards bungalows and smaller houses. Given the likely increase in older person households, it is important that the council recognises the impact this will have on the range of dwelling types and sizes being developed over the plan period.

²⁷ PPG June 2019 Paragraph: 016 Reference ID: 63-016-20190626

²⁸ Paragraph: 017 Reference ID: 2a-017-20190220

²⁹ ONS 2016-based Subnational population projections

Table 5.8 Older person housing choices			
	Current Dwelling (%)	Aspiration (%)	Expectation (%)
1/- bedroom house	14.2	14.0	10.8
3-bedroom house	36.3	19.2	18.2
4 or more-bedroom house	15.7	7.0	5.5
1/2 bedroom flat	14.4	16.1	19.7
3+ bedroomed flat	0.5	0.7	1.1
½-bedroom bungalow	12.4	25.3	28.0
3+ bedroom bungalow	5.8	13.7	11.1
Other	0.7	3.9	5.7
TOTAL	100.0	100.0	100.0
Base	436,735	43,855	38,615

Source: arc4 national surveys

5.40 The PPG recommends the following are considered in an assessment of older persons' need:

- The future need for specialist accommodation (e.g. sheltered, enhanced sheltered, extra care, registered care), broken down by type and tenure;
- The need for care in residential institutions (C2); and
- The role of general housing and in particular bungalows and homes that can be adapted to meet a change in needs.

Future need for older person accommodation and residential care institutions

5.41 Table 5.9 sets out the categories of older person accommodation as expressed by the Elderly Accommodation Counsel (EAC) and checked against the Statistical Data Return (of social housing providers). The EAC website provides an excellent source of information regarding the current range of older persons' provision in the district.

Table 5.9 Categories of older person accommodation		
Category	Number of units	Description
Age-exclusive housing	44	Schemes or developments that cater exclusively for older people, usually incorporate design features helpful to older people, and may have communal facilities such as a residents' lounge, guest suite and shared garden, but do not provide any regular on-site support to residents.
Care homes	311	A residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. Since April 2002 all homes in England, Scotland and Wales are known as 'care homes', but are registered to provide different levels of care. A home registered simply as a care home will provide personal care only - help with washing, dressing and giving medication. This is classed as C3 sheltered accommodation.
Care home with nursing	378	A home registered as a care home with nursing will provide the same personal care but also have a qualified nurse on duty twenty-four hours a day to carry out nursing tasks. These homes are for people who are physically or mentally frail or people who need regular attention from a nurse. This is classed as C2 residential care provision.
Enhanced sheltered/close case	0	Sheltered housing that provides more in facilities and services than traditional sheltered housing but does not offer the full range of provision that is found in an Extra Care housing scheme.
Retirement housing	540	Housing developments of a similar type to sheltered housing (see below), but built for sale, usually on a leasehold basis. Note that most housing association accommodation is listed as retirement housing by the EAC.
Extra Care housing	156	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 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.
Sheltered housing	896	Sheltered 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.
Total	2,325	Combines data from the EAC database (2,325) and 2017 SDR Return. The SDR identified 856 units of older person housing which is included in the Retirement Housing category.

Source: EAC database www.housingcare.org.uk;

Note the 2018 Regulator of Social Housing Statistical Data Return states a total of 854 units of older person accommodation

5.42 Across Wychavon, there are around 2,325 units of older persons' accommodation reported on the EAC database which includes 689 units of residential care (C2) dwellings. The tenure breakdown of older persons stock in the EAC database is 50.4%

housing association, 38.9% private and 10.7% small/family business. All retirement housing is owned by private companies and all sheltered housing is owned by housing associations; 44.1% of care homes are owned by private companies, 34.7% by small/family businesses and 21.2% by housing associations.

- 5.43 Table 5.10 considers the ratio of older people to current provision and then applies this ratio to future household projections. Over the plan period to 2030, this results in the need for 1,171 additional units of older persons accommodation, broken down into 824 units of specialist older (C3 planning use class) and 347 additional units of residential care provision (C2 planning use class). Assuming a 12-year period, this gives annualised figures of 98 total, 69 (C3) and 29(C2). The Worcestershire Extra Care Housing Strategy 2012-2026 identified a need for 1,118 units of extra care accommodation (with 73.1% owned and 26.8% rented).

Table 5.10 Analysis of future provision required to meet identified need for specialist older person accommodation

Current provision	Number of units 2018	Number aged 75 and over 2018	Number aged 75 and over 2030 (projected)	Future Need
		14,100	21,200	
		Ratio of population to current provision	Ratio applied to 2030 population	
Specialist older person	1,636	0.11602837	2,460	824
Residential Care	689	0.04886525	1,036	347
Total	2,325		3,496	1,171

The role of general housing and in particular bungalows and homes that can be adapted to meet the identified future need

- 5.44 PPG comments that *'Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities will therefore need to identify the role that general housing may play as part of their assessment.'*³¹ Having established the likely profile of dwellings occupied by older person households, it is evident that around one half live in three- and four or more-bedroom houses. There are also around 6,640 bungalows in Wychavon accounting for 11.9% of overall stock and 5,850 flats accounting for 10.5% of stock which has the potential to provide accommodation for older people.
- 5.45 Given that the majority of older people want to remain in their own homes with help and support when necessary, there will be an increasing need to adapt existing homes. The actual scale of existing adaptations in the home nationally has been explored in the 2015/16 English Housing Survey (as shown in Table 5.11). This identifies that, adaptations to bathrooms and grab rails are most frequently found in existing

³¹ Paragraph: 017 Reference ID: 2a-017-20190220

dwellings. Table 5.17 estimates the number of households likely to have adaptations in Wychavon based on national data.

- 5.46 Table 5.11 then factors in the likely change in households (an 8.9% increase by 2030 of 4,061 households) to establish the likely increase in the need to adapt existing dwellings.

Table 5.11 Likely level of property adaptation in Wychavon and future need for adaptations in the home

Type of adaptation	% dwellings with adaptations	Wychavon expected adaptations 2018	Wychavon expected adaptations 2030	Number of dwellings needing additional adaptations
Adapted bathroom	6.9	3,138	3,419	281
Grab rails	6.6	3,002	3,270	268
Adapted kitchen	2.8	1,274	1,387	113
Electrical modifications	2.1	955	1,040	85
Stair lift	1.7	773	842	69
Ramps	1.6	728	793	65
Hoists	0.5	227	248	21
Base	23.542	45,483	49,544	4,061

Source: English Housing Survey 2015-16

Wheelchair accessible dwellings

- 5.47 According to the English Housing Survey 2015/16, nationally 3.4% of households include wheelchair user: 1% use the wheelchair inside the home and 2.4% use a wheelchair only outside. Applying these proportions to Wychavon, there are 454 households requiring wheelchair accessible dwellings. There is no source data stating the actual number of wheelchair accessible dwellings currently in Wychavon, but it is recommended that 1% of new dwellings should be built to be accessible for someone with a wheelchair. This proportion should be monitored over the plan period to assess whether there is increasing need for wheelchair adapted dwellings, particularly in the light of the ageing population profile.

People with dementia and early onset dementia

- 5.48 The PPG makes specific reference to dementia and that *‘there should be a range of housing options and tenures available to people with dementia, including mainstream and specialist housing. Innovative and diverse housing models should be considered where appropriate’*³²

³² June 2019 PPG Paragraph: 019 Reference ID: 63-019-20190626

- 5.49 The PPG also outlines the characteristics of a dementia- friendly communities:
- easy to navigate physical environment
 - appropriate transport
 - communities shaped around the views of people with dementia and their carers
 - good orientation and familiarity
 - reduction in unnecessary clutter
 - reduction in disorienting visual and auditory stimuli
- 5.50 These dwelling attributes should be considered in future older persons' developments.

Senior co-housing communities

- 5.51 Senior co-housing is specifically mentioned in PPG as a housing option for older people: *'Senior co-housing communities are created and run by residents, based on the intention to live with a group of people of a similar age. The sites often consist of self-contained private homes as well as shared community space. Some communities offer an additional option for informal care.'*
- 5.52 arc4 national data indicates that around 10% of older person households would consider co-housing. It is therefore recommended that this option is considered as part of future older persons housing development.

Housing for people with disabilities and additional needs

- 5.53 February 2019 PPG comments that *'The provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in ensuring that they live safe and independent lives'*³³. The NPPF and PPG provide definitions of people with disabilities.
- 5.54 The NPPF Annex 2 defines people with disabilities as people who *'have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These people include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs. The PPG notes that these disabilities, may generate a range of housing requirements which can change over time. Local planning authorities may also wish to consider groups outside of the scope of this definition in order to meet specific needs within their community. To enable disabled people to live more safely and independently, local planning authorities will need to consider their variety of needs in both plan-making and decision-taking'*.

³³ PPG February 2019 Paragraph: 017 Reference ID: 2a-017-20190220

- 5.55 Figure 7.1 earlier in the chapter has established a framework for considering the needs of people with disabilities and additional needs.

Data sources

- 5.56 A range of data are available which can be used to estimate the number of people in Wychavon including the Census, national disability prevalence rates applied to the local population and the number receiving Disability Living Allowance.

Census 2011 data

- 5.57 The Census records a baseline of broad measures of disability across the population. Table 5.12 reports that across Wychavon, 4.5% of residents stated they were in bad or very bad health (and particularly associated with older age groups) and a further 13.1% were in 'fair' health. The majority (82.4%) were in 'very good or good health'. Overall, the 2011 census estimated that around 20,279 residents were in fair or bad/very bad health.

Table 5.12 Long-term health problem or disability			
Age Group	Measure of health (%)		
	Very good or good health (%)	Fair health (%)	Bad or very bad health (%)
Age 0 to 15	98.0	1.6	0.4
Age 16 to 24	95.0	4.0	1.0
Age 25 to 34	93.1	5.4	1.5
Age 35 to 49	88.7	8.3	2.9
Age 50 to 64	78.9	15.6	5.5
Age 65 to 74	66.5	25.3	8.2
Age 75 to 84	49.0	38.5	12.5
Age 85 and over	34.9	44.2	20.9
All categories: Age	82.4	13.1	4.5
Base	95,266	15,109	5,170

Source: 2011 Census Table DC3302EW7

- 5.58 The Census also reported that 8,301 (7.2%) Wychavon residents reported that their daily activities were limited 'a lot'. This is approximately 1% lower than the figure for England (8.3%). The figures for residents reporting that their daily activities were limited 'a little' are similar for Wychavon 11,379 (9.8%) and England 9.3%.

National disability prevalence rates applied to Wychavon

- 5.59 The ONS Family Resources Survey provides national data on the number of people with disabilities by age group and the nature of the disability (Table 5.13). This can be applied to population projections by age group to establish the likely number of residents who have a disability at the start of the Plan Period and how this is likely to change over the Plan Period 2016-2030. Although the number of people does not necessarily translate to a specific housing need, it provides a further insight into the likely range of disabilities experienced by residents in Wychavon. The baseline of around 29,320 people with an impairment/disability is higher than that reported in the 2011 census (those with fair or bad/very bad health). Overall, this analysis estimates that 23.8% of residents in households have a disability and this is expected to increase to 26.0% by 2030.

Table 5.13 Estimate of the number of people with a particular disability			
Disability	Estimated of residents with Disability		
	2016	2030	Change
Mobility	15,246	18,413	3,167
Stamina/breathing/fatigue	11,337	13,692	2,355
Dexterity	8,210	9,915	1,705
Mental health	6,450	7,790	1,340
Memory	4,789	5,784	995
Hearing	4,300	5,193	893
Vision	3,812	4,603	792
Learning	3,909	4,721	812
Social/behavioural	2,248	2,715	467
Other	4,398	5,311	913
Base (total in households with disability)	29,320	35,409	6,090
% of population with disability	23.8%	26.0%	

Source: ONS Family Resources Survey 2016/17 and ONS 2016-based population projections

Benefit claimants - disability living allowance (DLA) by disabling condition

- 5.60 The Department of Work and Pensions (DWP) publishes information about the number of people receiving Disability Living Allowance (DLA) and the conditions associated with the claim. Table 5.14 indicates that 2.2% of the population receive DLA, with 4.1% of all residents under 16 and 4.0% of all residents aged 65 and over in receipt of DLA. The disabling conditions reported by Wychavon residents in receipt of DLA are shown in Table 5.15 and indicates that the most prevalent conditions are learning difficulties and arthritis.

