



Portishead Neighbourhood Plan

Housing Needs Assessment (HNA)

November 2021

Portishead Neighbourhood Plan Housing Needs Assessment

Quality information

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Portishead Neighbourhood Plan Housing Needs Assessment

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List of acronyms used in the text:

HNA Housing Needs Assessment

HRF Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)

HLIN Housing Learning and Improvement Network

HRP Household Reference Person

LHN Local Housing Need

LPA Local Planning Authority

DLUHC Department for Levelling Up, Housing and Communities
(formerly Ministry for Housing, Communities and Local Government - MHCLG)

NA Neighbourhood (Plan) Area

NP Neighbourhood Plan

NPPF National Planning Policy Framework

NSC North Somerset Council

ONS Office for National Statistics

PPG Planning Practice Guidance

PRS Private Rented Sector

PTC Portishead Town Council

RQ Research Question

SHMA Strategic Housing Market Assessment

VOA Valuation Office Agency

1. Executive Summary

Conclusions- Tenure and Affordability

1. In terms of Portishead's current tenure profile, ownership remains the most common category however private renting saw very significant growth over the intercensal period of 316%. Overall, owner occupation is still by far the largest sector in 2011, as it was in 2001. By 2011 though, private renting had increased to such an extent that it is clearly the second largest sector, whereas in 2001, social renting was still the second most common tenure. All of the sectors have grown in absolute terms, but private renting has grown the most.
2. House prices have seen considerable broad based growth between 2011 and 2020 in Portishead. All types have seen over 50% price growth, and median growth was 71%, although this is influenced by changing proportions of sales by type over time.
3. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA. The first source is ONS's estimates of incomes in small areas. The average total household income before housing costs locally was £46,833 in 2018. The second source is ONS's annual estimates of UK employee earnings. North Somerset's gross individual lower quartile annual earnings were £16,096 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £32,192. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.
4. Thinking about housing for purchase on the open market, it appears that local households on average incomes are undeniably unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £90,000, which is almost twice that of the current average income in Portishead (46,833).
5. Private renting is generally affordable to average earners and even those with slightly below average earnings. However, households made up of one, or even two lower quartile earners still cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
6. There is a relatively large group of households in Portishead who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,824 per year (at which point entry-level rents become affordable) and

£88,091 (at which point entry-level market sale homes become affordable). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

7. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In Portishead, a discount of 30 or 40% would be insufficient to make home ownership an affordable option for those on average incomes or below. A 50% discount, which is the highest possible discount level that can be applied to First Homes, would be sufficient for those on average incomes in Portishead, as a path to home ownership. However, even with a 50% discount, the income required (£45,000) is very close to the average in Portishead (£46,833).
8. Shared ownership appears to be slightly more affordable than First Homes, but is broadly accessible to the same groups. While a 10-25% share is affordable on average Portishead household incomes, none of these shared ownership options are affordable to those households on one or two lower quartile incomes.
9. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless it is shared ownership at 10% equity.
10. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 10-25% equity share, and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, with rent to buy particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. However, none of the routes to home ownership are affordable to households on lower quartile incomes.
11. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units without resource to benefits. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
12. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Portishead as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.
13. The table below summarises Portishead’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories

of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Estimated delivery of Affordable Housing in Portishead

	Step in Estimation	Expected delivery
A	Provisional capacity figure	440
B	Affordable housing guideline quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	132
D	Rented % (e.g. social/affordable rented)	67%
E	Rented number (C x D)	88
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	33%
G	Affordable home ownership number (C x F)	44

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

14. This expected level of delivery evidently falls short of the quantity of demand identified in estimates of the need for affordable housing, both for sale and for rent. This is largely due to the low HRF and low past delivery rates rather than the anticipated tenure split. The policy requirement should therefore be met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) should be explored.
15. Affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given historically low delivery rates across the local authority area and in Portishead specifically, delivery overall is likely to be limited. The 82% rented and 18% ownership guideline mix in the adopted Core Strategy, or the 80/20 tenure split suggested by the more recent SHMA evidence, may continue to offer an appropriate benchmark until the new Local Plan has progressed further.
16. It is not recommended that the Local Plan policy benchmark requirement of 30% be exceeded in the neighbourhood plan, unless a revised requirement is supported by North Somerset Council on the basis of SHMA evidence and the direction of the

emerging Local Plan and associated Whole Plan Viability assessment, once this is undertaken. This is because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required to contravene the Local Plan, which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

17. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing. These should be discussed with the local authorities, if this is of interest.

Conclusions- Type and Size

18. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
19. Flats and detached houses are the most common dwelling types in Portishead, making up a larger proportion of homes in the NA than across rest of North Somerset or the rest of the country. Conversely, the NA has a slightly lower proportion of semi-detached and terraced houses.
20. In terms of dwelling size, properties in Portishead were comparatively large, with a lower proportion of studios, one-, two-, and three-bedroom properties available in 2011, and a higher proportion of 4 bed properties than across the two larger geographies.
21. Flats have clearly accounted for the largest proportion of new homes built in Portishead since 2011. Additional one- and two-bedroom properties have eliminated some of the differences between the NA and the district and country. Additional three-bedroom properties have added to the supply, but the resulting mix still shows below average of these in Portishead. The absolute number of 4+ bedroom homes has declined (indicating some conversions). However, the relative proportion of 4+ bedroom homes has remained comparatively high.
22. As regards age structure and household composition, the NA population has an extremely similar profile to that of the district and the country as a whole and this has changed very little since 2011. The two largest age groups, together making up just over half of the Portishead population, were the two “middle” age categories, including those aged 25-64

years. Young children under the age of 15, and those between pension age (65) and 84, were the two next largest categories (approximately a fifth of the population). 16-24 years olds made up 7% of the population, and those aged over 85 only 3%. Portishead's population is also largely made up of one family households (67%), with fewer one person or 'other' households.

23. Households are more likely to under-occupy their home than to be over-crowded in Portishead. Nearly half of all households in the NA (48%) live in a home with two or more spare bedrooms, and the vast majority (82%) live in a home with at least one spare bedroom. Only 1% of the Portishead parish population were over-occupying their homes. While over 65s generally appear to be more likely to have 2 or more spare bedrooms, they are not particularly more likely to under-occupy in general than other age groups. The most likely to under-occupy are couples with no children and households aged 65 or over (98-90% have more than 1 bedroom). The most likely to over-occupy their home are lone parents and 'other household types' with dependent children.
24. Looking forward towards the end of the plan period, population growth can be expected to be primarily driven by the oldest households with a reference person aged 65 and over, projected to grow by 54% from 2011 to 2038.
25. Our model suggests that what is most needed to be built in Portishead over the plan period is 3 bedroom properties (48%); followed by 2 bedroom (32%); plus a smaller amount of 1 bedroom properties (15%); a very small amount of very large properties with 5 bedrooms or more. There is no need for more 4 bedroom properties. However, occupancy of these homes by the growing families who need them most, cannot be guaranteed by the NP. Most of all, while prioritising mid-sized homes, a variety of housing should be provided to cater for incomes of different needs, incomes, sizes, and life-stages. It is never advisable to restrict future housing delivery to selected size categories too severely. It may also be the case that increased homeworking may lead to greater demand for larger homes, however, the demand for smaller properties from those with less purchasing power is of priority concern.
26. In the local Homes survey, 29 respondents indicated they needed a 3 bedroom home, a further 29 were looking for a 2 bedroom home, 25 sought a 4 bedroom home, 12 respondents were looking for a 1 bedroom home and 7 respondents for a home with 5 or more bedrooms. This paints a very similar picture to our modelling results. Respondents also indicated a preference for detached houses (57 respondents), followed by semi-detached (37 respondents), terraced (23), and flats (21).

Conclusions- Specialist Housing for the Older People

27. Portishead has a current specialist offer of 158.6 units per 1,000 population of over 75 year olds (443 units for 2,793 individuals, based on ONS 2019 population estimate of the over 75 population in Portishead). The Housing LIN model recommends a provision of 251 units per 1,000 population, which shows a significant current under-provision, as in most locations around the country.

28. Only 13% of specialist units currently available in Portishead offer Extra-care provision. All other units are age exclusive / retirement housing without onsite care. Approximately half of all units on offer are available for leasehold purchase and half for social rent for those in financial need. A small, unspecified number are available for freehold purchase.
29. Currently, 83% of 55-75 year olds in North Somerset own their own home, renters making up 17% (half social, half private renters), and 1% living rent free. The population of over 75s is projected to increase by 9% in Portishead over the plan period, compared to 15% in North Somerset as a whole.
30. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
31. These two methods of estimating the future need in Portishead produce a range of 397 to 490 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
32. The largest demand is likely to be for sheltered accommodation for market sale, which makes up almost half of projected demand.
33. The SHMA has similar findings to our study, for across the HMA. It also points out that their evidence supports the need for a target of 100% of specialist housing for older persons to meet M4(3) Category 3 requirements. Of this target at least 25% of specialist housing for older people should meet M4(3)(2b) requirements (housing meeting the needs of wheelchair occupants); and the remaining 75% should meet M4(3)(2a) requirements (housing allowing for simple adaptation to wheelchair needs).
34. The North Somerset Site Allocations Plan (SAP) 2018 lists all site allocations for Portishead, totalling 440 units. This includes one scheme of 126 units, with full planning permission, which is specified as being a retirement complex. No further details are given. Examining details on North Somerset's planning application search, the scheme in question (Marine View, Harbour Road 16/P/2855/F) was consented previously, but later the applicant applied (19/P/2316/FUL) for a "change of use from 126 units of Assisted Living (C2) accommodation (permitted under application ref: 16/P/2855/F) to 127 units of non-age restricted housing (C3)". This indicates that the scheme was not built out. The second application was later withdrawn by the applicant and it is unclear whether the scheme will be provided as use class C2 or C3 (specialist or non-age restricted housing), and therefore, whether any specialist provision will be made in Portishead over the coming years. The applicants letter states that while the scheme is near completion, there were challenges to viability in trying to provide specialist accommodation as well as affordable housing and Community Infrastructure Levy contributions. This may well be an issue for other future schemes in Portishead. The latest information to date is that the Steering Group understands the building has been

sold to a local social housing provider and that the flats will be a mixture of rent and for purchase, affordable and social housing.

35. While approximately half of the specialist units required over the plan period (about 227) are likely to be sheltered units for market sale, there is also projected to be a significant level of demand for extra-care units (209), with the majority (147) of these for market sale and the remainder of demand being for affordable specialist housing (62 for affordable housing with care and 54 for affordable housing without on-site care, such as sheltered housing).
36. It is worth noting that Neighbourhood Plans cannot set the proportion of housing (specialist or otherwise) that should be affordable, as this has to be in line with Local Plan policy. In the case of North Somerset, the adopted Core Strategy policy CS16 Affordable housing does not require a fixed percentage of all new housing to be affordable. The capacity of a site to deliver affordable housing is to be determined by individual site viability analysis and through negotiation. The evidence provided in the housing needs assessment should be useful in supporting the negotiation for the provision of some affordable housing on specialist housing schemes in Portishead (approximately 25%), subject to other relevant policy and evidence.
37. Furthermore, as the current stock includes only very little extra-care provision (13%, compared to a projected demand which is nearly half for extra-care), this imbalance will need to be redressed through future supply.
38. Given that, based on available information, it looks unlikely that there will be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock). This will particularly help to cater for the demand for sheltered housing without on-site care.
39. Local Plan policy DM40 provides explicit support for development to accommodate specific groups such as older and vulnerable people, provided it meets a number of criteria. The policy also requires that residential schemes of 100+ dwellings assess the need for retirement and supported independent living and make appropriate provision dependent on suitability and viability. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here and as part of the SHMA would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.
40. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. It is maybe also something that the emerging new North

Somerset Local Plan will require, considering the evidence in the SHMA, subject to whole plan viability testing. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey. Unfortunately, demand for wheelchair housing was not a question included in the Portishead local Homes survey.

