

Pilning and Severn Beach

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing, and Communities (formerly Ministry for Housing, Communities and Local Government (MHCLG))
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SGC	South Gloucestershire Council
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

Conclusions- Quantity

1. This HNA recommends an **indicative** overall Housing Need Figure (HNF) of 17.6 dwellings per year, which equates to 246 dwellings over the Neighbourhood Plan period 2021-2035. This represents a minimum estimate rather than an absolute target or maximum.
2. This overall quantity of housing need has separate status to other figures indicating the need for particular types of housing elsewhere in this report. The overall need is derived in a top-down way from the wider needs of South Gloucestershire, while the estimates for various components of housing need (such as affordable homes and specialist housing for the elderly) take a bottom-up approach that is not directly equivalent.
3. Those other estimates of specific housing needs can be viewed primarily as falling within the overall target rather than additional to it, but there is flexibility in how they may be interpreted depending on the wider views and priorities of the community and the potential for relevant sites and schemes to come forward. The chief purpose of the other estimates is to inform policy choices in relation to key segments of the market, for example around the standards of accessibility and balance of tenures in new housing, rather than to act as targets.
4. The Local Housing Need (LHN) figure of 714 homes per year for South Gloucestershire, from which Pilning and Severn Beach's HNF is derived, is calculated using the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. It is also highly likely to be impacted by ongoing discussions at the scale of the West of England Combined Authority. This is likely to influence the number of homes required in South Gloucestershire and determine any indicative housing requirement figure provided by South Gloucestershire for neighbourhood areas.
5. The current LHN figure for the district has been broken down with the aim of allocating an appropriate share to Pilning and Severn Beach. It was not possible to have reference to the strategy for the pattern and scale of new development across the district as expressed in the adopted Core Strategy, because it cannot be precisely quantified and because the targets and settlement hierarchy the emerging Local Plan have not yet been determined. Instead, the figure for South Gloucestershire has been apportioned to the Neighbourhood Area (NA) with reference to population statistics.
6. It is worth emphasizing the possibility that South Gloucestershire will be able to meet its needs on large strategic sites in key locations and that the residual need attributable to particular parishes like Pilning and Severn Beach will be correspondingly lower in practice. Likewise if a strategic allocation arose in the parish itself this may be able to meet (or exceed) the quantity of need identified here. These matters are yet to be determined because the emerging Local Plan for South Gloucestershire remains at an early stage. This is the reason for the HNA to provide an interim estimate. There is a need for ongoing dialogue between the Steering Group and South Gloucestershire on this issue in particular.

7. At the time the final Neighbourhood Plan Housing Requirement Figure (HRF) is provided by South Gloucestershire, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the Steering Group to continue to engage with South Gloucestershire Council (SGC) to confirm the final housing figure for the Neighbourhood Plan.
8. The HNF proposed here is an attempt to determine the proportion of South Gloucestershire's housing needs that is attributable to the community of Pilning and Severn Beach as it presently exists. It does not take into account the potential employment growth at Severnside (which, for the purpose of this report, refers to the commercial areas of Western Approach, Westgate and Central Park). There is no definitive way to say how many new homes the planned jobs growth will require because it is not known how many newly arriving (vs already established) households will take them up, how close to work they will wish to live, what they can afford, what their other options are, and so on.
9. Rather than a question of establishing the quantity of need for those workers in advance, it is likely that whatever additional housing growth is delivered in Pilning and Severn Beach in future years will be taken up by households drawn by a combination of this employment driver and the parish's wider offering. The more important question is how much additional growth is considered appropriate by the local community, and how the various trade-offs are perceived (covering, for example, the sustainability of services, impacts on infrastructure, the potential lower dependence on car traffic to access the new jobs, and so on).
10. It may well be considered that the indicative HNF proposed here is sufficient to accommodate a blend of existing and newly arriving residents and that little uplift is required. These are policy choices for the Neighbourhood Plan to make in consultation with local people and SGC.

Conclusions- Tenure and Affordability

Affordability issues

11. The tenure profile of Pilning and Severn Beach is characterized by high levels of home ownership (80%), low levels of affordable renting and affordable home ownership (5% and 0.3%) and average levels of private renting (14%). The private rented sector grew by 164% from 2001-2011, a rate of increase well above the nationwide trend and one that often points to the declining affordability of home ownership. This is borne out in the NA's house price data.
12. House prices have been rising steadily since 2014 (following a slight decline from 2011 levels) with the result that average prices are now around £80-90,000 more expensive than in 2014. House price appreciation is a significant additional barrier to those wishing to buy locally, and an analysis of the price of newly built housing across a wider area suggests that the new build premium presents a further challenge when it comes to the new housing that might be delivered during the Neighbourhood Plan period.

13. Average household incomes in Pilning and Severn Beach (at £52,300) are above the national average. However, there is a large gap between the average household income and the lower quartile individual income across South Gloucestershire of £14,309. Even with two lower quartile earners (with a combined income of £28,618), a household would be earning little more than half of the overall average.
14. The estimated buying power of potential future Severnside employees is assessed with reference to average wage figures for the warehousing and distribution sector across the South West. The median wage at £27,489 is broadly equivalent to a household with two lower quartile earners. The lower quartile wage in the sector is higher than the wider economy, at £20,292, but is far below the local average household income and situates many potential Severnside workers at the lower end of the income range with few realistic housing options in Pilning and Severn Beach.

Tenure options

15. AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward.
16. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area. Home ownership through the mainstream market is not an option for the majority of local people and employees in relevant sectors for Severnside.
17. Private renting is generally affordable to average earners and even to some below average earning households. However, households reliant on a single median warehouse and distribution salary or two lower quartile incomes (across all sectors) cannot afford local rents. That said, the former group could potentially afford a 1 bed (i.e. below entry-level) rented property, or if supplemented with a second income could likely afford to rent. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
18. There is a relatively large group of households in Pilning and Severn Beach who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £33,960 per year (at which point entry-level rents become affordable) and £54,771 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership. Some Severnside employees could be able to afford the least expensive of these options, particularly if they earn above the average for the sector or cohabit with a second earner.
19. All of these products would be valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes provides the best long-term support to those with slightly higher incomes.

20. Neighbourhood plan qualifying bodies will have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. Affordability to average earners is the threshold at which AECOM typically recommends discount levels for First Homes. In this case, that would suggest that a 30% discount is sufficient in Pilning and Severn Beach. Seeking the minimum discount level has knock-on advantages on the viability of housing schemes that can often help to protect the supply of other forms of Affordable Housing for those in greater need. However, there is an argument to be made that First Homes with a discount of 50% could be sought and targeted at Severnside workers with higher or multiple incomes as a way to encourage them to put down longer-term roots in the area.
21. Affordable rented housing is generally affordable to households with a single median warehouse employee, two lower quartile earners depending on their household size, and in some cases single lower quartile warehouse employees. (Average earning households are unlikely to be eligible). However, households with a single lower quartile earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Pilning and Severn Beach as the only option for a large segment of those in the greatest need.

Quantity of Affordable Housing needed

22. The 2018/19 SHMA Update for Wider Bristol estimates a need for 2,350 net additional affordable rented homes and 4,760 affordable home ownership units each year between 2016 and 2036 across the multi-authority area. At 0.41% of the Wider Bristol population, Pilning and Severn Beach's annual needs can be roughly estimated at 9.6 homes per annum for social/affordable rent plus an additional 19.5 affordable homes for sale, thus a total of 29.1 units per year or 407.4 affordable homes over the 14-year Neighbourhood Plan period (2021 – 2035), of which 134 would be affordable for rent and 273 affordable for sale.
23. While this evidence is a helpful indication of what can be understood as the NA's share of the wider area's overall needs, it also smooths out differences across an extremely wide area and is less specific to the local situation. It should be a consideration when thinking about policy options in the Neighbourhood Plan, but can also be supplemented with calculations that use inputs that relate specifically to the NA.
24. The first of these calculations estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.
25. The result of the first calculation is 1.4 households who are likely to be in need of affordable rented housing each year, equating to a total of 20 units that would ideally be built during the Neighbourhood Plan period. A key input to this result is the current backlog of 33 waiting list applicant households who have identified the parish as their first choice as a place to live. The reason the total long-term need is lower than the current backlog is an assumption that a portion of the existing stock will be able to satisfy newly arising need as vacancies arise. Because this is little help to those in urgent need now, it is recommended that Pilning and Severn Beach encourages the delivery of affordable rented housing, potentially over the minimum number of units required and particularly early in the Plan period.

26. Turning to Affordable Housing providing a route to home ownership, it is estimated that around 12.3 households per annum may be interested in affordable home ownership (or 169.9 for the entirety of the Plan period, which can be rounded to 170).
27. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
28. It may not be achievable or even desirable to deliver this volume of affordable home ownership properties in the coming years as even greater numbers of market homes would be required to cross-subsidise delivery, many of the interested households might not be able to afford the necessary deposit, and there remains a number of affordable rented homes required for those with more urgent needs. However, this figure remains a useful indicator of the potential scale of demand and of the affordability challenge in Pilning and Severn Beach.
29. The above figures relate to the need for Affordable Housing, assessed in a few different ways. Some of the figures discussed below relate to the expected delivery of Affordable Housing (assuming that if the overall need figure were delivered and met the proportion of Affordable Housing required by the Core Strategy. It is useful to set these figures in relation to one another in order to determine whether expected delivery is sufficient to meet the identified need.

Policy considerations

30. South Gloucestershire's adopted policy in relation to Affordable Housing (Policy CS18) requires 35% of new housing to be affordable on sites of 5+ dwellings. It is unlikely that this target is often met on sites in the NA, which are typically below 5 units in size.
31. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
32. On the balance of factors listed in this report, AECOM recommends that roughly 34% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 66% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for some shared ownership or other tenures.
33. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. The proportion that should be for affordable rent, proposed at 34%, is set in relation to the expected delivery of Affordable Housing (likely less than 86 units, based on the Local Plan target of 35% on the indicative HNF of 346).
34. It is intended to allow for at least 20 affordable rented units to be delivered along with a roughly 50% buffer to acknowledge the fact that it is unlikely that future housing sites will

all be large enough to exceed the threshold for Affordable Housing contributions. The remaining share should be focused on maximising the opportunity in Pilning and Severn Beach to provide affordable routes to ownership (which should be split relatively evenly in response to the affordability thresholds analysis here which found them to be broadly equivalent).

35. A key uncertainty here is whether the eventual housing requirement figure enshrined in the Neighbourhood Plan remains 246 as calculated (as an interim provisional figure) in this report. If the final number is significantly lower or higher this would justify adjusting the recommendation given here.
36. A further uncertainty is the extent to which the community wishes to grow to accommodate workers at the forthcoming employment opportunities at Severnside. While affordable home ownership products may be suitable for some of these households, it appears that a larger segment of the lower earners associated with Severnside may be in need of affordable rented housing. As such, the proportion of Affordable Housing dedicated to the social/affordable rented sector could be increased substantially in order to make provision for these lower earning Severnside employees.
37. To summarise, this mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of the views and objectives of the Pilning and Severn Beach community.

Conclusions- Type and Size

38. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing stock

39. Data supplied by SGC indicates that there have been 32 new homes built since 2011. Three homes were demolished in the process of building the new homes, meaning that the net number of additional homes built was 29. This brings the current total to 1,570.
40. The construction of 29 new homes since the 2011 Census also aligns with the estimated growth in the population of 80 individuals since then. At the time of the 2011 Census there were 2.42 people per household in the NA. If this average household size is applied to the 26 new homes the result is 70 people – which is within a close margin of error of the estimated growth of 80 individuals.
41. Pilning and Severn Beach has high proportions of typically less dense house types (detached and semi-detached) and few of the typically more affordable terraces and flats. There is, however, a much higher proportion of bungalows (15%) than exists across the wider district or country.

42. In terms of dwelling sizes, the mix in Pilning and Severn Beach is generally larger than the district average, with more 4+ bedroom homes and fewer 1-bedroom homes. That said, the NA has a greater share of 2-bedroom homes and smaller share of 3-bedroom homes than South Gloucestershire. Since 2011 housing has been built at a variety of sizes, with 2-bedroom housing dominating. Because recent delivery has boosted the number of 1-2-bedroom homes and fewer larger homes were built, it can be said to have helped to add variety and choice to the housing stock overall.
43. Generally speaking, the characteristics of the existing stock cater well to older households and larger families but there is less variety at the lower-value end of the market to serve smaller families and newly forming households.

Demographics

44. The age structure of the population is a key indicator of the future need for housing. Pilning and Severn Beach has a relatively similar population profile to South Gloucestershire and England, although there is a larger share of the population in the 45-64 and 65-84 age brackets and a smaller share in the 16-24 and 25-44 brackets than those wider areas.
45. Since the 2011 Census the NA population aged below 65 has declined (except for a minor increase among children) and the older population has increased substantially. There are currently estimated to be 81 fewer people aged under 65 than in 2011, and 161 more people aged over 65. It is clear that ageing is a current driver of housing need and will continue to be so in future.
46. Applying South Gloucestershire household projections to the Pilning and Severn Beach population suggests that population growth to 2035 is likely to be spread relatively evenly across different age groups, all expanding by 17-25% apart from the 65 and over age group which is expected to expand twice as fast. The oldest households will see the largest increase, but they will form only around 30% of all households – which is a much lower proportion than is projected for other non-urban parishes across the country.
47. Pilning and Severn Beach's moderate ageing trend may be halted or reversed as a result of new working age arrivals to the area attracted by the forthcoming employment growth at Severnside. The quantity and type of new housing available to accommodate such households will impact who is able to come and, indirectly, how they might change the demographic profile of the area.
48. While the data is relatively old at this point, between the 2001 and 2011 Censuses, there was a 24% increase in the number of households in which adult children are living at home in Pilning and Severn Beach, which is more than double the rate of increase at wider geographies. This may reflect the relative unavailability and unaffordability of housing options for newly forming households.
49. Pilning and Severn Beach also has a high rate of under-occupancy, with 76% of people living in a home with at least one bedroom more than they would be expected to need. The previous section established the very high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size.

The future dwelling mix

50. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that demographic shifts among the existing population will create more demand for 1, 3 and 4 bedroom homes than the current mix can satisfy, and that there are probably already enough homes with 2 and 5+ bedrooms. To redress these imbalances through future development, most new homes should have 3 bedrooms, with some delivery of the other sizes that are less common at present – particularly 4- and 1-bedroom homes.
51. This would enable a moderately ageing population to access mid-sized housing if they so wish and potentially create churn in the market as larger homes are vacated. A focus on mid-sized homes would help to create a lifetime neighbourhood in which there are suitable options at all stages of life for those who wish to put down permanent roots in the area. It would also broadly improve affordability by emphasising smaller and mid-sized homes over the largest properties and help to create more balance and choice in the market overall.

Further considerations

52. However, this recommendation is focused on the housing needs of current residents. In order to accommodate new households attracted to the employment offering at Severnside it would be advisable to adjust the baseline mix to ensure that new homes are as affordable as possible and to provide a diverse range of choices and price points. A loose recommendation presented here is that half of new homes have 3 bedrooms, one quarter have fewer than 3 bedrooms and one quarter have more than 3 bedrooms (but ideally fewer than 5).
53. This dwelling size model and the conclusions flowing from it are a relatively blunt expression of what could be beneficial given population change and existing imbalances in housing options. The approach also embeds existing patterns of occupancy which may or may not be desirable, particularly in the current period of rapid change. It is therefore appropriate for these conclusions to be understood as a starting point for thinking in a more nuanced way about how best to address the varied needs of the future population in line with the community's priorities and objectives.
54. For instance, the 3-bedroom homes that form the core of both recommendations could take a variety of forms. Variety should be sought within this broad category to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes.
55. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied. There may be a strong justification therefore to continue supplying larger homes despite their relative abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons to incorporate flexibility into housing policy in this area.

Conclusions- Specialist housing for older people

Demographic trends and the quantity of housing needed

54. There are currently estimated to be around 344 people aged 75 or over living in Pilning and Severn Beach. Applying district-level projections to Pilning and Severn Beach's population suggests that the 75+ population in the parish will increase from 9% of the total currently to 11% in 2035 – equivalent to 118 additional older individuals and a 34% growth rate for that age cohort. There appear to be no units of specialist accommodation in Pilning and Severn Beach at present (although there is one small care home).
55. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
56. These two methods of estimating the future need in Pilning and Severn Beach produce a range of 30 to 41 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated, either in the care home or through adaptations to their own homes. If this is perceived or found not to be the case – which is highly likely – it would justify aspiring to exceed the range identified here.
57. Equally, given the high rate of home ownership among older people in the parish, there may be greater potential for adaptations to existing homes that would lower the need. Furthermore, previous sections of this report have identified the relatively high provision of bungalows in the parish, which could be released for use by older households if more housing choices are provided in future. It is not possible to quantify these possibility, but they are worth bearing in mind as one of the flexibilities associated with specialist housing need.

Characteristics of need for specialist housing

58. The overall range described above includes housing at various levels of support as well as both market and affordable housing. Although there is need that could be accommodated in any category, in both estimates it was found that the majority of need will be for market housing (as opposed to affordable) and to a lesser degree for sheltered accommodation (with less rather than more care). The higher need for market housing is primarily due to the high rate of owner occupation among households who will enter the older age brackets by 2035, meaning they are likely to wish to buy and unlikely to be eligible for affordable housing.
59. Generally speaking, any type of scheme that might come forward should be welcomed from the perspective of need, as long as it is in line with the community's wider objectives, appropriately located and suitable for other reasons.
60. However, the larger quantity of need for sheltered housing is by definition driven by those with less severe support needs. These needs therefore have the potential to be met through adaptations to the existing housing stock as an alternative or supplement to one or more specialist housing schemes.
61. Another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).

62. While the adopted Local Plan is clear in its support for meeting the needs of older people and those with support needs, this is not translated into a policy to require specific accessibility standards. The emerging Local Plan may go further, but is currently not at a sufficiently advanced stage for this to be known.
63. We have established that the NA population is slightly older than that of wider South Gloucestershire and that there is evidence of potential demand for accessible housing (especially in the context of limited stock and expected delivery of specialist housing). This may well be sufficient to justify setting a specific proportion of all housing that would be expected to meet building regulations category M4(2) standards for accessibility and/or category M4(3) standards for wheelchair users in Pilning and Severn Beach if this avenue has the support of SGDC.
64. It is difficult to specify what targets would be appropriate without a better understanding of the extent of adaptations in existing housing and the needs of the current population. However, it is relatively common for Local and Neighbourhood Plans to require that a majority of new housing meets category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. A range of 10-50% has been achievable in other locations and would help to future-proof the stock in Pilning and Severn Beach if this does not excessively impact on development viability.
65. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from any future household survey.
66. It is also worth noting that accessibility requirements (particularly for wheelchair users) can in some cases cause increases in the prices of affected homes and require design features that would not be welcomed by other potential residents.

Location suitability

67. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
68. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different rural parishes from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
69. The 'hub-and-spoke' model is the idea that larger towns with more services and amenities (and fewer constraints on development) can provide more than their fair share of older people's housing so that more constrained villages with fewer services can accommodate less. In AECOM's view, Pilning and Severn Beach may be a reasonably good location for a specialist housing scheme given its relatively wide range of services, proximity to large towns and reasonable public transport service.

However it is also arguable that due to its size, the parish would be a spoke rather than a hub in this scenario, with Bristol continuing its role as the key hub. There are many other factors at play, including the affordability of housing in nearby settlements and the level of healthcare provision. It is not within the scope of this report to make a definitive assessment on this point.

