



HOUSING EVIDENCE PAPER

DRAFT WELLAND Neighbourhood Plan 2021-2041

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Addendum dated 12 March 2023: Since this paper was written, the Regulation 19 SWDP Review documentation has been published for consultation (Nov 2022). This provides a revised IHR for Welland of 25 and some updated policy numbers and content from the 2019 SWDPR Preferred Options documents referred to in this paper. The rationale and the conclusions in this paper however are still considered to be relevant and consistent with current & emerging policy. The Consultation Statement lays out the timeline for the various evidence bases that have informed this Plan, including the IHR information available for use by the NPG and LM&WPC.

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EXECUTIVE SUMMARY

Malvern Hills District Council (MHDC) has provided the Welland Neighbourhood Planning Group (NPG) with an Indicative Housing Requirement (IHR) figure of 14, derived from a calculation of an apportioned share of the housing need that is being allocated to Category 1 villages across the SWDPR area. This is the minimum number of homes expected to be delivered through Welland Neighbourhood Plan ("the Plan") policies in the period to 2041. Importantly, it is presently anticipated as a requirement in order for the neighbourhood plan to be successfully examined and considered in general conformity with the South Worcestershire Development Plan Review (SWDPR), currently in development.

Whilst being mindful of this IHR, this Housing Evidence Paper (HEP) has independently interrogated all of the available local and district housing data¹ and provides evidence for the quantum, type, tenure and split of housing that will meet the housing requirement to be satisfied within the Welland Neighbourhood Area (WNA).

Although derived from a different means of calculation, the quantum for new homes indicated by the approach adopted in this HEP coincidentally approximates the IHR provided by MHDC for Welland. However, the difference is that the methodology in this paper associates this housing requirement figure with specific sources of evidence of housing need arising within the local community.

The headline conclusions therefore from this paper are that:

- The quantum of new homes required to meet local need in the Welland Neighbourhood Area to 2041 is 12-14 dwellings.
- There is no convincing evidence of local need for further open market housing. Any open market homes that may be delivered (as a consequence of allocations, existing/known pending planning applications, future windfall and also viability considerations on Rural Exception Site proposals) can be used to rebalance the housing types and sizes needed in the local community, with a strong focus on 1-3 bedroom properties and properties that can be adaptable/made accessible for different needs. Some self-build could also be considered where the type and size of property meets the needs as identified in this HEP and is for people with proven local connection.
- There is credible housing requirement evidence to support 12-14 affordable homes in the community to meet local needs. This evidence, however, supports delivery of smaller (1-3 bedroom) units only and the tenure mix should be maximised as far as national policy allows for social rental and then for other tenures that are affordable in perpetuity

Welland is in a unique position in the SWDPR area as a Category 1 village that also falls partly in the Malvern Hills Area of Outstanding Natural Beauty (MH AONB). This gives rise to a number of inconsistencies and considerations when various policies in the South Worcestershire Development Plan adopted in 2016 (SWDP2016) and preferred options SWDPR document are interpreted and applied to Welland. An in-depth analysis of the housing policy context that underpins the approach adopted in this HEP is therefore laid out in an Appendices document to this paper. That document also examines how the housing data identified in this HEP can inform the development of the Plan's policies to focus on and prioritise the delivery of new homes that are most needed for local people within the constraints of the more limited developable land that exists in the WNA.

- To deliver the locally needed homes identified in this HEP, whilst minimising the overall scale and impact of development in the AONB and/or its setting, the Plan could consider the inclusion of allocation(s) for

¹ See Appendix A of the Appendices Document to this paper – "Welland Neighbourhood Plan Housing Evidence Paper Appendices: Resources, Housing Policy and Context"

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affordable housing and/or criteria based policies that set a high bar for percentages of on-site affordable housing in windfall and RES proposals.

1. INTRODUCTION AND PURPOSE

This housing evidence paper (HEP) sets out to inform and support the housing policies proposed for the draft Welland Neighbourhood Development Plan 2022 (“the Plan”).

Specifically, the HEP and its associated Appendices document aim to provide a clear narrative as to how the Plan has assessed housing matters and their resolution through its policies, and also evidence which logically supports the final content of the Plan. To do this, the document:

1. Draws together the key findings of existing key evidence sources used in the Regulation 14 consultation, such as the Housing Needs Assessment, a Housing Site Assessment Report and the Regulation 14 Appendices evidence, into a single document
2. Identifies up to date housing requirements emerging from MHDC in its new Local Plan (as set out in the South Worcestershire Development Plan Review Preferred Options documentation) and other relevant data that had not previously been analysed, such as a Housing Needs Survey conducted in the WNA in the last five years.
3. Comprehensively references the provisions of the South Worcestershire Development Plan that was adopted in 2016 (SWDP2016), and which provides the strategic approach on the issue of housing within a knowledge of the approach advocated by national policy, and recognises more clearly the requirements in the emerging SWDP Review (SWDPR), as set out in the November 2019 Preferred Options Consultation that is available for reference.
4. Identifies and clarifies the relationship of different data sources that identify housing requirement for the parish and their relationship with the policies and any allocations in the Plan in the context of national and local policy and other relevant guidance.
5. Identifies data sources and evidence bases that are acceptable for use by developers and other interested parties during the course of the period covered by the Plan.

Although issues related to housing are sometimes touched upon in this document, such as layout and design, this is not the focus for this study. Instead, this paper sets out specifically to justify the quantum and types of housing requirement for the Parish as defined by the Welland Neighbourhood Area (WNA).

Finally, for the avoidance of doubt, it should be noted that the purpose and intent of the Housing Policies in the Plan is to meet local housing needs as set out in this HEP. Although significantly based on existing data in previously published documents, this report puts the findings of those documents in the context of latest policy developments and additional relevant housing data. This HEP, and data from acceptable sources (clarified both in this HEP and its Appendices document) that are subsequent to this study, should therefore be used to provide evidence for development in the WNA, and then only in the context of emerging/emerged new applicable national and local policy.

2. APPROACH

Evidence to support housing policies in the Plan must be considered within the scope of national and local policies and other relevant guidance. This sets the parameters for the data to be analysed and therefore can affect the housing requirement for the neighbourhood plan.

National strategy and policy are currently designed to encourage the delivery of much needed homes. This HEP investigates the specific national and local policies that apply to Welland and how they offer particular opportunities or constraints to the capacity of the parish for housing development. This examination is set out in full in the Appendices document to this paper along with the implications this has for effective housing data analysis in the context of the WNA.

The Plan's Vision, presented in the Regulation 14 consultation, includes several statements directly relevant to the scope of this paper:

- *By 2041 Welland will be a thriving rural village.*
- *Its relationship to the open countryside and the Malvern Hills is integral to its unique and special charm.*
- *Residents and visitors will value and enjoy the landscape and the natural and historic environment of the village.*
- *A range of high-quality homes will be available to meet the local need.*

The draft Plan also includes objectives that are directly relevant to the scope of this paper:

- *To provide existing and future residents with the opportunity to live in a high quality home that meets their needs*
- *To provide new housing to meet local needs; including a greater range of affordable housing for Welland residents.*
- *To provide a mix of housing types including smaller homes for older residents wishing to downsize and for young singles, couples or families needing their first home.*
- *To give preferential access to some new homes for people with a local connection.*
- *To position development within easy walking distance of village facilities.*
- *To integrate market and affordable housing to encourage the concept of a "balanced community".*
- *To provide homes for younger people and young families and so counter the growing demographic imbalance.*
- *To ensure that the scale of development is appropriate to the sustainable growth of the village whilst seeking to maintain its rural character.*
- *To ensure that the design and location of new development is resilient to the effects of climate change and flooding.*
- *To ensure that Welland and its residents exist in harmony with the landscape and with the natural and historic environment.*
- *To protect, enhance and conserve the AONB and its setting, and wider landscape and views.*
- *To protect and enhance the historic environment of Welland.*
- *To conserve and enhance biodiversity.*

This HEP thus considers available demographic, housing need and other evidence in the context of these objectives and vision statements, and also in the context of relevant national and local policies, provisions and guidance, to provide a coherent set of conclusions and recommendations that can then be used to craft the policies affecting housing in the Plan for submission for examination.