Table 5.14 DLA claimants by age group

Age group	Number of claimants	% of claimants	Population 2018 est	% population DLA claimant
Under 16	800	29.0	19,500	4.1
16-24	100	3.6	11,800	0.8
25-49	300	10.9	35,000	0.9
50-64	370	13.4	26,900	1.4
65 and over	1,190	43.1	30,000	4.0
Total	2,760	100.0	123,200	2.2

Source: NOMIS

Table 5.15 DLA claimants by disabling condition

Disabling Condition	Age Group			
	<65	65+	Total	Total %
Learning Difficulties	540	20	560	20.3
Arthritis	60	410	470	17.0
Neurological Diseases	90	50	140	5.1
Behavioural Disorder	130	0	130	4.7
Hyperkinetic Syndromes	130	0	130	4.7
Back pain - other / Precise diagnosis not Specified	50	70	120	4.3
Disease of the Muscles, Bones or Joints	40	80	120	4.3
Unknown / Transfer from Attendance Allowance	80	40	120	4.3
Spondylosis	10	70	80	2.9
Cerebrovascular Disease	10	70	80	2.9
Multiple Sclerosis	30	50	80	2.9
Psychosis	50	20	70	2.5
Blindness	30	30	60	2.2
Heart Disease	10	50	60	2.2
Psychoneurosis	40	20	60	2.2
Trauma to Limbs	20	30	50	1.8
Chest Disease	10	40	50	1.8
Deafness	30	10	40	1.4
Epilepsy	30	10	40	1.4
Malignant Disease	20	20	40	1.4
Diabetes Mellitus	20	10	30	1.1
Parkinson's Disease	0	20	20	0.7
Chronic Fatigue Syndromes	10	10	20	0.7
Major Trauma other than Traumatic Paraplegia/Tetraplegia	10	10	20	0.7
Severely Mentally Impaired	20	0	20	0.7
Asthma	0	10	10	0.4
Cystic Fibrosis	10	0	10	0.4
Peripheral Vascular Disease	0	10	10	0.4
Dementia	0	10	10	0.4
Bowel and Stomach Disease	10	0	10	0.4
Total	1,570	1,190	2,760	

Note: data may not sum correctly due to rounding of source material

Source: Nomis and DWP 2018

Recommendations for optional accessible building standards

- 5.61 In 2015, the Government introduced new optional accessibility standards for dwellings that could be required through the planning process if requirements are incorporated into planning policy. Leeds City Council have produced a helpful paper setting out their approach to understanding optional accessible building standards³⁴ which forms the basis for material in this section of the report.
- 5.62 Three national accessibility standards are contained within Part M Volume 1 of the Building Regulations³⁵ as set out in Table 5.16. The M4(1) visitable dwelling is the mandatory minimum standard applied to all new dwellings. Only one accessible housing standard can apply to any dwelling. The M4(2) accessible and adaptable dwelling standard is based on, and in 2015 effectively replaced, the 'Lifetime Homes' standard.

Table 5.16 Summary of accessible housing standards			
Standard Label	Standard title	Level of accessibility provided	Mandatory or optional
M4(1)	Visitable dwellings	Level access not necessarily provided into the dwellings – few accessibility features	Mandatory
M4(2)	Accessible and adaptable dwellings	Level access is provided into the dwelling – easy to adapt to make more accessible – not suitable for most wheelchair users	Optional
M4(3)	Wheelchair user dwellings	Dwellings suitable for wheelchair users: either wheelchair accessible or wheelchair adaptable	Optional

Source: Leeds City Council Core Strategy Selective Review: Accessible housing need assessment background paper February 2018

- 5.63 Figures 5.3 and 5.4 below define these optional accessibility standards. They are taken directly from the government's practice guidance.

³⁴ Leeds City Council Core Strategy Selective Review: Accessible housing need assessment background paper February 2018

³⁵ https://www.planningportal.co.uk/info/200135/approved_documents/80/part_m_-_access_to_and_use_of_buildings

Figure 5.3 Explanation of optional accessibility standard M4(2)

In the Secretary of State's view, optional requirement M4(2) will be met where a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users. Reasonable provision is made if the dwelling complies with all of the following.

- a. Within the curtilage of the dwelling, or of the building containing the dwelling, it is possible to approach and gain step-free access to the dwelling and to any associated parking space and communal facilities intended for the occupants to use.
- b. There is step-free access to the WC and other accommodation within the entrance storey, and to any associated private outdoor space directly connected to the entrance storey.
- c. A wide range of people, including older and disabled people and some wheelchair users, are able to use the accommodation and its sanitary facilities.
- d. Features are provided to enable common adaptations to be carried out in future to increase the accessibility and functionality of the dwelling.
- e. Wall-mounted switches, socket outlets and other controls are reasonably accessible to people who have reduced reach.

Figure 5.4 Explanation of optional accessibility standard M4(3)

In the Secretary of State's view, optional requirement M4(3) will be met where a new dwelling makes reasonable provision, either at completion or at a point following completion, for a wheelchair user to live in the dwelling and use any associated private outdoor space, parking and communal facilities that may be provided for the use of the occupants. Reasonable provision is made if the dwelling complies with all of the following.

- a. Within the curtilage of the dwelling or of the building containing the dwelling, a wheelchair user can approach and gain step-free access to every private entrance to the dwelling and to every associated private outdoor space, parking space and communal facility for occupants' use.
- b. Access to the WC and other accommodation within the entrance storey is step-free and the dwelling is designed to have the potential for step-free access to all other parts.
- c. There is sufficient internal space to make accommodation within the dwelling suitable for a wheelchair user.
- d. The dwelling is wheelchair adaptable such that key parts of the accommodation, including sanitary facilities and kitchens, could be easily altered to meet the needs of a wheelchair user or, where required by a local planning authority, the dwelling is wheelchair accessible.
- e. Wall-mounted switches, controls and socket outlets are accessible to people who have reduced reach.

5.64 Given the ageing population in Wychavon and the identified levels of disability amongst the population, it is recommended that a policy to provide new homes built to accessibility standards is included in the Local Plan. On the basis of available evidence, it is therefore recommended that:

- A minimum of 1% of new dwellings should be built to M4(3) dwelling standard based on national proportions of households where a resident uses a wheelchair inside the home;

- A minimum of 20% based on the proportion of households in Wychavon who would currently benefit from M4(2) accessible housing (evidence indicates that 20.8% of residents are in fair/bad health); 23.3% of residents in households are estimated to have a disability and 19.9% of residents in households have their activities limited in some way.
- 5.65 It should be noted however that any percentage requirements for accessible housing are subject to cumulative viability testing. It is also recommended that needs are monitored closely given the ageing population over the Plan Period.

Families with children

- 5.66 The 2011 Census found that families (that is couples and lone parents) with children account for 35.1% of households across Wychavon. Households which are families with dependent children make up 25.2% of the total and households which are couples and lone parents with adult children (aged 18 or over) living with them make up 9.9%.
- 5.67 According to the 2014-based CLG household projections, the number of households with children is expected to increase by around 424 over the period 2016-2030. arc⁴ national data (Table 5.7) indicates that families require the following range of dwellings, with a particular emphasis on the delivery for three- and four-bedroom stock. Nationally, 75.3% of families live in three and four-bedroom dwellings. There is a particular aspiration towards living in a four-bedroom dwelling, but families tend to expect to move to a three-bedroom dwelling.

Table 5.7 Family housing choices			
	Current Dwelling (%)	Aspiration (%)	Expectation (%)
1/2 Bedroom	17.5	7.7	16.4
3-bedroom house	45.7	37.8	45.3
4 or more-bedroom house	29.6	44.4	28.0
1/2 bedroom flat	4.0	1.9	3.5
3+ bedroom Flat	0.6	0.8	0.7
½-bedroom bungalow	0.7	2.5	2.9
3+ bedroom bungalow	1.6	3.6	2.2
Other	0.2	1.2	1.1
TOTAL	100.0	100.0	100.0
Base	304,451	70,433	68,425

Source: arc4 national surveys

Homeless households

- 5.68 Ministry of Housing, Communities and Local Government (MHCLG) Homelessness Statistics for the year 2017/18 indicate that a total of 232 decisions were made on households declaring themselves as homeless across the District (Table 5.17). Of these households, 130 were classified as homeless and in priority need. Over the eight years

2010/11 to 2017/18, an annual average of 241 decisions were made across the District and an average of 146 households each year were declared as homeless and in priority need. The overall trend has been a rise and then a fall in the number of households being accepted as homeless each year however the number has remained fairly static over the past three years.

Table 5.17 Homeless decisions and acceptances 2010/11 to 2017/18		
Year	Decisions made	Accepted as homeless
2010/11	139	102
2011/12	291	191
2012/13	287	161
2013/14	260	170
2014/15	232	153
2015/16	219	128
2016/17	270	132
2017/18	232	130
Total	1,930	1,167
Annual Average	241	146

Source: MHCLG Homelessness Statistics

Travellers

- 5.69 The 2011 Census identified 455 residents of Gypsy and Traveller ethnicity. Within the three main settlement areas:
- 35 lived in Droitwich
 - 93 lived in Evesham
 - 21 lived in Pershore.
- 5.70 The majority of residents, (313) lived in localities outside of the three main settlement areas.
- 5.71 There was a total of 183 households of whom 115 lived in bricks and mortar accommodation and 68 lived in a caravan or other mobile or temporary structure. Caravan Count data for July 2018 showed a total of 361 Gypsy and Traveller caravans. 360 are located on authorised sites; private caravans (260) and social rented (100). One caravan was located on an unauthorised site on Travellers' own land and is classified as 'not tolerated'. The Travelling Showperson Caravan Count (January 2018) identified 0 Travelling Showperson caravans.
- 5.72 The 2016 Worcestershire Gypsy and Traveller Accommodation Assessment Addendum Report identified an overall need for 33 pitches over the five-year period 2014/15 to 2017/18.

Service families

- 5.73 Any housing need arising from service families should be picked up through the housing register. This group is specifically identified in the Homes Choice Plus allocations policy which covers South Worcestershire.

Students

- 5.74 There is limited need for bespoke student accommodation in Wychavon.

Demand for self and custom housebuilding

- 5.75 The Self-Build and Custom Housebuilding Act 2015 and subsequent Self-Build and Custom Housebuilding (Register) Regulations 2016 require authorities to maintain a register of those who have expressed an interest in buying serviced plots. Local authorities are under a duty to have regard to these registers in carrying out their planning function.
- 5.76 The following section presents key findings from the register as at November 2018 from a policy perspective. As at that date there were 55 individual applicants and no group applications;
- 5.77 27 applicants stated they were seeking an individual self-build plot. 28 applicants stated that they had no preference, although according to a council progress report December 2018, interest in an individual self-build plot on a conventional housing development or a plot as part of wider community self-build project is low. However according to the register 33 respondents answered 'yes' to the question 'building as part of a joint project with other self-builders'.
- 5.78 In our experience, location of plots is the key issue and it is also the hardest matter to analyse from a register. This is because some applicants are specific, defining locations precisely others are broader requirements. So, our analysis assigns an area preference to the nearest main town as, if sites are allocated in future by the council, they are most likely to be in or adjacent to existing settlements. However, the following labels should be interpreted as including the surrounding area:
- 7 applicants were seeking the Pershore area;
 - 13 applicants were seeking the Evesham area;
 - 7 applicants were seeking the Droitwich Spa area; and
 - 28 applicants were seeking any area within Wychavon.
- 5.79 Some applicants were also seeking plots outside of Wychavon
- 4 elsewhere in South Worcestershire;
 - 6 in Worcestershire and adjacent counties; and
 - 1 elsewhere in the West Midlands.
- 5.80 Various plot sizes and types were estimated by applicants and there were inconsistencies with units of measurement. We have done our best to interpret sizes in acres as a standard measure:

- 6 applicants under 0.2 acre,
 - 20 applicants 0.2-0.5 acre;
 - 4 applicants larger than 0.5 acre; and
 - 25 unable to determine from the information provided.
- 5.81 In terms of number of bedrooms sought:
- 0 applicants sought a sought 1-bedroom home;
 - 7 applicants sought a 2-bedroom home;
 - 21 applicants sought a 3-bedroom home;
 - 19 applicants sought a 4-bedroom home;
 - 8 applicants sought a 5 or more-bedroom home.
- 5.82 No information was collected on the proposed built form.
- 5.83 Regarding available budget:
- 10 applicants indicated a budget of £130,000 to £200,000;
 - 12 applicants indicated a budget of £200,001 to £300,000;
 - 15 applicants indicated a budget of £300,001 to £500,000;
 - 17 applicants indicated a budget of over £500,000; and
 - 1 applicant declined to answer.
- 5.84 17 applicants stated that the funding would come from savings only, most responses indicted some combination of savings, equity from their current home and or a mortgage.
- 5.85 Based upon the above-mentioned report published by the by the council, there have been a number of planning consents from self and custom builders on plots secured by the applicants. The council has been able to identify these as they are exempted from CIL contributions. On this basis as at December 2018, 22 consents have been granted for 29 dwellings. The report cites a further 4 consents for 7 dwellings from its planning application lists.
- 5.86 The implication of this evidence is that a significant number of self and custom builders have managed to obtain plots and planning consents in Wychavon. However, the number of applications recorded on the register would indicate a need for the council to make plots available through the planning system in suitable locations.

