

Newbold Verdon

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
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
VOA	Valuation Office Agency

1. Executive Summary

1. The Office for National Statistics (ONS) mid-2020 population estimate for Newbold Verdon is 3,331, showing an increase of 319 since the 2011 Census.
2. There has been some development in Newbold Verdon since 2011, with Hinckley & Bosworth Borough Council providing completions data showing 136 new dwellings in the NA in this time period. The total quantity of dwellings in Newbold Verdon is estimated to be 1,483 as of 2021. It is estimated that there are 373 dwellings in the pipeline for development within the plan period.

Conclusions- Tenure and Affordability

Current housing stock

3. The 2011 tenure profile of Newbold Verdon shows that the majority of housing in the Neighbourhood Area (NA) was owner occupied, at 76.0%, in line with levels across Hinckley & Bosworth but a greater proportion than England as a whole at 63.3%. The social rented sector was in line with national levels but above Borough levels. It is also worth noting that the proportion of households living in the private rented sector is significantly below both Borough and national levels, at just 5.7%.
4. House prices in Newbold Verdon rose steadily between 2012 and 2022, with some slight fluctuation. The median house price in the NA increased from £130,000 in 2012 to £230,000 in 2021. In terms of the lower quartile, the prices follow a similar trajectory to the mean and median house prices, increasing from £111,000 in 2012 to £206,250 in 2021. The lower quartile price in the NA in 2021 is however £31,250 higher than the lower quartile price for Hinckley & Bosworth. In terms of the type of housing, detached house prices grew the most between 2012 and 2021, by 97.9%, followed by semi-detached houses at 84.1% growth. The growth in terraced properties was smaller than detached and semi-detached at 45.5%. There were too few flat transactions to make accurate comments on the trends in price. Small fluctuations in price like those seen in Newbold Verdon may be due to relatively small sample sizes as opposed to any major changes in the market.

Affordability

5. 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 average earners. Households made up of two lower quartile earners can afford the given rental thresholds, but households on one lower quartile income cannot.
6. Looking at affordable home ownership options, the report tested the implications of the various First Homes discount levels. It is suggested that First Homes in Newbold Verdon are delivered at a 40% discount, making them accessible to both households on mean incomes and households with two lower quartile incomes. Turning to shared

ownership, this product is broadly accessible to the same groups as First Homes. The affordable rented sector performs a vital function in Newbold Verdon as the only option for households with a single lower quartile earner.

Affordable housing need

7. Based on the Hinckley & Bosworth 2019 Housing Needs Study and AECOM calculations, the affordable housing need in Newbold Verdon is estimated. This report estimates that Newbold Verdon requires roughly 78.2 units of affordable rented housing and 44.2 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. There is almost certainly a backlog of households in need currently in the NA, with Hinckley & Bosworth Borough Council providing a Housing Register waiting list figure of 24 households with a local connection to Newbold Verdon NA that may justify either exceeding the provision of social/affordable rented housing overall or indicate a need to frontload the development near the beginning of the plan period if possible.
8. The suggested mix of Affordable Housing delivery in the NA is 60% affordable rented housing and 40% affordable home ownership, with the latter's split as follows:
 - 25% First Homes
 - 10% shared ownership
 - 5% Rent to Buy
9. It is recommended that the proportion of affordable home ownership delivered as First Homes is in line with national requirement and emerging Local Plan split of 25%. It is suggested that the First Homes are delivered at a 40% discount as it makes the product accessible to both households on mean incomes and households with two lower quartile incomes. Increasing the discount further does not make it accessible to any further groups and may have an impact on overall scheme viability. To provide a mix, 10% shared ownership is recommended at 25% equity. This is accessible to the same groups as First Homes at a 40% discount but has a slightly lower income threshold and would require a smaller deposit for households with fewer savings. Rent to Buy is included at 5% to include further variety. The estimated income threshold is greater than for shared ownership at 25% equity but slightly below First Homes at a 40% discount, with the main advantage being that there is no initial deposit requirement, widening the accessibility of affordable home ownership.
10. Table 4-6 summarises Newbold Verdon's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing, with an increase in affordable housing if sites are over the threshold or housing is delivered on sites as primarily affordable, such as via a community land trust) 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.

11. The expected level of delivery does meet the quantity of demand identified in estimates of the need for affordable housing. It is recommended that the policy requirement be met wherever possible.
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.

Current dwelling stock

14. In both 2011 and 2021, the dominant dwelling type in Newbold Verdon was semi-detached, followed by detached dwellings. In 2021, the proportion of detached and semi-detached dwellings in Newbold Verdon was significantly above the proportion across England. There were very slight increases in both flats and terraced properties between 2011 and 2021, but in both circumstances the proportions of these dwelling types were significantly below the proportion of detached and semi-detached dwellings.
15. Turning to dwelling size, in both 2011 and 2021 there was a dominance of 3-bedroom dwellings in both time periods, with these increasing from 54.9% to 60.4%. The proportion of 1-bedroom dwellings, although very low in both 2011 and 2021, grew slightly. On the other hand, the proportion of 2-bedroom, 4-bedroom, and 5+ bedroom dwellings fell in the last decade. Newbold Verdon has a significantly higher proportion of mid-size 3-bedroom dwellings than both Hinckley & Bosworth and England. The NA has a smaller proportion of smaller 1-bedroom and 2-bedroom dwellings suitable for downsizing and starter homes.

Demographics

16. In both 2011 and 2020, the largest proportion of the population in Newbold Verdon were aged 45-64, with this decreasing from 30.4% of the population to 26.6% of the population in this time period. In 2011, was followed by those aged 25-44 but in 2020 the second highest category was those aged 65-84, indicating an ageing population. Between 2011 and 2020 there is a decrease in the proportion of people aged 16-44 but

a slight increase in those aged 0-15, perhaps indicating an increase in families in the NA. In relation to the national population in 2011, Newbold Verdon and Hinckley & Bosworth had populations skewed towards the older age categories, with both having a greater proportion of the population aged 45 and over than England, with this difference more prominent in the NA.

17. Population growth to the end of the plan period can be expected to be driven by the oldest households, with an expected 80% increase in households with a household reference person aged 65 and over, by far the greatest growth of any category. This growth would mean that households with a household reference person aged 65 and over would account for 46.0% of households in 2039, compared to accounting for 35.7% in 2011. There is expected to be growth across all categories, with the second highest in households with a household reference person aged 25-34 due to increase by 28%. This suggests that as well as significant growth in the older population, there is also a potential increase in households with young couples or families.
18. In terms of household composition, in 2011 the proportion of single person households in the NA is relatively in line with both the Borough and England. A higher proportion however in Newbold Verdon are specifically aged 65 and over than in the comparative areas. As with single person households, a greater proportion of family households are aged 65 and over in the NA than across the Borough and the country, further emphasising the slight skew towards the older population. Between 2001 and 2011 there was a fall in the proportion of households with dependent children in the NA whilst there was slight growth in this category across both the Borough and the country, perhaps indicative of an aging population or worsening affordability of mid-sized homes suitable for those with dependent children.

Future housing mix

19. The AECOM model suggests that the indicative mix for 2039 should see an increase in smaller 1-bedroom and 2-bedroom dwellings than in the NA in 2011. It is also suggested that there is a slight increase in larger 4-bedroom dwellings, likely family homes, but a decrease in the proportion of 3-bedroom dwellings, whilst still remaining the dominant dwelling size. In order to reach the indicative mix for 2039 it is suggested that a relatively broad mix of housing is delivered on sites coming forward in the plan period. The majority, at 43.1%, are suggested to be for 2-bedroom dwellings.
20. It would be unwise for any new housing that comes 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/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.

Conclusions- Specialist Housing for Older People

21. At the time of the report, there was one development of retirement housing in the NA, providing 26 units of accommodation, all of which are available for social rent for those

in financial need. This may therefore create challenges for those not eligible for social rented dwellings looking for market dwellings. There is also a gap in the provision of extra-care facilities for those with greater support needs.

22. In 2011, 85.9% of households aged 55-75 in Hinckley & Bosworth own their home, with the majority of these owning it outright, suggesting a greater demand for owned as opposed to rented specialist housing. Within the rented accommodation, a greater proportion of households lived in social rented properties and are therefore likely to need affordable/social rented specialist accommodation. In both 2011, and projected in 2039, the proportion of people aged 75+ is greater in the NA than at a Borough level. In terms of the number of people, it is projected that those aged 75+ in Newbold Verdon will increase by 353 people, more than doubling the 2011 figure.
23. 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.
24. These two methods of estimating the future need in Newbold Verdon produce a range of 89 to 121 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.
25. AECOM calculations suggest a relatively even split between the need for sheltered housing and the need for extra-care housing in the NA. The split between the need for market and affordable specialist housing is more pronounced, with the majority of the need in the plan period expected to be for market housing, at 78.5% of the total need. This is more prominent in the sheltered housing need, where it is suggested that 83.3% of need is for market accommodation compared to 72.1% in housing with extra-care. With the market need for sheltered housing, this may be possible to be satisfied through the provision of accessible and adaptable housing and the support needs are lower than those in need of extra-care housing.
26. 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 Borough level policies.
27. The emerging Local Plan for Hinckley & Bosworth provides explicit encouragement for development of accessible dwellings. It proposes that all new build residential dwellings should meet at least Category M4(2), the national standard for accessibility and adaptability. For wheelchair users (Category M4(3)) it is suggested that at least 5% of all new dwellings should meet this standard. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised as the parish council wish to diverge from this.

28. 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 Borough falling into this category.
29. 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.
30. 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 NAs from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
31. It is considered that Newbold Verdon is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria, the considerations of cost-effectiveness above, and the fact that some provision of sheltered housing already exists in the NA. As such, there is potential for such accommodation to be provided within the NA (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Newbold Verdon in other suitable locations near to but outside the NA boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the NA boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the NA itself.
32. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