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

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

42. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

43. It is considered that Portishead is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Portishead in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

44. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

2. Context

Local context

45. Portishead is a Neighbourhood Plan area located in North Somerset, on the coast of the Severn Estuary, near Bristol. The Neighbourhood Area (NA) boundary, which covers the whole of the parish, was designated in October 2019.
46. The proposed Neighbourhood Plan period starts in 2021 and extends to 2038, therefore comprising a planning period of 17 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
47. The town has grown significantly in recent years, resulting in an infrastructure deficit. High house prices and housing affordability are also an issue. The extents of the town are limited by the Bristol channel, by greenbelt designations and by other constraints (including a conservation area and a number of environmental designations), with new housing sites limited. There are currently no significant issues related to deprivation or other demographic matters.
48. The reopening of the railway line to Bristol and of Portishead Station is proposed as part (Phase 1B) of the MetroWest project which will link and upgrade the railway system in the Bristol area. The project is, at the time of writing, fully funded and awaiting a decision from the Secretary of State on the Development Consent Order¹. Until the line is reopened there will not be a train station at Portishead and the nearest rail service will be available either from Avonmouth Rail Station, St Andrew's Road Station, or Shirehampton Rail Station, all of which are located 3-4 miles from the town. Bus services connect Portishead to Bristol, Weston-super-Mare, Cribbs Causeway, Clevedon, Yatton, and to smaller settlements on the way. Many residents rely on private cars for transport and commute to Bristol by car, with local employment opportunities and the public transport offer being limited. This results in issues relating to congestion and car parking².
49. As further evidence to underpin the housing policies of the Neighbourhood Plan, the group also commissioned some Homes Data Analysis, which summarises the findings from a Homes survey in the Neighbourhood area (referred to as the 'local Homes survey' in our report). This shows that there is mixed sentiment regarding the housing situation in Portishead, with slightly more respondents feeling negative about how Portishead meets people's housing need (61 respondents), than those feeling neutral or positive (56 and 42 respondents respectively). The key issue reported was that housing in Portishead was expensive. Note that other findings of this survey are incorporated in our report where relevant and appropriate.
50. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs) and Middle Layer Super Output Areas

¹ For more information see [MetroWest Phase 1](#) and [MetroWest - Travelwest](#)

² Source of information: [Portishead Plan](#)

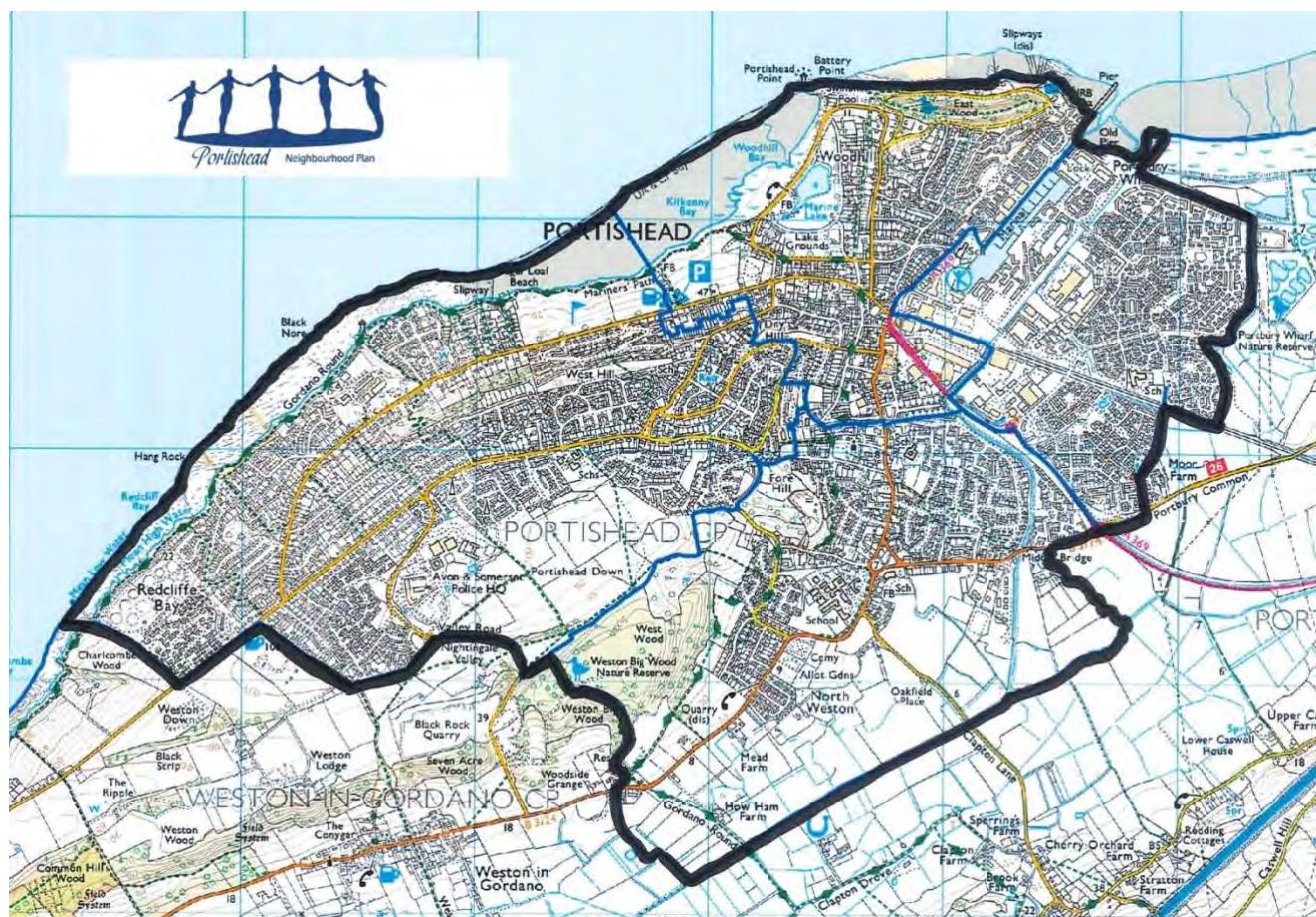
(MSOAs). The Plan area equates to the following geographical areas, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from the 2001 and the 2011 Censuses:

- Parish of Portishead (GSS Ref E04012097; NOMIS Ref 1170221203) - which can be interrogated for data from the **2011 Census**; and
- A combination of MSOAs North Somerset 001, 002 and 003 (GSS Refs E02003065, E02003066 and E02003067; and NOMIS refs 1279265785, 1279265786 and 1279265787); and OA 00HCPC0002 (GSS ref E00074599; NOMIS ref. 1300384926), which together can be interrogated for data from the **2001 Census**.

51. The statistics show that in the 2011 Census the NA had a total of 23,699 residents, formed into 10,355 households and occupying 10,635 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country³. The mid-2019 population estimate for Portishead is 26,535 – indicating population growth of around 2,836 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.
52. The Valuation Office Agency (VOA) gathers data from council tax receipts on the dwelling mix in various areas each year. Based on this VOA data, there are 11,130 homes registered for Council tax in Portishead in 2021. This constitutes an increase of 775 homes since 2011. If the average household size in Portishead in 2011 (2.289) is assumed to have remained approximately the same (based on average population size data in England and the South West⁴), this would indicate that there should be approximately 25,473 Portishead residents now, so slightly less than estimated by the ONS. However, both figures together give an idea of the likely range of population growth in the NA.
53. A map of the Plan area appears below in Figure 2-1.

³ Available at [Parish population estimates for mid-2001 to mid-2019 based on best-fitting of output areas to parishes - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletinofparishpopulationestimates/mid2001to2019basedonbestfittingoutputareas)

⁴ Available at [Households by household size, regions of England and UK constituent countries - Office for National Statistics](https://www.ons.gov.uk/peoplepopulationandcommunity/householdsandfamilies/householdsbyhouseholdsizeregionsofenglandandukconstituentcountries)

Figure 2-1: Map of the Portishead Neighbourhood Plan area⁵

Source: Portishead Neighbourhood Plan Website

⁵ Available at [Portishead Plan](#)

Planning policy context

55. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁶ In the case of Portishead, the relevant adopted Local Plan for North Somerset consists of:

- The adopted North Somerset Core Strategy (NSCS) January 2017 version, as amended in 2015 and 2017 from the original 2012 version;
- The adopted North Somerset Sites and Policies Plan Part 1 of 2016, which is a Development Management Policies document (DMP);
- The adopted North Somerset Sites and Policies Plan Part 2 2018, which is a Site Allocations Plan (SAP); and
- The emerging North Somerset Local Plan 2038 (NSLP), which is currently at Regulation 18 stage.

Policies in the adopted local plan

56. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Portishead.

Table 2-1: Summary of relevant adopted policies in the Core Strategy (NSCS), Development Management Policies document (DMP), and the Site Allocations Plan (SAP)

Source	Policy	Provisions
NSCS	CS13 Scale of new housing	Supply of land will be identified to secure delivery of min. 20,985 dwellings 2006–2026
	CS14 Distribution of new housing	Outside Weston (key focus for new residential development), most additional development will take place at Clevedon, Nailsea and Portishead on sites within or abutting settlement boundaries, but outside the Green Belt. Priority will be given to the reuse of previously developed land. Density will be determined primarily by local character and good quality design, with a target net density of 40 dwellings per hectare.

⁶ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

Source	Policy	Provisions
	CS15 mixed and balanced communities	<p>NSC seeks a mix of housing types where development should:</p> <ul style="list-style-type: none"> a) Contribute to well-integrated mix of housing types and tenures to support range of household sizes, ages and incomes to meet identified needs; b) Reduce an existing proliferation of one housing type within an area through encouraging a range that better meets housing needs, etc.; c) Contribute to creating an accessible, inclusive and safe community with easy access to a range of services.
	CS16 Affordable housing	<p>On-site provision of affordable housing is sought on all residential developments of 10+ dwellings (or on sites of 0.3 hectare or above), and on sites of 5–9 dwellings either on-site or financial contribution will be negotiated.</p> <p>Target for provision of affordable housing is at least 150 dwellings per annum (82% social rented housing and 18% intermediate housing).</p> <p>Precise size and type of affordable housing to be provided on individual sites will be determined through negotiation, guided by the SHMA, data from the housing needs register, and local housing needs surveys.</p> <p>The capacity of a site to deliver a level of affordable housing that can be supported financially will be determined by individual site viability analysis.</p> <p>There is no upper limit to the potential affordable housing provision or contribution, but a benchmark of 30% will be sought as a starting point, aimed at meeting local need.</p>
DMP	DM34 Housing type and mix	<p>The council will require proposals on strategic housing sites (100+ houses) to include a range of building types and tenures.</p> <p>Proposals for live/work units are supported but particularly as part of any proposals in the service and infill villages in order to help limit the amount of out-commuting and support local employment opportunities.</p>
	DM36 Residential densities	Residential development should optimise potential of the site to accommodate development whilst protecting or enhancing distinctiveness and character of the area

Source	Policy	Provisions
	DM40 Retirement accommodation and supported independent living for older and vulnerable people	The council supports retirement accommodation and supported independent living for older and vulnerable people provided that: it is located within the settlement boundary; shops, public transport, community facilities and medical services can be reached easily without access to a car; and it will provide an appropriate standard of facilities, independence, support and/or care. For all residential schemes of 100+ dwellings developers will be required to assess the need for retirement and supported independent living schemes and make appropriate provision dependent on suitability and viability.
SAP	Policy SA1 Housing Allocations Extract from Schedule 1 and Extract from Table 1 Housing requirements	Residential sites of 10 or more units are shown on the Policies Map and set out at Schedule 1 together with any specific site-related requirements or key considerations to take into account. Schedule 1 shows a total of 440 homes, within 10 allocations, between 14 and 126 units each. Table 1 shows that a total of 3,421 units are expected in Portishead.

	Completions 2006-2017	Proposed allocations and large sites with planning permission	Other large sites with consent [not proposed to be allocated]	Small sites with consent - 10% lapse rate	Windfall allowance (based on past rates)	Total
Portishead	2,878	440	0	57	46	3,421
Total	8,847	12,124	71	588	655	22,285

Source: North Somerset Local Plan webpage⁷

Policies in the emerging local plan

57. North Somerset Council are preparing the draft North Somerset Local Plan for consultation at the end of 2021. This is not yet available at the time of writing and thus policies in the emerging Local Plan policies that are relevant to housing need and delivery in Portishead cannot yet be summarised.

Quantity of housing to provide

58. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
59. North Somerset Council has fulfilled that requirement by providing Portishead with a current figure of 440 dwellings to be accommodated within the Neighbourhood Plan area

⁷ [About our local plan | North Somerset Council \(n-somerset.gov.uk\)](#)

by the end of the Plan period, in line with the adopted North Somerset Sites and Policies Plan Part 2 2018 Site Allocations Plan (SAP) – see above. This may however increase in the new emerging Local Plan once this is published and proceeds through Examination in Public.

3. Approach

Research Questions

60. The following research questions were formulated at the outset of the research through discussion with Portishead Town Council. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

61. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
62. This evidence will allow Portishead to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.
63. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

Type and Size

64. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
65. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
66. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
67. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Specialist Housing for Older People

68. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Relevant Data

69. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data;
- The Draft Findings Report (August 2021) based on the Homes survey undertaken in the summer of 2021, as part of a Commonplace suite of online surveys associated with the development of the Neighbourhood Plan (referred to as the local Homes survey in our report);
- The North Somerset Local Plan 2038 Housing Requirement Paper April 2021⁸; and
- The Wider Bristol HMA Strategic Housing Market Assessment (SHMA) Volume I⁹ 2018 & Volume II January 2019¹⁰.

70. Note that, as the latter two documents are now over 5 years old, they are considered relatively dated and therefore are drawn on to a lesser degree in our analysis.

71. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

⁸ Available at [Housing Requirement Paper April 2021 \(n-somerset.gov.uk\)](https://n-somerset.gov.uk)

⁹ Available at [Wider-Bristol-SHMA-Update-Volume-1.pdf \(southglos.gov.uk\)](https://southglos.gov.uk)

¹⁰ Available at [Wider-Bristol-SHMA-Update-Volume-2.pdf \(southglos.gov.uk\)](https://southglos.gov.uk)

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ1: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

72. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
73. The findings of the local Homes Survey are also taken into account where relevant and appropriate. Affordability was the key issue raised by Portishead respondents, followed by some mixed views on the availability and variety of the local housing offer. Approximately half of all respondents to the Homes survey were contemplating moving in the coming five years, which may be indicative of these issues. 19 of 160 respondents reported looking to move for over a year. 8% contemplated a move to a more affordable location.
74. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
75. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.¹¹
76. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);

¹¹ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents; and
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

77. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
78. Table 4-1 below presents data on tenure in Portishead compared with North Somerset and England from the 2011 Census, which is the most recent available source of this information.
79. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Portishead the private rented sector (PRS) expanded by 316% in that period, a rate of growth that is more than double that of the increase in North Somerset as a whole, and 4 times the increase seen nationally in the PRS. The next most significant change was a 158% increase in shared ownership. However, this was from a baseline of very low numbers (an increase from 50 to 129 households). The two other tenures increased by similar percentages (owner occupation by 30% and social renting by 37%).

80. However, overall owner occupation is still by far the largest sector in 2011, as it was in 2001. By 2011 though, private renting had increased to such an extent that it is clearly the second largest sector, whereas in 2001, social renting was still the second most common tenure. All of the sectors have grown in absolute terms, but private renting has grown the most.

Table 4-1: Tenure (households) in Portishead, 2011

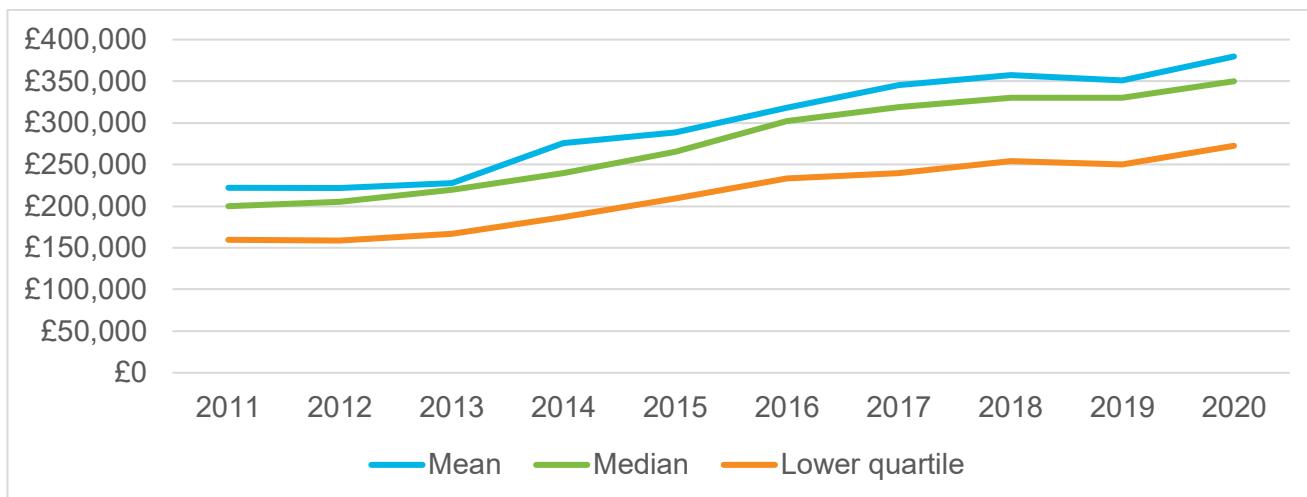
Tenure	Portishead	North Somerset	England
Owned; total	77.8%	73.0%	63.3%
Shared ownership	1.2%	0.6%	0.8%
Social rented; total	8.2%	9.2%	17.7%
Private rented; total	11.8%	16.2%	16.8%

Sources: Census 2011, AECOM Calculations

Affordability

House prices

81. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
82. Figure 4-1 below looks at selected measures of house prices in Portishead. It shows that all house price measures have growth steadily since 2011, first at a more modest rate, and then slightly more steeply since 2013. The mean (average) house prices are only slightly above the median (the “middle” value in the list of house prices arranged from least to most) for Portishead. A mean higher than the median is quite common.
83. In the case of Portishead, the median shows a similar but very slightly lower trajectory than the mean (average), with only very minor divergences between the two. This is the characteristic of a housing market which has an only very slightly larger number of house prices at the lower end and very slightly fewer house prices at the higher end. In this case, the median, which is the middle number when you sort the data from smallest to largest, lies in the lower range of values (where more of the house prices are). Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end (as in, the slightly smaller number of more expensive homes) cause the mean to increase marginally, making it a little higher than the median.

Figure 4-1: House prices by quartile in Portishead, 2011-2020

Source: Land Registry PPD

84. Table 4-2 below breaks down house prices by type. It shows that while the price of homes has grown significantly overall (71%), prices of semi-detached houses have grown the most, followed by the price of detached homes, followed by flats and finally, terraced homes. All price growth has been considerable, over 50%. Note that median growth at 71% is higher than any single type, this is owing to the factor of changing proportions of sales by type over time, which adds a multiplier effect to growth, for example, if more detached homes which are generally more expensive are sold as a proportion of properties in 2020 compared with 2011 it contributes to additional average growth.

Table 4-2: House prices by type in Portishead, 2011-2020 (£k)

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£292	£298	£304	£350	£389	£408	£475	£436	£454	£469	60.8%
Semi-detached	£215	£222	£226	£265	£304	£326	£360	£371	£358	£358	66.6%
Terraced	£230	£230	£217	£267	£287	£309	£327	£339	£313	£345	50.1%
Flats	£163	£169	£181	£195	£214	£236	£230	£245	£245	£250	53.3%
All Types	£222	£222	£227	£275	£288	£318	£345	£357	£351	£380	70.8%

Source: Land Registry PPD

Income

85. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
86. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income before housing costs locally was £46,833 in 2018. A map of the area to which this data applies is provided in Appendix A.
87. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However,

it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning.

North Somerset's gross individual lower quartile annual earnings were £16,096 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £32,192.

88. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

89. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
90. AECOM has determined thresholds for the income required in Portishead to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
91. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
92. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.
93. The same information is presented as a graph in Figure 4-22 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-3: Affordability thresholds in Portishead (income required, £)

Tenure	Mortgage Value (£k)	Rent (£k)	Income required	Affordable on mean incomes? £46,833	Affordable on LQ 1 incomes? £16,096	Affordable on LQ 2 incomes? £32,192
Market Housing						
Median House Price	£315,000	-	£90,000	No	No	No
LA New Build Mean House Price	£308,318		£88,091	No	No	No
LQ/Entry-level House Price	£245,250	-	£70,071	No	No	No
Average Market Rent	-	£11,375	£37,915	Yes	No	No
Entry-level Market Rent	-	£10,747	£35,824	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£220,500	-	£63,000	No	No	No
First Homes (-40%)	£189,000	-	£54,000	No	No	No
First Homes (-50%)	£157,500	-	£45,000	Yes	No	No
Shared Ownership (50%)	£157,500	£4,375	£59,583	No	No	No
Shared Ownership (25%)	£78,750	£6,563	£44,375	Yes	No	No
Shared Ownership (10%)	£31,500	£7,875	£35,250	Yes	No	Marginal
Affordable Rented Housing						
Affordable Rent	-	£6,484	£25,938	Yes	No	Yes
Social Rent	-	£5,100	£20,399	Yes	No	Yes

Source: AECOM Calculations

94. Survey results from the local Homes survey also indicate a significant affordability gap for many, with the majority of survey respondents reporting being able to afford purchasing a home worth £200,000-300,000 and many being able to afford a more expensive home, but a considerable number also able to afford less. In the rental market, the affordability gap reported through the Homes survey was even more considerable. The majority of respondents to whom the question of rent affordability was applicable reported that they could not afford the median rent for a one – two bedroom flat.
95. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely

on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

96. Thinking about housing for purchase on the open market, it appears that local households on average incomes are undeniably unable to access even entry-large homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £90,000, which is almost twice that of the current average income in Portishead (46,833).
97. Private renting is generally affordable to average earners and even those with slightly below average earnings. However, households made up of one, or even two lower quartile earners still cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

98. There is a relatively large group of households in Portishead who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,824 per year (at which point entry-level rents become affordable) and £88,091 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
99. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
100. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In Portishead, a discount of 30 or 40% would be insufficient to make home ownership an affordable option for those on average incomes or below. A 50% discount, which is the highest possible discount level that can be applied to First Homes, would be sufficient for those on average incomes in Portishead, as a path to home ownership. However, even with a 50% discount, the income required (£45,000) is very close to the average in Portishead (£46,833).
101. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table

above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below. As can be seen, the minimum discount required for those on average incomes could potentially be accommodated within the limit of a maximum 50% discount. However, for those households on one or two lower quartile incomes, even with the maximum discount and the lowest house price assumption (neighbourhood area entry-level re-sale house prices), First Homes are not an affordable path to home ownership.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	48%	82%	64%
LA New build mean house price	47%	82%	63%
NA Entry-level house price	33%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

102. Shared ownership appears to be slightly more affordable than First Homes, but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹² If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
103. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view. Regardless, while a 10-25% share is affordable on average Portishead household incomes, none of these shared ownership options are affordable to those households on one or two lower quartile incomes.

¹² The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

104. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless it is shared ownership at 10% equity.

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

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

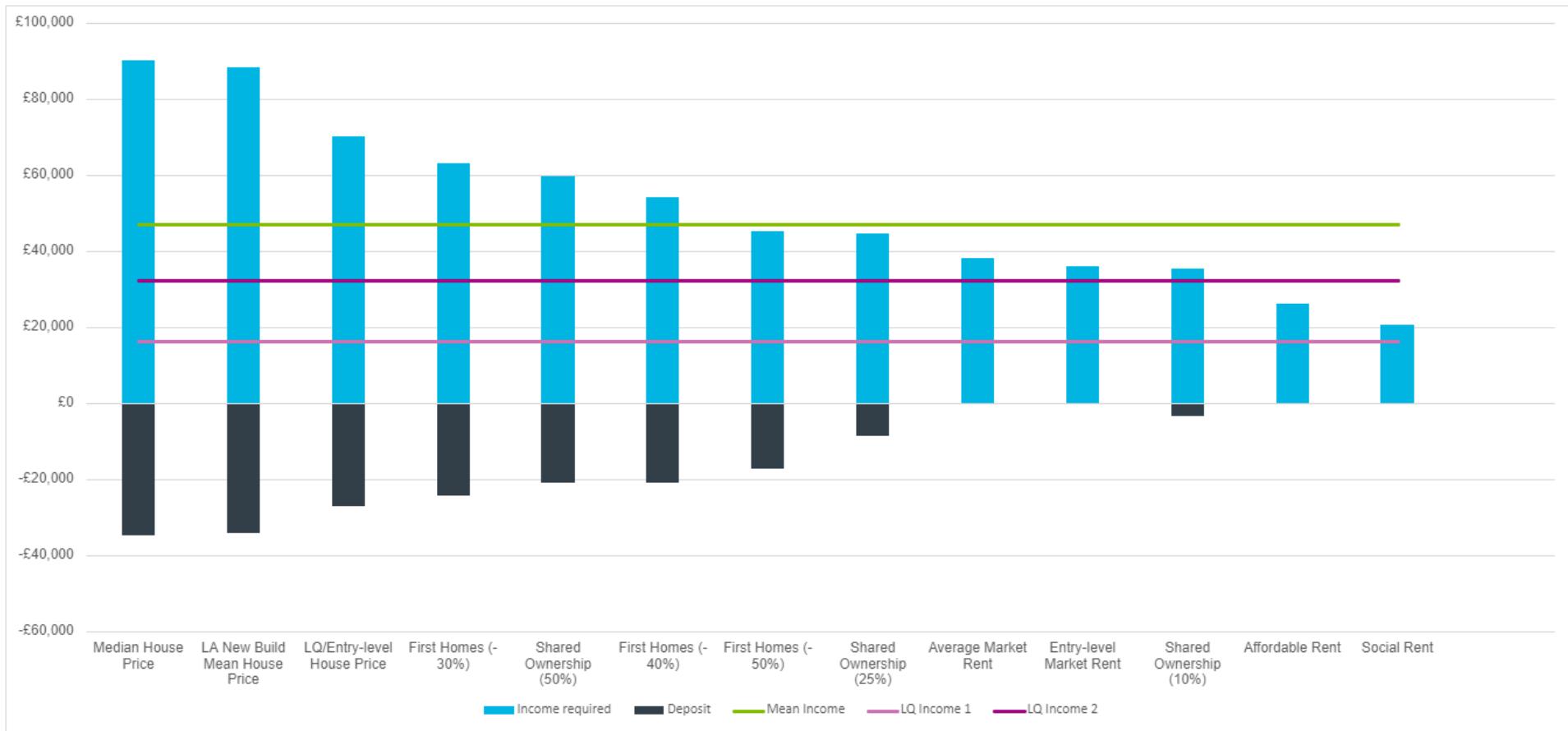
106. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 10-25% equity share, and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, with rent to buy particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. However, none of the routes to home ownership are affordable to households on lower quartile incomes.