Black, Minority, Ethnic Households

- 5.87 Census 2011 data reveals that the proportion of 'white' residents within the district is 97.9%, with 96% of that category being white British. Asian/Asian British residents account for 1.0% of the district's population, 0.8% are of mixed/multiple ethnicity, 0.2% are Black/African/Caribbean/Black British and 0.1% are of other ethnic origin.
- 5.88 The main tenure category of the BME households in the district is owner occupation (around 58.7%, compared with 72.7% of all households). 27.0% live in the private

rented sector (12.3% across all households) and around 14.3% in the social rented sector (14.5% of all households).

Overcrowding/under-occupancy

- 5.89 In relation to occupancy levels, the 2011 census reports, (table 5.18), that across Wychavon 45.9% of households live in accommodation with at least two spare bedrooms, 32.3% have one spare bedroom, 19.5% have sufficient bedrooms relative to the household composition and 2.2% of households are overcrowded. Overcrowding is most apparent in households comprising couples with children, lone parents and other household types (which can include friends sharing and multi-generational households).

Table 5.18 Under / Over Occupancy by household type						
Household Type	Occupancy rating				Total	Base
	Under Occupied (+2 bedrooms)	Under Occupied (+1 bedroom)	Balanced	Over crowded		
Single	43.5	33.6	22.9	0.0	100.0	12886
Couple no children	71.1	23.4	5.5	0.0	100.0	16698
Couple with children	31.6	40.8	24.6	2.9	100.0	13416
Lone Parent	13.1	38.4	40.9	7.6	100.0	3958
Other	19.3	30.5	34.2	16.0	100.0	2508
Total	45.9	32.3	19.5	2.2	100.0	49466

Source: Census 2011

Summary

- 5.90 This chapter has set out the affordable housing need in the Wychavon District and presented evidence relating to a broad range of needs groups as set out in the NPPF. It is expected that the overall development of housing in line with the housing requirement will support these groups. Particular attention should be paid to considering the needs of older people when developing future housing given that this group is a key driver in the housing market.
- 5.91 A need for affordable housing has been established and the latest housing register evidence and lettings data indicates there is a net annual imbalance of 43 affordable dwellings across the District. Based on housing register need and a broader analysis of household need, it is recommended that 34.1% of new affordable dwellings have one bedroom, 33.0% two bedrooms, 27.7% three bedrooms and 5.3% four or more bedrooms. Future delivery of affordable housing will help address this imbalance, but the actual scale of delivery will be determined by Local Plan policies, the economic viability of delivery, the development programmes of Housing Association partners, opportunities for private developers to build affordable homes and the ability of the Council to build its own affordable homes.
- 5.92 This chapter has also considered household groups with specific needs.

- 5.93 The 'family' group experiences unmet need for three and four-bedroom dwellings. However, there are only expected to be around 424 additional families over the period 2016-30 living in the district.
- 5.94 The 'older person' group is expected to increase in number by around 6,048 households over the period 2016-30. There are particular aspirations across this group for bungalows, flats and houses with fewer bedrooms. Given the demographic changes taking place and the ageing of the population, delivering an appropriate range of new dwellings for older people needs to be a strategic priority for the council. Widening the choice in alternative housing options for older people would also help the overall operation of the housing market. This would provide the ability of households to trade up into properties released by older people;
- 5.95 Regarding people with disabilities, according to the 2011 census, around 20,300 residents were in fair or bad/very bad health. The daily activities of around 19,680 residents were limited by their health. The application of national disability estimates to the local population in 2016 indicated that around 29,320 residents had a disability, and this is expected to increase to around 35,409 by 2030 (an increase of around 6,090). Not all residents with a disability will require alternative housing or significant support in the home. Disability Living Allowance data indicates that around 2.2% of the population receive DLA and this is mainly associated with arthritis (amongst people aged 65+) and learning difficulties (amongst under 16-year olds);
- 5.96 This report recommends that the council considers introducing optional accessibility standard for both M4(2) and M4(3) dwellings and that M4(2) standards are likely to meet the needs of most current and future residents over the plan period. It is recommended that as a minimum 1% of newbuild dwellings meet M4(3) standard and 20% meet M4(2) standard.

6. Housing need in Wychavon District

Introduction

- 6.1 The South Worcestershire Development Plan (SWDP) presented an Objectively Assessed Housing Need (OAHN) range of 26,700 to 27,300 for the 2006-2030 plan period, underpinned by an economic – led approach. Data to inform this calculation was prepared by Edge Analytics and published by AMION consulting in 2014. The adopted plan was published in 2016, outlining economic and housing growth aspirations for South Worcestershire districts. Since the SWDP evidence base was prepared for South Worcestershire, the 2019 National Planning Policy Framework (NPPF) and associated planning practice guidance (PPG) has proposed a ‘standard methodology’ for determining housing need and a range of new data sources have become available. The purpose of this chapter is to set out the new approach for assessing need and how this relates to a broader range of demographic evidence.

Establishing housing need

- 6.2 The 2019 National Planning Policy Framework (NPPF) (Paragraph 60) states ‘to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance - unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for’.
- 6.3 The updated 2019 PPG defines housing need as ‘an unconstrained assessment of the number of homes needed in an area’³⁶ and ‘should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations’. PPG sets out how the requirements of the NPPF are to be achieved through the standard method for calculating a minimum annual local housing need. This involves setting a baseline, adjustment for affordability, taking account of existing strategic plans and any need which cannot be met from neighbouring authorities. Although premised on delivering at least the minimum number of dwelling established by the standard method, PPG also makes provision for further uplifts or in exceptional circumstances a lower figure.
- 6.4 The plan period being considered in this update is the period 2016-2041. However, housing numbers for the first 5 years (2016 to 2021) are already set out and adopted in the South Worcestershire Development Plan. This update therefore considers the housing number for the remainder of the proposed plan period for the South Worcestershire development Plan Review 2021-2041 (20 years).

³⁶ Paragraph: 001 Reference ID: 2a-001-20190220

- 6.5 Further demographic analysis has been prepared by Edge Analytics to verify that the dwelling need calculation using the standard methodology is appropriate for the South Worcestershire Authorities. This is in line with 2019 PPG which states that there may be circumstances where identified need can be higher than the number identified in the standard method. The demographic analysis also considers the extent to which jobs growth is supported.
- 6.6 The Edge Analytics study also takes account of the latest available data:
- Mid-year population estimates and components of change 2012–2016 from the Office for National Statistics (ONS), including revisions to the estimation of international migration;
 - 2016-based national population projections (NPP) from ONS;
 - 2016-based sub-national population projections (SNPP) from ONS;
 - 2014-based sub-national population projections (SNPP) from ONS;
 - 2014-based household projection model from MHCLG;
 - Unemployment rates to 2017 from ONS model-based data;
 - Long-term labour participation forecasts from the Office for Budget Responsibility (OBR) released in 2017;
 - Experian March 2018 economic forecasts.
- 6.7 This chapter should be read in conjunction with the report ‘South Worcestershire Demographic Forecasts and Analysis’ which has been prepared by Edge Analytics (June 2018). Although 2016-based household projection data from MHCLG was published in September 2018, Government interim guidance is to use the 2014-based projections. It is also expected that councils will keep the housing need figure under regular review in response to changing information up to the submission of the Local Plan.

Step 1: Setting the baseline

- 6.8 2019 Planning Practice Guidance³⁷ states that a baseline should be set using national household projections for the local authority area. The most recent projections need to be used to calculate the average annual household growth over a 10-year consecutive period using the current year as the starting point. Although the current year should be the base year, because targets have already been set in the SWDP, the starting point for the updated analysis is 2021: this is assumed to be reasonable and pragmatic assumption. Government advice recommends the use of 2014-based household projections. This is stated in the February 2019 PPG³⁸ which also states that ‘any method that relies on the 2016-based household projections will not be

³⁷ PPG 2019 Paragraph 004 Reference ID: 2a-004-20190220

³⁸ PPG 2019 Paragraph 005 Reference ID: 2a-005-20190220

considered³⁹. For the Wychavon District, over the period 2021-2031, the total number of households under the 2014-based household projections is set to increase from 53,502 to 57,162, a total change of 3,660 households or 366 each year (Table 6.1). Note that using the reference period 2019-2029, the total change in households is virtually the same at 3,722 or 372 each year.

Table 6.1 Household change under 2014-based household projections				
Projection	2021 Households	2031 households	2021-31 Household change	Annual change
DCLG 2014-based	53,502	57,162	3,660	366

Step 2: An adjustment to take account of affordability

- 6.9 Planning practice guidance recommends a further market signals adjustment based on the affordability of the area. PPG states ‘then adjust the average annual projected household growth figure (generated in step 1) based on the affordability of the area. The most recent median workplace-based affordability ratios published by the ONS at a local authority level should be used’⁴⁰.
- 6.10 The adjustment is based on an affordability ratio using median house prices to median earnings, with data published annually by the Office for National Statistics. An adjustment factor is applied to the underlying household change data to establish what the level of uplift is to respond to market signals:

$$\text{Adjustment factor} = 1 + ((\text{Local Affordability Ratio} - 4)/4) * 0.25$$

- 6.11 The latest affordability ratio (2018) and associated affordability uplift is set out in Table 6.2.

Table 6.2 Affordability ratios and affordability adjustment		
Year	Median price to income affordability ratio	Adjustment factor*
2018	9.82	1.3640

* Adjustment factor is $1 + ((\text{Local Affordability Ratio} - 4)/4) * 0.25$

Source: ONS Ratio of house price to workplace-based earnings

- 6.12 The reason for the affordability adjustment is set out in PPG 2019:
- ‘An affordability adjustment is applied as household growth on its own is insufficient as an indicator of housing demand because:*

³⁹ PPG 2019 Paragraph 015 Reference ID: 2a-015-20190220

⁴⁰ PPG 2019 Paragraph 004 Reference ID: 2a-004-20190220

- *household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and*
- *people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.*

- 6.13 The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.⁴¹
- 6.14 Table 6.3 sets out the components of the dwelling need calculation using 2021 as a base and applying the latest available (2018) affordability ratios. The basic demographic need under the 2014-based DCLG household projections are presented along with the affordability adjustment to establish the total annual dwelling need using the standard methodology.

Table 6.3 Components of the dwelling need calculation for Wychavon District			
Base Year 2021	Baseline demographic need	Affordability Adjustment	Total dwelling need under standard methodology
DCLG 2014-based	366	133	499

Step 3: Capping the level of any increase

- 6.1 PPG states that *‘a cap may be applied which limits the increase in the minimum annual housing need figure an individual authority can face’*. This is because *‘the standard methodology may identify a minimum local housing need figure that is significantly higher than the number of homes currently being planned for. The cap is applied to help ensure that the minimum local housing need figure calculated using the standard methodology is as deliverable as possible’*. How the cap is calculated *‘depends on the current status of relevant strategic policies for housing’*.
- 6.2 For authorities that have adopted their local plan in the last five years, the new annual local need figure should be capped at 40% above the annual requirement figure currently set out in the local plan. The South Worcestershire Development Plan 2006-2030 establishes a net annual requirement for 1,183 dwellings across the three local authority areas (and so a 40% cap would be $1,183 + (40\% \times 1,183) = 1,656$ dwellings). Therefore, under the parameters set out in the PPG no cap on delivery is required.

