

Buckhorn Weston and Kington Magna

Housing Needs Assessment (HNA)

December 2022

Quality information

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Table of Contents

1.	Executive Summary.....	6
	Conclusions – Tenure, Affordability and the Need for Affordable Housing.....	Error! Bookmark not defined.
	Conclusions – Type & Size.....	Error! Bookmark not defined.
	Conclusions – Specialist Housing for Older People	Error! Bookmark not defined.
2.	Context.....	12
	Local context.....	12
	The Housing Market Area Context	14
	Planning policy context.....	14
	Policies in the adopted local plan	15
	Quantity of housing to provide.....	17
3.	Approach.....	18
	Research Questions.....	18
	Tenure and Affordability.....	18
	Type and Size	18
	Specialist Housing for Older People.....	19
	Relevant Data	19
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing	20
	Introduction	20
	Current tenure profile	22
	Affordability	23
	House prices	23
	Income	24
	Affordability Thresholds.....	25
	Affordable housing- quantity needed.....	31
	Affordable Housing policy guidance	31
	Conclusions- Tenure and Affordability	36
5.	RQ 2: Type and Size	38
	Introduction	38
	Existing types and sizes.....	38
	Background and definitions.....	38
	Dwelling type.....	39
	Dwelling size	40
	Age and household composition	41
	Age structure.....	41
	Household composition	42
	Occupancy ratings.....	43
	Dwelling mix determined by life-stage modelling.....	44
	Suggested future dwelling size mix	44
	Conclusions- Type and Size.....	48
6.	RQ 3: Specialist housing for older people	50

Introduction	50
Current supply of specialist housing for older people	51
Tenure-led projections	51
Housing LIN-recommended provision	54
Conclusions- Specialist Housing for Older People	56
7. Next Steps	58
Recommendations for next steps	58
Appendix A : Calculation of Affordability Thresholds.....	59
A.1 Assessment geography	59
A.2 Market housing	59
i) Market sales	60
ii) Private Rented Sector (PRS).....	61
A.3 Affordable Housing	61
i) Social rent.....	62
ii) Affordable rent.....	62
iii) Affordable home ownership	63
Appendix B : Housing Needs Assessment Glossary	66

List of acronyms used in the text:

BCP	Bournemouth, Christchurch, and Poole
BWKM	Buckhorn Weston and Kington Magna
DC	Dorset Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
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
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
UA	Unitary Authority
VOA	Valuation Office Agency

1. Executive Summary

1. Buckhorn Weston and Kington Magna (BWKM) is a Neighbourhood Area located in the local authority area of Dorset. The Neighbourhood Area boundary covers the area administered by Buckhorn Weston and Kington Magna Parish Councils.
2. The Office for National Statistics mid-2020 population estimate for BWKM is 681 individuals, showing a decrease of 64 individuals since the 2011 Census.
3. There has been some development in BWKM since 2011, with Dorset providing completions data from 2011 to 2022 showing the development of 5 dwellings in this time, all of which were delivered as market housing. The total quantity of dwellings in the NA is therefore estimated to be 349.
4. This Executive Summary details the conclusions of each chapter of the report, addressing the three research questions formulated at the outset of the research.
5. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

Conclusions- Tenure and Affordability

1. In 2011 a much higher proportion of people in BWKM owned their own home than across North Dorset and England. No households lived in shared ownership dwellings in the NA, with the proportion of households living in social and private rented dwellings also lower in BWKM than North Dorset and England.
2. Completions data provided by Dorset Council shows that 5 dwellings were built between 2011 and 2022, all for market housing.
3. Between 2012 and 2021, the median house price increased by 70.9% and currently stands at £470,000. The lower quartile price for the NA has increased by 81.9% from £240,000 in 2012 to £436,500.
4. Local households on average incomes are 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. Private renting is generally only affordable to higher earners. Households made up of one and two lower quartile earners cannot afford the given rental thresholds.

5. Turning to affordable home ownership, it is recommended that First Homes are delivered at a 50% discount in the NA. although this doesn't make First Homes affordable to households on mean incomes, it does increase accessibility to home ownership significantly.
6. Shared ownership appears to be more affordable than First Homes, particularly at a 10% equity share, but is broadly accessible to the same groups. Rent to Buy is considered more affordable than First Homes and Shared Ownership.
7. Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
8. The need for Affordable Housing in the plan area is 3.4 homes per annum (1.9 for social/affordable rent and 1.5 for affordable ownership) or 54.4 homes over the Neighbourhood Plan period 2022-2038 (30.4 for social/affordable rent and 24.0 for affordable home ownership).
9. An indicative tenure split of 30% affordable ownership (25% First Homes and 5% Shared Ownership) and 70% affordable rented has been recommended for BWKM.
10. Table 4-9 summarises BWKM 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 neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-9: Estimated delivery of Affordable Housing in BWKM

	Step in Estimation	Expected delivery
A	Provisional capacity figure	12.0
B	Affordable housing quota (%) in LPA's Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	4.8
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	3.4

F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	30%
G	Affordable home ownership number (C x F)	1.4

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

11. This expected level of delivery does not meet the quantity of demand identified in this report. It is recommended that the policy requirement is met wherever possible, and that further avenues for delivering greater quantities of Affordable Housing (such as exception sites) are explored. If the group considers exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required 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 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.
12. 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.

Conclusions- Type and Size

13. 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.
14. In 2011 the greatest proportion of dwellings were detached, at over 50% of the housing stock. Looking to 2021 there was a clear decline, although this category was still the greatest. This decrease in the proportion of both detached and semi-detached dwellings in this time is likely a result of the inclusion of bungalows in the 2021 data whilst these are counted within the detached and semi-detached dwelling types in the 2011 Census. The data also shows that the NA has a low proportion of flats and terraced properties, particularly flats with only 0.9% in 2011 and 1.1% in 2021. This is not uncommon in rural parishes. The proportion of bungalows in the NA was above levels for Dorset and England. The proportion of terraced properties was lower in the NA than Dorset and England whilst the proportion of detached dwellings was significantly higher in the NA.
15. In both 2011 and 2021 3-bedroom properties form the largest proportion of dwellings in the NA, followed by 4-bedroom and 2-bedroom properties. 1-bedroom properties make up the smallest proportion of dwellings in both data sets. When comparing BWKM to the

local authority and country, 3-bedroom properties form the largest proportion of dwellings in BWKM, Dorset, and England. 4-bedroom properties form the second largest group in the NA, whilst 2-bedroom properties form the second largest group of across Dorset and England.

16. The 45-64 age group forms the largest proportion of the NA population in both 2011 and 2020. However, it can be seen that the 65-84 age group has witnessed an increase of 11.0 percentage points in this time, indicative of an ageing population. Across both datasets the 85 and over category forms the smallest proportion of the population, followed by 16-24 and 0-15. Between 2011 and 2020, the proportion of the population aged 0-15, 16-24, and 25-44 fell whilst the proportion of the population aged 45-64, 64-84, and 85 and over age grew. In particular, the 65-84 age group grew by 11.0% during this time period.
17. Population growth can be expected to be driven by the oldest households, with the 65 and over category expanding by 72% by the end of the plan period. The only other age group to expand is the 55 to 64 group, whilst all other groups are expected to get smaller.
18. BWKM has a much lower proportion of one person households compared to Dorset and England and a much higher proportion of family households. The proportion of one family only aged 66 and over is significantly higher than nationally, whilst the proportion of families with no children is 9.5 percentage points higher than the nationally. BWKM has a lower proportion of families with dependent children compared to Dorset and England and there is a similar proportion of families with non-dependent children across all three geographies.
19. Generally, under-occupancy is high in BWKM. This is particularly evident in families aged under 65 with no children and families aged 65+. This may suggest that the larger housing in the NA isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or be able to move to smaller properties. Under-occupancy is also common in single person households, indicating a potential lack of smaller dwellings.
20. AECOM modelling suggests that the majority of new dwellings in the plan area between now and 2038 should be 2-bedrooms, with 54.6% of new properties suggested to be of this size in order to meet the indicative mix. This is followed by 36.5% 1-bedroom dwellings and 8.9% 3-bedroom dwellings. It is suggested that there is no further development of larger dwellings although this is not necessarily appropriate.
21. 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 smaller and 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.

Conclusions- Specialist housing for older people

22. At present, there is no existing stock of specialist accommodation in the plan area.
23. By the end of the plan period it is expected that individuals aged 75+ will account for 19.4% of the total population, compared to 10.3% in 2011. This is an increase from 77 to 153 people in this category.
24. 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.
25. These two methods of estimating the future need in BWKM produce a range of 19 to 20 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.
26. Table 6-5 shows that of the 20 specialist housing units needed by the end of the plan period it is suggested that 7 should be for housing with care, of which 1 should be affordable housing and 6 should be market housing, and 13 should be for adaptations, sheltered or retirement living, of which 2 should be affordable housing and 11 should be market housing.
27. Note that Neighbourhood Plans can't set the proportion of housing for the elderly that should be affordable – that usually has to be in line with Local Plan policy for all housing.
28. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence local authority level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
29. Local Plan policy 7 provides explicit encouragement for development to accommodate specific groups such as older people. 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 would appear to justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a local authority level.
30. It is relatively common for Local 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. The proportion of new housing that might accommodate those using wheelchairs might be

set with reference to the proportion of affordable housing applicants in the local authority falling into this category.