Various policy and evidential sources were considered in preparing this document and are listed in Appendix A in the Appendices document to this paper. This paper is considered to supersede the

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Welland Housing Needs Assessment (WHNA) that was produced by AECOM in March 2021 for the Little Malvern and Welland Parish Council and published as part of the Regulation 14 consultation process. Where that report's desktop data and analysis is considered still relevant, it is quoted in this paper. Some analysis and critique is also presented where the WHNA evidence or conclusions are no longer considered applicable and attention is drawn to this. This Housing Evidence Paper however additionally draws on a number of other evidence sources and provides updated information, particularly on social housing register data and local housing delivery.

3. HOUSING REQUIREMENT

3.1 Qualitative Evidence from Surveys and Regulation 19 Consultation on Housing Quantum and Location

Some relevant points made in a Housing Needs Survey (HNS), independently conducted by Midlands Rural Housing in March 2019 for a local developer and shared with the Parish Council (See Appendix E in the Appendices document to this paper for the full survey and analysis), include (from the 159 respondents of 650 questionnaires distributed):

- 57% had lived in the village for over 10 years.
- 43% did not see a need for further housing, although 60% said in principle they would support further housing if it were for local people.
- Specific focus was made in associated questions that such housing should be bungalows or smaller (1-2 bedroom), affordable properties for younger buyers or suitable for the elderly.
- Comments were noted on the lack of facilities, especially public transport, in the village.
- The survey did not project beyond 2024.

Some relevant comments received in the Regulation 14 consultation that were repeated by separate respondents included:

- Convincing endorsement of the Plan's proposed Vision and Objectives
- Concern about the scale of development to date in the village
- Urging the restriction of further development to that actually required for local need
- Stressing the importance of the AONB and the rural character of the village
- Concerns about the capacity of the roads accessing the allocated site in the SWDPR to accommodate the site and its distance to the village centre.

This qualitative feedback has been considered in the analysis in the next sections and in the development of the conclusions.

3.2 Housing Stock in Welland and SWC Obligations

A Welland Housing Needs Assessment (WHNA) was produced by AECOM March 2021 for the Little Malvern and Welland Parish Council and published as part of the Regulation 14 consultation process. This noted the significant quantity of new development in the parish since 2011, recording 183 additional dwellings being completed between April 2011 and March 2020. It also noted that, in the 2011 census, Welland had 471 households and a population of 1,181 residents and the mid-2019 population estimate for Welland parish was 1,497. The latest published midyear ONS results for 2020 now indicate the population is 1,567, a growth of 32.7% from 2011, with an annual population increase, averaged out, as approximately 3.1%. Putting this in context, using ONS data, Malvern Hills district as a whole had an annual average increase in the same period of just 0.69%.

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Further correspondence with MHDC has identified the following detail on this, and also further subsequent, development in the WNA:

Data and Information as Received in Correspondence from South Worcestershire Councils' Planning Department (Reiss Sadler) 25/01/22

Housing Completions (each monitoring year covers 1 April – 31 March i.e. 2020/21 is 1 April 2020 to 31 March 2021)

Parish	2010/ 11	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	Total Completions 2010/ 11 to 2020/ 21
Little Malvern	0	0	0	0	0	0	0	0	0	0	0	0
Malvern Wells	0	2	7	5	8	6	0	4	2	4	2	40
Welland	0	1	5	2	1	5	64	31	59	15	3	186

Housing Commitments

(to 13/01/2022; i.e. the date to which the monitoring system was up to date when the enquiry was processed)

Parish	Commitments as at 31/03/2021	Permissions granted/appeals allowed involving a gain in dwelling/s between 01/04/21 & 13/01/22
Little Malvern	0	0
Malvern Wells	5	1
Welland	9	14

As the tables show, further to the 2021 WHNA report's data cited above, an additional 26 dwellings have planning permission in Welland between April 2020 and 13 January 2022, meaning Welland has increased its overall housing stock by 44.4% between 2011 and January 2022.

At the time of writing, the SWCs planning portal indicates that there are three applications pending – the Pheasant pub, which includes five new 2-3 bedroom dwellings (21/01593/FUL), a single new property on Garrett Bank (M/22/00185/FUL) and 56 homes (to include 23 affordable dwellings) on the 3.4ha site east of Gloucester Road (CFS9659 in the Plan's documentation; M/22/00608/OUT on the planning portal). The outcomes of these are not yet known and all are outwith the development boundary, although there is in-principle support from the parish council for the Pheasant proposal albeit for a reduced number of dwellings. A further single application for a self-build property is also likely to be submitted for a house for young family with local connection. This gives a potential for 4-63 new dwellings (depending on permissions granted and whether the Pheasant application has to reduce its scope), the majority of which are market homes.

There remains an intense appetite for speculative development in and around Welland, evidenced by explicit communication of such by landowners of most of the sites in the Housing Site Appraisal processes and also – as shown above – a steady submission of housing development proposals, including 100% affordable housing Rural Exception Sites (RES), for example the 14 affordable home application currently under consideration in Upper Welland (21/01658/FUL). Analysis of the data tables above, taking into account RES and Local Plan allocations, suggests there has been a consistent delivery of windfall housing within the WNA, ranging between 1 and 5 dwellings per annum, over the

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last 10 years. Taking this forward, and alongside some small scale RES proposals adjoining the development boundary, this could potentially deliver further units over the plan period, although this will obviously decline over time as capacity diminishes. Taking a very conservative approach of an average of just one additional property every year in the period of the Plan to 2041, this could deliver 20+ properties over the Plan period. Amendments to the development boundary, and any specific provisions in the Plan supporting RES in sustainable locations, could potentially further facilitate this.

The strong evidence of windfall supply and continuing developer interest would support Para 71 of the NPPF² should the Plan include criteria based policies as well as, or instead of, allocations to deliver local housing needs during the Plan period.

In terms of local housing provision, housing applications in neighbouring parishes should also be considered. Notwithstanding the definition for local need being adopted by this study and being recommended for the Plan (see Appendices document), a number of existing (adopted) local plan policies that apply to Welland specifically require the consideration of local need arising in adjoining parishes, and vice versa. At the time of writing, there is a 100% RES for 14 affordable homes (21/01658/FUL) pending decision in the adjoining parish of Malvern Wells. This may not necessarily be granted but if it was, it would be likely to absorb some housing need from Welland given the justification for the development on which it is being based is on need arising in Welland, as (as at 25/03/2022) no households had a local connection on the Housing for You register to Malvern Wells. Further, a proposal for 14 affordable homes in the neighbouring village of Hanley Swan has also recently been submitted (M/22/00471/FUL) which, if granted planning permission, could also provide for some housing need arising in Welland. These RES proposals also provide evidence of the perceived viability of such 100% affordable housing schemes by developers in the local area.

In November 2020, MHDC provided Welland with an indicative figure of 21 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period (2041). This figure appeared in some earlier neighbourhood plan documents. Subsequently (March 2022), MHDC has revised this figure and has confirmed an updated Indicative Housing Requirement figure for 2020-2041 of 14 dwellings.