⁴¹ PPG 2019 Paragraph 006 Reference ID: 2a-006-20190220

Housing need using the standard methodology

- 6.3 Based on the standard methodology and 2018 affordability ratios, the minimum local housing need for Wychavon District is 499 dwellings each year and 1,257 for South Worcestershire as a whole.

Potential adjustments to the evidence base

- 6.4 The MHCLG has indicated that the standard methodology is to be revised to ensure that the government target of delivering 300,000 dwellings by the mid-2020s is achieved. As a temporary measure, the MHCLG recommended the use of 2014-based household projections in the assessment of housing need. The needs calculation methodology may be subject to further revision.

Housing need uplift

- 6.5 PPG 2019 also considers where a higher figure than the standard methodology may need to be considered:

'The standard method for assessing local housing need provides the minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.'

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when

*considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*⁴²

- 6.6 In addition to calculating need using the standard methodology, additional analysis by Edge Analytics tests the extent to which the standard method output should vary based on the specific demographic circumstances of Wychavon.

Testing the standard methodology assumptions

- 6.7 Having established future housing need using the standard methodology, further demographic analysis has taken place to ensure that the scale of housing delivery supports economic growth and longer-term trends in demographic change have been taken into account. Edge Analytics has developed a range of growth scenarios for the Wychavon District. For each scenario, historical data is included for the 2001-16 period, with scenario results presented for the 2016-2041 plan period. The starting point of the scenario analysis is the ONS 2014-based sub-national population and household projections. Alternative trend scenarios, developed using varying migration assumptions, are developed and compared to the ONS 2014-based benchmark scenario. In addition, population and housing growth outcomes linked to future employment growth are derived using key assumptions in economic activity rates, unemployment and commuting.
- 6.8 The demographic scenarios prepared are summarised as follows:
- **SNPP-2016:** this replicates the ONS 2016-based Sub-National Population Projections (SNPP) for Wychavon District;
 - **SNPP-2014:** this replicates the ONS 2014-based SNPP for Wychavon District;
 - **PG Short Term:** Internal migration rates and international migration flow assumptions are based on a six-year historical period (2010/11 to 2015/16) and incorporating fertility and mortality assumptions from the latest 2016-based SNPP;
 - **PG Long Term:** Internal migration rates and international migration flow assumptions are based on a fifteen-year historical period (2001/02 to 2015/16) and incorporating fertility and mortality assumptions from the latest 2016-based SNPP.
- 6.9 Edge Analytics has also considered alternative assumptions regarding household formation rates⁴³ on housing need which factor in a higher level of household formation.
- 6.10 Edge Analytics also considered the potential impact of alternative economic activity rates and commuting ratio assumptions on the population and dwelling growth

⁴² PPG 2019 Paragraph 010 Reference ID: 2a-010-20190220

⁴³ The 2014-based headship rates for the young adult male age groups have been adjusted to return to 2001 headship rates by the end of the plan period. This sensitivity analysis evaluates how a return to higher household growth rates could manifest itself in higher dwelling growth outcomes

required to support the forecast change in employment under forecasts prepared by Experian through the following scenario modelling:

- **Baseline Experian** forecast which uses economic assumptions (economic activity, unemployment rate and commuting) derived from the Experian model;
- **Employment-led OBR** which compares how the Office for Budget Responsibility (OBR) assumptions on economic activity might influence population growth in South Worcestershire under Experian's employment growth forecasts;
- **Employment-led CR** which considers the potential impact of maintaining a stable commuting ratio (CR) over the plan period, in line with the 2011 census commuting ratio; assumptions on economic activity rates and unemployment rate remain consistent with the Experian forecast.

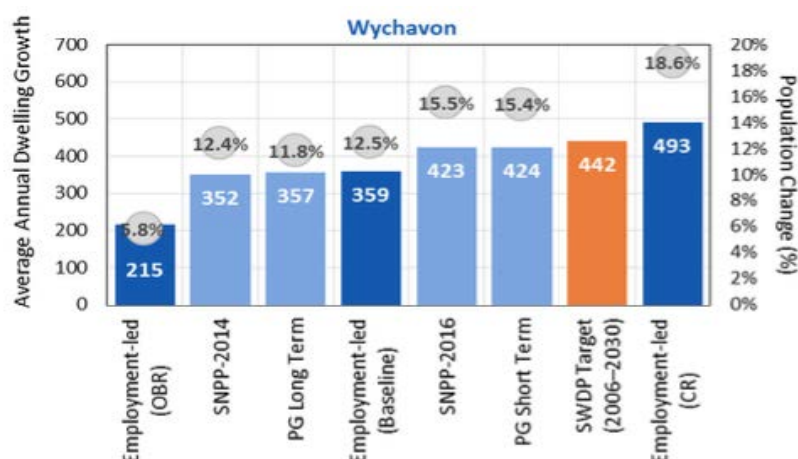
6.11 The results of the various scenario models are summarised in Table 6.4 and in more detail in Figure 6.1.

Table 6.4 Comparison of impact of different scenario testing on annual housing, Wychavon District	
Scenario	Wychavon *
Employment-led OBR	215
Employment-led Baseline	359
Employment-led CR	493
PG Long Term	357 (448)
PG Short Term	424 (516)
SNPP 2014	352 (443)
SNPP 2016	423 (512)
Application of MHCLG Methodology 2021-31 and using 2018 affordability ratios	499
SWDP Target (2006-30)	442

*Headship rate sensitivity in brackets

N.B MHCLG methodology and SWDP targets refer to different plan periods than the demographic and employment-led scenarios.

Figure 6.1 Population change and average annual dwelling growth under the employment-led scenarios, demographic-led scenarios, MHCLG and SWDP



Source: Edge Analytics

6.12 For Wychavon over the plan period 2016-41

- Demographic scenarios indicate a dwelling need range of between 352 and 424;
- Alternative household formation rate assumptions result in a range of 443 to 516 which represents the largest proportionate uplift compared with the other districts;
- Employment-led scenarios result in a growth range of 215 to 493.

6.13 This compares with the MHCLG figure of 499 and the SWDP target of 442. All demographic and employment-led scenarios result in lower dwelling requirements than the MHCLG figure, with the exception of the PG Short Term headship rate sensitivity which results in a figure of 516 and the SNPP 2016 headship rate sensitivity (512).

6.14 All of the demographic scenarios support economic growth across Wychavon District and South Worcestershire more generally. The SHMA evidence therefore does not suggest that there is any need to provide more than the minimum number of dwellings established through the MHCLG standard methodology in the SWDP review period. That said, the NPPF does state that needs which cannot be met within neighbouring areas should also be taken into account. Under the duty to co-operate, the councils will engage with neighbouring local authorities as part of the plan-making process.

7. Dwelling type and mix

Introduction

- 7.1 The purpose of this section is to set out the methodology to establish future dwelling type and size mix across Wychavon District. It presents the baseline data used as a starting point for the analysis and how data are interpreted to establish a reasonable view on dwelling type and mix at county and sub-county level.

Starting points

- 7.2 There are three main data sources which provide the starting point for the analysis: household projections, dwelling stock information and national estimates of the relationships between households and dwellings derived from arc⁴ household surveys.

CLG Household projections

- 7.3 These are used to establish the number of households by Household Reference Persons (HRP) and household type using the latest (currently 2014-based) data and how this is expected to change over a specified period. The analysis focuses specifically on the Local Plan period and therefore analysis has been run using household projection data for 2016 to 2030.
- 7.4 The change in the number of households over this period can be established and, assuming that the dwelling needs of these households do not change significantly over the plan period, the potential impact on type/size of dwellings can be determined.

Dwelling stock

- 7.5 The latest Valuation Office Agency (VOA) data provides a summary of dwelling type (house, flat, bungalow) and size (number of bedrooms) as at September 2018.

Relationship between households and dwellings

- 7.6 arc⁴ has prepared data on the relationship between the age of Household Reference Person, household type and dwellings occupied by type and size. This is a unique secondary data source and has been derived from amalgamating household survey data from around 40,000 households. The data available is summarised in Table 7.1.

Table 7.1 Age groups, household type and dwelling types used

Age group of Household Reference Person	Household (HH) type	Dwelling type	Dwelling size
15_24	One Person	1-Bedroom House	1-Bedroom
25_34	Couple only	2-Bedroom House	2-Bedrooms
35_44	HH with 1/2 Child(ren)	3-Bedroom House	3-Bedrooms
45_59	HH with 3 Children	4 or more bedroom House	4+ Bedrooms
60_84	Other Multi-person	1-Bedroom Flat	All
85+	All	2-Bedroom Flat	
All		3+ Bedroom flat	
		1-Bedroom Bungalow	
		2-Bedroom Bungalow	
		3+ Bedroom Bungalow	
		All	

Source: arc⁴ household surveys

- 7.7 For each age group, the proportion of HRPs by household type living in different type/size and size of dwelling has been calculated. Table 7.2 provides an example of the data for the 15-24 age group. Further analysis considers the relationship between age and household type with what moving households within those groups would like/aspire to move to and expect to move to.

Applying the data at district level

- 7.8 Applying the data at district level is done in a systematic way. Firstly, the change in the number of households by age group and household type is established from household projections. Assuming that the dwelling needs of these households do not change over the plan period, the overall impact on type/size of dwellings can be determined. Table 7.3 presents the baseline demographic data for Wychavon. This illustrates that the total number of households is expected to increase by around 5,291 over the plan period using 2014-based DCLG household projections⁴⁴. Analysis however indicates an absolute decline in households where the HRP is aged 15-24 and 25-34. The most substantial growth is in households where the HRP is aged 45 or over and in particular those where the HRP is aged between 60 and 84.

⁴⁴ Note that 2016-based household projection data was published in late 2018 but Government advice is to use previous 2014-based projections in housing need analysis

Table 7.2 Illustration of the relationship between dwelling type/size and household type by age group (15 to 24-year age group used)

HRP Age group	Dwelling type/size	Household type					Total
		One Person	Couple only	HH with 1/2 Children	HH with 3 Children	Other Multi-person	
15-24	1 Bedroom House	0.4	3.0	0.0	0.0	0.0	1.0
	2 Bedroom House	13.4	22.1	58.1	18.9	14.6	25.7
	3 Bed room House	14.1	17.0	27.3	72.6	11.0	18.5
	4/4+ Bedroom House	0.0	1.2	0.9	6.9	46.9	12.7
	1 Bedroom Flat	63.5	27.5	0.2	0.0	0.0	22.0
	2 Bedroom Flat	6.1	26.3	13.0	0.0	24.1	17.8
	3+ Bedroom Flat	0.2	0.1	0.3	1.6	3.5	1.1
	1-2 Bedroom Bungalow	2.4	0.3	0.0	0.0	0.0	0.6
	3+ Bedroom Bungalow	0.0	0.0	0.1	0.0	0.0	0.0
	1 Bedroom Other	0.0	0.0	0.0	0.0	0.0	0.0
	2 Bedroom Other	0.0	2.4	0.0	0.0	0.0	0.7
	3+ Bedroom Other	0.0	0.0	0.0	0.0	0.0	0.0
	Total	100.0	100.0	100.0	100.0	100.0	100.0
HRP Age group	Number of bedrooms	Household type					Total
		One Person	Couple only	HH with 1/2 Children	HH with 3 Children	Other Multi-person	
15-24	1	64.3	30.6	0.2	0.0	0.0	23.1
	2	21.4	51.0	71.1	18.9	38.6	44.6
	3	14.3	17.2	27.7	74.2	14.5	19.6
	4/4+	0.0	1.2	0.9	6.9	46.9	12.7
	Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: arc⁴ survey data

Table 7.3 Change in number of households by age group 2016-2030

Age group	Household Type	Year		Change in households 2016-2030
		2016	2030	
15-24	One Person	264	259	-5
	Couple only	316	204	-112
	HH with 1/2 children	299	315	16
	HH with 3 children	9	17	8
	Other Multi-person	125	113	-12
	Total	1,013	908	-105
25-34	One Person	1,164	714	-450
	Couple only	1,730	1,114	-616
	HH with 1/2 children	2,836	1,713	-1,123
	HH with 3 children	495	300	-195
	Other Multi-person	238	323	85
	Total	6,463	4,164	-2,299
35-44	One Person	926	1,248	322
	Couple only	1,184	1,055	-129
	HH with 1/2 children	4,252	4,473	221
	HH with 3 children	1,075	896	-179
	Other Multi-person	488	365	-123
	Total	7,925	8,037	112
45-59	One Person	1,818	2,539	721
	Couple only	4,128	3,902	-226
	HH with 1/2 children	3,086	4,397	1,311
	HH with 3 children	377	525	148
	Other Multi-person	3,383	2,967	-416
	Total	12,792	14,330	1,538
60-84	One Person	5,975	6,619	644
	Couple only	6,669	10,064	3,395
	HH with 1/2 children	167	371	204
	HH with 3 children	3	13	10
	Other Multi-person	2,031	2,493	462
	Total	14,845	19,560	4,715
85+	One Person	880	1,672	792
	Couple only	238	580	342
	HH with 1/2 children	1	7	6
	HH with 3 children	0	0	0
	Other Multi-person	95	288	193
	Total	1,214	2,547	1,333
ALL	One Person	11,026	13,051	2,025
	Couple only	14,264	16,918	2,654
	HH with 1/2 children	10,642	11,275	633
	HH with 3 children	1,960	1,751	-209
	Other Multi-person	6,360	6,549	189
	Total	44,253	49,544	5,291

Source: DCLG 2014-based household projections (subject to rounding).

