



NOTE ON CONSULTANT'S REPORT

FOCUSED UPDATE OF HOUSING NEEDS ASSESSMENT

Introduction

In June 2023, the Forum commissioned Modicum Planning (in conjunction with Nupremis Cambridge Ltd) to carry out a focused update of the 2017 Housing Needs Assessment (prepared by AECOM as part of the evidence base for the 2019 Neighbourhood Plan (NP)). The consultant's final report has now been issued.

The main purpose of the commission was to answer four specific questions relevant to preparation of an update of the Neighbourhood Plan. These questions are:

- Having regard to the advice in PPG [Planning Practice Guidance] what provision should be made in the NP for First Homes?
- Is there still justification for a higher percentage of shared ownership? What should be an appropriate percentage Affordable Housing split (First Homes / social rented / shared ownership)?
- Is the local market housing mix of Policy H3 still appropriate? Is there any justification for the Council maintaining a high proportion of 1- and 2-bedroom units within the Knowle area?
- The forum wishes the local housing needs update to advise whether the supply of purpose-built accommodation for the elderly and for dementia care is now adequate to meet the area's needs. What policy provision, if any, should be made to meet future provision in these categories?

These questions have now been answered in the form of a 2-part report. The first part (Focused Update 2023) specifically addresses the above questions. As an appendix, the second part (Demographic and Socio-Economic Review) provides background evidence. It paints a picture of the area in terms of its demography, housing and economic profile and includes a focus on the area's older population and housing needs.

1. Having regard to the advice in PPG what provision should be made in the NP for First Homes?

Government guidance now requires that at least 25% of affordable housing units secured through developer contributions shall be "First Homes". These must be discounted against market value by at least 30% although the discount can be higher if local evidence dictates. After the discount has been applied, the sale price must be no more than £250,000.

The consultants have compared the incomes of both one- and two-earner households (including those on lower quartile and median earnings) against typical prices for a range of house types in Knowle, Dorridge and Bentley Heath (KDBH). The results show that a discount of at least 40% would be needed for a two-earner household on lower quartile earnings to be able to purchase a property (flat or semi-detached (and presumably terraced) property) in KDBH. A minimum discount of 40% is recommended (para 21) to be applied to First Homes in the Plan area.

In determining whether to increase the provision of First Homes beyond the minimum of 25%, the report states (para 21) "the Neighbourhood Plan needs to consider (in light of



the aims and objectives underpinning the NP) which households (with an affordable housing need), it is seeking to support." In this regard, the related aim of the NP Update is to incorporate the Government's core guidance. A wider review of affordable housing would be beyond the scope of the intended update.

2. Is there still justification for a higher percentage of shared ownership? What should be an appropriate percentage Affordable Housing split (First Homes / social rented / shared ownership)?

The Council's current policy is that 65% of affordable housing should be in the form of social rented accommodation with 35% being for shared ownership (it does not address First Homes since Government advice post-dates the policy). This policy is reiterated in the Neighbourhood Plan. However, the NP goes on to state,

"Residents' views, supported to some extent by the AECOM Housing Needs Assessment, show a strong preference for a higher percentage of the affordable housing provision to be in the form of shared ownership to support more young people and families. This will be pursued with the Council as part of consideration of any planning applications that come forward on strategic sites."

Following analysis, the consultants recommend (para 41) that 10% of affordable housing shall be in the form of shared ownership. Given that 25% of affordable housing is now to be in the form of First Homes, this represents the residual amount of discounted market housing (in effect, no change other than the inclusion of First Homes).

The report concludes (para 40), "It is recommended that the Neighbourhood Forum test an indicative housing tenure mix which is based upon the need to secure affordable housing to meet those most in need." It also states (para 42), "The Neighbourhood Forum will also need to take on board the views of residents [in] updating the NP."

Another relevant consideration is the observation that, "Shared ownership would offer home ownership to those households that would also be able to purchase a 'First Home' at a discount of 40%. There is one notable difference: shared ownership at 10% would provide opportunities for home ownership for one earner on median earning which would not be available to that household through the First Homes product."

As stated above, it is beyond the scope of the updated affordable housing policy other than reference to First Homes. At the same time, it is unlikely that there will have been a material change in the views of residents regarding shared ownership. In all the circumstances, it is felt that the stance of the 2019 NP has continuing value.

3. Is the local market housing mix of Policy H3 still appropriate? Is there any justification for the Council maintaining a high proportion of 1- and 2-bedroom units within the Knowle area?

To deal with the second point first, the consultants say (para 60), "To conclude, the lower-than-average share of one person households in the Plan area does not point to a need to increase the proportion of new 1- and 2-bedroom dwellings from the 32% requirement set out in the current NP."

On the first point, the consultants observe (para 62), "it is particularly noticeable that the Plan area has a very low proportion of households living in 3-bedroom properties... and a particularly high proportion of households living in 4+ bedroom properties". They recommend (para 63) a review of the current split set out in NP Policy H3 (34% 3-bed, 34% 4-bed) in the light of this disparity. They also say, "To help understand local



demand versus the supply of dwellings with 1, 2 and 3 bedrooms, the NP Forum could undertake a survey of estate agents operating in the area.”

A survey of local estate agents would be, at this stage, beyond the resources of the Forum. However, NP Policy H3 could be “tweaked” to give greater emphasis to 3-bed properties, subject to market conditions.

4. The forum wishes the local housing needs update to advise whether the supply of purpose-built accommodation for the elderly and for dementia care is now adequate to meet the area’s needs. What policy provision, if any, should be made to meet future provision in these categories?

On dementia care, the report states (para 92), “The current supply of bedspaces where dementia care is available (see paragraph 69 of this report) indicates the current and projected demand for dementia care is adequately met.”

On other categories of provision, the general conclusion is that (para 90), “With the exception of ‘affordable housing with support’, ‘market housing with care’ and ‘nursing care bedspaces’ each category of specialist accommodation for older people shows a shortfall in provision at 2020.” However, this conclusion does not take into account development that is in the pipeline: “The pipeline supply indicates that a proportion of the current and future demand for specialist housing for older people is being addressed” (para 101).

At present, the Forum’s policy on housing mix does not include specific policy provision on specialist housing for older people. Such provision can now be included based on the results of the HNA update. However, provisional analysis does not suggest that there are any significant deficiencies.

Conclusions

The consultant’s report provides the Forum with evidence sufficient to roll forward the update of the NP. The analysis also throws up other points of interest (for example, the reference, in the supporting appendix, to deprivation in the form of “geographical barriers” (areas remote from services)). Detailed analysis of other aspects of the content and implications of the consultant’s work can follow.