Welland has built out the three allocations included in the South Worcestershire Development Plan adopted in 2016 (SWDP2016) and also one of the allocations in the SWDPR. The currently published Preferred Options SWDPR therefore only includes a single “live” allocation for Welland as a Category 1 Village – SWDPNEW99 Lawn Farm Phase III (site CFS0336 in the SWDP2022 Reg 14 documentation). Within the SWDPR Preferred Options document this site has a capacity of 36. However, MHDC has reduced it to 17 in recognition of some of the constraints on the site³. MHDC has further indicated it is amenable to proposals by the Welland Neighbourhood Planning Group (NPG) for alternative site(s) to be allocated in lieu of SWDPNEW99⁴. Unfortunately, the timescales for the SWDPR complicate

² Para 71 NPPF2021: “Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.”

³ It is understood this reduction will be reflected in the forthcoming Regulation 19 documents for the SWDPR. However, the site may yet be considered unsuitable for any development as there is a Natural England licence for species and habitat protection on part of the site and the whole of the remaining area of the site is valuable “tussock grassland” to be maintained in perpetuity in support of the protected habitat area. This was imposed as habitat mitigation for previous development at Lawn Farm Phases I and II.

⁴ This is potentially in Welland’s interest as - notwithstanding the ecological importance of the site allocated in SWDPNEW99 - the NPG has concerns about the site arising from its commissioned LSCA studies and also its connectivity to village centre

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matters. MHDC have indicated that such an alternative site would need to have been included in a Plan that had been through examination and was ready for adoption. There is therefore a challenging timescale, given the likely Reg 19 consultation and examination timescales for the SWDPR, which could result in both allocations being adopted, potentially resulting in an over-delivery of housing when considered against the evidence data in this HEP, and therefore contributing to an overdevelopment of sensitive landscapes and negatively impacting the rural character of the village, contrary to national and local policy and also to the Plan's own vision and objectives.

Conclusion 1: Welland has seen significant housing development since the 2011 census, resulting in a population growth, averaged out per annum, that is almost 4.5 times greater than that in the Malvern Hills District. This dramatic growth of the size of the community is over and above that which would have expected through organic population growth in parish.

Conclusion 2: MHDC has provided an Indicative Housing Requirement figure of a minimum of 14 dwellings to be delivered in the WNA in the 2021-2041 period.

Conclusion 3: Currently, policy SWDPNEW99 provides an IHR of 17 for delivery at the allocated site. The timing of the SWDPR and the Plan complicates the process for providing an alternative site via the neighbourhood planning process for SWDPNEW99 and could result in overdevelopment in the WNA, particularly of open market homes, with the associated negative impacts on the protected landscape and its views and also the rural character of the village.

Conclusion 4: Windfall development and RES could deliver 20+ homes in the WNA in the Plan period 2021-2041, and could provide valuable housing delivery alongside any allocation(s). The Plan's policies associated with the development boundary and RES could positively facilitate this.

3.3 Market Housing and Data

The Housing Needs Survey (HNS) conducted in March 2019 by Midlands Rural Housing for a development application in Welland suggested that there was a need within the following five years for three 2-bedroom open market houses. Since then, 31 open market homes have either been built or have permissions granted for building, with more in the pipeline, as discussed in the previous section and thus any evidence of market housing need identified in that particular survey can be assumed as having been met and exceeded. Local housing needs surveys are generally considered to remain valid for five years⁵.

The SWDPR also has provision for Self-Build properties. Correspondence with SWCs officer (Reiss Sadler 3 March 2022) confirmed that of the 24 entries registering interest in a plot in Little Malvern and Welland in the November 2021 Progress Report, none have listed Little Malvern and Welland as their only preference. There is also no specific local connection test relating to parishes as part of the Self Build Register. Of the 24 who have listed Little Malvern and Welland, the breakdown of type of property are as follows:

Bedrooms: 5 x 2 bedroom, 7 x 3 bedroom, 6 x 4 bedroom, 4 x 5 bedroom, 2 didn't answer.

Type of property: 1 x detached bungalow; 19 x detached house; 1 x semi-detached house, 3 didn't answer.

facilities, thus being counter to the Plan's objective, sustained by residents' feedback in the Reg 14 consultation, "*To position development within easy walking distance of village facilities*".

⁵ MHDC housing officers in correspondence with this study's author confirmed they consider housing needs surveys to be considered valid and relevant for up to five years. The Cotswolds Conservation Board's Housing Position Statement adds further corroboration to this viewpoint, noting that little weight is given to rural housing need surveys if they are out-of-date (i.e. more than five years old).

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Under the SWDPR15 policy, proposals for 20 dwellings or more should provide 20% of dwelling plots for sale as self or custom plots unless demand identified on the LPA Self-build and custom housebuilding register or other relevant evidence demonstrates there is a lower demand for plots. Given that no exceptional need can be demonstrated for self-build in Welland that could not be met elsewhere (outside the AONB and sensitive sites within its setting) there is therefore no demonstrated exceptional need that would suggest inclusion of self-build dwellings as a proportion of a development as policy in the Plan would be particularly justified. However, this does not preclude the inclusion of a specific proportion of self-build in neighbourhood plan policy, for an allocated site or windfall, to benefit community viability and diversity, especially where local connection is evidenced. Self-build applications may also be encouraged in windfall sites through a criteria-based policy. Alternatively, the provisions under SWDPR15 may instead simply be retained to apply to any non-RES windfall scheme arising in Welland, although criteria for specific local connection or other benefit for the local community would not be specifically provided for in this instance.

Particularly mindful of the constraints in the WNA discussed in the Appendices document, the Plan's housing policies would best focus on the housing requirement for locally arising need in Welland and thereby seek to ensure they do not encourage development that for which there is no robust evidence of need and which is currently well-provided for in the community. Given the development in the last ten years that has exceeded HNS evidence and also the average population growth in the MHDC area, delivery of further market housing could be seen as overdevelopment and not justifiable in an area that has protected status or other constraints.

However, there will inevitably be further market housing delivery in the WNA during the period of the plan. This may be as part of an allocation (17 homes at SWDPNEW99 could, for example, potentially deliver approximately 10 or more market homes unless the Plan has the opportunity to influence the type and tenure of the housing mix to optimise for affordable housing) or through existing/known pending and future windfall applications, including those arising as a consequence of a realignment of the development boundary (which could enable 20 + additional windfall dwellings to 2041). This in itself though does provides a useful opportunity for the Plan to readdress any imbalance in the village in the sizes of properties in its open market housing stock.

SWDP14A already provides that *“All new residential developments of five or more units, having regard to location, site size and scheme viability, should contain a mix of types and sizes of market housing. The mix will be informed by the latest Strategic Housing Market Assessment and / or other local data, for example, Neighbourhood Plans, Parish Surveys, Parish Plans and developers' assessments.”* The Plan's policies can therefore proactively encourage both windfall and allocated developments to only include market homes of sizes and types that are identified in this HEP as being less well provided for in the WNA, and to discourage further provision of dwellings of sizes and types for which there is already sufficient stock in the WNA for the community's needs.

Beyond the development boundary, there is no credible housing evidence to support the building of open market homes in the WNA and the existing provisions in the SWDP2016 and SWDPR policies to prevent this should largely meet Welland's needs. The Plan's development boundary and specific RES provisions, and the value of the LSCA findings and recommendations, are however essential for the appropriate application of these policies for Welland's needs. Further, criteria-based policies for development both within and without the development boundary could be beneficial if linked to LSCA recommendations and AONB guidance, especially relating to maximum capacities, phasing, housing density and design, housing development in gardens and extensions to residential curtilages, as well as this HEPs findings on tenures, types and sizes.