31. 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.
32. 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 Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
33. It is considered that BWKM's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from BWKM entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of BWKM, Gillingham is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
34. 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.

Context

Local context

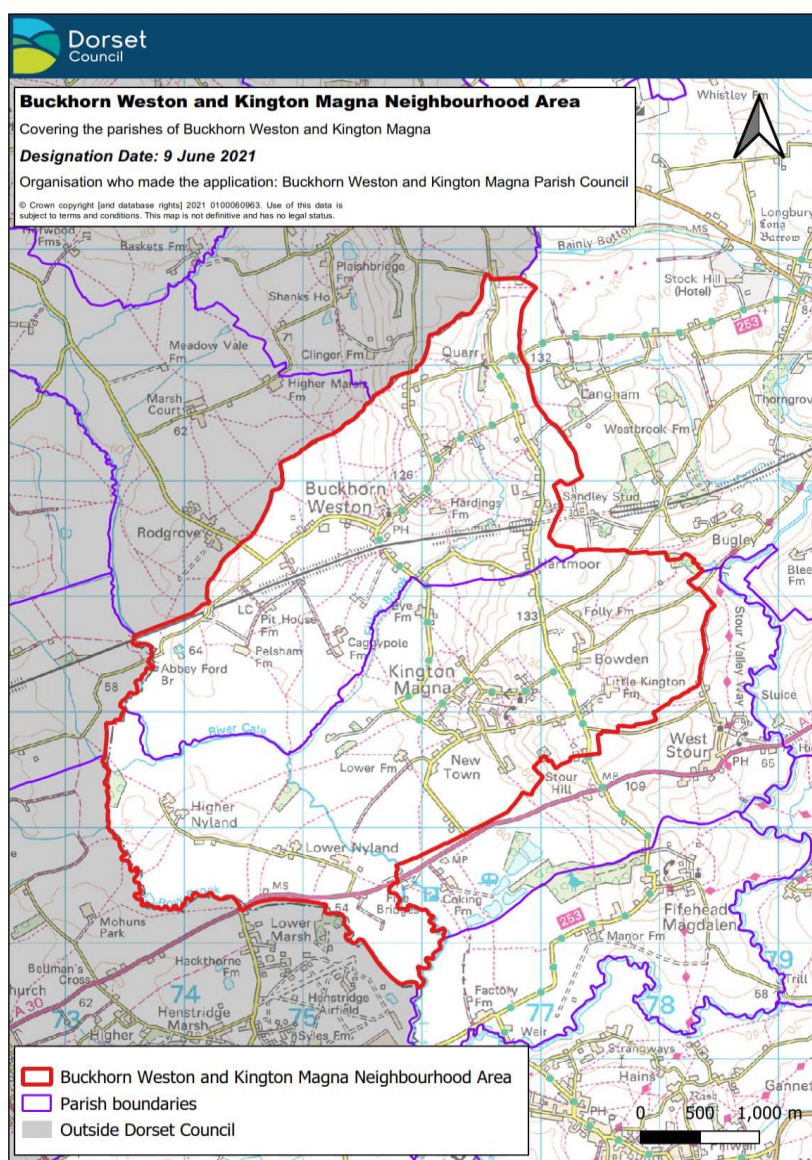
35. BWKM is a Neighbourhood Area located in Dorset. The Neighbourhood Area (NA) boundary follows the combined area of the Buckhorn Weston and Kington Magna Parish boundaries and was designated in June 2021.
36. The proposed Neighbourhood Plan period starts in 2022 and extends to 2038, therefore comprising a planning period of 16 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.
37. The BWKM Neighbourhood Area is primarily rural in nature, with residential areas located to the north and south of the NA. The distance between Buckhorn Weston and Kington Magna is approximately 2.2kilometres, whilst the distances between the centre of the plan area and Gillingham, Wincanton and Shaftesbury are approximately 5.5km, 6km and 11km respectively. The nearest railway stations to the NA are Templecombe and Gillingham. The NA is connected to the wider area via the A30. The closest GPs to the plan area are the Gillingham Medical Centre and New Medical Centre in Gillingham and the Blackmore Vale Partnership in Marnhull. Whilst there are no schools in the plan area, the closest facilities are Wyke Primary School, Gillingham Primary School and Gillingham School in Gillingham, Horsington Church School in Horsington, St Nicholas' Church of England Primary School in Henstridge and St Mary's Catholic Primary School in Marnhull.
38. The data used for this Housing Needs Assessment has been sourced from the 2011 Census and the Office for National Statistics. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - E00103584
 - E00103586
39. The statistics show that in the 2011 Census the NA had a total of 745 residents, formed into 309 households and occupying 344 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for BWKM is 681 – indicating population decline of around 64 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. The 2021 Census records 320 households in the NA, an increase of 11 since 2011.
40. Dorset Council has provided completions data which shows that 5 dwellings have been completed within the plan area since 2011. This does not align with the decline in population which has been seen in the area between 2011 and the 2020 mid-year

population estimates. However, this may be due to under estimates of population growth in the NA in the mid-2020 population estimates, or the formation of additional households without a population increase (e.g. divorce, adult children leaving home).

41. There has been a change in the organisation of Local Authorities in this area since the 2011 Census was carried out. Prior to 2019, the plan area fell under the North Dorset Local Authority. Since 2019, the plan area has been under the control of the Dorset Unitary Authority which was formed as a result of the merger of North Dorset, East Dorset, West Dorset, Purbeck and Weymouth & Portland Councils. Therefore, 2011 Census data is representative of North Dorset, whilst recent estimates and 2021 Census data is representative of the new Dorset Unitary Authority.

42. A map of the Plan area appears below in Figure 2-1.

Figure 0-1: Map of the BWKM Neighbourhood Area¹



Source: Dorset Council

¹ Available at [Project Templates \(dorsetcouncil.gov.uk\)](https://www.dorsetcouncil.gov.uk)

The Housing Market Area Context

43. Whilst this HNA focuses on BWKM neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of BWKM, the area sits within Dorset Unitary Authority area, which acts as a housing market area in its own right. However, there are also very close links to Bournemouth, Christchurch and Poole (BCP). When households in Dorset move home, the vast majority move within the local authority area, although it should be noted that this is followed by moves in and out of BCP. It is important for these Councils to liaise with each other as well as neighbouring areas regarding unmet housing needs.
44. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including BWKM, are closely linked to other areas. In the case of BWKM, changes in need or demand in settlements nearby are likely to impact on the neighbourhood.
45. In summary, BWKM functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Dorset Council), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

46. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.² In the case of BWKM, the relevant adopted Local Plan for Dorset consists of:
 47. The North Dorset Local Plan which was adopted in January 2016 and sets out the approach for managing planning development in the district.
 48. The emerging Dorset Council Local Plan which, once adopted, will set out how development should be managed in the unitary authority since the merger of four local authorities in 2019. The emerging Local Plan is currently at the options stage of the plan making process, therefore there are no policies outlined yet. However, it can be seen from the consultation document that the plan area is not proposed for development.

² 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>

Policies in the adopted local plan

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

Table 2-1: Summary of relevant adopted policies in the North Dorset adopted Local Plan

Policy	Provisions
Policy 6 Housing Distribution	<p>At least 5,700 net additional homes will be provided in North Dorset between 2011 and 2031 to deliver an annual rate of about 285 dwellings per annum. The vast majority of housing growth will be concentrated at the District's four main towns of Blandford (Forum and St. Mary), Gillingham, Shaftesbury and Sturminster Newton.</p> <p>The approximate scale of housing development at the four main towns during the period 2011 - 2031 will be as follows:</p> <ul style="list-style-type: none"> • Blandford (Forum and St. Mary) – at least 1,200 homes; • Gillingham – at least 2,200 homes; • Shaftesbury – at least 1,140 homes; • Sturminster Newton – at least 395 homes. <p>The approximate scale of affordable housing development that will be sought at the four main towns during the period 2011 - 2031 will be as follows:</p> <ul style="list-style-type: none"> • Blandford (Forum and St. Mary) – about 395 affordable homes; • Gillingham – about 480 affordable homes; • Shaftesbury – about 380 affordable homes; • Sturminster Newton – about 95 affordable homes. <p>In the countryside the level of housing and affordable housing provision will be the cumulative number of new homes delivered to contribute towards meeting identified local and essential rural needs. At least 825 dwellings will be provided in the countryside during the period 2011 – 2031.</p>
Policy 7 Delivering Homes	<p>In the period to 2031, the Council will support the delivery of about 40% of market housing in North Dorset as one- or two-bedroom properties and about 60% of market housing as three or more-bedroom properties.</p> <p>In the period to 2031, the Council will support the delivery of about 60% of affordable housing in North Dorset as one- or two-bedroom properties and about 40% of affordable housing as three or more-bedroom properties.</p>

Policy

Provisions

These proportions will be the starting point for negotiations on the mix of house sizes on all sites where 10 or more dwellings are proposed, although a different mix may be permitted if it can be soundly justified by local circumstances or viability considerations. On sites of less than 10 dwellings, a mix of house sizes appropriate to each specific site will be sought, although in the case of rural exception sites, the mix should reflect identified local needs in accordance with Policy 9 – Rural Exception Affordable Housing.