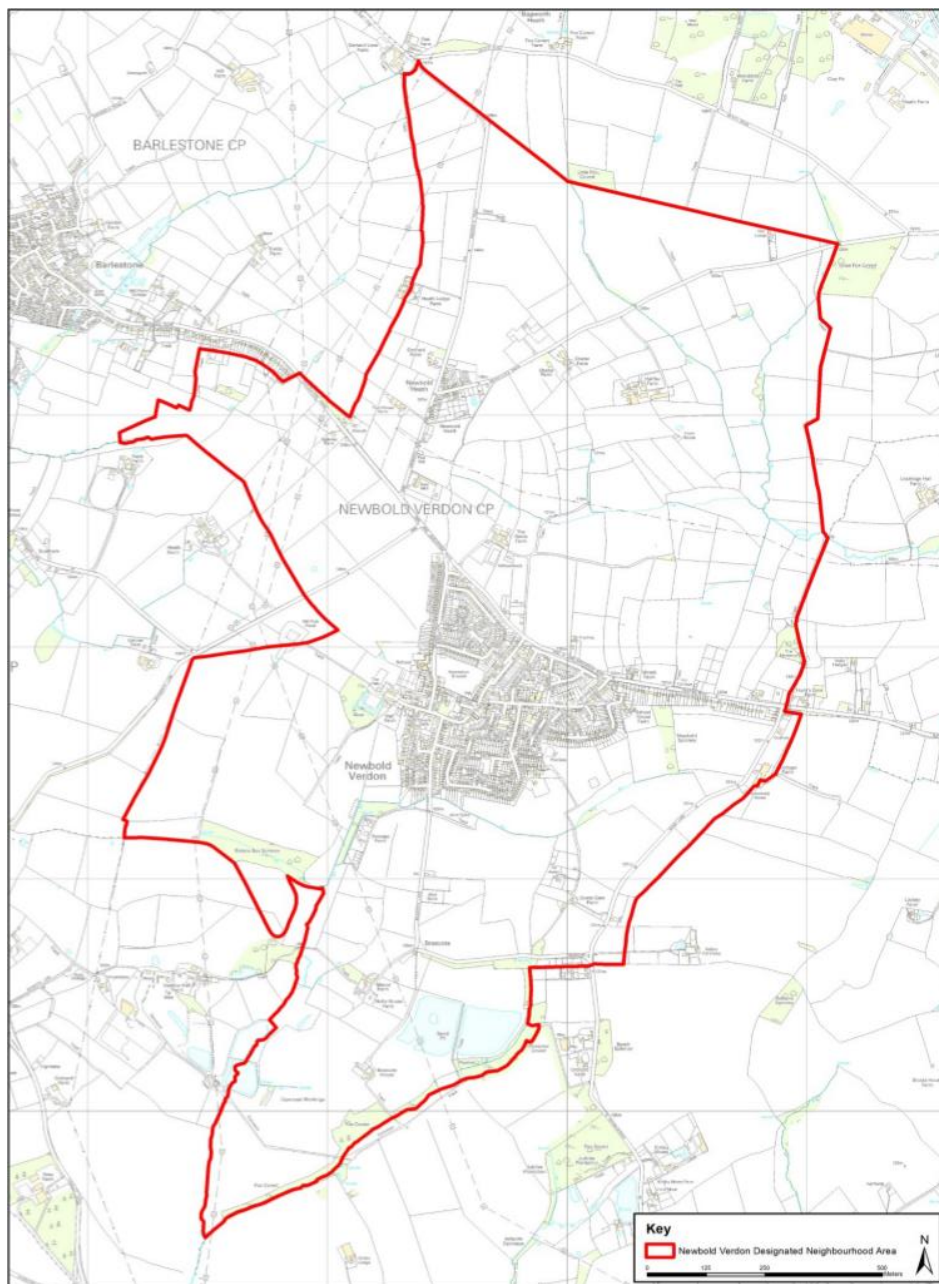
2. Context

Local context

1. Newbold Verdon is an NA located in Hinckley & Bosworth Borough Council area, Leicestershire. The NA boundary aligns with the parish boundary and was designated in 2016.
2. The proposed Neighbourhood Plan period starts in 2022 and extends to 2039, therefore comprising a planning period of 17 years. The evidence supplied in this report will look forward to the Plan end date of 2039, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
3. Newbold Verdon is located in Leicestershire, East Midlands. The parish is made up of the main settlement, Newbold Verdon village, as well as the smaller settlement of Newbold Heath to the north of the parish and the hamlet of Brascote to the south. Newbold Verdon is located approximately 10 miles west of Leicester and c.9 miles north of Hinckley. The B582 runs through the centre of the parish, on the northern boundary of Newbold Verdon village, providing access to neighbouring settlements. In relation to amenities, the NA has a primary school, GP surgery, pavilion and sports pitches, churches, and pubs.
4. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). These make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The plan area equates to the following LSOAs, 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 2011 Censuses:
 - LSOA E01025872
 - LSOA E01025875
5. The statistics show that in the 2011 Census the NA had a total of 3,012 residents, formed into 1,311 households and occupying 1,347 dwellings. The ONS produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Newbold Verdon is 3,331 – indicating population growth of around 319 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.
6. Completion data provided by Hinckley & Bosworth Borough Council indicate that between 2010/2011 and 2020/2021, there were 136 dwellings completed, 81.6% of these dwellings formed part of large sites (of 10 dwellings or more). The remaining dwellings were delivered on small sites of 9 dwellings or fewer (16.9%) and through changes of use (1.5%). This increase of 136 dwellings is broadly in line with the population growth mentioned above, and (excluding any loss of dwellings) gives a current dwelling estimate in the NA of 1,483. Allocations and commitments within the NA total 373 dwellings, with it expected that 337 of these will be delivered through large sites. There is no indication of the exact split between market and affordable completions or commitments.

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

Figure 2-1: Map of the Newbold Verdon NA¹



Source: *Hinckley & Bosworth Borough Council*

The Housing Market Area Context

8. Whilst this HNA focuses on Newbold Verdon NA 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 Newbold Verdon, the parish sits within a housing market area which covers Leicester and Leicestershire

¹ Available at https://www.hinckley-bosworth.gov.uk/downloads/file/5383/designated_neighbourhood_area_-_newbold_verdon

(as per the Housing & Economic Development Needs Assessment (HEDNA) for Leicester & Leicestershire Authorities and the Leicester & Leicestershire Enterprise Partnership, 2017). This covers the local planning authorities of North West Leicestershire, Blaby, Charnwood, Harborough, Hinckley & Bosworth, Melton, Leicester, and Oadby & Wigston². This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including northern parts of Warwickshire for Hinckley & Bosworth.

9. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Newbold Verdon, are closely linked to other areas. In the case of Newbold Verdon, changes in need or demand in settlements nearby may also impact on the neighbourhood.
10. In summary, Newbold Verdon functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Hinckley & Bosworth Borough 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

11. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of Newbold Verdon, the relevant adopted Local Plan for Hinckley & Bosworth Borough Council consists of:
12. The adopted Local Plan, the Hinckley & Bosworth Local Development Framework Core Strategy, adopted December 2009⁴. This plan covers 2006, with the settlement of Newbold Verdon identified as a Key Rural Centre. The strategy defines Key Rural Centres as villages with populations over 1,500 people that have a primary school, local shop, post office, GP, community/leisure facilities, employment, and a 6 day a week hourly bus service. They provide a localised provision of facilities for those living in Key Rural Centres as well as surrounding rural villages and hamlets. The Core Strategy is supported by the Affordable Housing Supplementary Planning Document, adopted in February 2011⁵.
13. The emerging Local Plan is the Hinckley & Bosworth Local Plan, with the Regulation 19 Consultation⁶ the latest version, published in February 2022. This covers the time period 2020-2039. Newbold Verdon remains classified as a Key Rural Centre, with the overall

² Available at: https://www.hinckley-bosworth.gov.uk/downloads/download/1452/hedna_-_housing_and_economic_development_needs_assessment

³ 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>

⁴ Available at https://www.hinckley-bosworth.gov.uk/downloads/file/487/core_strategy_adopted_document

⁵ Available at https://www.hinckley-bosworth.gov.uk/downloads/file/2247/affordable_housing_spd-adopted_february_2011

⁶ Available at https://www.hinckley-bosworth.gov.uk/info/200398/local_plan_review_2020_to_2039/1805/local_plan_review_regulation_19

settlement hierarchy as follows:

- Urban Area (Hinckley, Burbage, Barwell, and Earl Shilton)
- Key Rural Centres (including Newbold Verdon)
- Rural Villages
- Rural Hamlets

Development in Key Rural Centres aims to allow for managed growth to support the settlements and their rural hinterlands. Around 2,600 homes are planned for Key Rural Centres across Hinckley & Bosworth.

Policies in the adopted local plan

14. Table 2-1 summarises adopted Local Plan policies that are relevant to housing need and delivery in Newbold Verdon.

Table 2-1: Summary of relevant adopted policies in the Hinckley & Bosworth Local Development Framework Core Strategy and Affordable Housing Supplementary Planning Document

Policy	Provisions
Policy 7: Key Rural Centres	<p>To support the Key Rural Centres and ensure they can provide key services to their rural hinterland, the Council will:</p> <ul style="list-style-type: none"> - Support housing development within the settlement boundaries that provides a mix of housing types and tenures as detailed in Policy 15 and Policy 16. - Support development under Policy 17: Local Needs. - Further information (not relating to housing) can be found in the Policy.
Policy 11: Key Rural Centres Stand Alone	<p>To support the local services in Newbold Verdon and maintain rural population levels the Council will:</p> <ul style="list-style-type: none"> - Allocate land for the development of a minimum of 110 new homes. Developers will be required to demonstrate that the number, type, and mix of housing proposed will meet the needs of Newbold Verdon, taking into account the latest Housing Market Assessment and local housing needs surveys where they exist in line with Policy 15 and Policy 16. - Further information (not relating to housing) can be found in the Policy.
Policy 15: Affordable Housing	<p>To support the provision of mixed, sustainable communities, a minimum of 2,090 affordable homes will be provided in the Borough from 2006 to 2026. At least 480 dwellings will contribute to this target</p>

Policy	Provisions
	<p>in rural areas, including rural exception sites brought forward via Policy 17: Rural Needs.</p> <p>Rural areas (including Newbold Verdon) will have an affordable housing starting point as being delivered on developments of 4 dwellings or more (or 0.13 ha or more). The on-site target is 40% Affordable Housing.</p> <p>For all sites the tenure split will be 75% social rented and 25% intermediate housing.</p> <p>These figures may be negotiated on a site by site basis taking into account: identified local need, existing provision, characteristics of the site, and viability. In areas where there is already a high proportion of Affordable Housing, the Council may agree to accept commuted sums in lieu of on-site Affordable Housing.</p>
Policy 16: Housing Density, Mix, and Design	<p>The Council requires a mix of housing types and tenures to be provided on all sites of 10 or more dwellings.</p> <p>All developments of 10 or more dwellings are required to meet a 'very good' rating against the Building for Life criteria, unless it can be demonstrated that this is not viable on the particular site.</p> <p>Proposals for new residential development will be required to meet a minimum net density of at least 30 dwellings per hectare within and adjoining the Key Rural Centres, Rural Villages, and Rural Hamlets.</p>
Policy 17: Rural Needs	<p>In Key Rural Centres, Rural Villages, and Rural Hamlets, small scale developments that meet a 'local need' either through Local Choice or a Rural Exceptions Site for housing, employment, or community facilities adjacent to the settlement boundary will be permitted provided that:</p> <ul style="list-style-type: none">- The 'local need' has been clearly identified in an up to date Needs Survey or Parish Plan, the format of which has been agreed by the borough council;- The need cannot be met within the settlement boundary of the village;- The development is of a scale and design which fully respects the character of the settlement concerned and the level of need identified;- For a Rural Exceptions Site, the development will be small scale (usually 10 dwellings or less), and the development will be exclusively for the provision of affordable housing, either social rented or intermediate housing;

Policy	Provisions
	<ul style="list-style-type: none"> - A legal agreement is entered into to ensure that all housing provided will be for the exclusive occupation, in perpetuity, of people with a local connection and that any affordable housing provided as part of this policy is provided in perpetuity. No more than 80% share of any affordable housing will be permitted to be sold.
Affordable Housing SPD. Key Policy Principle AH1: Tenure Type and Mix	<p>On sites where Affordable Housing is being sought, the Council's first priority is for affordable social rented housing rather than other tenure types. Negotiations with developers and partner RSLs should therefore be based on the following priorities:</p> <ol style="list-style-type: none"> 1. Social rent 2. Intermediate tenure 3. Other tenures <p>The Council will expect at least 75% of all new affordable accommodation in the Borough to be for social renting. It is anticipated that intermediate tenures will make up the remaining 25% of new affordable accommodation.</p>

Source: Hinckley & Bosworth Borough Council

Policies in the emerging local plan

15. Table 2-2 summarises emerging Local Plan policies that are relevant to housing need and delivery in Newbold Verdon.

Table 2-2: Summary of relevant emerging policies in the emerging Hinckley & Bosworth Local Plan Regulation 19 Consultation

Policy	Provisions
SS02: Development Strategy	<p>The majority of new homes will be located in the urban areas of the Borough, followed by the identified Key Rural Centres (including Newbold Verdon) and Rural Villages.</p> <p>Provision will be made for a minimum of 9,124 dwellings during the period 2020-2039. Of these, 3,854 dwellings are already completed or committed. A further 1,862 homes are expected at other non-strategic allocations in Policy HO01, and 1,170 homes on windfall sites.</p>
SS08: Strategy for the Key Rural Centres	<p>The Council will plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Further commitments of the Council for Key Service Centres, not relevant to housing, are outlined in the policy.</p>

Policy	Provisions
HO01: Provision of New Housing	<p>To meet the strategy for housing, planning permission will be granted for the following residential development, provided the development is in accordance with other relevant policies of the Development Plan:</p> <p>NEW01H – Newbold Verdon – Land east of Brascote Lane – minimum 221 dwellings to be delivered 2020-2039.</p>
HO02: Housing Mix, Size, and Type	<p>To meet the housing needs of the Borough, residential developments should provide a mix of dwelling sizes informed by the most up to date evidence of housing need.</p>
HO04: Housing Density	<p>The density of development will be guided by good design principles and the prevailing character of the area rather than specific density targets. However, unless justified through principles of good design, to ensure the efficient use of land at least 30 dwellings per hectare should be delivered in residential development within and adjoining the Key Rural Centres, Rural Villages, and Rural Hamlets.</p>
HO05: Accessible Housing	<p>New build residential developments should include the following proportions of accessible dwellings:</p> <ul style="list-style-type: none"> - All dwellings to meet at least M4(2) standard - 5% of all new dwellings to at least M4(3) standard <p>Unless evidence of local need dictates otherwise, the mix of sizes, type, and tenure of M4(3) dwellings should reflect the mix of dwellings of the development as a whole.</p> <p>Where the size of development means that the percentage requirement for M4(3) dwellings generate less than 1 dwelling, if the figure generated is 0.5 of a dwelling or more this should be rounded up to 1 dwelling; if it is below 0.5 then the M4(3) dwelling does not need to be provided.</p> <p>In terms of tenure, if the required number of M4(3) dwellings is even, it would be appropriate for half to be affordable and half to be market housing. Where the number is odd, affordable provision should be favoured, as evidence indicates a slightly higher need from wheelchair users in the social sector.</p>
HO06: Self-build and Custom Housing	<p>Sites providing 100 or more dwellings must include the provision of 5% of plots for self-build and custom housing as part of an appropriate mix of dwellings. All plots for self-build and custom housing must be fully serviced.</p>

Policy	Provisions
HO09: Affordable Housing	<p>To support the provision of mixed, sustainable communities, a minimum of 40% affordable homes will be required on new residential development of 10 or more dwellings (or sites of at least 0.5 ha).</p> <p>In rural areas (including Newbold Verdon), the split of Affordable Housing should be delivered as follows:</p> <ul style="list-style-type: none">• 56% affordable homes for rent• 25% First Homes• 19% other forms of affordable home ownership <p>A variation to the mix and tenure, which would allow affordable housing to be delivered on site rather than as an off-site contribution would be acceptable where suitable evidence is provided to demonstrate this is necessary to deliver that Affordable Housing.</p>

Source: Hinckley & Bosworth Borough Council

Quantity of housing to provide

16. 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.
17. Hinckley & Bosworth Borough Council has fulfilled that requirement by providing Newbold Verdon with an indicative figure of 373 dwellings to be accommodated within the NA by the end of the Plan period⁷. This is a combination of emerging Local Plan allocations, at 221, and commitments as of April 2021, totalling 152.