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Conclusion 5: Notwithstanding any obligations that might arise under an examined and adopted SWDPR for Welland to provide new homes that meet the provided IHR and/or the allocation SWDPNEW99, there is no robust evidence of local need per se for further market housing in the WNA and therefore delivery of further market housing could be seen as overdevelopment and oversupply and not justifiable in areas that are designated or have other constraints when examined at planning application. The Plan's policies could therefore seek opportunities to minimise the delivery of further open market housing in favour of tenures for which there is clear evidence of local need.

Conclusion 6: Even if minimised through the Plan's policy provisions, some market housing will inevitably be delivered. The Plan's policies could therefore seek to encourage only such development that will rebalance the market housing mix in the WNA in terms of those sizes and types of open market homes that are in fewer supply for future population needs, as identified later in this study and as per the intention of SWDP14A.

Conclusion 7: No robust evidence of need can be demonstrated for self-build properties in Welland that cannot be met in more sustainable locations elsewhere (outside the AONB and sensitive sites within its setting). However, the Plan may benefit from the inclusion of a specific proportion of self-build in policies for an allocated site or windfall development to facilitate community viability and diversity, and/or self-build applications could be actively encouraged in windfall sites through a criteria-based policy. Both these options could specify a requirement for local connection to Welland, supporting the Plan's objectives and community support (identified through the Reg14 consultation and also HNS) for further growth to be for local people.

Conclusion 8: The setting of an appropriate development boundary policy and the evidence from the commissioned LSCAs are significant considerations for the development of the Plan's housing policies and their subsequent application alongside housing evidence data. Criteria-based policies for development both within and without the development boundary could be beneficial if linked to LSCA recommendations and AONB guidance, especially relating to maximum capacities, phasing, housing density and design, housing development in gardens and extensions to residential curtilages, as well as this HEPs findings on tenures, types and sizes.

3.4 Affordability and Affordable Housing Data

Affordability is a key issue in Welland. Importantly for this study, the different uses of the word "affordable" should be clarified. Affordable Housing, as opposed to Market Housing (which are sold or rented at full market value), as set out in the current NPPF includes social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and other forms of products designed to offer affordable routes to home ownership. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership and the government's new First Homes strategy is an example of this, providing at least a 30% discount on new market housing for sale. However, many of these affordable tenures are not affordable in practice, with costs above the average income levels in a community.

In the March 2021 WHNA, Welland was shown to have a higher percentage of home ownership, and a lower percentage of private and social rental properties, when compared with the district and nationally. The report noted that the 2011 census indicated there were 29 private rental properties in Welland, although conversations with housing officers by the author of this study have subsequently affirmed there are, as of February 2022, currently no registered affordable rental (as

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distinct from social rental) properties in the parish⁶. The developer-commissioned HNS conducted by Midlands Rural Housing in 2019 also suggested that there were no private rental properties in Welland at the time.

“Affordable Rents” were introduced in February 2011 as a new tenure concept and are rents up to 80% of open market value. Homes England, when funding development with grants, will generally only fund development where rents are proposed at Affordable Rent levels unless there is robust evidence of affordability problems. Social Rents are typically lower than Affordable Rents. Interestingly recent Housing Development Officer Correspondence for a planning application (M/22/00043/OUT at Newlands, Lisa Jones 23 February 2022) notes that “*Social Rent levels are strongly preferred due to high unaffordability within the district and Housing Officers would not be supportive of affordable rent levels unless there are evidenced justifications for this.*”

67 of the 183 additional dwellings completed between April 2011 and March 2020 noted in the WHNA were affordable units. Further correspondence with MHDC has identified the following detail on this, and also further subsequent affordable home development in the WNA:

Data Received in Correspondence from South Worcestershire Councils’ Planning Department (Reiss Sadler) 26/01/2022

Affordable Housing Delivery / Commitments in Little Malvern, Malvern Wells and Welland

Parish	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total Affordable Completions 2010/11 to 2020/21
Little Malvern	0	0	0	0	0	0	0	0	0	0	0	0
Malvern Wells	0	0	0	0	0	0	0	0	0	0	0	0
Welland	0	0	0	0	0	5	34	2	23	3	0	67

Parish	Affordable mix	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Welland	Social Rented Housing	0	24	0	16	0	0
	Intermediate Affordable Housing	0	8	0	4	0	0
	Affordable Rented Housing	5	2	2	3	0	0
	Unknown affordable type	0	0	0	0	3	0
Total		5	34	2	23	3	0

Parish	Commitments as at 31/03/2021 (affordable)	Outline & PIP commitments (Affordable)	Permissions granted/appeals allowed involving a gain in dwelling/s between 01/04/21 & 13/01/22 (affordable)
Little Malvern	0	0	0
Malvern Wells	0	0	0
Welland *	0	0	7

*Rural exception site - Rural Exception Intermediate Affordable Housing = 3; Rural Exception Social Rented Housing = 4

⁶ However, the table provided from the Planning Department 26/01/2022 suggests that 12 affordable rental properties were built in Welland between 2015 and 2019, suggesting these may no longer be on the affordable rental register. Whether they are now on the social rental register or moved to the private sector is unknown.

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The 2021 WHNA also noted that the median house price in Welland increased by 62.3% between April 2011 and March 2020, partly due to the increased number of larger properties being built in that period. The 2019 HNS corroborates this, noting increased property prices over the previous 5 years to its study. Meanwhile, the (mean) average income for the village was noted in the WHNA as below the purchasing threshold for all forms of home ownership, including discounted / affordable, shared ownership or First Homes options, putting an average home for sale, even affordable home ownership options, as unattainable for those on average or below average household incomes. The WHNA deemed it unlikely that new homes, even First Homes⁷, could be built at sufficiently discounted prices to make them affordable to the majority of the community in Welland. Of all the affordable routes to ownership, only shared ownership was considered the most feasible for many in the Parish. Meanwhile, only affordable rental, and especially social rental, or private rental using housing benefits, were considered as the only viable tenures for people on lower quartile incomes, for even those households with two earners. Home ownership for this portion of the community was not considered achievable at all with any of the “affordable” routes to ownership available.

2011 census data reported in the WHNA indicates there is limited social rent tenure in Welland compared to Malvern Hills district and national averages. This suggests that the provision of additional social rent housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move into the village if they have a local connection. If affordable housing to local newly forming households is not provided the population is likely to become increasingly unbalanced across the age groups.

The Affordable Housing Supplementary Planning Document (Malvern Hills District Council, Worcester City Council, Wychavon District Council) October 2016 notes that SWDP15D requires developments to demonstrate that housing will remain permanently affordable or the subsidy recycled and (for sites outside the city or towns) made available to meet the continuing needs of local people through binding legal agreement. The issue of affordability in perpetuity is especially important in areas such as Welland with reduced capacity for development, such as falling within protected landscapes. AONBs have the same status of protection as National Parks, in terms of conserving and enhancing landscape and scenic beauty, and it is logical to apply the same principles in AONBs. If housing does not remain affordable in perpetuity, this will either lead to a reduction in the stock of affordable housing or will require the building of additional affordable housing to compensate for this reduction. As such, disproportionately more new housing would be required in a scenario where housing does not remain affordable in perpetuity. This would not be compatible with the requirement to limit the scale and extent of development in AONBs.

