

# Highclere Housing Needs Assessment (HNA)

March 2021

## Quality information

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## Table of Contents

1.	Executive Summary .....	7
	Quantity of Housing Needed in Highclere .....	7
	Tenure, Affordability and the Need for Affordable Housing .....	7
	Type and Size .....	8
	Specialist Housing for Older People .....	9
2.	Context .....	10
2.1	Local context .....	10
2.2	Planning policy context .....	12
2.2.1	Policies in the adopted local plan .....	12
2.2.2	Policies in the emerging local plan .....	13
2.2.3	Quantity of housing to provide .....	14
3.	Approach.....	15
3.1	Research Questions .....	15
3.1.1	Quantity of New Housing .....	15
3.1.2	Tenure and Affordability .....	15
3.1.3	Type and Size.....	15
3.1.4	Specialist Housing for Older People.....	15
3.2	Relevant Data.....	16
3.2.1	Local authority evidence base.....	16
3.2.2	Other relevant data .....	16
4.	RQ 1: Quantity .....	17
4.1	Introduction.....	17
4.2	Standard method (Step 1).....	18
4.3	Latest available LPA planning strategy (Step 2) .....	20
4.4	Past dwelling completions (Step 3) .....	21
4.5	Final Housing Need Figure(s) .....	22
5.	RQ 2: Tenure, Affordability and the Need for Affordable Housing .....	24
5.1	Introduction.....	24
5.2	Definitions.....	24
5.3	Current tenure profile .....	24
5.4	Affordability.....	25
5.4.1	House prices.....	25
5.4.2	Income.....	26
5.4.3	Affordability Thresholds .....	27
5.5	Affordable housing- quantity needed.....	31
5.5.1	Affordable Housing Policies in Highclere.....	32
5.6	Conclusions- Tenure and Affordability.....	36
6.	RQ 4: Type and Size .....	39
6.1	Introduction.....	39
6.2	Existing types and sizes.....	39
6.2.1	Background and definitions.....	39
6.2.2	Dwelling type .....	40
6.2.3	Dwelling size.....	40
6.3	Household composition and age structure .....	42
6.3.1	Age structure .....	42
6.3.2	Household composition.....	43
6.4	Dwelling mix determined by life-stage modelling.....	44

		5
	6.5 Conclusions - Type and Size .....	47
7.	RQ 4: Specialist housing for older people .....	48
	7.1 Introduction.....	48
	7.2 Housing for older people - context .....	49
	7.3 Approach .....	50
	7.3.1 Current supply of specialist housing for older people .....	51
	7.3.2 Tenure-led projections .....	51
	7.3.3 Housing LIN-recommended provision .....	54
	7.4 Conclusions- Specialist Housing for the Older People.....	55
8.	Conclusions .....	57
	8.1 Overview .....	57
	8.2 Recommendations for next steps.....	61
Appendix A : Calculation of Affordability Thresholds .....		63
	A.1 Assessment geography .....	63
	A.2 Market housing .....	63
	i) Market sales .....	64
	ii) Private Rented Sector (PRS) .....	64
	A.3 Affordable Housing .....	65
	i) Social rent.....	65
	ii) Affordable rent .....	65
	iii) Intermediate tenures.....	66
Appendix B : Housing Needs Assessment Glossary .....		67

**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

## 1. Executive Summary

1. Highclere is a Neighbourhood Plan area located in Basingstoke and Deane Borough, in west north Hampshire and close to the town of Newbury in West Berkshire. The Neighbourhood Area (NA) boundary comprises Highclere Parish and was designated in 2018.
2. The proposed Neighbourhood Plan period starts in 2020 and extends to 2035, therefore comprising a planning period of 15 years.

