Town Planning

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Malvern Town Council,
Worcestershire

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Housing Needs Assessment

Malvern Town Council, Worcestershire

February 2016
Final Report

Contents

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Project Role	Name	Position	Actions Summary	Signature	Date
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Glossary of terms used in text

BME	Black and Minority Ethnic
DCLG	Department for Communities and Local Government
Housing LIN	Housing Learning and Improvement Network
LSOA	Lower Super Output Area
MHDC	Malvern Hills District Council
MSOA	Middle Super Output Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
SHMA	Strategic Housing Market Assessment
SNPP	Sub-National Population Projections
SWDP	South Worcestershire Development Plan
WWA	Wider Worcester Area

Executive Summary

Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing parishes or Town Councils across England to develop and adopt legally binding development plans for their neighbourhood area.

2. As more and more parishes and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.

3. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.

4. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.

5. Our brief was to advise on data at this more local level to help Malvern Town Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

PPG-Based Assessment

6. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

Summary of Methodology

7. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.

8. In the case of Malvern, the emerging SWDP, which is very close to adoption, does not give a specific target for Malvern. However, a calculation of its inferred target for Malvern is simple and straightforward, and is set out in Chapter 3 of this assessment.

9. Our recommendation for the purposes of this Housing Needs Assessment is therefore to use the SWDP-derived target as a ‘given’ that is not subject to change and instead focus in more detail on the type of housing to be provided rather than the quantity.

10. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to be adopted. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the SWDP. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.[1]

11. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Malvern, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.

12. The planning period of neighbourhood plans, where possible, should always be aligned with the relevant local plan. In the case of Malvern, this would mean aligning with the SWDP period, which extends from 2006 to 2030.

Gathering and Using a Range of Data

13. The PPG states that:

'*no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes'*.

14. It continues: '*Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance*'.

15. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.

16. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data. Our conversation with a local estate agent helped ensure our conclusions were informed by a qualitative, local perspective.

Focus On Demand Rather Than Supply

17. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that '*the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints*.'

[1] See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

18. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study[2].

Quantity of Housing Needed

19. The Town Council asked AECOM to derive Malvern's housing target from the South Worcestershire Development Plan (SWDP), as it is not explicit within the document; instead, a target for the authority as a whole has been provided.

20. Our calculations, based on Malvern's proportion of all dwellings within Malvern Hills District Council (excluding areas earmarked for urban extensions to Worcester) determined that Malvern's SWDP-derived housing target is 1,988 dwellings for the period 2006-2030. Based on SWDP affordable housing policy, of these 1,988 dwellings, 1,460 would be market housing and 528 affordable units.

21. However, as the plan period started in 2006, a significant proportion of these units were completed between 2006 and 2015, meaning the outstanding number of dwellings is far lower. Malvern Hills District Council advise that since the start of the SWDP period up to 2014/5, 1,140 dwellings have been completed in Malvern Town, meaning the outstanding number of dwellings to 2030 is around 848.

22. Note that the total dwelling figures in the SWDP allocated to Malvern (1,097 dwellings) does not tally with the AECOM calculation of the SWDP 'fair share' for Malvern (1,988 dwellings) for two main reasons:

- Firstly, the AECOM calculation is for the entire SWDP period of 2006-2030, including all completions between 2006 and 2013, whereas the SWDP figure for Malvern allocations comprises only those dwellings outstanding at the time of SHMA drafting (i.e 2013-2030); and;

- Secondly, site allocations (the 1,097 dwellings) make up only a proportion of overall supply rather than all anticipated supply, to allow for other sources of supply that are less easily planned for, e.g. windfall sites and dwelling conversions.

23. Note also that some dwellings have been completed in Malvern since the SHMA was drafted, explaining the disparity between the SHMA figure of 1,097 and the outstanding figure as of 2014/5 of 848 dwellings.

24. Although Policy SWDP 52 suggests that Malvern will be the focus for development in Malvern Hills, no specific indication of how this translates to dwelling numbers is provided. In the absence of such an indication, all that can be definitively stated is that the 2006-2030 target of 1,988 dwellings should be considered an absolute minimum. This should be reflected in the Neighbourhood Plan to enable it to accord with Basic Condition E.

Characteristics of housing needed

25. Having confirmed the quantity of housing required in Malvern by the SWDP, the remainder of our assessment focused on the characteristics and/or type of the housing needed. We have summarised our conclusions from all sources in **Table 17** below. Factors in the table are in alphabetical but no other order. Note that there is potential for overlap between some factors

[2] Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was recently endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DCLG, 4 October 2014, available at https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land)

(e.g. demographics and need for homes for older people) but an inclusive approach has been taken to ensure all relevant factors are covered.

Table 17: Summary of local factors specific to Malvern with a potential impact on housing characteristics

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Affordable housing	SHMA, SWDP, Census, home.co.uk, Allan Morris, Fortis Living	Relatively low level of affordable housing in Malvern Hills at present, though higher in Malvern itself; although recent provision was in line with relevant policy, demand for more remains. Note that local (market) housing is relatively expensive, meaning the (limited but growing) private rental market plays an important role for those not needing to be in social housing. Most affordable need is for socially-rented 1-bedroom units, meaning flats would be the best means of meeting this need. Some of this provision could be sheltered to meet the needs of the older market.	Support continued provision of affordable housing, including 1-bedroom flats and affordable sheltered units, in light of clear, sustained demand. However, evidence does not support an affordable housing target over and above the existing SWDP target. Instead, neighbourhood plan could state aim of working with MHDC to facilitate provision (e.g. through identifying appropriate sites) and could consider policy encouraging higher-density development on smaller sites to make it harder for developers to avoid affordable housing obligation by developing fewer, larger units.
Demand/need for smaller dwellings	SHMA; Allan Morris, SWDP, Census, home.co.uk, Zoopla	1-2 room houses are few in number and declining. Traditionally, demand for smaller dwellings was limited by 15-29 year olds moving away, but Allan Morris and others note a range of factors (older people looking to downsize, limited number of international migrants, high house prices, buy-to-let investors and so on) are now reinvigorating demand. Greater provision of smaller market dwellings for owner-occupation would reduce pressure on private rental market. Census shows undercrowding increasing rapidly, and large increase in single person households, both further indicators that smaller housing is needed.	Support, encourage and/or require the development of a large proportion of smaller (1-2 bedroom) dwellings to meet the needs of older people looking to downsize, younger families and those in local service jobs, including a small number of international migrants. Policy could, in combination with evidence from the supply side, indicate locations where smaller housing would be suitable. Smaller dwellings most likely to be in demand would be houses rather than flats, and could be terraced or semi-detached depending on its local context.

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Demographic change	SHMA; Allan Morris, Census	Population is ageing rapidly, and this is partly driven by retired in-comers; however, a smaller number of (younger) international migrants demand smaller dwellings. SHMA does not consider the needs of BME, student or gypsy/traveller households relevant to Malvern Town. Recent uplift in single person and couple households drives need for smaller dwellings (above).	Neighbourhood plan does not need policy covering needs of BME, student or gypsy/traveller households. However, plan should reference evidence of rapidly ageing population and include appropriate policy responses, including support for/encouragement of downsizing through the provision of smaller dwellings and of new specialist units for the elderly population in appropriate locations.
Existing housing/recent housing supply	SHMA, SWDP, Census, Allan Morris, MHDC, Housing LIN	Concentration of affordable housing in Pickersleigh, Link and Chase wards. SWDP now supports provision of C2 residential care or nursing homes only with evidence of a local undersupply, indicating high level of recent provision in response to demand, though no specific evidence of actual over-supply found. Recent supply of family housing has been at the larger end of the market (7-8 rooms), a conclusion supported by Allan Morris, who notes that this can be an effect of developers seeking to avoid affordable housing contributions. However, also some recent provision of 3-room dwellings, and level of flats relatively high. Detached and semi-detached remain popular, but there are fewer terraces. Allan Morris notes low level of warden-assisted developments for older people, but stock available for independent living.	Evidence from recent housing supply patterns suggests that the neighbourhood plan could or should seek the following: -A reduction in concentration of affordable housing in single developments, rather supporting a ‘pepper-potting’ approach whereby it is mixed with market housing; -Encourage the provision of specialist housing for the elderly in C3 format (i.e similar to housing) rather than C2 format (i.e. residential institutions). This would have the benefit of both reducing a perception of over-supply of care homes and also ensure the housing counts towards the SWDP target of 848 outstanding dwellings. Where C2 provision is unavoidable, local concentrations and/or large-scale development could be discouraged. -Generally, looking to support the provision of more smaller dwellings and discourage provision of fewer very large (7-8 room or 5 bedroom plus) dwellings

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Housing type	SHMA, SWDP, Zoopla, Census	Slow employment growth, and limited demand from commuters (and hence reducing demand for larger, detached family-sized dwellings). There appears to be very limited open market demand for flats/apartments for a number of reasons, even though there is demand for smaller houses. Bungalows are in demand among the elderly and the SWDP notes some demand for custom-build homes. Policy support from SWDP for mix of housing to meet needs of all sectors of the community.	Policy could appropriately support smaller terraced or semi-detached developments, as well as smaller (3-4 bedroom) detached units for families. The largest detached units (5 bedroom plus) are not in significant demand and should be discouraged. A policy supporting downsizing would free up existing (under-occupied) family-sized dwellings for incoming or local families. Bungalows are likely to benefit from policy support.
Need for family households	SHMA, Census, Allan Morris	Current houses larger than average; however, many in-migrants are families, including younger (smaller) families that need dwellings at the lower end of the range (2-3 bedroom units)- this is supported by the Census, which shows lower than average number of families with children. Note also recent decline in family households, though the SHMA notes a sustained demand for 3-4 bed stock, as does Allan Morris. Census also indicates continued growth in family population, and higher than average number of self-employed (which also drives demand for larger dwellings)	Despite a clear need to support the provision of smaller dwellings, there remains a clear demand for family-sized dwellings, and these should also be encouraged. In general, those most in demand but most limited in supply are the smaller family-sized dwellings- 3-4 bedrooms. Further provision of dwellings with five or more bedrooms should be discouraged. However, encouraging downsizing through the provision of smaller units for older people may free up some existing stock, so monitoring is extremely important to avoid an over-supply of this type of housing.

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Need for specialist housing for the elderly	SHMA, Housing LIN, SWDP, Census	There is a clear requirement for the full range of specialist elderly housing units. The SHMA notes a need for sheltered and enhanced sheltered housing, as well as extra care housing, and this is supported by Housing LIN, which indicates a need for 468 specialist homes for the elderly 2016-2026. Further care home places are required as part of this figure, but if these are provided as C2 (residential institutions) they are additional to the outstanding need for 848 dwellings. The Census supports evidence of need for specialist units as it found a higher than average level of activity limitation. Allan Morris indicates need/demand for less expensive (market rather than social) dwellings for older people, which would help meet local need as well as need from retired in-migrants.	The Neighbourhood Plan clearly has an important role to play in meeting the needs of older people. There should be strong policy support for the full range of specialist provision for older people, as outlined in the Housing LIN. The Town Council may wish to encourage the provision of as much of this specialist provision as independent housing rather than residential institution (C2 use) for reasons outlined above. Over-concentrations of specialist housing for older people should be avoided, and policy should direct them to accessible locations close to services, facilities and sustainable modes of transport. The provision of developments similar to the successful Festival development (more affordable, and with a wide range of housing types/models) should be strongly encouraged.

1 Introduction

Housing Needs Assessment in Neighbourhood Planning

26. The 2011 Localism Act introduced neighbourhood planning, allowing parishes or Town Councils across England to develop and adopt legally binding development plans for their neighbourhood area.

27. As more and more parishes and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.

28. In the words of the National Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.

29. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.

30. Our brief was to advise on data at this more local level to help Malvern Town Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

Local Study Context

31. Malvern is a spa town in Worcestershire with a population of just over 30,000. Located on the eastern slope of the nationally famous Malvern Hills, it is about six miles south-west of Worcester, and a similar distance west of the M5 (to which it is linked via the A449 and A4440), which allows for road connections to Birmingham, Bristol and the South West. Gloucester and Hereford are also easy to reach by road.

32. It is served by two railway stations (Great Malvern and Malvern Link), which offer direct connections to Worcester and Hereford, as well as Birmingham, Bristol and London Paddington. The nearest major airport is Birmingham.

33. The Neighbourhood Plan area is the same as Malvern Parish, which comprises the Malvern Town Council area. This greatly simplifies the gathering of statistics, as all are available at parish level. Should our analysis need to compare individual parts of the town with others, smaller statistical divisions, known as Middle Super Output Areas (MSOAs) and Lower Super Output Areas (LSOAs) can be used where necessary.

34. Malvern is the main settlement in Malvern Hills District Council. This means that for planning purposes, it is covered by the emerging South Worcestershire Development Plan (SWDP), which covers the local planning authorities of Malvern Hills, Worcester City and Wychavon.

35. This also means that it is part of the Worcestershire Housing Market Area, and as such, the Malvern Hills part of the Worcestershire Strategic Housing Market Assessment (SHMA) is relevant to this housing needs analysis and will be interrogated as appropriate.

2 Approach

PPG-Based Assessment

36. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

Summary of Methodology

37. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.

38. In the case of Malvern, the emerging SWDP, which is very close to adoption, does not give a specific target for Malvern. However, a calculation of its inferred target for Malvern is simple and straightforward, and is set out in Chapter 3 of this assessment.

39. Our recommendation for the purposes of this Housing Needs Assessment is therefore to use the SWDP-derived target as a 'given' that is not subject to change and instead focus in more detail on the type of housing to be provided rather than the quantity.

40. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to be adopted. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the SWDP. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.[3]

41. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Malvern, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.