Affordable rented housing

107. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units without resource to benefits. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

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

Figure 4-2: Affordability thresholds in Portishead, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

109. The starting point for understanding the need for affordable housing in Portishead is the relevant Strategic Housing Market Assessment (SHMA). A SHMA in two Volumes was undertaken for the Wider Bristol Housing Market Area (HMA) in 2018-2019. The SHMA established an Objectively Assessed Need (OAN) of 87,000 dwellings for the Wider Bristol HMA (the combined area of Bristol, North Somerset and South Gloucestershire), over the 20 year period from 2016-2036.

110. This included a total need for affordable housing of 26,900 dwellings across the Wider Bristol HMA, equivalent to an average of 1,345 dwellings per year, based on analysis of the participating Councils' waiting list and analysis of other data sets in line with Planning Practice Guidance at the time (PPG March 2015 ID 2a-021). Thus, affordable housing makes up 31% of the total need.

111. Additional, slightly more recent data, can also be taken from the emerging Local Plan Housing Requirement Paper published in 2021, which states that the new standard method output for North Somerset is a housing need of 1,339 units per year, or 20,085 over the 15 year plan period to 2038. This can be compared to an average completions rate of 1,049 between 2008/9-2019/20. However, this paper does not calculate affordable housing need separately.

112. The SHMA identifies the need for 4,640 additional affordable homes in North Somerset 2016-2036 (equivalent to 232 units per year). It does not go down to the level of data of giving a figure for Portishead individually. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents:

- 3,240 (roughly 70%) of the total 4,640 units needed are for those who cannot even afford target social rent without recourse to benefits;
- 310 units (6.7%) are needed for those who can afford target social rent based on their income;
- 170 (3.6%) for those who afford affordable rent; and
- 930 units (about 20%) for those who can afford shared ownership.

113. When the SHMA figures are pro-rated to Portishead based on its fair share of the population (11.7% of the LPA's population), this equates to 27 homes per annum or 461 homes over the Neighbourhood Plan period 2021-2038. If it is assumed that affordability is similar to across North Somerset, this would equate to:

- 77% for those needing social rent: equating to about 21 homes per annum (353 over the plan period);
- 3.6% needing affordable rent: just under 1 home per annum (16 over the plan period); and

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- 20% able to afford shared ownership: 5 homes per annum (92 over the plan period).

114. It is worth noting that pro-rating SHMA figures from the district to the parish level may be more or less accurate, depending on the distribution of affordable housing need across the local authority area.

115. In the case of Portishead, AECOM have not been able to calculate a separate affordable rented housing need on the basis of waiting list data, as the local authority has not provided this at a NA level. To enable a comparison, MHCLG Local authority housing statistics data returns (households in priority need), pro-rated for the NA, shows that there are currently about 146 households in Portishead unable to access affordable rented homes suitable to their needs. This demonstrates a fairly considerable backlog of need.

116. Turning to Affordable Housing providing a route to home ownership, in addition to the figure pro-rated from the SHMA, Table 4-5 below makes an alternative estimate of the potential demand in Portishead, to offer a means of comparison. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

117. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.¹³ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

118. The result of the calculation is that up to as many as 49.7 households per annum may be interested in affordable home ownership in Portishead (or 802 for the entirety of the Plan period).

119. This assumes a rate of turnover in the existing stock will satisfy some need, although this is extremely minimal because of the lack of shared ownership in the NA currently (only 129 of 10,355 households in the 2011 Census were accommodated in a shared ownership property, equating to 1.2%).

120. It is important to keep in mind that this figure should be seen as the upper end of a range of estimated need. We have not been able to assess how many of the households potentially interested in this tenure category can realistically afford it. It is also important to remember that the households identified in this

¹³ <http://www.ipso-mori-generations.com/housing.html>

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estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-5: Estimate of the potential demand for affordable housing for sale in Portishead

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	1492.0	Census 2011 number of renters * national % increase to 2018
1.2 Percentage renters on housing benefit in LA	25.2%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in NA	376.4	Step 1.1 * Step 1.2
1.4 Current need (households)	836.7	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	49.2	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	1546.8	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	9.2%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	142.2	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	10.9	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	208.5	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	10.4	Step 3.1 * 5% (assume rate of resale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	49.7	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	801.8	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC (formerly MHCLG) 2018 based household projections and net additions to

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affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

121. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
122. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.
123. Another interesting source of data on tenure is the local Homes survey. Here, 58 Portishead respondents reported looking for market housing for sale, while 35 people were looking for various rental or shared ownership options. The latter group, particularly those looking for shared ownership, generally reported more dissatisfaction with the Portishead housing market. The latter group included 14 respondents looking for affordable or social rent, 12 for market rent, and 8 for shared ownership.

Additional SHMA findings

124. The Wider Bristol SHMA Volume 1 2018 shows the trends on the housing register since 2001 across the local authority and also the wider HMA. The number of households on the housing register from 2001 to 2017 for North Somerset have remained at a relatively steady level over the same period, albeit with some ebb and flow between these dates (4,000 households in 2001, 3,700 in 2017). This would indicate that affordable housing need is arising about as quickly as it is replenished.
125. However, the criteria for joining the housing register changed, as a result of national policy changes, following the Localism Act. Only people with a local connection now qualify for the housing register, and people with adequate financial resources (including owner occupiers) are no longer included. Therefore, the number of households on the waiting list has to be understood in this context. Thus, it is likely that the number of those in need of affordable housing actually increased between 2001-2017. The SHMA also considers it likely, based on the data it has gathered, that many households have not registered for affordable housing despite being overcrowded in their current accommodation, either because they are not eligible, or because their overcrowding issues are temporary.
126. The likelihood of this is supported by the fact that very few respondents to the local Homes survey in Portishead (only 4 respondents) said that they were on the Council's Housing Register. 3 further respondents indicated that they wished to be added to the register.

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127. The SHMA concurs that across North Somerset, affordability has been worsening; house prices have been increasing; and that there is a wide income range that could benefit from Affordable Home Ownership products if these could be provided at an appropriate price.
128. The extent of the affordable housing need evidenced in the SHMA is substantial. It suggests that across the HMA, affordable housing need could exceed the overall housing need if the full extent of both rented affordable housing (22%) and affordable home ownership (78%) were counted.

Affordable Housing policy guidance

129. North Somerset's adopted Core Strategy policy on this subject (CS16 Affordable housing) does not require a fixed percentage of all new housing to be affordable. The capacity of a site to deliver affordable housing is to be determined by individual site viability analysis and through negotiation. While the policy sets no upper limit to the potential affordable housing provision or contribution, a benchmark of 30% is sought as a starting point. The target is for the delivery of 150 affordable homes per annum across the local authority area.
130. Given that Affordable Housing delivery was 1,835 in 2006/7-2019/20 (131 units per annum), out of a total 11,307 homes delivered¹⁴, i.e. 16%, with delivery of both total and affordable homes falling consistently short of the Core Strategy targets, it is understood that delivery is likely to be well below the 30% benchmark. Furthermore, while there is no affordable housing delivery data for Portishead, total completions data from the Authority Monitoring Report does shows delivery data for housing in Portishead, detailing 228 net housing completions in 2019/20 and 63 in 2018/19, thus demonstrating recent low levels of housing completions overall in the NA (earlier reports are not published online and available only on request from North Somerset Council).
131. The new Local Plan is not yet at a stage of setting a new percentage requirement, but consultation is indicating that more affordable housing is needed than has been built over the past years. As shown above, the SHMA Volume 2 2019 suggests that housing need for North Somerset is for approximately 77% social rent; 3.6% affordable rent, and 20% shared ownership, so roughly 80% rented affordable tenures and 20% affordable housing for sale. Across the HMA, affordable housing need is estimated at 31% of total housing need by the SHMA. The SHMA evidence will go on to inform the new Local Plan to 2038 as it evolves, and therefore gives an indication of likely future affordable housing requirements.
132. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for

¹⁴ See the North Somerset Authority Monitoring Report 2020, available at [Microsoft Word - Draft AMR 2020 \(n-somerset.gov.uk\)](https://n-somerset.gov.uk)

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Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.

133. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is set by the currently adopted Core Strategy as 82% social rented housing and 18% intermediate housing. This may yet change on the basis of more up to date information, as the new Local Plan to 2038 is drafted. Based on the SHMA, it is likely to be around 80% rented and 20% for sale tenures.
134. This HNA can further supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Portishead specifically.
135. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Portishead requires roughly 361 (353+16) units of affordable rented housing and between 92 and 800 units of affordable home ownership over the Plan period. Note that the 800 figure is an expression of unconstrained or potential demand and does not account for constraints such as the availability of land, viability or how many households would be able to realistically afford this option. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

Using the lower end of range for affordable housing for sale need (92 units), the relationship between these figures suggests that approximately 80% of Affordable Housing should be rented and 20% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership. At the same time, the latter figure is the bottom end of a potentially much more extensive range of need for affordable routes to home ownership.

If the quantity of new housing overall were unlimited, and the upper end of the range of affordable housing for sale need for used (800 units), a much higher percentage of affordable housing for sale could be seen an appropriate (this could be as much as 70% affordable housing for sale versus 30% affordable housing for rent). However, this is not likely and also not strictly necessary.

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- B. Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

If the Local Plan benchmark target of 30% were achieved on every site, and the currently adopted HRF of 440 were delivered in Portishead, up to around 132 affordable homes might be expected in the NA. If the majority of Portishead's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings for on-site affordable requirements or 5 dwellings for financial contributions, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This is entirely insufficient to satisfy even the lower end of the range of potential demand for Affordable Housing in Portishead identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. Given historically low delivery rates across the local authority area and in Portishead specifically, delivery overall may be limited, further justifying the prioritization of affordable rented accommodation. The 82% rented and 18% ownership guideline mix in the adopted Core Strategy, or the 80/20 tenure split suggested by the more recent SHMA evidence, may continue to offer an appropriate benchmark until the new Local Plan has progressed further.

- C. Government policy (e.g. NPPF) requirements:** Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in North Somerset, where a benchmark 30% of all housing should be affordable, 33% of Affordable Housing should be for affordable ownership. This does not comply with the guideline tenure split sought in the Local Plan.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is evidence that delivery 10% or more of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes, due to the low overall housing requirement figure and even lower delivery rates. Therefore, unless the NA is given a higher HRF, a higher percentage of affordable housing for rent would be more appropriate to address the most urgent needs.

- D. Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 82% rented to 18% sold, and an 80/20 split is suggested in the more recent SHMA evidence.

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

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

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

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

- F. Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.

- G. Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. Existing tenure mix in Portishead:** Currently in Portishead there is a limited, but not very low amount of affordable housing supply, with 129 households (1.2%) living in shared ownership accommodation and 853 (8.2%) in social rented homes. This suggests that some affordable housing need may be addressed through re-lets, but some further provision of Affordable 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 to the area (note that the desire to provide affordable housing for Portishead's young people so that they do not need to move outside the area came through strongly in the local Homes survey comments).

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- I. **Views of registered providers:** It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
 - J. **Wider policy objectives:** The neighbourhood planning group may wish to take account of broader policy objectives for Portishead and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
136. On the basis of the considerations above, Table 4-6 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
137. This indicative mix is partially a response to the expectation that the delivery of Affordable Housing will be significantly lower than the needs identified here. In this context, affordable rented tenures should be prioritised. However, some affordable housing for sale should also be provided, as the potential need for this is extensive, even if less urgent, and because of the stipulations of national policy. The Local Plan guideline mix of 82% rented to 18% ownership appears to offer a suitable benchmark and is also close to the SHMA suggested 80/20 split. However, these splits do not comply with the various minimum requirements mandated nationally. Therefore, the affordable housing for sale requirement was increased to 33%, to accommodate national requirements, leaving 67% to be provided as affordable homes for rent.
138. It is possible that North Somerset Council is essentially claiming an exception to the NPPF requirements based on the severity of need for affordable rented housing and this exception could potentially hold for Portishead additionally. However, it is not in this report's scope to comment on this and a mix within the national minimum requirements is considered the most robust option.
139. Since Rent to Buy appears to be the most affordable, followed by shared ownership at 25%, followed by First Homes at 40-50% discount, these tenures were given according priority within the affordable housing for sale provision. However, as First Homes are required by government to make up 25% of all affordable homes, this makes up the largest part of for sale provision.
140. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
141. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of

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detail around sub-tenures, it is important that they liaise with North Somerset to gather more detailed income and viability information, and to ensure that departures from the local policy context have the their support.

142. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-6: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	33%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	3%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	67%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

143. In terms of Portishead's current tenure profile, ownership remains the most common category however private renting saw very significant growth over the intercensal period of 316%. Overall, owner occupation is still by far the largest sector in 2011, as it was in 2001. By 2011 though, private renting had increased to such an extent that it is clearly the second largest sector, whereas in 2001, social renting was still the second most common tenure. All of the sectors have grown in absolute terms, but private renting has grown the most.

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144. House prices have seen considerable broad based growth over recent years in Portishead. All types have seen over 50% price growth, and median growth was 71%, although this is influenced by changing proportions of sales by type over time.
145. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA. The first source is ONS's estimates of incomes in small areas. The average total household income before housing costs locally was £46,833 in 2018. The second source is ONS's annual estimates of UK employee earnings. North Somerset's gross individual lower quartile annual earnings were £16,096 in 2018. To estimate the income of households with two lower quartile earners, this figure is doubled to £32,192. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.
146. Thinking about housing for purchase on the open market, it appears that local households on average incomes are undeniably unable to access even entry-large homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income of £90,000, which is almost twice that of the current average income in Portishead (46,833).
147. Private renting is generally affordable to average earners and even those with slightly below average earnings. However, households made up of one, or even two lower quartile earners still cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.
148. There is a relatively large group of households in Portishead who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,824 per year (at which point entry-level rents become affordable) and £88,091 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
149. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. In Portishead, a discount of 30 or 40% would be insufficient to make home ownership an affordable option for those on average incomes or below. A 50% discount, which is the highest possible discount level that can be applied to First Homes, would be sufficient for those on average incomes in Portishead, as a path to

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home ownership. However, even with a 50% discount, the income required (£45,000) is very close to the average in Portishead (£46,833).

150. Shared ownership appears to be slightly more affordable than First Homes, but is broadly accessible to the same groups. While a 10-25% share is affordable on average Portishead household incomes, none of these shared ownership options are affordable to those households on one or two lower quartile incomes.
151. The income required to access rent to buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are less affordable options, unless it is shared ownership at 10% equity.
152. In conclusion, all of these products would provide valuable to different segments of the local population, with shared ownership at a lower than 10-25% equity share, and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, with rent to buy particularly helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. However, none of the routes to home ownership are affordable to households on lower quartile incomes.
153. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units without resource to benefits. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
154. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Portishead as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.
155. Table 4-7 below summarises Portishead's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in

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this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-7: Estimated delivery of Affordable Housing in Portishead

	Step in Estimation	Expected delivery
A	Provisional capacity figure	440
B	Affordable housing guideline quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	132
D	Rented % (e.g. social/ affordable rented)	67%
E	Rented number (C x D)	88
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	33%
G	Affordable home ownership number (C x F)	44

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

156. This expected level of delivery evidently falls short of the quantity of demand identified in estimates of the need for affordable housing, both for sale and for rent. This is largely due to the low HRF and low past delivery rates rather than the anticipated tenure split. The policy requirement should therefore be met wherever possible, and further avenues for delivering greater quantities of Affordable Housing (such as exception sites) should be explored.
157. Affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given historically low delivery rates across the local authority area and in Portishead specifically, delivery overall is likely to be limited. The 82% rented and 18% ownership guideline mix in the adopted Core Strategy, or the 80/20 tenure split suggested by the more recent SHMA evidence, may continue to offer an appropriate benchmark until the new Local Plan has progressed further.
158. It is not recommended that the Local Plan policy benchmark requirement of 30% be exceeded in the neighbourhood plan, unless a revised requirement is supported by North Somerset Council on the basis of SHMA evidence and the direction of the emerging Local Plan and associated Whole Plan Viability assessment, once this is undertaken. This is because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required to contravene the Local Plan, which goes

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beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

159. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing. These should be discussed with the local authorities, if this is of interest.

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

Introduction

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

Existing types and sizes

Background and definitions

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

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Census returns on whether people's accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

166. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA, especially as no completions data is available from the local authority for Portishead. Therefore, a combination of Census figures and Valuation Office Agency (VOA) data has been used in this section.

Dwelling type

167. The below presents a comparison between Census 2011 data and more recent VOA data from 2020. While this comparison has its limitations (because Census data counts bungalows within each of the other categories rather than independently and because the Census data relates to a slightly larger proxy area), it is still useful to demonstrate some of the trends. Bungalows are captured as part of detached and semi-detached properties, which explains the apparent decline in detached properties (this indicates that it is likely that many of the bungalows in Portishead are detached).

168. Flats clearly account for the largest part of the increase in homes in the area. 495 total additional homes are captured in the 2020 VOA data compared to the 2011 Census, while an additional 787 flats show between the 2011 and the 2020 data; this indicates that mostly flats have been built and that some houses may also have been converted to flats.

Table 5-1: Accommodation type, Portishead, 2011 and 2020

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	1,090
Flat	2,313	3,100
Terrace	1,484	1,590
Semi-detached	1,511	1,960
Detached	4,266	3,210
Unknown/other	-	180
Total	10,635	11,130

Source: ONS 2011, VOA 2020, AECOM Calculations

169. Looking at the VOA data in 2020 in more detail, Portishead has a slightly higher proportion of flats at one end of the spectrum, and of detached houses as the other end, than the rest of North Somerset or the rest of the country. Conversely, it has a slightly lower proportion of semi-detached and terraced

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houses. Portishead's proportion of bungalows is lower than across North Somerset, but similar to the rest of England.

170. Detached houses and flats are the two most common dwelling types in the NA, whereas across the district they are detached and semi-detached, and across the country, terraced and semi-detached houses.

Table 5-2: Accommodation type, various geographies, 2020

Dwelling type	Portishead	North Somerset	England
Bungalow	9.8%	12.9%	9.4%
Flat	27.9%	21.3%	23.0%
Terrace	14.3%	16.9%	26.4%
Semi-detached	17.6%	23.3%	23.8%
Detached	28.8%	23.3%	15.9%
Unknown/other	1.6%	2.3%	1.4%

Source: VOA 2020, AECOM Calculations

171. This greater proportion of flats and detached houses in Portishead compared to other areas was already the case in 2011. However, in 2011, while making up a greater proportion of dwellings than across the district and country, flats did not yet constitute the second most common dwelling type (that was semi-detached houses).

Table 5-3: Accommodation type, Portishead, 2011

Dwelling type	Portishead	North Somerset	England
Whole house or bungalow	Detached	40.1%	33.2%
	Semi-detached	23.6%	30.0%
	Terraced	14.0%	15.8%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	19.2%	12.4%
	Parts of a converted or shared house	2.0%	7.0%
	In commercial building	0.5%	0.9%

Source: ONS 2011, AECOM Calculations

Dwelling size

172. As there is no completions data available for Portishead from the local authority, the below shows Census data from 2011 and 2020 VOA data for comparison.
173. While the VOA data is much more up to date and helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms), it is less accurate in other respects. The VOA data is rounded to the nearest ten for each dwelling category, records a number of properties with an

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unknown number of rooms, and the newest data available is for 2020 – which misses any homes completed in the last year. However, in the absence of up to date completions data from the local authority, it still offers some chances of comparison and for observing trends.

174. In 2011, Portishead appears to have had a lower proportion of studios, one-, two-, and three-bedroom properties available than across North Somerset or England. The only category in which Portishead had a higher proportion was four- bed properties. Therefore, properties in Portishead were comparatively large.

Table 5-4: Number of bedrooms in household spaces in Portishead, 2011

Bedrooms	Portishead		North Somerset		England	
All categories: no. of bedrooms	10,355	100.0%	88,227	100.0%	22,063,368	100.0%
No. bedrooms	10	0.1%	177	0.2%	54,938	0.2%
1 bedroom	871	8.4%	8,626	9.8%	2,593,893	11.8%
2 bedrooms	2,499	24.1%	22,920	26.0%	6,145,083	27.9%
3 bedrooms	3,585	34.6%	33,659	38.2%	9,088,213	41.2%
4 bedrooms	2,852	27.5%	18,064	20.5%	3,166,531	14.4%
5 or more bedrooms	538	5.2%	4,781	5.4%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

175. There have been some changes since 2020.

Table 5-5: Dwelling size (bedrooms), Portishead, 2011 and 2020

Number of bedrooms	2011 (Census)	2020 (VOA)
Studio	10	-
1	871	970
2	2,499	3,030
3	3,585	3,900
4+	3,390	3,000
Unknown	-	10
Total	10,355	10,910

Source: ONS 2011, VOA 2020, AECOM Calculations

176. The proportion of one-bedroom homes appears to be closer to that across North Somerset now. The proportion of two-bedroom homes has increased the most, and is now comparable across all three geographies. Additional three-bedroom properties also appear to have been added to the supply, but the resulting mix still shows fewer of these than across North Somerset or England. This ties in well with the fact, discussed above, that the most homes built since 2011 appeared to be flats.

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177. The absolute number of 4+ bedroom homes has actually declined, which also indicates some conversions of larger homes to flats. However, the proportion of 4+ bedroom homes has remained high in comparison with the rest of the district and country. This again fits in with the data on dwelling types, showing a high proportion of detached homes (likely that many of these have 4+ bedrooms) and a growing number of flats (more likely to be smaller).

Table 5-6: Dwelling size (bedrooms), various geographies, 2020

Number of bedrooms	Portishead	North Somerset	England
1	8.9%	9.8%	12.0%
2	27.8%	27.3%	27.7%
3	35.7%	40.1%	43.0%
4+	27.5%	22.2%	15.2%

Source: VOA 2020, AECOM Calculations

178. Therefore, in line with both sets of data, the key shortage is likely to be of smaller and medium size homes. While recent development appears to have improved some of these imbalances by the construction of or conversion into 1, 2, and 3 bedroom homes (mostly flats), the key difference that remains is that there are substantially fewer three bedroom homes in Portishead and fewer terraced and semi-detached houses. These categories together denote the types of medium sized homes that could appeal to young families.

Age and household composition

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

Age structure

180. Table 5-7 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. In the Census, the two largest age groups, together making up the majority (54%) of the Portishead population, were the two “middle” age categories, which together include those aged 25-64 years. Young children under the age of 15, and those between pension age (65) and 84, were the two next largest categories, each accounting for 19 and 16% respectively. Older teenagers and young adults (16-24 years olds) made up 8% of the population, and those aged over 85, make up 3%.

181. The 2019 estimates, while showing slightly different percentages, largely still show the same trends, with the same age group ranking from largest to smallest. The largest percentage difference increase is in the 65-84 year age category which grew by 3.7%, while the 25-44 year age category declined by the same amount. All other differences are very minor, with a less than 1% difference from 2011-2019.

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182. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
183. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

Table 5-7: Age structure of Portishead population, 2011 and 2019

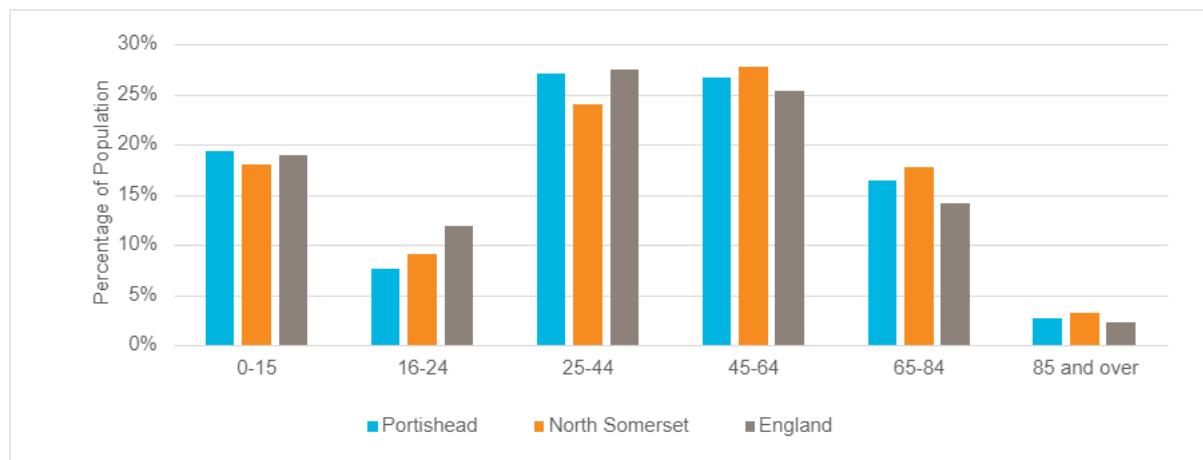
Age group	2011 (Census)	2019 (ONS, estimated)		
0-15	4,594	19%	5,271	19.9%
16-24	1,804	8%	1,877	7.1%
25-44	6,420	27%	6,191	23.3%
45-64	6,332	27%	7,187	27.1%
65-84	3,909	16%	5,218	19.7%
85 and over	640	3%	791	3.0%
Total	23,699	100%	26,535	100%

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

184. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the NA population has an extremely similar population age profile to that of the district and the country as a whole.
185. The only very minor differences are that Portishead has a slightly lower percentage of 16-24 year olds (1 percentage point less than across North Somerset and 4 percentage points less than across England); 3 percentage points more 25-44 year olds than across North Somerset (although the percentage across England was the same as for Portishead); and 2 percentage points more 65-84 year olds than across the country (although here, the difference was actually 1 percentage point less than across the district). All other categories either show the same percentage as across the district or country, or a maximum 1 percentage point difference. However, overall, the age structure is very similar across all three geographies.