70. It is important to emphasise that the suitability of Pilning and Severn Beach for specialist accommodation in terms of the level and range of service provision, the topography of the village and any potential sites, and other such factors is beyond the scope of this assessment. The question of how far to support or promote future specialist accommodation is a strategic policy choice for the Steering Group and wider community.

2. Context

Local context

69. Pilning and Severn Beach is a Neighbourhood Plan area and civil parish located in South Gloucestershire. The Neighbourhood Area (NA) boundary, which is consistent with the parish boundary, was designated in 2021.
70. The proposed Neighbourhood Plan period starts in 2021 and extends to 2035, therefore comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2035, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
71. The NA is a complex location, which is part of the Severn Estuary Coastal Zone of South Gloucestershire; an environmentally significant area including the estuary itself, the adjoining low-lying land, and a number of watercourses draining into the estuary. The NA includes the two villages of Pilning and Severn Beach, which together host 2 primary schools, some shops, a doctor's surgery, a post office, and a bus service. Severn Beach is the larger of the two villages.
72. To the south of the villages is Severnside, the largest of the three designated Enterprise Areas in South Gloucestershire and a significant source of employment and training regionally. As Severnside is such a significant element of the NA, it is likely that its large and growing number of employees and trainees will drive housing need in the area, as well as populations of the two villages. Throughout this report, 'Severnside' refers to the commercial areas of Western Approach, Westgate and Central Park, which fall within the South Gloucestershire local authority area.
73. Due to the NA's coastal location, there is significant risk of flooding, and the Avonmouth Severnside Enterprise Area (ASEA) Ecology Mitigation and Flood Defence Scheme¹ is key to managing and reducing future flood risk and unlocking local development potential. There is on-going work to raise sea defences and a re-evaluation of the flood risk may be needed either as part of the Neighbourhood Plan, emerging Local Plan or separate process. The western boundary of the NA follows the local authority boundary, which runs through the waters of the Severn, bordering Wales. Green belt land and other open countryside, covering the majority of the NA, surrounds the built-up areas of the two villages and Severnside.
74. A large number of strategic transport routes run through the area, including the M4 (with the majority of the Prince of Wales Bridge located in the NA) and M48 connecting to Newport, Cardiff, South Wales and Chepstow in the west, and to Swindon, Reading and London to the east; the M49 connecting the M4 to the M5 and Severnside to Avonmouth; the A403, following the Severn coast, connecting the M48 to Severnside; and the South

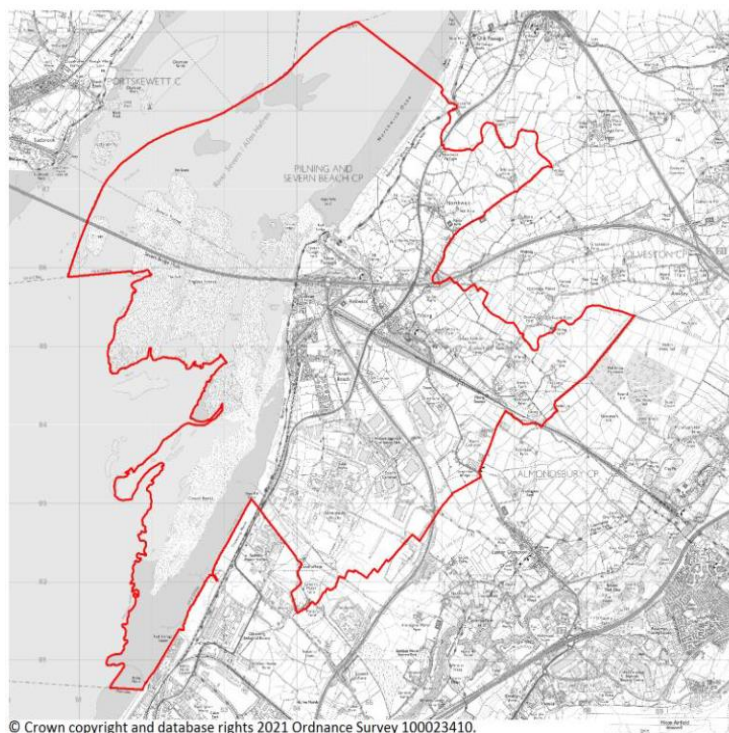
¹ The Cresswell Report (Avonmouth Severnside Wetland Habitat Project) concluded that further development would result in significant effect on conservation objectives of the SPA/Ramsar and to negate this, 80.5ha of wetland would need to be created, which would then unlock the full development potential of Severnside. A new wetland scheme to do this is underway once sufficient funds are found. See https://www.bristol.gov.uk/documents/20182/33167/C1453Stage_1_report_270512_FINAL_0.pdf/938d199a-d472-4e66-8a0c-f0b7316a8921; <https://www.bristol.gov.uk/documents/20182/33167/Stage2%20Report%20Dec%202011%20FINALISSUE.pdf/af42d643-ca51-44af-a900-7f1fef4706d9> (parts 1 and 2); and <https://www.wenp.org.uk/severnside-wetlands-nia/>

Wales Main Railway line, with a station at Pilning and another at Severn Beach, connecting Wales with Bristol and the wider west and south west of England. Bristol Temple Meads station is located 10 miles along the railway line to the south. Pilning is the final station on the line in England, before the train enters Wales through the Severn Tunnel (the majority of which is located within the NA). However, due to the removal of the Pilning station footbridge in 2016, only eastbound trains can currently use the station. There is currently a campaign to reinstate the footbridge. The next station to the east is Patchway, located outside the NA about 3 miles away. Most trains through Pilning do not stop there.

75. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of a variety of statistical units including Output Areas (OAs), Lower Super Output Areas (LSOAs), parishes etc. The Plan area equates to the following statistical units, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from the 2001 and the 2011 Censuses, as well as more recent datasets about the current dwelling mix and local incomes:
 - 2001 Census: LSOAs E01014953 and E01014954 (NOMIS 1275083369 and 1275083370); and
 - 2011 Census: Parish of Pilning and Severn Beach (NOMIS 1170211830).
76. The statistics show that in the 2011 Census the NA had a total of 3,647 residents, formed into 1,507 households and occupying 1,541 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2019 population estimate for Pilning and Severn Beach is 3,727 – indicating population growth of around 80 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
77. Two sources can be used to understand the total quantity of housing in the NA at the present time. The first is to add net completions of new housing since 2011 to the total in the 2011 Census. Data supplied by SGC indicates that there have been 32 new homes built since 2011. Three homes were demolished in the process of building the new homes, meaning that the net number of additional homes built was 29. This brings the current total to 1,570. The second source of this information is the Valuation Office Agency (VOA) which collates data on the housing stock through council tax reporting. The VOA data for the two LSOAs that make up the Pilning and Severn Beach Neighbourhood Area provides a total of 1,570. This fully corroborates the total calculated above, although it should be noted that the VOA total is rounded to the nearest 10.
78. The construction of 29 new homes since the 2011 Census also aligns with the estimated growth in the population of 80 individuals since then. At the time of the 2011 Census there were 2.42 people per household in the NA. If this average household size is applied to the 26 new homes the result is 70 people – which is within a close margin of error of the estimated growth of 80 individuals.

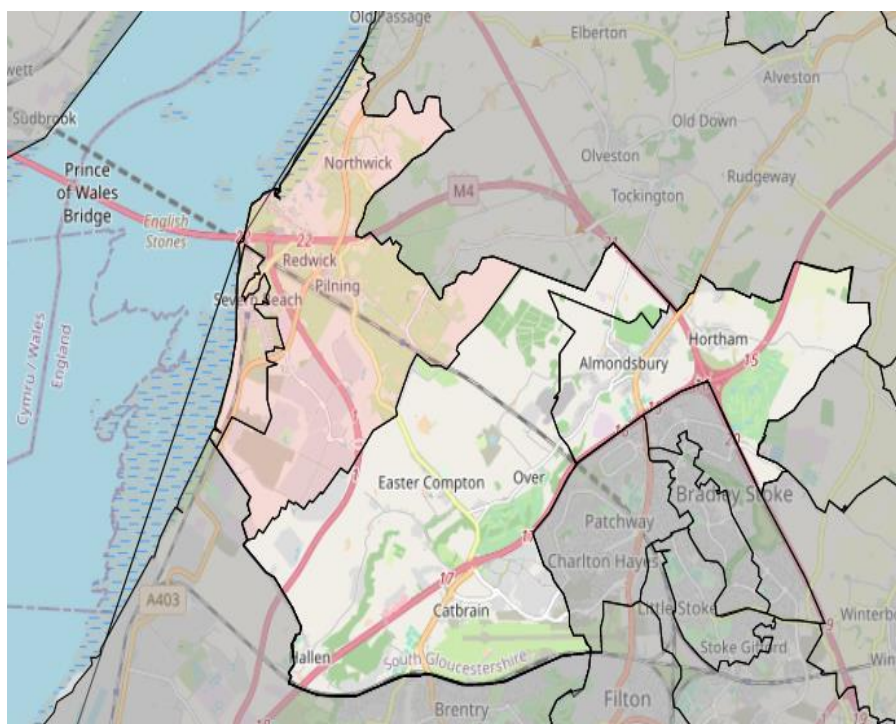
79. A map of the Plan area appears below in Figure 2-1. The following map, in Figure 2-2, shows the two LSOA areas that comprise the parish. Finally, Figure 2-3 is an extract from the Key Diagram of the adopted Core Strategy, showing the area's strategic significance and context.

Figure 2-1: Map of the Pilning and Severn Beach Neighbourhood Plan area²



© Crown copyright and database rights 2021 Ordnance Survey 100023410.
Source: South Gloucestershire Council

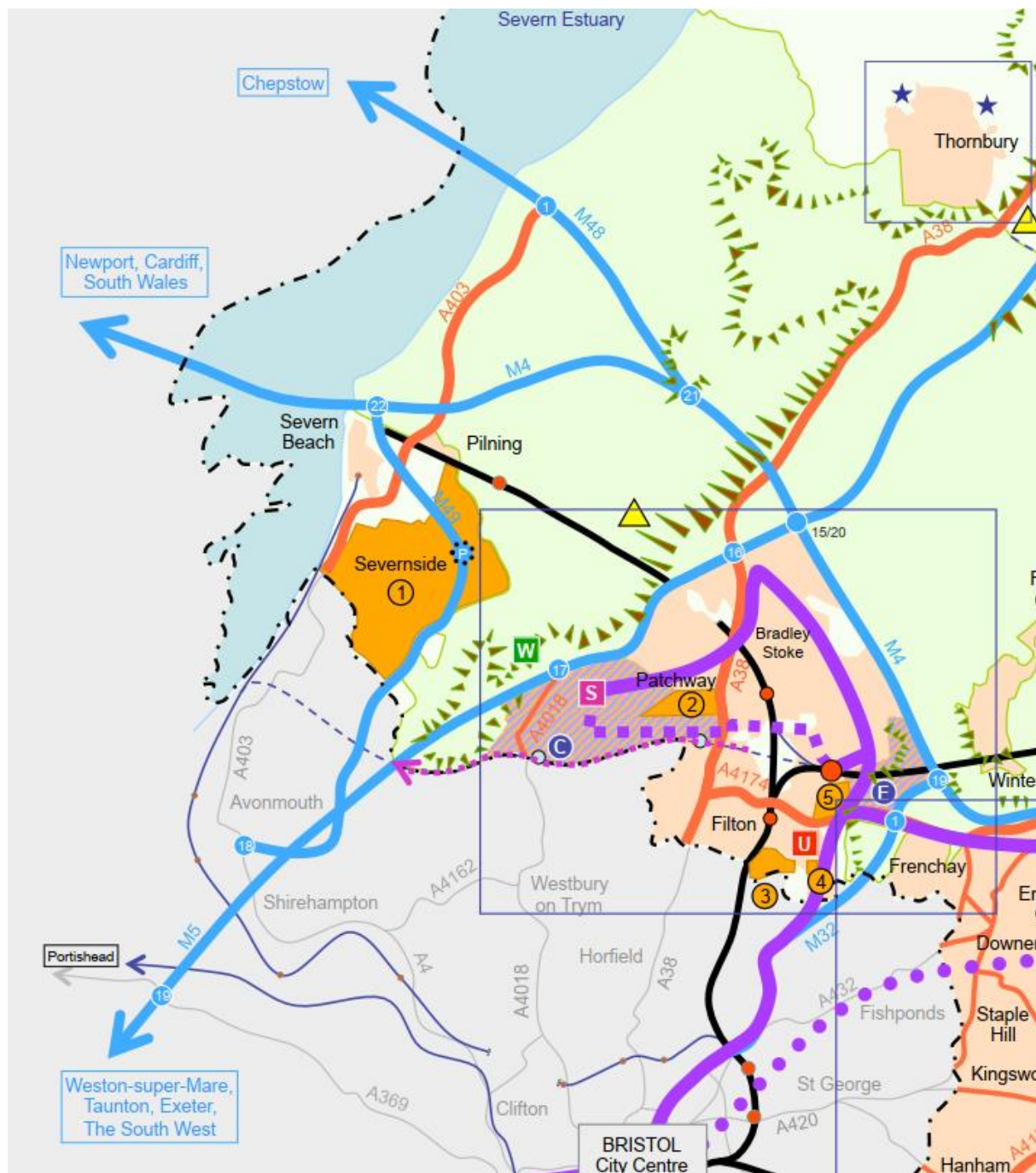
Figure 2-2: Map of LSOAs E01014953 and E01014954



Source: Nomis

² Available at <https://beta.southglos.gov.uk/wp-content/uploads/PSB-Neighbourhood-Area-Notice-1.pdf>

Figure 2-3: Map of the NA and surrounding area (extract of the Key Diagram of the adopted Core Strategy³)



Source: South Gloucestershire Council

³ Available at file://na.aecomnet.com/lfs/EMEA/London-UKLON06/Legacy/UKLON06PEPSW001/WIP3/LN_Planning/PED%20London/PEL%20Projects/Current%20Projects/DCLG%20NP/8.%20NP%20Contract%202018-2022/Deliverables/Housing%20Needs%20Assessment/Pilning%20Severn%20Beach/DR/CoreStrat2006.pdf

Planning policy context

81. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁴
82. The strategic planning policy context of the area is complex, with the **West of England Spatial Development Strategy (SDS)**⁵ due to set out the broad 20-year regional growth strategy. A Draft SDS is expected later in 2021 for consultation with examination in 2022.
83. The relevant adopted statutory development plan for South Gloucestershire consists of the **Core Strategy 2013**⁶; **Policies, Sites and Places plan (PSPP) 2017**⁷; and the **Joint Waste Core Strategy 2011**⁸. These set out the planning policy guiding development until the currently emerging new Local Plan is adopted.
84. The **emerging South Gloucestershire Local Plan (SGLP) 2020**⁹ is the newest emerging part (Phase 1) of the statutory development plan for South Gloucestershire, currently at 'Issues and Approaches' stage (consultation ran from November 2020 - March 2021). A 'potential options' publication is planned for late 2021, which will include site proposals and place discussions, which will be crucial evidence to feed into the masterplans. A Regulation 19 publication version is anticipated in 2022, with submission for Examination in 2023.
85. A new approach which permeates the entire emerging plan is that of 'Urban Lifestyles': 'an emerging approach to development in urban areas, to improve the quality of life and the level of development on urban and brownfield sites'. This centres on optimising quality, density and range of urban and brownfield uses, as well as promoting sustainable travel and more sustainable local provisions. It is the primary strategy for achieving the aims of housing delivery and affordability and sustainable development, as aimed for in the SDS.
86. The approach was developed in reaction to realisations during the Covid-19 pandemic and the Climate Emergency¹⁰ declared in 2019, as well as demographic change, the need for healthy and sustainable growth and the need to protect and enhance ecological, heritage and built environment quality.
87. One of its elements is to aim to concentrate housing growth near the most sustainable urban areas and on brownfield land. This is one of the reasons that very little housing growth is planned in rural areas such as the NA.

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

⁵ At <https://www.westofengland-ca.gov.uk/spatial-development-strategy/>

⁶ At <https://beta.southglos.gov.uk/wp-content/uploads/South-Gloucestershire-Core-Strategy-2006-2027.pdf>

⁷ At <https://beta.southglos.gov.uk/wp-content/uploads/PSP-Plan-Nov2017.pdf>

⁸ At <https://beta.southglos.gov.uk/wp-content/uploads/Joint-Waste-Core-Strategy.pdf>

⁹ At <https://beta.southglos.gov.uk/publications/local-plan-2020-phase-1-issues-and-approaches/>

¹⁰ At <https://www.southglos.gov.uk/environment/climate-change/climate-emergency/>

88. The **Evidence Base for the new Local Plan**¹¹ is still at early stages of development. All of the existing and emerging evidence supporting the Local Plan and the SDS should inform the NP as they become available and as the NP evolves.
89. The majority of the current evidence documents were previously produced to support a now abandoned previous local plan and joint spatial plan. The latest additions to the evidence are a Sustainability Appraisal and a Call for sites conducted in 2020. The returns from the Call for sites¹² are shown in an interactive map¹³.
90. Housing and its affordability is one of the key strategic priorities of the emerging SGS. This links in with the new **West of England Housing Delivery Strategy 2020-2030**¹⁴ and its emphasis on affordability, delivery, quality, regeneration, housing need, and the economic impact of pandemic.

Policies in the adopted local plan

91. As the area, and particularly Severnside as an employment location, is of regional strategic importance, the NA or at least parts of it are given ample mention in most policy and strategy documents.
92. Table 2-1 below summarises only the adopted development plan policies that are directly relevant to housing need and delivery in Pilning and Severn Beach NA.

Table 2-1: Summary of relevant adopted policies in the statutory development plan for South Gloucestershire

Source	Policy	Provisions
Core Strategy	CS5 Location of Development	Most new development will take place within the communities of the North and East Fringes of Bristol urban area; Severnside is listed as a strategic employment location only, subject to flood risk etc; in the rural areas (like Pilning and Severn Beach), communities are encouraged to shape their own areas through NPs; Outside the green belt, including settlements surrounded by green belt (which will remain unchanged), small development will be permitted within settlement boundaries; outside these boundaries development is strictly controlled/limited; in the green belt outside settlement boundaries, Community Right to Build Orders are possible subject to conditions.
	CS11 Distribution of Economic Development Land; and CS12 Safeguarded Areas for Economic Development	While these are economic and not housing policies, they show that at Severnside, which makes up a large part of the non-greenbelt part of the NA, 635 ha are safeguarded for employment and therefore cannot be used for housing or mixed use development, unless this meets a number of criteria; one of the criteria is that "it would contribute to a more sustainable pattern of development in the local area".
	CS15 Distribution of Housing	North and East Fringes of Bristol are expected to deliver the majority of the total growth of 28,550 during the period 2006-2027. Potential housing sites including infill development which could apply to the NA are only expected to deliver 965 across the whole of South Gloucestershire. Windfall development is expected to contribute 2,100 homes.

¹¹ At <https://beta.southglos.gov.uk/local-plan-2020-evidence-base/>

¹² At

https://consultations.southglos.gov.uk/consult/ti/Call_for_sites_2020/consultationHome#:~:text=The%20most%20recent%20%E2%80%98all%20for%20sites%E2%80%99%20is%20now, facilities%20that%20will%20be%20needed%20in%20South%20Gloucestershire.