The Council will support the provision of age-restricted housing for the elderly and will usually seek to control its occupancy by planning condition or planning obligation. Where evidence exists, provision of housing for people requiring specially adapted or supported housing should be provided as part of the general mix of housing on a site. For sites of 10 or more dwellings this mix should be determined through early engagement with registered social landlords, Dorset County Council and NHS Dorset health and social care services.

Policy 8 Affordable Housing

Development that delivers eleven or more net additional dwellings and which has a maximum combined gross floorspace of more than 1,000 square metres, including housing on mixed-use sites, will contribute to the provision of affordable housing.

Outside of the towns of Gillingham, Sturminster Newton, Shaftesbury, and Blandford (Forum and St. Mary) 40% of the total number of dwellings will be affordable.

The presumption is that affordable housing will be provided on site.

Within the District as a whole, 70% to 85% of all new affordable housing should be provided as affordable rented and/or social rented housing. The remaining 15% to 30% should be provided as intermediate housing.

Policy 9 Rural Exception Affordable Housing

Rural exception affordable housing schemes will only be permitted within or adjoining the built-up area of the District's smaller villages. In Stalbridge and the larger villages rural exception sites will be permitted adjoining the settlement boundaries. Rural exception affordable housing schemes will not be permitted within or adjoining the settlements of Blandford (Forum and St. Mary), Gillingham, Shaftesbury and Sturminster Newton.

Policy	Provisions
	Rural exception affordable housing schemes will only be permitted if a local need for rural exception affordable housing can be demonstrated in an appropriate up-to-date local needs survey.

Source: Dorset Council

Quantity of housing to provide

50. 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.
51. Dorset Council has provided BWKM with a figure of 12 dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.³ As BWKM was not a designated neighbourhood area at the time that the Local Plan Options consultation was published, the draft plan did not include a requirement figure for this area. However, upon request Dorset Council has provided a figure for the area. This figure should be seen as a draft and could be updated before publishing the final version of the Local Plan.

³ As confirmed in a phone conversation with NA steering group, October 2022.

2. Approach

Research Questions

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

Tenure and Affordability

53. The Steering 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.

54. This evidence will allow BWKM 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.

55. ***RQ 1: What Affordable Housing (eg 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?***

Type and Size

56. The Steering Group is seeking to determine what size and type of housing would be best suited to the local community.

57. The aim of this research question is to provide the Steering Group 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.

58. 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.

59. 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

60. 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

61. 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;
- Eastern Dorset 2015 Strategic Housing Market Assessment. This is considered relatively dated and therefore drawn on to a lesser degree; and
- 2021 Dorset and Bournemouth, Christchurch and Poole Local Housing Needs Assessment⁴

62. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected by the end of the year. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

⁴ Available at [caac9843-8acc-66bd-91f3-554b75c70091 \(dorsetcouncil.gov.uk\)](https://caac9843-8acc-66bd-91f3-554b75c70091.dorsetcouncil.gov.uk)

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

RQ1: What Affordable Housing (eg 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

63. 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.
64. 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.
65. 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. The NPPF defines Affordable Housing as *'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'⁵*. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

⁵ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little at 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

66. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁶ 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:

⁶ 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>.

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

Current tenure profile

67. The current tenure profile is a key feature of the Neighbourhood 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.
68. Table 4-2 presents data on tenure in BWKM compared with Dorset and England from the 2011 Census, which is the most recent available source of this information. A significantly higher proportion of households in BWKM owned their home compared to North Dorset and England. There were no households living in shared ownership dwellings in 2011, whilst 0.8% of households lived in this tenure in North Dorset and England. The proportion of households living in the social and private rented tenures was also lower in BWKM compared to North Dorset and England.
69. Completions data provided by Dorset Council shows that all 5 completions between 2011 and 2022 were for market housing. Therefore, no Affordable Housing has been completed since at least 2011, slightly decreasing the proportion in the stock overall.

70. 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 BWKM the private rented sector expanded by 10.5% in that period, a rate of growth that is significantly lower than the national average of 82.4%.

Table 4-2: Tenure (households) in BWKM, 2011

Tenure	BWKM	North Dorset	England
Owned	81.2%	69.8%	63.3%
Shared ownership	0.0%	0.8%	0.8%
Social rented	11.0%	13.5%	17.7%
Private rented	6.8%	14.3%	16.8%

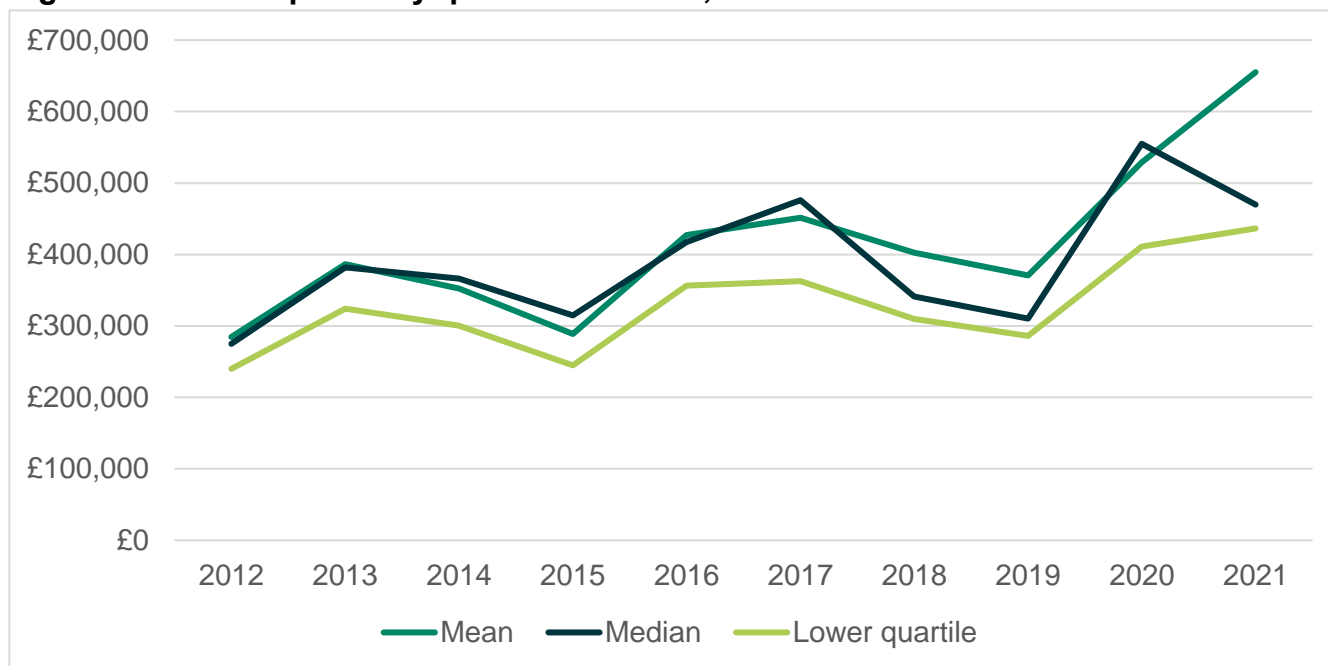
Sources: Census 2011, AECOM Calculations

Affordability

House prices

71. 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.
72. Figure 4-1 looks at the average and lower quartile house prices in BWKM based on sales price data published by the Land Registry.
73. The median, which is the middle number when you sort the data from smallest to largest, whilst fluctuating, has risen between 2012 and 2021. This has increased by 70.9% and currently stands at £470,000, although peaked in 2020 at £555,000
74. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. Again, whilst it has fluctuated, an overall increase has been seen of 130.2%, with rapid increases since 2019.
75. The lower quartile price for the NA has increased by 81.9% from £240,000 in 2012 to £436,500 in 2021.

Figure 4-1: House prices by quartile in BWKM, 2012-2021



Source: Land Registry PPD

76. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the biggest increase in price has been terraced dwellings, increasing by 200.0% between 2015 and 2020, although there were very few terraced transactions. Semi-detached house prices increased by 92.5%, whilst detached prices increased by 40.1%. Despite having the lowest rate of growth, detached prices remained the highest between 2012 and 2021 (with the exception of terraced dwellings in 2020).