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Figure 5-1: Age structure in Portishead, 2011



Source: ONS 2011, AECOM Calculations

Household composition

186. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-8 shows that Portishead's population is largely made up of one family households, with fewer one person or 'other' households (the latter category includes households such as flatshares).
187. In this, the population profile is again very similar to the rest of the district and country, with the only difference being that Portishead has an even more pronounced predominance of one family households compared to other household compositions than across the larger geographies. Within these categories, Portishead also has a slightly higher proportion of single family households with dependent children and without children; and a slightly lower proportion of all other households, including one person households, particularly of those aged 65 or over; households with children where all these children are non-dependent; and households in the category of 'other household types'. Family households aged 65 and over make up a similar percentage of households as across North Somerset, but a higher percentage compared to England as a whole. However, overall, the household compositions are very similar across all three geographies.
188. Single young people under 25 and a small sample of older single people expressed particular dissatisfaction with the Portishead housing situation, according to the results of the local Homes survey. This could, at least partially, indicate a lack of suitable accommodation for one person households.
189. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own

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households. While the data is quite old at this point, it is interesting to observe that this category is rather small in Portishead, but that it grew by 12% between 2001 and 2011 in the parish – which is slightly higher growth than across the country and district average (11% and 9% growth), but not a very pronounced difference.

190. The single largest change from the 2001-2011 Census was a considerable growth in one person households under the age of 65 (an 85% increase), while this category only increased by 34% and 23% respectively across the two larger geographies. Families with dependent children were the category which registered the second largest growth between 2001-2011 (46%), while this category only grew by a very modest 7% and 5% across the country and district.

191. Portishead certainly appears to have a population which is skewed towards families in the middle age groups and with younger, dependent children, with this trend strengthening in the intercensal period.

Table 5-8: Household composition, Portishead, 2011

Household composition		Portishead	North Somerset	England
One person household	Total	29.2%	30.7%	30.2%
	Aged 65 and over	13.3%	14.2%	12.4%
	Other	15.9%	16.5%	17.9%
One family only	Total	66.9%	64.5%	61.8%
	All aged 65 and over	10.5%	11.0%	8.1%
	With no children	21.9%	19.7%	17.6%
	With dependent children	27.5%	25.5%	26.5%
	All children Non-Dependent ¹⁵	7.0%	8.3%	9.6%
Other household types	Total	3.9%	4.8%	8.0%

Source: ONS 2011, AECOM Calculations

i) Occupancy ratings

192. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA.

193. Data on occupancy ratings can be interesting to look at particularly in areas where there is a lot of larger housing and an unmet need for downsizing. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1

¹⁵ Refers to households containing children who are older than 18 e.g students or young working people living at home.

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or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

194. In Portishead, nearly half of all households (48%) live in a home with two or more spare bedrooms, and the vast majority (82%) live in a home with at least one spare bedroom. Only 1% of Portishead parish households were over-occupying their homes. This applies to the over 65s as well as to other age categories. While over 65s generally appear to be more likely to have 2 or more spare bedrooms, if the categories for 1 and 2+ spare bedrooms are added together, they are not particularly more likely to under-occupy than other age groups. Overall, single family households in Portishead are more likely to under-occupy than one person or other households. Within the one family category, the most likely to under-occupy are couples with no children and households aged 65 or over (of these, 98-90% have more than 1 bedroom). Conversely, the most likely to over-occupy their home/ be over-crowded are lone parents and 'other household types' with dependent children. This suggests that the larger housing isn't necessarily being occupied by households with the most family members, but by the people with the most wealth (such as couples without children) or by older people who have not chosen or be able to move to smaller properties.
195. In the report summarising the results of the local Homes survey, roughly half of all respondents were contemplating moving in the coming five years, and many respondents reported looking for more space or more bedrooms, while others reported looking to downsize.

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Table 5-9: Occupancy rating by household composition in Portishead parish, 2011¹⁶

Household Composition		+2 rating	+1 rating	0 rating	-1 rating
All	All households	48%	34%	17%	1%
One person household	Total	39%	38%	23%	0%
	Aged 65 and over	41%	34%	25%	0%
	Other	37%	42%	21%	0%
One family only	Total	54%	32%	14%	1%
	Aged 65 and over	71%	25%	4%	0%
	Married or same-sex civil partnership couple: Total	59%	30%	10%	1%
	Married or same-sex civil partnership couple: No children	82%	16%	2%	0%
	Married or same-sex civil partnership couple: Dependent children	44%	39%	15%	1%
	Married or same-sex civil partnership couple: All children non-dependent	42%	39%	17%	2%
	Cohabiting couple: Total	41%	41%	17%	1%
	Cohabiting couple: No children	49%	42%	10%	0%
	Cohabiting couple: Dependent children	28%	41%	28%	3%
	Cohabiting couple: All children non-dependent	22%	30%	44%	4%
	Lone parent: Total	17%	35%	41%	6%
	Lone parent: Dependent children	15%	33%	45%	7%
	Lone parent: All children non-dependent	24%	40%	34%	2%
Other household types	Total	20%	36%	34%	10%
	With dependent children	15%	34%	29%	23%
	Other (including all full-time students and all aged 65 and over)	22%	37%	36%	5%

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

¹⁶ Available at [Nomis - Official Labour Market Statistics - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)](https://nomisweb.co.uk/)

Dwelling mix determined by life-stage modelling

b) Suggested future dwelling size mix

196. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

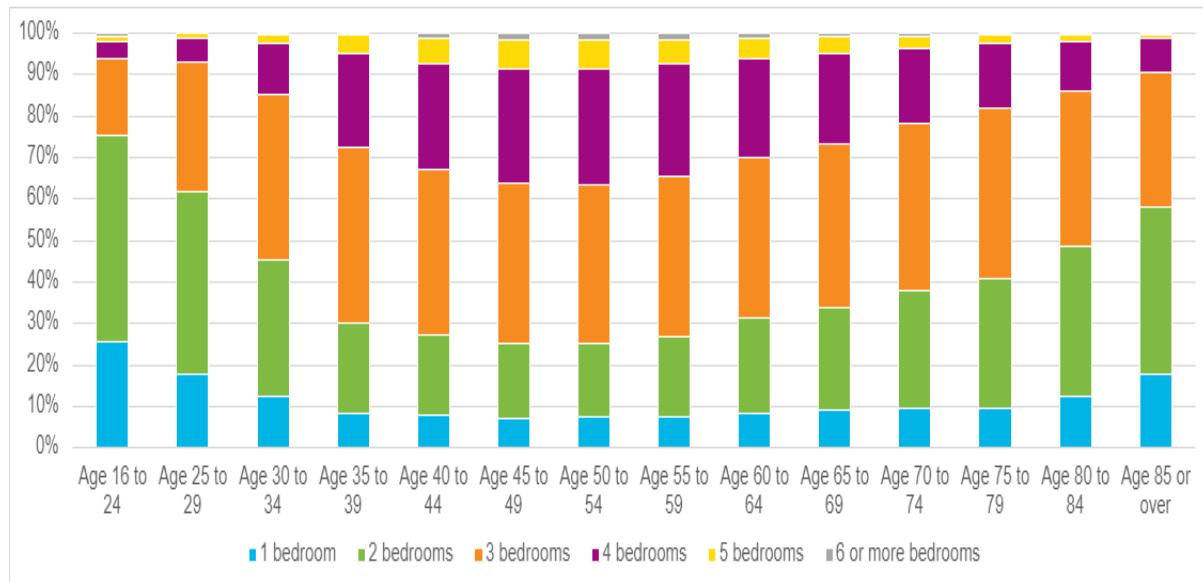
- The starting point is the age distribution of Portishead households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older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

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- Finally, this ‘ideal’ future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
197. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they ‘need’. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
198. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
199. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
200. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for North Somerset in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age. This is a trend that can be observed in all geographies. However, it is worth noting that, as across the rest of the country, older households in North Somerset do not tend to return to living in homes as small as those occupied by the youngest households. As such, homes of 3 or more bedrooms continue to make a larger proportion of the homes occupied by the over 80s than those occupied by the households with a younger reference person under 30.

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Figure 5-2: Age of household reference person by dwelling size in North Somerset, 2011



Source: ONS 2011, AECOM Calculations

201. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Portishead households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-10 below makes clear that population growth can be expected to be driven by the oldest households, with a reference person aged 65 and over. This age group is projected to grow by 54% from 2011 to the end of the NP period in 2038. The other age groups are largely projected to grow at similar, lower rates of between 9-12%.

Table 5-10: Projected distribution of households by age of HRP, Portishead

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	170	1,269	4,121	1,797	2,998
2038	186	1,380	4,575	2,019	4,624
% change 2011-2038	9%	9%	11%	12%	54%

Source: AECOM Calculations

202. The final result of this exercise is presented in Table 5-11 below. The model suggests that what is most needed to be built in Portishead over the plan period is 3 bedroom properties (48%), followed by 2 bedroom properties (32%); plus a smaller amount of 1 bedroom properties (15%); a very small amount of very large properties with 5 bedrooms or more; and that there is no need for more 4 bedroom properties in the NA.

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Table 5-11: Suggested dwelling size mix to 2038, Portishead

Number of bedrooms	Current mix (2011)	Target mix (2038)	Balance of new housing to reach target mix
1 bedroom	8.4%	10.0%	14.9%
2 bedrooms	24.1%	26.3%	31.6%
3 bedrooms	34.6%	38.3%	48.4%
4 bedrooms	27.5%	20.2%	0.0%
5 or more bedrooms	5.2%	5.3%	5.0%

Source: AECOM Calculations

203. However, it is never advisable to restrict future housing delivery to selected size categories too severely. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
204. For example, the young families mentioned above may need ‘mid-sized’ homes but may not have the sufficient purchasing power. While the NP can promote three- bedroom family homes to be built, it cannot interfere with who ends up occupying this home. While there is no scope for Neighbourhood Planning policy to influence occupancy, and limited scope to influence the more detailed characteristics of new housing, additional guidance and prioritisation could be informed by further primary research.
205. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents’ budgets. Continuing to provide middle sized homes, with two or three bedrooms and suitable for families with children, particularly for those on lower incomes, would help to address this situation.
206. To best meet the needs of the larger cohort of older households aged 65 and over, expected to be present by the end of the Plan period compared to currently, it should be considered whether the existing options are well tailored to older people’s requirements in terms of space, flexibility, quality, location and accessibility. While a larger number of flats has been built since 2011, it is not discernible from the data whether these flats are suitable for and attractive to downsizers, to the extent of encouraging enough of the households under-occupying their larger homes to move.
207. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and smaller (including older) households with substantial equity from their existing larger homes. Facilitating downsizing among under-occupying households may release those larger homes for use by families who need more bedrooms.

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208. That said, it may not be realistic to expect younger, growing families, particularly those on under average incomes, to be able to afford the larger detached homes that are currently most likely to be under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely. The dwelling type and specifications would also be worth thinking of about (so, for example, encouraging more terraced and semi-detached, slightly smaller homes with three bedrooms).
209. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

The SHMA findings

210. The SHMA Volume 1 2018 did not include any significant findings on the subject of type and size for North Somerset, which are not already explored above. The SHMA is not sufficiently detailed to include any information specifically about Portishead.

Conclusions- Type and Size

211. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
212. Flats and detached houses are the most common dwelling types in Portishead, making up a larger proportion of homes in the NA than across rest of North Somerset or the rest of the country. Conversely, the NA has a slightly lower proportion of semi-detached and terraced houses.
213. In terms of dwelling size, properties in Portishead were comparatively large, with a lower proportion of studios, one-, two-, and three-bedroom properties

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available in 2011, and a higher proportion of 4 bed properties than across the two larger geographies.