⁷ Figure based on emerging Local Plan (latest version published February 2022)

3. Approach

Research Questions

1. The following research questions were formulated at the outset of the research through discussion with the Newbold Verdon Parish Council. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

2. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
3. This evidence will allow Newbold Verdon 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.
4. The Parish Council are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

Type and Size

5. The parish council is seeking to determine what size and type of housing would be best suited to the local community. They identify an aging population with a demand for reasonably sized, newer bungalows.
6. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
7. 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.
8. 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

9. 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

10. 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;
 - Leicester & Leicestershire Authorities and the Leicester and Leicestershire Enterprise Partnership Housing & Economic Development Needs Assessment (HEDNA), 2017⁸; and
 - Hinckley & Bosworth Borough Council Housing Needs Study, 2019⁹.
11. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

⁸ Available here: <https://www.hinckley-bosworth.gov.uk/downloads/file/5978/hedna-main-report>

⁹ Available here: <https://www.hinckley-bosworth.gov.uk/info/1004/planning-policy-and-the-local-plan/1610/housing-needs-study-2020>

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

RQ 1: What Affordable Housing (eg social housing, affordable rented, shared ownership, First Homes, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

1. 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.
2. 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.
3. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.¹⁰
4. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
 - First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - 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;

¹⁰ 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>.

- 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

5. The current tenure profile is a key feature of the 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.
6. Table 4-1 presents data on tenure in Newbold Verdon compared with Hinckley & Bosworth and England from the 2011 Census, which is the most recent available source of this information. It shows that the majority of housing in the NA is owner occupied, at 76.0%, in line with levels across Hinckley & Bosworth but a greater proportion than England as a whole at 63.3%. The social rented sector is in line with national levels at 16.3% of households in the NA and 17.7% across the country, but above Borough levels. It is likely that the parish provides a relatively important role in meeting affordable housing needs from other parts of the local authority area therefore. It is also worth noting that the proportion of households living in the private rented sector is significantly below both Borough and national levels, at just 5.7%.
7. 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, even though this data is relatively old. In this time period the proportion of households living in shared ownership dwellings fell by 83.3% whilst Borough and national levels grew by 126.3% and 30.0% respectively. This decline in the NA could be due to households fully staircasing their shared ownership properties in this time (or being permitted to sell them on the open market if no shared owner is found for resale). Another interesting change

between 2001 and 2011 was the growth in the proportion of households living in the private rented sector. In the NA, this grew by 200.0% compared to 169.9% growth in Hinckley & Bosworth and lower levels of growth across England, of 82.4%. Despite this growth, as mentioned above, the proportion of households living in the private rented sector in Newbold Verdon is still low.

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

Tenure	Newbold Verdon	Hinckley & Bosworth	England
Owned	76.0%	76.7%	63.3%
Shared ownership	0.1%	0.6%	0.8%
Social rented	16.3%	10.3%	17.7%
Private rented	5.7%	11.4%	16.8%

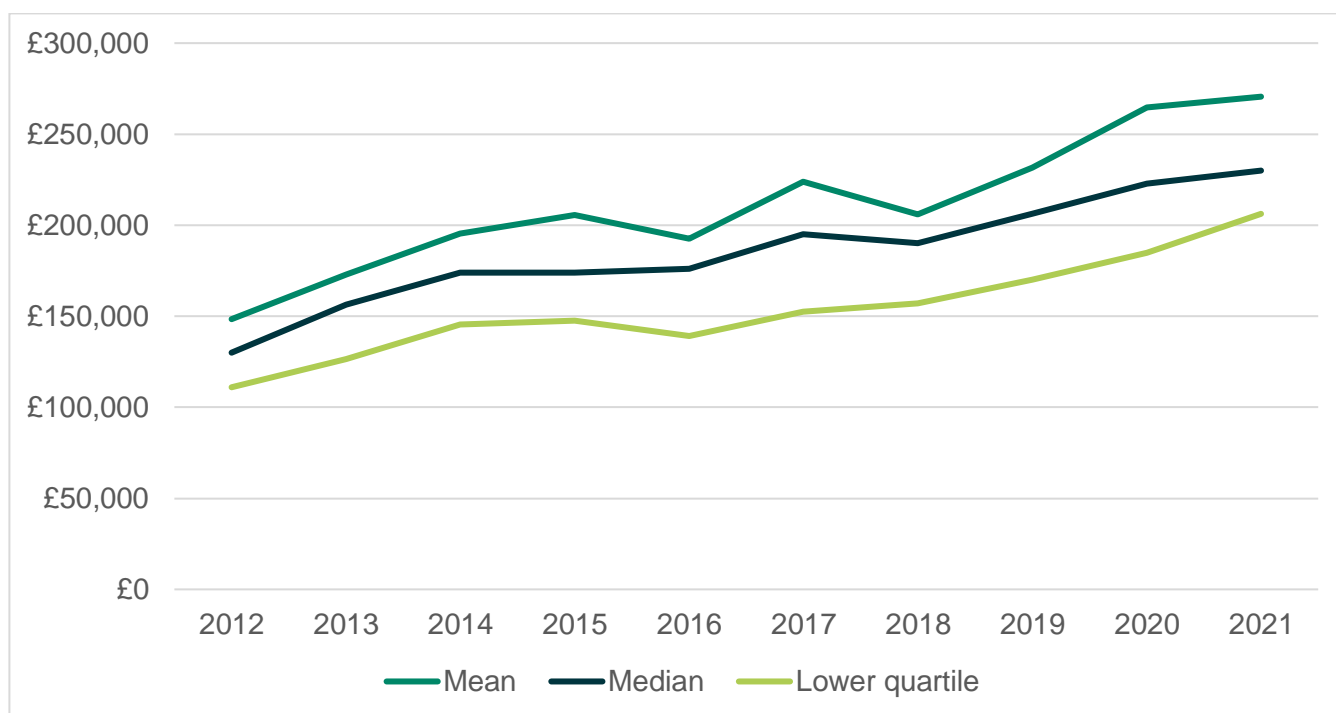
Sources: Census 2011, AECOM Calculations

Affordability

House prices

- 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.
- Figure 4-1 looks at selected measures of house prices in Newbold Verdon. It shows that house prices in Newbold Verdon have risen steadily between 2012 and 2021, with some slight fluctuation. Throughout all of the time periods, the mean remains above the median due to the mean capturing the average of all house prices, high and low, with the few outlying data points on the high end causing the mean to increase. The median on the other hand is the middle number when the data is sorted from smallest to largest. The median house price in the NA increased from £130,000 in 2012 to £230,000 in 2021. Whilst the prices rose relatively steadily, there was some minor fluctuation between 2016 and 2018. In terms of the lower quartile, the prices follow a similar trajectory to the mean and median house prices, increasing from £111,000 in 2012 to £206,250 in 2021. When comparing the median and lower quartile house prices in Newbold Verdon with the wider Borough area, the median house price in 2021 is the same. The lower quartile price in the NA in 2021 is however £31,250 higher than the lower quartile price for Hinckley & Bosworth.

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



Source: Land Registry PPD

10. Table 4-2 breaks down house prices by type, presenting the median within each type. It shows that detached house prices grew the most between 2012 and 2021, by 97.9%, followed by semi-detached houses at 84.1% growth. Detached house prices grew steadily, with a drop in 2016, followed by a more significant increase in 2017. There was less fluctuation in semi-detached house prices, with a slight increase in 2014 and slight decrease in 2020, but on the whole a relatively steady increase between 2012 and 2021. The growth in terraced properties was smaller than detached and semi-detached at 45.5%, with overall house price growth across property types at 76.9% to £230,000 in 2021. There were too few flat transactions to make accurate comments on the trends in price. Small fluctuations in price like those seen in Newbold Verdon may be due to relatively small sample sizes as opposed to any major changes in the market.

Table 4-2: Median house prices by type in Newbold Verdon, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£189,500	£234,950	£254,000	£269,950	£225,000	£315,000	£265,000	£292,500	£328,000	£375,000	97.9%
Semi-detached	£123,000	£145,000	£172,950	£160,000	£160,000	£165,000	£187,500	£182,500	£198,000	£226,500	84.1%
Terraced	£110,000	£128,000	£137,500	£136,000	£126,000	£152,500	£153,000	£170,000	£164,750	£160,000	45.5%
Flats	£84,498	-	£87,250	-	£58,750	£102,000	£65,500	-	-	-	-
All Types	£130,000	£156,250	£172,950	£174,000	£176,000	£195,000	£190,000	£205,000	£223,000	£230,000	76.9%

Source: Land Registry PPD

Income

11. 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.
12. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income. The average total household income before housing costs locally was £45,700 in 2018. A map of the area to which this data applies is provided in Appendix A.
13. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (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. Hinckley & Bosworth's gross individual lower quartile annual earnings were £18,729 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £37,458.
14. 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

15. 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.
16. AECOM has determined thresholds for the income required in Newbold Verdon 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.
17. 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.
18. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

19. The same information is presented as a graph in Fig on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £45,700	Affordable on LQ earnings (single earner)? £18,729	Affordable on LQ earnings (2 earners)? £37,458
Market Housing						
Median House Price	£207,000	-	£59,143	No	No	No
NA Estimated Entry-Level New Build House Price	£193,681	-	£55,337	No	No	No
LQ/Entry-level House Price	£185,625	-	£53,036	No	No	No
Average Market Rent	-	£9,864	£32,880	Yes	No	Yes
Entry-level Market Rent	-	£9,060	£30,200	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£135,577	-	£38,736	Yes	No	No
First Homes (-40%)	£116,209	-	£33,202	Yes	No	Yes
First Homes (-50%)	£96,841	-	£27,669	Yes	No	Yes
Shared Ownership (50%)	£96,841	£2,690	£36,635	Yes	No	Yes
Shared Ownership (25%)	£48,420	£4,035	£27,284	Yes	No	Yes
Shared Ownership (10%)	£19,368	£4,842	£21,674	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,311	£17,685	Yes	Yes	Yes
Social Rent	-	£4,862	£16,190	Yes	Yes	Yes

Source: AECOM Calculations

20. 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

21. 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 29.4% higher than the current average.

22. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners can afford the given rental thresholds, but households on one

lower quartile income cannot. 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

23. There is a relatively large group of households in Newbold Verdon who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £30,200 per year (at which point entry-level rents become affordable) and £53,036 (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.
24. 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.
25. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It is suggested that First Homes in Newbold Verdon are offered at a 40% discount as this makes them accessible to both households on mean incomes and households with two lower quartile incomes. It is worth noting that a 30% discount would extend home ownership to a substantial proportion of households currently priced out of home ownership, but would not reach those on average incomes. There is no need to increase this discount to 50% as it does not make it accessible to any further groups and may also have an impact on overall viability due to the discounted value being close to build costs at this discount level.
26. Table 4-4 shows the discount required for First Homes to be affordable to the three income groups. The estimated cost of a typical First Home is based on new build entry-level house prices in the NA. This price has been estimated based on local authority level uplift between overall market and new build house prices in 2020/2021, applied to the Newbold Verdon lower quartile 2021 house price. This is discussed further in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the estimated NA new build entry-level house price as the best proxy for the cost of a newly built entry-level home in the area. It is also worth thinking about First Homes in relation to the cost of median priced housing and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given in the Table.

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

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median House Price	23%	68%	37%
NA Estimated Entry-Level New Build House Price	17%	66%	32%
NA Entry-Level House Price	14%	65%	29%

Source: Land Registry PPD; ONS MSOA total household income

27. Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹¹ 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.
28. 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.
29. The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable with First Homes at 50% discount and shared ownership at 25% and 10% equity. Rent to Buy is however assumed to be more affordable than First Homes at 30% and 40% discount and more affordable than shared ownership at 50% equity.
30. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.

¹¹ 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/hws48>.