Table 4-3: Median house prices by type in BWKM, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£339,000	£391,000	£374,000	£315,000	£455,000	£476,250	£420,000	£332,000	£565,000	£475,000	40.1%
Semi-detached	£240,000	£200,000	£363,725	£353,000	£370,000	£412,500	£355,000	£289,000	£370,000	£462,000	92.5%
Terraced	-	-	-	£195,000	-	-	£325,000	-	£585,000	-	200%
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	£275,000	£382,000	£366,250	£315,000	£417,500	£476,250	£341,250	£310,500	£555,000	£470,000	70.9%

Source: Land Registry PPD

Income

77. 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.

78. 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 locally was £46,900 in 2020. A map of the area to which this data applies is provided in Appendix A.

79. 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. Dorset's gross individual lower quartile annual earnings were £14,530 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £29,060.
80. 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

81. 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.
82. AECOM has determined thresholds for the income required in BWKM 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.
83. 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. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.
84. Table 4-4 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.

85. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £46,900	Affordable on LQ earnings (single earner)? £14,530	Affordable on LQ earnings (2 earners)? £29,060
Market Housing						
Median House Price	£423,000	-	£120,857	No	No	No
Estimated NA New Build Entry-Level House Price	£442,712	-	£126,489	No	No	No
LQ/Entry-level House Price	£392,850	-	£112,243	No	No	No
LA New Build Median House Price	£329,625	-	£94,179	No	No	No
Average Market Rent	-	£11,544	£38,480	Yes	No	No
Entry-level Market Rent	-	£10,884	£36,280	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£309,898	-	£88,542	No	No	No
First Homes (-40%)	£265,627	-	£75,893	No	No	No
First Homes (-50%)	£221,356	-	£63,245	No	No	No
Shared Ownership (50%)	£221,356	£6,149	£83,740	No	No	No
Shared Ownership (25%)	£110,678	£9,223	£62,366	No	No	No
Shared Ownership (10%)	£44,271	£11,068	£49,542	No	No	No
Affordable Rented Housing						
Affordable Rent	-	£6,759	£22,507	Yes	No	Yes
Social Rent	-	£5,310	£17,683	Yes	No	Yes

Source: AECOM Calculations

86. 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

87. Thinking about housing for purchase on the open market, it appears that local households on average incomes are 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 157.7% higher than the current average.

88. Private renting is generally only affordable to higher earners and those on the mean incomes. Households made up of two lower quartile earners 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

89. There is a relatively large group of households in BWKM who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £36,280 per year (at which point entry-level rents become affordable) and £112,243 (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.
90. 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.
91. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Table 4-4 shows that at all discount levels First Homes would not be affordable to households on mean incomes. It is recommended that in BWKM First Homes are delivered at a 50% discount in BWKM as although this does not make the product accessible to the households with the incomes discussed above, it makes homeownership accessible to households with incomes between £63,245 (the income required for a First Home at 50% discount) and £112,243 (the income required for a market entry-level home in the NA). This makes homeownership accessible to a significantly greater number of households than can afford ownership on the open market. In addition, a 50% discount is the only discount which brings the discounted cost of the home below the £250,000 cap.
92. Table 4-5 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate 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. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA Median House Price	61%	88%	76%
NA Estimated New Build Entry-Level House Price	63%	89%	77%
NA Entry-Level House Price	581%	87%	74%
LA Median New Build House Price	50%	85%	69%

Source: Land Registry PPD; ONS MSOA total household income

93. Shared ownership appears to be 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.⁷ 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.
94. 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.
95. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, 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.
96. 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

⁷ 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>.

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.

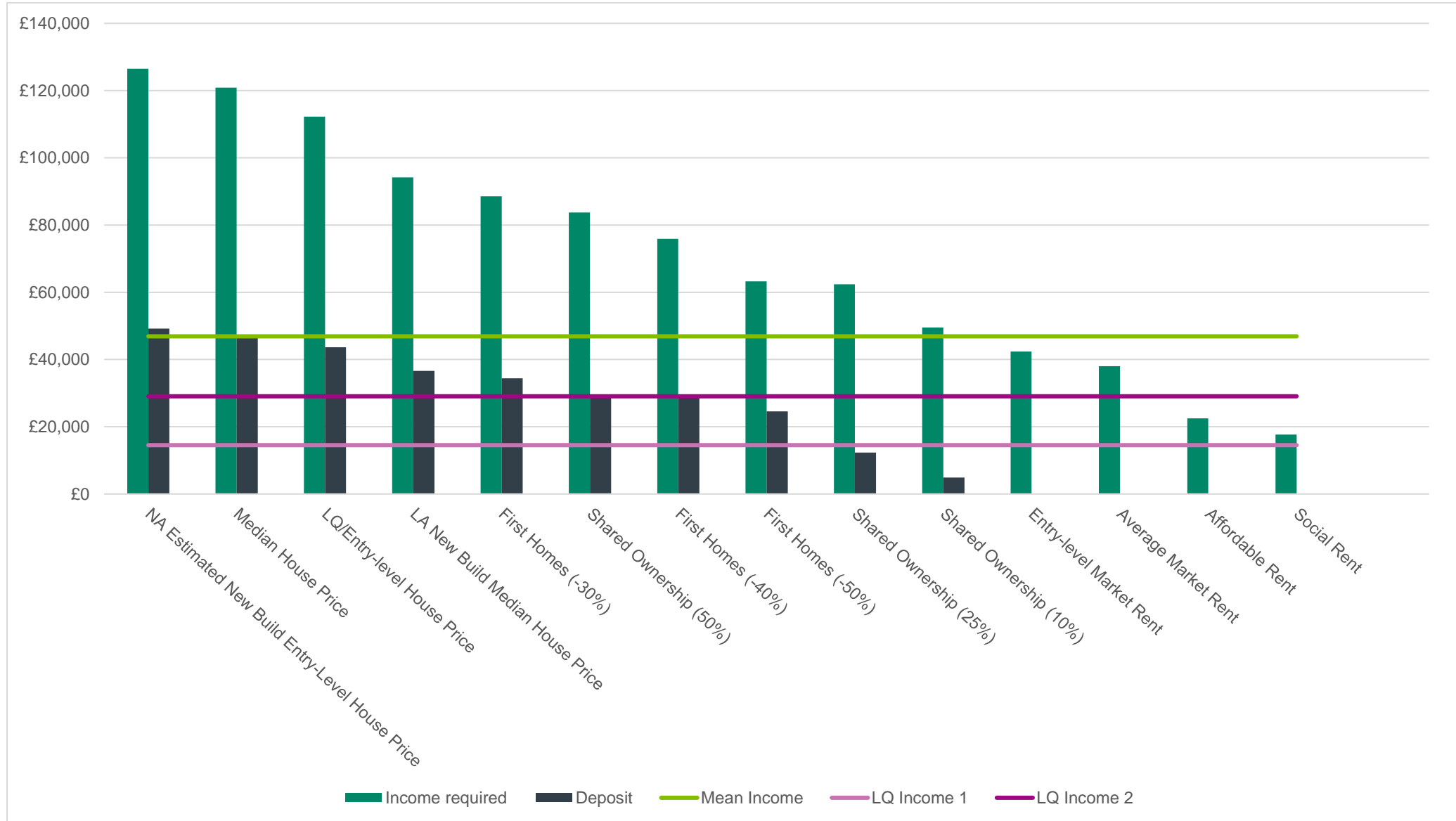
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

97. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a 10% equity share almost allowing mean earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

98. 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. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
99. The evidence in this chapter suggests that the affordable rented sector performs a vital function in BWKM 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.

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



Source: AECOM Calculations

Affordable housing- quantity needed

100. The starting point for understanding the need for affordable housing in BWKM is the relevant Local Housing Needs Assessment (LHNA). An LHNA was undertaken for Bournemouth, Christchurch and Poole, and Dorset in 2021⁸. This study estimates the need for affordable housing in the local authority based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 950 net additional social/affordable rented dwellings each year in Dorset as a whole. The LHNA also identifies the need for 767 net additional affordable home ownership dwellings per annum. This is a total need for Affordable Housing of 1,717 dwellings per annum.
101. When the LHNA figures are pro-rated to BWKM based on its fair share of the population (0.20% of Dorset UA's population based on 2011 Census), this equates to 3.4 homes per annum (1.9 for social/affordable rent and 1.5 for affordable ownership) or 54.4 homes over the Neighbourhood Plan period 2022-2038 (30.4 for social/affordable rent and 24.0 for affordable home ownership).
102. It should be noted that pro-rating District level estimates of affordable housing need to rural areas can present problems in practice. The local authority level figures are likely to represent higher needs in the urban areas of the local authority where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like BWKM the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within BWKM.