¹³ At https://maps.southglos.gov.uk/Map/Map.aspx?mapName=CFS_MAP_01

¹⁴ At <https://westofengland-ca.moderngov.co.uk/documents/s2386/12c%20-%20App1%20-%20Housing%20Delivery%20Strategy.pdf>

Source	Policy	Provisions
	CS16 Housing Density	Housing is expected to make efficient use of land; density to be based on local character; there is a need to improve the mix of housing types and provide adequate outdoor space; efficient land use is particularly promoted around town centres / other locations where there is good pedestrian access to frequent public transport.
	CS17 Housing Diversity	The mix of affordable and market housing must provide a wide variety of housing types and sizes to accommodate the needs of different types of households, as evidenced by local / strategic housing needs assessment; on non-strategic sites, the mix should contribute to providing choice of tenure and type, having regard to existing mix, character and accessibility of location; there is also a need to provide for the requirements of older people, disabled people and other specific groups.
	CS18 Affordable Housing	35% affordable housing requirement; required on sites of 5+ dwellings / 0.2 ha in rural areas such as the NA; NPs and local needs surveys ¹⁵ are specifically promoted.
	CS19 Rural Housing Exception Sites	Modest affordable housing exception sites are permitted even where market housing is not usually acceptable, to meet identified local need (based on survey evidence), including some market housing where necessary to enable delivery.
	CS20 Extra Care Housing	Extra Care will be required, particularly as part of new neighbourhoods, located accessibly to facilities, proportionate in scale to locality and providing ancillary facilities.
	CS34 Rural Areas	Rural development should protect local character, agricultural land, settings, greenbelt, employment, services/facilities; maintain settlement boundaries; provide affordable housing; and promote communications technology; NPs are encouraged.
	CS35 Severnside	Severnside will be safeguarded and developed for distribution and other extensive employment uses including energy generation; flood risk and other site constraints will be mitigated; opportunities to enhance sustainability of the area will be explored.
PSPP	PSP37-44 Providing Housing and Community Infrastructure	These detailed development management policies set internal and accessibility standards; restrictions on residential development in the countryside outside settlement boundaries (PSP40), self-build and custom housebuilding, private amenity and open space standards etc.
	PSP26 Enterprise Areas	This policy covers the Avonmouth/Severnside Enterprise Area, setting conditions for development there.

Policies in the emerging Local Plan

93. Table 2-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Pilning and Severn Beach.

Table 2-2: Summary of relevant emerging policies in the statutory development plan for South Gloucestershire

Source	Policy	Provisions
SGLP 2020 Phase 1	None of the relevant emerging housing policies are ready to view at the time of writing this HNA; On the subject of rural development, the new SGLP is more open minded, considering allowing allocation of additional sites for planned growth in rural villages and settlements; it promotes a fuller understanding of the needs and requirements of rural communities, including older / younger persons housing; growing affordability gaps, lack of certain housing types/tenures especially smaller market and Affordable Homes and support for key local services and facilities, communications technology etc.	

¹⁵ Note that PSBPC are planning to undertake a number of surveys, including of local residents and employers (as well as employees if possible) later in 2021

3. Approach

Research Questions

94. The following research questions were formulated at the outset of the research through discussion with the Pilning and Severn Beach Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

Quantity

95. Pilning and Severn Beach does not currently benefit from an indicative or definitive housing requirement figure (HRF) provided by South Gloucestershire Council (SGC) through the Local Plan process. This is because the emerging plan has not reached a sufficiently advanced stage for the district's overall housing target to be established or a settlement hierarchy to be defined. In particular, the question of housing numbers in South Gloucestershire is dependent on work around the emerging West of England Combined Authority Spatial Development Strategy, which is also not sufficiently advanced at the time of writing.

96. In line with its new obligations under NPPF 2021's paragraphs 66 and 67, SGC has stated it will be providing Pilning and Severn Beach with a HRF at an appropriate time as part of the next iteration of the emerging Local Plan.

97. However, the Steering Group have asked if AECOM is able to calculate an interim, indicative potential HRF in line with national policy and best practice, and South Gloucestershire have indicated they have no in-principle objection to this element of the HNA.

98. The quantity figure calculated here needs to be caveated in the sense that it has the potential to differ from any HRF provided by South Gloucestershire after the completion of this report, and that in line with national policy, the South Gloucestershire HRF will supersede that calculated by AECOM (if it comes to a different figure). The figure provided here is derived from a limited exercise to give the Steering Group an idea of the broad scale of development that might be planned for until a more definitive target is provided by SGC.

99. Furthermore, the Steering Group have requested that the housing need generated by growth in employment be taken into account, to ensure future employment growth is accommodated sustainably, enabling as many employees as possible to travel to work by sustainable means of transport (walking, cycling and public transport). This cannot be established definitively but some scenarios are discussed alongside the baseline housing need figure for existing residents.

100. With all this in mind, an appropriate RQ for this study is as follows:

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

Tenure and Affordability

101. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
102. Within this, the Steering Group would like to reflect the large scale of employment growth projected, as well as likely income levels for these employees in the affordability thresholds analysis.
103. This evidence will allow Pilning and Severn Beach to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market, and for potential new arrivals using sustainable modes of transport to access new employment opportunities.
104. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

RQ 2: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

Type and Size

105. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community over the NP period in a way that meets the mix of needs, including for young people, downsizers, and new residents taking up forthcoming employment opportunities.
106. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
107. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
108. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario

on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

RQ 3: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Specialist housing for older people

109. This section supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.
110. To provide balance and ensure other demographic groups are considered, the conclusion of this section will also summarise key pieces of evidence from the study that shed light on the needs of younger households and AECOM's recommendations for meeting them

RQ 4: What provision should be made for specialist housing for older people and those with support needs over the Neighbourhood Plan period?

Relevant Data

111. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Home.co.uk;
 - Local Authority housing waiting list data; and
 - The Wider Bristol Strategic Housing Market Assessment (SHMA) 2015, which covered the authorities of Bristol City, South Gloucestershire and North Somerset. It was linked to and guided by a now withdrawn Joint Spatial Plan and 2012 NPPF. The evidence was later refreshed. A SHMA Update to Volume 1 (Objectively Assessed Need – OAN) was published in March 2018¹⁶ and to Volume 2 (technical information such as the need for all types of housing including the breakdown of affordable housing need by tenure and type) on 8 March 2019.¹⁷ A new Local Housing Needs Assessment is being produced at the time of writing but not yet available;
112. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the

¹⁶ Available at: [Wider-Bristol-SHMA-Update-Volume-1.pdf \(southglos.gov.uk\)](https://www.southglos.gov.uk/media/10000/Wider-Bristol-SHMA-Update-Volume-1.pdf)

¹⁷ Available at: [Wider-Bristol-SHMA-Update-Volume-2.pdf \(southglos.gov.uk\)](https://www.southglos.gov.uk/media/10000/Wider-Bristol-SHMA-Update-Volume-2.pdf)

breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

4. RQ1: Quantity

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

Introduction

113. The National Planning Policy Framework (NPPF) at paragraph 66 states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
114. NPPF paragraph 66 further states that “Where it is not possible to provide a requirement figure for a neighbourhood area¹⁸ the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”¹⁹
115. Given that no indicative housing requirement figure has been provided to Pilning and Severn Beach at the time of writing there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Plan area.
116. In calculating this HNF, it should be noted that paragraphs 66 and 67 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 66 and 67). That said, AECOM’s calculation will be of most use as a starting point if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
117. The Planning Practice Guidance²⁰ (PPG) states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
118. A HNF, as calculated here, is therefore a ‘policy-off’ figure. This means that, while it takes account of the factors set out paragraph 67 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained

¹⁸ For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

¹⁹ NPPF, paragraph 66, page 18- available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

²⁰ Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. Such a policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a 'policy-on' Neighbourhood Plan housing requirement figure.

119. This is the difference between the Housing Need Figure (HNF) calculated here and the Housing Requirement Figure (HRF) that the Neighbourhood Plan may take forward based upon it, or which may be provided by SGC. The HNA figure represents need rather than a requirement.
120. The number of new dwellings that should be planned for in the Neighbourhood Plan area over the Plan period is estimated using a four-step approach seeking to reflect to the maximum extent the 2021 NPPF, PPG advice, and the April 2021 Government response to its consultation on 'Changes to the current planning system'.²¹ This is set out in the box overleaf.

²¹ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>.

Step 1: “the population of the neighbourhood area”

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

NPPF requires Local Authorities, and anyone calculating the LHN in their place, to use the ‘standard method’ for calculating the minimum number of homes that a local authority should plan for in an area. The standard method is a simple and transparent way of calculating a baseline of need that can be applied consistently across the country using publicly available datasets. It produces a starting point for planning and not the final housing requirement.

The standard method was set out in PPG in February 2019.²² In August 2020, the Government released a consultation document detailing proposed changes to the standard method that aim to make use of more recent data, achieve a better distribution of homes across the country, and smooth out potential areas of volatility.²³ However, the majority of these changes were abandoned following the consultation. The only change made was an ‘urban centres uplift’ which increases the need figures for the most densely populated urban districts in the country, which is not applicable in this case (though it does apply to Bristol, which may anyway need to meet some of its needs through agreements with other West of England authorities).

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

The NPPF guidance then states that the initial needs figure for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”²⁴ and “the most recently available planning strategy of the local planning authority.”²⁵

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

Step 3: Dwelling completions

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

Step 4: the Local Authority

The NPPF makes it clear that the Local Authority should provide housing numbers to designated neighbourhood planning areas within their area where

²² <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>, pages 8-18.

²⁴ NPPF, paragraph 65, page 18.

²⁵ Ibid.

requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the Neighbourhood Plan area. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.²⁶ If it is considered not to align with the LPA strategy, the LPA may advise on ways that the Neighbourhood Plan should adjust the HNF proposed here.

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

Standard method (Step 1)

122. Firstly, the Local Housing Need figure (LHN) for the district is calculated using the standard method outlined in Planning Practice Guidance, before taking the population of the Neighbourhood Plan area, and calculating the proportion of the total population of the district that it represents. This percentage will then be used to determine the share of the LHN that might be apportioned to the Neighbourhood Plan area based on population statistics.

123. The South Gloucestershire LHN figure, using the standard method, is calculated as follows²⁷:

124. **Stage one** is to set the baseline, by calculating the projected average annual household growth in South Gloucestershire over a 10-year period, beginning with the current year, using the ONS 2014-based household projections:

- According to South Gloucestershire's 2014-based household projection, total household growth will be 10,774 households between 2021 and 2031. This equates to an annual average of 1,077.4.

125. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,²⁸ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:

- South Gloucestershire's 2020 median affordability ratio is 8.09. The formula outlined in PPG produces an adjustment factor²⁹ of 1.255625, which in turn results in a minimum annual figure of 1,353 dwellings (rounded).

126. **Stage three** is to apply a cap which limits the magnitude of increase an LPA can face. How this is calculated depends on the current status of relevant strategic policies for

²⁶ Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁷ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁸ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

²⁹ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

housing. There are two options depending on whether those policies were adopted within the last five years or are older:

- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
- Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
 - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
 - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
- The relevant strategic policy in this case is CS15 in the adopted Core Strategy, which was adopted in 2013. As this document was not adopted within the last five years, the second option above is applied:
- For a) the average annual projected household growth is 1,077.4, as identified above.
- For b) the housing requirement figure in CS15 is for 28,550 new homes over the Plan period 2006-2027, which equates to an annual average of 1,360 (rounded).
- Thus, the cap is applied to b) and not a). A cap of 40% above 1,360 is 1,904.
- The cap of 1,904 is greater than the stage two figure of 1,353 dwellings, and therefore does not limit the adjustment for affordability. The minimum LHN for South Gloucestershire is therefore 1,353 net additional dwellings per year.

127. It is important to emphasise that this result is simply the LHN for South Gloucestershire as calculated using the latest available datasets in 2021. Standard method figures change slightly each year as newer versions of the affordability ratios and other information sources are updated. It may well be that the eventual LHN taken forward with the emerging Local Plan is calculated in a future year.

128. Further to this, the LHN resulting from a standard method calculation is always a starting point for local authorities to determine their final housing target based on other factors (such as land supply, strategic growth aims and geographical constraints). A key factor for South Gloucestershire is its relationship with the other West of England authorities, in particular the possibility that South Gloucestershire will need to agree to take some of Bristol's unmet housing need. The process underpinning the emerging West of England Combined Authority Strategic Development Strategy is expected to determine the LHN of each authority and how any targets may be shared across administrative boundaries.

129. These caveats are to emphasise that the starting point used here for understanding the scale of need for Pilning and Severn Beach may not accurately represent the district's

overall housing target when this is eventually set. No indication has yet been provided of what this might be and it is not appropriate for this HNA to make any assumptions. This is a key area of uncertainty in how Pilning and Severn Beach's housing target may change from the interim figure proposed here and any final figure provided by SGC.

130. Having derived South Gloucestershire's LHN, we now calculate Pilning and Severn Beach's share of that target, by determining what proportion of South Gloucestershire's population currently reside in Pilning and Severn Beach and applying that percentage to South Gloucestershire's LHN.
131. According to ONS mid-year population estimates for 2019 (the most recent available), there were 3,727 people living in Pilning and Severn Beach parish, which is 1.3% of the 285,093 people in South Gloucestershire. Applying this percentage to South Gloucestershire's LHN of 1,353 gives an indicative HNF for Pilning and Severn Beach of 17.6 dwellings per annum, or 246 dwellings (rounded) over the proposed Neighbourhood Plan period 2021-2035.
132. This figure represents the baseline unconstrained needs of the existing population of the parish, on the assumption that the parish's share of South Gloucestershire's needs (as can currently be understood) is in proportion to the parish's share of the district population.
133. The next steps in this process consider whether and how a more nuanced share of the district's need might be identified, and the implications on housing need of the anticipated increase of the population attracted to the forthcoming employment opportunities at Severnside.

Latest available LPA planning strategy (Step 2)

134. As stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available³⁰ development plan document for the district. The policies reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the Neighbourhood Plan area that takes into account the Local Authority's spatial strategy, and therefore may differ from the initial HNF calculated above.
135. In South Gloucestershire, this document is the adopted Core Strategy. The strategy for the pattern and scale of development relevant to Pilning and Severn Beach is outlined in Policies CS5 (location of development) and CS15 (distribution of housing). It is also worth noting that the first two Core Strategy objectives in this policy area are "concentrating the majority of new development to take advantage of existing services and facilities and higher levels of accessibility", and "locating development where it will provide the opportunity to minimize the need to travel and allow safe and convenient access to services by walking, cycling and public transport" (page 46).

³⁰ This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of South Gloucester, the most recently 'available' planning strategy is still the adopted Core Strategy because the emerging plan has not yet reached the stage of having draft policies.

136. Though it is not within the scope of this study to interpret the relative levels of service provision and suitability to development of the various settlements in the district, it is clear that these factors are strongly linked to growth levels. The second objective is also considered highly relevant to the large employment growth in Pilning and Severn Beach, and the opportunity to provide housing close to enable sustainable modes of transport.

Policy CS5 – Location of Development

137. Development is distributed across the district with regard to the function and services of existing settlements. This is set out in descriptive terms, with “most new development” taking place in the North and East Fringes of Bristol, development of an appropriate scale to improve the functions of Yate/Chipping Sodbury and Thornbury also highlighted, and the remaining growth in rural areas left as a matter to be defined through Neighbourhood Planning opportunities. The economic development planned at Severnside is also highlighted, but not linked in with residential growth.
138. In smaller settlements like Pilning and Severn Beach, small-scale development is to be permitted within settlement boundaries or in locations well-related to villages where it supports local needs and services and should ideally be planned through community initiatives (such as Neighbourhood Plans).
139. While this represents a clear framework for how development should be distributed, it does not explicitly define the role of Pilning and Severn Beach or quantify the number or proportion of new homes that might be delivered in each of the areas identified in a way that could be applied to the parish. The distribution of housing numbers is set out in Policy CS15, considered below.

Policy C15 – Distribution of Housing

140. This policy set out clearly how the overall target of 28,550 new homes will be reached over the timespan 2006-2027 and through different spatial areas.
- After first deducting 5,810 completions between 2006 and the adoption of the Plan in 2013 (not disaggregated by area), the remaining target is split into:
 - 14,760 new homes in the North and East Fringes of Bristol, and
 - 4,465 homes in the rest of the district, of which
 - 3,500 are accounted for by new neighbourhoods and housing opportunities at Yate and Thornbury, and
 - 965 potential housing sites elsewhere – i.e those that have planning permission and identified brownfield sites with clear near-term potential
 - There is also an allowance for 2,100 homes to come forward through small windfall sites – i.e. unplanned infill and other small-scale development
141. It is clear that these figures reflect the broad strategy for the location of development summarized above and have been informed by the availability of appropriate development land among other factors. In other words, this distribution is an expression of where future housing delivery to meet the overall needs of the district would be best located, rather

than purely of the housing needs of its individual settlements. It concentrates growth in what are determined to be the most appropriate locations and allows for others to expand in alignment with more localized needs and objectives.

142. The housing growth that might meet Pilning and Severn Beach's needs, along with those of the various other settlements not named above, is contained in the 2,100 units from expected windfall development and possibly within the 965 dwellings expected on deliverable brownfield sites.
143. Those figures are broken down no further to apportion specific quantities or proportions of residential growth to individual settlements or types of settlements. This is perfectly justified, in that South Gloucester's needs can generally be met through large sites and urban extensions, and the Council expects communities to determine the scale and type of growth appropriate in smaller areas like parishes.
144. However, this being the case, the adopted Local Plan does not supply the kind of framework for the distribution of housing need/growth that can be used to determine exactly what proportion of the district's needs might be attributable to Pilning and Severn Beach specifically.
145. In Step 1, the LHN for the district is apportioned to the parish using the relatively blunt measure of population statistics. In Step 2, we are looking for an alternative way of apportioning a share of the LHN that better reflects the Council's distribution strategy – effectively whether the Council considers that the parish is more or less suitable for growth than its relative population alone would suggest.
146. However, this requires the Local Plan to provide a quantifiable framework, for example that the parish is one of a fixed number of settlements of its type or size and that a certain percentage of the district's growth attributable to that category of settlement. That is not the case here, and this is not unusual.
147. In the absence of a distribution strategy that provides detail down to the parish level, it is necessary to fall back on the measure of relative population used in Step 1. This is still a good indicator of how much growth might be appropriate and is broadly aligned with SGC's wider strategy, as it is clear that the district's most populous areas (such as the urban fringes of Bristol and larger towns named above) are earmarked for the most development.
148. The indicative HNF for Pilning and Severn Beach calculated above, of 17.6 dwellings per annum or 246 dwellings over the proposed Neighbourhood Plan period, is taken forward to the next step.

Past dwelling completions (Step 3)

149. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period, i.e. the period between the assumed provisional start date for the Plan and the time of writing. However, the Pilning and Severn Beach Neighbourhood Plan is not intended to be backward-looking: its current provisional start date is the current year (2021) and may shift out depending on the timeline of its production.

150. While there were 4 new dwellings built in the NA in the annual reporting period March 2020 to March 2021 it is not known which, if any, of these new homes were built in the first quarter of 2021. As such, it is not considered appropriate to deduct these completions from the indicative target cited above.
151. It is also worth thinking about commitments – i.e. sites with planning permission that are likely to be completed during the Plan period. Any committed new homes will help to satisfy the need identified here but should not be discounted from the total until they are built.
152. SGC's latest annual monitoring report does not show any major residential development sites with planning permission in Pilning and Severn Beach (though this does not exclude the likelihood that smaller applications exist in the pipeline). It is not known exactly how many smaller sites with permission are active and likely to complete. But the absence of larger sites captured in the annual monitoring report suggests that there is minimal new residential delivery already in the pipeline (likely at a scale in line with recent delivery, with just 26 new homes built over the past 11 years). The key factor influencing future supply is the allocation of any sites in the emerging Local or Neighbourhood Plans.