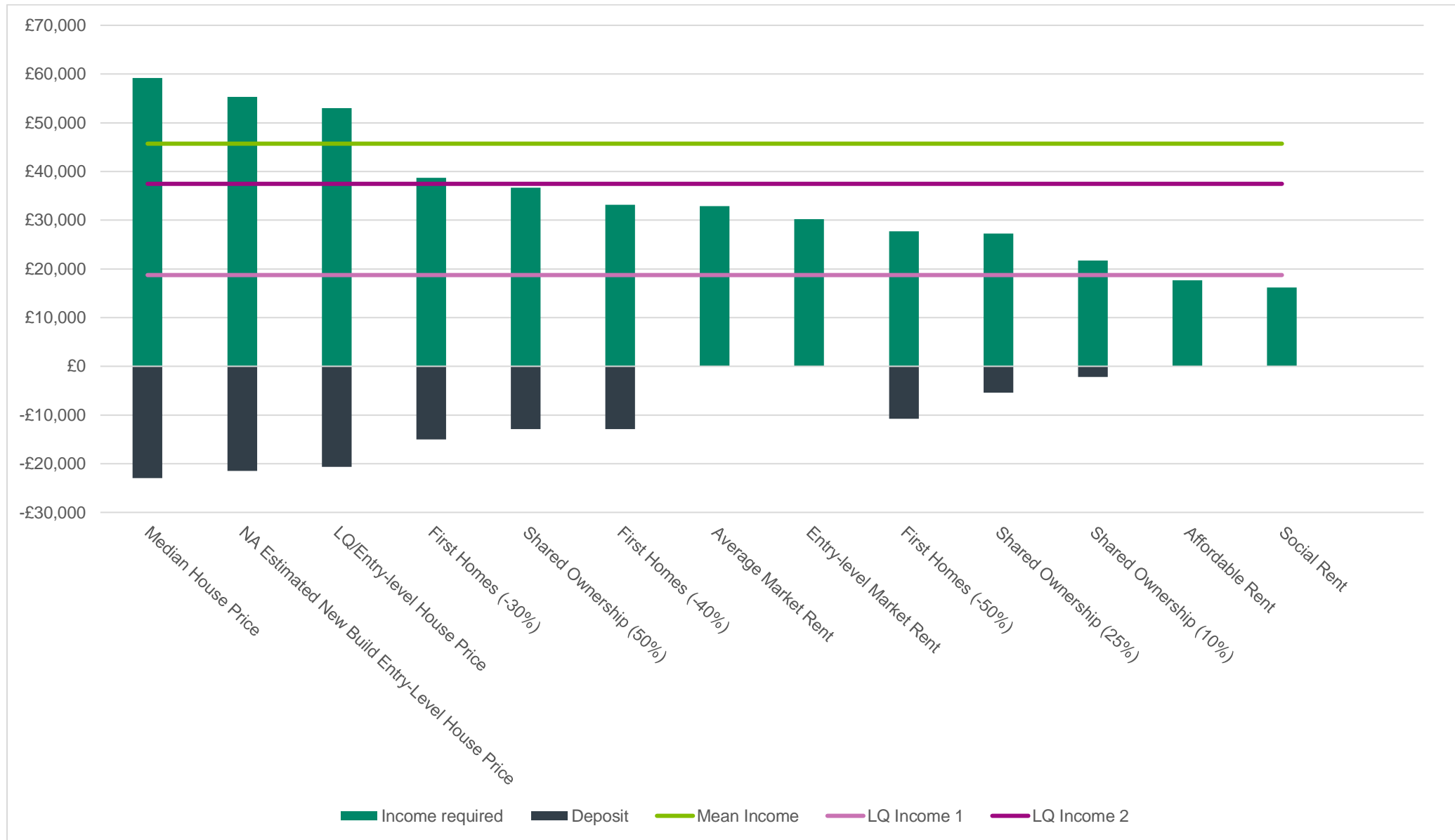
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

31. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership and First Homes at 40% and 50% discount allowing average and lower 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. First Homes also may provide a better long-term investment to those who can afford to access it than shared ownership at the lower equities.

Affordable rented housing

32. Affordable rented housing is generally affordable to households with one or two lower earners depending on their household size (average earning households are unlikely to be eligible). Households unable to secure a social rented dwelling may require additional subsidy through Housing Benefit to access housing.
33. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Newbold Verdon as the only option for households with a single lower quartile earner. Social rents are cheaper than affordable rents 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 Newbold Verdon, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

34. The starting point for understanding the need for affordable housing in Newbold Verdon is the relevant Housing Needs Study. A Housing Needs Study was undertaken for Hinckley & Bosworth in 2019. This study estimates the need for affordable housing in the District based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance (PPG) at the time. It is worth noting that the Housing Needs Study is focussed on the time period 2018-2036 whilst the emerging Local Plan period is now 2020-2039 (and the Neighbourhood Plan period 2022-2039). This does not significantly impact the findings, which are given on an annualised basis, and so the findings are considered robust for this HNA.
35. The Housing Needs Study identifies the need for 271 additional affordable dwellings (net) per annum in Hinckley & Bosworth as a whole, primarily for affordable and social rent. The analysis is also broken down into sub areas, with the sub-area of Newbold Verdon with Desford and Peckleton identified as having a net affordable housing need of 12 dwellings per annum, once again primarily for affordable/social rent. When the Housing Needs Study figures for this sub-area are pro-rated to Newbold Verdon based on its fair share of the population (38.0% of the sub-area's population), this equates to 4.6 dwellings per annum (predominately for social/affordable rent) or 78.2 homes over the Neighbourhood Plan period 2022-2039.
36. A separate calculation is undertaken in the Housing Needs Study to understand the need for affordable home ownership in the Borough. This gives a gross figure of 207 dwellings per annum of need across the LPA. Based on the sub-area identified, there is a need for 13 dwellings per annum. When the Housing Needs Study figures are pro-rated to Newbold Verdon based on its fair share of the population, this equates to 4.9 dwellings per annum (gross) or 83.3 homes over the Neighbourhood Plan period. It is important to note that this is a figure of gross need (net need is not given in the Housing Needs Study). The study does assess the estimated potential annual supply of homes priced at equivalent to private renting, with an estimated 118 dwellings per annum across the Borough. For the sub-area there is an estimated 6 dwellings per annum and pro-rated to 2.3 dwellings per annum for Newbold Verdon NA. This could be subtracted from the gross need to give an estimated affordable home ownership need for Newbold Verdon of 2.6 dwellings per annum or 44.2 dwellings across the plan period 2022-2039.
37. There is almost certainly a backlog of households in need currently in the NA, with Hinckley & Bosworth Borough Council providing a Housing Register waiting list figure of 24 households with a local connection to Newbold Verdon NA. This figure of 24 should be viewed as a minimum, with Hinckley & Bosworth Borough Council also providing a figure of 253 households on the Council's waiting list with an interest in being housed in Newbold Verdon. The waiting list figures provide an indication of current need at the time of writing. They do not represent net need each year however, which would require factoring the supply

of affordable rented homes available through re-lets i.e. the approach taken in the housing needs study described above.

38. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Parish Council that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
39. It is also important to remember that even after the Neighbourhood Plan is made, the allocation of affordable rented housing to those in need, and the management of the housing waiting list remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Additional Housing Needs Study Findings

40. The Hinckley & Bosworth Borough Council Housing Needs Study from 2019 includes various findings relevant to the tenure and affordability of housing within the Borough area. The key findings are outlined below.
 - The private rented sector in the Borough generally provides smaller flats and terraced properties when compared to the owner occupied sector. However, around 42% of the private rented stock has 3 or more bedrooms.
 - Newbold Verdon with Desford and Peckleton has the joint lowest levels of private renting out of the Hinckley & Bosworth sub-areas.
 - Lower quartile market rents in Newbold Verdon with Desford and Peckleton are above the lower quartile for the Borough at £535 pcm and £495 pcm respectively.
 - The suggested purchase prices for affordable home ownership prices are outlined (Figure 4.23) for each sub-area and size of dwelling. These show that in 2018, the prices in Newbold Verdon with Desford and Peckleton are just above the prices for Hinckley and Bosworth as a whole.

Affordable Housing policy guidance

41. Hinckley & Bosworth's emerging policy on this subject HO09: Affordable Housing requires 40% of all new housing to be affordable on sites of 10 dwellings or more. Completion data provided by Hinckley & Bosworth Borough Council does not specify a proportion which was delivered as Affordable Housing and so it is not known if the target is usually met on sites. It is worth noting that 81.6% of completions were on sites of 10 or more dwellings, meaning that the developments were above the Affordable Housing threshold in the emerging Local Plan. These in theory should have delivered Affordable Housing but it is unknown whether this is the case.
42. 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.

43. 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 as follows in the emerging Local Plan:

- 56% affordable rented tenures
- 25% First Homes
- 19% other forms of affordable home ownership

This is a significant change to Policy 15: Affordable Housing of the adopted Local Plan which outlines the Affordable Housing split as 75% social rented and 25% intermediate tenures compared to the 56% affordable rented products and 44% affordable home ownership being brought forward.

This 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 Newbold Verdon specifically.

44. 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 Newbold Verdon requires roughly 78.2 units of affordable rented housing and 44.2 units of affordable home ownership over the Plan period, based on the Hinckley & Bosworth Housing Needs Study. 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 64% of Affordable Housing should be rented and 36% 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, 64% to 36% may be an appropriate affordable tenure mix, based solely on the projected need in the NA.

- 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 emerging Local Plan target of 40% were achieved on every allocated and committed site outlined in the emerging Local Plan, up to around 134.8 affordable homes might be expected in the NA. This is based on an allocated site of 221 dwellings and a single large, committed site of 116 dwellings (there are a further 36 dwellings, but it is assumed that these will be delivered on sites below the Affordable Housing threshold, potentially

infill developments). This level of delivery would be sufficient to satisfy the total potential demand for Affordable Housing identified here overall. If these sites were to deliver their Affordable Housing requirement in line with the emerging Local Plan split, the following tenures would be delivered:

- 75.5 dwellings of affordable rented tenures
- 33.7 First Homes
- 25.6 dwellings of other forms of affordable home ownership

This shows that whilst the potential 59.3 dwellings of affordable home ownership dwellings would exceed the identified need for affordable home ownership, the need (not taking into consideration the existing 24 households on the Housing Register) for affordable rented dwellings would not quite be met.

As a result, affordable rented housing is likely to 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 Hinckley & Bosworth Borough, where the emerging plan states 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. The emerging Local Plan tenure split for Affordable Housing allocates 44% to affordable home ownership models, meaning that this does comply with national policy.

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 Newbold Verdon would prejudice the provision of much needed affordable rented homes.

- D. **Local Plan policy:** As noted above, the emerging Local Plan seeks the following tenure split for Affordable Housing:

- 56% affordable rented tenures
- 25% First Homes
- 19% other forms of affordable home ownership

- 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 delivered in some circumstances.

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

be allocated to other tenure products in the relative proportions set out in the Local Plan.

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 Hinckley & Bosworth, the remaining 75% of the affordable housing provision would then be apportioned to affordable rent and 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 NA 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 Newbold Verdon:** The current tenure mix of housing in Newbold Verdon is unknown, with the completions data provided by Hinckley & Bosworth Borough Council not split into tenures or market/affordable housing. The most recent split available therefore is the 2011 Census data outlined in Table 4-1. This table indicates that the proportion of social/affordable rent in the NA is just below national levels and higher than the Borough. It also indicates a very low proportion of shared ownership, at 0.1%, below the proportion in both comparative areas. 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 Newbold Verdon 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.

45. On the basis of the considerations above, Table 4-5 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
46. The indicative mix is chiefly in response to the affordability issues in the NA and the expectation that if the emerging Local Plan tenure split was followed, the delivery of affordable housing for rent would be lower than the needs identified in this Housing Needs Assessment. When pro-rating the Borough Affordable Housing need figures to Newbold Verdon, the greater need is identified for affordable rented products (at 64%), and this is also the most acute need, indicated by the number of households currently on the Housing Register.

Although it is noted that in 2011 there was a significant proportion of social rented housing already in the NA, this was slightly below national levels. Additionally, it is unknown what proportion of this stock has been lost, likely through Right to Buy. At a local authority level, between 2011 and 2020/2021 244 social rented dwellings were lost through Right to Buy specifically, approximately 5.2% of the 2011 stock. This does not account for any dwellings lost through Right to Acquire or demolition. There is also a backlog of affordable rented housing need, as highlighted by the Housing Register, and it therefore may be preferable to bring forward some affordable rented housing early in the plan period.

This split also complies with the minimum requirements for affordable home ownership requirements mandated nationally.

47. The suggested mix is therefore 60% affordable rented housing and 40% affordable home ownership, with the latter's split as follows:
 - 25% First Homes
 - 10% shared ownership
 - 5% Rent to Buy

This tenure mix gives the area scope to deliver other affordable home ownership products alongside the required First Homes. However, on a site by site basis, this might imply very small numbers of homes, particularly shared ownership and so flexibility is likely to be required over the tenure mix in practice.

It is recommended that the proportion of affordable home ownership delivered as First Homes is in line with national requirement and emerging Local Plan split of 25%. It is suggested that the First Homes are delivered at a 40%

discount as it makes the product accessible to both households on mean incomes and households with two lower quartile incomes. Increasing the discount further does not make it accessible to any further groups and may have an impact on overall scheme viability. To provide a mix, 10% shared ownership is recommended at 25% equity. This is accessible to the same groups as First Homes at a 40% discount but has a slightly lower income threshold and would require a smaller deposit for households with fewer savings. Rent to Buy is included at 5% to include further variety. The estimated income threshold is greater than for shared ownership at 25% equity but slightly below First Homes at a 40% discount, with the main advantage being that there is no initial deposit requirement, widening the accessibility of affordable home ownership.