42. The planning period of neighbourhood plans, where possible, should always be aligned with the relevant local plan. In the case of Malvern, this would mean aligning with the SWDP period, which extends from 2006 to 2030.

Gathering and Using a Range of Data

43. The PPG states that:

'*no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes'*.

[3] See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

44. It continues: '*Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance*'.

45. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.

46. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data. Our conversation with a local estate agent helped ensure our conclusions were informed by a qualitative, local perspective.

Focus On Demand Rather Than Supply

47. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that '*the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints*.'

48. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study[4].

Study Objectives

49. The objectives of this report can be summarised as:

- Collation of a range of data with relevance to housing need in Malvern relative to Malvern Hills and the wider South Worcestershire area as a whole;
- Analysis of that data to determine patterns of housing need and demand;
- Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

50. The remainder of this report is structured around the objectives set out above:

- Chapter 3 sets out the data gathered from all sources; and
- Chapter 4 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

[4] Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was recently endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DCLG, 4 October 2014, available at https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land)

3 Relevant Data

Local Planning Context

Worcestershire SHMA Main Report and Worcestershire SHMA Appendix 3: Malvern Hills (February 2012)

51. The PPG states that neighbourhood planners can refer to existing needs assessment prepared by the local planning authority as a starting point. As Malvern is located within the Worcestershire Housing Market Area, we therefore turned to the Worcestershire Strategic Housing Market Assessment (2012, henceforth SHMA)[5] which covers the housing market area and informs housing policies at a local authority level, including affordable housing policy[6].

52. The SHMA is now a few years old as it was commissioned to inform the SWDP, and as such we have not quoted data from it that was based on the 2001 Census, given that the 2011 Census data is now available and will be interrogated separately elsewhere in this report. However, it remains the most recent assessment of its type available, and as it is the primary piece of housing evidence informing the emerging SWDP, it remains highly relevant for assessing housing need in Malvern.

53. The SHMA draws upon a range of statistics including population projections, housing market transactions and employment scenarios to recommend objectively-assessed housing need. As such, it contains a number of points of relevance when determining the degree to which the housing needs context of Malvern Neighbourhood Plan area itself differs from the authority-wide picture.

54. Figure 3.4 of the SHMA is reproduced as Figure 1 below, and shows that across Malvern Hills in 2010, only 13% of housing was Council or Housing Association-owned affordable housing- the second lowest rate in Worcestershire. The SHMA notes that Right to Buy has been one of the factors reducing the proportion of affordable housing.

[5] Available online at http://www.worcester.gov.uk/documents/10499/20690/Worcestershire_SHMA_2012_Main_Report_FINAL.pdf/e6230952-6102-4018-942e-38d86e4155a7 and http://www.swdevelopmentplan.org/wp-content/uploads/2012/03/Appendix3MalvernHillsOverview.pdf

[6] Here and throughout this report, we have defined affordable housing according **only** to the standard definition found in Annex 2 of the National Planning Policy Framework (NPPF), namely: 'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.' We have avoided the definition of affordable housing in its colloquial sense of 'relatively cheaper market housing'.

Figure 1: Affordable/Market Housing Split in Worcestershire, 2010

Authority	Affordable Housing (LA / Housing Association) No.	Affordable Housing (LA / Housing Association) %	Private No.	Private %	Total
Bromsgrove	3,892	10%	35,190	90%	39,082
Malvern Hills	4,452	13%	28,950	87%	33,402
Redditch	7,753	22%	27,410	78%	35,163
Worcester	6,763	16%	35,710	84%	42,473
Wychavon	7,480	15%	43,710	85%	51,190
Wyre Forest	6,417	15%	37,570	85%	43,987
Worcestershire	36,757	15%	208,540	85%	245,297

Source: Worcestershire SHMA, 2012

55. More detail on affordable housing is provided by SHMA Figure 3.9, which is reproduced in Figure 2 below. It shows that in the period 2004 to 2011 29% of all housing completions in Malvern Hills were affordable units, which is broadly in line with the Worcestershire average.

Figure 2: Delivery of affordable housing units in Worcestershire, 2004-2011

Local Authority	Affordable Housing Completions 2004/05 - 2010/11 Social Rented	Affordable Housing Completions 2004/05 - 2010/11 Intermediate	Affordable Housing Completions 2004/05 - 2010/11 Total	Proportion of all Housing Completions 2004/05 - 2010/11
Bromsgrove	256	170	426	25%
Malvern Hills[16]	170	298	468	29%
Redditch	306	274	580	35%
Worcester City	484	422	906	37%
Wychavon	358	172	530	28%
Wyre Forest	261	175	436	21%
Worcestershire	1,853	1,493	3,346	29%

Source: Worcestershire SHMA, 2012

56. The SHMA notes that property prices were higher in Malvern Hills than the Worcestershire average, and that this is linked to larger than average property sizes in the authority. Smaller homes (1-2 rooms) are low in frequency across the county as a whole.

57. In the words of the SHMA, the quality of the housing stock represents an additional layer of information in understanding its capacity to match demand. Figure 3 below replicates SHMA Figure 3.13, and shows that in 2011 there was a perhaps surprisingly high proportion of dwellings (across both the private and public sectors) classified as 'non-decent' in Malvern Hills.

Figure 3: Stock Condition in Worcestershire, 2011

Authority	% of Dwellings classified as Non Decent	% of households in private accommodation classified as Vulnerable	% of households classified as vulnerable and living in a non-decent property
Bromsgrove	33.3%	14.5%	5.1%
Malvern Hills	44.0%	15.1%	6.9%
Redditch	26.6%	19.6%	5.9%
Worcester	32.8%	18.5%	7.0%
Wychavon	38.0%	15.5%	6.1%
Wyre Forest	37.9%	19.7%	8.1%
England	35.8%	20.3%	7.9%

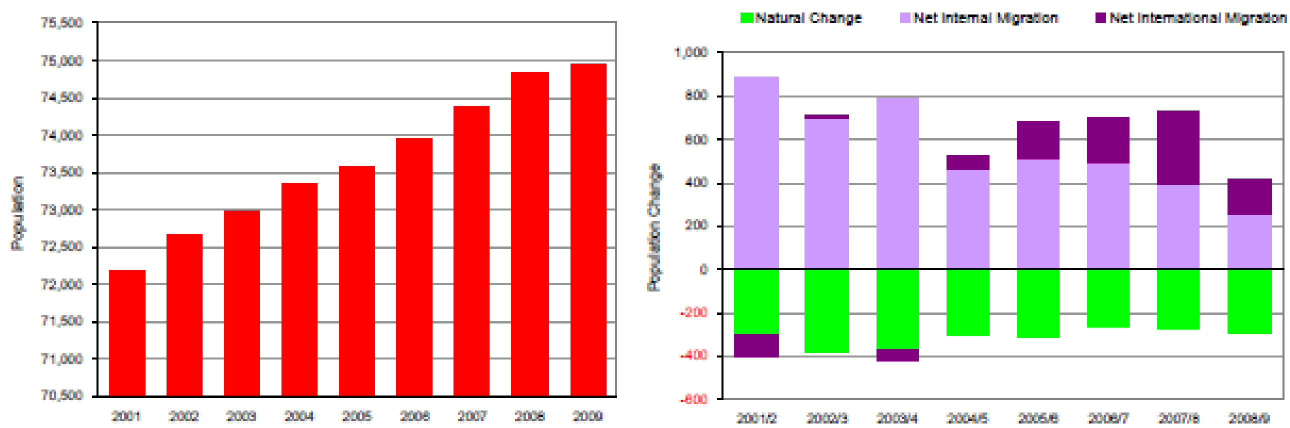
Source: Worcestershire SHMA, 2012

58. Turning to the drivers of dwelling growth and population change, the SHMA demonstrates (our Figure 4 replicates SHMA Figure 4.4) that in the period 2001 to 2009, natural change was negative across Malvern Hills, reflecting an ageing population and net internal migration (mainly from Wychavon, Worcester and Birmingham) as the main driver of population growth, but with an increasing component of international migrants in the second half of the timeframe.

59. The age pattern of net migration shows net out-migration for 15-29 year olds but net inflows for all other age groups, particularly young families and the retired. The SHMA also notes that Malvern Hills has attracted net in-migration of late working age and older persons, reflecting its high quality of place and the aspirational nature of its housing market.

60. Interestingly, when breaking down population increases by ward level, none of Malvern's wards grew significantly compared with many in the rural areas around the town.

Figure 4: Components of population change in Malvern Hills, 2001-2009



Source: Worcestershire SHMA

61. As regards the economic geography of Worcestershire, the SHMA considers Malvern Hills to be a largely rural market compared with commuter, manufacturing and mixed economies elsewhere in the County.

62. Agriculture, food processing and research & development are considered key economic sectors. The authority is projected to see slow but steady year on year employment growth in the years

between recovery from the recession and 2031, by which point employment levels will be 0.3% higher than in 2006.

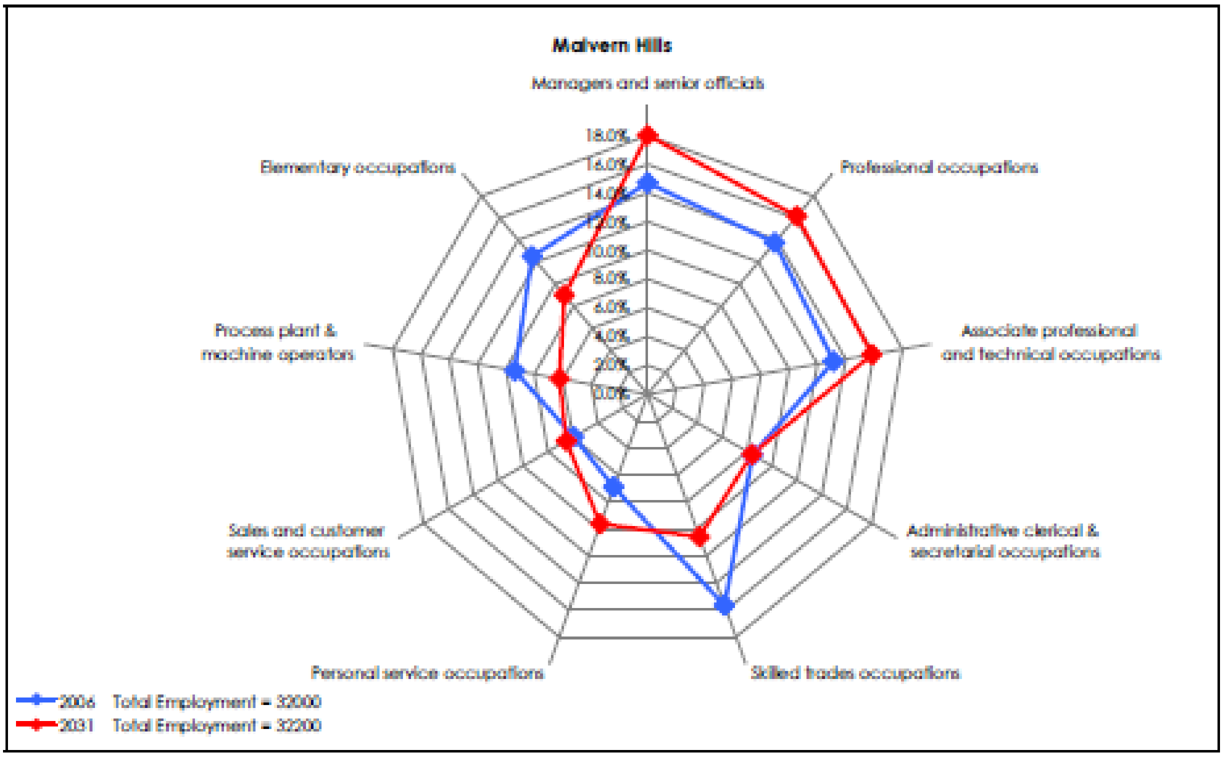
63. In the SHMA's list of Key Employment Proposals within Worcestershire, the only proposal within Malvern Hills is QinetiQ in Malvern. It is anticipated that it will accommodate new Use Class B1 (b) (research and development offices and laboratories) as grow-on space from the adjacent Malvern Hills Science Park, or alternatively new high tech investment from outside the area.

64. As the SHMA does not list under this heading the ten hectares of new employment provision at the North East Malvern allocation, and given that this course of action was not disputed by the Inspector at the SWDP Examination in Public[7], it appears that this allocation is not considered, in itself, to have a significant impact on housing growth.

65. Figure 5 below replicates SHMA Figure 4.14 and shows the key occupation groups anticipated to grow in Malvern Hills between 2006 and 2031.Growth is expected in management and senior officials, professional occupations and associate professional and technical operations.

66. At the same time, significant contraction is expected in skilled trades, process plant and machine operations and elementary occupations. However, as a whole, Worcestershire's economy is predicted to contract up to 2020 as manufacturing and other lower value jobs are lost, with stronger increases in the service and professional sectors predicted to offset this decline after 2020.