Nationally, and locally in the SWDP2016, there are requirements on the types of affordable housing that should be provided in new housing developments, not all of which are affordable in perpetuity, and also that the type and tenure of new housing should reflect locally identified need. However, within these requirements, there is still scope to prioritise – and set conditions for - housing that is affordable in perpetuity.

Further, the provisions in the Malvern Hills Rural Lettings Policy January 2021 facilitates preferential access to such housing for people with local connection and thus eliminates the need for prescriptive policy for such in the Plan for certain affordable housing types to deliver the objective “*To give*

⁷ PPG advice (Paragraph: 005 Reference ID: 70-005-20210524) is that neighbourhood planning groups can potentially set lower price caps on First Homes if evidence demonstrates a need for intermediate housing at particular price points. The WHNA report did demonstrate such evidence, but also concluded that the discount required even for entry level homes (to make them affordable to those on average local incomes) would be likely to be unviable. However the Plan could still look to apply a specific lower price cap that would be more appropriate for local needs.

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preferential access to some new homes for people with a local connection". Inclusion of preference criteria in the Plan's housing policies for other tenures of housing would need to be carefully considered to ensure compliance with national and local policy, however some scope may exist for the WMDP2022 to include policy criteria that could prioritise people with local connection⁸.

Conclusion 9: The current housing stock mix, local incomes and house prices in Welland suggest **shared ownership** is the most viable of all the available affordable routes to home ownership for Welland's community, but even then is out of reach for those in the community with average incomes or less. Other routes to home ownership are considered not affordable for the majority in the Parish and may not (in the case of First Homes) provide affordable housing in perpetuity for the community, a issue that is of particular significance for a settlement such as Welland that falls (in part at least) in an AONB and therefore has more limited capacity for development. Local income evidence would support the Plan's policies if they wished to set lower price caps where allowable, especially for First Homes,

Conclusion 10: Affordable rental is not preferred by the MHDC Housing and Development office for the area and would be less affordable by more in the community. Further, it is unclear if some previously provided affordable rental properties are still operating as such and therefore may not provide affordable housing in perpetuity for the community. **Social rental** would therefore be the most appropriate affordable rental tenure to accommodate those on lower incomes in the WNA and would also deliver a more reliable mechanism in the longer term to prioritise access for people with local connection through the Malvern Hills Rural Lettings Policy (or its successor documents).

Conclusion 11: The Plan's housing policies could include criteria where allowable to prioritise people with local connection for tenures of housing that are not provided for under the Malvern Hills Rural Lettings Policy.

The Housing Needs Survey (HNS) conducted in February 2019 by Midlands Rural Housing for a development application in Welland suggested that there was a need within the following five years for just 6 affordable rented properties (consisting of 2 x 2 bedroom houses, 4 x 2 bedroom bungalows) and 5 shared ownership properties (consisting of 4 x 2 bedroom houses, 1 x 3 bedroom house). Since then, there has been delivery of 10 affordable units in the village, consisting of at least 4 social rental homes. Unfortunately, exact data on the types and sizes of these homes has not been able to be verified, but this would suggest at least some of respondents in the 2019 survey would have had the opportunity to access the affordable housing provided subsequent to the survey and thus some of this identified need might have been met.

The 2021 WHNA also calculated some projections for need for social rental housing and concluded that natural turnover in the existing social rented stock was *"likely to be sufficient to accommodate newly arising need"*, with caveats that the calculation was based on a best case scenario and would only gradually address any backlog of need. Using LPA data from November 2020 which suggested there were 23 households registered with an address in Welland that were unable to access affordable rented homes, the WHNA recommended it may be prudent to secure additional affordable rented housing, frontloaded to the start of the plan period, so that at least some of those currently on the housing register can be suitably housed as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.

⁸ Care should be taken that such criteria for local connection should not be restricted to current residency in the WNA, as is currently a limitation in the *Housing For You* register, but should include such additional considerations as employment and family/other close personal support network membership as this will ensure all those with genuine local connection are considered and will encompass a greater scope for diversity and sustainability for the community.

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It should be noted however that the data cited in the 2021 WHNA report is both dated and problematic. The 23 households on the register was a data point arising from the Home Choice Plus register for social rental housing which is acknowledged as having had complications with duplicate and legacy data. That social housing register is now replaced by a new, but similar, system – “Housing for You”.

Housing for You’s policies mean that when allocating affordable housing in Welland, as a rural area, priority is given to those with a local connection to Welland itself, followed by priority to those with a local connection to the adjoining parishes (Malvern Wells, Hanley Castle, Upton Upon Severn, Longdon, Castlemorton) before the wider District could be considered. A recent query on the register noted that, as of 17 February 2022 there are 9 households registered with an address in Welland. These households have the following bedroom need: 3 x 1 bed, 2 x 2 bed, 4 x 3 Bed, no 4 bed. Further, there are 48 households registered with an address in one of the surrounding parishes (Malvern Wells, Hanley Castle, Upton Upon Severn, Longdon, Castlemorton). These households have the following bedroom need: *Malvern Wells- 2 Households (2 x 1 bed), Hanley Castle 2 Households (1 x 1 Bed, 1 x 2 Bed), Longdon (No Households recorded), Castlemorton 2 Households (1 x 1 Bed, 1 x 2 Bed), Upton Upon Severn 42 households (21 x 1 bed, 15 x 2 bed, 5 x 3 Bed, 1 x 4 bed)*

Meanwhile, a further query on 25 March 2022, focussing on social housing register data for Little Malvern, identified no households on the register currently in Little Malvern and some small changes to the numbers on the register for neighbouring parishes/villages that potentially affect considerations for housing policy in the Plan – *Castlemorton – 3 Households (2 x 1 Bed, 1 x 2 bed), Welland – 8 Households (2 x 1 Bed, 2 x 2 Bed, 4 x 3 Bed) and no households for Malvern Wells.*

Documents associated with local planning applications provide additional helpful information. Housing Development Officer Correspondence ref planning application 21/01658/FUL at Chase Road, Upper Welland (Lisa Jones 16 February 2022) notes that as at 10 January 2022, no households had a local connection on the Housing for You register to Malvern Wells. A further 15 households were registered with local connection to one of the surrounding parishes (Little Malvern and Welland, Hanley Castle, West Malvern, Malvern which includes Chase, Pickersleigh, Link, North Malvern and Dyson Perrins), These have a total need between them of: 10 x 1 bed, 3 x 2 bed, 2 x 3+ bed. This would suggest a proportion only of the 15 would be relevant to Welland and its adjoining parishes.

These more recent data, and comparisons with the data noted in the 2021 WHNA, show that social rental register data is a fluctuating figure and should be treated with some caution. It could be an underestimate as it – at the moment – cannot give an indication about local connection to the parish/surrounding parishes through employment or close family links and not all households with a current housing need will be registered on Housing For You. However, it could also potentially still represent an overestimate or misinformation for a particular settlement as it also could include people who are connected to a local parish but may be indicating a desire to move *from* that parish; it also could include registrants who are currently already adequately housed. Unfortunately, SWCs databases also do not currently enable us to understand how many of the existing social rental units in the WNA are occupied by those with local connections. It is to be hoped that those occupiers without such connections will be mainly of working age households who are most likely to help to sustain local services, both as providers and consumers, and to maintain a balanced population (appropriate to Welland’s role as a Category 1 village) but there is no way of ascertaining this at this time.

In addition to affordable rental tenures, the 2021 WHNA looked at affordable routes to ownership and calculated a need for 22 affordable homes for sale between 2021-2041. However, the report also recognised that *“It is important to keep in mind that the households identified in the estimate [in the*

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data table provided] are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. The potential demand identified [in the table provided] is therefore aspirational and doesn't have to be met."