- 7.9 Table 7.4 applies the national data on dwelling occupancy to the demographic trends in Wychavon. The two right hand columns indicate the likely change in demand for dwelling types and sizes and how this translates to an overall percentage change in dwelling requirement. Analysis indicates that the majority of need will be for 3-bedroom (42.6%) and 2-bedroom (26.8%) followed by 4 or more-bedroom (19.4%) and 1-bedroom dwellings (11.2%). Regarding dwelling type, analysis suggests a broad split of 63.4% houses, 23.3% bungalows (or level-access accommodation), 12.6% flats and 0.7% other (for instance self/custom build and specialist accommodation).

Table 7.4 Impact of change in households by age group on dwellings occupied

Dwelling type/size	Age group of Household Reference Person						Total	% change
	15-24	25-34	35-44	45-59	60-84	85+		
1 Bedroom House	-1	-37	1	19	47	6	35	0.7
2 Bedroom House	-27	-595	20	252	628	163	441	8.3
3 Bedroom House	-19	-894	45	602	1743	374	1851	35.0
4 or more Bedroom House	-13	-220	27	373	773	89	1029	19.4
1 Bedroom Flat	-23	-218	7	104	336	157	363	6.9
2 Bedroom Flat	-19	-251	7	89	311	144	280	5.3
3+ Bedroom Flat	-1	-23	1	10	24	12	23	0.4
1 Bedroom Bungalow	0	-7	0	11	121	66	191	3.6
2 Bedroom Bungalow	0	-26	1	39	425	232	672	12.7
3+ Bedroom Bungalow	0	-11	1	34	272	75	371	7.0
1 Bedroom Other	0	-11	0	1	4	6	0	0.0
2 Bedroom Other	-1	0	0	3	17	7	27	0.5
3+ Bedroom Other	0	-5	0	1	12	2	10	0.2
Total	-105	-2,299	112	1,538	4,715	1,333	5,294	100.0
Number of bedrooms	Age group of Household Reference Person						Total	% change
	15-24	25-34	35-44	45-59	60-84	85+		
1	-24	-273	9	135	508	235	590	11.2
2	-47	-873	28	383	1,381	547	1,419	26.8
3	-21	-934	48	647	2,053	463	2,256	42.6
4 or more	-13	-220	27	373	773	89	1,029	19.4
Total	-105	-2,299	112	1,538	4,715	1,333	5,294	100.0

Note totals by age group may vary slightly due to rounding errors

Source: DCLG 2014-based household projections and arc⁴ survey data

- 7.10 This analysis can be applied to the housing need range established for Wychavon as set out in Table 7.5. This table assumes a total annual dwelling need of 499 and a 30% affordable housing target. The total column breaks down the 499 by dwelling type and size based on the proportions sets out in Table 7.4. The dwelling mix for affordable housing is based on a 30% affordable housing policy, with the need by dwelling size and type based on data in Table 7.6 applied to the annual shortfalls presented in Table 5.2.

Table 7.5 Overall annual dwelling mix based on range of housing need

		Annual dwelling need		499
Dwelling type/size	Market (70%)	Affordable (30%)	Total	
1/2 Bedroom House	19	26	45	
3 Bedroom House	161	14	175	
4+ Bedroom House	94	3	97	
1 Bedroom Flat	3	31	34	
2 Bedroom Flat	2	24	26	
3 Bedroom Flat	2	0	2	
1-2 Bedroom Bungalow	33	48	81	
3+ Bedroom Bungalow	35	0	35	
Other	4	0	4	
Total	352	147	499	
Dwelling type	Market (70%)	Affordable (30%)	Total	
House	273	43	316	
Flat	7	56	63	
Bungalow	68	48	116	
Other	4	0	4	
Total	352	147	499	
Number of bedrooms	Market (70%)	Affordable (30%)	Total	
1	34	90	56	
2	94	40	134	
3	199	14	213	
4	94	3	97	
Total	352	147	499	

Source: arc⁴

Note data subject to rounding errors

7.11 As the housing register only provides data on dwelling size, assumptions have been made regarding the range of dwellings by type for different bedroom sizes (Table 7.6)

Table 7.6 Assumptions regarding the profile of affordable dwellings by no. bedrooms and dwelling type

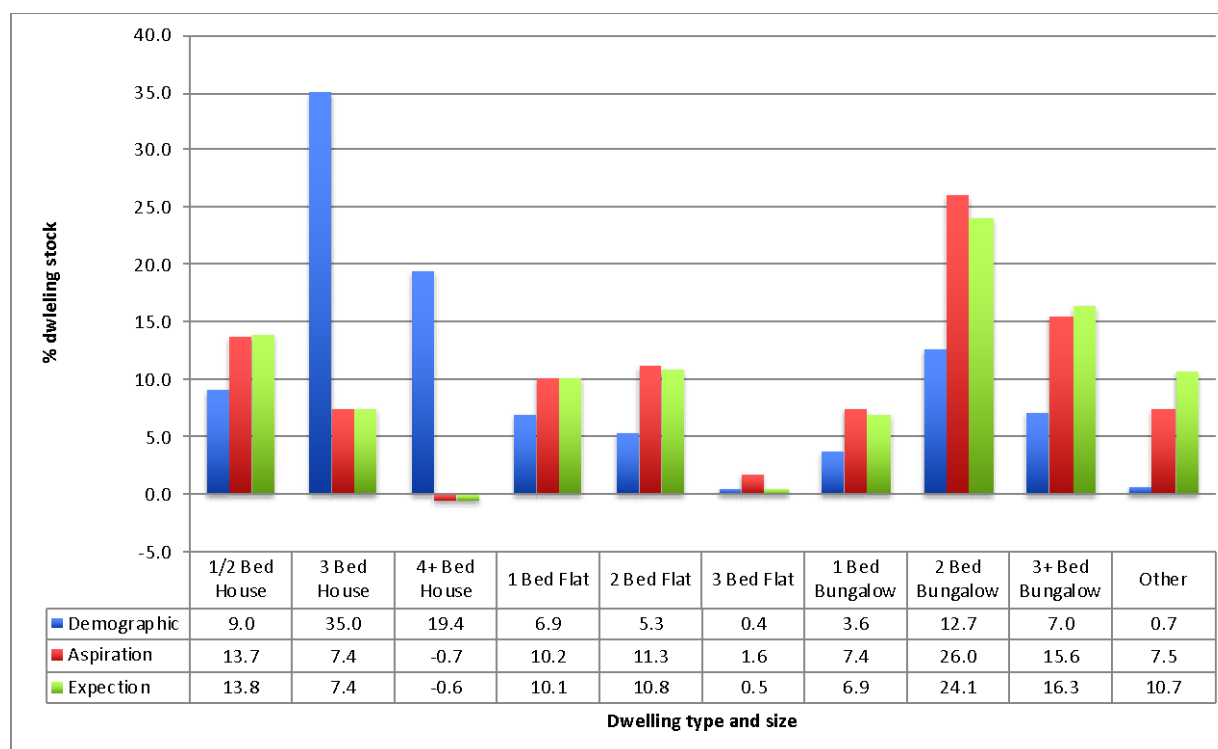
No. bedrooms required	Dwelling type			
	House	Flat	Bungalow	Total
1	20%	35%	45%	100%
2	20%	60%	20%	100%
3	100%			100%
4	100%			100%

Household aspirations and expectations

7.12 Analysis has also considered the dwelling type and size aspirations (likes) and expectations of households planning to move, by age group and household type. The result of this analysis is presented in Figure 7.2. This shows a skewing of need towards

smaller dwellings, with a particular focus on bungalow/level access provision. This is driven by the aspirations of an ageing population. This analysis points to the potential and dramatic impact of the housing requirements of an ageing population on delivery.

Figure 7.2 Summary of dwelling types under baseline demographic, aspiration and expectation



Source: CLG 2014-based household projections and arc⁴ household survey data applied to household projections

Concluding comments

- 7.13 This analysis draws upon evidence from household surveys carried out by arc⁴ which establishes the link between household type, age group and the range of dwellings occupied. It also considers the impact of future aspirations on dwelling need and the particular impact of an ageing demographic on the range of dwellings appropriate for that population in particular.
- 7.14 We would commend this analysis for further consideration by the council and the significance it may play in determining appropriate ranges of housing development over the plan period.

8. Conclusion: policy and strategic issues

- 8.1 This document has been prepared to equip the council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of existing and emerging government policy and guidance.
- 8.2 The Wychavon 2019 SHMA will help the council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the SHMA identifies the size, type and tenure of housing required by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across the district.
- 8.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets and key local strategic issues.

Housing need figure 2021-2031

- 8.4 The Government's standard methodology establishes a minimum need for **499** dwellings each year over the period 2021-2031 based on the latest (2014-based) MHCLG household projections and latest (2018) affordability ratios.
- 8.5 Further scenario analysis has been prepared by Edge Analytics to verify that the dwelling need calculation using the standard methodology is appropriate for Wychavon. Employment-led scenarios confirm that the proposed number of new dwellings will sufficiently support economic growth; and a dwelling-led scenario has considered the impact of including vacant dwellings in dwelling need statistics.

Affordable housing need

- 8.6 The scale of affordable requirements has been assessed using latest (July 2018) housing register data. The overall net annual imbalance is calculated to be 43 affordable dwellings each year. It is important that the council maintains an affordable housing target to ensure the continued delivery of affordable housing to support long-term community sustainability. It is recommended that 61.1% of new affordable dwellings have one bedroom, 27.3% two bedrooms, 9.4% three bedrooms and 2.2% four or more bedrooms.

Meeting the needs of older people and those with disabilities

- 8.7 Particular attention should be paid to considering the needs of older people when developing future housing given that this group is a key driver in the housing market. There are particular aspirations across this group for bungalows, flats and smaller houses. Given the demographic changes taking place and the ageing of the population, delivering an appropriate range of new dwellings for older people needs to be a strategic priority for the council. Widening the choice in alternative housing options for older people would also help the overall operation of the housing market. This

would provide the ability of households to trade up into properties released by older people. Based on available evidence, it is identified that over the plan period there is expected to be an increase in demand for older persons accommodation, with a need for 1,171 units of older person provision comprising of 824 units of specialist older persons accommodation (C3) and 347 residential care units (C2). It is also anticipated that there will be a need to adapt at least 300 existing dwellings over the plan period to meet the needs of the general population.

- 8.8 A range of data has been considered to estimate the number of people with disabilities and overall it is estimated that 23.8% of residents have an illness/disability and this is expected to increase to 26% by 2030.
- 8.9 Given the ageing population in Wychavon and the identified levels of disability amongst the population, it is recommended that a policy to provide new homes built to accessibility standards is included in the Local Plan. It is recommended (subject to financial viability testing) that a minimum of 1% of new dwellings should be built to M4(3) dwelling standard (wheelchair use dwellings) and 20% of new dwellings should be built to M4(2) dwelling standard (accessible and adaptable dwellings).

Final comments

- 8.10 The evidence presented in this SHMA suggests that there are three main policy areas that require particular attention from both a planning and housing policy perspective:
- the challenge of enabling the quantity and mix of housing that needs to be delivered;
 - the challenge of ensuring that the housing and support needs of older people are met going forward; and
 - ensuring that new development takes account of the particular needs across housing market sub-areas within Wychavon.

Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Policy review
- Technical Appendix C: Housing need
- Technical Appendix D: Agent review

Technical Appendix A: Research methodology

Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible Strategic Housing Market Assessment.
- A review of relevant secondary data including the 2011 Census, house price trends, population and household projections, CORE lettings data and MHCLG Statistics;
 - Interviews with estate and letting agents operating within the District.

Estate and letting agent review

- A.2 Interviews were undertaken with estate and letting agents who operate in Wychavon District and the surrounding area. Their views were sought on the local housing market and related issues, and an analysis of the findings is reported at Appendix D.

Technical Appendix B: Policy review

- B.1 The purpose of this Appendix is to set out the national policy agenda of relevance to this Housing Needs Assessment.

Introduction

- B.2 Under the Conservative and Liberal Democrat Coalition Government, the period 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy. This was set within the context of national austerity and an economic policy of deficit reduction and public spending cuts following a period of recession and financial turbulence. The reforms championed localism, decentralisation and economic growth.
- B.3 This agenda continued to be pursued under the leadership of David Cameron following the election of a majority Conservative Government in May 2015. Further welfare reforms were accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The Housing and Planning Act 2016 was intended to provide the legislative basis for a number of Conservative Manifesto commitments, including the flagship Starter Homes scheme. The Act also made provisions for other aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.4 The European Union Referendum of June 2016 resulted in significant changes in the political climate at a number of levels. Changes in Government leadership – with the appointment of Theresa May as Prime Minister – quickly led to discussions regarding the direction of housing and planning policy. Alongside significant delays (and in some cases abandonment) in the implementation of secondary legislation relating to aspects of the Housing and Planning Act 2016; conference speeches, ministerial statements and the Housing White Paper (February 2017) indicated a change in attitude towards housing policy. The 2016-17 Administration signalled a broader ‘multi-tenure’ housing strategy, including support for a range of tenures in addition to home ownership. The Neighbourhood Planning Act 2017 was passed with the intention of strengthening neighbourhood planning by ensuring that decision-makers take account of well-advanced neighbourhood development plans and giving these plans full legal weight at an earlier stage.
- B.5 The snap General Election of June 2017 created a new wave of political change and uncertainty, although the overall Government leadership remains under Conservative control and ministers are keen to keep housing as a key domestic policy priority.

2010-2015 (Coalition Government)

- B.6 Following the Coalition Agreement of May 2010, the Localism Act 2011 was passed with the express intention of devolving power from central Government towards local people. The Localism Act set out a series of measures to seek a substantial and lasting shift of powers including:

- new freedoms and flexibilities for local government, including directly elected mayors and empowering cities and other local areas;
 - new rights and powers for communities and individuals;
 - reform to make the planning system more democratic and more effective, including the abolition of regional spatial strategies (RSS), the introduction of the 'Duty to Cooperate', neighbourhood planning, Community 'Right to Build', reforming the community infrastructure levy and reforming the Local Plan process; and
 - reform to ensure that decisions about housing are taken locally.
- B.7 In terms of housing reform, the Localism Act enabled more decisions about housing to be made at the local level. Local authorities were granted greater freedom to set their own policies about who can qualify to go on the waiting list in their area. In addition, the Act allowed for more flexible tenure arrangements for people entering social housing, with social landlords able to grant tenancies for a fixed length of term rather than lifetime tenancies for all. In respect to homelessness, the Act allowed local authorities to meet their homelessness duty by providing private rented accommodation, rather than in temporary accommodation until long-term social housing becomes available. The Act also reformed social housing funding, allowing local councils to keep the rent they collect and use it locally to maintain their housing stock.
- B.8 The **National Housing Strategy for England, *Laying the Foundations: A Housing Strategy for England***, was published in November 2011 under the Coalition Administration and it currently remains in place. The Strategy acknowledged some of the problems within the housing market and set out the policy response. The measures set out promote home ownership, including a new-build mortgage indemnity scheme (providing up to 95% loan-to-value mortgages guaranteed by Government) and a 'FirstBuy' 20% equity loan scheme for first-time buyers.
- B.9 The National Housing Strategy acknowledges the importance of social housing and the need for more affordable housing. However, the document reaffirms the programme of reforming this sector, including *'changes to the way people access social housing, the types of tenancies that are provided and the way the homelessness duty is discharged'*. The private rented sector is considered to play *'an essential role in the housing market, offering flexibility and choice to people and supporting economic growth and access to jobs'*. The document sets out an intention to support the growth of the private rented sector through innovation and investment, to meet continuing demand for rental properties.
- B.10 The National Housing Strategy set out the objectives of preventing homelessness, protecting the most vulnerable and providing for older people's housing needs. However, it also confirmed a radical package of welfare reforms, including a reduction in Housing Benefit, changes to the Local Housing Allowance (Housing Benefit in the private sector) and the introduction of 'Universal Credit' to replace other means-tested working age benefits and tax credits.
- B.11 The first **National Planning Policy Framework (NPPF)** was published in March 2012 but it has now been superseded by the NPPF 2018 (July 2018), as set out below.

- B.12 **National Planning Practice Guidance (PPG)** on a range of specific topics has been made available through an online system since March 2014. PPG topics include Duty to Cooperate, Housing and Economic Development Needs Assessments, Housing and Economic Land Availability Assessment, Housing - Optional Technical Standards, Local Plans, Neighbourhood Planning, Rural Housing and Starter Homes.
- B.13 Revisions to both NPPF and PPG were published for consultation in March 2018. Revised NPPF was published in July 2018, alongside some revisions to PPG, with further revisions anticipated.

2015-2016 (Conservative Government under David Cameron)

- B.14 Following the election of a majority Conservative Government in May 2015 under David Cameron, the Government's **Summer Budget 2015** was presented to Parliament by the then-Chancellor George Osborne. The Budget set out widespread reforms to the welfare system, including a four-year freeze on working-age benefits; a reduction in the household benefit cap; restrictions on Child Tax Credit; training requirements for those on Universal Credit aged 18 to 21; the removal of automatic entitlement to Housing Benefit for those on Universal Credit aged 18 to 21; and the removal of the Family Premium element of Housing Benefit for new claims from April 2016. Alongside these welfare cuts, it was announced that rents for social housing will be reduced by 1% per year for four years, while tenants on incomes of over £30,000, or £40,000 in London, will be required to pay market rate (or near market rate) rents. A review of 'lifetime tenancies' was confirmed, with a view to limiting their use to ensure the best use of social housing stock. Support for home ownership measures was reiterated with measures such as the extension of the Right to Buy to housing association tenants and the introduction of Help to Buy ISAs.
- B.15 Alongside the Summer Budget 2015 the Government published a 'Productivity Plan', ***Fixing the foundations: Creating a more prosperous nation*** (10th July 2015). This sets out a 15-point plan that the Government will put into action to boost the UK's productivity growth, centred around two key pillars: encouraging long-term investment and promoting a dynamic economy. Of particular relevance to housing was the topic regarding 'planning freedoms and more houses to buy'. This set out a number of proposals in order to increase the rate of housebuilding and enable more people to own their own home, including a zonal system to give automatic planning permission on suitable brownfield sites; speeding up local plans and land release, stronger compulsory purchase powers and devolution of planning powers to the Mayors of London and Manchester, extending the Right to Buy to housing association tenants, delivering 200,000 Starter Homes and restricting tax relief to landlords.
- B.16 The **Spending Review and Autumn Statement 2015 (November 2015)** continued the policy themes of the Summer Budget. This included:
- Plans to extend the 'Local Housing Allowance' to social landlords so that the Housing Benefit paid to tenants living in housing association properties will be capped at the LHA rate;

- A new 'Help to Buy Shared Ownership' scheme, removing restrictions on who can buy shared ownership properties to anyone with a household income of less than £80,000 outside London and £90,000 in London;
 - 'London Help to Buy' – an equity loan scheme giving buyers 40% of the new home value (as opposed to 20% under the Help to Buy scheme);
 - 200,000 'Starter Homes' to be built over the following five years;
 - From 1st April 2016 an extra 3% in stamp duty to be levied on people purchasing additional properties such as buy-to-let properties or second homes;
 - Right to Buy extension to housing association tenants;
 - £400 million for housing associations and the private sector to build more than 8,000 new 'specialist' homes for older people and people with disabilities;
 - Consulting on reforms to the New Homes Bonus, with a preferred option for savings of at least £800 million which can be used for social care; and
 - A commitment to extra funding for targeted homelessness intervention.
- B.17 In December 2015, DCLG published a **Consultation on proposed changes to national planning policy**, which was open for consultation until February 2016. This consultation sought views on some specific changes to NPPF in terms of the following:
- broadening the definition of affordable housing, to expand the range of low-cost housing opportunities for those aspiring to own their new home;
 - increasing residential density around commuter hubs, to make more efficient use of land in suitable locations;
 - supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
 - supporting the delivery of Starter Homes.
- B.18 The March 2018 publication of a Draft Revised NPPF is set out below.
- B.19 The 2015-16 Parliament saw several Acts passed with special relevance to housing and planning, implementing some of the policies set out in the preceding Budgets:
- The Cities and Local Government Devolution Act 2016 makes provision for the election of mayors for the areas of combined authorities established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009. It makes provision about local authority governance and functions; to confer power to establish, and to make provision about, sub-national transport bodies; and for connected purposes. This Act is central to the Government's devolution plans for England, facilitating its vision of a 'Northern Powerhouse'.
 - The Welfare Reform and Work Act 2016 makes provisions relating to a range of welfare benefits and employment schemes, including the benefit cap, social security and Tax Credits, loans for mortgage interest, social housing rents and apprenticeships. Secondary legislation (Social Housing Rents Regulations, March 2016) sets out that the 1% cut to social housing rents will not apply to households with an income of £60,000 or more.

- The Housing and Planning Act 2016 sets out the legislative framework for the Starter Homes scheme and includes provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.20 The **Budget 2016 (March 2016)** continued the policy emphasis of promoting home ownership and facilitating first-time buyers to enter the market. A new 'Lifetime ISA' was announced, extending the principle of the Help to Buy ISA by incentivising saving for under-40s. Of relevance to the private rented sector were stamp duty increases for institutional investors and the withholding of capital gains reductions from companies investing in residential property. In seeking to deliver more homes for ownership, announcements were made of further planning reforms; releasing public land for development; and a £1.2 billion Starter Homes Fund for brownfield remediation. The anticipated 'duty to prevent' homelessness was not announced, but instead the Chancellor committed £115 million to preventing and reducing rough sleeping.
- B.21 A **Technical consultation on Starter Homes regulations (March 2016)** sought views on the framework to be established in the forthcoming regulations, including the restrictions that should be placed on Starter Homes, how age eligibility criteria should work, what threshold (size of site/development) should apply, what the percentage requirement should be, whether exemptions should apply and whether off-site payments should be acceptable. The consultation document set out that, in terms of the period within which Starter Homes should not be sold at full market value, the DCLG does not support a period of longer than 8 years. The paper proposed that the requirement to provide 20% of dwellings as Starter Homes should apply to sites of 10 dwellings or more (or 0.5 hectares). However, secondary legislation relating to Starter Homes has still not been published.

Post EU-Referendum (Theresa May Administration)

- B.22 The resignation of David Cameron following the European Union Referendum of June 2016 and subsequent appointment of Theresa May as Prime Minister led to a Cabinet reshuffle and a change in the policy climate within Government. The **Autumn Statement (2016)** brought an important focus onto housing; provisions included:
- £1.4 billion of extra cash to build 40,000 affordable homes, with a relaxation of restrictions on grant funding;
 - £2.3 billion Housing Infrastructure Fund to pave the way for up to 100,000 new homes to be built in areas of high demand;
 - £3.15 billion of the Affordable Homes Programme will be given to London to deliver 90,000 homes;
 - New regional pilots of the Right to Buy extension, allowing more than 3,000 tenants to buy their properties;
 - £1.7 billion to pilot 'accelerated construction' on public sector land;
 - Letting agents in the private rented sector to be banned from charging fees; and
 - Confirmation that compulsory Pay to Stay will not be implemented for councils.