Figure 5: Predicted changes in key occupation groups in Malvern Hills 2006-2031



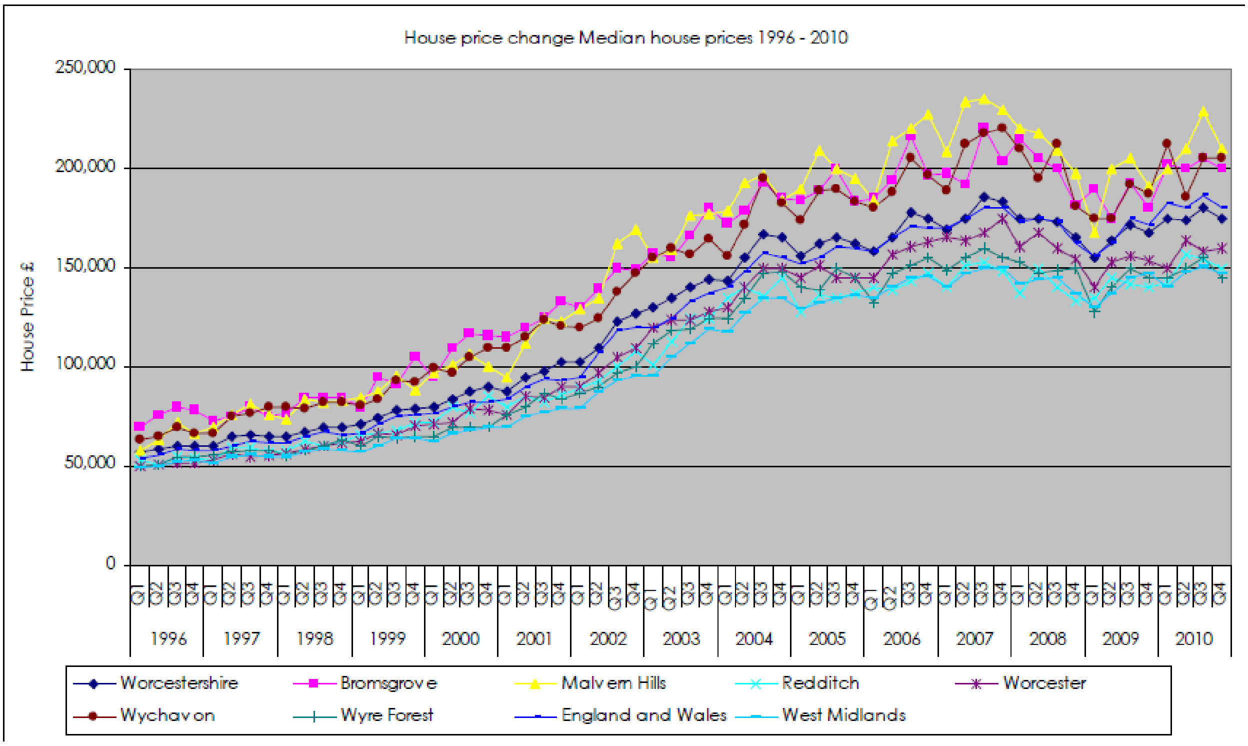
Source: Worcestershire SHMA, 2012

67. Turning to commuting patterns, the SHMA notes that Malvern Hills has strong links to Worcester, with Worcester residents commuting to Malvern Hills as well as a stronger relationship in the other direction. However, this will need to be verified against local commuting patterns from the more up-to-date 2011 Census.

[7] Inspector's Report on the SWDP available at http://www.swdevelopmentplan.org/?page_id=12130

68. As regards house prices across Worcestershire, Figure 6 below (which replicates Figure 5.2 of the SHMA) shows that over the period 1996-2010 house prices in Malvern Hills moved gradually up from being around the average for Worcestershire before the early 2000s towards being the consistently highest in the County since that point, and well above the regional and national averages.

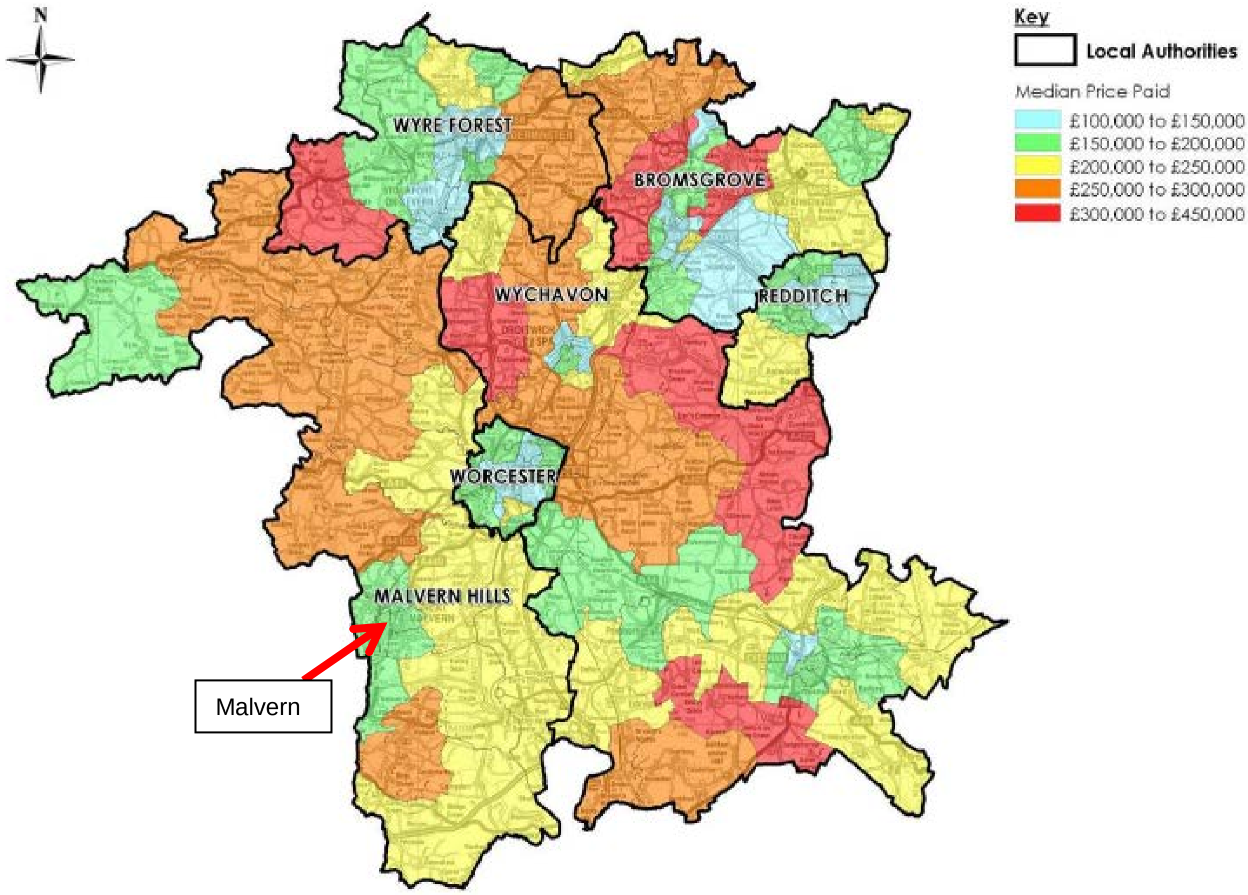
Figure 6: Trend in average (median) house prices in Worcestershire (1996-2010)



Source: Worcestershire SHMA, 2012

69. However, a more detailed spatial analysis shows that much of this strong performance was concentrated outside Malvern town itself, in line with the general trend across the County as a whole for rural house prices to exceed significantly those in urban areas. This is illustrated in Figure 7 below, which replicates SHMA Figures 5.4 and 5.5.

Figure 7: Spatial analysis of Worcestershire house prices, 2010/11



Source: Worcestershire SHMA, 2012

70. This picture is supported by interviews with estate agents Denny and Salmond, who stated that for the Malvern Hills market, no real distinct market trends or drivers were highlighted, but that the rural areas contain a higher proportion of larger and higher value properties, which have proved popular among in-migrants.

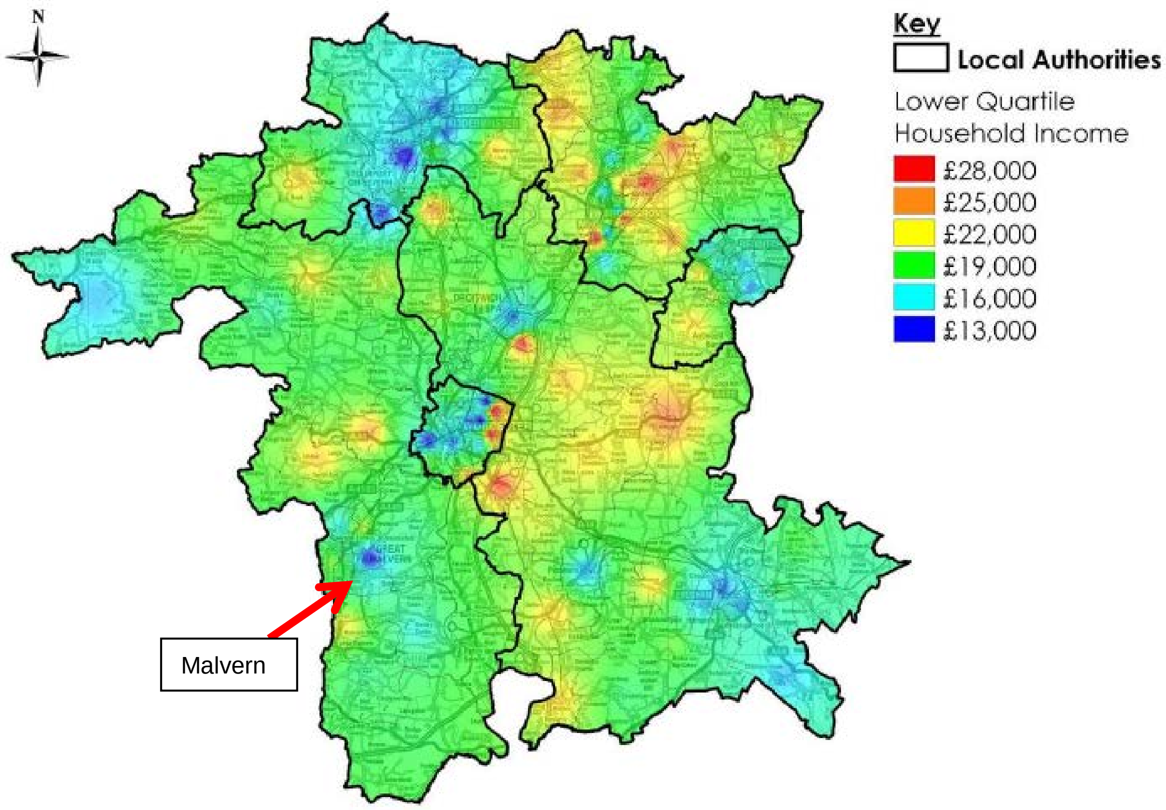
71. The estate agents also noted that the private rental market in the area was coming under increasing pressure from first-time buyers and incoming households who were priced out of the owner-occupier market.

72. Rental demand for houses is particularly strong and is likely to reflect a desire for couples and families to settle in the area but who are waiting until prices re-align themselves and for the sale market to provide greater choice. The agents noted that there is a need throughout the district for more rental properties as demand continues to outstrip supply.

73. Turning to the issue of affordable housing, Malvern is a hotspot for those in the lower quartile of household income with an income of just £13,000, i.e. the lowest level recorded by the SHMA. This is illustrated in Figure 8 below, which replicates SHMA Figure 5.29. Figure 9 below replicates SHMA Figure 7.7 and shows that Malvern has become a hotspot for housing unaffordability, which is calculated as the ratio between lower quartile house prices and lower quartile incomes.

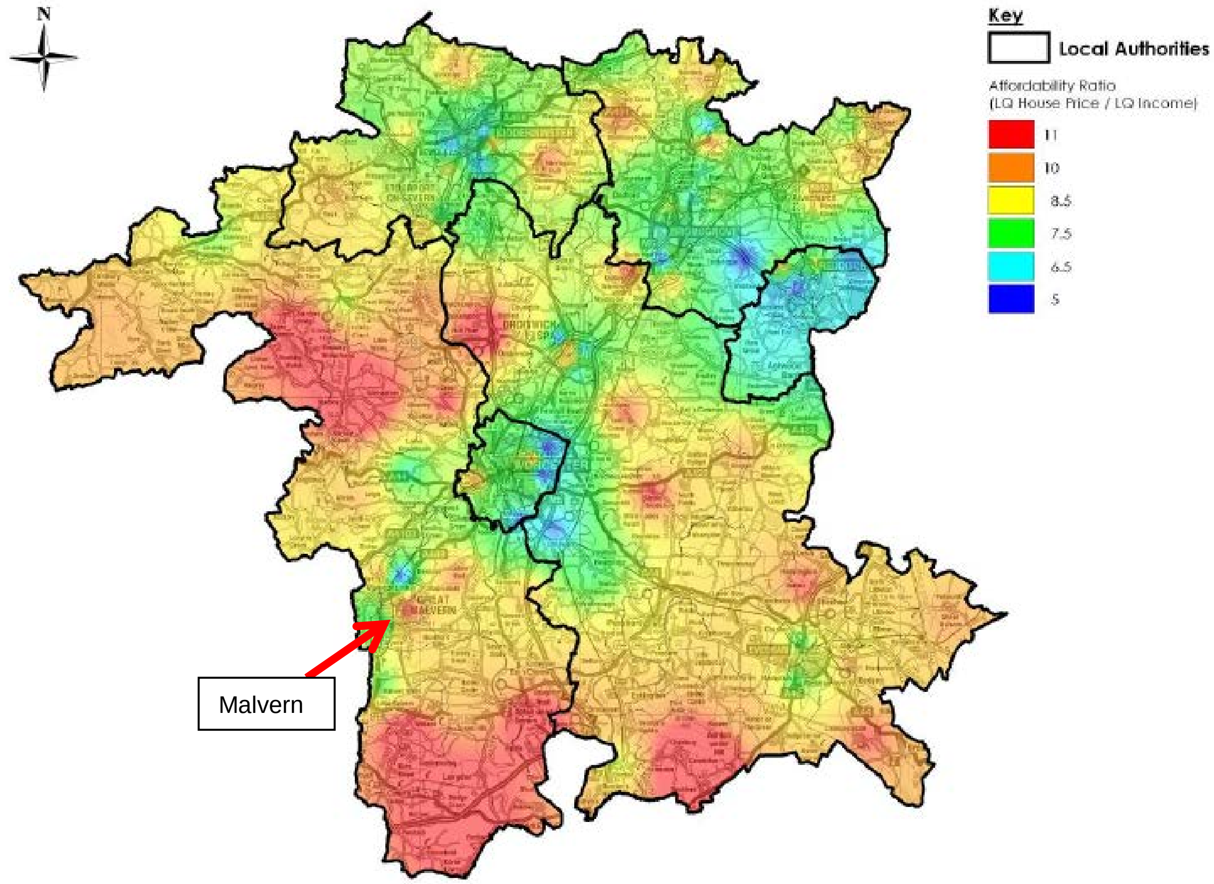
74. With the ratio having reached 11 in the south-eastern part of the town, this indicates a high level of affordable housing need in Malvern. However, affordable need is lower around the town centre and lower still in the north, including Malvern Link and the Howsells.