48. 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.
49. Where the parish council 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 Hinckley & Bosworth Borough Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
50. 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 4-5: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	40%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc. As per this report, recommended at 40% discount.
Shared ownership	10%	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	60%	
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

Current housing stock

51. The 2011 tenure profile of Newbold Verdon shows that the majority of housing in the NA was owner occupied, at 76.0%, in line with levels across Hinckley & Bosworth but a greater proportion than England as a whole at 63.3%. The social rented sector was in line with national levels but above Borough levels. It is also worth noting that the proportion of households living in the private rented sector is significantly below both Borough and national levels, at just 5.7%.
52. House prices in Newbold Verdon rose steadily between 2012 and 2022, with some slight fluctuation. The median house price in the NA increased from £130,000 in 2012 to £230,000 in 2021. In terms of the lower quartile, the prices follow a similar trajectory to the mean and median house prices, increasing from £111,000 in 2012 to £206,250 in 2021. The lower quartile price in the NA in 2021 is however £31,250 higher than the lower quartile price for Hinckley & Bosworth. In terms of the type of housing, detached house prices grew the most between

2012 and 2021, by 97.9%, followed by semi-detached houses at 84.1% growth. The growth in terraced properties was smaller than detached and semi-detached at 45.5%. There were too few flat transactions to make accurate comments on the trends in price. Small fluctuations in price like those seen in Newbold Verdon may be due to relatively small sample sizes as opposed to any major changes in the market.

Affordability

53. 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 average earners. Households made up of two lower quartile earners can afford the given rental thresholds, but households on one lower quartile income cannot.
54. Looking at affordable home ownership options, the report tested the implications of the various First Homes discount levels. It is suggested that First Homes in Newbold Verdon are delivered at a 40% discount, making them accessible to both households on mean incomes and households with two lower quartile incomes. Turning to shared ownership, this product is broadly accessible to the same groups as First Homes. The affordable rented sector performs a vital function in Newbold Verdon as the only option for households with a single lower quartile earner.

Affordable housing need

55. Based on the Hinckley & Bosworth 2019 Housing Needs Study and AECOM calculations, the affordable housing need in Newbold Verdon is estimated. This report estimates that Newbold Verdon requires roughly 78.2 units of affordable rented housing and 44.2 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. There is almost certainly a backlog of households in need currently in the NA, with Hinckley & Bosworth Borough Council providing a Housing Register waiting list figure of 24 households with a local connection to Newbold Verdon NA that may justify either exceeding the provision of social/affordable rented housing overall or indicate a need to frontload the development near the beginning of the plan period if possible.
56. The suggested mix of Affordable Housing delivery in the NA is 60% affordable rented housing and 40% affordable home ownership, with the latter's split as follows:
 - 25% First Homes
 - 10% shared ownership
 - 5% Rent to Buy
57. It is recommended that the proportion of affordable home ownership delivered as First Homes is in line with national requirement and emerging Local Plan split of 25%. It is suggested that the First Homes are delivered at a 40% discount as it makes the product accessible to both households on mean

incomes and households with two lower quartile incomes. Increasing the discount further does not make it accessible to any further groups and may have an impact on overall scheme viability. To provide a mix, 10% shared ownership is recommended at 25% equity. This is accessible to the same groups as First Homes at a 40% discount but has a slightly lower income threshold and would require a smaller deposit for households with fewer savings. Rent to Buy is included at 5% to include further variety. The estimated income threshold is greater than for shared ownership at 25% equity but slightly below First Homes at a 40% discount, with the main advantage being that there is no initial deposit requirement, widening the accessibility of affordable home ownership.

58. Table 4-6 summarises Newbold Verdon’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing, with an increase in affordable housing if sites are over the threshold or housing is delivered on sites as primarily affordable, such as via a community land trust) 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 4-6: Estimated delivery of Affordable Housing in Newbold Verdon

	Step in Estimation	Expected delivery
A	NA allocations and commitments (large sites only)	337
B	Affordable housing quota (%) in LPA’s emerging Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	134.8
D	Rented % (e.g. social/ affordable rented)	60%
E	Rented number (C x D)	80.9
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%
G	Affordable home ownership number (C x F)	53.9

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

59. This expected level of delivery does meet the quantity of demand identified in estimates of the need for affordable housing. It is recommended that the policy requirement be met wherever possible.

60. 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.

5. RQ 2: Type and Size

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

Introduction

1. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Newbold Verdon 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.
2. 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

3. 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.
4. 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.
5. 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.
6. 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.

7. There is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as determining the overall housing stock, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and VOA must be used. The most appropriate combination of approaches is used in this section.

Dwelling type

8. Table 5-1 shows the proportion of different dwelling types present in Newbold Verdon NA in both 2011 and 2021. Unfortunately, this data cannot be used to fully understand the changes between 2011 and 2021 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of detached and semi-detached properties). Despite this, in both 2011 and 2021, the dominant dwelling type was semi-detached properties at 40.8% and 37.2% respectively. The second most dominant category in both years was detached dwellings, again decreasing, likely due to the inclusion of bungalows in the latter dataset. This may indicate that the parish is dominated by larger, and therefore more expensive, dwellings. There were very slight increases in both flats and terraced properties between 2011 and 2021, but in both circumstances the proportions of these dwelling types were significantly below the proportion of detached and semi-detached dwellings.

Table 5-1: Accommodation type, Newbold Verdon, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	9.7%
Flat	6.5%	6.9%
Terrace	15.9%	16.6%
Semi-detached	40.8%	37.2%
Detached	36.8%	28.3%
Unknown/other	-	1.4%

Source: ONS 2011, VOA 2021, AECOM Calculations

9. Table 5-2 compares the housing type mix in the NA with the wider Borough and the country. It shows that in 2021, the proportion of detached and semi-detached dwellings in Newbold Verdon was significantly above the proportion across England. The proportion of bungalows in the NA is relatively in line with nationally, but below the proportion across Hinckley & Bosworth. Due to the dominance of detached and semi-detached properties in the NA compared to the country, this means that the proportion of flats and terraced dwellings in the

NA are significantly below national levels. The NA is more in line with the Borough when considering these dwelling types.

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

Dwelling type	Newbold Verdon	Hinckley & Bosworth	England
Bungalow	9.7%	13.7%	9.4%
Flat	6.9%	8.6%	23.2%
Terrace	16.6%	17.4%	26.3%
Semi-detached	37.2%	30.6%	23.8%
Detached	28.3%	27.9%	16.0%
Unknown/other	1.4%	1.8%	1.4%

Source: VOA 2021, AECOM Calculations

Dwelling size

- Turning to dwelling size, Table 5-3 shows the size of dwellings in the NA in both 2011 and 2021. It highlights the dominance of 3-bedroom dwellings in both time periods, with these increasing from 54.9% to 60.4%. The proportion of 1-bedroom dwellings, although very low in both 2011 and 2021, grew slightly. On the other hand, the proportion of 2-bedroom, 4-bedroom, and 5+ bedroom dwellings appears to have fallen in the last decade.

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

Number of bedrooms	2011 (Census)	2021 (VOA)
Studio	0.0%	-
1	2.7%	3.5%
2	22.5%	21.5%
3	54.9%	60.4%
4	14.7%	11.1%
5+	5.2%	3.5%
Unknown	-	0.0%

Source: ONS 2011, VOA 2021, AECOM Calculations

- Again, it is useful to look at the breakdown of dwelling sizes in comparison with the wider Borough and country. Table 5-4 shows that Newbold Verdon has a significantly higher proportion of mid-size 3-bedroom dwellings than both Hinckley & Bosworth and England. There is also a slightly higher proportion of the largest 5-bedroom dwellings. It therefore has a smaller proportion of smaller 1-bedroom and 2-bedroom dwellings suitable for downsizing and starter homes. There is also a slightly smaller proportion of 4-bedroom dwellings in the NA than across England, and an even smaller proportion than the Borough as a whole. Overall, the housing mix in the NA is dominated by mid-size family dwellings.

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

Number of bedrooms	Newbold Verdon	Hinckley & Bosworth	England
1	3.5%	5.8%	12.3%
2	21.5%	27.5%	28.1%
3	60.4%	48.0%	43.4%
4	11.1%	15.3%	12.2%
5+	3.5%	2.9%	3.3%
Unknown	0.0%	0.5%	0.6%

Source: VOA 2021, AECOM Calculations

Age and household composition

- Having established the current stock profile of Newbold Verdon 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

- Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. It shows that in both 2011 and 2020, the largest proportion of the population in Newbold Verdon are in the 45-64 age category, with this decreasing from 30.4% of the population to 26.6% of the population in this time period. In 2011, this is followed by those aged 25-44 but in 2020 the second highest category is those aged 65-84, indicating an ageing population, with this category increasing by 3.7 percentage points in this time. Between 2011 and 2020 there is a decrease in the proportion of people aged 16-44 but a slight increase in those aged 0-15, perhaps indicating an increase in families in the NA.
- 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.
- 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.

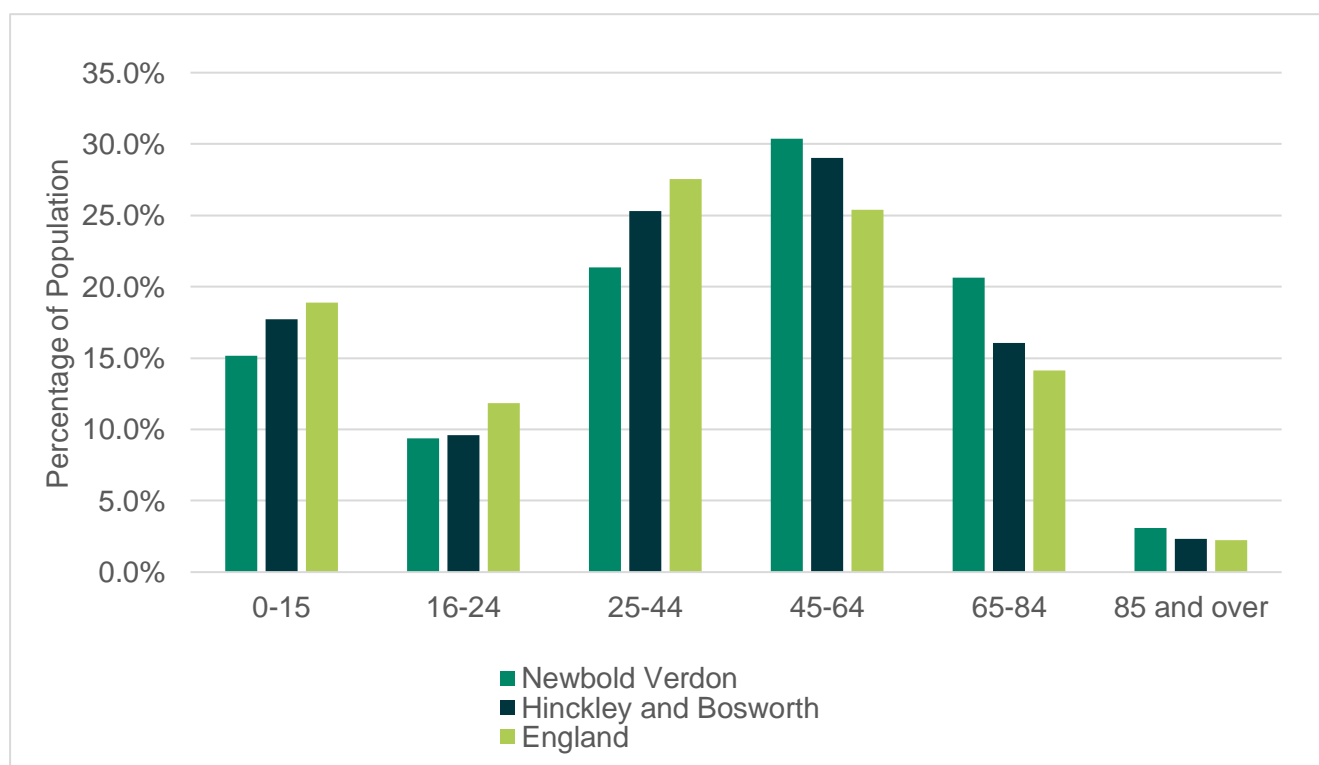
Table 5-5: Age structure of Newbold Verdon population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
	Count	Percentage	Count	Percentage
0-15	457	15.2%	589	17.7%
16-24	283	9.4%	269	8.1%
25-44	643	21.3%	660	19.8%
45-64	915	30.4%	887	26.6%
65-84	621	20.6%	808	24.3%
85 and over	93	3.1%	118	3.5%
Total	3,012		3,331	

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

16. 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 both Newbold Verdon and Hinckley & Bosworth have populations skewed towards the older age categories, with both having a greater proportion of the population aged 45 and over than England, with this difference more prominent in the NA. The NA and the Borough also have a smaller proportion of households aged 0-44 than the county, most notably in the 25-44 age category. Overall, Figure 5-1 shows that in relation to the national population, Newbold Verdon and Hinckley & Bosworth follow the same trends, with the NA varying more significantly from England's population split.