Conclusion- Final Housing Need Figure

153. This HNA recommends an indicative overall Housing Need Figure (HNF) of 17.6 dwellings per year, which equates to 246 dwellings over the Neighbourhood Plan period 2021-2035. This represents a minimum estimate rather than an absolute target or maximum.
154. The Local Housing Need (LHN) figure of 714 homes per year for South Gloucestershire, from which Pilning and Severn Beach's HNF is derived, is calculated using the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. It is also highly likely to be impacted by ongoing discussions at the scale of the West of England Combined Authority. This is likely to influence the number of homes required in South Gloucestershire and determine any indicative housing requirement figure provided by South Gloucestershire for neighbourhood areas.
155. The current LHN figure for the district has been broken down with the aim of allocating an appropriate share to Pilning and Severn Beach. It was not possible to have reference to the strategy for the pattern and scale of new development across the district as expressed in the adopted Core Strategy, because it cannot be precisely quantified and because the targets and settlement hierarchy the emerging Local Plan have not yet been determined. Instead, the figure for South Gloucestershire has been apportioned to the Neighbourhood Area (NA) with reference to population statistics.
156. It is worth emphasizing the possibility that South Gloucestershire will be able to meet its needs on large strategic sites in key locations and that the residual need attributable to particular parishes like Pilning and Severn Beach will be correspondingly lower in practice. Likewise if a strategic allocation arose in the parish itself this may be able to meet (or exceed) the quantity of need identified here. These matters are yet to be determined because the emerging Local Plan for South Gloucestershire remains at an early stage. This is the reason for the HNA to provide an interim estimate. There is a

need for ongoing dialogue between the Steering Group and South Gloucestershire on this issue in particular.

157. At the time the final Neighbourhood Plan Housing Requirement Figure (HRF) is provided by South Gloucestershire, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the Steering Group to continue to engage with South Gloucestershire Council (SGC) to confirm the final housing figure for the Neighbourhood Plan.
158. The HNF proposed here is an attempt to determine the proportion of South Gloucestershire's housing needs that is attributable to the community of Pilning and Severn Beach as it presently exists. It does not take into account the potential employment growth at Severnside (which, for the purpose of this report, refers to the commercial areas of Western Approach, Westgate and Central Park). There is no definitive way to say how many new homes the planned jobs growth will require because it is not known how many newly arriving (vs already established) households will take them up, how close to work they will wish to live, what they can afford, what their other options are, and so on.
159. Rather than a question of establishing the quantity of need for those workers in advance, it is likely that whatever additional housing growth is delivered in Pilning and Severn Beach in future years will be taken up by households drawn by a combination of this employment driver and the parish's wider offering. The more important question is how much additional growth is considered appropriate by the local community, and how the various trade-offs are perceived (covering, for example, the sustainability of services, impacts on infrastructure, the potential lower dependence on car traffic to access the new jobs, and so on).
160. It may well be considered that the indicative HNF proposed here is sufficient to accommodate a blend of existing and newly arriving residents and that little uplift is required. These are policy choices for the Neighbourhood Plan to make in consultation with local people and SGC.

5. RQ 2: Tenure, Affordability and the Need for Affordable Housing

RQ 2: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

161. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
162. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
163. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.³¹
164. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

³¹ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

165. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
166. Table 5-1 below presents data on tenure in Pilning and Severn Beach compared with South Gloucestershire and England from the 2011 Census, which is the most recent available source of this information. The breakdown of homes completed in the parish since 2011 does not identify the tenure of the home. However, as recent delivery has been entirely on small sites, it is unlikely that any of them have met the threshold above which Affordable Housing has to be provided. It is reasonable to assume that no or very little additional Affordable Housing has been delivered in recent years. It is also not recorded how many social housing units existing in 2011 have since been bought out by their occupants through the Right to Buy scheme (effectively transferring those homes from social rented to ownership tenures), nor how many shared ownership homes have been acquired in full
167. Based on the 2011 Census, it is clear that the majority (80%) of the population of Pilning and Severn Beach owns their own home. The second most common tenure is private renting at 14%. Affordable tenures currently make up a very small part of the tenure split in the NA, with 5% socially renting and only 0.3% of households living in a shared ownership property. Social rent is the tenure that accommodates people with the most acute needs for housing, so the particularly low proportion in the NA represents a potentially significant challenge for those on the lowest incomes or with other support needs locally.
168. This tenure split is relatively similar to the rest of South Gloucestershire, albeit with the

local authority area having fewer households owning and more in social rent. Across England the rate of owner occupation is much lower at 63%, with private renting slightly higher and social renting significantly higher (the latter being the second most popular tenure across the country after owner occupation).

169. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Pilning and Severn Beach the private rented sector (PRS) expanded by 110% in that period, a rate of growth that significantly exceeds that registered across the country at the same time (82%), but is exceeded by the even more significant growth of the PRS across South Gloucestershire as a whole (164%). At the same time there was a decline in all other tenures except in owner occupation, which increased by a very marginal 1.6%.

Table 5-1: Tenure (households) in Pilning and Severn Beach, 2011

Tenure	Pilning and Severn Beach	South Gloucestershire	England
Owned; total	79.8%	74.9%	63.3%
Shared ownership	0.3%	0.5%	0.8%
Social rented; total	5.1%	9.9%	17.7%
Private rented; total	13.8%	13.6%	16.8%

Sources: Census 2011, AECOM Calculations

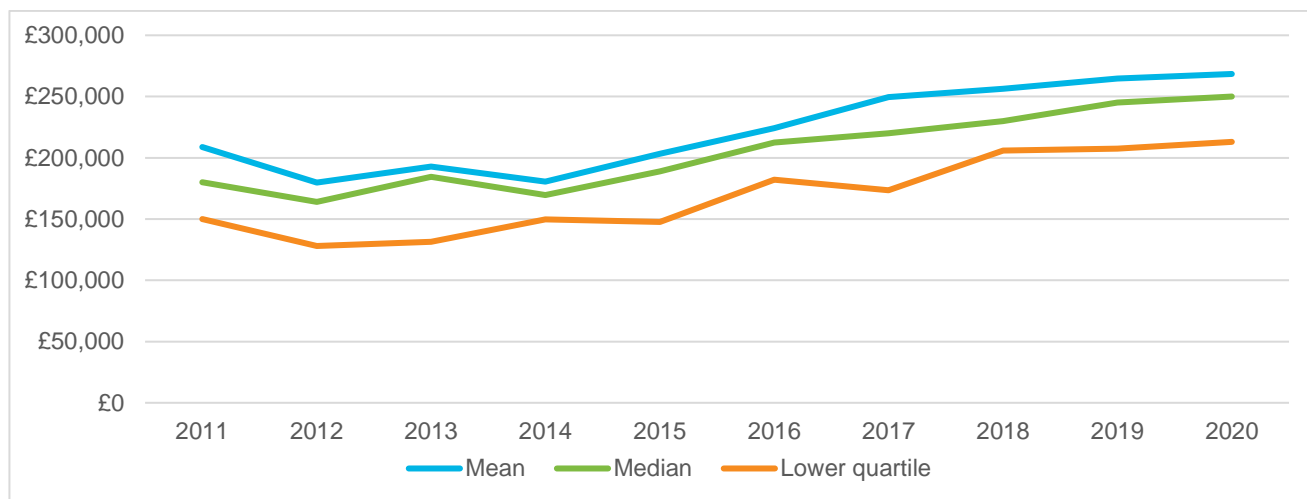
Affordability

House prices

170. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base of plans to examine trends in prices and consider what this reveals about the local housing market.
171. Figure 5-1 below looks at selected measures of house prices in Pilning and Severn Beach. It shows that the mean and median prices follow each other very closely, both fluctuating between 2011-2014 and then rising gently but continually from 2014-2020, roughly by £80-90,000. This is not a very significant increase compared to many other neighbourhood areas, but nevertheless significant. The largest increase was between 2014-2017.
172. The median (the “middle” value in the list of house prices arranged from least to most) consistently shows a similar but slightly lower trajectory than the mean (average). This is the characteristic of a housing market which has a slightly larger number of house prices at the lower end and slightly fewer house prices at the higher end. In this case, the median lies in the lower range of values (where more of the house prices are). Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end (as in, the smaller number of more expensive homes) cause the mean to increase, making it higher than the median.

173. Lower quartile prices are significantly below the mean and the median, fluctuating, but largely rising consistently from 2012-2020. The gaps between the different measures remain broadly similar.

Figure 5-1: House prices by quartile in Pilning and Severn Beach, 2011-2020



Source: Land Registry PPD

174. It also is important to think about the pricing of newly built housing, since this is what the Neighbourhood Plan may be able to exert some control over. Land Registry records no sales of new build properties in the NA in 2020 or in any of the last ten years. In the absence of robust data on this point, it is necessary to refer to new build prices across wider South Gloucestershire to estimate the likely costs of new build housing in the NA in future. South Gloucestershire 2020 price averages are considered a robust proxy for Pilning and Severn Beach (detail on this is provided in Appendix A). It is therefore estimated that the average new build price will be approximately £355,000, while the price of a new terraced home and flat (to represent entry-level properties) are estimated at £313,000 and £243,000 respectively.

175. Table 5-2 below breaks down house prices by type. It shows that the most significant price increases were observed for flats, with their prices growing by over 50%. This larger increase in the price of flats (which also happen to be relatively few) is likely to have worsened the chances of those on lower incomes to access the housing ladder.

176. The second largest percentage growth was of the prices of semi-detached houses, which rose by 42%. Terraced and detached house prices grew by 34-35%.

Table 5-2: House prices by type in Pilning and Severn Beach, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£264,375	£238,500	£226,884	£236,697	£281,255	£275,363	£327,353	£300,994	£325,611	£356,182	34.7%
Semi-detached	£176,571	£174,763	£183,438	£185,041	£200,876	£213,933	£246,500	£249,250	£250,420	£251,500	42.4%
Terraced	£153,844	£127,863	£167,173	£148,957	£174,163	£203,024	£177,130	£213,497	£205,750	£206,005	33.9%
Flats	-	£105,000	£106,500	£112,414	£121,354	£133,400	£142,643	£140,750	£145,667	£159,000	51.4%
All Types	£208,861	£179,777	£192,728	£180,450	£203,326	£224,142	£249,419	£256,439	£264,813	£268,426	28.5%

Source: Land Registry PPD

Incomes

177. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine average household incomes in the NA.
- The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £52,300 in 2018. A map of the area to which this data applies is provided in Appendix A.
 - The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. South Gloucestershire's gross individual lower quartile annual earnings were £14,309 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £28,618.
178. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.
179. In addition to these two indicators of income levels among the general existing population, the Steering Group wish to explore the buying power and housing affordability of potential new residents who will be attracted to the large number of new jobs expected to be provided at Severnside in the coming years and would benefit from housing options located close to those jobs.
180. Though the incomes of this group cannot be known with precision at this point in time, it is possible to make informed estimates using available data.
- ONS wage and salary surveys break down UK employment into a number of distinct sectors. It is considered that the most appropriate category to encompass the primarily warehouse and distribution jobs expected at Severnside is 'warehousing and support activities for transportation' (SIC code 52) within the broader Transport and Storage sector (code H). The most recent revised (as opposed to provisional) data is for 2019, and is broken down by region, so the relevant figures are for the South West. The data summarised below relates to all employees (including those who do not work full-time).
 - The median annual gross individual earnings in this sector across the South West in 2019 were £27,489. The lower quartile figure is £20,292.
 - Unfortunately, data on the full range of warehousing earnings in the South West is not provided. At national level, wages in this sector range from £16,821 for the lowest earning 10% of employees to £62,922 for the highest earning 10%. However, the national median at £31,818 is higher than for the South West, so the national range is likely to also be higher than in the South West.
 - Interestingly, the national figure reflects 13.9% annual wage inflation, among the highest of any sector, likely driven by the increased demand for distribution

for internet shopping during the pandemic. Yet the median for the South West actually represents a slight decline of 2.6%. It is not within the scope of this study to speculate why this might be.

181. Comparing these figures to those for the general population above it is evident that the median individual salary in the warehouse and distribution sector is very close to the dual lower-quartile income benchmark for the wider population. A household with two median earners in the sector would be earning very similar to the overall average household income. Due to these similarities the benchmarks can be combined to cover multiple groups. The lower quartile individual earnings of a warehouse worker, however, falls in between the overall lower quartile wage and the household income where there are two such earners present. This is therefore a useful addition. The income benchmarks taken forward here are therefore as follows:

- £52,300 – overall average household income;
- £28,618 – average income of a single warehouse worker or of a household with two lower quartile earners (in all sectors);
- £20,292 – lower quartile income of a single warehouse worker;
- £16,821 – income of a single lower quartile earner in all sectors.

182. Of course most people's incomes will fall somewhere between these various benchmarks. But for the purpose of clarity and simplicity the next stage of this assessment will consider which tenures of housing are accessible to which of these key groups.

Affordability Thresholds

183. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

184. AECOM has determined thresholds for the income required in Pilning and Severn Beach to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.

185. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.

186. Table 5-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

187. As noted in Appendix A, the cost of affordable home ownership products is calculated with reference to the median house price in the NA in 2020, which is £250,000. This also

serves as a proxy for the price of new build entry-level housing in the NA, both because it falls between the average price of new build flats and terraces across the district and because it is reasonable to assume that new build entry-level homes will cost around the same as a median existing home, because of the premium usually associated with new housing. This is then discounted and subsidised in various ways according to the product.

188. The same information is presented as a graph in Figure 5-2 on a subsequent page, with selected measures from the table presented for clarity.

Table 5-3: Affordability thresholds in Pilning and Severn Beach (income required, £)

Tenure	Mortgage Value (90% of price)	Rent	Income required	Affordable on mean household income? £52,300	Affordable on median warehouse / LQ x2 income? £28,618	Affordable on LQ warehouse income? £20,292	Affordable on LQ x1 income? £14,309
Market Housing							
New Build Average House Price (estimated using LA data)	£319,520	-	£91,292	No	No	No	No
New Build Average Terrace Price (estimated using LA data)	£281,700	-	£80,486	No	No	No	No
New Build Average Flat Price (estimated using LA data)	£218,700	-	£62,486	No	No	No	No
Median Existing NA House Price	£225,000	-	£64,286	No	No	No	No
LQ/Entry-level Existing NA House Price	£191,700	-	£54,771	Marginal	No	No	No
Average Market Rent	-	£11,076	£36,920	Yes	No	No	No
Entry-level Market Rent	-	£10,188	£33,960	Yes	No	No	No
Affordable Home Ownership							
First Homes (-30%)	£175,000	-	£45,000	Yes	No	No	No
First Homes (-40%)	£150,000	-	£38,571	Yes	No	No	No
First Homes (-50%)	£125,000	-	£32,143	Yes	No	No	No
Shared Ownership (50%)	£112,500	£3,125	£42,560	Yes	No	No	No
Shared Ownership (25%)	£56,250	£4,688	£31,696	Yes	No	No	No
Shared Ownership (10%)	£22,500	£5,625	£25,179	Yes	Yes	No	No
Affordable Rented Housing							
Affordable Rent	-	£7,096	£28,386	Yes	Yes	No	No
Social Rent	-	£5,042	£20,168	Yes	Yes	Yes	No

Source: AECOM Calculations

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

Market housing for purchase and rent

190. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access median resale or new build market homes for sale unless they have the advantage of a very large deposit. Entry-level market homes for sale are also unaffordable on average incomes, but only marginally (the income required is £54,771 and average incomes are £52,300. Most market housing, except the smaller and cheaper entry level properties, even with the benefit of a higher than average income, is likely to remain out of reach to the majority of residents and to employees in the warehouse and distribution sector.
191. Private renting is generally affordable to average earners and even to some below average earning households. The income required is £36,920 for average rents and £33,960 for entry level rents, which is £15-18,000 below average earnings in Pilning Severn Beach. However, households reliant on a single median warehouse and distribution salary or two lower quartile incomes (across all sectors) cannot afford local rents. That said, the former group could potentially afford a 1 bed (i.e. below entry-level) rented property, or if supplemented with a second income could likely afford to rent. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

192. There is a relatively large group of households in Pilning and Severn Beach who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £33,960 per year (at which point entry-level rents become affordable) and £54,771 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership. Some Severnside employees could be able to afford the least expensive of these options, particularly if they earn above the average for the sector or cohabit with a second earner.
193. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
194. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. All of these would be affordable on average household incomes in the NA, but not to dual lower quartile earners or median warehouse employees.
195. Affordability to average earners is the threshold at which AECOM typically recommends discount levels for First Homes. In this case, that would suggest that a 30% discount is sufficient in Pilning and Severn Beach. Seeking the minimum discount level has knock-on advantages on the viability of housing schemes that can often help to protect the supply of other forms of Affordable Housing for those in greater need. However, there is an

argument to be made that First Homes with a discount of 50% could be sought and targeted at Severnside workers with higher or multiple incomes as a way to encourage them to put down longer-term roots in the area.

196. Table 5-4 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes).
197. However, it is worth testing the potential cost of First Homes in relation to new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	19%	78%	55%
LA New build mean house price	43%	84%	69%
NA Entry-level house price	5%	74%	48%

Source: Land Registry PPD; ONS MSOA total household income

198. Shared ownership appears is even more affordable than First Homes, but is broadly accessible to the same groups. Those on average income are likely to be able to afford it, but those on single or double lower quartile incomes are likely to be unable to benefit from these products, except for shared ownership at the lowest possible equity level.
199. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.³² If this is delivered in the NA, it will make shared ownership possible to access for more people, including those on double lower quartile incomes or single median warehouse and distribution incomes. It is the only affordable home ownership product accessible to this latter group. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
200. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
201. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are similarly

³² The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

affordable options, except for shared ownership at 10-25% equity or First Homes at 50% discount, which are even more affordable than rent to buy.