Figure 8: Lower Quartile Household Income in Worcestershire, 2010



Source: Worcestershire SHMA, 2012

Figure 9: Affordability ratios in Worcestershire, 2011



Source: Worcestershire SHMA, 2012

75. Figure 7.4 of the SHMA, which is replicated in Figure 10 below, estimates the size requirements for the affordable housing considered to be needed. It is notable that affordable housing need in Malvern Hills differs significantly from the rest of Worcestershire in that much smaller affordable housing is needed, with 66% needing to be 1 bedroom and only 3% four or more bedrooms.

76. The SHMA notes that this includes a need for 60+ households in need of affordable sheltered one-bed units. In terms of the tenure of affordable housing required, for Malvern Hills the SHMA estimates that 97% would be socially rented and only 3% intermediate.[8]

77. Malvern Hills shows (SHMA para 8.31) a relatively high level of projected growth of households where the head of household is aged 25-34. This will give rise to a disproportionate demand for affordable or at least lower quartile market housing, and the SHMA notes the resulting importance of ensuring a mix of tenures and types of housing, with the private rented sector also having an important role to play.

[8] Intermediate housing is defined by the Worcestershire SHMA as comprising either shared equity products (e.g. HomeBuy); and other low cost homes for sale and intermediate rent, but not homes for affordable rent, which are classed as socially rented.

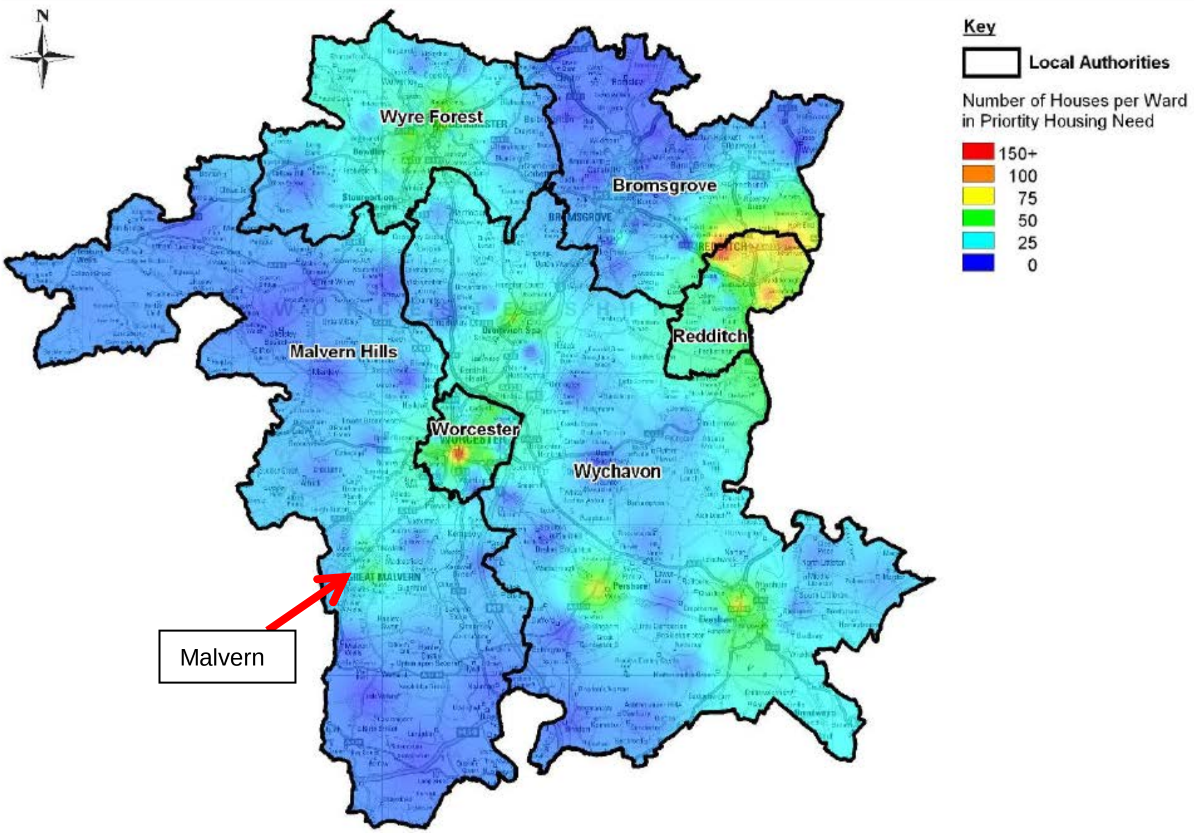
Figure 10: Estimated size requirements for affordable housing across Worcestershire

Authority	Estimated Size of Affordable Housing Required			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Bromsgrove	45%	33%	14%	7%
Malvern Hills	66%	25%	5%	3%
Redditch	43%	29%	14%	14%
Worcester	52%	34%	9%	4%
Wychavon	44%	37%	14%	4%
Wyre Forest	60%	29%	9%	2%

Source: Worcestershire SHMA, 2012

78. SHMA Figure 7.6 (replicated below as Figure 11) indicates that although affordable housing need is slightly higher in Malvern than the rest of Malvern Hills, it reaches only County average levels and is significantly lower than affordable need elsewhere in Worcestershire, including Worcester, Redditch and Kidderminster.

Figure 11: Spatial disaggregation of affordable housing need across Worcestershire



Source: Worcestershire SHMA, 2012

79. Figure 7.9 of the SHMA (reproduced below as Figure 12) estimates that of the net annual affordable housing requirement for Malvern Hills over the next five years from the publication of the SHMA (i.e. 2012-2017) almost all of it is social rented rather than intermediate. The SHMA explains that this is due to a strong annual supply of intermediate housing already committed for development within Malvern Hills over this period.

Figure 12: Annual Affordable Housing Need by Affordable Housing Type, 2012-2017

Authority / County	Net Affordable Housing Requirement - by Tenure (Annual – next 5 Years)					
	Social Rented			Intermediate		
	Supply	Net Need (Total)	Net Need (%)	Supply	Net Need (Total)	Net Need (%)
Bromsgrove	227	186	85%	26	33	15%
Malvern Hills	220	127	97%	31	4	3%
Redditch	405	100	60%	20	67	40%
Worcester City	366	297	83%	15	61	17%
Wychavon	372	221	82%	7	48	18%
Wyre Forest	404	154	73%	8	56	27%
Worcestershire	**1,994**	**1,086**	**80%**	**107**	**269**	**20%**

Source: Worcestershire SHMA, 2012

80. In its analysis of the affordable rent model (i.e. housing for rent provided by Registered Providers that is 80% of the market rent), the SHMA indicates that this could be a useful tenure in delivering further affordable housing and meeting some affordable housing needs, though it will not by itself eliminate the requirement to continue to provide social housing.

81. Figure 7.14 of the SHMA indicates that of the forecast increase in population in Malvern Hills to 2030, 86% are estimated to be able to afford market housing (including intermediate products) and 14% will require social housing. However, this estimate does not take account of existing social housing need and/or backlog. As such, it should not be compared to or used instead of the affordable housing requirements set out in Figure 12 above, which in any case cover only a five-year timeframe.

82. In terms of housing for specific sectors of the population, the SHMA first examines housing need for those over the age of 65. This sector of the population is forecast to grow across Worcestershire as a whole, including Malvern Hills. The data shows that there will be a need for units for independent living for older people as well as for care home spaces.

83. It states (SHMA paragraph 8.19) that levels of owner-occupation amongst older people in Worcestershire are very high at over 80%, underlining the importance of planning for all tenures, as well as the possible role of equity schemes (i.e. shared ownership). Malvern Hills was highlighted in recent research[9] as having fewer housing support services for older persons, with less than half the national average provision of sheltered housing and that there is are no housing services specifically for frail elderly people (i.e. extra care housing) within Malvern Hills.

84. The research also highlighted that the vast majority of respondents (81%) wanted to stay in their present homes in later years, two-thirds expect to receive some support enabling them to do this. There is also a definite interest in extra care housing.[10]

85. Across Worcestershire, the SHMA notes that 4,636 units of market sale sheltered housing are required. If this need is extrapolated to the parish of Malvern as a proportion of the Worcestershire population, this would indicate a need for 242 such units within Malvern as part of the overall housing requirement.[11]

86. The proportions of other types of specialist housing for older people within Malvern would be as follows, based on similar AECOM calculations derived from SHMA figures:

- Enhanced sheltered housing for sale or rent: 1 unit for every 351.66 residents, therefore 84 units for Malvern;
- Residential care places: 1 property for every 188.72 residents, therefore 156 places for Malvern;
- Extra care housing for rent or sale: 1 unit for every 292.14 residents, therefore 101 units required; and
- Nursing care places: 1 unit for every 566.17 residents, therefore 52 places required.

87. The SHMA concludes that the proportion of Black and Minority Ethnic (BME) population is so relatively low in Worcestershire that no specific analysis of BME housing needs is required.

[9] Research into the Housing and Support Needs of Older People within Worcestershire' (April 2009), The Housing and Support Partnership

[10] Extra care housing is defined as 'housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property' (source: www.housingcare.org).

[11] AECOM have calculated this figure as follows: 4,636 new units across Worcestershire equates to one new unit for every 122.12 residents at the 2011 Census (the total population of the county was 566,169). This means that Malvern, with a population of 29,626 in the same Census, would need to provide 242 of these units.

88. Perhaps surprisingly given the large projected increase in the older population, the younger population is forecast to grow as well. The SHMA notes (paragraph 8.31) that Malvern Hills shows a relatively high level of projected growth of households with a head of household aged 25-34. It further notes that affordable housing tenures are particularly important for this sector of the population and that as such, ‘ensuring a suitable delivery of a mix of tenures and products will be important in retaining the younger elements of the population’, and that the private rented sector, where demand is currently outstripping supply, will have a role to play.

89. In terms of housing need for gypsies and travelers, the SHMA indicates that Malvern Hills will need to provide a further 33 pitches to 2017 and 17 pitches beyond 2017, as well as a further 10 transit (temporary) pitches. However, the location of this new provision is a matter more for Malvern Hills District Council than for the Town Council- it is possible that all need could be met at the existing Council site, at Malvern Meadows (in the parish of Hanley Castle, and therefore outside the Town Council boundaries).

90. The SHMA was also accompanied by local authority-specific appendices. We have reviewed the Malvern Hills SHMA Appendix 3 for information additional to that from the main SHMA summarised above.

91. Like the main SHMA, the data in Appendix 3 pre-dates the 2011 Census and therefore has been superseded by it. We analyse the 2011 Census information for Malvern later in this report.

92. However, Appendix 3 nevertheless contains a few useful points that are relevant for our analysis, including the following:

- Pickersleigh (east side of Malvern) and Link (north-east side of Malvern) are two of the three wards forecast to see the highest levels of population growth over the SWDP period, and have seen relatively strong levels of housing completions over recent years;

- The population projections, taking into account an ageing population, indicate an uplift in single person and couple households and a decline in family households.

- The most significant increase will be among those beyond working age, but there will also be (as previously noted by the main SHMA) a smaller increase in households whose head is aged 25-34

- The new households required for those over the age of retirement will need smaller dwellings, but there is likely to be a sustained demand for traditional housing units (3 and 4 bedroom stock), recognising that moderate and larger properties represent the aspiration for many households of different ages.

- Pickersleigh, Link and Chase (south-east of Malvern) are the three wards with the highest concentrations of households in significant affordable need, according to the waiting list as of 2012, but this is in large part a result of the current spatial distribution of the existing stock of affordable housing.

- The turnover of social lettings alone within Malvern Hills is insufficient to meet the continued need for affordable housing. As a result, delivery of new affordable housing across all property sizes will be necessary if the authority is to meet the housing needs of its residents.

SHMA Caveats

93. It is important to remember that there is no single definitive method available to attribute need for new market housing to specific geographical areas within Malvern Hills. The precise geographic distribution of future housing was therefore left as a policy choice for the Authority.

94. This caveat applies equally for neighbourhood planners in Malvern. As we recommend an approach based on the assessment of need at a local authority level, the Town Council should monitor any updates to the assessment of housing need at that level, as well as the release of any relevant new statistics.

Emerging South Worcestershire Development Plan (SWDP) (2015)

95. The Town Council asked AECOM to derive Malvern's housing target from the SWDP, as it is not explicit within the document; instead, a target for the authority as a whole has been provided. However, disaggregating the housing target for Malvern itself from the overall Malvern Hills target is relatively straightforward and is explained below.