A statement made in the 2021 WHNA associated with its data on affordable housing (whether affordable ownership or affordable rental) is potentially problematic and worth discussing here. The WHNA (para 105 and 107) states that *"there is a need for Affordable Housing across the district as a whole, and it is reasonable to expect Welland to satisfy some of that need (whether from local households or those elsewhere in the district)*. Although this is relatively consistent with SWDP2 and SWDP3, it is not necessarily consistent with a number of national (for example NPPF 67) or local policies as discussed in Appendix C of the Appendices document to this HEP. It is certainly inconsistent as a reasoned justification for development in consideration of planning at either local plan making or development management stages on sites in an AONB⁹, and arguably in the WNA as a whole given the settlement falls substantially within the AONB. However – once built – properties that are not subsequently taken by people with local connection should of course be allocated for district wide need.

As per the examination of what constitutes "local need" in the Appendices document and set out in Conclusion E in that document, there is a logical argument for this HEP to adopt a definition of "local need" as being such need arising in the settlement and those adjoining settlements that are wholly or partly within the MH AONB only. Given the significant limitations on capacity for development in the WNA, this will identify housing requirement data that will enable the neighbourhood plan to most effectively prioritise and tailor the types and tenures of new homes it can deliver for those in the community and those settlements in adjoining parishes who have no option to access sites that lie outside the protected landscape.

In this way, potential issues that could inhibit the delivery of housing that is needed at planning application (development management) stage can also be avoided. Allegation that more suitable and sustainable alternative sites could exist outside of the AONB and/or sensitive sites within its setting to meet identified housing need arising outside of the AONB and its immediate setting would be an example of this. To this end, in Welland's case, this would suggest excluding social housing register data identified in the adjoining parishes of Upton upon Severn and Longdon and Hanley Castle from calculations of evidence of local housing need relevant to identifying the housing requirement and thus allocations and windfall development in Welland.

Also pertinent to defining the housing requirement (vs just "housing need") is a consideration of the constraints in the WNA limiting capacity for development and the statement in the WHNA which notes (Para 111) that *"There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planning groups to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planning groups that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate 'exception' sites for affordable housing)."*

In summary – the 2021 WHNA did not identify any robust evidence of local need per se for affordable homes to buy, although an aspirational estimate was provided; the report also provided analysis and recommendations for affordable homes to rent but this is considered out of date. The local housing needs survey conducted in 2019 by Midlands Rural Housing (and provided in Appendix E in the Appendices) is considered a more appropriate evidence base for local affordable housing need and this suggested 11 affordable homes would be required within 5 years. This particular need has

⁹ Precedent exists for this as the same argument was upheld at examination of the West Oxfordshire Local Plan.

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potentially already been substantially met through the subsequent development of 10 affordable properties in the village to date. Adopting the definition for local need reached in Conclusion E as presented in the Appendices to this study, analysis of current information from the social rental property register, Housing For You, suggests that there are presently between 11 and 13 households registered as having a need for a home in Welland or adjoining settlements that are wholly or substantially in the AONB. Cumulatively, this would suggest that there are between 12 and 14 homes – that would be affordable in perpetuity, particularly social rental homes – that could more confidently be justified in the Plan as being for genuine local need and for whom alternative appropriate sites outside of the AONB are less available. The WHNA projections suggested that, once the backlog of local affordable housing need has been met, natural turnover in the existing social rented stock would be *“likely to be sufficient to accommodate newly arising need”*. There is no additional evidence to suggest otherwise, at least with regard to locally arising need as defined in this HEP.

Important notes to this section:

- the limitations of using Housing For You register information should be recognised.
- at the time of writing three planning applications¹⁰ in Welland or neighbouring villages are being considered by MHDC (M/22/00608/OUT, 21/01658/FUL and M/22/00471/FUL) – all previously cited in this paper – and would significantly impact the local housing need data presented in this section if planning permission is granted on any or all of them. Between them they are proposing a total of 51 affordable homes (23, 14 and 14 respectively).
- the delivery of four social rental properties on a small development in the last two years in Welland, and two current applications for RES in neighbouring villages suggests that the delivery of affordable social rental homes on small development proposals is an achievable option for consideration for the Plan’s housing policies.

Conclusion 12: Adopting the definition for local need reached in the Appendices to this study, this HEP has identified credible evidence¹¹ of a local housing requirement in the WNA for between 12 and 14 homes that are affordable in perpetuity and which should be optimised to deliver social rental tenures. The homes should be a mix of 1-3 bedroom properties and none should be larger than 3 bedrooms. This information will be increasingly important should the examined SWDPR policies regarding local need be amended for settlements wholly or partly in the AONB such as is the case for Welland.

In other local plans benchmarked for this report, policies for RES developments suggests an expectation of 100% affordable housing, with a minimum of 75% affordable housing where 100% is not viable, is appropriate. The CCB in its Housing Position Statement notes that it is aware of RES developments however that have been permitted where the proportion of affordable housing is as low as 51%. It considers that 51% is closer to the level of affordable housing provision that should be provided in market housing schemes in protected landscapes and that *“this level of affordable housing provision in a RES undermines the purpose of allowing such development, on sites where housing would not normally be permitted, which is to meet locally identified affordable housing needs. It also allows for excessive levels of market housing on such sites, which would not be appropriate in a protected landscape”*. Previous RES development in Welland has unfortunately had similarly low levels of affordable housing. The emerging SWDPR rural exception site policy is, however, likely to deliver an expectation of 100% affordable housing and a maximum percentage of 20% market housing should

¹⁰ M/22/00471/FUL is in a settlement lying wholly outside the AONB and therefore is outwith the definition of local need as being adopted by this HEP, however the housing register data for this settlement would be pertinent for consideration under current adopted MHDC planning and housing policies and guidelines, and vice versa.

¹¹ The evidence for this conclusion is outwith any planning permission(s) granted for M/22/00608/OUT, 21/01658/FUL and M/22/00471/FUL and would need further analysis and potentially revision pending those decisions.

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that not be feasible. In anticipation of a delay to its adoption, it would be prudent to introduce a similar policy in the Plan if possible.

Apart from RES proposals, affordable homes are typically provided and made financially viable by their inclusion as a proportion of larger market developments, as guided by Local Plan policy. Currently, to be in conformity with SWDP2016 policies, the Plan should deliver a minimum of 14 homes (as identified in the IHR provided by MHDC). The expectation is that this is through the site allocated by policy SWDPNEW99 or alternative site(s) provided by the Plan. The IHR/allocation does not however carry any expectation of types and tenures beyond those that are specified in SWDP2016/SWDPR policies, including the 2016 Affordable Housing Supplementary Planning Document. In the absence of any specific affordable housing expectations in the Plan, the number of affordable homes subsequently delivered could therefore vary depending on the size of any allocation(s) in the SWDPR and the Plan and could be as low as none onsite in the WNA if all the allocations are small and/or the developers are convincing in their financial viability assessments.

It is important therefore, if it wishes to respond to Conclusions 5 and 12 of this HEP, for the Plan's policies to encourage development that focuses primarily on affordable dwellings.