Figure 5-1: Age structure in Newbold Verdon, 2011



Source: ONS 2011, AECOM Calculations

Household composition

17. 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 5-6 shows that the proportion of single person household in the NA is relatively in line with both the Borough and England. A higher proportion however in Newbold Verdon are specifically aged 65 and over, with 15.3% of households single person households aged 65 and over. Across both the Borough and the country, this figure is slightly lower at 12.4%. In both Newbold Verdon and Hinckley & Bosworth the proportion of households that are one family only is below the proportion nationally. As with single person households, a greater proportion of family households are aged 65 and over in the NA than across the Borough and the country, further emphasising the slight skew towards the older population. The NA has a greater proportion than nationally of households with no children, whilst the proportion of households with dependent children is 21.3% compared to 25.8% in Hinckley & Bosworth and 26.5% nationally.

18. It is interesting to note, although the data is relatively old, the changes in household composition between 2001 and 2011. In this time period the proportion of family households aged 65 and over grew by 33.3% in the NA whilst nationally this fell by 2.0%, highlighting the changing demographic towards older populations that is still seen in Table 5-5 when looking at population change between 2011 and 2020. Also, note is the fall in households with dependent children of 15.5% in Newbold Verdon whilst there was slight growth in this category across both Hinckley & Bosworth and the country, perhaps indicative of an aging population or worsening affordability of mid-sized homes suitable for those with dependent children.

Table 5-6: Household composition, Newbold Verdon, 2011

Household composition		Newbold Verdon	Hinckley & Bosworth	England
One person household	Total	28.3%	28.1%	30.2%
	Aged 65 and over	15.3%	12.4%	12.4%
	Other	13.0%	15.8%	17.9%
One family only	Total	67.9%	67.5%	61.8%
	All aged 65 and over	13.7%	10.1%	8.1%
	With no children	21.4%	22.0%	17.6%
	With dependent children	21.3%	25.8%	26.5%
	All children Non-Dependent ¹²	11.5%	9.7%	9.6%
Other household types	Total	3.8%	4.3%	8.0%

Source: ONS 2011, AECOM Calculations

¹² Refers to households containing children who are older than 18 e.g students or young working people living at home.

Occupancy ratings

19. 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 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. Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
20. Under-occupancy in Newbold Verdon is relatively prevalent with 84.2% of households under-occupying their home. This is most prevalent in families under 65 with no children at 98.6% under-occupancy, indicating that larger housing isn't necessarily being occupied by households with the most family members, but by those with the most wealth. This is closely followed by families where everyone is over 65, with under-occupancy rates of 97.7%, suggesting that larger properties are also inhabited by older people that have either chosen not to or are unable to move into smaller properties in the NA. Unsurprisingly, over-occupancy is most common in family households with dependent children, with 5.4% of these households over-occupying their home. This is the only household type over-occupying in Newbold Verdon, with 13.8% of total households in 2011 occupying a home of suitable size for the occupants in terms of number of bedrooms. An unbalanced dwelling size mix in relation to the population and types of households can lead to high levels of under- and over-occupancy, although the key driver in occupancy patterns is income and wealth.

Table 5-7: Occupancy rating by age in Newbold Verdon, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	78.3%	19.4%	2.2%	0.0%
Single person 65+	51.2%	44.8%	4.0%	0.0%
Family under 65 - no children	82.5%	16.1%	1.4%	0.0%
Family under 65 - dependent children	12.9%	49.5%	32.3%	5.4%
Family under 65 - adult children	25.2%	48.3%	26.5%	0.0%
Single person under 65	50.0%	40.0%	10.0%	0.0%
All households	48.7%	35.5%	13.8%	2.0%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

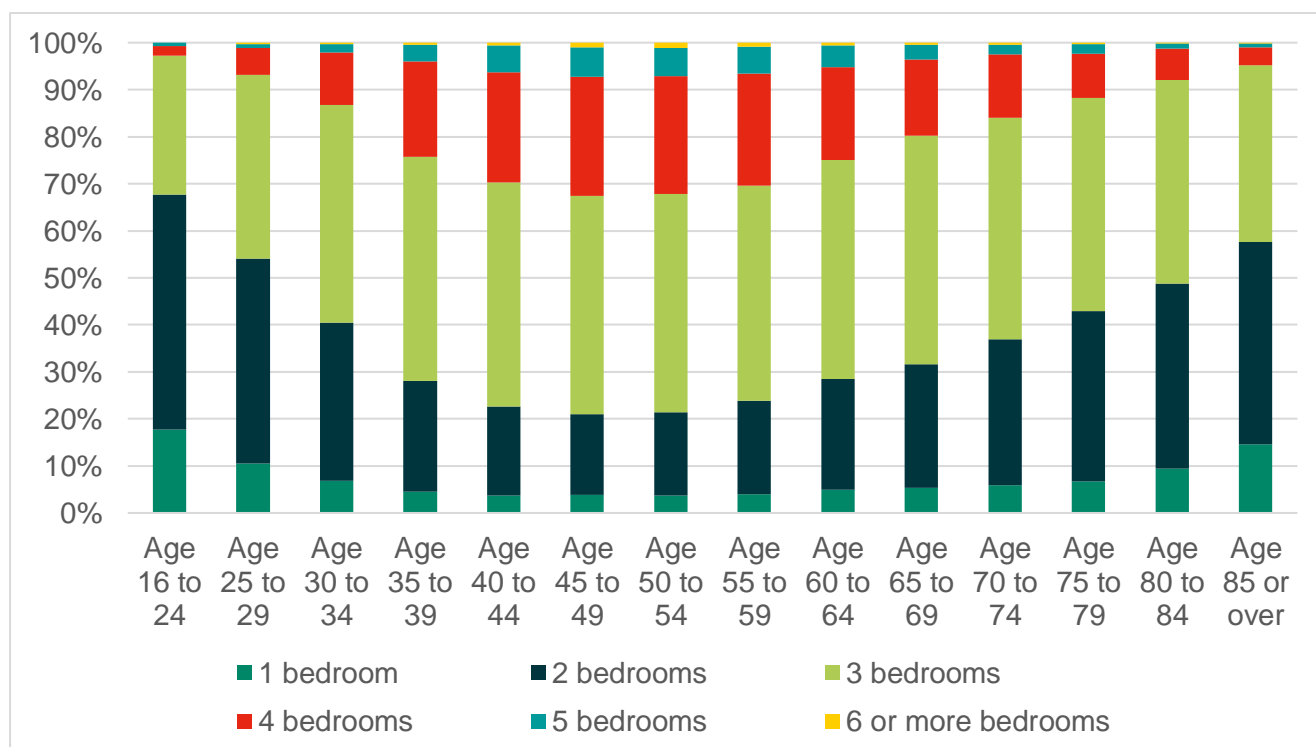
Suggested future dwelling size mix

21. 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 Newbold Verdon 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.
22. 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.

23. 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.
24. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
25. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Hinckley & Bosworth 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 Hinckley & Bosworth, 2011



Source: ONS 2011, AECOM Calculations

26. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Newbold Verdon households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 makes clear that population growth can be expected to be driven by the oldest households, with an expected 80% increase in households with a household reference person aged 65 and over, by far the greatest growth of any category. This growth would mean that households with a household reference person aged 65 and over would account for 46.0% of households in 2039, compared to accounting for 35.7% in 2011. There is expected to be

growth across all categories, with the second highest in households with a household reference person aged 25-34 due to increase by 28%. This suggests that as well as significant growth in the older population, there is also a potential increase in households with young couples or families.

Table 5-8: Projected distribution of households by age of HRP, Newbold Verdon

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	21	121	411	290	468
2039	25	155	486	326	844
% change 2011-2039	21%	28%	18%	12%	80%

Source: AECOM Calculations

27. The final result of this exercise is presented in Table 5-9. The model suggests that the indicative mix for 2039 should see an increase in smaller 1-bedroom and 2-bedroom dwellings than in the NA in 2011. There should also be a slight increase in larger 4-bedroom dwellings, likely family homes, but a decrease in the proportion of 3-bedroom dwellings, whilst still remaining the dominant dwelling size. The indicative mix suggests that after 3-bedroom dwellings, 2-bedroom dwellings should be the dominant size, perhaps providing housing for young couple or small families as well as opportunities for older households to downsize. In order to reach the indicative mix for 2039 it is suggested that a relatively broad mix of housing is delivered on sites coming forward in the plan period. The majority, at 43.1%, are suggested to be for 2-bedroom dwellings, followed by 21.8% 3-bedroom dwellings and relatively similar proportions of 1-bedroom and 4-bedroom dwellings.

Table 5-9: Suggested dwelling size mix to 2039, Newbold Verdon

Number of bedrooms	Starting mix (2011)	Indicative mix (2039)	Balance of new housing to reach indicative mix
1 bedroom	2.7%	6.4%	15.6%
2 bedrooms	22.5%	28.4%	43.1%
3 bedrooms	54.9%	45.4%	21.8%
4 bedrooms	14.7%	15.9%	18.7%
5 or more bedrooms	5.2%	3.9%	0.9%

Source: AECOM Calculations

28. 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 in Newbold Verdon. It is a starting point for thinking about how best to address the more nuanced needs of the future population.

29. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the

existing options are well tailored to older people's requirements. Variety should be sought within the 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, but 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 justification to continue supplying larger homes to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix but is among the good reasons not to inhibit any size of dwelling entirely.

30. 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/mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

The Housing Needs Study Findings

31. The Hinckley & Bosworth Borough Council Housing Needs Study from 2019 includes various findings relevant to the type and size of housing within the Borough area. The key findings are outlined below.
 - The dwelling stock of Hinckley & Bosworth is predominantly larger, detached dwellings.
 - In terms of occupancy, there are significant levels of under-occupation across the Borough, with 43% of households having at least 2 spare bedrooms.
 - The study identifies that the delivery of larger family homes can to an extent release a supply of smaller dwellings for other households.
 - It is estimated that the focus of new housing across the Borough will be on 2-bedroom and 3-bedroom properties to meet continued demand for family housing from newly forming households and for older persons to downsize whilst still retaining flexibility.
 - The Housing Needs Study outlines the suggested size mix of housing to 2036, split between market and affordable housing, shown in Table 5-10. Generally, it shows that mid-size and larger dwellings are favoured for market housing whilst smaller and mid-sized dwellings are more likely required for affordable tenures. It is difficult to compare this to the recommended dwelling size split above for Newbold Verdon because the AECOM model presents an estimate of the overall need for different sized dwellings and does not split this between market and affordable housing. Table 5-10, along with the

Housing Register, may be helpful in determining the appropriate sizes of Affordable Housing in the parish.

Table 5-10: Suggested Mix of Housing by Size and Tenure to 2036. (Replicated from Hinckley & Bosworth Borough Council Housing Needs Study – page 108 ‘Family Households and Housing Mix: Key Messages’)

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Market	5%	30%	45%	20%
Affordable home ownership	10%	50%	30%	10%
Affordable housing (rented)	25%	40%	30%	5%

Source: *Hinckley & Bosworth Borough Council Housing Needs Study*

Conclusions- Type and Size

32. 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.

Current dwelling stock

33. In both 2011 and 2021, the dominant dwelling type in Newbold Verdon was semi-detached, followed by detached dwellings. In 2021, the proportion of detached and semi-detached dwellings in Newbold Verdon was significantly above the proportion across England. There were very slight increases in both flats and terraced properties between 2011 and 2021, but in both circumstances the proportions of these dwelling types were significantly below the proportion of detached and semi-detached dwellings.
34. Turning to dwelling size, in both 2011 and 2021 there was a dominance of 3-bedroom dwellings in both time periods, with these increasing from 54.9% to 60.4%. The proportion of 1-bedroom dwellings, although very low in both 2011 and 2021, grew slightly. On the other hand, the proportion of 2-bedroom, 4-bedroom, and 5+ bedroom dwellings fell in the last decade. Newbold Verdon has a significantly higher proportion of mid-size 3-bedroom dwellings than both Hinckley & Bosworth and England. The NA has a smaller proportion of smaller 1-bedroom and 2-bedroom dwellings suitable for downsizing and starter homes.