96. The SWDP divides South Worcestershire into a number of areas, each with its own housing target. One of these areas is the Wider Worcester Area (WWA) which comprises urban extensions to the city of Worcester, some of which are within the boundaries of Malvern Hills and therefore must be taken into account when calculating the Malvern Hills and Malvern housing targets.

97. Within the SWDP, the housing target for Malvern Hills (excluding the WWA) in the period 2006-2030 is 4,900, of which 3,600 (73.47%) is market housing and 1,300 (26.53%) is affordable housing.

98. However, in order to calculate the number of new dwellings per existing dwelling, which will in turn allow us to extrapolate a target for Malvern itself, we need first to discount the existing dwellings within those parts of Malvern Hills that overlap with the WWA, as this area has been excluded from the Malvern Hills housing target.

99. Assessing the SWDP and its supporting documents, there are two parts of the WWA that overlap with Malvern- firstly, the extension to the west of Worcester known as Temple Laugherne, and secondly that to the south of Worcester known as Broomhall Community and Norton Barracks Community.

100. Postcode analysis of the red-line areas for these two urban extensions show that they contain a total of 43 households (34 in Broomhall and Norton Barracks and 9 in Temple Laugherne. We then need to convert these households to dwellings so we are comparing like with like. In the 2011 Census, Malvern Hills had 32,212 households but 33,689 dwellings, giving a household to dwelling ratio of 0.956. If we apply this ratio to the 43 households in the WWA, it can be estimated that the Malvern Hills part of the WWA contains 45 dwellings.

101. This then allows us to subtract these 45 dwellings from the 2011 Census dwelling total for Malvern Hills, which was 33,689. Therefore, there are 33,644 dwellings in the area to which the housing target of 4,900 applies, which equates to one new dwelling for every 6.866 existing dwellings.

102. In turn, we can now determine that, based on this ratio, Malvern itself, with 13,654 dwellings, would have an SWDP-derived housing target of 1,988 dwellings for the period 2006-2030. Of these 1,988 dwellings, 1,460 would be market housing and 528 affordable units.

103. However, as the plan period started in 2006, a significant proportion of these units have been completed between 2006 and 2015, meaning the outstanding number of dwellings is far lower. Malvern Hills District Council advise that since the start of the SWDP period up to 2014/5, 1,140 dwellings have been completed in Malvern Town, meaning the outstanding number of dwellings to 2030 is around 848.

104. There are a number of other SWDP policies with relevance for housing provision in Malvern, including the following:

- Policy SWDP 14: Housing Mix, which seeks a mixture of sizes, types and tenures in all housing developments of five units or more. Developments should include less costly, smaller-sized homes of different tenures and, where appropriate, bungalows and custom-build homes. Additionally, Worcester and the main towns (which includes Malvern) will be the focus for housing to help meet the needs of residents with specific housing requirements, such as people with disabilities.

- Policy SWDP 15: Meeting Affordable Housing Needs, which seeks 40% affordable dwellings (i.e. social rented, affordable rented and intermediate tenure) on sites of 15 or more dwellings, 30% affordable on sites of 10-14 dwellings and 20% affordable on sites of 5-9 dwellings. On sites of less than five dwellings, a financial contribution towards local housing provision will be required. The tenure mix of affordable housing will be subject to negotiation but the general preference is for socially rented.

- Policy SWDP 20: Housing to Meet the Needs of Older People, which encourages housing meeting the needs of older people on all allocated and windfall sites of five units or more. Where specialist housing for older people falls into Use Class C2 (*i.e. residential care homes and nursing homes*) permission will be granted providing there is an evidenced undersupply of such units in the locality, the scheme is situated in a sustainable location and provided that, in cases where the C2 use is provided alongside standard residential dwellings (use class C3), on-site affordable housing will be provided for the C3 uses as per policy SWDP 15.

- The supporting text to Policy SWDP 20 states that ‘Older people range from those recently retired to the very elderly and from active to the very frail. Therefore, a wide range of housing across the spectrum is required to meet the needs of older people. This includes a general need for flats, bungalows and smaller houses, some of which will be built to allow future adaptations to enable people to remain within their homes, to more specialist provision, such as extra-care housing. Most housing sites of five units or more can incorporate homes that can help to meet the general needs of older people. Urban extensions, because they are generally larger, may also be able to provide a wider range of accommodation suitable for older people. It is considered that the specialist housing needs identified for older people (e.g. C2 housing) will be delivered primarily in Worcester and the towns The SWDP seeks to enable the provision of extra-care housing and supported housing, particularly where it is driven by population trends in an area. Whether it is classed as housing or institutional use, such development is being planned for and managed as part of the housing strategy and housing land supply.’

- Policy SWDP 52: Malvern Allocations, notes that ‘as the principal urban area and main town centre in the district, Malvern will be the focus for new development for Malvern Hills in accordance with SWDP 2. However, the supporting text for the policy indicates that land for (only) 1,097 dwellings[12] has been identified on both brownfield and greenfield sites.

- Policy SWDP 53, which notes that of the 250 dwellings to be provided at the Qinetiq site, 100 (40%) should be affordable units.

- Policy SWDP 56, which states that almost 57 hectares of land have been allocated at north-east Malvern for a sustainable, mixed-use urban extension, including 700 dwellings, broken into the following phases: 220 (of which 100 affordable) in Phase 2 (2013-2019) and 480 dwellings (of which 180 affordable) in Phase 3 (2019-2030).

[12] This comprises 147 dwellings within the existing urban area, a further 250 dwellings at the Qinetiq site and a further 700 dwellings on an allocated greenfield site (i.e. an urban extension).

105. Note that the total dwelling figures in the SWDP allocated to Malvern (1,097 dwellings) does not tally with the AECOM calculation of the SWDP 'fair share' for Malvern (1,988 dwellings) for two main reasons:

- The AECOM calculation is for the entire SWDP period of 2006-2030, including all completions between 2006 and 2013, whereas the SWDP figure for Malvern allocations comprises only those dwellings outstanding at the time of SHMA drafting (i.e 2013-2030); and

- Typically, site allocations make up only a proportion of overall supply rather than all anticipated supply, to allow for other sources of supply that are less easily planned for, e.g. windfall sites and dwelling conversions.

106. Note also that some dwellings have been completed in Malvern since the SHMA was drafted, explaining the disparity between the SHMA figure of 1,097 and the outstanding figure as of 2014/5 of 848 dwellings.

107. Another important point is that Policy SWDP 52 suggests that Malvern will be the focus for development in Malvern Hills. This indicates that the AECOM calculation of 'fair share' for Malvern, of 1,988 units 2006-2030, should be thought of as an absolute minimum figure, given that focusing development in Malvern means that it will not be evenly spread across Malvern Hills, so effectively the Council are seeking an unspecified uplift for Malvern over the 1,988 dwellings calculated. However, in the continuing absence of a definitive housing target for Malvern within the SWDP (and given that SWDP 52 itself only specifies sites for 1,097 dwellings), the size of the uplift over 1,988 dwellings being sought is unclear.

108. In the absence of such clarification, all that can be definitively stated is that the 2006-2030 target of 1,988 dwellings should be considered an absolute minimum and that the Town Council would welcome additional delivery in Malvern above this figure to ensure development within Malvern Hills is focused in the town, in order to accord with Policy SWDP 52.

109. .Ensuring in this way that the Neighbourhood Plan reflects accurately the requirements of SWDP policies, particularly given how close the SWDP is to adoption at the time of writing, will greatly help it in passing examination (particularly when the plan is being tested against Basic Condition E) and subsequently being adopted.

Local housing waiting list (Fortis Living, January 2015)

110. We contacted Fortis Living, which is Malvern Hills District Council's housing management organisation, for an assessment of the number of households currently on the waiting list that expressed a preference for Malvern town. This provides a useful indication of whether the SWDP's affordable housing target of between 20% and 40% (depending on development scale) is sufficient to meet present affordable need.

111. The waiting list is divided into seven categories according to urgency of need: Bronze, Bronze Plus, Silver, Silver Plus, Gold, Gold Plus and Priority. Fortis Living advised that the two categories in least urgent need, Bronze and Bronze Plus, should be discounted from calculations of immediate housing need, as households in these categories tend to be on the waiting list more as an insurance policy against future need rather than in need immediately.

112. It is indeed standard practice in housing needs assessments for such a discount to be made. Following this discount, there are at present 83 households across the remaining 5 categories, namely:

- 68 households in need of 2 bedroom units;

- 17 households in need of 3 bedroom units;
- 10 households in need of 4 bedroom units; and
- 2 households in need of 5 bedroom units.

113. Although the waiting list is only a snapshot in time, it does seem apparent that, with 83 households in immediate need of affordable housing, which comprises 9% of the 848 outstanding SWDP target dwellings, the SWDP policy of 20-40% affordable housing provision on development sites of over five units should be adequate to meet affordable need over the remainder of the plan period, even allowing for any future increase in affordable need. As such, on the basis of this evidence, there does not appear to be a requirement for the Malvern Neighbourhood Plan to set its own affordable housing target, although it may reference Fortis Living's list and mention the need to work closely with Fortis Living and MHDC to ensure the needs of those on the housing waiting list continue to be met.

114. Note that even after the Neighbourhood Plan is adopted, the SWDP's affordable housing policy will continue to apply within the town, and it will still be the Council and Fortis Living that control the housing waiting list and negotiate affordable housing commitments with developers as part of the development management process.

Characteristics of Population

115. Through analysis of Census 2011 data, we have investigated how the population of Malvern neighbourhood plan area differs from that of the Malvern Hills and England averages.

116. Table 1 gives the population and number of households in Malvern, Malvern Hills and England, as recorded in the 2011 census. In 2011, Malvern had a population of 29,626, and an average household size of 2.3 persons. This is the same as the local average but slightly below the national average.

Table 1: Population and household size in Malvern, 2011[13]

	Malvern	Malvern Hills	England
Population	29,626	74,631	53,012,456
Households	13,064	32,212	22,063,368
Household size	2.3	2.3	2.4
Dwellings	13,654	33,689	22,976,066

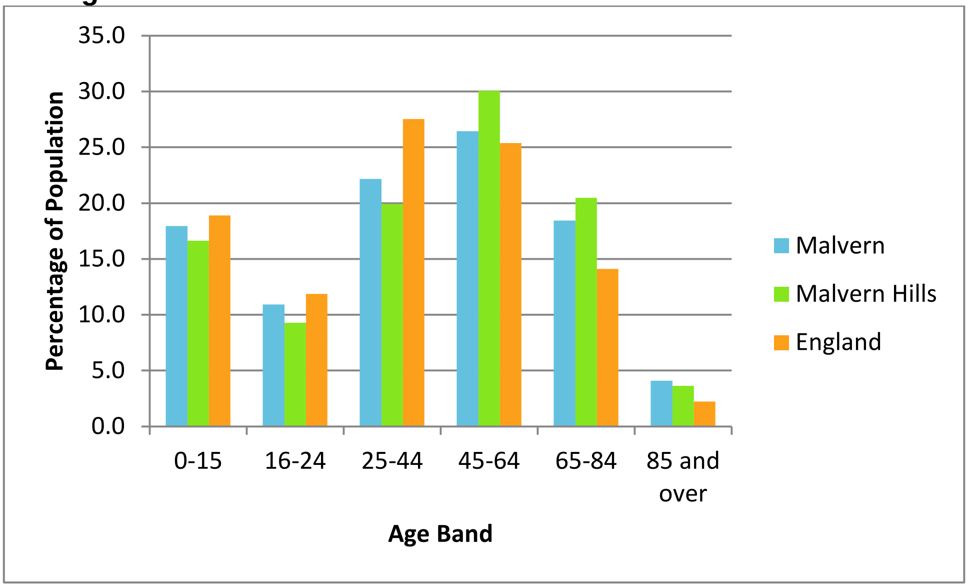
Source: ONS, Census 2011. AECOM calculations

117. As illustrated in Figure 9 below, the largest age group in Malvern is ages 45-64, at 26.4%. This is lower than the figure for Malvern Hills (30.1%) but slightly higher than the figure for England (25.4%). The proportion of children aged 0-15 is slightly higher than the local average but slightly lower than the national average, at 17.9% in Malvern compared with 16.6% across Malvern Hills and 18.9% across England. This is the same for the 16-24 age group and the 25-44 age group. The proportion of people aged 65-84 is lower in Malvern (18.4%) compared to Malvern Hills (20.5%), but higher than the England average (14.1%). The proportion of people aged 85 and over is higher in Malvern compared to both the local and national averages.

[13] ONS, Census 2011, Population Density (QS102EW); Household Size, 2011 (QS406EW).

118. Table 2 shows the rate of change of the population by age band. It shows that the proportion of people in the 45-64 and 85 and over age groups have undergone a considerable increase in Malvern between 2001 and 2011, with slight growth in the 65-84 age group. There is also a slight increase in the number of people in the 16-24 age group, which is slightly higher than the local increase, but below the national increase.

Figure 13: Age structure in Malvern[14]



Source: ONS, Census 2011. AECOM calculations

Table 2: Rate of change in the age structure of the population of Malvern, 2001-2011[15]

Age group	Malvern	Malvern Hills	England
0-15	-6.1%	-5.9%	1.2%
16-24	9.2%	9.0%	17.2%
25-44	-6.8%	-12.7%	1.4%
45-64	13.5%	9.2%	15.2%
65-84	3.9%	17.7%	9.1%
85 and over	32.2%	30.8%	23.7%

Source: ONS, Census 2001 and 2011. AECOM calculations

119. There was a decrease across the 0-15 and 25-44 age bands in Malvern, which is in line with the local decreases but contrasts with the national increase.

120. Population averages in **Figure 9** and **Table 2** show a decrease in the proportion of children and of people aged 25-44.