- B.23 The Autumn Statement indicated a clear shift in housing policy, away from an exclusive focus on homeownership and towards boosting overall housing supply. A removal of grant-funding restrictions will allow housing associations to increase the delivery of sub-market rented housing, including affordable rented, shared ownership and rent-to-buy homes.
- B.24 Many of the 'flagship' housing policies of the Cameron Administration have their legislative basis in the provisions of the Housing and Planning Act 2016 but require further secondary legislation. Their implementation has been subject to ongoing delay and seems increasingly unlikely to be carried forward in practice as originally envisaged. These schemes include the Voluntary Right to Buy, the higher asset levy (intended to fund the building of new homes) and Pay to Stay (no longer compulsory for councils).
- B.25 The **Housing White Paper, *Fixing our broken housing market***, was published in February 2017. The White Paper proposed a number of changes to reshape the approach to housebuilding and increase housing supply. These changes centred around the following four areas:
- Planning for the right homes in the right places, by making it simpler for local authorities to put Local Plans in place and keep them up-to-date, ensuring sufficient land is allocated to meet housing needs and building upon neighbourhood planning to ensure communities have control over development in their area. The White Paper aims to make more land available for homes by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing more small and medium sized sites, allowing rural communities to grow and making it easier to build new settlements. It reaffirms that the existing protections for the Green Belt remain unchanged and emphasises that authorities should only make exceptional amendments to Green Belt boundaries.
 - Building homes faster, by increasing certainty around housing numbers, aligning new infrastructure with housing, supporting developers to build more quickly and improving transparency. White Paper proposals include amending the NPPF to give local authorities the opportunity to have their housing land supply agreed on an annual basis and fixed for a one-year period, in order to create more certainty about when an adequate land supply exists. Authorities taking advantage of this would have to provide a 10% larger buffer on their five-year land supply. In addition, the White Paper suggests changing the NPPF to introduce a housing delivery test for local authorities. If delivery falls below specified thresholds extra land would be added onto the five-year land supply as well as further thresholds which would allow the presumption in favour of sustainable development to apply automatically.
 - Diversifying the market, by establishing a new Accelerated Construction Programme, supporting more Build to Rent developments, supporting housing associations to build more housing and boosting innovation. The White Paper proposes ensuring that the public sector plays its part by encouraging more building by councils and reforming the Homes and Communities Agency.
 - Helping people through Help to Buy, Right to Buy, the Shared Ownership and Affordable Homes Programme (SOAHP), the new Lifetime ISA, amendments to

Starter Homes requirements and the announcement of a new statutory duty on planning to meet the needs of older and disabled people.

- B.26 In April 2017 some of the welfare reform provisions came into effect. This included Universal Credit claimants aged 18-21 no longer being able to claim benefits to support their housing costs unless they fit into at least one of 11 exemption categories. However, the Government also announced that they were cancelling controversial plans to cap benefit for Supported Housing tenants at the LHA rates.
- B.27 During the 2016-17 Parliament there were two Acts that gained Royal Assent that have particular relevance to emerging housing policy:
- The Neighbourhood Planning Act 2017 aims to speed up the delivery of new homes by strengthening neighbourhood planning, limiting the use of pre-commencement planning conditions, use of the planning register and the reform of compulsory purchase. During its passage through Parliament, the Bill was subject to various amendments, including changes to the Local Plan process to allow the Secretary of State to intervene and invite county councils to prepare or revise Local Plans where districts have not delivered and to allow the preparation of joint Local Plans where there are cross-boundary issues between two or more local authorities. This followed the recommendations of the Local Plans Expert Group (LPEG) report of March 2016. Some of the provisions of the Act require secondary legislation. A commencement order introduced in July 2017 under the Act requires post-examination neighbourhood plans to be treated as 'material considerations' in the determination of planning applications.
 - The Homelessness Reduction Act 2017 requires councils to seek to prevent homelessness by starting work with households threatened with homelessness 56 days in advance of the date on which they are expected to become homeless (28 days earlier than under the previous legislation). It also requires the provision of advisory services to specified groups including (but not limited to) people leaving prison, young people leaving care, people leaving armed forces, people leaving hospital, people with a learning disability and people receiving mental health services in the community. The Act sets out that councils must assess and develop a personalised plan during the initial presentation to the service. In addition, they must help prevent an applicant from becoming homeless and take reasonable steps to help those who are eligible for assistance to secure accommodation for at least six months (during a 56 day period before a homeless decision can be made). The Act dissolves the local connections rules apart from a duty to provide care leavers with accommodation (under the Children Act 1989) to the age of 21.
- B.28 Following the snap General Election in June 2017, Theresa May's Conservative Government formed an alliance with the DUP and the Cabinet was subject to another reshuffle.
- B.29 **Planning for homes in the right places** was published for consultation in September 2017, setting out the Government's proposals for a standardised approach to assessing housing need. The overall rationale is that local authorities across England currently use inconsistent methods to assess housing requirements, leading to long debates over whether local plans include the correct housing targets. The proposed new standardised approach to assessing housing need therefore aims to have all local authorities use the same formula to calculate their housing requirement. The

standardised approach would set a minimum figure, but local authorities would be able to increase their target from this baseline, for example if they plan for employment growth and want to provide an uplift in housing provision to account for this. The consultation document proposes that the new housing need calculation method would be applied for assessing five-year housing land supply from 31st March 2018 onwards.

- B.30 The **Autumn Budget 2017** (November 2017) included a range of provisions focused on housing, although these were welcomed cautiously by some who would have preferred a greater emphasis on affordability. Provisions included:
- A commitment to be providing 300,000 new homes per year by the mid-2020s;
 - A total of £15.3 billion of new capital funding, guarantee and loan-based funding;
 - £1 billion of extra borrowing capacity for councils in high demand areas to build new affordable homes;
 - £1.5 billion of changes to Universal Credit, including scrapping the seven-day waiting period at the beginning of a claim, making a full month's advance available within five days of making a claim and allowing claimants on housing benefit to continue claiming for two weeks;
 - £125 million increase over two years in Targeted Affordability Funding for LHA claimants in the private sector who are struggling to pay their rents;
 - Stamp duty scrapped on the first £300,000 for first-time buyers (on properties worth up to £500,000);
 - New Housing First pilots announced for West Midlands, Manchester and Liverpool;
 - Power to councils to charge 100% Council Tax premium on empty properties;
 - Five new garden towns; and
 - A review to look at land banking, including considering compulsory purchase powers.
- B.31 In December 2017 the Government announced new measures to crack down on bad practices, reduce overcrowding and improve standards in the private rented sector. The measures have been introduced under the provisions of the Housing and Planning Act 2016.
- B.32 The £5 billion Housing Infrastructure Fund is a Government capital grant programme to help unlock new homes in areas with the greatest housing demand, assisting in reaching the target of building 300,000 homes a year by the mid-2020s. Funding is awarded to local authorities on a highly competitive basis. The fund is divided into 2 streams, a Marginal Viability Fund (available to all single and lower tier local authorities in England to provide a piece of infrastructure funding to get additional sites allocated or existing sites unblocked quickly with bids of up to £10 million) and a Forward Fund (available to the uppermost tier of local authorities in England for a small number of strategic and high-impact infrastructure projects with bids of up to £250 million). On 1st February 2018, the Minister for Housing, Communities and Local Government, Sajid Javid and Chancellor Philip Hammond announced that 133 council-led projects across the country will receive £866 million investment in local housing

projects, the first wave of funding from the £5 billion Housing Infrastructure Fund. The finances will support vital infrastructure such as roads, schools and bridges. On 18th February 2018, Housing Minister Dominic Raab announced a £45 million cash injection into 79 key community projects across 41 local authorities to councils to combat barriers that would otherwise make land unusable for development. This will support building up to 7,280 homes on council-owned land.

- B.33 In March 2018 the Ministry of Housing, Communities and Local Government (MHCLG) published a **Draft Revised National Planning Policy Framework** (Draft Revised NPPF) for consultation. Alongside this the Government also published **Draft Planning Practice Guidance** (Draft PPG) on the following topics: Viability, Housing Delivery, Local Housing Need Assessment, Neighbourhood Plans, Plan-making and Build to rent.
- B.34 **Draft PPG: Housing Delivery** requires that authorities demonstrate a five-year land supply of specific deliverable sites to meet their housing requirements. The five-year land supply should be reviewed each year in an annual position statement. Areas which have or are producing joint plans will have the option to monitor land supply and the Housing Delivery Test over the joint planning area or on a single-authority basis. Draft PPG sets out that where delivery is under 85% of the identified housing requirement, the buffer will be increased to 20% with immediate effect from the publication of Housing Delivery Test results.
- B.35 **Draft PPG: Local Housing Need Assessment** sets out the expectation that strategic plan-making authorities will follow the standard approach for assessing local housing need, unless there are exceptional circumstances that justify an alternative. This approach is set out in three steps: setting the baseline using household projections; an adjustment to take account of market signals (particularly affordability); and the application of a cap on the level of increase required. The draft guidance states that the need figure generated by the standard method should be considered as the 'minimum starting point' in establishing a need figure for the purposes of plan production.
- B.36 The **Revised National Planning Policy Framework (NPPF)** was published in July 2018 and updated in February 2019. It introduces a housing delivery test for local authorities, which will measure the number of homes created against local housing need. The Revised NPPF 2018/9 also introduces a new standardised method of calculating housing need; this approach uses the Government's household growth projections and applies an affordability ratio to the figures, comparing local house prices with workplace earnings to produce a need figure. The Government has said that it will consider adjusting the methodology in order to ensure it meets the target of delivering 300,000 new homes per year by the mid-2020s. The presumption in favour of sustainable development includes a requirement that strategic policies should, as a minimum, provide for objectively assessed needs for housing.
- B.37 **The Housing Delivery Test Measurement Rule Book** was also published in July 2018. This sets out the methodology for calculating the Housing Delivery Test (HDL) measurement. The HDL is the annual measurement of housing delivery performance, to commence in November 2018.

Technical Appendix C: Housing need calculations

Introduction

- C.1 The purpose of this section is to set out the affordable housing need calculations for the Wychavon District using the framework for analysis established in the 2019 PPG.
- C.2 All households whose needs are not met by the market can be considered (to be) in affordable housing need⁴⁵. PPG 2019 then considers how affordable housing need should be calculated:
- ‘Strategic policy-makers will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments).’⁴⁶*
- C.3 Housing Register data and data on affordable housing lettings provides an appropriate source of data from which a robust assessment of need can be calculated.
- C.4 Housing needs analysis and affordable housing modelling has been prepared in accordance with PPG guidance at the district level. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
 - Stage 2: Newly-arising need
 - Stage 3: Likely future affordable housing supply
 - Stage 4: Total and annual need for affordable housing
- C.5 Table C1 provides an overall summary of needs analysis and a description of each stage of the model is then discussed in detail in this Appendix.

⁴⁵ PPG 2019 Paragraph: 018 Reference ID: 2a-018-20190220

⁴⁶ PPG 2019 Paragraph: 019 Reference ID: 2a-019-20190220

Table C1 CLG Needs Assessment Summary for Wychavon			
Step	Stage and Step description	Calculation	District Total
Stage1: CURRENT NEED			
1.1	TOTAL in need and cannot afford open market (buying or renting)	Total	2,305
Stage 2: FUTURE NEED			
2.1	New household formation (Gross per year)	Based on 1.55% national household formation rate	824
2.2	Number of new households requiring affordable housing	% based on actual affordability of households forming	55.2%
2.2	Number of new households requiring affordable housing	Number cannot afford	455
2.3	Existing households falling into need	Annual requirement	Captured in 1.1
2.4	TOTAL newly-arising housing need (gross each year)	2.2 + 2.3	455
Stage 3: AFFORDABLE HOUSING SUPPLY			
3.1	Affordable dwellings occupied by households in need		819
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Over 5 years	see paragraph C.23
3.4	Total affordable housing stock available	3.1+3.2+3.3	819
3.5	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	622
3.6	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	87
3.7	Annual supply of affordable housing	3.6+3.7	709
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED			
4.1	Total backlog need	1.1-3.5	1,486
4.2	Quota to reduce over Plan Period (5%)		20%
4.3	Annual backlog reduction	Annual requirement	297
4.4	Newly-arising need	2.4	455
4.5	Total annual affordable need	4.3+4.4	752
4.6	Annual affordable capacity	3.8	709
4.7	NET ANNUAL SHORTFALL (4.5-4.6)	NET	43

Source: Council Data, RP Core Lettings and Sales data

Stage 1: Current households in affordable housing need

- C.6 PPG 2019⁴⁷ state that 'strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:
- the number of homeless households;
 - the number of those in priority need who are currently housed in temporary accommodation;
 - the number of households in over-crowded housing;
 - the number of concealed households;
 - the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);
 - the number of households from other tenures in need and those that cannot afford their own homes, either to rent or to own if that is their aspiration.
- C.7 PPG 2019 notes that care should be taken to avoid double-counting and to only include those households who cannot afford to access suitable housing in the market.
- C.8 Using the latest (July 2018) Council housing register data, an up to date position on the number of households in overall need can be established.