Demographics

35. In both 2011 and 2020, the largest proportion of the population in Newbold Verdon were aged 45-64, with this decreasing from 30.4% of the population to 26.6% of the population in this time period. In 2011, was followed by those aged 25-44 but in 2020 the second highest category was those aged 65-84, indicating an ageing population. Between 2011 and 2020 there is a decrease in the proportion of people aged 16-44 but a slight increase in those aged 0-15, perhaps indicating an increase in families in the NA. In relation to the national population in 2011, Newbold Verdon and Hinckley & Bosworth had populations skewed towards the older age categories, with both having a greater proportion of the population aged 45 and over than England, with this difference more prominent in the NA.
36. Population growth to the end of the plan period can be expected to be driven by the oldest households, with an expected 80% increase in households with a household reference person aged 65 and over, by far the greatest growth of any category. This growth would mean that households with a household reference person aged 65 and over would account for 46.0% of households in 2039, compared to accounting for 35.7% in 2011. There is expected to be growth across all categories, with the second highest in households with a household reference person aged 25-34 due to increase by 28%. This suggests that as well as significant growth in the older population, there is also a potential increase in households with young couples or families.
37. In terms of household composition, in 2011 the proportion of single person households in the NA is relatively in line with both the Borough and England. A higher proportion however in Newbold Verdon are specifically aged 65 and over than in the comparative areas. As with single person households, a greater proportion of family households are aged 65 and over in the NA than across the Borough and the country, further emphasising the slight skew towards the older population. Between 2001 and 2011 there was a fall in the proportion of households with dependent children in the NA whilst there was slight growth in this category across both the Borough and the country, perhaps indicative of an aging population or worsening affordability of mid-sized homes suitable for those with dependent children.

Future housing mix

38. The AECOM model suggests that the indicative mix for 2039 should see an increase in smaller 1-bedroom and 2-bedroom dwellings than in the NA in 2011. It is also suggested that there is a slight increase in larger 4-bedroom dwellings, likely family homes, but a decrease in the proportion of 3-bedroom dwellings, whilst still remaining the dominant dwelling size. In order to reach the indicative mix for 2039 it is suggested that a relatively broad mix of housing is delivered on sites coming forward in the plan period. The majority, at 43.1%, are suggested to be for 2-bedroom dwellings.
39. It would be unwise for any new housing that comes 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/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.

6. 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

1. This chapter considers in detail the specialist housing needs of older people in Newbold Verdon. 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, flexi-care, 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.
2. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
3. 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.
4. 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,¹³ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
5. 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

¹³ 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.¹⁴

6. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁵ 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

7. 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>.
8. Table 6-1 counts a total of 26 units of specialist accommodation in the NA at present, all of which are available for social rent for those in financial need. This may therefore create challenges for those not eligible for social rented dwellings looking for market sheltered or extra-care housing.
9. ONS 2020 population estimates suggest that there are currently around 441 individuals aged 75 or over in Newbold Verdon. This suggests that current provision is in the region of 59 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

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

Name	Description	Bed spaces	Tenure	Type
1 Jubilee Court	26 retirement flats and bungalows, all 1-bedroom. New residents accepted from 55 years of age. Within 100 yards of bus stop, shop, post office, and town centre, and within 500 yards of the GP.	26	Rent (social landlord)	Retirement Housing

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

Tenure-led projections

10. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Hinckley &

¹⁴ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁵ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Bosworth, as this is the most recent and smallest geography for which tenure by age bracket data is available.

11. 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 2039. 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.
12. According to Table 6-2, 85.9% of households aged 55-75 in Hinckley & Bosworth own their home, with the majority of these owning it outright, suggesting a greater demand for owned as opposed to rented specialist housing. The table shows that 14.1% of households rented as of 2011, with 8.5% of households living in social rented properties and therefore likely to need affordable/social rented specialist accommodation.

Table 6-2: Tenure of households aged 55-75 in Hinckley & Bosworth, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
85.9%	62.5%	23.4%	14.1%	8.5%	4.7%	0.9%

Source: Census 2011

13. The next step is to project how the overall number of older people in Newbold Verdon is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Hinckley & Bosworth at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3. It shows that in both 2011, and projected in 2039, the proportion of people aged 75+ is greater in the NA than at a Borough level. In both Newbold Verdon and Hinckley & Bosworth, the proportion of the population in this age bracket increases between 2011 and 2039, for the NA from 10.3% to 17.0%, representing a relatively significant growth. In terms of the number of people, it is projected that those aged 75+ in Newbold Verdon will increase by 353 people, more than doubling the 2011 figure.

Table 6-3: Modelled projection of older population in Newbold Verdon by end of Plan period

Age group	2011		2039	
	Newbold Verdon	Hinckley & Bosworth	Newbold Verdon	Hinckley & Bosworth
All ages	3,012	105,078	3,894	135,858
75+	311	8,759	664	18,690
%	10.3%	8.3%	17.0%	13.8%

Source: ONS SNPP 2020, AECOM Calculations

14. 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).
15. The people whose needs are the focus of the subsequent analysis are therefore the additional 353 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 Hinckley & Bosworth in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 8,759 individuals aged 75+ in Hinckley & Bosworth and 6,401 households headed by a person in that age group. The average household size is therefore 1.37, and the projected growth of 353 people in Newbold Verdon can be estimated to be formed into around 258 households.
16. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need. This suggests that the majority of households are likely to need market specialist accommodation, with 86.0% expected of people aged 75+ expected to own their own home in 2039 and 14.0% expected to be renting. Of those renting, 61.1% are expected to be living in social rented accommodation, indicating a potential need for some social rented specialist accommodation.

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

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
221	161	60	36	22	12	2

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

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

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

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited			
All categories: Tenure	702	170	24.2%	164	23.4%	368	52.4%
Owned or shared ownership: Total	584	117	20.0%	133	22.8%	334	57.2%
Owned: Owned outright	537	109	20.3%	120	22.3%	308	57.4%
Owned: Owned with a mortgage or loan or shared ownership	47	8	17.0%	13	27.7%	26	55.3%
Rented or living rent free: Total	118	53	44.9%	31	26.3%	34	28.8%
Rented: Social rented	99	43	43.4%	28	28.3%	28	28.3%
Rented: Private rented or living rent free	19	10	52.6%	3	15.8%	6	31.6%

Source: DC3408EW Health status

18. 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 121.

19. 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.
20. Table 6-6 suggests that there is a relatively even split between the need for extra-care housing and the need for sheltered housing in Newbold Verdon. It is however suggested that the majority of need will be for market housing, at 78.5% of the total need. This is more prominent in the sheltered housing need, where is suggested that 83.3% of need is for market accommodation compared to 72.1% in housing with extra-care.

Table 6-6: AECOM estimate of specialist housing need in Newbold Verdon 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	61
	16	44	
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	60
	10	50	
Total	26	95	121

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

21. 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. Figure 6-1 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.
22. 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+.

Figure 6-1: 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

23. As Table 6-3 shows, Newbold Verdon is forecast to see an increase of 353 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 = $60 \times 0.353 = 21$
 - Leasehold sheltered housing = $120 \times 0.353 = 42$
 - Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.353 = 7.06$
 - Extra care housing for rent = $15 \times 0.353 = 5.30$
 - Extra care housing for sale = $30 \times 0.353 = 10.59$
 - Housing based provision for dementia = $6 \times 0.353 = 2.12$
24. This produces an overall total of 89 specialist dwellings which might be required by the end of the plan period.
25. Table 6-7 sets out the HLIN recommendations in the same format as Figure 6-1 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-7: HLIN estimate of specialist housing need in Newbold Verdon 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	25
	11	14	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	64
	21	42	
Total	32	56	89

Source: Housing LIN, AECOM calculations

Hinckley & Bosworth Housing Needs Study Findings

26. The Hinckley & Bosworth Borough Council Housing Needs Study from 2019 includes various findings relevant to specialist housing for older people within the Borough area. The key findings are outlined below.

- Hinckley & Bosworth Borough has a slightly higher proportion of older persons aged 65+ than nationally, at 22% and 18% respectively. The study found that rural areas in the Borough have a higher percentage of those aged 65+ at 24.0%. When looking at the sub-areas of the Borough, the proportion of the population in this age category varied between 18.1% and 28.2%, with Newbold Verdon (with Desford and Peckleton) levels at 25.5%.
- The analysis for the Borough as a whole suggests a need for 2,108 additional units of specialist housing for older persons by 2036, at 105 per annum. Of these, it is suggested that c.70% of the need is for market as opposed to affordable units.
- A need for c.430 M4(3) Category dwellings, suitable for wheelchair users, was identified across the Borough.
- The report suggests that the Council could require all new dwellings to meet Category M4(2) and at least 5% to meet Category M4(3).

Conclusions- Specialist Housing for Older People

27. At the time of the report, there was one development of retirement housing in the NA, providing 26 units of accommodation, all of which are available for social rent for those in financial need. This may therefore create challenges for those not eligible for social rented dwellings looking for market dwellings. There is also a gap in the provision of extra-care facilities for those with greater support needs.

28. In 2011, 85.9% of households aged 55-75 in Hinckley & Bosworth own their home, with the majority of these owning it outright, suggesting a greater demand for owned as opposed to rented specialist housing. Within the rented accommodation, a greater proportion of households lived in social rented properties and are therefore likely to need affordable/social rented specialist accommodation. In both 2011, and projected in 2039, the proportion of people aged 75+ is greater in the NA than at a Borough level. In terms of the number of people, it is projected that those aged 75+ in Newbold Verdon will increase by 353 people, more than doubling the 2011 figure.
29. 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.
30. These two methods of estimating the future need in Newbold Verdon produce a range of 89 to 121 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.
31. AECOM calculations suggest a relatively even split between the need for sheltered housing and the need for extra-care housing in the NA. The split between the need for market and affordable specialist housing is more pronounced, with the majority of the need in the plan period expected to be for market housing, at 78.5% of the total need. This is more prominent in the sheltered housing need, where it is suggested that 83.3% of need is for market accommodation compared to 72.1% in housing with extra-care. With the market need for sheltered housing, this may be possible to be satisfied through the provision of accessible and adaptable housing and the support needs are lower than those in need of extra-care housing.
32. 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 Borough level policies.
33. The emerging Local Plan for Hinckley & Bosworth provides explicit encouragement for development of accessible dwellings. It proposes that all new build residential dwellings should meet at least Category M4(2), the national standard for accessibility and adaptability. For wheelchair users (Category M4(3)) it is suggested that at least 5% of all new dwellings should meet this standard. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised as the parish council wish to diverge from this.

34. 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 Borough falling into this category.
35. 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.
36. 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 NAs from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
37. It is considered that Newbold Verdon is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria, the considerations of cost-effectiveness above, and the fact that some provision of sheltered housing already exists in the NA. As such, there is potential for such accommodation to be provided within the NA (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Newbold Verdon in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the NA boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the NA itself.
38. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. Conclusions

Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	<p>The starting point for understanding the need for affordable housing in Newbold Verdon is the Hinckley & Bosworth 2019 Housing Needs Study. The Study identifies the need for 271 additional affordable dwellings (net) per annum in Hinckley & Bosworth as a whole, primarily for affordable and social rent. The analysis is also broken down into sub areas, with the sub-area of Newbold Verdon with Desford and Peckleton identified as having a net affordable housing need of 12 dwellings per annum, once again primarily for affordable/social rent. When the figures for this sub-area are pro-rated to Newbold Verdon this equates to 4.6 dwellings per annum or 78.2 homes over the Neighbourhood Plan period 2022-2039.</p> <p>A separate calculation is undertaken in the Housing Needs Study to understand the need for affordable home ownership in the Borough. This gives a gross figure of 207 dwellings per annum of need across the LPA. Based on the sub-area identified, there is a need for 13 dwellings per annum. When the Housing Needs Study</p>	<p>This report estimates that Newbold Verdon requires roughly 78.2 units of affordable rented housing and 44.2 units of affordable home ownership over the Plan period.</p> <p>The suggested mix of Affordable Housing delivery in the NA is 60% affordable rented housing and 40% affordable home ownership, with the latter's split as follows:</p> <ul style="list-style-type: none"> • 25% First Homes • 10% shared ownership • 5% Rent to Buy <p>It is recommended that the proportion of affordable home ownership delivered as First Homes is in line with national requirement and emerging Local Plan split of 25%. It is suggested that the First Homes are delivered at a 40% discount as it makes the product accessible to both households on mean incomes and households with two lower quartile incomes. Increasing the discount further does not make it accessible to any further groups and may have an impact on overall scheme viability. To provide a mix, 10% shared ownership is recommended at 25% equity. This is accessible to the same groups as</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>figures are pro-rated to Newbold Verdon this equates to 4.9 dwellings per annum (gross) or 83.3 homes over the period. It is important to note that this is a figure of gross need. The study does estimate the potential annual supply of homes priced at equivalent to private renting, calculated as 2.3 dwellings per annum for Newbold Verdon NA. This could be subtracted from the gross need to give an estimated affordable home ownership need for Newbold Verdon of 2.6 dwellings per annum or 44.2 dwellings across the plan period 2022-2039.</p> <p>The Hinckley & Bosworth Borough Council Housing Register contains 24 households with a local connection to Newbold Verdon NA. This figure of 24 should be viewed as a minimum, with Hinckley & Bosworth Borough Council also providing a figure of 253 households on the Council's waiting list with an interest in being housed in Newbold Verdon.</p>	<p>First Homes at a 40% discount but has a slightly lower income threshold and would require a smaller deposit for households with fewer savings. Rent to Buy is included at 5% to include further variety. The estimated income threshold is greater than for shared ownership at 25% equity but slightly below First Homes at a 40% discount, with the main advantage being that there is no initial deposit requirement, widening the accessibility of affordable home ownership.</p>
<p>Housing tenure and affordability</p>	<p>The 2011 tenure profile of Newbold Verdon showed that the majority of housing in the NA was owner occupied. The social rented sector was in line with national levels but above Borough levels. It is also worth noting that the proportion of households living in the private rented sector was significantly below both Borough and national levels, at just 5.7%.</p> <p>The median house price in the NA increased from £130,000 in 2012</p>	<p>It is suggested that First Homes in Newbold Verdon are delivered at a 40% discount, making them accessible to both households on mean incomes and households with two lower quartile incomes. In terms of shared ownership, this product is broadly accessible to the same groups as First Homes. The affordable rented sector performs a vital function in Newbold Verdon as the only option for households with a single lower quartile earner.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>to £230,000 in 2021. In terms of the lower quartile, the prices follow a similar trajectory to the median, increasing from £111,000 in 2012 to £206,250 in 2021. The lower quartile price in the NA in 2021 is £31,250 higher than the lower quartile price for Hinckley & Bosworth. Small fluctuations in price like those seen in Newbold Verdon may be due to relatively small sample sizes as opposed to any major changes in the market, with the location, size, and type of housing impacting price.</p> <p>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 average earners. Households made up of two lower quartile earners can afford the given rental thresholds, but households on one lower quartile income cannot. Looking at affordable home ownership, the report tested the implications of the various products and discount/equity levels.</p>	<p>This expected level of delivery of Affordable Housing in Newbold Verdon does meet the quantity of demand identified if the recommended Affordable Housing tenure split is followed. It is recommended that the policy requirement for Affordable Housing (40% on sites of 10+ dwellings) be met wherever possible.</p>
<p>Housing type and size</p>	<p>In both 2011 and 2021, the dominant dwelling type in Newbold Verdon was semi-detached, followed by detached dwellings, significantly above the proportion across England in 2021. The proportions of flats and terraced properties were significantly below the proportion of detached and semi-detached dwellings. In terms of dwelling size, the NA is dominated by 3-bedroom dwellings, significantly</p>	<p>The AECOM model suggests that the indicative mix for 2039 should see an increase in smaller 1-bedroom and 2-bedroom dwellings as well as a slight increase in larger 4-bedroom dwellings, likely family homes. It is suggested there is a decrease in the proportion of 3-bedroom dwellings, whilst still remaining the dominant dwelling size. In order to reach the indicative mix for 2039 it is suggested that a relatively broad mix of housing is delivered on sites coming forward</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>higher than both the Borough and the country. The proportion of 1-bedroom dwellings, although very low in both 2011 and 2021, grew slightly. On the other hand, the proportion of 2-bedroom, 4-bedroom, and 5+ bedroom dwellings fell in the last decade.</p> <p>In both 2011 and 2020, the largest proportion of the population in Newbold Verdon were aged 45-64. Between 2011 and 2020 there is a decrease in the proportion of people aged 16-44 but a slight increase in those aged 0-15, perhaps indicating an increase in families in the NA alongside the aging population. Population growth to the end of the plan period can be expected to be driven by the oldest households, with an expected 80% increase in households with a household reference person aged 65 and over, by far the greatest growth of any category.</p>	<p>in the plan period. The majority, at 43.1%, are suggested to be for 2-bedroom dwellings.</p> <p>It would be unwise for any new housing that comes forward to be delivered in an unbalanced way. It is recommended that priority is given to smaller/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.</p>
<p>Specialist housing for older people</p>	<p>Based on ownership levels of households aged 55-75 in Hinckley & Bosworth in 2011, there is likely to be a greater demand for owned as opposed to rented specialist housing. Within the rented accommodation, a greater proportion of households are likely to need affordable/social rented specialist accommodation.</p> <p>It is projected that those aged 75+ in Newbold Verdon will increase by 353 people between 2011 and the end of the plan period, more than doubling the 2011 figure.</p>	<p>The two methods of estimating the future need in Newbold Verdon produce a range of 89 to 121 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.</p> <p>AECOM calculations suggest a relatively even split between the need for sheltered housing and the</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
	<p>The emerging Local Plan for Hinckley & Bosworth provides explicit encouragement for development of accessible dwellings. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority if the parish council wish to diverge from this.</p>	<p>need for extra-care housing in the NA. The split between the need for market and affordable specialist housing is more pronounced, with the majority of the need in the plan period expected to be for market housing. With the market need for sheltered housing, this may be possible to be satisfied through the provision of accessible and adaptable housing and the support needs are lower than those in need of extra-care housing.</p> <p>It is considered that Newbold Verdon is, in broad terms, a suitable location for specialist accommodation. As such, there is potential for such accommodation to be provided within the NA (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Newbold Verdon in other suitable locations near to but outside the Plan area boundaries).</p>

Recommendations for next steps

2. This Neighbourhood Plan housing needs assessment aims to provide Newbold Verdon 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 Hinckley & Bosworth Borough 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 Hinckley & Bosworth Borough 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 Hinckley & Bosworth Borough Council.

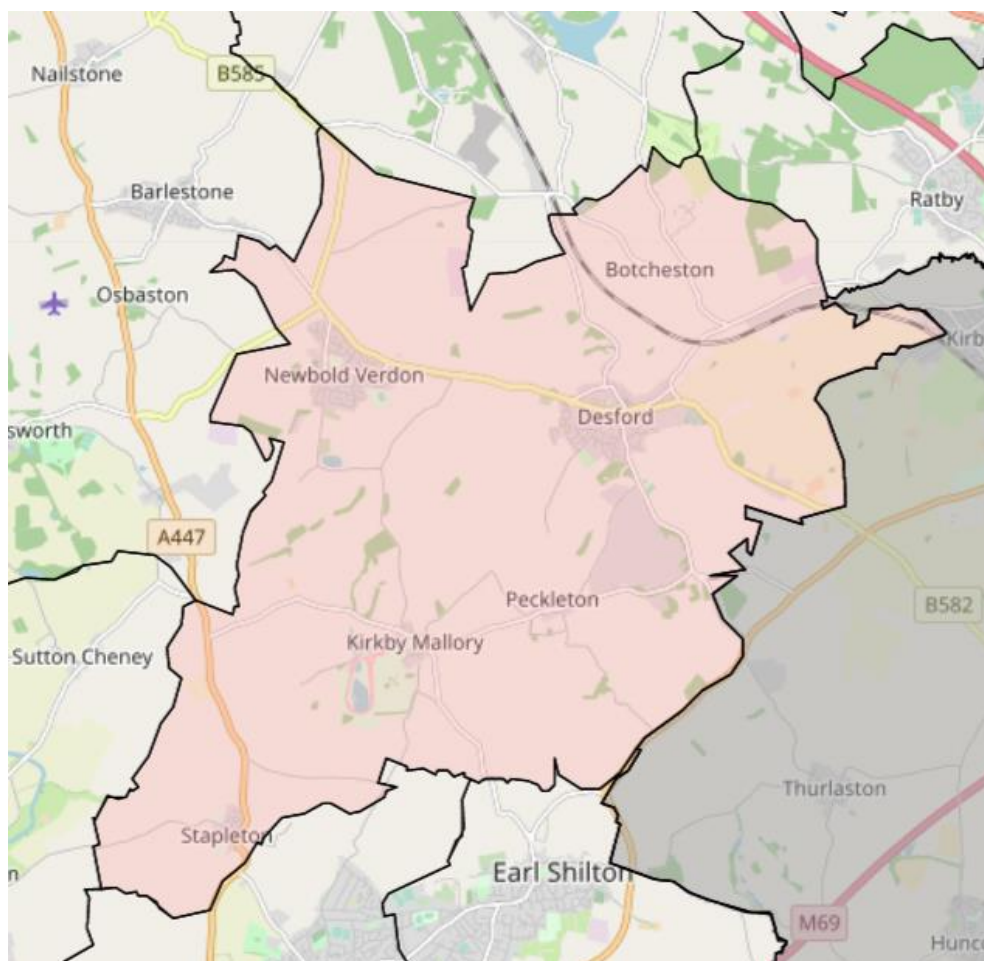
3. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
4. Bearing this in mind, it is recommended that the parish council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Hinckley & Bosworth Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
5. 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

1. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the NA. Such data is available at MSOA level but not at the level of NAs.
2. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the NA. In the case of Newbold Verdon, it is considered that MSOA E02005381 is the closest realistic proxy for the NA boundary, and as such, this is the assessment geography that has been selected. This covers the whole of the NA as well as neighbouring areas of Botcheston, Desford, Peckleton, Kirkby Mallory, and Stapleton. A map of MSOA E02005381 appears in Figure A-1.

Figure A-1: MSOA E02005381 used as a best-fit geographical proxy for the NA



Source: ONS

A.2 Market housing

3. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
4. 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

5. 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.
6. 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 Newbold Verdon, 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.
7. The calculation for the purchase threshold for market housing is as follows:
 - Value of a median NA house price (2021) = £230,000;
 - Purchase deposit at 10% of value = £23,000;
 - Value of dwelling for mortgage purposes = £207,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £59,143.
8. 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 £206,250, and the purchase threshold is therefore £53,036.
9. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in 2021. Therefore, an estimated NA new build entry-level house price was calculated based on local authority level data. The new build house prices for 2021 in Hinckley & Bosworth as a whole were compared to the overall house prices in the Borough for the same time period and the price uplift calculated.

This gave a new build house price uplift of 4.34%. This uplift was then applied to the 2021 entry level (lower quartile) house price for the NA specifically, giving an estimated NA entry level new build house price of £215,201 which is used in the First Homes and shared ownership calculations later in this Chapter.

ii) Private Rented Sector (PRS)

10. 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.
11. 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.
12. The property website Rightmove.co.uk shows rental values for property in the NA. The best available data is derived from properties available for rent within a mile circumference of Newbold Verdon, which covers a slightly 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.
13. According to Rightmove, there were 13 properties for rent at the time of search in January 2022, with an average monthly rent of £822. There were 5 two-bed properties listed, with an average price of £755 per calendar month.
14. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
 - Annual rent = £755 x 12 = £9,060;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £30,200.
15. The calculation is repeated for the overall average to give an income threshold of £32,880.

A.3 Affordable Housing

16. 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

17. 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.
18. 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 Newbold Verdon. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Hinckley & Bosworth in Table A-1.
19. 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	£84.08	£92.58	£99.59	£124.00	£93.50
Annual average	£4,372	£4,814	£5,179	£6,448	£4,862
Income needed	£14,559	£16,031	£17,245	£21,472	£16,190

Source: Homes England, AECOM Calculations

ii) Affordable rent

20. 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).
21. 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%.
22. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Hinckley & Bosworth. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
23. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 59.1% 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	£91.22	£102.99	£109.86	£143.20	£102.13
Annual average	£4,743	£5,355	£5,713	£7,446	£5,311
Income needed	£15,796	£17,834	£19,023	£24,797	£17,685

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

24. 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.
25. 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

26. 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.
27. The starting point for these calculations is therefore the estimated cost of entry level new build housing in the NA, calculated using local authority uplift, noted above of £215,201.
28. For the minimum discount of 30% the purchase threshold can be calculated as follows:
 - Value of a new home (NA estimated new build) = £215,201;
 - Discounted by 30% = £150,641;
 - Purchase deposit at 10% of value = £15,064;
 - Value of dwelling for mortgage purposes = £135,577;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £38,736.

29. 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 £33,202 and £27,669 respectively.
30. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. The discounted prices are also all below the £250,000 price cap, meaning they meet the national criteria.
31. 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 £1,500 per sq. m) would be around £105,000. This cost excludes any land value or developer profit. This may be an issue in Newbold Verdon with the discounted value of First Homes at a 50% discount in the NA very close to the estimated build costs.

Shared ownership

32. 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'.
33. 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.
34. 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).
35. The affordability threshold for a 25% equity share is calculated as follows:
 - A 25% equity share of £215,201 is £53,800;
 - A 10% deposit of £5,380 is deducted, leaving a mortgage value of £48,420;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £13,834;

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £161,401;
 - The estimated annual rent at 2.5% of the unsold value is £4,035;
 - This requires an income of £13,450 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £27,284 (£13,834 plus £13,450).
36. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £21,674 and £36,635 respectively.
37. The income threshold for all shared ownership equities is below the £80,000 cap for eligible households.

Rent to Buy

38. 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)

39. 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.
40. 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 methods¹⁶.

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 Standard¹⁷

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.

¹⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁷ 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 principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order¹⁸

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)¹⁹

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.

¹⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁹ 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

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

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 years²⁰, 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

²⁰ 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 Housing²¹

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

²¹ 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.²²

²² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