[14] ONS, Census 2011, Age Structure (KS102EW)
[15] ONS, Census 2011, Age Structure (KS102EW); ONS, Census 2001, Age Structure (KS02)

121. **Table 3** shows that Malvern is home to more people born outside the UK (6.5%) than Malvern Hills as a whole (5.0%), but is nevertheless significantly lower than the national average (13.8%).

Table 3: Country of birth and length of residence

Place of birth	Population breakdown		Malvern	Malvern Hills	England
Born in the UK	Total		93.5%	95.0%	86.2%
Born outside the UK	Total		6.5%	5.0%	13.8%
	EU		2.3%	1.7%	3.7%
	Other		3.8%	2.9%	9.4%
	Length of residence	Less than 2 years	1.5%	0.9%	1.8%
		2-5 years	0.9%	0.6%	2.2%
		5-10 years	0.9%	0.7%	2.9%
		10 years or more	3.2%	2.8%	7%

Source: ONS, Census 2011. AECOM calculations

122. Of the 6.5% of Malvern residents who were born overseas, the majority have lived in the UK for ten years or more.

Household Type

123. Table 4 shows that although the number of rooms per household in Malvern has shown a generally upward trend. In line with the local and national picture, there has been a particularly significant increase in three room households within the plan area. There is also a significant increase in residents living in 7 and 8 room households. This could well be the result of families moving into the plan area.

124. The trends in 3 to 6 room households are largely in line with local and national rates of change. There has been a significant decrease in one room households, similar to the trend for Malvern Hills, but not as significant a decrease as in England as a whole.

Table 4: Rates of change in number of rooms per household in Malvern, 2001-2011[16]

Number of Rooms	Malvern	Malvern Hills	England
1 Room	-29.8%	-33.0%	-5.2%
2 Rooms	5.1%	4.3%	24.2%
3 Rooms	23.9%	20.4%	20.4%
4 Rooms	0.3%	-3.1%	3.5%
5 Rooms	2.1%	-2.0%	-1.8%
6 Rooms	2.7%	0.5%	2.1%
7 Rooms	10.1%	12.9%	17.9%
8 Rooms or more	21.7%	24.2%	29.8%

Source: ONS, Census 2001 and 2011. AECOM calculations

125. The PPG states that factors such as overcrowding, concealed and shared households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Increases in the number of such households may be a signal to consider increasing planned housing numbers.

126. Table 5 emphasises that, on the contrary, Malvern is becoming significantly more under-crowded, which is strongly indicative of an ageing population. In other words, larger units that once housed a family are gradually losing residents (from children moving away, and then parents becoming widowed or moving into care), resulting in decreasing number of persons per room.

[16] ONS, Census 2011, Number of Rooms (QS407EW); ONS, Census 2001, Number of Rooms (UV57)

Table 5: Trends in number of persons per room in Malvern, 2001-2011[17]

Persons per room	Malvern	Malvern Hills	England
Up to 0.5 persons per room	8.8%	9.6%	7.9%
Over 0.5 and up to 1.0 persons per room	2.1%	-2.5%	7.0%
Over 1.0 and up to 1.5 persons per room	11.5%	3.8%	27.3%
Over 1.5 persons per room	-26.7%	-30.5%	2.5%

Source: ONS, Census 2001 and 2011. AECOM calculations

Household Tenure

127. The PPG states that housing needs studies should investigate household tenure in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs. Plan makers should therefore examine current and future trends in tenure.

Table 6: Tenure (households) in Malvern, 2011[18]

Tenure	Malvern	Malvern Hills	England
Owned; total	64.6%	71.9%	63.3%
Shared ownership	1.2%	0.8%	0.8%
Social rented; total	20.8%	14.1%	17.7%
Private rented; total	12.2%	11.5%	16.8%

Source: ONS, Census 2011. AECOM calculations

128. Table 6 shows that the level of owner occupation in Malvern is significantly lower than the Malvern Hills average but slightly higher than the England average. However, the proportion of socially rented housing (rented from the Council or a Registered Social Landlord) is significantly higher than local and national averages. There is also a slightly higher proportion of privately rented units in Malvern compared to Malvern Hills, but this is lower than the national average.

129. Table 7 shows how tenure has changed in Malvern between the 2001 and 2011 Censuses. Home ownership in the area has fallen slightly, largely in line with national trends. At the same time, there was a significant increase in private rented tenures in the plan area compared to the growth in private rented tenures at local level, but less than the increase nationally.

[17] ONS, Census 2011, Persons Per Room - Households (QS409EW); ONS, Census 2001, Persons per Room - Households (UV58)
[18] ONS, Census 2011, Tenure - Households (QS405EW)

130. Malvern has experienced an increase in shared ownership and social rented housing tenures from 2001 to 2011.

Table 7: Rate of tenure change in Malvern, 2001-2011

Tenure	Malvern	Malvern Hills	England
Owned; total	-0.5%	1.9%	-0.6%
Shared ownership	12.9%	27.1%	30.0%
Social rented; total	10.0%	9.8%	-0.9%
Private rented; total	58.6%	43.5%	82.4%

Source: ONS, Census 2001 and 2011, AECOM calculations.

131. We can analyse the rental sector using data from the home.co.uk website. This provides, for each postcode area and city, data on average price of rented property (adjusted for local range of housing type to enable like-for-like comparison), and data on average time that a rental property has been on the market. It can be assumed that the higher average rental price and shorter the average time on the market, the higher local demand for rental property, and by implication, the higher the local demand for owner-occupied stock as many prospective home-owners will rent if they cannot yet afford to buy.

Table 8: Rental sector statistics in Malvern versus Worcestershire average

	Malvern (WR14)	Worcestershire (WR)	Malvern difference
Average time on market (days)	73	111	-34.2%

Source: home.co.uk website.

132. The average price of rented property in Malvern (£719 pcm) is 11.9% lower than the average across Worcestershire (£816 pcm). However, this does not adjust for differences in housing type, so a more accurate indicator of demand is the average time on the market as presented in Table 8. Properties in Malvern rent faster than across Worcestershire, indicating higher levels of demand in Malvern relative to the wider area.

133. This corresponds with the Census data showing low but rapidly growing rates of private renting in the plan area. The shorter average time on the market in Malvern indicates strong demand for rented properties here. In an area of lower than average home ownership, and an increase in private rented tenures since 2001, this supports the conclusion that Malvern is an area of growing rental demand.

134. Demand is also relative strong for sales. House price data from Zoopla shows that as of January 2016, the average house price in WR14, Malvern's postcode area (house prices are not available at any lower geography), was £229,284. This compares with a slightly lower Worcestershire average of £228,208.

Local Household Composition

135. Table 9 shows that the proportion of single person households in Malvern is higher than the Malvern Hills and England average. However, the proportion of households with a single family occupancy is lower than both the Malvern Hills and England averages.

Table 9: Household composition (by household) in Malvern, 2011[19]

		Malvern	Malvern Hills	England
One person household	Total	34.6%	29.7%	30.2%
	Aged 65 and over	16.9%	15.5%	12.4%
	Other	17.7%	14.1%	17.9%
One family only[20]	Total	60.4%	65.4%	61.8%
	All aged 65 and over	11.3%	12.9%	8.1%
	With no children	16.9%	20.5%	17.6%
	With dependent children	23.9%	23.0%	26.5%
	All children Non-Dependent	8.3%	9.0%	9.6%
Other household types	Total	5.0%	4.9%	8%

Source: ONS, Census 2011. AECOM calculations

136. The proportion of single person households aged 65 and over in Malvern is higher than both the Malvern Hills and England averages. At the same time, the proportion of single family households aged 65 and over is lower than the local average but higher than the national average.

137. The plan area is home to a lower than average proportion of families with no children. The proportion of households with dependent children is higher than the local average but lower than the national average. The proportion of households where all children are non-dependent is lower than the local and national average. The proportion of other household types is low.

138. Table 10 shows how household composition changed in the 10 years between the 2001 and 2011 Censuses. Overall, there was an increase in single person households in the plan area, which was similar to the local and national average increases. This increase in single person households, coupled with an extremely small change in people aged 65 and over living alone, signifies that there is an increase in people aged under 65 living alone.

[19] ONS, Census 2011, Household Composition - Households (QS113EW)
[20] This includes: married couples, cohabiting couples, same-sex civil partnership couples and lone parents.

Table 10: Rates of change in household composition in Malvern, 2001-2011[21]

Household type		Percentage change, 2001-2011		
		Malvern	Malvern Hills	England
One person household	Total	12.0%	14.4%	8.4%
	Aged 65 and over	0.1%	4.9%	-7.3%
	Other	26.4%	27.1%	22.7%
One family only	Total	4.2%	4.1%	5.4%
	All aged 65 and over	-3.2%	6.8%	-2%
	With no children	8.1%	5.6%	7.1%
	With dependent children	4.0%	0.4%	5%
	All children non-dependent	8.2%	6.9%	10.6%
Other household types	Total	14.4%	7.1%	28.9%

Source: ONS, Census 2001 and 2011. AECOM calculations.

139. There was a small increase in Malvern of one family households with dependent children, non-dependent children and no children, and a decrease in one family households aged 65 and over compared to local trends.

140. As noted previously, Malvern's household size is in line with the local and national averages. However, Table 11 shows that the plan area experienced an increase in its population and number of households over the period 2001-2011 but that at the same time there was a decrease in household size. The decrease in household size at the same time as an increase in population is indicative of a growing number of under-occupied dwellings.

[21] ONS, Census 2011, Household Composition - Households (QS113EW); ONS, Census 2001, Household Composition - Households (UV65)

Table 11: Change in household numbers and size in Malvern, 2001-2011

Key indicator	Percentage change, 2001-2011		
	Malvern	Malvern Hills	England
Population	3.1%	3.4%	7.9%
Households	7.3%	7.1%	7.9%
Household size	-4.0%	-3.5%	0%

Source: ONS, Census 2001 and 2011. AECOM calculations.

141. Table 12 shows that the proportion of dwellings in Malvern that are detached houses or bungalows is lower than the local average, but significantly higher than the national average. However, the proportion of semi-detached dwellings is higher than local and national averages, while the proportion of terraced dwellings is higher than the local average but significantly lower than the national average. The proportion of flats is significantly above the local average but just lower than the national average.

Table 12: Accommodation type (households), 2011

Dwelling type		Malvern	Malvern Hills	England
Whole house or bungalow	Detached	30.4%	44.3%	22.4%
	Semi-detached	34.0%	31.2%	31.2%
	Terraced	14.2%	11.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	15.2%	8.3%	16.4%
	Parts of a converted or shared house	5.0%	3.2%	3.8%
	In commercial building	1.2%	1.0%	1.0%

Source: ONS, Census 2001 and 2011. AECOM calculations

142. A ‘concealed family’ means any group of people who want to form a new household but are unable to do so, typically for economic reasons such as high house prices or a lack of suitable property. Table 13 shows the low levels of concealed families in the plan area; one would normally expect a correlation between lower numbers of people per household and lower numbers of concealed families, and this is indeed the case. The proportion of concealed families is lower than the Malvern Hills and England proportions.

Table 13: Concealed families in Malvern, 2011[22]

Concealed families	Malvern	Malvern Hills	England
All families: total	8,375	22,410	14,885,145
Concealed families: total	82	273	275,954
Concealed families as % of total	1.0%	1.2%	1.9%

Source: ONS, Census 2001 and 2011. AECOM calculations

143. Official statistics do not clarify the overlap, if any, between the Malvern housing waiting list and the stated number of concealed families locally.

Economic Activity

144. Table 14 shows that Malvern has a slightly lower proportion of economically active residents than both the Malvern Hills and England averages. Malvern also has a lower proportion of economically active residents that are self-employed compared to Malvern Hills but a slightly higher level compared to England. Full-time employee levels in Malvern are significantly higher than the Malvern Hills or England levels, while its part-time employee levels are significantly lower than the local and national levels.

145. Levels of unemployment are higher than the local average but slightly lower than the national average. Levels of full-time students living in the plan area are again higher than the local average but below the national average.

[22] NOMIS, LC1110EW - Concealed family status by family type by dependent children by age of Family Reference Person (FRP)

Table 14: Economic activity in Malvern, 2011[23]

Economic category		Malvern	Malvern Hills	England
Economically active	Total	66.7%	67.8%	69.9%
	Employee: Full-time	35.2%	14.4%	13.7%
	Employee: Part-time	14.8%	33.7%	38.6%
	Self-employed	10.0%	14.2%	9.8%
	Unemployed	4.2%	3.2%	4.4%
	Full-time student	2.6%	2.3%	3.4%
Economically inactive	Total	33.3%	32.2%	30.1%
	Retired	17.3%	19.2%	13.7%
	Student	5.9%	4.8%	5.8%
	Looking after home or family	4.0%	3.5%	4.4%
	Long-term sick or disabled	4.3%	3.2%	4.1%
	Other	1.8%	1.5%	2.2%

Source: ONS, Census 2001 and 2011. AECOM calculations

146. Among economically inactive categories, the proportion of residents who look after home or family is higher than the local average but lower than the national average. The proportion of residents that are students or long-term sick or disabled is higher than both the local and national averages. The proportion of residents who are retired is lower than the local average but higher than the national average.

Table 15: Rates of long-term health problems or disability in Malvern, 2011[24]

Extent of activity limitation	Malvern	Malvern Hills	England
Day-to-day activities limited a lot	9.6%	8.7%	8.3%
Day-to-day activities limited a little	11.4%	10.9%	9.3%
Day-to-day activities not limited	79.0%	80.5%	82.4%

Source: ONS, Census 2001 and 2011. AECOM calculations

147. The PPG advises taking account in housing need assessment of the number of people with long-term limiting illness. Table 15 shows that the proportion of working-age residents of

[23] ONS, Census 2011, Economic Activity (QS601EW)
[24] ONS, Census 2011, Long-Term Health Problem or Disability (QS303EW)

Malvern who are long-term sick or disabled exceeds Malvern Hills and England averages. The proportions of residents who stated that their day-to-day activities are limited a lot or a little are both slightly higher than local and national levels.