214. Flats have clearly accounted for the largest proportion of new homes built in Portishead since 2011. Additional one- and two-bedroom properties have eliminated some of the differences between the NA and the district and country. Additional three-bedroom properties have added to the supply, but the resulting mix still shows below average of these in Portishead. The absolute number of 4+ bedroom homes has declined (indicating some conversions). However, the relative proportion of 4+ bedroom homes has remained comparatively high.
215. As regards age structure and household composition, the NA population has an extremely similar profile to that of the district and the country as a whole and this has changed very little since 2011. The two largest age groups, together making up just over half of the Portishead population, were the two “middle” age categories, including those aged 25-64 years. Young children under the age of 15, and those between pension age (65) and 84, were the two next largest categories (approximately a fifth of the population). 16-24 years olds made up 7% of the population, and those aged over 85 only 3%. Portishead’s population is also largely made up of one family households (67%), with fewer one person or ‘other’ households.
216. Households are more likely to under-occupy their home than to be over-crowded in Portishead. Nearly half of all households in the NA (48%) live in a home with two or more spare bedrooms, and the vast majority (82%) live in a home with at least one spare bedroom. Only 1% of the Portishead parish population were over-occupying their homes. While over 65s generally appear to be more likely to have 2 or more spare bedrooms, they are not particularly more likely to under-occupy in general than other age groups. The most likely to under-occupy are couples with no children and households aged 65 or over (98-90% have more than 1 bedroom). The most likely to over-occupy their home are lone parents and ‘other household types’ with dependent children.
217. Looking forward towards the end of the plan period, population growth can be expected to be primarily driven by the oldest households with a reference person aged 65 and over, projected to grow by 54% from 2011 to 2038.
218. Our model suggests that what is most needed to be built in Portishead over the plan period is 3 bedroom properties (48%); followed by 2 bedroom (32%); plus a smaller amount of 1 bedroom properties (15%); a very small amount of very large properties with 5 bedrooms or more. There is no need for more 4 bedroom properties. However, occupancy of these homes by the growing families who need them most, cannot be guaranteed by the NP. Most of all, while prioritising mid-sized homes, a variety of housing should be provided to cater for incomes of different needs, incomes, sizes, and life-stages.
219. In the local Homes survey, 29 respondents indicated they needed a 3 bedroom home, a further 29 were looking for a 2 bedroom home, 25 sought a 4

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bedroom home, 12 respondents were looking for a 1 bedroom home and 7 respondents for a home with 5 or more bedrooms. This paints a very similar picture to our modelling results. Respondents also indicated a preference for detached houses (57 respondents), followed by semi-detached (37 respondents), terraced (23), and flats (21).

6. RQ 3: Specialist housing for older people

RQ3: What provision should be made for specialist housing for older and disabled people over the Neighbourhood Plan period?

Introduction

220. This chapter considers in detail the specialist housing needs of older and disabled people in Portishead. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

221. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing. 3% of respondents to the local Homes survey in Portishead reported contemplating a move from their current home because they were looking for specialist accommodation. When asked what type of specialist accommodation respondents were interested in, of the 17 respondents that were interested, 7 were looking for a bungalow, 4 for market retirement housing, and 3 each for either assisted living or affordable retirement housing.

222. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

223. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic

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Housing for Older People (SHOP) tool,¹⁷ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

224. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall.¹⁸
225. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁹ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

226. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
- 227.
228. Table 6-1 below counts a total of 15 schemes, with 443 units of specialist accommodation in the NA at present. Only one scheme offers extra-care provision in 60 units (so 13.5% of the total number of units available are extra-care). All other units across the different schemes are age exclusive / retirement housing without onsite care. Approximately half of all units on offer are available for leasehold purchase and half for social rent for those in financial need. A small, unspecified number are available for freehold purchase (likely to be the 8 retirement bungalows included in the largest scheme).

¹⁷ Available at

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

¹⁸ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹⁹ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

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229. ONS 2019 population estimates suggest that there are currently around 2,793 individuals aged 75 or over in Portishead. This suggests that current specialist offer of 443 units total, equates to 158.6 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

Table 6-1: Existing specialist housing for the elderly in Portishead

Name		Description	Bed spaces	Type	Tenure
1	Waverley Court	Age exclusive / extra-care housing with on-site care staff 24/7. Range of 1- and 2-bedroom flats and bungalows. 60 extra-care apartments and 8 retirement bungalows.	68	Extra-care housing	Rent (Social Landlord) Leasehold Freehold
2	Stoke Road	4 1-bedroom retirement bungalows.	4	Retirement Housing	Rent (Social Landlord)
3	Woodhill Court	Age exclusive (55+) housing comprised of 37 1-and 2-bedroom flats.	37	Age Exclusive Housing	Rent (Social Landlord)
4	St Peters Lodge	53 1-and 2-bedroom flats with a range of social activities and walking distance services (shop, bus stop, post office, town centre, GP).	53	Retirement Housing	Leasehold
5	Church Close	9 1-bedroom retirement bungalows.	9	Retirement Housing	Rent (Social Landlord)
6	Clockhouse Mews	Residents accepted over 60 years of age for 26 1-and 2-bedroom flats. Easy access to bus stop, post office, shop, town centre, and GP.	26	Retirement Housing	Leasehold
7	Coombe Road	2-bedroom retirement flats and bungalows.	6	Retirement Housing	Rent (Social Landlord)
8	Hanover House	30 1-bedroom retirement flats with regular social activities, shared gardens, and residents' lounge. Residents accepted over 60 years of age.	30	Retirement Housing	Rent (Social Landlord)
9	Mendip Road	15 1- and 2-bedroom retirement bungalows.	15	Retirement Housing	Rent (Social Landlord)

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1 0	Newhaven Place	A range of 1-bedroom flats and bungalows.	13	Retirement Housing	Rent (Social Landlord)
1 1	Orchard Close	A range of 1-and 2-bedroom flats and bungalows.	14	Retirement Housing	Rent (Social Landlord)
1 2	Orchard Close	25 1-and 2-bedroom flats with easy access to bus stop, shop, post office, town centre, and GP. Residents accepted from 60 years of age.	25	Retirement Housing	Rent (Social Landlord)
1 3	Pegasus Court	52 retirement flats of 1- and 2-bedrooms. Accept new residents from 55 years of age. Includes guest facilities, shared lounge, library, garden, kitchen, and laundry.	52	Retirement Housing	Leasehold
1 4	Pembroke Road	A range of 36 studios, 1-bedroom, and 2-bedroom flats.	36	Retirement Housing	Rent (Social Landlord)
1 5	Brunel Court	A range of 1-and 2-bedroom flats accepting residents from 60 years of age. Includes social activities, lounge, gardens, and guest facilities.	55	Retirement Housing	Leasehold

Source: <http://www.housingcare.org>

Tenure-led projections

230. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across North Somerset Council, as this is the most recent and smallest geography for which tenure by age bracket data is available.
231. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2038. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
232. According to Table 6-2 below, the vast majority (83%) of 55-75 year olds in North Somerset own their own home, with most of these owning their home outright, without a mortgage, loan or similar. Renters make up 17% of 55-75 year olds, with about half of them renting from the council or housing association and the other half renting privately. 1% of 55-75 year olds live rent free.

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Table 6-2: Tenure of households aged 55-75 in North Somerset, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
83.0%	58.4%	24.6%	17.0%	8.5%	7.5%	1.0%

Source: Census 2011

233. The next step is to project how the overall number of older people in Portishead is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for North Somerset Council at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below.

234. The over 75 population in Portishead is projected to increase by 74% while the overall population increases by just 19%.

Table 6-3: Modelled projection of elderly population in Portishead by end of Plan period

Age group	2011		2038	
	Portishead (Census)	North Somerset (Census)	Portishead (AECOM Calculation)	North Somerset (ONS SNPP 2018)
All ages	23,699	202,566	28,245	241,421
75+	2,124	20,562	3,705	35,863
%	9.0%	10.2%	13.1%	14.9%

Source: ONS SNPP 2016, AECOM Calculations

235. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). The Portishead local Homes survey found that 3% of respondents were looking to move due to their need for specialist accommodation. However, only 160 residents participated in the survey.

236. The people whose needs are the focus of the subsequent analysis are therefore the additional 1,581 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in North Somerset in 2011 (the smallest and most recent

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dataset to capture households). In 2011 there were 20,562 individuals aged 75+ and 14,112 households headed by a person in that age group. The average household size is therefore 1.457, and the projected growth of 1,581 75+ people in Portishead can be estimated to be formed into around 1,085 households.

237. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4 below. This provides a breakdown of which tenures those households are likely to need.

Table 6-4: Projected tenure of households aged 75+ in Portishead to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
900	633	267	184	92	82	10

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

238. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 below presents this data for Portishead from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

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Table 6-5: Tenure and mobility limitations of those aged 65+ in Portishead, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
All categories: Tenure	4,433	813 18.3%	1,138 25.7%	2,482 56.0%
Owned or shared ownership: Total	3,922	640 16.3%	987 25.2%	2,295 58.5%
Owned: Owned outright	3,477	556 16.0%	884 25.4%	2,037 58.6%
Owned: Owned with a mortgage or loan or shared ownership	445	84 18.9%	103 23.1%	258 58.0%
Rented or living rent free: Total	511	173 33.9%	151 29.5%	187 36.6%
Rented: Social rented	362	134 37.0%	110 30.4%	118 32.6%
Rented: Private rented or living rent free	149	39 26.2%	41 27.5%	69 46.3%

Source: DC3408EW Health status

239. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 490. Of these, slightly more are likely to require retirement accommodation, such as sheltered accommodation. The largest demand is likely to be for sheltered accommodation for market sale, which makes up almost half of projected demand.

240. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

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Table 6-6: AECOM estimate of specialist housing need in Portishead by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	209
	62	147	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	281
	54	227	
Total	117	374	490

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

241. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-7 below reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.
242. In total, the model recommends a provision of 251 units per 1,000 population. Provision in Portishead currently, like in most settlements around the country, is below this level, at 158.6 units per 1,000 of the 75+ population based on 2019 ONS estimates of the 75+ population.

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

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

Source: Housing LIN SHOP Toolkit

243. As Table 6-3 shows, Portishead is forecast to see an increase of 1,581 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 1.581 = 95$
- Leasehold sheltered housing = $120 \times 1.581 = 190$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 1.581 = 32$
- Extra care housing for rent = $15 \times 1.581 = 24$
- Extra care housing for sale = $30 \times 1.581 = 47$
- Housing based provision for dementia = $6 \times 1.581 = 9$

244. This produces an overall total of 397 specialist dwellings which might be required by the end of the plan period. As above, approximately half of all the projected households are likely to require sheltered housing for sale.

245. Table 6-8 below sets out the HLIN recommendations in the same format as Table 6-6 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-8: HLIN estimate of specialist housing need in Portishead by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	<i>Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia</i>	<i>Includes: enhanced sheltered housing for sale + extra care housing for sale</i>	112
	49	63	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	285
	95	190	
Total	144	253	397

Source: Housing LIN, AECOM calculations

SHMA findings

246. The Wider Bristol SHMA Volume 2 2019 goes into detail on modelled Older Persons Housing demand by Local Authority area (see for example Figure 14 of the Volume 2 SHMA).
247. Most units shown as likely to be needed over the plan period are for sheltered housing for sale, making up approximately half of modelled demand, not too dissimilarly from the results of our modelling. The remaining half of projected demand is divided relatively equally between sheltered housing for rent, extra care for rent, and extra care for sale.
248. Other relevant facts in the SHMA include:
- North Somerset's health indicators are generally better than the national average.
 - Around 54% of all new housing is suitable for the needs of households with health problems or disabilities that affect their housing requirement.
 - The evidence supports the need for a target of 100% of specialist housing for older persons to meet M4(3) Category 3 requirements. Of this target at least 25% of specialist housing for older people should meet M4(3)(2b) requirements (housing meeting the needs of wheelchair occupants); and the remaining 75% should meet M4(3)(2a) requirements (housing allowing for simple adaptation to wheelchair needs).

Conclusions- Specialist Housing for the Older People

249. Portishead has a current specialist offer of 158.6 units per 1,000 population of over 75 year olds (443 units for 2,793 individuals, based on ONS 2019 population estimate of the over 75 population in Portishead). The Housing LIN

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model recommends a provision of 251 units per 1,000 population, which shows a significant current under-provision, as in most locations around the country.

250. Only 13% of specialist units currently available in Portishead offer Extra-care provision. All other units are age exclusive / retirement housing without onsite care. Approximately half of all units on offer are available for leasehold purchase and half for social rent for those in financial need. A small, unspecified number are available for freehold purchase.
251. Currently, 83% of 55-75 year olds in North Somerset own their own home, renters making up 17% (half social, half private renters), and 1% living rent free. The population of over 75s is projected to increase by 9% in Portishead over the plan period, compared to 15% in North Somerset as a whole.
252. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
253. These two methods of estimating the future need in Portishead produce a range of 397 to 490 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
254. The largest demand is likely to be for sheltered accommodation for market sale, which makes up almost half of projected demand.
255. The SHMA has similar findings to our study, for across the HMA. It also points out that their evidence supports the need for a target of 100% of specialist housing for older persons to meet M4(3) Category 3 requirements. Of this target at least 25% of specialist housing for older people should meet M4(3)(2b) requirements (housing meeting the needs of wheelchair occupants); and the remaining 75% should meet M4(3)(2a) requirements (housing allowing for simple adaptation to wheelchair needs).
256. The North Somerset Site Allocations Plan (SAP) 2018 lists all site allocations for Portishead, totalling 440 units. This includes one scheme of 126 units, with full planning permission, which is specified as being a retirement complex. No further details are given. Examining details on North Somerset's planning application search, the scheme in question (Marine View, Harbour Road 16/P/2855/F) was consented previously, but later the applicant applied (19/P/2316/FUL) for a "change of use from 126 units of Assisted Living (C2) accommodation (permitted under application ref: 16/P/2855/F) to 127 units of non-age restricted housing (C3)". This indicates that the scheme was not built out. The second application was later withdrawn by the applicant and it is unclear whether the scheme will be provided as use class C2 or C3 (specialist

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or non-age restricted housing), and therefore, whether any specialist provision will be made in Portishead over the coming years. The applicants letter states that while the scheme is near completion, there were challenges to viability in trying to provide specialist accommodation as well as affordable housing and Community Infrastructure Levy contributions. This may well be an issue for other future schemes in Portishead.