### Quantity of Housing Needed in Highclere

3. Highclere does not have a housing requirement in the Basingstoke and Deane adopted Local Plan. As it is a small village, with limited services and amenities, housing provision has been focused elsewhere within the borough. Nevertheless, there has been small scale development in recent years on small sites or development of single dwellings.
4. The Local Plan review is underway but at an early stage and has not yet determined the quantity of housing required in the borough and how this is distributed to different settlements. The neighbourhood group have requested a housing need figure from AECOM, with the support of the Council, so that they can plan positively within the Neighbourhood Plan. However, the figures presented in this report are purely indicative and will be superseded by any housing requirement developed by the Borough Council in the new Local Plan. AECOM's analysis presents indicative potential housing requirements in a range for Highclere.
5. At the low end of the range is the likelihood that, as a small village with limited services, Highclere may be identified for little or no housing growth. This is the case with the adopted Local Plan. In the adopted Local Plan, however, smaller villages with Settlement Boundaries are required to provide at least 10 dwellings over the plan period. Highclere does not currently have a Settlement Boundary, but the Local Plan Update opens the possibility for a Settlement Boundary Policy to be developed for Highclere and other small villages. This does not mean that a housing requirement (10 dwellings for example) would follow, but policies in the adopted Local Plan imply that this might lead to a requirement for some small scale development.
6. At the upper end of the range, pro rating the borough's housing need figure from the Standard Method in the Government's latest guidance implies the need for 113-122 dwellings, which equates to around 8 dwellings per year between 2020 and 2035. These figures are based on Highclere's share of the borough population and assume it would receive a comparable share of the borough's housing target.
7. The use of ONS parish population estimates for 2019, rather than Census 2011 population data would suggest Highclere's share of the borough's population has fallen in recent years. This would imply a smaller share of the borough's housing need figure (113 homes over the plan period), therefore, if the Council's strategy for distributing growth was based on population alone.
8. AECOM suggests that Highclere's population based share of the borough housing requirement is likely to be the upper estimate of any housing requirement which may be produced for the Parish through the Local Plan Update. Given that Highclere's current housing requirement is zero and the Standard Method housing need figure for the borough does not imply an increase on existing plan targets, AECOM estimate that any housing requirement for Highclere is likely to fall at the lower end of the range of 0-122 dwellings over the plan period or 0-8 dwellings per annum.
9. At the time that any Neighbourhood Plan housing requirement figure is provided by Basingstoke and Deane, it can be considered to supersede the provisional calculations within this study.

### Tenure, Affordability and the Need for Affordable Housing

10. The housing stock in Highclere is dominated by home ownership (73%), with more limited affordable housing supply (14%) and a small private rented sector (9%). Rates of homeownership are higher in Highclere (73.4%) than in Basingstoke and Deane (67.7%) and England (63.3%). This is common to other villages and rural areas and also reflects an older bias in the population, with older households more likely to own their own homes.
11. Highclere is characterised by high average house prices, partly driven by its larger housing stock as well as the desirability of the location. Average (mean) prices in 2020 were almost £700,000. By contrast, the average price of a home in Basingstoke and Deane was £448,650 in 2020 – significantly lower than in the neighbourhood area. It is relevant

to note that the sale of detached properties dominates the market in Highclere and on average, in 2020, the price of these homes was £887,000.

12. Average household incomes in Highclere (using MSOA E02004677 area) in 2018 were £62,800. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.<sup>1</sup> By comparison to many other areas of England and even the South East, these are high average incomes. Nevertheless, these households would be unable to afford to buy in the market and most affordable home ownership products would also remain out of reach. Substantial discounts on market sale prices would be needed to make them affordable to households on average incomes under the proposed First Homes product. Similarly, only smaller shares would be affordable to households on average incomes accessing Shared Ownership.
13. Basingstoke and Deane's gross lower quartile earnings for 2018 was approximately £17,448 per year. This is the LQ income before taxes (or benefits) for individual earners and so is only a measure of household incomes for single-person households. To estimate the income of LQ-earning households with two earners, the annual earnings figure is doubled, to £34,976. Whilst lower quartile incomes in Highclere may be higher than in Basingstoke and Deane as a whole, this data serves to demonstrate the difficulty that lower income households will have in accessing housing to buy or rent in Highclere. Only social or affordable rents are likely to be accessible to households on lower quartile earnings.
14. Evidence presented in this report suggests that 86 affordable homes might be needed over the plan period by combining the borough's SHMA 2015 estimate of the need for affordable rented housing and AECOM's analysis of potential demand for affordable home ownership. In practice, the need for affordable rented housing appears to be lower – there are few households on the Council's register with a local connection. Potential demand for affordable home ownership may also be lower, particularly given the higher prices in Highclere and to opportunity to access cheaper housing (including outright ownership) elsewhere in the borough, or in nearby Newbury.
15. If Highclere was given as housing requirement at the higher end of the range set out above, this could yield relatively substantial affordable housing provision but it would be insufficient to address the (pro rated) borough estimates of the need for affordable rented housing, or AECOM's estimate of the potential demand for affordable home ownership.
16. In recent years, very limited new housing has been delivered and most new homes come forward as single dwellings rather than larger development sites. This limited the delivery of affordable housing therefore. In the absence of a housing requirement, therefore, the group may wish to explore other avenues for delivering Affordable Housing (such as exception sites) if they wish to boost affordable housing supply.
17. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the LPA. 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 tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