148. Table 16 shows that Malvern residents travel less far to work than both the Malvern Hills and England averages. The average distance travelled to work is 14.5 kilometres, with 49.5% of residents travelling less than 10km, compared with 38.8% of Malvern Hills residents. This indicates Malvern residents are most likely to travel for work within Malvern itself.

Table 16: Distance travelled to work, 2011[25]

Location of work	Malvern	Malvern Hills	England
Less than 10km	49.5%	38.8%	52.3%
10km to less than 30km	21.2%	23.4%	21%
30km and over	9.0%	10.8%	8%
Work mainly at or from home	12.1%	18.2%	10.3%
Other	8.2%	8.7%	8.5%
Average distance travelled to work	14.5 km	18.1km	14.9km

Source: ONS, Census 2011, AECOM calculations

[25] NOMIS, QS702EW - Distance travelled to work

Data on care home provision in Malvern

149. At project inception, Malvern Town Council asked AECOM to investigate whether recent completions of care homes in the town were in line with demand, as some anecdotal evidence suggested that there may be an over-provision.

150. In response to this request, AECOM attempted to determine whether there was any quantitative or qualitative evidence for this view. In so doing, we contacted Malvern Hills District Council and reviewed the following information sources:

- The Inspector's Interim Conclusions on Stage 1 Matters of the South Worcestershire Development Plan (2013)[26];
- Population Statistics and Projections (Worcestershire County Council)[27];
- The South Worcestershire Councils' Response to the Inspector's Matters, Issues and Questions for the Stage 2 Hearings of the SWDP (2015)[28]
- Qualitative information by phone from Malvern Hills District Council; and
- Qualitative information by phone from Allan Morris estate agents.

151. Reviewing firstly the Inspector's conclusions on the Stage 1 Matters of the SWDP, the Inspector noted that the Worcestershire Extra Care Strategy[29] identifies a need for 2,600 more extra care dwellings in South Worcestershire between 2012 and 2026.

152. Note that extra care housing is a type of supported housing for frail elderly people who nevertheless wish to and are able to live independently in self-contained homes with their own front door. In the absence of more detailed evidence, this category of housing may or may not overlap with the definition of 'care home' in the anecdotal evidence of recent over-supply.

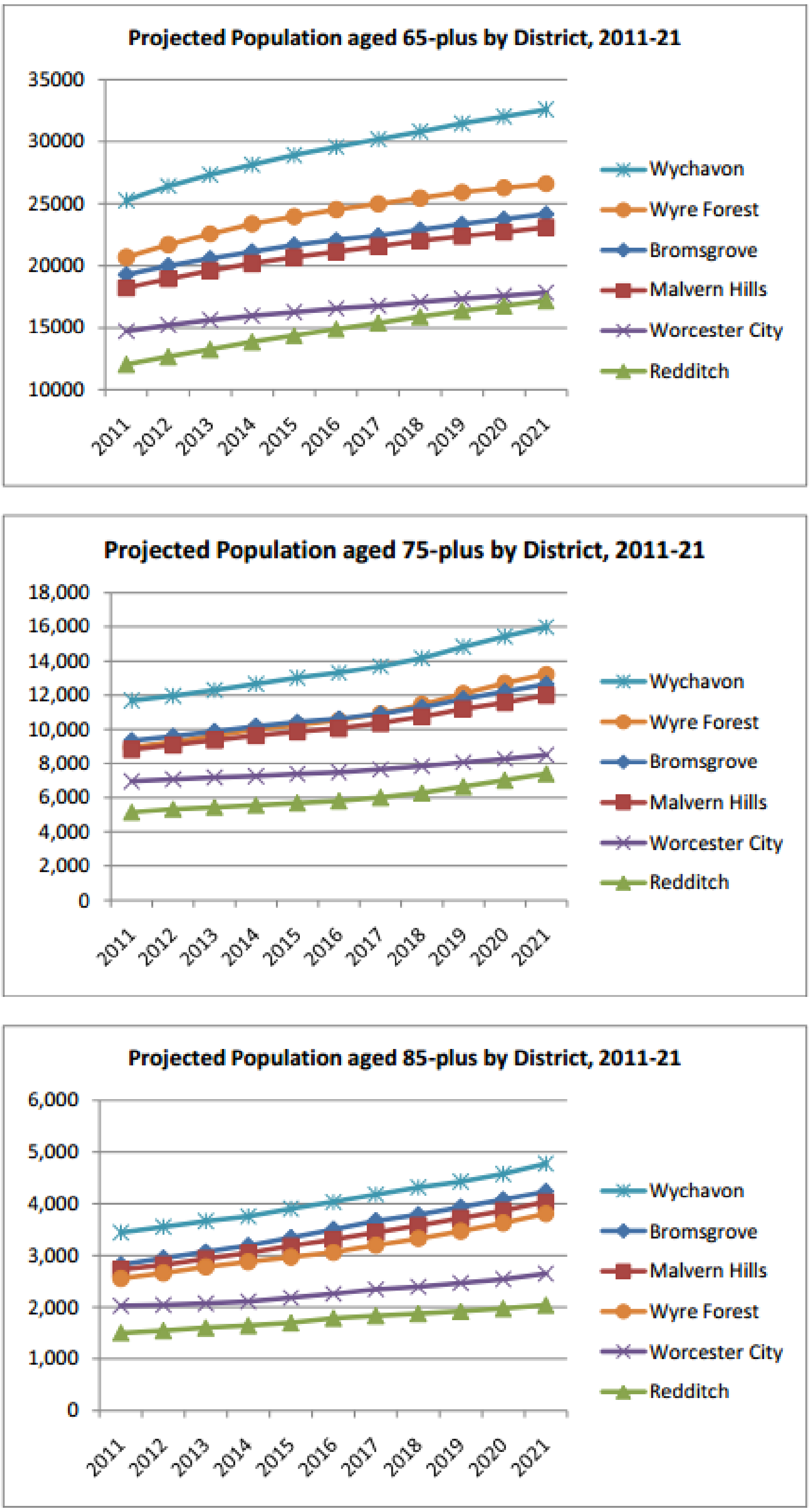
153. The conclusion that much extra care housing is needed is derived from District population projections collated by Worcestershire County Council. Figure 14 below illustrates the projected growth in the population of older people in Malvern Hills between 2011 and 2021.

154. It is clear from the projections that all groups of people over the age of 65 are forecast to rise steadily, and with Malvern the most suitable location for both extra care housing and care homes across the District[30], it would seem that demand for both housing types will be sustained in the town for the rest of the SWDP period, even allowing for the fact that the ageing population will not always want or need to live in these units- therefore, demand for other dwelling types suitable for this age range will also be sustained (for example, bungalows for independent living[31], or sheltered housing).

[26] Available online at http://www.swdevelopmentplan.org/wp-content/uploads/2013/02/EX-401.pdf
[27] Available online at http://www.worcestershire.gov.uk/info/20044/research_and_feedback/795/population_statistics
[28] Available online at http://www.swdevelopmentplan.org/wp-content/uploads/2013/02/H-1-Matter-H-Statement.pdf
[29] Available online at http://moderngovwebpublic.bromsgrove.gov.uk/mgConvert2PDF.aspx?ID=14115
[30] Even more than private housing, it is particularly important for care homes to be located in towns or larger villages rather than in more rural areas, recognising the fact that residents lack cars and value being within walking distance of services and facilities. Equally, care homes are places of employment as well as of residence, so it is important that employees are able to travel to and from the home by sustainable modes of transport including bus and train.
[31] The SWDP offers policy support for bungalow provision: see, for example, the Inspector's comments in paragraph 6.9 of the Response to Inspector's Matters, Issues and Questions for the Stage 2 Hearings, Stage

155. Note also in the projections that the over-85s, the age group most likely to require care home spaces, are forecast to grow at a particularly rapid rate.

Figure 14: Population projections of over-65s for Malvern Hills, 2011-2021



2b, Matter H (Housing Provision) available at http://www.swdevelopmentplan.org/wp-content/uploads/2013/02/H-1-Matter-H-Statement.pdf

156. To these forward projections may be added (albeit anecdotal and qualitative) evidence from MHDC and Allan Morris estate agents indicating that the current supply of care home spaces in Malvern does not, in their experience, appear to be underused or vacant- in other words, although it may be true there has been significant development of care homes in Malvern in recent years, this appears to be justified on the basis of demand and it may not constitute an over-supply.

157. In this context of likely sustained demand for care home spaces, it would seem that the most appropriate policy to counteract any perception of an over-supply is to ensure these developments are evenly spread rather than concentrated in a single development or location.

158. This could be addressed through housing policy relating to individual sites, seeking an appropriate mixture of housing types on each site. Note that this objective is, however, already covered by SWDP Policy 20: Housing To Meet The Needs of Older People, and the repetition of Local Plan policy at neighbourhood level should be avoided.

159. Note also that SWDP Policy 20 requires the developers of care home schemes to demonstrate an undersupply of care home spaces in the locality. This is an additional safeguard (and likely welcome on the part of the Town Council) to avoid any over-provision of this type of accommodation. The Malvern Neighbourhood Plan could potentially make reference to this safeguard in an aspirational policy of their own (see conclusions section below). The SWDP Inspector's comments in support of this safeguard are worth quoting at length:

'It is considered necessary for the applicants of C2 schemes [i.e. residential care homes] *to demonstrate an undersupply of C2 accommodation in the locality. The intention of the policy, in line with SWDP14 Housing Mix, is to provide housing to meet local needs rather than 'importing' older people from elsewhere and to avoid swamping the market. Evidence of need is available through various studies, including the Worcestershire Extra Care Strategy.*

Also, C2 housing is neither counted towards the housing supply nor does it trigger the provision of affordable housing. Therefore, if not controlled by evidence of an undersupply, it means that allocated sites, and possibly larger windfall sites, may be in effect lost from general housing supply to C2 housing with no affordable housing contribution either.

Furthermore, the provision of extra care housing creates an extra burden on local health infrastructure, including social care and doctors surgeries, because of its focus on accommodating people with health needs, usually older people. It is therefore essential that the level of C2 provided in a locality is not overly burdensome on the local health infrastructure.'[32]

Calculating the need for specialist housing for older people

160. The Government's Sub-National Population Projections[33] (SNPP) of over-75s, which form the basis for the Worcestershire projections presented in Figure 14 above, break down population growth by age group and therefore enable a detailed calculation of future specialist provision for older people to be made.

161. The SNPP do not go back to the start of the SWDP period in 2006, so for the purposes of this calculation, we can use 2016 as a base date- in other words, we can calculate specialist provision for older people over the last ten years of the SWDP period.

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[32] See http://www.swdevelopmentplan.org/wp-content/uploads/2013/02/H-1-Matter-H-Statement.pdf, paragraphs 19.1 to 19.4.

[33] Available online at http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-335242

162. The Housing Learning and Improvement Network (Housing LIN)[34] provides guidance which can be used to give an indication of the potential future demand for specialist provision arising from Malvern's future population age structure.

163. The SNPP figures for Malvern Hills show a population of 9,900 persons over the age of 75 in 2016 rising to 14,500 by 2026. Assuming that Malvern town continues to form 40.56% of all Malvern Hills households (as calculated previously)[35], this equates to an increase of (40.56% of the increase of 4,600=) 1,865 people over 75 between 2016 and 2026.

164. Applying Housing LIN's suggested numbers per 1,000 of the 75+ population in Malvern, which we can estimate that the town would nominally require the following numbers of specialist housing types over the coming ten-year period:

- 112 conventional sheltered housing units;
- 224 leasehold sheltered housing units;
- 37 'enhanced' sheltered units[36,] split 50:50 between those for rent and those for sale;
- 84 extra care housing units[37] (including 28 for rent and 56 for sale); and
- 11 specialist dementia care dwellings.

165. Note that as the SWDP housing figure includes only C3 uses (residential dwellings) rather than C2 uses (residential institutions) there may not necessarily be a direct overlap between the 468 specialist dwellings generated through this exercise and the outstanding SWDP figure of 848 dwellings for Malvern calculated previously. There is, however, at least potential for a direct overlap between the two (i.e. the figures above all forming part of the outstanding target of 848) if developers choose to provide the units above in a C3 rather than a C2 format.

Information from local estate agent

166. The Town Council provided AECOM with the contact details of a local estate agent, Allan Morris. Allan Morris have a strong knowledge of the local housing market that can be used to test and supplement our conclusions based on Census and local authority level data. The following information was sourced from Richard Ashton of Allan Morris in January 2016.

167. On the issue of housing for older people, Allan Morris noted that of this stock in Malvern is privately owned and expensive, e.g. McCarthy and Stone. However, there is also Festival in Malvern Link, and another under construction in Great Malvern. If people are financially secure, it is considered there is a good choice of retirement options. Otherwise, the choice is limited as the service charges are high.

168. There is considered to be no significant over-supply of care home spaces- although many have indeed been developed recently (meaning second-hand spaces are less plentiful than brand new spaces), Allan Morris believes this has been driven by high levels of demand, often

[34] Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf?bcsi_scan_AB11CAA0E2721250=0&bcsi_scan_filename=SHOPResourcePack.pdf&bcsi_scan_E956BCBE8ADBC89F=0&bcsi_scan_filename=SHOPResourcePack.pdf

[35] In practice, the rural population of Malvern Hills District outside Malvern town itself is likely to be even older than within Malvern; however, Malvern functions as a rural service centre, thus acting as a hub for specialist housing for older people across the rural parts of the authority, so it can be assumed the two factors balance each other out.