The Plan needs to be mindful of the adopted local plan policies. However, both SWDP2016 and the subsequent provisions in Affordable Housing Supplementary Planning Document (2016) are not consistent with latest national policy. The thresholds and contributions for affordable housing for settlements such as Welland, in designated rural areas, as set out in Policy SWDP15 in the adopted Local Plan were amended in an Affordable Housing Supplementary Planning Document¹² in 2016 to reflect this change in national policy. More recently, however, the 2021 NPPF Para 64 has introduced further changes, such that housing policies may now include expectations for affordable housing contributions in designated rural areas. Both the adopted SWDP and its affordable housing supplementary planning document (2016) can therefore be considered as no longer aligned with national policy on affordable housing contributions and thresholds as set out in the NPPF. The SWDPR preferred options policy SWDPR14 looks as if it seeks to redress this inconsistency and it is reasonable to therefore consider these emerging provisions in this circumstance. Further, there is scope under national policy and guidance for the Plan to deviate from proposed SWCs policies where this will better meet the needs of the neighbourhood area; this could be for example in terms of the expected housing tenure split and types where there is robust supporting evidence as is the case in Welland, set out in this HEP and its Appendices document.

Indeed, the housing requirement for Welland described in this HEP (and which considers constraints to development) can be more effectively represented by taking this opportunity. For example, given that development in the WNA would either be in the AONB or may be considered to be in its setting, and also bearing in mind key elements of the Plan's Vision: *Its relationship to the open countryside and the Malvern Hills is integral to its unique and special charm and Residents and visitors will value and enjoy the landscape and the natural and historic environment of the village*, the Plan could focus on opportunities to minimise the overall scale of development whilst delivering the number of affordable homes that is actually required and as identified in this HEP.

This could be enacted by having policies that specifically go further than the provisions in the SWDP2016 and SWDPR in terms of the size of development for which affordable homes should be

¹² <https://www.swdevelopmentplan.org/publications/supplementary-planning-documents/affordable-housing-spdp>

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provided¹³, the proportion of affordable homes expected in a development¹⁴, and the expectation for such affordable housing to be delivered on-site. This would also be a defensible course of action, given the lack of consistency between national policy and adopted Local Plan policies. The Plan's policies could for example look to specify allocation(s) for 100% affordable homes, as appears to be the approach taken in the adopted Hanley Castle Neighbourhood Plan, and set a high bar for percentages for such in windfall development. Exceptions in exceptional circumstances should naturally still apply, but in these cases contributions could be ring-fenced for affordable home provision that will benefit community members with local connection.

For those provisions in the SWDP2016 for which there are no inconsistencies with national policy or for which national guidance does not enable flexibility, and therefore it would not be justifiable for the Plan to digress in order to more effectively deliver the housing requirement identified in the HEP, it would still be advantageous for the Plan's policies to particularly welcome development proposals - for allocation(s), windfall and RES sites - that best conform to the conclusions in both this HEP and the LSCA assessments.

Conclusion 13: A policy for an expectation of 100% affordable housing and a maximum percentage of 20% market housing in RES proposals would be prudent.

Conclusion 14: To more effectively align with national policy, for allocated sites and windfall, the preferred options SWDPR14 requirement for 40% of units in developments of 6 or more homes in Rural Designated Areas to be affordable and delivered on-site could be adopted in the Plan as a minimum. However, to most effectively meet local needs as identified in this HEP whilst minimising the overall scale of development (and thus impact on the protected landscape), the Plan's policies could use flexibilities available in national guidance to seek to go further than the SWDP2016 and SWDPR and include allocation(s) for 100% affordable housing and set a higher bar for percentages of affordable housing in windfall and RES, potentially even for smaller development proposals. For those provisions in the local plan policies for which the Plan cannot reasonably digress, an indication that development proposals that best conform to the conclusions in both this HEP and the LSCA assessments would be particularly supported may be helpful.

Turning now to information on local need with regard to tenure split between affordable housing types.

An Affordable Housing Supplementary Planning Document (SPD) was published in October 2016, containing detailed advice on how affordable housing policy will be implemented in Malvern Hills. This SPD recognises affordability issues in South Worcestershire, recommending a tenure requirement split of 80% social rent and/or affordable rent to 20% intermediate products. The Sept 2019 SHMA confirms the SPD's advice as appropriate, also suggesting an affordable homes tenure split in new developments of 80% rental and 20% intermediate tenure (with a focus on shared ownership) as set

¹³ The recent Landscapes Review Final Report ("Glover Report") highlights NPPF paragraph 64: '*local planning authorities in AONBs should also make use of the provision that allows them to demand on-site affordable housing contributions on all sites, including developments of five homes or fewer*'. Benchmark information also suggests that other local authorities make provisions for designated rural areas that go further for settlements in protected landscapes than those in the SWDP2016 and SWDPR preferred options paper. In Arnside & Silverdale AONB for example, 50% affordable housing is required for developments of two or more dwellings. The WNA lies substantially in the AONB and as a settlement as a whole is affected and constrained by the need to protect and enhance the AONB and its setting. Reducing the size of a development for which a percentage of affordable housing is expected could have the additional advantage of encouraging some smaller windfall proposals to include affordable properties, further supporting the Plan's objective "*To integrate market and affordable housing to encourage the concept of a 'balanced community'*".

¹⁴ SWDPR14 requires 40% of units in developments of 6 or more homes in Rural Designated Areas should be affordable. The Plan's policies should treat this as a minimum and look for opportunities to increase this percentage or otherwise encourage developments to propose higher percentages.

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out in SWDP2016 remains appropriate. The 2021 WHNA report agreed, rejecting the alternative split (of 70:30) that is being proposed in the forthcoming SWDPR as being less suitable for Welland given its particular needs, although this would be forced if (but only if) the “First Homes” policy continues. If it does, and the split is 70:30 (to include the 25% First Homes requirement), then there could be additional justification for Welland to look at encouraging the use of rural exception sites rather than an allocated site in order to deliver the greatest percentage of homes that will remain affordable in perpetuity and minimise/eliminate delivery of further, less necessary, market homes. Again, the issue of affordability in perpetuity is an important point for a settlement such as Welland falling partly in the AONB, an issue recognised in discussion with local housing officers as well and national and local AONB guidance papers.

Further, more up to date, useful information on this can be lifted from housing Development Officer Correspondence ref planning application M/22/00043/OUT at Newlands (Lisa Jones 23 February 2022). The correspondence confirms that, in terms of tenure split, the Council’s Affordable Housing Supplementary Planning Paper 2016 seeks 80% social rented and 20% intermediate housing products but that, as of 28 December 2021, a minimum of 25% of all affordable housing through developer contributions must be delivered as First Homes. Therefore, for this application of 52 affordable dwellings, the Housing Development Officer was requesting a tenure split of 75% social rented (39 dwellings) and 25% First Homes (13 dwellings) - *“It is understood that the application does not propose any property sizes or tenures at this stage however Housing Officers wish to advise that we would expect to see a mix which provides a range of property types that appropriately meet the local needs identified. Social Rent levels are strongly preferred due to high unaffordability within the district and Housing Officers would not be supportive of affordable rent levels unless there are evidenced justifications for this.”*

For Welland, particular focus should be on maximising social rental housing and housing tenures that are affordable in perpetuity as this will ensure preferential access for local people in the longer term, as per the Reg 14 community endorsed Plan’s objective *“To give preferential access to some new homes for people with a local connection.”* Given First Homes are also unlikely to be able to be provided with sufficient discount to be affordable for people in Welland on average income, the Plan’s policy could include this at the minimum possible proportion in the tenure split.

Having said that, the needs of first-time buyers, young families and working people who cannot afford properties at open market value but who do not qualify for ‘social’ housing also could be considered. Shared ownership is a key opportunity for Welland as it is the affordable route to home ownership considered more viable than others in the WHNA. It also provides a longer-term affordable solution compared with “First Homes” housing for the community. If policies to encourage onsite affordable housing in very small developments (of 5 units or smaller) is possible for inclusion in the Plan, then shared ownership may be one of the more viable tenure opportunities.