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

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

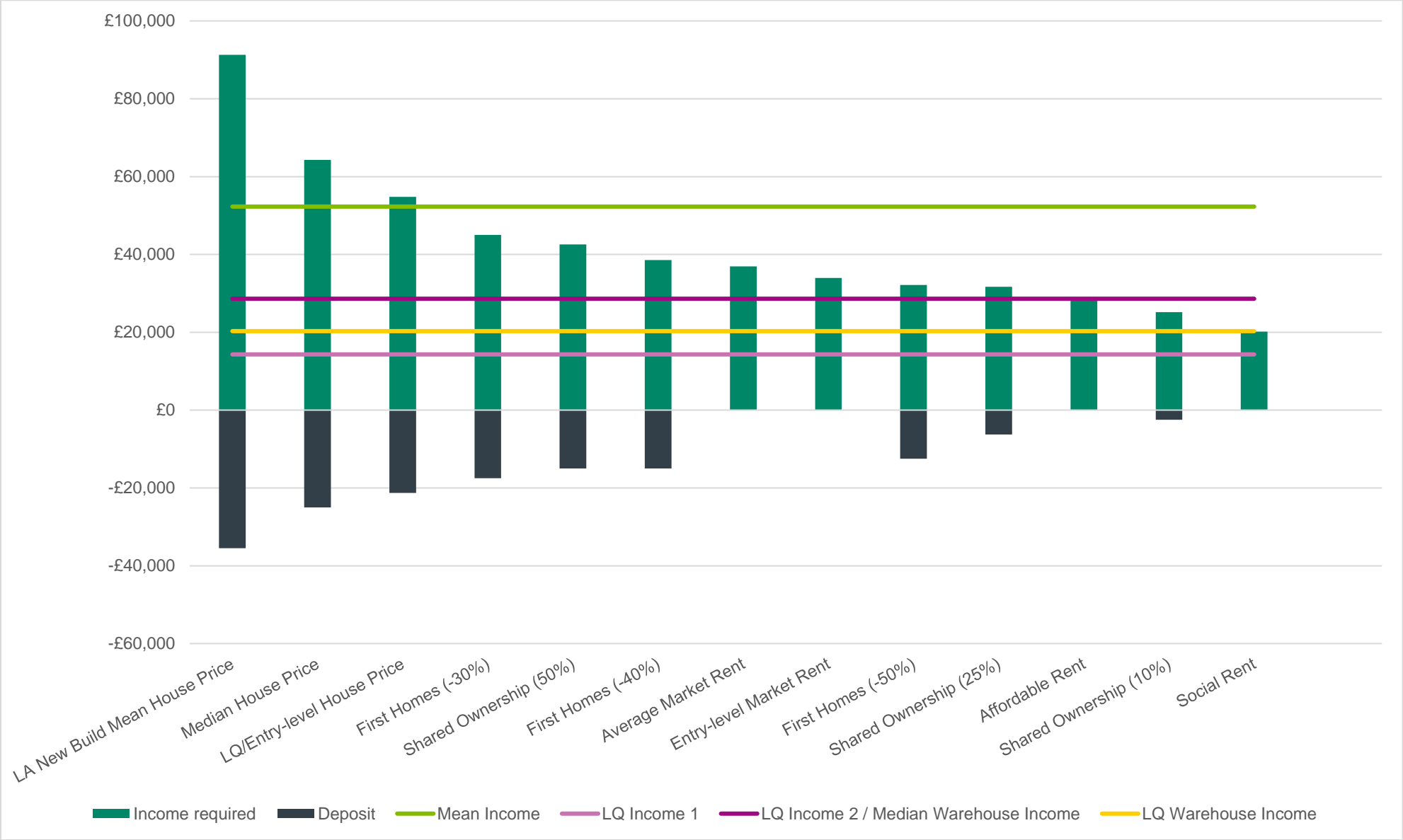
203. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at 25% or lower equity share potentially allowing lower than average earning households to get a foot on the housing ladder, while rent to buy is helpful to those with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

Affordable rented housing

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

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

Figure 5-2: Affordability thresholds in Pilning and Severn Beach, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

206. The starting point for understanding the need for affordable housing in Pilning and Severn Beach is the relevant Strategic Housing Market Assessment (SHMA). This latest SHMA Update (Volume 1 and 2) was undertaken for the Wider Bristol area (Bristol City, South Gloucestershire and North Somerset) in 2018/19, as an update to a previous 2015 SHMA. The study estimates the need for affordable housing in the area based on analysis of the Councils' waiting list / housing registers and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA Update identifies the need for 26,900 additional affordable homes in the whole of the wider Bristol area from 2016-2036 (an average of 1,345 dwellings per year).
207. The SHMA states that "This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the number of households in receipt of housing benefit support provided to households living in the private rented sector remains constant. Providing sufficient affordable housing for all of these households would increase the need to 47,000 affordable homes over the Plan period (2,350 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict".
208. However, the utility of this figure is limited since it is for the entire wider Bristol area, not just for South Gloucestershire. No breakdown by local authority area is provided.
209. The SHMA Update also estimates a need for affordable home ownership separately. This need, the SHMA Update states, "could be as high as 95,200 households" (equivalent to 4,760 per year over 20 years); "thereby indicating a substantial demand for affordable home ownership products. This is in addition to the identified need for 26,900 rented affordable homes; and would suggest that affordable housing need could exceed the overall housing need if both rented affordable housing (22%) and affordable home ownership (78%) were counted". Again, no breakdown between the different local authority areas is provided.
210. Therefore, unlike in some other areas, the total affordable housing need is largely for sale rather than for social/affordable rent. However, the need for affordable housing for rent is more urgent, as it relates to households who live in unsuitable housing and who cannot afford to access market rents, while figures for affordable home ownership represent potential demand from households who have other options.
211. When the SHMA Update figures are pro-rated to Pilning and Severn Beach, based on its share of the population (3,647, which equates to 0.41% of the wider Bristol areas population of 893,600 persons in the 2011 Census), this equates to 9.6 homes per annum for social/affordable rent plus an additional 19.5 affordable

homes for sale, thus a total of 29.1 units per year or 407.4 affordable homes over the 14-year Neighbourhood Plan period (2021 – 2035), of which 134 would be affordable for rent and 273 affordable for sale.

212. However, pro-rating District level estimates of affordable housing need presents problems in practice. This is especially the case when SHMA figures related to a larger Housing Market Area above district level.
213. The higher-level figures are likely to represent higher needs in urban areas (such as the Bristol fringe) where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. By contrast, in villages like Pilning and Severn Beach, a lower supply of social housing means there is less need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing).
214. Finally, in the case of the wider Bristol area, the SHMA covers such a vast area, encompassing 3 unitary authorities, which makes a pro-rated number even more unreliable. Altogether, this means it is difficult to identify need for social/affordable rented housing within Pilning and Severn Beach, based on the SHMA Update alone.
215. Therefore, AECOM has calculated estimates of the need for affordable housing that use locally specific inputs as far as possible. It is important to emphasise at the outset that these calculations relate to the expected need among existing residents of the parish and the 'natural' growth of the population in accordance with population projections. It cannot account for the needs of new residents who will be attracted by the significant employment growth because it is not known how many such households are likely to arrive or what their financial situation may be.

Affordable rented housing

216. In Table 5-5 below AECOM has calculated, using PPG as a starting point,³³ an estimate of the total need for affordable rented housing in Pilning and Severn Beach over the Plan period.
217. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. For example, Census 2011 data is increasingly out-of-date and needs to be brought up to date in various ways, and the waiting list data provided by SGC captures areas of preference rather than the location of applicants. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.

³³ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

218. The key input provided by SGC is the number of current applicants on the Homechoice register for the district who have stated a first choice preference for the NA. Of the 4,180 applicants for South Gloucestershire as a whole, 8 applicants identified Pilning as their first choice and 25 identified Severn Beach as their first choice. A further 373 people said that Pilning was an area they would consider moving to, and the equivalent figure for Severn Beach was 528.
219. For the purpose of this assessment, the people stating the area as their first choice (33 in total) is considered the most appropriate expression of the needs of people living in the NA or having a local connection to the area. The Homechoice data does not capture their current location or test the validity of their local connection, but it is assumed that those selecting the area as a first choice are relatively closely connected to Pilning and Severn Beach if not already resident. It is worth noting that the nationally reported waiting list data for South Gloucestershire, pro-rated to the NA based on its share of the district population, gives a figure of 28 – which helps to confirm the 33 figure is within the expected range.
220. 13 of the 33 applicants are in the highest priority bands (priority to Band C) while the remainder have lower levels of need but remain registered and relevant to this part of the HNA.³⁴ The need is primarily for 1-3 bedroom homes (8, 12 and 10 applicants respectively), with more limited need for larger properties. That said, 'need' on the register is more likely to indicate eligibility than need/preference, in the sense that a household who may wish for a 2 bedroom home may only be eligible for 1 bedroom and would be counted as in need of 1 bedroom.
221. The model below suggests that, in addition to the 33 households currently in need, around 2 households per year are likely to fall into need each year, based on projections of household growth and the rate of need currently. From this is deducted an assumed rate of turnover in the existing stock, whereby social rented homes come vacant as their occupants move away and those homes are able to satisfy some of the outstanding need. We assume a rate of 3% for this turnover, based on the experience of other parishes, which would suggest that just under 3 units might come vacant each year. SGC report that 5 units came vacant in the NA in 2019-20. This is broadly in line with the model, and the rate of 3% is retained as a more conservative assumption rather than projecting that 5 units per year is likely to be realistic every year going forward. A longer-term average based on figures for previous years was not available.
222. The net result is 1.4 households who are likely to be in need of affordable rented housing each year, equating to a total of 20 units that would ideally be built during the Neighbourhood Plan period.
223. It may also be useful to try and meet as much of this need up front, considering there is a current backlog of 33 units needed. To assume that supply will be 'spread out', meeting need over the Plan period, accepts that some of those on the waiting list may potentially wait for several years until a suitable unit becomes vacant or are built, which is not favourable to the individuals involved. In practice, it would

³⁴ The policy document defining priority levels and other aspects of the management of the register is available at <https://www.southglos.gov.uk/documents/South-Gloucestershire-Council-HomeChoice-Lettings-Policy-and-Procedure-1.pdf>.

be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.

224. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might for example have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
225. As such, it is recommended that Pilning and Severn Beach encourages the delivery of affordable rented housing, potentially over the minimum number of units required, matching the needs of those on the waiting list, particularly early in the Plan period.
226. Again, this does not include any need that might arise from households attracted to the new employment at Severnside. Those new jobs could well have the effect of increasing the number of households on the Homechoice register selecting the NA as a first choice in order to live close to work. As such, any additional affordable rented housing that could be brought forward could help to anticipate and satisfy any future increase in need. At this stage it is not possible to estimate the scale of that potential need, for the reasons provided above.

Table 5-5: Estimate of need for Affordable Housing for rent in Pilning and Severn Beach

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	33	SGC Homechoice register statistics, accurate as of August 2021.
1.2 Per annum	2.4	1.1 divided by the plan period 2021-2035.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	247.4	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	10.3%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in NA	91.8	2011 Census + LA-level % increase (as it is not known precisely how many, if any, new affordable homes were delivered since 2011..
2.2.2 Number of private renters on housing benefits	49.2	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	25.5	Step 2.1 x Step 2.2
2.4 Per annum	1.8	Step 2.3 divided by plan period 2021-2035.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	2.8	Step 3.1 x NA social rented stock (2.2.1).
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall (or surplus) per annum	1.4	Step 1.2 + Step 2.4 - Step 3.2.
Overall shortfall (or surplus) over the plan period	20.0	(Step 1.1 + Step 2.3) - Step 3.2 * plan period.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

Affordable home ownership

227. Turning now to Affordable Housing providing a route to home ownership, Table 5-6 below estimates the potential demand among existing residents in Pilning and Severn Beach. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
228. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership³⁵ and the fact that 80% of NA residents own their own home, even though some households trying to get on the housing ladder clearly face affordability barriers. No other robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
229. The result of the calculation is 12.3 households per annum who may be interested in affordable home ownership (or 169.9 for the entirety of the Plan period, which can be rounded to 170).
230. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the low level of shared ownership in the NA currently (only 4 households, 0.3% of all households live in a shared ownership property as per the 2011 Census).
231. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

³⁵ <http://www.ipsos-mori-generations.com/housing.html>

Table 5-6: Estimate of the potential demand for affordable housing for sale in Pilning and Severn Beach

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	253.5	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	19.4 %	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	49.2	Step 1.1 * Step 1.2
1.4 Current need (households)	153.3	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	10.9	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	247.4	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	9.7%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	24.1	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	1.9	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	10.7	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	0.5	Step 3.1 * 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	12.3	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	169.9	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

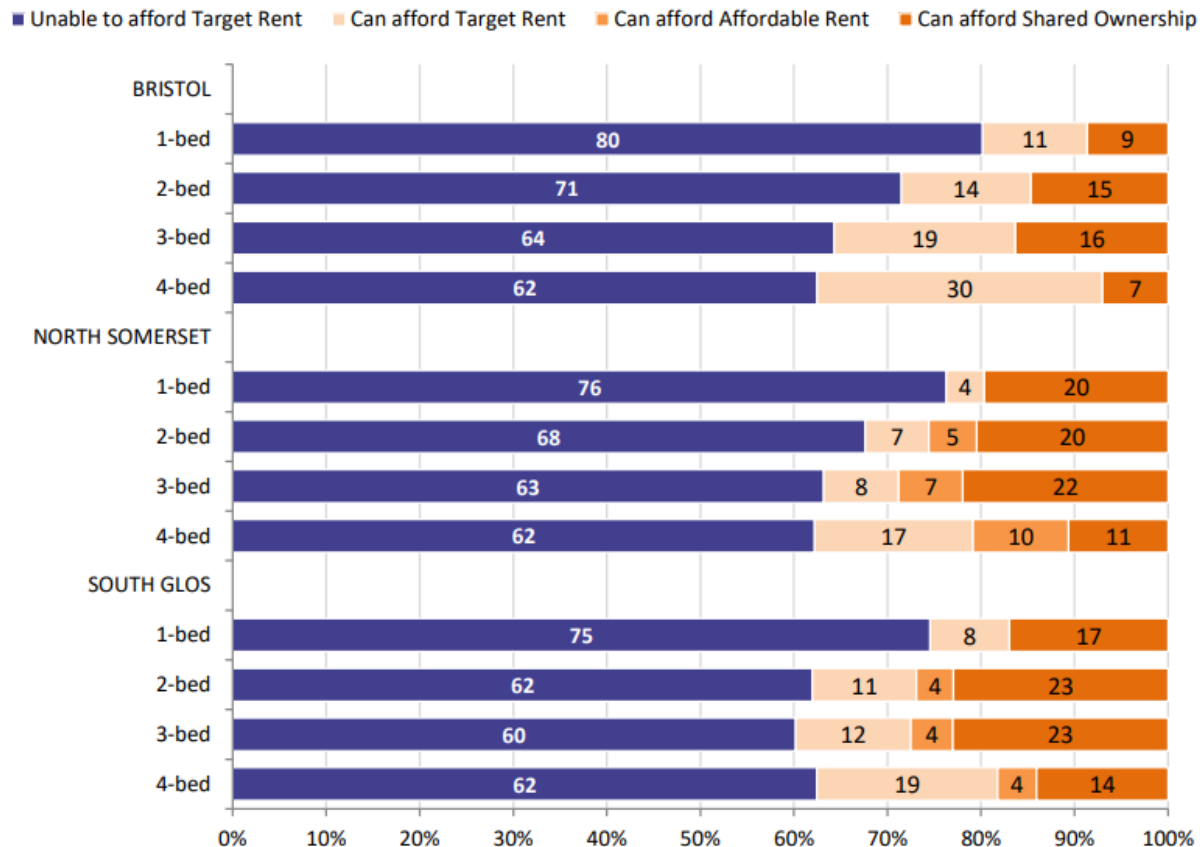
Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets

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

Additional SHMA Update findings

234. The most recent SHMA Update 2018/19 has only limited applicability to the NA, as most of its findings, including on the subject of tenure and affordability, are largely too broad to be useful at the parish level. Many findings are for the three authorities combined and do not even differentiate to the level of South Gloucestershire. Furthermore, most of the data is from 2016, so already 5 years old at the time of writing.
235. It does present some relevant information at the South Gloucestershire level, including on the following:

- average weekly private rent levels are higher in South Gloucestershire than North Somerset, but lower than Bristol, ranging from £137-288 depending on dwelling size;
- maximum local housing allowance will not cover average private rents in South Gloucestershire (requiring an additional £16-48 a week approximately, with more additional funds needed the larger the home is);
- average total weekly shared ownership costs (including mortgage, rent and service charges) are £103-254 depending on the size of property, which is generally lower than the equivalent median private rent and, for smaller properties, lower than the maximum LHA, so long as an equity share of 40% or less is assumed; even where a higher equity is assumed, this is still more affordable than outright ownership and therefore may appeal to those who can afford to rent but not afford to buy;
- There is a clear income gap between being able to afford market rent and being able to afford home ownership, particularly for 2 bed housing in South Gloucestershire;
- Households in South Gloucestershire with incomes around £20,000-22,000 can afford to rent a 2-bed property in the local authority area, but require incomes of double these amounts to afford to buy an existing dwelling in the same area; and
- The SHMA Update Volume 2 figure 32, see below for a reproduction, shows the affordability of households needing affordable housing by property size and local authority area 2016:



Affordable Housing policy guidance

236. South Gloucestershire's adopted policy on this subject (CS18) requires 35% of new housing to be affordable on sites of 5+ dwellings / 0.2 ha in rural areas such as the NA. It is unlikely that this target is often met on sites in the NA, which are typically below 5 units in size.
237. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
238. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is covered by adopted policy CS17, which states that the mix of affordable and market housing must provide a wide variety of housing types and sizes to accommodate the needs of different types of households, as evidenced by local and / or strategic housing needs assessment. On non-strategic sites, the mix should contribute to providing a choice of tenure and type, having regard to existing mix, character and accessibility of location. This therefore means that the mix can be determined based on the latest evidence of need, such as our HNA, while it is up to date. This section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Pilning and Severn Beach specifically.
239. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Pilning and Severn Beach requires roughly 20 units of affordable rented housing and 170 units of affordable home ownership over the Plan period, as calculated in Table 5-5 and Table 5-6. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
- The relationship between these figures suggests that 7.1% of Affordable Housing should be rented and 92.9% should offer a route to ownership. This could be rounded to be 10% affordable rented and 90% affordable for sale. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.
- If the quantity of new housing overall were unlimited, 10% to 90% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.
- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

If the Local Plan target of 35% were achieved on every site, up to around 86 affordable homes might be expected in the NA (based on the indicative HNF of 246 calculated in the Quantity section of this report).

If the majority of Pilning and Severn Beach's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 5+ dwellings, for which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower than 86. While this may be enough to meet the most urgent need for 20 units of affordable rented housing, it is not enough to meet the potential demand for affordable home ownership identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority.

C. Government policy (e.g. NPPF) requirements: Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in rural South Gloucestershire, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership. As the Local Plan suggests that the mix within the affordable housing provision should be led by needs evidence, any split based on need evidence will comply with national and local policy, so long as a minimum 29% of the affordable provision is for sale.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Pilning and Severn Beach would prejudice the provision of much needed affordable rented homes, as the majority of evidenced need is for affordable housing for sale.

D. Local Plan policy: As noted above, the adopted Local Plan does not seek a specific tenure split within the 35% affordable housing requirement.

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

This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. However this is unlikely in the NA.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should, as a first priority, protect the provision for social rent needed. The 29% proportion of affordable home ownership implied by the Local Plan (see above) is compliant with this, but First Homes would form the bulk of affordable home ownership delivery.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** The availability of funding to support the delivery of different forms of Affordable Housing may also influence what is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.³⁶
- H. **Existing tenure mix in Pilning and Severn Beach:** Currently there is only limited social rented and shared ownership provision in the NA (with only 5.1% and 0.3% of households living in social rented and shared ownership properties – equating to 82 and 7 households respectively in 2011). This suggests that some provision of Affordable Housing for rent and for sale would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in the area, as well as to accommodate Severnside employees close to their place of work.
- I. **Views of registered providers:** It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** The neighbourhood planning group may wish to take account of broader policy objectives for Pilning and Severn Beach and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

240. On the basis of the considerations above, Table 5-7 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

241. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. The proportion that should be for affordable rent, proposed at 34%, is set in relation to the expected delivery of Affordable Housing (likely less than 86 units). This is intended to allow for at least 20 affordable rented units to be delivered along with a roughly 50% buffer to acknowledge the fact that it is unlikely that future housing sites will all be large enough to exceed the threshold for Affordable Housing contributions. The

³⁶ Funding is normally secured through S106 contributions on mainstream development sites, see: <https://www.gov.uk/guidance/planning-obligations>. However, there are other sources of funding at national and occasionally local level than can contribute to affordable provision. The key national programme is administered by Homes England, see: <https://www.gov.uk/government/collections/affordable-homes-programme-2021-to-2026>. The local planning authority may be able to provide information about regional or local programmes if any exist at present.

remaining share should be focused on maximising the opportunity in Pilning and Severn Beach to provide affordable routes to ownership (which should be split relatively evenly in response to the affordability thresholds analysis here which found them to be broadly equivalent).