Affordable Housing policy guidance

103. Dorset's adopted policy on this subject, Policy 8, requires 40% of all new housing to be affordable. Given that there was no delivery of Affordable Housing in BWKM over the last decade according to Dorset's completions figures, it is understood that delivery is limited. This is in part due to housing delivery overall being limited in the NA, with just 5 completions in the last decade. This development would not be great enough to meet the threshold at which Affordable Housing policy applies.
104. 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 Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.

⁸ <https://www.dorsetcouncil.gov.uk/documents/35024/2012718/Housing+Needs+Assessment.pdf/caac9843-8acc-66bd-91f3-554b75c70091>

105. 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 outlined in the adopted Local Plan. It suggests that within the District as a whole, 70% to 85% of all new affordable housing should be provided as affordable rented and/or social rented housing. The remaining 15% to 30% should be provided as intermediate housing. The HNA can 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 BWKM specifically.
106. 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 BWKM needs approximately 30.4 units of affordable rented housing and 24.0 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
- The relationship between these figures suggests that 55.9% of Affordable Housing should be rented and 44.1% 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.
- If the quantity of new housing overall were unlimited, 55% to 45% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.
- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.
- If the Local Plan target of 40% were achieved on every site, up to around 4.8 affordable homes might be expected in the NA. If the majority of BWKM's housing delivery 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 11 dwellings, 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 not sufficient to satisfy the total potential demand for Affordable Housing identified here.
- As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority.
- C. **Government policy (eg 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 Dorset, where 40% of

all housing should be affordable, 25% of Affordable Housing should be for affordable ownership.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in BWKM would prejudice the provision of much needed affordable rented homes.

D. **Local Plan policy:** Within the District as a whole, 70% to 85% of all new affordable housing should be provided as affordable rented and/or social rented housing. The remaining 15% to 30% should be provided as intermediate housing.

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. This is not the case in the LA.

National policy dictates that 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 relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Dorset, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

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 BWKM:** Evidence suggests there is limited Affordable Housing (either to rent or for sale) within the NA at present. This suggests that some 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.
- 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 BWKM 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.

107. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.

108. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, the severe affordability challenges in the NA, and the current lack of Affordable Housing. In this context, affordable rented tenures should be prioritised. The suggested mix of Affordable Housing in this circumstance is 70% social/affordable rented dwellings and 30% affordable home ownership, in line with adopted Local Plan policy and meeting national requirements.

109. National policy states that First Homes should represent 25% of the affordable mix has been met here. Whilst it is understood that this option will not be affordable to the average income, this option will still be useful to those earning over the average income. Therefore, the percentage of First Homes to be delivered in the plan area has been kept to the national minimum requirement. It is recommended that First Homes are delivered at a 50% discount. Rent to Buy features in the recommended mix as it is the most affordable home ownership scheme in the NA and therefore makes up the remaining 5% of home ownership routes... This recommendation is based solely on our affordability

analysis and so the Steering Group could replace Rent to Buy with shared ownership if the latter has broader appeal locally.

110. 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.
111. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Dorset to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
112. 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 4-8: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0%	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	70%	
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

113. In 2011 a much higher proportion of people in BWKM owned their own home than across North Dorset and England. No households lived in shared ownership dwellings in the NA, with the proportion of households living in social and private rented dwellings also lower in BWKM than North Dorset and England.
114. Completions data provided by Dorset Council shows that 5 dwellings were built between 2011 and 2022, all for market housing.
115. Between 2012 and 2021, the median house price increased by 70.9% and currently stands at £470,000. The lower quartile price for the NA has increased by 81.9% from £240,000 in 2012 to £436,500.
116. Local households on average incomes are 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. Private renting is generally only affordable to higher earners. Households made up of one and two lower quartile earners cannot afford the given rental thresholds.
117. Turning to affordable home ownership, it is recommended that First Homes are delivered at a 50% discount in the NA. although this doesn't make First Homes affordable to households on mean incomes, it does increase accessibility to home ownership significantly.
118. Shared ownership appears to be more affordable than First Homes, particularly at a 10% equity share, but is broadly accessible to the same groups. Rent to Buy is considered more affordable than First Homes and Shared Ownership.
119. Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
120. The need for Affordable Housing in the plan area is 3.4 homes per annum (1.9 for social/affordable rent and 1.5 for affordable ownership) or 54.4 homes over the Neighbourhood Plan period 2022-2038 (30.4 for social/affordable rent and 24.0 for affordable home ownership).
121. An indicative tenure split of 30% affordable ownership (25% First Homes and 5% Shared Ownership) and 70% affordable rented has been recommended for BWKM.
122. Table 4-9 summarises BWKM 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 neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-9: Estimated delivery of Affordable Housing in BWKM

	Step in Estimation	Expected delivery
A	Provisional capacity figure	12.0
B	Affordable housing quota (%) in LPA's Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	4.8
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	3.4
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	30%
G	Affordable home ownership number (C x F)	1.4

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

123. This expected level of delivery does not meet the quantity of demand identified in this report. It is recommended that the policy requirement is met wherever possible, and that further avenues for delivering greater quantities of Affordable Housing (such as exception sites) are explored. If the group considers exceeding the Local Plan policy requirement in the neighbourhood plan then it must be noted that an extremely high standard of justification is required 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 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.
124. 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.

4. 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

125. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in BWKM 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.
126. 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

127. 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.
128. 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.
129. 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.
130. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

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

131. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects adding together Census figures and completions data for the intervening period is highly accurate. However, this has not been possible in this case and Valuation Office Agency (VOA) must be used. The most appropriate combination of approaches is used in this section. Local authority data in this sub section is for Dorset Unitary Authority as opposed to North Dorset Council.

Dwelling type

132. Table 5-1 shows that in 2011 the greatest proportion of dwellings were detached, at over 50% of the housing stock. Looking to 2021 there was a clear decline, although this category was still the greatest. This decrease in the proportion of both detached and semi-detached dwellings in this time is likely a result of the inclusion of bungalows in the 2021 data whilst these are counted within the detached and semi-detached dwelling types in the 2011 Census. The data also shows that the NA has a low proportion of flats and terraced properties, particularly flats with only 0.9% in 2011 and 1.1% in 2021. This is not uncommon in rural parishes.

Table 5-1: Accommodation type, BWKM, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	14.9%
Flat	0.9%	1.1%
Terrace	3.8%	9.6%
Semi-detached	27.3%	22.3%
Detached	67.7%	43.6%
Unknown/other	0.3%	8.5%

Source: ONS 2011, VOA 2021, AECOM Calculations

133. It is helpful to compare the NA with the wider local authority area and the country. Both BWKM and Dorset have a greater proportion of bungalows than nationally. Whilst both are below the proportion of flats nationally, BWKM had a significantly lower proportion at 1.1% compared to 23.7% nationally. The proportion of terraced properties is also lower in the NA than the comparator areas. Whilst the proportion of semi-detached dwellings is relatively in line with nationally, there is a significantly higher proportion of detached dwellings in to the NA than across Dorset and England, with 43.6% in BWKM compared to 15.8% nationally.

Table 5-2: Accommodation type, various geographies, 2021

Dwelling type	BWKM	Dorset	England
Bungalow	14.9%	19.4%	9.2%
Flat	1.1%	16.3%	23.7%
Terrace	9.6%	21.2%	26.1%
Semi-detached	22.3%	17.1%	23.7%
Detached	43.6%	22.8%	15.8%
Unknown/other	8.5%	3.2%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

134. Table 5-3 shows that the proportion of dwelling sizes follow a similar trend in both 2011 and 2021. 3-bedroom properties form the largest proportion of dwellings in the plan area in both 2011 and 2021, followed by 4-bedroom and 2-bedroom properties. 1-bedroom properties make up the smallest proportion of dwellings in both data sets. Between 2011 and 2021 the proportion of larger 4-bedroom dwellings increased, with the proportion of smaller dwellings also increasing slightly. The proportion of mid-sized 3-bedroom dwellings fell in this time. It can be seen below that the 2011 census data shows a gap in dwelling sizes for smaller properties. It cannot be said whether recent completions have helped to fill this gap or exaggerate imbalances as it has not been broken down by dwelling size.

135. While the VOA data helpfully shows changes that have been made to existing homes (i.e. extensions and the subdivision of rooms), it is rounded to the nearest ten for each dwelling category, records a number of properties with an unknown number of rooms, and the newest data available is for 2021 – which misses any homes completed in recent months.

Table 5-3: Dwelling size (bedrooms), BWKM, 2011 and 2021

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	0.0%	-
1	1.0%	2.3%
2	18.1%	18.6%
3	46.6%	41.9%
4	23.3%	26.7%
5+	11.0%	10.5%

Source: ONS 2011, VOA 2021, AECOM Calculations

136. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows that 3-bedroom properties form the largest proportion of dwellings in BWKM (41.9%), Dorset (42.0%) and England (43.0%). BWKM differs from Dorset and England in the sense that 4-bedroom properties form the second largest group of dwelling sizes in the plan area, whilst 2-bedroom properties form the second largest group of dwelling sizes in Dorset and England. Whilst 1-bedroom properties

form the smallest proportion of dwellings in BWKM, 5+ bedroom dwellings form the smallest proportion in Dorset and England.