[36] Enhanced sheltered units are defined as provision with some care needs

[37] Extra care housing comprises developments that comprise self-contained homes with design features and support services available to enable self- care and independent living.

from incomers- i.e. those downsizing across local authority boundaries. Wealthier people from elsewhere choose to retire in Malvern as it is felt to offer a good quality of life and is relatively more affordable than competing locations.

169. It is considered there are fewer developments that are more affordable for retired local people, but Festival is one good example. It offers a mix of some owner-occupied units, other socially-rented, other intermediate. Notably, it has a much higher percentage of local people who are able to afford it and, as such, more developments like Festival would be popular, as it is likely that there is unmet demand for them.

170. The Festival development allows for semi-independent living but, most crucially, it caters for a wide spectrum of older people with varying care needs[38], However, across the town as a whole, there is only one warden-assisted development of bungalows. There is plenty of (age-restricted) stock without specialist facilities available for independent living for older people.

171. Allan Morris noted that Malvern is not a particularly young town- it may be even among the oldest authorities in the country demographically. Families and retired people, in both cases many of them incomers, are the primary drivers of the local market- all ages over 30 are represented among buyers at present. Some new developments have provided some smaller units to provide diversity, but as a rule not many of these have been developed.

172. Even first time buyers tend to be wealthier than average, as younger people in Malvern tend to be engineers or scientists with a university degree, thanks to the local jobs base. Like everywhere, there are local service jobs as well, but those employed in service jobs are likely rather to live in social housing, or ex-social housing, possibly renting rather than owning.

173. When smaller market housing comes on the market, there is keen competition. First time buyers often find themselves up against a number of market competitors, including buy-to-let landlords, and older people downsizing. Both of these groups have more equity and therefore first-time buyers often lose out.

174. In the new developments, the largest houses (i.e. new 7-8 room dwellings) are detached and aimed at families. On the Qinetiq North Site, developed recently, very few apartments were provided, and starter homes were around £150-160,000. There were only a few semi-detached and terraced units as well.

175. Allan Morris state that as a result of the older population, there is a high level of under-occupation. This is exacerbated by planning obligations on affordable housing, meaning that when smaller building plots become available, a single large detached house is built on it to avoid affordable housing contributions, rather than a number of smaller units which could give rise to affordable housing contributions.

176. In other words, sites could do more, and smaller units could be provided, but this is not currently happening. One recent site, for example, could have had 32 semi-detached units, but ended up with 5 much larger detached dwellings to minimise developer liability for affordable housing contributions.

[38] As such, the Festival development appears to cover every category of housing in the Housing LIN list above with the exception of specialist dementia care.

4 Conclusions

Overview

178. This neighbourhood plan housing needs advice has interrogated a wide range of data sources, which, taken together, can inform key trends and messages relevant to the Neighbourhood Plan's housing policies.

179. After briefly recapping our conclusions on the quantity of housing needed, the majority of this concluding chapter covers, as agreed with the Town Council, the type of housing required.

Quantity of Housing Needed

180. To recap, the Town Council asked AECOM to derive Malvern's housing target from the SWDP, as it is not explicit within the document; instead, a target for the authority as a whole has been provided.

181. Our calculations, based on Malvern's proportion of all dwellings within Malvern Hills (excluding areas earmarked for urban extensions to Worcester) determined that Malvern's SWDP-derived housing target is 1,988 dwellings for the period 2006-2030. Based on SWDP affordable housing policy, of these 1,988 dwellings, 1,460 would be market housing and 528 affordable units.

182. However, as the plan period started in 2006, a significant proportion of these units were completed between 2006 and 2015, meaning the outstanding number of dwellings is far lower. Malvern Hills District Council advise that since the start of the SWDP period up to 2014/5, 1,140 dwellings have been completed in Malvern Town, meaning the outstanding number of dwellings to 2030 is around 848.

183. Note that the total dwelling figures in the SWDP allocated to Malvern (1,097 dwellings) does not tally with the AECOM calculation of the SWDP 'fair share' for Malvern (1,988 dwellings) for two main reasons:

- Firstly, the AECOM calculation is for the entire SWDP period of 2006-2030, including all completions between 2006 and 2013, whereas the SWDP figure for Malvern allocations comprises only those dwellings outstanding at the time of SHMA drafting (i.e 2013-2030); and;

- Secondly, site allocations (the 1,097 dwellings) make up only a proportion of overall supply rather than all anticipated supply, to allow for other sources of supply that are less easily planned for, e.g. windfall sites and dwelling conversions.

184. Note also that some dwellings have been completed in Malvern since the SHMA was drafted, explaining the disparity between the SHMA figure of 1,097 and the outstanding figure as of 2014/5 of 848 dwellings.

185. Although Policy SWDP 52 suggests that Malvern will be the focus for development in Malvern Hills, no specific indication of how this translates to dwelling numbers is provided. In the absence of such an indication, all that can be definitively stated is that the 2006-2030 target of 1,988 dwellings should be considered an absolute minimum. This should be reflected in the Neighbourhood Plan to enable it to accord with Basic Condition E.

Characteristics of housing needed

186. Having confirmed the quantity of housing required in Malvern by the SWDP, the remainder of our assessment focused on the characteristics and/or type of the housing needed. We have

summarised our conclusions from all sources in **Table 17** below. Factors in the table are in alphabetical but no other order. Note that there is potential for overlap between some factors (e.g. demographics and need for homes for older people) but an inclusive approach has been taken to ensure all relevant factors are covered.

Table 17: Summary of local factors specific to Malvern with a potential impact on housing characteristics

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Affordable housing	SHMA, SWDP, Census, home.co.uk, Allan Morris, Fortis Living	Relatively low level of affordable housing in Malvern Hills at present, though higher in Malvern itself; although recent provision was in line with relevant policy, demand for more remains. Note that local (market) housing is relatively expensive, meaning the (limited but growing) private rental market plays an important role for those not needing to be in social housing. Most affordable need is for socially-rented 1-bedroom units, meaning flats would be the best means of meeting this need. Some of this provision could be sheltered to meet the needs of the older market.	Support continued provision of affordable housing, including 1-bedroom flats and affordable sheltered units, in light of clear, sustained demand. However, evidence does not support an affordable housing target over and above the existing SWDP target. Instead, neighbourhood plan could state aim of working with MHDC to facilitate provision (e.g. through identifying appropriate sites) and could consider policy encouraging higher-density development on smaller sites to make it harder for developers to avoid affordable housing obligation by developing fewer, larger units.
Demand/need for smaller dwellings	SHMA; Allan Morris, SWDP, Census, home.co.uk, Zoopla	1-2 room houses are few in number and declining. Traditionally, demand for smaller dwellings was limited by 15-29 year olds moving away, but Allan Morris and others note a range of factors (older people looking to downsize, limited number of international migrants, high house prices, buy-to-let investors and so on) are now reinvigorating demand. Greater provision of smaller market dwellings for owner-occupation would reduce pressure on private rental market. Census shows undercrowding increasing rapidly, and large increase in single person households, both further indicators that smaller housing is needed.	Support, encourage and/or require the development of a large proportion of smaller (1-2 bedroom) dwellings to meet the needs of older people looking to downsize, younger families and those in local service jobs, including a small number of international migrants. Policy could, in combination with evidence from the supply side, indicate locations where smaller housing would be suitable. Smaller dwellings most likely to be in demand would be houses rather than flats, and could be terraced or semi-detached depending on its local context.

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Demographic change	SHMA; Allan Morris, Census	Population is ageing rapidly, and this is partly driven by retired in-comers; however, a smaller number of (younger) international migrants demand smaller dwellings. SHMA does not consider the needs of BME, student or gypsy/traveller households relevant to Malvern Town. Recent uplift in single person and couple households drives need for smaller dwellings (above).	Neighbourhood plan does not need policy covering needs of BME, student or gypsy/traveller households. However, plan should reference evidence of rapidly ageing population and include appropriate policy responses, including support for/encouragement of downsizing through the provision of smaller dwellings and of new specialist units for the elderly population in appropriate locations.
Existing housing/recent housing supply	SHMA, SWDP, Census, Allan Morris, MHDC, Housing LIN	Concentration of affordable housing in Pickersleigh, Link and Chase wards. SWDP now supports provision of C2 residential care or nursing homes only with evidence of a local undersupply, indicating high level of recent provision in response to demand, though no specific evidence of actual over-supply found. Recent supply of family housing has been at the larger end of the market (7-8 rooms), a conclusion supported by Allan Morris, who notes that this can be an effect of developers seeking to avoid affordable housing contributions. However, also some recent provision of 3-room dwellings, and level of flats relatively high. Detached and semi-detached remain popular, but there are fewer terraces. Allan Morris notes low level of warden-assisted developments for older people, but stock available for independent living.	Evidence from recent housing supply patterns suggests that the neighbourhood plan could or should seek the following: -A reduction in concentration of affordable housing in single developments, rather supporting a 'pepper-potting' approach whereby it is mixed with market housing; -Encourage the provision of specialist housing for the elderly in C3 format (i.e similar to housing) rather than C2 format (i.e. residential institutions). This would have the benefit of both reducing a perception of over-supply of care homes and also ensure the housing counts towards the SWDP target of 848 outstanding dwellings. Where C2 provision is unavoidable, local concentrations and/or large-scale development could be discouraged. -Generally, looking to support the provision of more smaller dwellings and discourage provision of fewer very large (7-8 room or 5 bedroom plus) dwellings

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Housing type	SHMA, SWDP, Zoopla, Census	Slow employment growth, and limited demand from commuters (and hence reducing demand for larger, detached family-sized dwellings). There appears to be very limited open market demand for flats/apartments for a number of reasons, even though there is demand for smaller houses. Bungalows are in demand among the elderly and the SWDP notes some demand for custom-build homes. Policy support from SWDP for mix of housing to meet needs of all sectors of the community.	Policy could appropriately support smaller terraced or semi-detached developments, as well as smaller (3-4 bedroom) detached units for families. The largest detached units (5 bedroom plus) are not in significant demand and should be discouraged. A policy supporting downsizing would free up existing (under-occupied) family-sized dwellings for incoming or local families. Bungalows are likely to benefit from policy support.
Need for family households	SHMA, Census, Allan Morris	Current houses larger than average; however, many in-migrants are families, including younger (smaller) families that need dwellings at the lower end of the range (2-3 bedroom units)- this is supported by the Census, which shows lower than average number of families with children. Note also recent decline in family households, though the SHMA notes a sustained demand for 3-4 bed stock, as does Allan Morris. Census also indicates continued growth in family population, and higher than average number of self-employed (which also drives demand for larger dwellings)	Despite a clear need to support the provision of smaller dwellings, there remains a clear demand for family-sized dwellings, and these should also be encouraged. In general, those most in demand but most limited in supply are the smaller family-sized dwellings- 3-4 bedrooms. Further provision of dwellings with five or more bedrooms should be discouraged. However, encouraging downsizing through the provision of smaller units for older people may free up some existing stock, so monitoring is extremely important to avoid an over-supply of this type of housing.

Factor	Source(s) (see Chapter 3)	Data uncovered	Conclusion for neighbourhood plan housing policy
Need for specialist housing for the elderly	SHMA, Housing LIN, SWDP, Census	There is a clear requirement for the full range of specialist elderly housing units. The SHMA notes a need for sheltered and enhanced sheltered housing, as well as extra care housing, and this is supported by Housing LIN, which indicates a need for 468 specialist homes for the elderly 2016-2026. Further care home places are required as part of this figure, but if these are provided as C2 (residential institutions) they are additional to the outstanding need for 848 dwellings. The Census supports evidence of need for specialist units as it found a higher than average level of activity limitation. Allan Morris indicates need/demand for less expensive (market rather than social) dwellings for older people, which would help meet local need as well as need from retired in-migrants.	The Neighbourhood Plan clearly has an important role to play in meeting the needs of older people. There should be strong policy support for the full range of specialist provision for older people, as outlined in the Housing LIN. The Town Council may wish to encourage the provision of as much of this specialist provision as independent housing rather than residential institution (C2 use) for reasons outlined above. Over-concentrations of specialist housing for older people should be avoided, and policy should direct them to accessible locations close to services, facilities and sustainable modes of transport. The provision of developments similar to the successful Festival development (more affordable, and with a wide range of housing types/models) should be strongly encouraged.

Recommendations for next steps

187. This neighbourhood plan housing needs advice has aimed to provide Malvern Town Council with evidence on housing trends from a range of sources. We recommend that the Town Council should, as a next step, discuss the contents and conclusions with Malvern Hills District Council with a view to agreeing and formulating draft housing policies, taking the following into account during the process:

- the contents of this report, including but not limited to **Table 17;**
- Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic development plan (here, the emerging South Worcestershire Development Plan);
- the types (detached, semi-detached, terraced etc.) and sizes (1 bedroom, 2 bedroom etc.) of recent and existing dwelling commitments (i.e. the 1,140 homes completed since 2006), and cross-referencing the findings of this assessment with **Table 17,** as what has already been provided will have an impact on the types and sizes of the remaining homes to be provided over the rest of the plan period;

- the views of the District Council;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA.

188. As noted previously, recent changes to the planning system, as well as forthcoming changes to the National Planning Policy Framework, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

189. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).

190. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

191. Most obviously, this includes monitoring the status of the emerging South Worcestershire Development Plan.

192. At the same time, monitoring ongoing demographic or other trends in the factors summarised in **Table 17** would be particularly valuable.

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