242. This 34/66% split between renting and ownership is in line with the need figures calculated for the wider housing market area in the SHMA Update.
243. A key uncertainty here is whether the eventual housing requirement figure enshrined in the Neighbourhood Plan remains 246 as calculated (as an interim provisional figure) in this report. If the final number is significantly lower or higher this would justify adjusting the recommendation given here, following the logic set out above.
244. A further uncertainty is the extent to which the community wishes to grow to accommodate workers at the forthcoming employment opportunities at Severnside. Earlier sections of this report found that most workers in the warehouse and distribution sector in the South West cannot afford home ownership or market rents in the NA. While affordable home ownership products may be suitable for some of these households, it appears that a larger segment of the lower earners associated with Severnside may be in need of affordable rented housing. As such, the proportion of Affordable Housing dedicated to the social/affordable rented sector could be increased substantially in order to make provision for these lower earning Severnside employees.
245. To summarise, this mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
246. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with SGC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
247. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 5-7: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	66%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	25%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	16%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	34%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Affordability issues

248. The tenure profile of Pilning and Severn Beach is characterized by high levels of home ownership (80%), low levels of affordable renting and affordable home ownership (5% and 0.3%) and average levels of private renting (14%). The private rented sector grew by 164% from 2001-2011, a rate of increase well above the nationwide trend and one that often points to the declining affordability of home ownership. This is borne out in the NA's house price data.
249. House prices have been rising steadily since 2014 (following a slight decline from 2011 levels) with the result that average prices are now around £80-90,000 more expensive than in 2014. House price appreciation is a significant additional barrier to those wishing to buy locally, and an analysis of the price of newly built housing across a wider area suggests that the new build premium presents a further challenge when it comes to the new housing that might be delivered during the Neighbourhood Plan period.
250. Average household incomes in Pilning and Severn Beach (at £52,300) are above the national average. However, there is a large gap between the average household income and the lower quartile individual income across South Gloucestershire of £14,309. Even with two lower quartile earners (with a combined income of £28,618), a household would be earning little more than half of the overall average.
251. The estimated buying power of potential future Severnside employees is assessed with reference to average wage figures for the warehousing and distribution sector across the South West. The median wage at £27,489 is broadly equivalent to a household with two lower quartile earners. The lower

quartile wage in the sector is higher than the wider economy, at £20,292, but is far below the local average household income and situates many potential Severnside workers at the lower end of the income range with few realistic housing options in Pilning and Severn Beach.

Tenure options

252. AECOM has estimated the annual income required to afford various tenures of housing in the NA – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward.
253. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the area. Home ownership through the mainstream market is not an option for the majority of local people and employees in relevant sectors for Severnside.
254. Private renting is generally affordable to average earners and even to some below average earning households. However, households reliant on a single median warehouse and distribution salary or two lower quartile incomes (across all sectors) cannot afford local rents. That said, the former group could potentially afford a 1 bed (i.e. below entry-level) rented property, or if supplemented with a second income could likely afford to rent. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
255. There is a relatively large group of households in Pilning and Severn Beach who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £33,960 per year (at which point entry-level rents become affordable) and £54,771 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership. Some Severnside employees could be able to afford the least expensive of these options, particularly if they earn above the average for the sector or cohabit with a second earner.
256. All of these products would be valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while rent to buy offers poorer long-term prospects but is helpful to those with little or no savings for a deposit, and First Homes provides the best long-term support to those with slightly higher incomes.
257. Neighbourhood plan qualifying bodies will have discretion to increase the discount on the new First Homes product from 30% to 40% or 50% where there is evidence to suggest this is appropriate. Affordability to average earners is the threshold at which AECOM typically recommends discount levels for First Homes. In this case, that would suggest that a 30% discount is sufficient in Pilning and Severn Beach. Seeking the minimum discount level has knock-on advantages on the viability of housing schemes that can often help to protect the supply of other forms of Affordable Housing for those in greater need. However,

there is an argument to be made that First Homes with a discount of 50% could be sought and targeted at Severnside workers with higher or multiple incomes as a way to encourage them to put down longer-term roots in the area.

258. Affordable rented housing is generally affordable to households with a single median warehouse employee, two lower quartile earners depending on their household size, and in some cases single lower quartile warehouse employees. (Average earning households are unlikely to be eligible). However, households with a single lower quartile earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Pilning and Severn Beach as the only option for a large segment of those in the greatest need.

Quantity of Affordable Housing needed

259. The 2018/19 SHMA Update for Wider Bristol estimates a need for 2,350 net additional affordable rented homes and 4,760 affordable home ownership units each year between 2016 and 2036 across the multi-authority area. At 0.41% of the Wider Bristol population, Pilning and Severn Beach's annual needs can be roughly estimated at 9.6 homes per annum for social/affordable rent plus an additional 19.5 affordable homes for sale, thus a total of 29.1 units per year or 407.4 affordable homes over the 14-year Neighbourhood Plan period (2021 – 2035), of which 134 would be affordable for rent and 273 affordable for sale.
260. While this evidence is a helpful indication of what can be understood as the NA's share of the wider area's overall needs, it also smooths out differences across an extremely wide area and is less specific to the local situation. It should be a consideration when thinking about policy options in the Neighbourhood Plan, but can also be supplemented with calculations that use inputs that relate specifically to the NA.
261. The first of these calculations estimates the need for affordable rented housing and the second considers the potential demand for affordable (i.e. subsidised) home ownership.
262. The result of the first calculation is 1.4 households who are likely to be in need of affordable rented housing each year, equating to a total of 20 units that would ideally be built during the Neighbourhood Plan period. A key input to this result is the current backlog of 33 waiting list applicant households who have identified the parish as their first choice as a place to live. The reason the total long-term need is lower than the current backlog is an assumption that a portion of the existing stock will be able to satisfy newly arising need as vacancies arise. Because this is little help to those in urgent need now, it is recommended that Pilning and Severn Beach encourages the delivery of affordable rented housing, potentially over the minimum number of units required and particularly early in the Plan period.
263. Turning to Affordable Housing providing a route to home ownership, it is estimated that around 12.3 households per annum may be interested in

affordable home ownership (or 169.9 for the entirety of the Plan period, which can be rounded to 170).

264. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed already. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.
265. It may not be achievable or even desirable to deliver this volume of affordable home ownership properties in the coming years as even greater numbers of market homes would be required to cross-subsidise delivery, many of the interested households might not be able to afford the necessary deposit, and there remains a number of affordable rented homes required for those with more urgent needs. However, this figure remains a useful indicator of the potential scale of demand and of the affordability challenge in Pilning and Severn Beach.
266. The above figures relate to the need for Affordable Housing, assessed in a few different ways. Some of the figures discussed below relate to the expected delivery of Affordable Housing (assuming that if the overall need figure were delivered and met the proportion of Affordable Housing required by the Core Strategy. It is useful to set these figures in relation to one another in order to determine whether expected delivery is sufficient to meet the identified need.

Policy considerations

267. South Gloucestershire's adopted policy in relation to Affordable Housing (Policy CS18) requires 35% of new housing to be affordable on sites of 5+ dwellings. It is unlikely that this target is often met on sites in the NA, which are typically below 5 units in size.
268. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
269. On the balance of factors listed in this report, AECOM recommends that roughly 34% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 66% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for some shared ownership or other tenures.
270. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. The proportion that should be for affordable rent, proposed at 34%, is set in relation to the expected delivery of Affordable Housing (likely less than 86 units, based on the Local Plan target of 35% on the indicative HNF of 346).
271. It is intended to allow for at least 20 affordable rented units to be delivered along with a roughly 50% buffer to acknowledge the fact that it is unlikely that future housing sites will all be large enough to exceed the threshold for Affordable Housing contributions. The remaining share should be focused on maximising the opportunity in Pilning and Severn Beach to provide affordable routes to

ownership (which should be split relatively evenly in response to the affordability thresholds analysis here which found them to be broadly equivalent).

272. A key uncertainty here is whether the eventual housing requirement figure enshrined in the Neighbourhood Plan remains 246 as calculated (as an interim provisional figure) in this report. If the final number is significantly lower or higher this would justify adjusting the recommendation given here.
273. A further uncertainty is the extent to which the community wishes to grow to accommodate workers at the forthcoming employment opportunities at Severnside. While affordable home ownership products may be suitable for some of these households, it appears that a larger segment of the lower earners associated with Severnside may be in need of affordable rented housing. As such, the proportion of Affordable Housing dedicated to the social/affordable rented sector could be increased substantially in order to make provision for these lower earning Severnside employees.
274. To summarise, this mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of the views and objectives of the Pilning and Severn Beach community.

Delivery expectations

275. Table 5-8 below summarises Pilning and Severn Beach's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the indicative housing need figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 5-8: Estimated delivery of Affordable Housing in Pilning and Severn Beach

	Step in Estimation	Expected delivery
A	Housing Need Figure calculated in the Quantity section of the HNA	246
B	Affordable housing quota (%) in LPA's Local Plan	35%
C	Potential total Affordable Housing in NA (A x B)	86
D	Rented % (e.g. social/ affordable rented)	34%
E	Rented number (C x D)	29
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	66%
G	Affordable home ownership number (C x F)	57

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

6. RQ 3: Type and Size

RQ 3: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Introduction

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

Existing types and sizes

Background and definitions

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

a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

282. As noted in the Context section of this report, there are multiple sources for the current mix of dwellings in the NA. One way is to take the 2011 Census dwelling mix and add to it the homes that have been built in the years since. This is highly precise but it does not reflect any changes that have been made to homes since 2011 (such as extensions). Another way is to refer to the data collated by the Valuation Office Agency (VOA) which comes from council tax reporting. This is updated to 2020 but is not collected in as accurate a way as the Census and is rounded to the nearest 10 in each category of its results. An appropriate combination will be used in each of the subsequent sections.

Dwelling type

283. For dwelling type, the two best data sources are the Census and VOA because the completions since 2011 collated by SGC do not distinguish by dwelling type. VOA data also records bungalows as a separate category so the Census remains useful for understanding roughly what proportion are detached, semi-detached or terraced bungalows. The two datasets are presented in Table 6-1 below, and the VOA data for Pilning and Severn Beach is compared with wider South Gloucestershire and England in Table 6-2.

284. Key characteristics of the NA's housing stock in terms of type are:

- A much greater proportion of bungalows than is evident at wider geographies, which may represent an appealing offering to those with mobility limitations;
- High proportions of housing of typically less dense typologies (detached and semi-detached) than others. Looking at 2011 figures suggests that the majority of bungalows are detached and most of the remainder are semi-detached, which would bring the totals for those categories above district and national levels;
- It is the generally more dense and hence more affordable housing types – terraces and flats – that are less common in the NA than across the wider area.

Table 6-1: Accommodation type, Pilning and Severn Beach, 2011 and 2020

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	230 (14.6%)
Flat	128 (8.3%)	120 (7.6%)
Terrace	272 (17.7%)	350 (22.3%)
Semi-detached	533 (34.6%)	430 (27.4%)
Detached	516 (33.5%)	310 (19.7%)
Unknown/other	-	130 (8.3%)
Total	1,541	1,570

Source: ONS 2011, VOA 2020, AECOM Calculations

Table 6-2: Accommodation type, various geographies, 2020

Dwelling type	Pilning and Severn Beach	South Gloucestershire	England
Bungalow	14.6%	6.5%	9.4%
Flat	7.6%	13.1%	23.0%
Terrace	22.3%	28.6%	26.4%
Semi-detached	27.4%	27.7%	23.8%
Detached	19.7%	21.7%	15.9%
Unknown/other	8.3%	2.3%	1.4%

Source: VOA 2020, AECOM Calculations

Dwelling size

285. As above, the tables below show the mix of dwelling sizes (in terms of number of bedrooms) in Pilning and Severn Beach over time and compared with wider averages.
286. In the case of dwelling sizes, the SGC data on completions since 2011 gives full detail on each new home. It can therefore be seen how recent development is changing the existing picture. The grand total for 2011 Census plus completions in the intervening period is considered the most accurate representation of the dwelling mix. One minor drawback is that the SGC data on the total number of dwellings is a net increase reflecting demolitions to make way for the new homes. In its breakdown by dwelling size, demolitions are not deducted. So the 32 new homes are added to the size mix from 2011, but the three homes that were demolished are not deducted because it was not recorded how many bedrooms each of them had.
287. The VOA data, which is again rounded and also has one fewer category, is presented as a sense-check. Its results are fairly dissimilar to the picture arising from Census plus completions. While it is plausible that many smaller homes have been extended or otherwise changed to result in more bedrooms it is unlikely to be the case at the scale suggested by these numbers. The various datasets are presented in Table 6-3 below, with the geographical comparison using following in Table 6-4.
288. (Note that the totals in the VOA data differ for types and sizes slightly because of the way that rounded results in each category are summed together. Census totals also differ across the datasets because size is only recorded for homes that were occupied at the time, while type is captured even for unoccupied dwellings.)
289. Some key conclusions to be drawn from this data are as follows:
- Most housing in Pilning in Severn Beach has 2-4 bedrooms, with 3 bedrooms the most common category.
 - This is similar to the picture at district and national scale, but the NA has more 4+ bedroom homes and a slightly higher proportion of 2 bedroom housing than exists elsewhere.
 - Since 2011 housing has been built at a variety of sizes, with 2 bedroom housing dominating. Because recent delivery has boosted the number of

1-2 bedroom homes and fewer larger homes were built, it can be said to have helped to add variety and choice to the housing stock overall.

Table 6-3: Dwelling size (bedrooms), Pilning and Severn Beach, 2011 and 2020

Number of bedrooms	2011 (Census)	Completions 2011-2021 (SGC data)	2021 total (Census + completions)	2020 (VOA)
Studio	0 (0.0%)	-	0 (0.0%)	-
1	99 (6.6%)	7 (21.9%)	106 (6.9%)	70 (4.9%)
2	396 (26.3%)	12 (37.5%)	408 (26.5%)	330 (23.1%)
3	676 (44.9%)	5 (15.6%)	681 (44.2%)	750 (52.4%)
4+	267 (17.7%)	6 (18.8%)	273 (17.7%)	270 (18.9%)
5+	69 (4.6%)	2 (6.3%)	71 (4.6%)	-
Unknown	-	-		10 (0.7%)
Total	1,507	32	1,539	1,430

Source: ONS 2011, VOA 2020, AECOM Calculations

290. Again it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country.

Table 6-4: Dwelling size (bedrooms), various geographies, 2020

Number of bedrooms	Pilning and Severn Beach (Census + completions)	South Gloucestershire (VOA)	England (VOA)
1	6.9%	7.6%	12.2%
2	26.5%	22.4%	28.1%
3	44.2%	50.4%	43.6%
4+	22.3%	19.2%	15.4%

Source: VOA 2020, AECOM Calculations

Age and household composition

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

Age structure

292. Table 6-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The population profile in percentage terms has changed in an important way, if only to a moderate degree: the age groups below 65 have all declined (except for a minor increase among children) and the older age groups have both increased substantially. There are currently estimated to be 81 fewer people aged under 65 than in 2011, and 161 more people aged over 65. It is clear that ageing is a current driver of housing need and will continue to be so in future.

293. This shift comes in spite of the slightly smaller homes that have been built over the same period (e.g. with 2 bedrooms), which might be expected to appeal to the group (16-44) which has declined the most.

294. However, the ageing trend may be halted or reversed as a result of new working age arrivals to the area attracted by the forthcoming employment growth at Severnside. The quantity and type of new housing available to accommodate such households will impact who is able to come and, indirectly, how they might change the demographic profile of the area.
295. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data. They are based on the application of assumptions about population change at district level and trends occurring in rural areas generally – they do not take changes in the housing stock of specific areas into account.
296. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

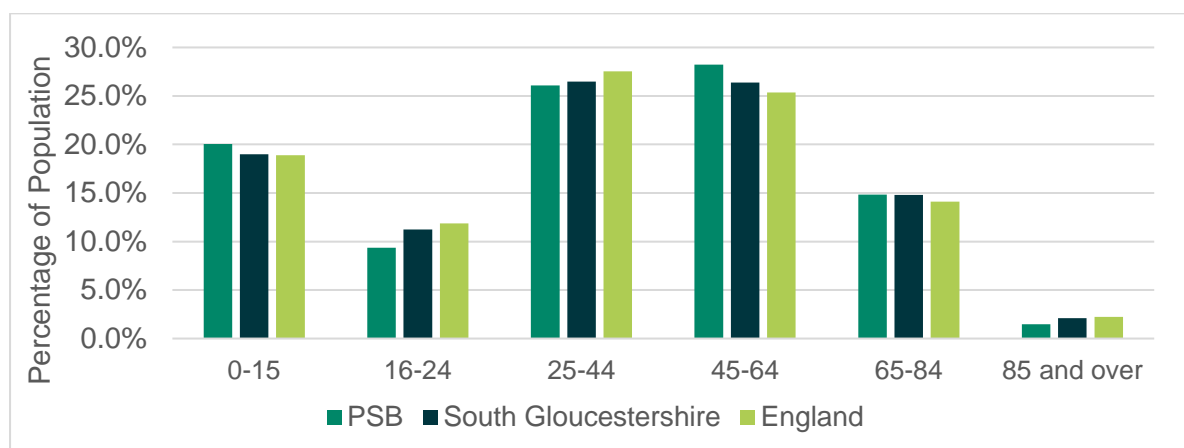
Table 6-5: Age structure of Pilning and Severn Beach population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	731	20.0%	757	20.3%
16-24	341	9.4%	293	7.9%
25-44	951	26.1%	916	24.6%
45-64	1,029	28.2%	1,005	27.0%
65-84	541	14.8%	660	17.7%
85 and over	54	1.5%	96	2.6%
Total	3,674		3,727	

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

297. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 6-1 below (using 2011 Census data) shows that Pilning and Severn Beach is not dissimilar to the district and country in terms of age distribution. There is, however, a larger share of the population in the 45-64 and 65-84 age brackets and a smaller share in the 16-24 and 25-44 brackets than the other geographies.

Figure 6-1: Age structure in Pilning and Severn Beach, 2011



Source: ONS 2011, AECOM Calculations

Household composition

298. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is another important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
299. Table 6-6 below shows that the NA had a similar balance of single person to family households as the wider district. The vast majority of households in Pilning and Severn Beach are families aged below 65, of whom some have dependent children than no children.
300. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 24% between 2001 and 2011 in the parish – a rate more than twice as fast as the district or national average.

Table 6-6: Household composition, Pilning and Severn Beach, 2011

Household composition		Pilning and Severn Beach	South Gloucestershire	England
One person household	Total	25.7%	26.6%	30.2%
	Aged 65 and over	10.2%	11.4%	12.4%
	Other	15.5%	15.1%	17.9%
One family only	Total	69.5%	67.8%	61.8%
	All aged 65 and over	9.1%	9.8%	8.1%
	With no children	20.7%	19.4%	17.6%
	With dependent children	29.1%	28.8%	26.5%
	All children Non-Dependent ³⁷	10.6%	9.9%	9.6%
Other household types	Total	4.8%	5.6%	8.0%

Source: ONS 2011, AECOM Calculations

³⁷ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

Occupancy ratings

301. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of Pilning and Severn Beach. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
302. Across Pilning and Severn Beach ward, a combined 76% of people lived in a home with at least one extra bedroom in 2011, with 35% living in a home with two or more extra bedrooms. The percentage of people living in homes with fewer bedrooms than they might be expected to need is negligible at 3%, although this does indicate that around 100 people may have been (or still be) living in inadequate housing conditions.
303. The previous chapter established the fairly high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size.
304. It is useful to cross-reference this data by age bracket, presented in Table 6-7 below. Under-occupancy (+2 rating) is quite strongly correlated with age, with those aged 50 far more likely to under-occupy their homes. At the same time, 4% of children live in over-occupied homes – the highest of any group.