257. While approximately half of the specialist units required over the plan period (about 227) are likely to be sheltered units for market sale, there is also projected to be a significant level of demand for extra-care units (209), with the majority (147) of these for market sale and the remainder of demand being for affordable specialist housing (62 for affordable housing with care and 54 for affordable housing without on-site care, such as sheltered housing).
258. It is worth noting that Neighbourhood Plans cannot set the proportion of housing (specialist or otherwise) that should be affordable, as this has to be in line with Local Plan policy. In the case of North Somerset, the adopted Core Strategy policy CS16 Affordable housing does not require a fixed percentage of all new housing to be affordable. The capacity of a site to deliver affordable housing is to be determined by individual site viability analysis and through negotiation. The evidence provided in the housing needs assessment should be useful in supporting the negotiation for the provision of some affordable housing on specialist housing schemes in Portishead (approximately 25%), subject to other relevant policy and evidence.
259. Furthermore, as the current stock includes only very little extra-care provision (13%, compared to a projected demand which is nearly half for extra-care), this imbalance will need to be redressed through future supply.
260. Given that, based on available information, it looks unlikely that there will be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock). This will particularly help to cater for the demand for sheltered housing without on-site care.
261. Local Plan policy DM40 provides explicit support for development to accommodate specific groups such as older and vulnerable people, provided it meets a number of criteria. The policy also requires that residential schemes of 100+ dwellings assess the need for retirement and supported independent living and make appropriate provision dependent on suitability and viability. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence

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gathered here and as part of the SHMA would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.

262. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. It is maybe also something that the emerging new North Somerset Local Plan will require, considering the evidence in the SHMA, subject to whole plan viability testing. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey. Unfortunately, demand for wheelchair housing was not a question included in the Portishead local Homes survey.

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

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

264. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

265. It is considered that Portishead is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Portishead in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

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266. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Conclusions

Overview

267. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings specific to Portishead with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	<p>Based on the Wider Bristol SHMA, affordable housing makes up 31% of the total need in the wider HMA. 80% of need is for social/affordable rent and 20% for shared ownership).</p> <p>MHCLG Local authority housing statistics data returns (households in priority need), pro-rated for the NA, shows that there are currently about 146 households in Portishead unable to access affordable rented homes suitable to their needs.</p> <p>There is currently very minimal stock of affordable home ownership properties. Only 129 (1.2%) of 10,355 households in the 2011 Census were accommodated in a shared ownership property. 853 (8.2%) lived in a socially rented property.</p>	<p>Prorating the SHMA data results in a need for 27 homes per annum in Portishead or 461 homes over the Neighbourhood Plan period 2021-2038, of which 369 units would be for rented affordable housing and 92 for affordable home ownership.</p> <p>An alternative estimate of the potential demand for affordable housing for sale in Portishead shows that up to as many as 802 households may be interested in affordable home ownership.</p> <p>Some of this need would be addressed through turnover of existing stock. However, in the case of shared ownership this will be limited because only 129 households live in a shared ownership property.</p>

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Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>Applying the housing requirement figure for the area (440 units) to the Local Plan policy expectation (30% affordable housing benchmark requirement with recommended split of 67% for rent and 33% for sale) shows the quantities of affordable housing that would be delivered if the tenure mix were rigidly enforced: For Portishead, an estimated delivery of 132 affordable units, with 88 for rent and 44 for sale.</p> <p>This expected level of delivery evidently falls short of the quantity of demand identified in estimates of the need for affordable housing, for sale and for rent. This is largely not due to the anticipated tenure split, but to the low housing requirement figure for Portishead and low past delivery rates.</p>	<p>The policy requirement should be met wherever possible, and further avenues for delivering greater quantities of affordable housing should be explored in discussion with the LPA (e.g. using community development orders, identifying exception sites or developing community land trusts).</p> <p>Affordable rented housing should have a higher weighting in the mix to ensure most acute needs are met as a priority, given historically low delivery rates. The 82% rented and 18% ownership guideline mix in the adopted Core Strategy, or the 80/20 tenure split suggested by the SHMA, may offer an appropriate benchmark until the new Local Plan has progressed further.</p> <p>It is not recommended that the 30% benchmark Local Plan affordable housing requirement be exceeded in the neighbourhood plan, unless a revised requirement is supported by the LPA.</p>

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Housing type and size	<p>Based on Census 2011 and VOA 2020 data, flats and detached houses are the most common dwelling types in Portishead, making up a larger proportion of homes in the NA than across rest of North Somerset or the rest of the country. The NA has a lower proportion of semi-detached and terraced houses.</p> <p>In terms of dwelling size, properties in Portishead were comparatively large, with a higher proportion of 4 bed properties and fewer smaller dwellings.</p> <p>Flats account for the largest proportion of new homes built since 2011. Additional one- and two-bed properties have eliminated some of the differences between the NA, district and country. Three-bedroom properties have increased but still make up a lower proportion. The absolute number of 4+ bedroom homes has declined (indicating some conversions) but the proportion of 4+ bedroom homes remains high.</p> <p>The two largest age groups, together making up just over half of the Portishead population, were those aged 25-64 years. Children under 15,</p>	<p>Looking forward towards the end of the plan period, population growth can be expected to be primarily driven by the oldest households with a reference person aged 65 and over, projected to grow by 54% from 2011 to 2038.</p> <p>Our model suggests that what is most needed to be built in Portishead over the plan period is 3 bedroom properties (48%); followed by 2 bedroom (32%); plus a smaller amount of 1 bedroom properties (15%); a very small amount of very large properties with 5 bedrooms or more. There is no need for more 4 bedroom properties. However, occupancy of these homes by the growing families who need them most, cannot be guaranteed by the NP.</p> <p>Most of all, while prioritising mid-sized homes, a variety of housing should be provided to cater for incomes of different needs, incomes, sizes, and life-stages.</p>
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Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>and residents between 65-84 were the two next largest categories. 16-24 year olds and over 85s are the smallest groups.</p> <p>Portishead's population is largely made up of one family households (67%), with fewer one person or 'other' households.</p> <p>Households are more likely to under-occupy their home than to be over-crowded. 82% of households have at least one spare bedroom. Only 1% of households were over-occupying.</p> <p>The most likely to under-occupy are couples with no children and households aged 65 or over and most likely to over-occupy are lone parents and 'other households' with dependent children.</p>	

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Specialist housing for older people	<p>Based on information from the Elderly Accommodation Counsel's Website, Portishead has a current specialist offer of 158.6 units per 1,000 population of over 75-year olds (443 units for 2,793 individuals, based on 2019 ONS population estimates). The Housing LIN model recommends a provision of 251 units per 1,000, which shows significant current under-provision.</p> <p>Only 13% of specialist units currently available offer extra-care provision. All other units are retirement housing without onsite care. Approximately half of all units are for leasehold purchase and half social rented. A small number are available for freehold purchase.</p> <p>Based on ONS mid-2019 population estimates, 83% of 55-75 year olds in North Somerset own their own home, renters making up 17% (half social, half private renters), and 1% living rent free.</p> <p>The over 75s population is projected to increase by 74% in Portishead to 2038.</p>	<p>Bringing together population projections, rates of disability, and what tenure of housing the current 55-75s occupy and sense-checking it using the Housing LIN toolkit, results in an estimated need of 397-490 specialist units that might be required in Portishead to 2038. Future supply appears limited and uncertain.</p> <p>Of the 397 – 490 units projected demand to 2038, approximately half (227) are for sheltered units for market sale. There is also significant projected demand for extra-care units (209), with most (147) for market sale. The existing stock of extra-care is low. The remainder of projected demand (about 25%) is for affordable specialist housing (62 for affordable housing with care and 54 without).</p> <p>The NP could require higher standards of accessibility and adaptability in new development and to encourage the adaptation of existing properties through grant schemes and other means, to cater for some of the sheltered housing demand.</p> <p>The HNA and SHMA evidence could be used to justify a target for a proportion of housing to meet national standards for accessibility and adaptability or for wheelchair users.</p> <p>It is also important for specialist housing for older people to be provided in sustainable, accessible locations, and in a cost-effective way which enables economies of scale.</p> <p>Portishead is, in broad terms, a suitable location for specialist accommodation.</p> <p>Partnership working with the local authority and specialist developers is recommended.</p>
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Recommendations for next steps

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

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

269. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

270. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, North Somerset Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

271. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

272. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
273. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Portishead, it is considered that a combination of three MSOAs (North Somerset 001, 002 and 003) are the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of these three combined MSOAs appears below in Figure 7-1. The combination of three MSOAs was used to ensure the entire NA was covered, as each individual MSOA made up a significant part of the NA population.

Figure 7-1: MSOAs North Somerset 001, 002 and 003, used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

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

i) Market sales

276. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
277. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Portishead, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
278. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £350,000;
 - Purchase deposit at 10% of value = £35,000;
 - Value of dwelling for mortgage purposes = £315,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £90,000.
279. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2020 was £272,500, and the purchase threshold is therefore £70,071.
280. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 154 sales of new build properties in the local authority area in 2020. The most appropriate purchase threshold for a newbuilt property is based on the local authority average as the sample size for

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the NA was too small. The new build mean house price for across North Somerset is £342,576 and the purchase threshold is therefore £88,091.

ii) Private Rented Sector (PRS)

281. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
282. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
283. The property website [Home.co.uk](#) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the combined BS20, BS21, and BS48 postcode areas, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
284. According to [home.co.uk](#), there were 41 properties for rent at the time of search in September 2021, with an average monthly rent of £948. There were 17 two-bed properties listed, with an average price of £896 per calendar month.
285. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £896 x 12 = £10,747;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £35,824.
286. The calculation is repeated for the overall average to give an income threshold of £37,915.

A.3 Affordable Housing

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

i) Social rent

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

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£90.40	£96.79	£105.93	£119.56	£98.07
Annual average	£4,701	£5,033	£5,508	£6,217	£5,100
Income needed	£18,803	£20,132	£22,033	£24,868	£20,399

Source: *Homes England, AECOM Calculations*

ii) Affordable rent

291. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
292. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
293. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for North Somerset. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

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294. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 57% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£102.73	£118.22	£135.42	£152.61	£124.70
Annual average	£5,342	£6,147	£7,042	£7,936	£6,484
Income needed	£21,368	£24,590	£28,167	£31,743	£25,938

Source: *Homes England, AECOM Calculations*

iii) Affordable home ownership

295. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.

296. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

297. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.

298. First Homes are calculated with reference to the median house price in the NA (£350,000). This is a proxy for the price of new build entry-level housing in the NA (i.e. we are assuming that new build entry-level homes will cost around the same as a median existing home, because of the premium usually associated with new housing).

299. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (LA average) = £350,000;

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- Discounted by 30% = £245,000;
- Purchase deposit at 10% of value = £24,500;
- Value of dwelling for mortgage purposes = £220,500;
- Divided by loan to income ratio of 3.5 = purchase threshold of £63,000.

300. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £54,000 and £45,000 respectively.

301. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. This is not the case in Portishead. Also, discounted prices that are above £250,000 would also fail to meet the criteria, which again is not the case here.

302. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a two- bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Portishead either.

Shared ownership

303. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%) and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

304. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

305. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

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306. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £350,000 is £87,500;
- A 10% deposit of £8,750 is deducted, leaving a mortgage value of £78,750;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £22,500;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £262,500;
- The estimated annual rent at 2.5% of the unsold value is £6,563;
- This requires an income of £21,875 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £44,375 (£22,500 plus £21,875).

307. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £35,250 and £59,583 respectively. These are both below the £80,000 cap for eligible households.

Rent to buy

308. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity in the property with a portion of the rent, but this portion is still a monthly outgoing for the occupant.

Help to Buy (Equity Loan)

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

310. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁰.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

²⁰ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

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Bedroom Standard²¹

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²²

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

²¹ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

²² See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

Concealed Families (Census definition)²³

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

Equity Loans/Shared Equity

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

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

²³ See

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

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Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or

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rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

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Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most ‘normal’ houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

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Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁴, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of

²⁴ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

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Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend

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to rightsizing to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²⁵

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedrooomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the

²⁵ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁶

²⁶ See

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