Conclusion 15: Building on Conclusions 9-12 and based on existing data and priorities, the Plan’s policies could seek the following affordable housing tenure splits:

- a) Larger Windfall (6+ homes) and Allocated sites that include a percentage of market homes – 75% social rental and 25% First Homes. This will maximise the delivery of the most needed housing type for the WNA within national policy constraints.
- b) Allocations for 100% affordable homes and Rural Exception Sites - 70% social rental, 5% shared ownership and 25% First Homes. Both of these types of development could accommodate some delivery of shared ownership properties without overly diluting the delivery of social rental homes (the most needed tenure type)
- c) Very small Windfall developments (5 properties or less): IF such a policy is enabled in the Plan, the tenure requirement could be flexible to encourage delivery of any affordable homes on such sites.

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However, shared ownership and/or First Homes may be the more viable options, with preference for the former for long term affordability for the community.

Any variation to these suggested tenures and splits could also be assessed on a site by site basis but would be reliant on convincing evidence of local need arising from future housing needs assessments, housing needs surveys and housing register data. Prioritisation of tenure types that are affordable in perpetuity and which are compatible with the average incomes in the WNA at the time should remain key policy criteria in all cases.

3.4 Size and Type of Housing

The 2021 WHNA noted that Welland has a relatively older population compared to local and national levels and its study of the household structures suggested that there could be some difficulties for some in the community, such as non-dependent children still living at home, getting onto the housing ladder and forming 'new' households. It also noted that a large number of larger properties had been built in Welland over the last ten years. The WHNA concluded that, going forwards, a broad mix of housing should be provided but with a focus on smaller two to three-bedroom dwellings. This aligns with the need already discussed, that was identified from various data sources, for more affordable homes which tend to be smaller. This would permit older households in larger dwellings to downsize/"rightsize" and also allow newly forming households to access housing through smaller and more affordable dwellings. The WHNA therefore suggested new development might involve the following share of dwelling sizes: 9.8% as one bedroom, 45.3% as two bedrooms, 37.9% as three bedrooms, 0% as four bedrooms and 7% as five or more bedrooms.

The suggested housing size mix for new development in the WHNA may only be suitable however when applied to open market homes. The latest Housing For You register data suggested a greater focus on 1 and 2 bedroom social rental homes than could be accommodated by the WHNA recommendations, with a split approaching 46% 1 bedroom, 23% 2 bedroom and 31% 3 bedroom units being potentially a more suitable proposal for affordable housing development in the Plan's policies.

The desktop study and projections in the WHNA suggested that Welland is forecast to have 328 people aged 75+ by 2041, an estimated increase of 174 people from the 2011 Census, and Welland will continue to have a higher proportion of people age 75+ compared to Malvern Hills. Interestingly, the supply of smaller bungalows which are best suited to meet the needs of older people was deemed already adequate for needs in Welland in the 2021 WHNA report, although the separate section of the same report noted that the neighbourhood plan would potentially be able to substantially reduce some of its potential future specialist housing requirements for its growing older population by including ambitious policy for accessibility and adaptability in new development in the WNA. This could include incorporating requirements for optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support. Indeed, SWDP20 in the adopted local plan encourages the provision of housing suitable for the needs of older people on all allocated and windfall sites of 5 units or more. Therefore, taking the most conservative approach for a small development of 5 homes, it would be reasonable to expect at least one (20%) to be adaptable and/or accessible in order to meaningfully contribute to this objective, with a greater proportion preferred if viable.

The WHNA noted that, within Welland, the 2011 Census identified 48 residents living in a care home with nursing. It cited Elderly Accommodation Counsel (EAC) data that showed there is no existing specialist housing for the elderly within the neighbourhood area. This suggests the elderly population in most need is already living in the care home or in mainstream housing within Welland, with their needs being met through care and support in the home. The WHNA acknowledged that that there is

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no expectation, obligation or requirement for care homes to be provided within Welland itself and Welland's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation. Malvern and/or Upton-upon-Severn were considered to have the potential to accommodate the specialist housing need arising from Welland but would depend on the capacity and willingness to provide extra care housing in those other locations.

The 2021 WHNA suggested that 44 specialist dwellings would be required to service the needs of older people over the Plan period, and projected 52 dwellings could function as an upper, more aspirational target. It suggested these could be provided if other constraints allow and should be treated as the context for potential policy action, or as evidence to support alternative actions such as an ambitious policy on accessibility and adaptability as described above. The majority of the specialist dwellings recommended as being required in the plan period were identified as a form of sheltered housing, with a greater number of market units to affordable specialist housing.

Conclusion 16: In terms of the evidence in this HEP, the Plan's housing policy should not preclude a broad mix of housing in terms of type (bungalow/house/short-span terrace/flat) but there is credible evidence for the following to be considered:

- a) Open market homes: smaller (1-3 bedroom) properties are in imbalance in the community. The Plan's policy could therefore encourage any market housing on allocated site(s), windfall or RES to reflect the 2021 WHNA recommendation such that the share of market home dwelling sizes approaches 10% as one bedroom, 45% as two bedrooms, 40% as three bedrooms, 0% as four bedrooms and 5% as five or more bedrooms¹⁵.
- b) Affordable development: whether within a RES, allocated site or windfall development, the delivery of affordable homes could reflect the firm bias to small units indicated in the current Housing For You register data, with a split reflective of 45% 1 bedroom, 25% 2 bedroom and 30% 3 bedroom units. There is currently no convincing or specific available evidence of local need to support planning for 4+ bedroom affordable homes in Welland and these should not be supported. Note, data has again been rounded to the nearest 5% for convenience for application of policy.
- c) A minimum of 20% of properties on all sites of 5 or more, whether affordable or open market homes, should be suitable for the needs of community members downsizing/rightsizing and which are suitable to their emerging needs, such as being adaptable for accessibility as they get older. The Plan's policy could also encourage the inclusion of building regulation standards M4(2) and M4(3) to these homes so that they better meet the needs of occupants as they age and need care and support.
- d) The 2021 WHNA suggested there is sufficient stock of smaller bungalows in Welland to meet its needs, however the provision of further such dwellings may support the community in reducing the scale of future accessibility/specialist homes requirement and therefore bungalows may be specifically included as a supported dwelling type in the Plan's policy.
- e) Sheltered housing - there is some evidence to suggest some market (especially) and affordable sheltered housing may be required in the neighbourhood plan period and which could be enabled through specific Plan policy, although there is no obligation for the neighbourhood plan to do so.

¹⁵ Data has been rounded to the nearest 5% as this is encouraged for convenience for application of policy).

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GLOSSARY

AONB – Area of Outstanding Natural Beauty

CCB – Cotswolds Conservation Board

HNS – Housing Needs Survey

LSCA – Landscape Sensitivity and Capacity Assessment

MHDC – Malvern Hills District Council

NPG – Welland Neighbourhood Planning Group

NPPF – National Planning Policy Framework

PPG – Planning Practice Guidance

RES – Rural Exception Site

SEA – Strategic Environmental Assessment

SWC – South Worcestershire Councils

SWDP2016 – South Worcestershire Development Plan adopted in 2016

SWDPR – South Worcestershire Development Plan Review undergoing Reg19 consultation in 2022

“The Plan” – The Welland Neighbourhood Development Plan being submitted for examination

WHNA – The 2021 Housing Needs Assessment produced by Aegon and commissioned by Welland Parish Council, published as part of the Regulation 14 consultation process.

WNA – Welland Neighbourhood Area