Table 6-7: Occupancy rating by age in Pilning and Severn Beach, 2011

Age group	+2 rating	+1 rating	0 rating	-1 rating
0-15	22.2%	43.1%	30.5%	4.2%
16-49	29.8%	43.1%	23.0%	4.1%
50-64	50.2%	33.7%	14.6%	1.5%
65 and over	48.1%	40.3%	10.9%	0.7%
All ages	35.3%	40.8%	20.9%	3.1%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

305. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:
- The starting point is the age distribution of Pilning and Severn Beach households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.

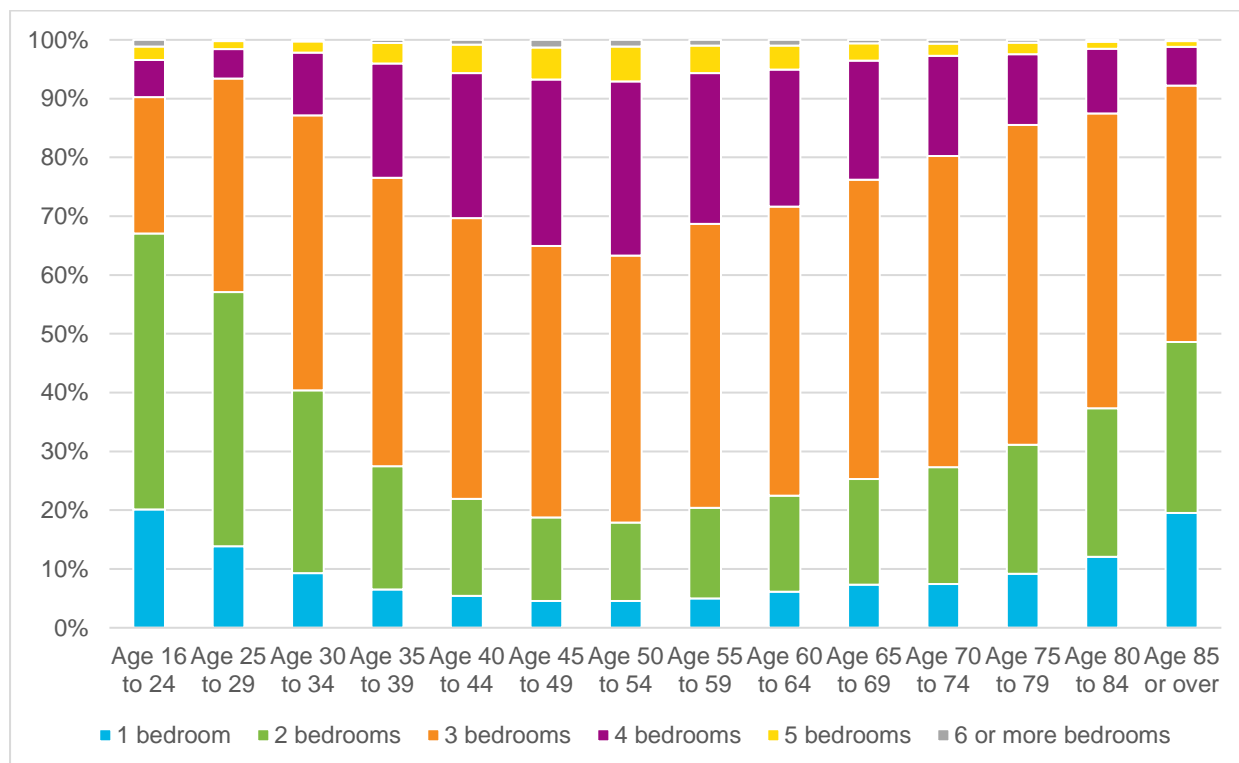
- As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
- ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
- This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.

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

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

308. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
309. The first, given as Figure 6-2 below, sets out the relationship between household life stage and dwelling size for South Gloucestershire in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 6-2: Age of household reference person by dwelling size in South Gloucestershire, 2011



Source: ONS 2011, AECOM Calculations

310. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Pilning and Severn Beach households in 2011 and the updated estimates of household numbers described in the bullets above. Table 6-8 below makes clear that population growth is expected to be spread relatively evenly across different age groups, all expanding by 17-25% apart from the 65 and over age group which is expected to expand twice as fast. As a result, the oldest households will see the largest increase, but they will form only around 30% of all households – which is a much lower proportion than is projected for other non-urban parishes across the country.

Table 6-8: Projected distribution of households by age of HRP, Pilning and Severn Beach

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	34	189	621	286	377
2035	42	236	725	346	570
% change 2011-2035	24%	25%	17%	21%	51%

Source: AECOM Calculations

311. The final result of this exercise is presented in Table 6-9 below. The model suggests that demographic shifts among the existing population will create more demand for 1, 3- and 4-bedroom homes than the current mix can satisfy, and that there are probably already enough homes with 2 and 5+ bedrooms. To redress these imbalances through future development, most new homes should have 3 bedrooms, with some delivery of the other sizes that are less common at present – particularly 4- and 1-bedroom homes.

Table 6-9: Suggested dwelling size mix to 2035, Pilning and Severn Beach

Number of bedrooms	Current mix (2021)	Target mix (2035)	Balance of new housing to reach target mix
1 bedroom	7.0%	7.8%	11.4%
2 bedrooms	27.1%	20.9%	0.0%
3 bedrooms	45.2%	47.4%	59.1%
4 bedrooms	18.1%	19.6%	26.7%
5 or more bedrooms	4.7%	4.3%	2.8%

Source: AECOM Calculations

312. The dwelling size mix recommended above would help to address a number of features of Pilning and Severn Beach's population profile and housing stock:

- It anticipates the continued ageing of the population and recognises that as households age they sometimes seek housing options better suited to their evolving needs – namely slightly smaller homes. Since there are plenty of 2-bedroom homes in the NA already and these are often not considered suitable for downsizers (i.e. 2 bedroom flats with insufficient space for possessions and guests), 3 bedroom homes are likely to be the most popular. They are also undersupplied relative to the wider district at present.
- The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation. The model proposes that few of the largest homes are still needed, instead proposing a moderate injection of 1 bedroom properties for those at the start of the housing ladder (such as single young people) and a focus on mid-size homes that could take the form of more affordable terraces or even flats.
- It responds to the current abundance of 2-bedroom homes (relative to other areas) and slightly smaller proportion of 3-bedroom homes, by recommending future delivery create greater balance overall, improving diversity and choice in the market for different groups.

313. This model, as explained above, focuses on the expected needs of the existing population in future years in the context of their current housing choices. What it does not do is attempt to anticipate the needs of workers attracted to the forthcoming employment at Severnside if new housing sites are allocated for this purpose. It is not possible to know the demographic characteristics and preferences of these potential new arrivals to Severn Beach. But some assumptions can be made, which might suggest ways that the baseline dwelling mix (appropriate to existing residents) might be tweaked to welcome these additional households.
314. It is reasonable to assume that households attracted by employment opportunities will be of working age – whether single individuals, couples, or parents of dependent children. This range of household types will require an equally varied range of housing sizes. In particular incoming single person households on lower incomes may be an appropriate target market for the 1-bedroom homes recommended here, and families would be well served by the large share of 3- and 4-bedroom homes proposed.
315. However, the Tenure and Affordability chapter established that incomes in the warehouse and distribution sector tend to be at the lower end of the range of incomes among the existing population – the median wage is well below the average household income for the area, though the lower quartile wage in the sector is slightly higher than the lower quartile for the general South Gloucestershire population. Workers at Severnside do have the potential to rent their homes and some may be eligible for Affordable Housing providing a route to ownership or to cover their rent. They are unlikely to be able to afford to purchase their homes unless in the highest paying jobs.
316. In this context, the potential new households would probably benefit from more of an emphasis on smaller properties than is suggested for the existing population. In particular, 2-bedroom homes would accommodate single people looking for more space in their long-term home as well as couples and small families with financial limitations. The key change to the results of the HNA model that might be made to provide for Severnside workers would be to allow more 2-bedroom homes. This is despite their relative abundance in the existing stock because those existing homes are already occupied and may anyway not be located in the most appropriate location for new workers to Severnside.
317. There is no precise statistical approach to reflecting the needs of the potential future arrivals to Severnside. However, a recommendation is presented in Table 6-10 below that takes the initial mix for the existing population as a starting point and adjusts it in light of the assumptions explained above. This is based on AECOM's professional judgement and should be viewed as a suggested starting point that the Neighbourhood Plan team may wish to further adapt in line with their own interpretation of the issues or the community's wider objectives. Note that the recommendation is rounded to simpler whole numbers. An alternative approach in any Neighbourhood Plan policy would be supply this guidance as a range.

Table 6-10: Suggested dwelling size mix to 2035 to accommodate Severnside workers

Number of bedrooms	Proposed mix for existing population only	Adjusted mix to accommodate new arrivals
1 bedroom	11.4%	15%
2 bedrooms	0.0%	10%
3 bedrooms	59.1%	50%
4 bedrooms	26.7%	20%
5 or more bedrooms	2.8%	5%

Source: AECOM Calculations

Conclusions- Type and Size

318. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing stock

319. Pilning and Severn Beach has high proportions of typically less dense house types (detached and semi-detached) and few of the typically more affordable terraces and flats. There is, however, a much higher proportion of bungalows (15%) than exists across the wider district or country.
320. In terms of dwelling sizes, the mix in Pilning and Severn Beach is generally larger than the district average, with more 4+ bedroom homes and fewer 1-bedroom homes. That said, the NA has a greater share of 2-bedroom homes and smaller share of 3 bedroom homes than South Gloucestershire. Since 2011 housing has been built at a variety of sizes, with 2-bedroom housing dominating. Because recent delivery has boosted the number of 1-2-bedroom homes and fewer larger homes were built, it can be said to have helped to add variety and choice to the housing stock overall.
321. Generally speaking, the characteristics of the existing stock cater well to older households and larger families but there is less variety at the lower-value end of the market to serve smaller families and newly forming households.

Demographics

322. The age structure of the population is a key indicator of the future need for housing. Pilning and Severn Beach has a relatively similar population profile to South Gloucestershire and England, although there is a larger share of the population in the 45-64 and 65-84 age brackets and a smaller share in the 16-24 and 25-44 brackets than those wider areas.
323. Since the 2011 Census the NA population aged below 65 has declined (except for a minor increase among children) and the older population has increased

substantially. There are currently estimated to be 81 fewer people aged under 65 than in 2011, and 161 more people aged over 65. It is clear that ageing is a current driver of housing need and will continue to be so in future.

324. Applying South Gloucestershire household projections to the Pilning and Severn Beach population suggests that population growth to 2035 is likely to be spread relatively evenly across different age groups, all expanding by 17-25% apart from the 65 and over age group which is expected to expand twice as fast. The oldest households will see the largest increase, but they will form only around 30% of all households – which is a much lower proportion than is projected for other non-urban parishes across the country.
325. Pilning and Severn Beach's moderate ageing trend may be halted or reversed as a result of new working age arrivals to the area attracted by the forthcoming employment growth at Severnside. The quantity and type of new housing available to accommodate such households will impact who is able to come and, indirectly, how they might change the demographic profile of the area.
326. While the data is relatively old at this point, between the 2001 and 2011 Censuses, there was a 24% increase in the number of households in which adult children are living at home in Pilning and Severn Beach, which is more than double the rate of increase at wider geographies. This may reflect the relative unavailability and unaffordability of housing options for newly forming households.
327. Pilning and Severn Beach also has a high rate of under-occupancy, with 76% of people living in a home with at least one bedroom more than they would be expected to need. The previous section established the very high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size.

The future dwelling mix

328. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period, suggests that demographic shifts among the existing population will create more demand for 1, 3 and 4 bedroom homes than the current mix can satisfy, and that there are probably already enough homes with 2 and 5+ bedrooms. To redress these imbalances through future development, most new homes should have 3 bedrooms, with some delivery of the other sizes that are less common at present – particularly 4- and 1-bedroom homes.
329. This would enable a moderately ageing population to access mid-sized housing if they so wish and potentially create churn in the market as larger homes are vacated. A focus on mid-sized homes would help to create a lifetime neighbourhood in which there are suitable options at all stages of life for those who wish to put down permanent roots in the area. It would also broadly improve affordability by emphasising smaller and mid-sized homes over the largest properties and help to create more balance and choice in the market overall.

Further considerations

330. However, this recommendation is focused on the housing needs of current residents. In order to accommodate new households attracted to the employment offering at Severnside it would be advisable to adjust the baseline mix to ensure that new homes are as affordable as possible and to provide a diverse range of choices and price points. A loose recommendation presented here is that half of new homes have 3 bedrooms, one quarter have fewer than 3 bedrooms and one quarter have more than 3 bedrooms (but ideally fewer than 5).
331. This dwelling size model and the conclusions flowing from it are a relatively blunt expression of what could be beneficial given population change and existing imbalances in housing options. The approach also embeds existing patterns of occupancy which may or may not be desirable, particularly in the current period of rapid change. It is therefore appropriate for these conclusions to be understood as a starting point for thinking in a more nuanced way about how best to address the varied needs of the future population in line with the community's priorities and objectives.
332. For instance, the 3-bedroom homes that form the core of both recommendations could take a variety of forms. Variety should be sought within this broad category to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes.
333. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied. There may be a strong justification therefore to continue supplying larger homes despite their relative abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons to incorporate flexibility into housing policy in this area.

7. RQ 4: Specialist Housing for Older People

RQ 4: What provision should be made for specialist housing for older people and others with support needs over the Neighbourhood Plan period?

Introduction

334. This section considers the specialist housing needs of older and disabled people in Pilning and Severn Beach. This primarily refers to the group of people who are both older and have some form of mobility limitation or support need. However, housing with some form of care need not be restricted by age and may equally well cater to the needs of disabled people in younger age groups. This assessment attempts mainly to understand the scale of housing need among older people with support requirements because they tend to be best accommodated by (and/or prefer to live in) specialist schemes as opposed to living in independent housing or care homes, but the aspirational range calculated here should be interpreted flexibly so as not to exclude younger people with similar needs, and can help to justify ambitious standards of accessibility in new housing to the benefit of people of all ages.
335. The housing needs of older people without mobility or other limitations – i.e. the general preferences of older households, such as for homes suitable for downsizing – are built into the previous chapter of this assessment and are not included here.
336. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows
- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
 - Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
 - Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.
337. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
338. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.
339. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The

second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,³⁸ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

340. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall.³⁹
341. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).⁴⁰ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this section may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

342. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Here, information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
343. This source suggests that there are no schemes of specialist accommodation in the NA at present, although there is one in nearby Easter Compton and more options in Bristol.
344. There is an 8-bed care home in Severn Beach called Faith House. While care or nursing homes often serve the same group of people as those requiring extra care housing, they are officially counted as communal establishments as opposed to independently occupied residential units. The 2011 Census found that there were 8 individuals living in a communal establishment in Pilning and Severn Beach (0.2% of all people), which aligns exactly with the capacity of Faith House.

Tenure-led projections

345. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across South Gloucestershire in the 2011 Census, as this is the most recent and smallest geography for which tenure by age bracket data is available.
346. The 2011 55-75 age bracket is considered the best proxy for the group most likely to fall into need for specialist accommodation during the Plan period to 2035. It is assumed that those currently occupying their own home will wish to do so for as

³⁸ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

³⁹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁴⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation in retirement.

347. Table 7-1 below shows that the vast majority of 55-75 year-olds in South Gloucestershire in 2011 were homeowners. The rate is 86%, which is higher than the rate of home ownership among the wider population at 75%. Very few older households rent privately: two-thirds of the remaining households live in socially rented accommodation.
348. As noted in the Tenure section, home ownership in Pilning and Severn Beach is very high at 80%. If the South Gloucestershire trend of older people being more likely to own their homes holds for Pilning and Severn Beach, the rate of ownership among older Pilning and Severn Beach households very likely exceeds 90%.

Table 7-1: Tenure of households aged 55-75, South Gloucestershire, 2011

All owned	Owned outright	Owned with a mortgage, loan or Shared Ownership	All rented	Social rented	Private rented	Living rent free
86.0%	62.0%	24.0%	14.0%	8.8%	4.3%	0.9%

Source: Census 2011

349. The next step is to project how the overall number of older people in Pilning and Severn Beach is likely to change in future, by extrapolating ONS 2019 mid-year population estimates using the ONS Sub-National Population Projections for South Gloucestershire in 2035. The results are set out in Table 7-2 below. It appears that the 75+ population in the parish will increase from 9% of the total currently to closer to 11% in 2035 – equivalent to 118 additional older individuals and 34% growth in that age cohort from 2019 levels.
350. It is worth pausing to emphasise these figures, which suggest that older people will clearly form a key and fast-growing segment of the demand for housing in future years.

Table 7-2: Modelled projection of elderly population in Pilning and Severn Beach by end of Plan period

Age group	2019		2035	
	Pilning and Severn Beach	South Gloucestershire	Pilning and Severn Beach (AECOM Calculation)	South Gloucestershire (ONS projection)
All ages	3,727	285,093	4,360	333,491
75+	344	25,969	462	34,899
%	9.2%	9.1%	10.6%	10.5%

Source: ONS 2019 mid-year population estimates, ONS population projections 2018-based, AECOM Calculations

351. A key assumption for the next stages of the calculation is that the 462 older people living in the NA in 2019 are suitably accommodated at present, either because they occupy the existing care home, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true given the very limited existing stock of specialist housing, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

352. The people whose needs are the focus of the subsequent analysis are therefore the additional 118 individuals expected to join the 75+ age group between 2019 and 2035. Ensuring that the needs of the growth in this population cohort will give a conservative estimate of the housing delivery or adaptation that may be required, which the Steering Group may wish to exceed in order to meet any unmet needs among the existing older population and others with similar requirements.
353. This growth figure of 118 should also be converted into households with reference to the average number of people per household with a life stage of 75+ in South Gloucestershire in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 20,369 individuals aged 75+ and 14,473 households headed by a person in that age group. The average household size is therefore 1.41, and the projected growth of 118 older people in Pilning and Severn Beach can be estimated to be formed into around 84 households.
354. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure in South Gloucestershire (Table 7-1 above). This is set out in Table 7-3 below. This provides a breakdown of which tenures the additional older households are likely to need in 2035.