## Type and Size

18. Highclere is a popular location for families with young children and older households and these types of households have also grown in recent years. Fewer young single and couple households live in Highclere, compared to Basingstoke and Deane and England as a whole, but this is unsurprising given the mix of dwellings available and the price and affordability of buying and renting in the neighbourhood area.
19. The majority of Highclere's housing stock is detached dwellings (two thirds), with few smaller dwellings available. This is not uncommon to other rural areas of the Country but this larger bias to the housing stock influences prices and limits the affordability of homes to lower income households. Furthermore, the small number of new housing completions in recent years has added to the stock of larger dwellings – the majority being 3, 4 and 5 bedroom homes.
20. The projected growth in households over the plan period is expected to result in more older households in Highclere, in line with the borough and national trends. In terms of demographic change, the analysis in this HNA suggests that development of new homes in Highclere should focus on smaller and modest sized dwellings (1-3 bedrooms) which are underrepresented in the housing stock, and reflect the need for some smaller dwellings to cater for older households who choose to downsize. These would also provide accommodation for some younger households (if they can afford to access housing in Highclere), given their tendency to occupy smaller dwellings. It is important to state that, with only

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<sup>1</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

limited new development likely, provision of small and modest sized dwellings will not rebalance the housing stock in Highclere. However, given the strong bias towards larger properties in the existing stock, there is some justification for prioritising smaller dwellings to provide some choice locally.

21. The analysis in this HNA 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 NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix. The neighbourhood group and LPA are likely to consider a range of factors in developing policies on dwelling mix or in relation to site specific schemes.