Homelessness

- C.9 Table C2 considers trends in decisions and acceptances of homeless households and indicates that an annual average of 146 households have been accepted as homeless.

Table C2 Homeless decisions and acceptances 2010/11 to 2017/18		
Year	Decisions made	Accepted as homeless
2010/11	139	102
2011/12	291	191
2012/13	287	161
2013/14	260	170
2014/15	232	153
2015/16	219	128
2016/17	270	132
2017/18	232	130
Total	1,930	1,167
Annual Average	241	146

Source: MHCLG Homelessness Statistics

⁴⁷ Paragraph: 023 Reference ID: 2a-021-20180913

Overcrowding and concealed households

- C.10 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible, with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.
- C.11 The model takes account of households in need due to overcrowding.

Total current housing need summary

- C.12 Analysis indicates a total of 2,305 households who are in housing need which represents 4.3% of all households (arc4 would expect between 5 and 10% of households in need based on our other studies). As accurate household income data is not available from housing register data, it is assumed that all households on the register are in need of affordable housing as the allocation policy restricts access to the housing register for those on a higher income. The relative affordability of alternative tenure options has been tested using CAMEO household income.

Stage 2: Newly-arising affordable need

- C.13 The 2019 PPG considers how the number of newly-arising households likely to need affordable housing: *'Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current cost in this process but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.'*⁴⁸

New household formation (gross per year)

- C.14 The national household formation rate reported in the English Housing Survey is currently 1.55% based on the latest three-year average national rate reported in the English Housing Survey over the period 2013/14 to 2015/16. Applying the gross national household formation rate, to household estimates, this establishes an annual household formation of 824.

⁴⁸ PPG 2019 Paragraph: 021 Reference ID: 2a-021-20190220

- C.15 Accurate income data is not available from the housing register; therefore, we have tested the extent to which newly-forming households could afford lower quartile open market prices drawing upon arc4 national data which indicates that 55.2% could not afford open market prices or rents (455 each year).

Existing households expected to fall into need

- C.16 The housing register will contain households who have fallen into need however it is difficult to isolate this figure from the data available, therefore, we expect that this is already captured in step 1.1.

Total newly arising housing need (gross per year)

- C.17 Total newly arising need is calculated to be 455 households each year across the borough.

Stage 3: Affordable housing supply

- C.18 The 2019 PPG states how the current stock of affordable housing supply should be calculated:
- *the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;*
 - *suitable surplus stock (vacant properties); and*
 - *the committed supply of new net affordable homes at the point of the assessment (number and size).⁴⁹*
- C.19 Total affordable housing stock available = Dwellings currently occupied by households in need + surplus stock + committed additional housing stock – units to be taken out of management.

Step 3.1 Affordable dwellings occupied by households in need

- C.20 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need.
- C.21 A total of 819 households are current occupiers of affordable housing in need. Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the model assumes that these households will move in the next 5 years to address their housing need.

⁴⁹ PPG 2019 Paragraph: 022 Reference ID: 2a-022-20190220

Step 3.2 Surplus stock

- C.22 A proportion of vacant properties are needed to allow households to move within housing stock. Across the social rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus social rented stock across the district.

Step 3.3 Committed supply of new affordable units

- C.23 Latest information from the Council indicates that there are **1,317** affordable dwellings which are due to be built 2019/20 onwards. The impact on this committed supply is considered once the overall scale of affordable need is established in the conclusions to this analysis.

Step 3.4 Total affordable housing stock available

- C.24 It is assumed that there are 819 social (affordable) rented dwellings available arising from households moving within the stock over the next 5 years.

Step 3.5 Annual supply of social re-lets

- C.25 Over the period 2014/15 to 2016/17, there has been an annual average of around 622 affordable dwellings let.

Step 3.6 Annual supply of intermediate re-lets/sales

- C.26 Affordable housing supply data indicates a total of 261 intermediate tenure dwellings have been built across the district over the three years 2014/15 and 2016/17, resulting in an annual average supply of 87.

Summary of Stage 3

- C.27 Overall, the model assumes a stock of 819 affordable dwellings coming available from existing households currently living in affordable accommodation and moving to offset their need. In addition, the model assumes there is an annual affordable supply through general lettings of 622 dwellings and the sale of 87 intermediate tenure dwellings.

Comment on supply of stock

- C.28 Under the latest PPG, analysis no longer considers units to be taken out of management. The analysis also does not consider the impact of right to buy losses as this is not covered in PPG.

Stage 4: Estimate of annual housing need

Overview

- C.29 Analysis has carefully considered how housing need is arising within the District by identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.
- C.30 This has been reconciled with the overall supply of affordable dwellings. Based on the affordable needs framework model, analysis suggests that **there is an overall annual net imbalance of 43 dwellings each year**. It is therefore important that the Council maintains an affordable housing target to ensure the continued delivery of affordable housing to support long-term community sustainability.
- C.31 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

Step 4.1 Total backlog need

- C.32 Step 4.1 is the total backlog need which is derived from the number of households in Step 1.1 minus total affordable housing stock available (Step 3.4). The total backlog need is 1,486.

Steps 4.2 to 4.6

- C.33 Step 4.2 is a quota to reduce the total backlog need which is assumed to be 20% (this was the standard modelling assumption in former CLG guidance).
- C.34 Step 4.3 is the annual backlog reduction based on Step 4.2 (297 each year).
- C.35 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (455 each year).
- C.36 Step 4.5 is the total annual affordable need based on Steps 4.3 and 4.4 (752 each year) (*this is also the gross need*).
- C.37 Step 4.6 is the annual social/affordable rented and intermediate tenure capacity based on Step 3.8 (709 each year).

Total gross and net imbalance

- C.38 The overall gross imbalance across Wychavon is 752 affordable dwellings each year. After taking into account supply of affordable accommodation, the net imbalance is 43 each year.
- C.39 There is an affordable newbuild pipeline supply of around 1,317 dwellings over the next 5 years. This will help address the affordable shortfall and evidences that the Council have effective affordable housing policies in place to help address affordable need, and justifies the continuation of these policies in the forthcoming Local Plan.

Relationship between current housing stock and current and future needs

- C.40 The 2019 PPG states that 'Strategic policy-making authorities will need to look at the current stock of different sizes and assess whether these match current and future needs'⁵⁰. The analysis of affordable housing need therefore includes a review of the dwelling sizes of new affordable units.
- C.41 Table C3 presents the latest (2018 Statistical Data Return) data which identifies the current profile of affordable dwelling stock by number of bedrooms and how this compares with identified affordable need. This identifies a market shift in the need towards smaller affordable dwellings and in particular one-bedroom dwellings.

Table C3 Affordable dwelling stock by number of bedrooms and identified shortfalls from affordable needs analysis

Number of bedrooms	Current supply %	Affordable Need %
1 (inc. Bedsits)	29.3	61.1
2	36.1	27.3
3	31.8	9.4
4 or more	2.7	2.2
Total	100.0	100.0
	8,881	43

⁵⁰ 2019 PPG Paragraph 023 Reference ID: 2a-023030190220

Technical Appendix D: Agent review

Key findings

- D.1 The agent review was carried out at the same time for the three districts of Worcester City, Wychavon and Malvern Hills. The main towns of the districts and the City of Worcester were visited and a minimum of two estate and letting agents were interviewed in each. In addition, new build agents were visited wherever possible.
- D.2 Overall, interviews and observations revealed that:
- local housing markets overlap neighbouring local authorities especially Herefordshire and Shropshire to the north and the Cotswolds to the south east.
 - this overlap is not considered significant as it occurs in rural areas that have low numbers of households.
 - most towns and the city seem to have reasonably diverse and balanced markets without major gaps;
 - the gaps that have been identified are mostly move up housing for first time movers and suitable housing for elderly downsizers;
 - re-sale agents told us that supply levels are generally low and considered that Brexit was causing uncertainty;
 - most local markets attract local people rather than incomers. Evesham is the exception with the highest proportion of sales and lettings going to incomers notably from Oxford and further afield.
 - town and city prices are low compared other markets;
 - rural housing can be relatively more expensive but remain low compared to housing in Cheltenham and the Cotswolds;
 - most new-build we came across is being delivered at median local house prices and above with relatively little being affordable to lower income working households;
 - house building on a significant scale is planned under construction to the south of the City of Worcester;
 - there appears to have been little private sector response to provide purpose built housing needed due to the significant expansion of the university.

Wychavon District

Droitwich

- D.3 We found much new build housing under construction. Regarding the William Davis site at The Grange we were told that 90% of sales were to households previously living within a 15-mile radius. Housing currently on offer was aimed at families that were already home owners with prices at around £300,000. The agent told us that the site

would be developed over a 5-year period. Ravens Croft by Miller Homes offered a wide range of sizes and type. The agent told us 90% of homes had been sold to people from a 5-mile radius. Smaller less expensive homes had sold quickly.

- D.4 Resale agents told us that there were no gaps in the market apart from housing suited to the needs of elderly downsizers. There was significant demand from older people who were seeking town centre housing. Some of this demand was being met by good quality apartments situated behind the Morrison store within a short distance to the town centre. Agents stated that the supply problem was that the market currently had very little volume. Confidence was not high, so people tended to stay put. Agents thought that there was a higher level of incomers to the area in the resale market than the new build market. Investor demand was very strong and their focus was family housing. First time buyers and investors would compete for family homes and 3-bedroom homes were available from around £135,000 and letting at £650 pcm.
- D.5 Letting agents told us of strong demand particularly from households claiming top up benefits. Local landlords would not avoid this group provided they could supply a guarantor.

Pershore

- D.6 Agents told us that demand from incomers was high with around 50% of transactions being from incomers from some distance away. They told us that the town was full, with infrastructure such as health services and schools up to capacity. Agents thought that if this could be resolved the town would accept more growth in order to sustain local businesses. There are several sites under development on the outskirts of the town, but no agent was available for interview.
- D.7 The local market also covers a rural area of only a 3-mile radius due to its proximity to Worcester and Evesham. Whilst the rural area contains premium housing, town housing tends to be smaller, but prices were rising quickly due to demand. A high proportion of sales for the new Churchill retirement living development had been to older people who were village rather than town based.
- D.8 Investors were particularly active seeking 2 and 3-bedroom family homes the entry level £160,000 point. Many 2-bedroom homes came onto the market but there was a significant under supply of 3-bedroom homes for the owner-occupation. This was partly due to investors but also due to local families needing to upsize.

Evesham

- D.9 Evesham is a large historic town situated on the fringe of the Cotswolds. It differs from Pershore in that it has retail and commercial parks and a significant amount of recently built apartments.
- D.10 Agents operate across the Vale of Evesham along the A44 and A46 corridors. Agents told us that the town is drawing people in especially older people, some of whom were returning to the area after placing their careers elsewhere. They told us that the rail link to Oxford and beyond was particularly significant and a notable proportion of incomers were formerly located from Oxford. Agents also noted that a

proportion of incomers also came from Birmingham. Households that re-located to the villages were often doing so as a lifestyle choice. Many were in-comers and this was driving up prices.

- D.11 A high proportion of apartments are owned by investors and are in high demand from both younger and older people. Those that are leasehold tend to sell more slowly especially if they are age restricted. We observed many age restricted homes on the market.
- D.12 Letting agents told us that demand is very high to the extent that rents are rising. The area has seen an influx of European migrant workers who have helped to fuel demand.
- D.13 Re-sale agents told us that they could not pinpoint gaps in the market other than draw attention to an overall lack of supply. They felt that Brexit had introduced uncertainty and many people were staying put.
- D.14 We were only able to interview one new build agent on the outskirts of the town. The agent describe demand driven by help to buy enabling first time buyers to enter the market as well as first-time movers seeking larger family homes. Starting prices were around £200,000 and a feature of the development was that it included a number of bungalows. We were told that homes were selling very quickly, many to local people some to people who work in Birmingham. We were told that a proportion of customers were households that had previously bought new build as a first-time buyer and were now seeking to up-size into new bud rather than re-sale housing.