Table 7-3: Projected tenure of new households aged 75+ in Pilning and Severn Beach by the end of the Plan period

All owned	Owned outright	Owned with a mortgage, loan or shared ownership	All rented	Social rented	Private rented	Living rent free
72	52	20	12	7	4	1

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

355. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 7-4 below presents this data for Pilning and Severn Beach from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 7-4: Tenure and mobility limitations of those aged 65+ in Pilning and Severn Beach, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	588	125	21.3%	157	26.7%	306	52.0%
Owned or shared ownership: Total	525	98	18.7%	144	27.4%	283	53.9%
Owned: Owned outright	465	81	17.4%	129	27.7%	255	54.8%
Owned: Owned with a mortgage or loan or shared ownership	60	17	28.3%	15	25.0%	28	46.7%
Rented or living rent free: Total	63	27	42.9%	13	20.6%	23	36.5%
Rented: Social rented	38	17	44.7%	11	28.9%	10	26.3%
Rented: Private rented or living rent free	25	10	40.0%	2	8.0%	13	52.0%

Source: Census 2011

356. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at a final estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 41.
357. These findings are set out in Table 7-5 below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those whose day-to-day activities are limited only a little may simply need adaptations to their existing homes, or sheltered or retirement living that can provide some degree of oversight or additional services. It is important to note that even those people who have high care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 7-5: AECOM estimate of specialist housing need in Pilning and Severn Beach by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	19
	5	14	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	22
	2	20	
Total	7	34	41

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

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

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

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

Source: HLIN SHOP Toolkit

359. As Table 7-3 shows, Pilning and Severn Beach is forecast to see an increase of 118 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times .118 = 7$
- Leasehold sheltered housing = $120 \times .118 = 14$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times .118 = 2$
- Extra care housing for rent = $15 \times .118 = 2$
- Extra care housing for sale = $30 \times .118 = 4$
- Housing based provision for dementia = $6 \times .118 = 1$

360. This produces an overall total of 30 specialist dwellings which might be required by the end of the plan period.

361. Table 7-7 below sets out the HLIN recommendations in the same format as Table 7-5 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 7-7: HLIN estimate of specialist housing need in Pilning and Severn Beach by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	9
	4	5	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	21
	7	14	
Total	11	19	30

Source: Housing LIN, AECOM calculations

Conclusions- Specialist housing for older people

Demographic trends and the quantity of housing needed

362. There are currently estimated to be around 344 people aged 75 or over living in Pilning and Severn Beach. Applying district-level projections to Pilning and Severn Beach's population suggests that the 75+ population in the parish will increase from 9% of the total currently to 11% in 2035 – equivalent to 118 additional older individuals and a 34% growth rate for that age cohort. There appear to be no units of specialist accommodation in Pilning and Severn Beach at present (although there is one small care home).
363. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
364. These two methods of estimating the future need in Pilning and Severn Beach produce a range of 30 to 41 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated, either in the care home or through adaptations to their own homes. If this is perceived or found not to be the case – which is highly likely – it would justify aspiring to exceed the range identified here.
365. Equally, given the high rate of home ownership among older people in the parish, there may be greater potential for adaptations to existing homes that would lower the need. Furthermore, previous sections of this report have identified the relatively high provision of bungalows in the parish, which could be released for use by older households if more housing choices are provided in future. It is not possible to quantify these possibility, but they are worth bearing in mind as one of the flexibilities associated with specialist housing need.

Characteristics of need for specialist housing

366. The overall range described above includes housing at various levels of support as well as both market and affordable housing. Although there is need that could be accommodated in any category, in both estimates it was found that the majority of need will be for market housing (as opposed to affordable) and to a lesser degree for sheltered accommodation (with less rather than more care). The higher need for market housing is primarily due to the high rate of owner

occupation among households who will enter the older age brackets by 2035, meaning they are likely to wish to buy and unlikely to be eligible for affordable housing.

367. Generally speaking, any type of scheme that might come forward should be welcomed from the perspective of need, as long as it is in line with the community's wider objectives, appropriately located and suitable for other reasons.
368. However, the larger quantity of need for sheltered housing is by definition driven by those with less severe support needs. These needs therefore have the potential to be met through adaptations to the existing housing stock as an alternative or supplement to one or more specialist housing schemes.
369. Another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
370. While the adopted Local Plan is clear in its support for meeting the needs of older people and those with support needs, this is not translated into a policy to require specific accessibility standards. The emerging Local Plan may go further, but is currently not at a sufficiently advanced stage for this to be known.
371. We have established that the NA population is slightly older than that of wider South Gloucestershire and that there is evidence of potential demand for accessible housing (especially in the context of limited stock and expected delivery of specialist housing). This may well be sufficient to justify setting a specific proportion of all housing that would be expected to meet building regulations category M4(2) standards for accessibility and/or category M4(3) standards for wheelchair users in Pilning and Severn Beach if this avenue has the support of SGDC.
372. It is difficult to specify what targets would be appropriate without a better understanding of the extent of adaptations in existing housing and the needs of the current population. However, it is relatively common for Local and Neighbourhood Plans to require that a majority of new housing meets category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. A range of 10-50% has been achievable in other locations and would help to future-proof the stock in Pilning and Severn Beach if this does not excessively impact on development viability.
373. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from any future household survey.
374. It is also worth noting that accessibility requirements (particularly for wheelchair users) can in some cases cause increases in the prices of affected homes and require design features that would not be welcomed by other potential residents.

Location suitability

375. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
- so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

376. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different rural parishes from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
377. The 'hub-and-spoke' model is the idea that larger towns with more services and amenities (and fewer constraints on development) can provide more than their fair share of older people's housing so that more constrained villages with fewer services can accommodate less. In AECOM's view, Pilning and Severn Beach may be a reasonably good location for a specialist housing scheme given its relatively wide range of services, proximity to large towns and reasonable public transport service. However it is also arguable that due to its size, the parish would be a spoke rather than a hub in this scenario, with Bristol continuing its role as the key hub. There are many other factors at play, including the affordability of housing in nearby settlements and the level of healthcare provision. It is not within the scope of this report to make a definitive assessment on this point.
378. It is important to emphasise that the suitability of Pilning and Severn Beach for specialist accommodation in terms of the level and range of service provision, the topography of the village and any potential sites, and other such factors is beyond the scope of this assessment. The question of how far to support or promote future specialist accommodation is a strategic policy choice for the Steering Group and wider community.

Conclusions

Overview

377. Table 8-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 8-1: Summary of study findings specific to Pilning and Severn Beach with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	The Local Housing Need (LHN) figure of 714 homes per year for South Gloucestershire, from which Pilning and Severn Beach's HNF is derived, is calculating using the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. It is also highly likely to be impacted by ongoing discussions at the scale of the West of England Combined Authority.	<p>Based on the evidence above, this HNA recommends an indicative overall Housing Need Figure (HNF) of 17.6 dwellings per year, which equates to 246 dwellings over the Plan period 2021-2035.</p> <p>At the time the final Neighbourhood Plan Housing Requirement Figure (HRF) is provided by South Gloucestershire, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the Steering Group to continue to engage with South Gloucestershire Council (SGC) to confirm the final housing figure for the Neighbourhood Plan. It is worth emphasizing the likelihood that South Gloucestershire will be able to meet its needs on large strategic sites in key locations and that the residual need attributable to particular parishes like Pilning and Severn Beach will be correspondingly lower in practice.</p> <p>The HNF proposed here does not take into account the potential employment growth at Severnside. There is no definitive way to say how many new homes the planned jobs growth will require. Rather, it is likely that whatever additional housing growth is delivered in Pilning and Severn Beach in future years will be taken up by households drawn by a combination of this employment driver and the parish's wider offering. The question of how much additional growth is considered appropriate is a policy choice for the Neighbourhood Plan to make in consultation with local people and SGC.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>The tenure profile of Pilning and Severn Beach is characterized by high levels of home ownership (80%), low levels of affordable renting and affordable home ownership (5% and 0.3%) and average levels of private renting (14%). The private rented sector grew by 164% from 2001-2011, a rate of increase well above the nationwide trend.</p> <p>House prices have been rising steadily since 2014 (following a slight decline from 2011 levels) with the result that average prices are now around £80-90,000 more expensive than in 2014.</p> <p>Average household incomes in Pilning and Severn Beach (at £52,300) are above the national average. However, there is a large gap between the average household income and the lower quartile individual income across South Gloucestershire of £14,309. Even with two lower quartile earners (with a combined income of £28,618), a household would be earning little more than half of the overall average.</p> <p>The median wage in the employment sector associated with Severnside, at £27,489 is broadly equivalent to a household with two lower quartile earners. The lower quartile wage in the sector is higher than the wider economy, at £20,292, but is far below the local average household income. Many potential Severnside workers are likely to be at the lower end of the income range with few realistic housing options in Pilning and Severn Beach.</p>	<p>Home ownership through the mainstream market is not an option for the majority of local people and employees in relevant sectors for Severnside.</p> <p>Private renting is generally affordable to average earners and even to some below average earning households.</p> <p>There is a relatively large group of households in Pilning and Severn Beach who may be able to afford to rent privately but cannot afford home ownership. This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.</p> <p>A 30% discount is sufficient to bring First Homes in reach of average earners in Pilning and Severn Beach. However, there is an argument to be made that a discount of 50% could be sought and targeted at Severnside workers with higher or multiple incomes as a way to encourage them to put down longer-term roots in the area.</p> <p>Affordable rented housing is generally affordable except for households with a single lower quartile earner. The affordable rented sector performs a vital function in Pilning and Severn Beach as the only option for a large segment of those in the greatest need.</p> <p>1.4 households who are likely to be in need of affordable rented housing each year, equating to a total of 20 units that would ideally be built during the Neighbourhood Plan period. A key input to this result is the current backlog of 33 waiting list applicant households who have identified the parish as their first choice as a place to live.</p> <p>Around 12.3 households per annum may be interested in affordable home ownership (or 169.9 for the entirety of the Plan period, which can be rounded to 170. It may not be achievable or even desirable to deliver this volume of affordable home ownership properties in the coming years.</p> <p>On the balance of factors listed in this report, AECOM recommends that roughly 34% of Affordable Housing should take the form of rented tenures such as social and affordable rent (preferably the former), with the remaining 66% as affordable routes to home ownership, fulfilling the requirements of the new First Homes product and allowing for some shared ownership or other tenures. This may need to change in response to a higher or lower overall housing target, and to reflect the degree of support for accommodating Severnside workers.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	<p>Pilning and Severn Beach has high proportions of typically less dense house types (detached and semi-detached) and few of the typically more affordable terraces and flats. There is, however, a much higher proportion of bungalows (15%) than exists across the wider district or country.</p> <p>In terms of dwelling sizes, the mix in Pilning and Severn Beach is generally larger than the district average. Recent delivery has helped to add variety and choice to the housing stock overall.</p> <p>Pilning and Severn Beach has a relatively similar population profile to South Gloucestershire and England. Since the 2011 Census the NA population aged below 65 has declined (except for a minor increase among children) and the older population has increased substantially. It is clear that ageing is a current driver of housing need and will continue to be so in future.</p> <p>Applying South Gloucestershire household projections to the Pilning and Severn Beach population suggests that population growth to 2035 is likely to be spread relatively evenly across different age groups, all expanding by 17-25% apart from the 65 and over age group which is expected to expand twice as fast.</p> <p>Between the 2001 and 2011 Censuses, there was a 24% increase in the number of households in which adult children are living at home in Pilning and Severn Beach, which is more than double the rate of increase at wider geographies. This may reflect the relative unavailability and unaffordability of housing options for newly forming households.</p> <p>Pilning and Severn Beach also has a high rate of under-occupancy, with 76% of people living in a home with at least one bedroom more than they would be expected to need.</p>	<p>Pilning and Severn Beach's moderate ageing trend may be halted or reversed as a result of new working age arrivals to the area attracted by the forthcoming employment growth at Severnside. The quantity and type of new housing available to accommodate such households will impact who is able to come and, indirectly, how they might change the demographic profile of the area.</p> <p>The results of a life stage modelling exercise suggests that demographic shifts among the existing population will create more demand for 1, 3 and 4 bedroom homes than the current mix can satisfy, and that there are probably already enough homes with 2 and 5+ bedrooms. To redress these imbalances through future development, most new homes should have 3 bedrooms, with some delivery of the other sizes that are less common at present – particularly 4- and 1-bedroom homes.</p> <p>This would enable a moderately ageing population to access mid-sized housing if they so wish and potentially create churn in the market as larger homes are vacated. A focus on mid-sized homes would help to create a lifetime neighbourhood in which there are suitable options at all stages of life for those who wish to put down permanent roots in the area. It would also broadly improve affordability by emphasising smaller and mid-sized homes over the largest properties and help to create more balance and choice in the market overall.</p> <p>However, this recommendation is focused on the housing needs of current residents. In order to accommodate new households attracted to the employment offering at Severnside it would be advisable to adjust the baseline mix to ensure that new homes are as affordable as possible and to provide a diverse range of choices and price points. A loose recommendation presented here is that half of new homes have 3 bedrooms, one quarter have fewer than 3 bedrooms and one quarter have more than 3 bedrooms (but ideally fewer than 5).</p> <p>It is appropriate for these conclusions to be understood as a starting point for thinking in a more nuanced way about how best to address the varied needs of the future population in line with the community's priorities and objectives.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>There are currently estimated to be around 344 people aged 75 or over living in Pilning and Severn Beach. Applying district-level projections to Pilning and Severn Beach's population suggests that the 75+ population in the parish will increase from 9% of the total currently to 11% in 2035 – equivalent to 118 additional older individuals and a 34% growth rate for that age cohort.</p> <p>There appear to be no units of specialist accommodation in Pilning and Severn Beach at present (although there is one small care home).</p>	<p>Two methods of estimating the future need in Pilning and Severn Beach produce a range of 30 to 41 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated, either in the care home or through adaptations to their own homes. If this is perceived or found not to be the case – which is highly likely – it would justify aspiring to exceed the range identified here.</p> <p>Although there is need that could be accommodated in any category, in both estimates it was found that the majority of need will be for market housing (as opposed to affordable) and to a lesser degree for sheltered accommodation (with less rather than more care).</p> <p>The need for sheltered housing is by definition driven by those with less severe support needs. These needs therefore have the potential to be met through adaptations to the existing housing stock as an alternative or supplement to one or more specialist housing schemes.</p> <p>The evidence gathered here may be sufficient to justify setting a specific proportion of all housing that would be expected to meet building regulations category M4(2) standards for accessibility and/or category M4(3) standards for wheelchair users in Pilning and Severn Beach if this avenue has the support of SGDC.</p>

Recommendations for next steps

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

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

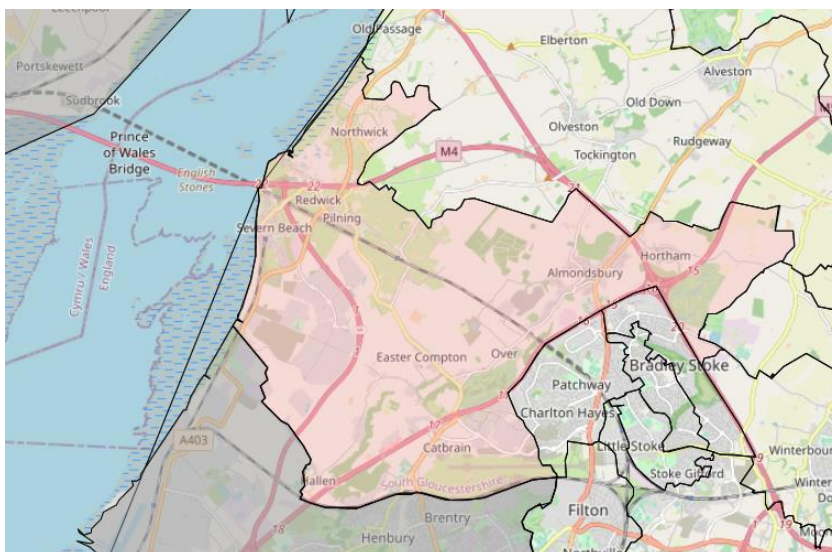
379. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
380. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, South Gloucestershire or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
381. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

Assessment geography

382. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
383. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Pilning and Severn Beach, it is considered that MSOA E02003094 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02003094 appears below in Figure A-1. This is the MSOA that follows the NA boundary most closely.

Figure A-1: MSOA E02003094 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

Market housing

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

Market sales

386. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
387. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Pilning and Severn Beach, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
388. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £250,000;
 - Purchase deposit at 10% of value = £25,000;
 - Value of dwelling for mortgage purposes = £225,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £64,286.
389. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £213,000, and the purchase threshold is therefore £54,771.
390. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. However, Land Registry records no sales of new build properties in the NA in 2020 or in any of the last ten years. In the absence of robust data on this point, it is necessary to refer to new build prices across wider South Gloucestershire. The overall average new build price for the district in 2020 was £355,000, while the average for a terraced home and flat (to represent entry-level properties), were £313,000 and £243,000 respectively.
391. To sense-check whether these averages are appropriate to Pilning and Severn Beach, it is worth noting the percentage difference in the price of median and lower quartile homes at NA level compared with the district. In 2020 the South Gloucestershire median price was £286,000 and the lower quartile was £230,000. The NA median is 12.6% lower than the district figure and the NA lower quartile is 7.4% lower than the district figure.
392. Because these figures are not significantly different, and there remains the strong possibility that the mix of homes sold in each area had differences that skew the averages (notably that far more of the homes in South Gloucestershire sold in

2020 were flats – 11.5% - than in the NA at 3%), it is considered more accurate and conservative to take the new build prices for South Gloucestershire as a whole as an appropriate benchmark for the likely cost of such homes in Pilning and Severn Beach in future.

Private Rented Sector (PRS)

393. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
394. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
395. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the BS35 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. BS35 postcode area extends from Pilning and Severn Beach in the south west up to Shepperdine in the north and including Thornbury to the east. While this is much larger than the parish, it is more representative than using an arbitrary radius around the parish, which would include suburbs of Bristol that are likely to be less comparable in terms of the rental market than other parishes further up the Severn. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
396. According to [home.co.uk](https://www.home.co.uk), there were 13 properties for rent at the time of search in July 2021, with an average monthly rent of £923. There were 3 two-bed properties listed, with an average price of £849 per calendar month.
397. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £849 x 12 = £10,188;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £33,960.
398. The calculation is repeated for the overall average to give an income threshold of £36,920.

Affordable Housing

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

Social rent

400. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
401. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Pilning and Severn Beach. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Gloucestershire in the table below.
402. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally might make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£81.55	£94.98	£104.80	£128.62	£96.96
Annual average	£4,241	£4,939	£5,450	£6,688	£5,042
Income needed	£16,962	£19,756	£21,798	£26,753	£20,168

Source: Homes England, AECOM Calculations

Affordable rent

403. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
404. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

405. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for South Gloucestershire. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
406. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 68% of market rates than the maximum of 80%, a feature that is necessary to make them affordable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£111.79	£132.45	£159.60	£185.08	£136.47
Annual average	£5,813	£6,887	£8,299	£9,624	£7,096
Income needed	£23,252	£27,550	£33,197	£38,497	£28,386

Source: Homes England, AECOM Calculations

Affordable home ownership

407. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.
408. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

409. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
410. The starting point for these calculations in the case of Pilning Severn Beach is the cost of median housing in in the NA, which is £250,000. This also serves as a proxy for the price of new build entry-level housing in the NA, both because it falls between the average price of new build flats and terraces across the district and because it is reasonable to assume that new build entry-level homes will cost around the same as a median existing home, because of the premium usually associated with new housing).
411. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Estimated value of a new entry-level home = £250,000;
 - Discounted by 30% = £175,000;
 - Purchase deposit at 10% of value = £17,500;
 - Value of dwelling for mortgage purposes = £175,500;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £45,000.
412. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require income thresholds of £38,571 and £32,143 respectively.
413. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
414. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Pilning and Severn Beach.

Shared ownership

415. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%) and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
416. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
417. To determine the affordability of shared ownership, calculations are again based on the estimated costs of entry-level new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
418. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £250,000 is £62,500;
 - A 10% deposit of £6,250 is deducted, leaving a mortgage value of £56,250;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £16,071;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £187,500;
- The estimated annual rent at 2.5% of the unsold value is £4,688;
- This requires an income of £15,625 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £31,696 (£16,071 plus £15,625).

419. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £25,179 and £42,560 respectively. All of these income thresholds are again below the £80,000 cap for eligible households.

Rent to buy

420. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save to build up a deposit to eventually purchase the home. Homes are made available to rent with a shorthold tenancy at a reduced rate of 80% of local market rents and occupants can make an outright offer or enter a part rent part buy scheme at any point within the lease. Typically lease periods vary between 6 months and 5 years, depending on the property and the LA.

Help to Buy (Equity Loan)

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

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Discounted market sales housing: is 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.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods⁴¹.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard⁴²

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

Co-living

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

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that

⁴¹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁴² See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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

Community Right to Build Order⁴³

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

Concealed Families (Census definition)⁴⁴

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

Equity Loans/Shared Equity

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

⁴³ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁴⁴ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes

Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁴⁵, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of

⁴⁵ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁴⁶

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedrooomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users.

⁴⁶ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁴⁷

⁴⁷ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