Table 5-4: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	BWKM	Dorset	England
1	2.3%	9.0%	12.6%
2	18.6%	29.0%	28.4%
3	41.9%	42.0%	43.0%
4	26.7%	15.0%	12.1%
5+	10.5%	4.3%	3.3%

Source: VOA 2021, AECOM Calculations

Age and household composition

137. Having established the current stock profile of BWKM 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

138. Table 5-6 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It can be seen that between 2011 and 2020, the proportion of the population aged 0-15, 16-24 and 25-44 has decreased whilst the proportion of the population 45-64, 64-84, and 85 and over grew. In particular, the 65-84 age group has grown by 11.0% during this time period. The 45-64 age group forms the largest proportion of the plan area population in both 2011 and 2020. However, it can be seen that the 65-84 age group has increased by 11.0 percentage points between 2011 and 2020, indicative of an ageing population.

139. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

140. 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 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

Table 5-6: Age structure of BWKM population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	87	12.0%	73	10.7%
16-24	76	10.0%	31	4.6%
25-44	117	16.0%	105	15.4%

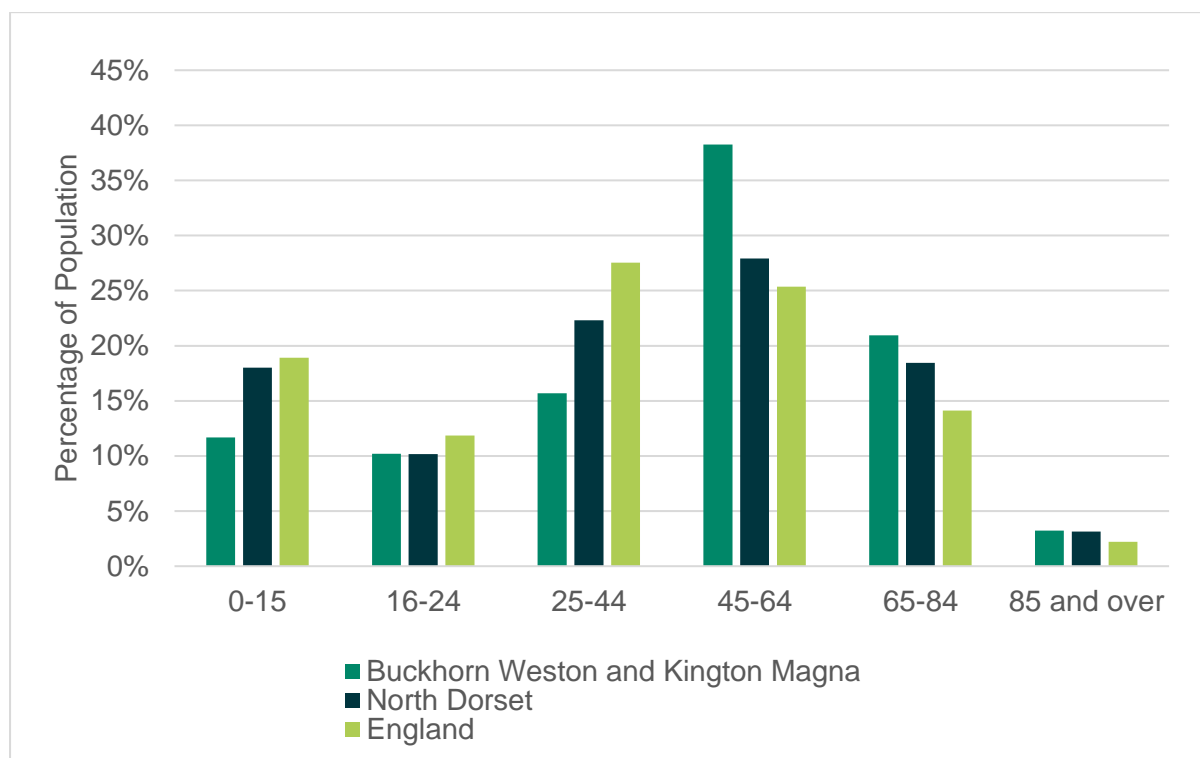
45-64	285	38.0%	229	33.6%
65-84	156	21.0%	218	32.0%
85 and over	24	3.0%	25	3.7%
Total	745	100.0%	681	100.0%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

141. 2021 Census data has begun to be released, with current population statistics not yet released to OA level. However, the local authority level data can provide some insight into how BWKM has changed over the last decade. The mid-population estimated for BWKM show that the population in the NA is expected to decrease by 8.6% between 2011 and 2020 whilst 2021 Census data shows that the Dorset population grew by 4.0% between 2011 and 2021. This indicates that the population in the area grew at a faster rate than the wider local authority. It could also indicate that mid-2020 population estimates for the NA have over-estimated population growth.

142. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that BWKM had a larger proportion of the population aged 45-64 and 65-84 than the comparator areas, and a smaller proportion of people aged 0-15 and 25-44. This indicates that the plan area has an ageing population. This could be as a result of affordability issues meaning that younger people are moving out of the area.

Figure 5-1: Age structure in BWKM, 2011



Source: ONS 2011, AECOM Calculations

Household composition

143. 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 5-7 shows that BWKM has a much lower proportion of one person households compared to Dorset and England and a much higher proportion of family households. The proportion of families aged 66 and over is 11.7 percentage points higher than nationally, whilst the proportion of families with no children is 9.5 percentage points higher than England. BWKM has a lower proportion of families with dependent children compared to Dorset and England and there is a similar proportion of families with non-dependent children in BWKM to the comparator areas.

144. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category decreased by 25.5% between 2011 and 2021 in the NA. Between 2011 and 2021, the one person households aged 65/66⁹ and over category increased by 57.7% whilst the one family only all aged 65/66 and over category grew by 28.8%.

Table 5-7: Household composition, BWKM, 2021

Household composition		BWKM	Dorset	England
One person household	Total	20.6%	30.6%	30.1%
	Aged 66 and over	12.8%	17.6%	12.8%
	Other	7.8%	13.0%	17.3%
One family only	Total	73.4%	64.9%	63.0%
	All aged 66 and over	20.9%	16.0%	9.2%
	With no children	26.3%	18.7%	16.8%
	With dependent children	15.3%	20.4%	25.8%
	With non-dependent children ¹⁰	10.9%	9.4%	10.5%
	Other	0.0%	0.3%	0.8%
Other household types	Total	5.9%	4.5%	6.9%

Source: ONS 2021, AECOM Calculations

Occupancy ratings

145. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than

⁹ 2011 Census data refers to households aged 65 and over whilst 2021 Census data refers to households aged 66 and over.

¹⁰ Refers to households containing children who are older than 18 e.g students or young working people living at home.

a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

146. Generally, under-occupancy is high in BWKM, with 88.3% of households living in a home with at least one extra bedroom. Under-occupancy is particularly high in families under 65 with no children and families aged 65+, at 100.0% and 98.1% under-occupancy respectively. This may suggest that the larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or be able to move to smaller properties. It is also relatively common in households comprised of single persons aged 65+ and single persons aged under 65, perhaps suggesting a lack of smaller dwellings in the NA. There is some over-occupancy in the NA, in families aged 65+ with dependent children, with 6.4% of these households living in a dwelling with too few bedrooms compared to the household size.

Table 5-8: Occupancy rating by age in BWKM, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	80.8%	17.3%	1.9%	0.0%
Single person 65+	53.8%	42.3%	3.8%	0.0%
Family under 65 - no children	85.1%	14.9%	0.0%	0.0%
Family under 65 - dependent children	25.5%	38.3%	29.8%	6.4%
Family under 65 - adult children	31.9%	46.8%	21.3%	0.0%
Single person under 65	55.2%	41.4%	3.4%	0.0%
All households	58.9%	29.4%	10.7%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

147. 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:

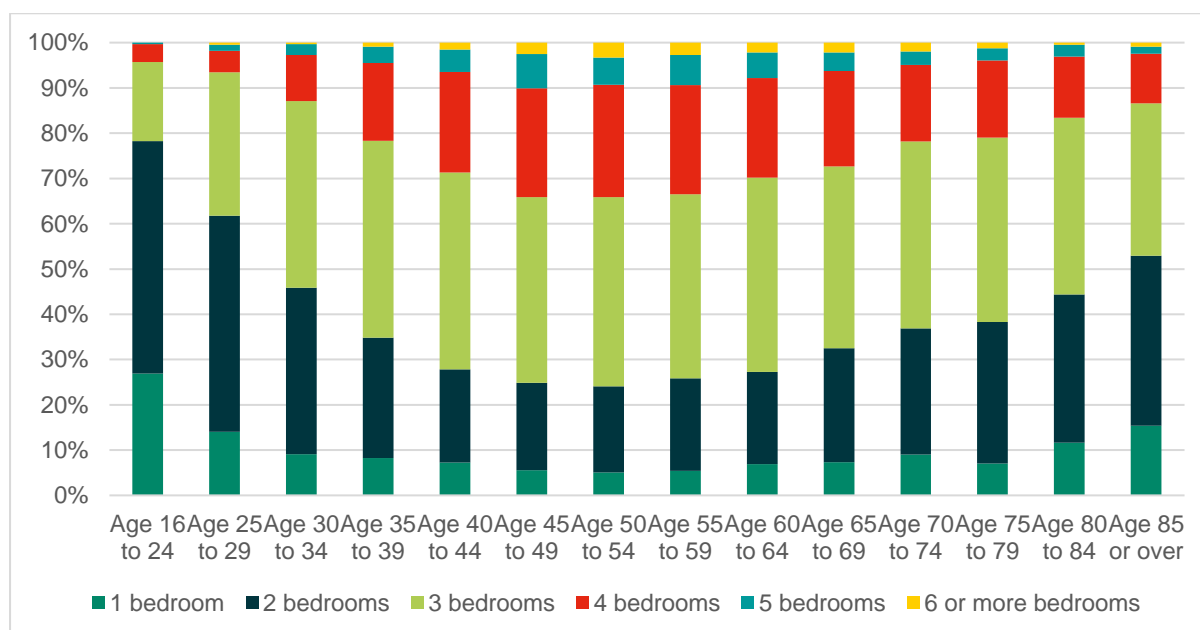
- The starting point is the age distribution of BWKM households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.

- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
 - Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
148. 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.
149. 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.

150. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

151. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for North Dorset in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

152. The second dataset of note is the result of applying Local Authority level household projections to the age profile of BWKM households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-9 makes clear that population growth can be expected to be driven by the oldest households, with the 65 and over category expanding by 72% by the end of the plan period. The only other age group to expand is the 55 to 64 group, whilst all other groups are expected to get smaller.

Table 5-9: Projected distribution of households by age of HRP, BWKM

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	2	9	102	86	110
2038	1	8	84	89	190
% change 2011-2038	-35%	-15%	-17%	4%	72%

Source: AECOM Calculations

153. The final result of this exercise is presented in Table 5-10. The model suggests that the majority of new dwellings in the plan area between now and 2038 should be 2-bedrooms, with 54.6% of new properties suggested to be of this

size in order to meet the indicative mix. This is followed by 36.5% 1-bedroom dwellings and 8.9% 3 bedroom dwellings. It is suggested that there is no further development of larger dwellings although, as discussed below, this is not necessarily appropriate.

Table 5-10: Suggested dwelling size mix to 2038, BWKM

Number of bedrooms	Current mix (2011)	Indicative mix (2038)	Balance of new housing to reach indicative mix
1 bedroom	1.0%	8.2%	36.5%
2 bedrooms	18.1%	26.1%	54.6%
3 bedrooms	46.6%	40.5%	8.9%
4 bedrooms	23.3%	19.1%	0.0%
5 or more bedrooms	11.0%	6.1%	0.0%

Source: AECOM Calculations

154. It is never advisable to restrict future housing delivery to selected size categories only. 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.
155. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
156. Variety should be sought within the smaller and mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms. However, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. There may therefore be a strong justification to continue supplying larger homes in the NA because a different kind of larger home is needed to accommodate growing families with less buying power.
157. 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 smaller and 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.

Conclusions- Type and Size

158. 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.
159. In 2011 the greatest proportion of dwellings were detached, at over 50% of the housing stock. Looking to 2021 there was a clear decline, although this category was still the greatest. This decrease in the proportion of both detached and semi-detached dwellings in this time is likely a result of the inclusion of bungalows in the 2021 data whilst these are counted within the detached and semi-detached dwelling types in the 2011 Census. The data also shows that the NA has a low proportion of flats and terraced properties, particularly flats with only 0.9% in 2011 and 1.1% in 2021. This is not uncommon in rural parishes. The proportion of bungalows in the NA was above levels for Dorset and England. The proportion of terraced properties was lower in the NA than Dorset and England whilst the proportion of detached dwellings was significantly higher in the NA.
160. In both 2011 and 2021 3-bedroom properties form the largest proportion of dwellings in the NA, followed by 4-bedroom and 2-bedroom properties. 1-bedroom properties make up the smallest proportion of dwellings in both data sets. When comparing BWKM to the local authority and country, 3-bedroom properties form the largest proportion of dwellings in BWKM, Dorset, and England. 4-bedroom properties form the second largest group in the NA, whilst 2-bedroom properties form the second largest group of across Dorset and England.
161. The 45-64 age group forms the largest proportion of the NA population in both 2011 and 2020. However, it can be seen that the 65-84 age group has witnessed an increase of 11.0 percentage points in this time, indicative of an ageing population. Across both datasets the 85 and over category forms the smallest proportion of the population, followed by 16-24 and 0-15. Between 2011 and 2020, the proportion of the population aged 0-15, 16-24, and 25-44 fell whilst the proportion of the population aged 45-64, 64-84, and 85 and over age grew. In particular, the 65-84 age group grew by 11.0% during this time period.
127. Population growth can be expected to be driven by the oldest households, with the 65 and over category expanding by 72% by the end of the plan period. The only other age group to expand is the 55 to 64 group, whilst all other groups are expected to get smaller.
128. BWKM has a much lower proportion of one person households compared to Dorset and England and a much higher proportion of family households. The

proportion of one family only aged 66 and over is significantly higher than nationally, whilst the proportion of families with no children is 9.5 percentage points higher than the nationally. BWKM has a lower proportion of families with dependent children compared to Dorset and England and there is a similar proportion of families with non-dependent children across all three geographies.

129. Generally, under-occupancy is high in BWKM. This is particularly evident in families aged under 65 with no children and families aged 65+. This may suggest that the larger housing in the NA isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or be able to move to smaller properties. Under-occupancy is also common in single person households, indicating a potential lack of smaller dwellings.
130. AECOM modelling suggests that the majority of new dwellings in the plan area between now and 2038 should be 2-bedrooms, with 54.6% of new properties suggested to be of this size in order to meet the indicative mix. This is followed by 36.5% 1-bedroom dwellings and 8.9% 3-bedroom dwellings. It is suggested that there is no further development of larger dwellings although this is not necessarily appropriate.
131. 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 smaller and 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.

5. RQ 3: Specialist housing for older people

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

Introduction

132. This chapter considers in detail the specialist housing needs of older people in BWKM. 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.

133. 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.

134. 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.

135. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹¹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

136. 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

¹¹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹²

137. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹³ 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

138. 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>.
139. There is currently no provision of specialist housing for older persons in the NA.

Tenure-led projections

140. 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 Dorset, as this is the most recent and smallest geography for which tenure by age bracket data is available.
141. 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.
142. According to Table 6-1, 81.6% of households in the NA own their home. The remaining 18.4% rented, with 10.4% of total households living in social rented dwellings, 6.8% private renting, and 1.2% living rent free. Compared to the tenure split of all age groups as outlined in Table 4-2, the percentage of households who owned their home was slightly higher for those aged 55-75 (81.6%), compared to all age groups (81.2%).

¹² See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹³ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Table 6-1: Tenure of households aged 55-75 in North Dorset, 2011

All owned	Owned		All Rented	Social rented	Private rented	Living rent free
	Owned outright	(mortgage) or Shared Ownership				
81.6%	59.0%	22.6%	18.4%	10.4%	6.8%	1.2%

Source: Census 2011

143. The next step is to project how the overall number of older people in BWKM is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for North Dorset 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 6-2 and show that between 2011 and 2038, the proportion of the NA aged over 75 will have increased from 10.3% to 19.4%. This is also the case for the Local Authority area.

Table 6-2: Modelled projection of elderly population in BWKM by end of Plan period

Age group	2011		2038	
	BWKM	North Dorset	BWKM	North Dorset
All ages	745	68,583	786	72,388
75+	77	7,090	153	14,058
%	10.3%	10.3%	19.4%	19.4%

Source: ONS SNPP 2020, AECOM Calculations

144. 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).

145. The people whose needs are the focus of the subsequent analysis are therefore the additional 76 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 Dorset in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 7,090 individuals aged 75+ and 5,096 households headed by a person in that age group. The average household size is therefore 1.39, and the projected growth of 76 people in BWKM can be estimated to be formed into around 54 households.

146. 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 6-3.

This provides a breakdown of which tenures those households are likely to need.

Table 6-3: Projected tenure of households aged 75+ in BWKM to the end of the Plan period

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
44	32	12	10	6	4	1

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

147. 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 6-4 presents this data for BWKM from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-4: Tenure and mobility limitations of those aged 65+ in BWKM, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	23	13.0%	44	24.9%	110	62.1%
Owned Total	21	13.1%	40	25.0%	99	61.9%
Owned outright	18	13.7%	31	23.7%	82	62.6%
Owned (mortgage) or shared ownership	3	10.3%	9	31.0%	17	58.6%
Rented Total	2	11.8%	4	23.5%	11	64.7%
Social rented	2	15.4%	3	23.1%	8	61.5%
Private rented or living rent free	0	0.0%	1	25.0%	3	75.0%

Source: DC3408EW Health status

148. 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 34.

149. These findings are set out in the table, 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.

Table 6-5: AECOM estimate of specialist housing need in BWKM 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	7
	1	6	
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	13
	2	11	
Total	3	17	20

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

150. 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 6-6 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.

151. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

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

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

Source: Housing LIN SHOP Toolkit

152. As Table 6-2 shows, BWKM is forecast to see an increase of 76 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 = $60 \times 0.076 = 5$
- Leasehold sheltered housing = $120 \times 0.076 = 9$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.076 = 1.51$
- Extra care housing for rent = $15 \times 0.076 = 1.14$
- Extra care housing for sale = $30 \times 0.076 = 2.27$
- Housing based provision for dementia = $6 \times 0.076 = 0.45$

153. This produces an overall total of 19 specialist dwellings which might be required by the end of the plan period.

154. Table 6-7 sets out the HLIN recommendations in the same format as Table 6-5. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-7: HLIN estimate of specialist housing need in BWKM by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	5

	2.35	3.03	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	14
	5	9	
Total	7	12	19

Source: Housing LIN, AECOM calculations

Conclusions- Specialist Housing for Older People

155. At present, there is no existing stock of specialist accommodation in the plan area.
156. By the end of the plan period it is expected that individuals aged 75+ will account for 19.4% of the total population, compared to 10.3% in 2011. This is an increase from 77 to 153 people in this category.
157. 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.
158. These two methods of estimating the future need in BWKM produce a range of 19 to 20 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.
159. Table 6-5 shows that of the 20 specialist housing units needed by the end of the plan period it is suggested that 7 should be for housing with care, of which 1 should be affordable housing and 6 should be market housing, and 13 should be for adaptations, sheltered or retirement living, of which 2 should be affordable housing and 11 should be market housing.
160. Note that Neighbourhood Plans can't set the proportion of housing for the elderly that should be affordable – that usually has to be in line with Local Plan policy for all housing.
161. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence local authority level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
162. Local Plan policy 7 provides explicit encouragement for development to accommodate specific groups such as older people. 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 would appear to justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a local authority level.

163. It is relatively common for Local 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. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the local authority falling into this category.
164. 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.
165. 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 Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
166. It is considered that BWKM's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from BWKM entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of BWKM, Gillingham is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
167. 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.

6. Next Steps

Recommendations for next steps

168. This Neighbourhood Plan housing needs assessment aims to provide BWKM 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 Dorset 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 Dorset 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 Dorset Council.
169. 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.
170. 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, Dorset Council, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
171. 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.

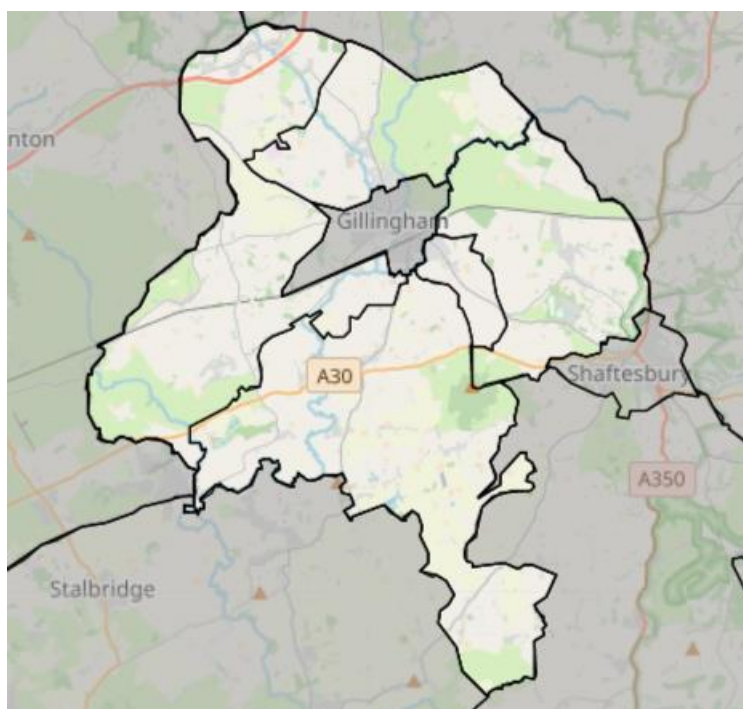
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

172. 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 Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

173. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of BWKM, it is considered that MSOA E02004256 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02004256 appears in Figure A-1. This MSOA contains the entirety of the Neighbourhood Area population.

Figure A-1: MSOA E02004256 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

174. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

175. 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

176. 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.
177. 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 BWKM, 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.
178. The calculation for the purchase threshold for market housing is as follows:
- 179. Value of a median NA house price (2021) = £470,000;
 - 180. Purchase deposit at 10% of value = £47,000;
 - 181. Value of dwelling for mortgage purposes = £423,000;
 - 182. Divided by loan to income ratio of 3.5 = purchase threshold of £120,857.
183. 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 2021 was £436,500, and the purchase threshold is therefore £112,243.
184. It is also 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 recorded no sales of new build properties in the NA in 2021. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Dorset and new build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £491,902 and purchase threshold of £126,489.

185. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Dorset in 2021. The median cost of new build dwellings in Dorset was £366,250, with a purchase threshold of £94,178. This is considerably lower than a new build in the NA.

ii) Private Rented Sector (PRS)

186. 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.

187. 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.

188. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the SP8 postcode area, 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.

189. According to [home.co.uk](https://www.home.co.uk), there were 14 properties for rent at the time of search in October 2022, with an average monthly rent of £962. There were 10 two-bed properties listed, with an average price of £907 per calendar month.

190. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

191. Annual rent = £907 x 12 = £10,884;

192. Multiplied by 3.33 (so that no more than 30% of income is spent on rent)
= income threshold of £36,244.

193. The calculation is repeated for the overall average to give an income threshold of £38,442.

A.3 Affordable Housing

194. 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

195. 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.
196. 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 BWKM. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Dorset in the Table A-1.
197. 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	£83.91	£99.71	£113.66	£121.91	£102.12
Annual average	£4363	£5185	£5910	£6339	£5310
Income needed	£14,530	£17,266	£19,681	£21,110	£17,683

Source: Homes England, AECOM Calculations

ii) Affordable rent

198. 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).
199. 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%.
200. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Dorset. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
201. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 40% 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	£102.03	£123.68	£145.62	£155.54	£129.98
Annual average	£5306	£6431	£7572	£8140	£6759
Income needed	£17,668	£21,416	£25,216	£27,106	£22,507

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

202. 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.

203. 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

204. 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.

205. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £491,902.

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

207. Value of a new home = £491,902;

208. Discounted by 30% = £344,331;

209. Purchase deposit at 10% of value = £34,433;

210. Value of dwelling for mortgage purposes = £309,898;

211. Divided by loan to income ratio of 3.5 = purchase threshold of £88,542.

212. 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 £75,893 and £63,245 respectively.

213. The income thresholds calculated here for First Homes for 40% and 50% discounts are below the cap of £80,000 which makes households eligible. The income threshold for First Homes with a 30% discount is above the £80,000 cap meaning households will not be eligible for the scheme. Further, the discounted values at 30% and 40% are above £250,000 cap meaning they would fail to meet the criteria, so either a greater discount is justified (50%), developers would need reduce the price, or smaller or lower value properties would need to be delivered than our assumed benchmark.
214. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹⁴) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in BWKM.

Shared ownership

215. 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'.
216. 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.
217. 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).
218. The affordability threshold for a 25% equity share is calculated as follows:
219. A 25% equity share of £491,902 is £122,975;

¹⁴ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

220. A 10% deposit of £12,298 is deducted, leaving a mortgage value of £110,678;
221. This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £31,622;
222. Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £368,926;
223. The estimated annual rent at 2.5% of the unsold value is £9,223;
224. This requires an income of £30,744 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
225. The total income required is £62,366 (£31,622 plus £30,744).
226. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £49,542 and £83,740 respectively.
227. The income threshold for shared ownership at 50% equity is above the £80,000 cap for eligible households.

Rent to Buy

228. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used 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 savings with a portion of the rent.

Help to Buy (Equity Loan)

229. 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.
230. 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 that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁵.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁶

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.

¹⁵ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁶ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-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 principal 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 Order¹⁷

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

Concealed Families (Census definition)¹⁸

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.

¹⁷ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁸ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹⁹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

¹⁹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), 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 Housing²⁰

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 bed roomed. 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

²⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²¹

²¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