## Specialist Housing for Older People

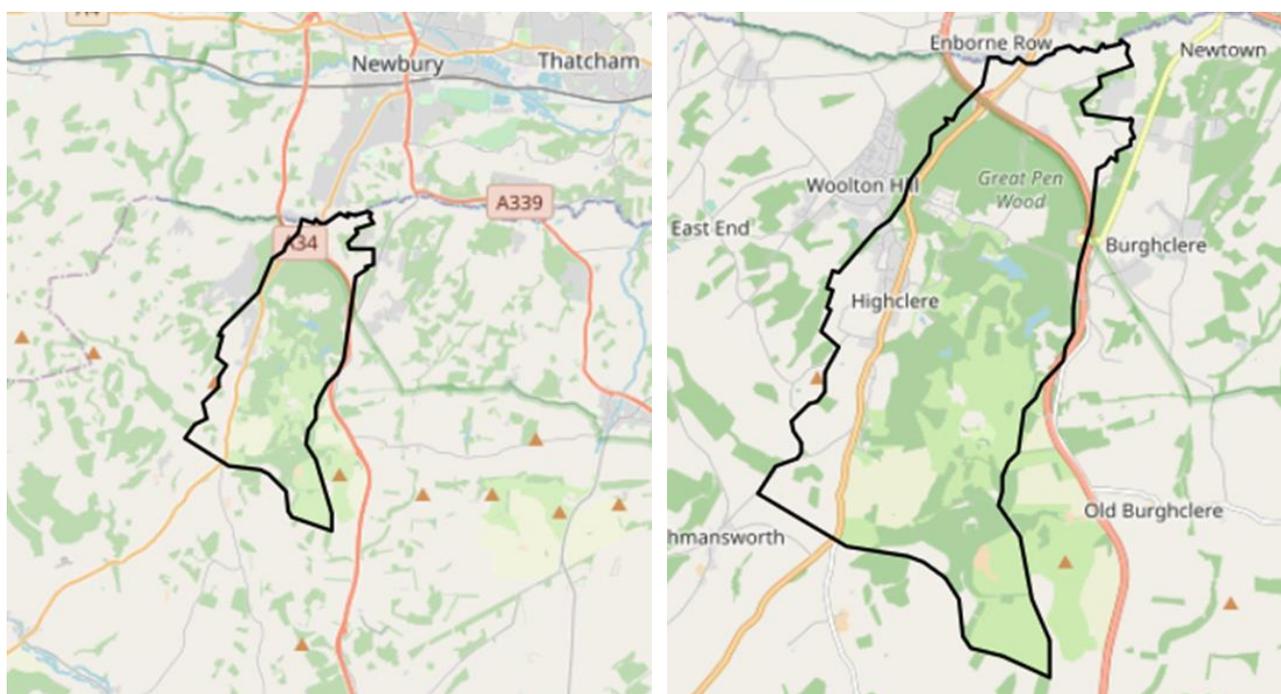
22. Highclere has an older bias to its population and this is anticipated to grow over time, in line with national trends. The number of households aged 75+ is expected to be around double at the end of the plan period (2035) compared to the Census 2011. Most of these households are home owners with small numbers living in social rented housing and the private rented sector. By and large, these older home owners live in large properties, because the housing stock in Highclere is dominated by larger detached properties. Most are likely to continue living in their current homes, but some older households will choose to downsize as their care and support needs change.
23. The estimates in this section suggest there is substantial need or demand for specialist properties. For some older people, with limited support needs, properties which are accessible and adaptable could allow these households to remain living independently. These properties might be provided within Highclere, if new homes are built to optional building regulation standards M4(2) and M4(3). The neighbourhood group might wish to explore the application of optional building regulations to new homes in the NA, working with the LPA which will set borough wide standards.

## 2. Context

### 2.1 Local context

24. Highclere is a Neighbourhood Plan area located in Basingstoke and Deane Borough, in North West Hampshire and close to the town of Newbury in West Berkshire. The Neighbourhood Area (NA) boundary comprises Highclere Parish and was designated in 2018. The proposed Neighbourhood Plan period starts in 2020 and extends to 2035, therefore comprising a planning period of 15 years.
25. Highclere is bisected by the A343 Newbury to Andover road and is close to the A34 trunk road and M4 motorway. The closest town is Newbury in West Berkshire, with fast access to London from Newbury station. Newbury is also home to the famous Newbury Racecourse.
26. Highclere is well known as the location of Highclere Castle. The village has a church, two pubs, village hall and Westridge Studio – a wellbeing and arts centre that is also available for use by community groups. There is also a private junior (primary) school. Highclere has its own shop located at Woodlands, Penwood. The Highclere village part of the parish is contiguous with the larger village of Woolton Hill which contains with infant and primary schools and a Post Office.
27. The analysis in this report is based on data and information for Highclere Parish. Data is available from the Census 2011 and other sources for the Parish area. Data from Census 2001 is built up from statistical units called Output Areas to make up the Parish boundary and ensure consistency with 2011 data. Where Census 2001 data is used in this report, the statistical area (super output area) is E01022513.
28. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1,600 residents (rounded) and just over 600 households. Recent estimates of Parish populations have been produced by the ONS and estimate 1,560 people living in Highclere Parish in 2019. This is consistent with population declines in many other Parishes in England.
29. A map of the Plan area appears below in Figure 2.1 and Figure 2.2 and shows Highclere village in the west of the Parish and neighbouring Woolton Hill village outside of the Parish. The first map also shows the proximity of the village and Parish to Newbury town in West Berkshire.

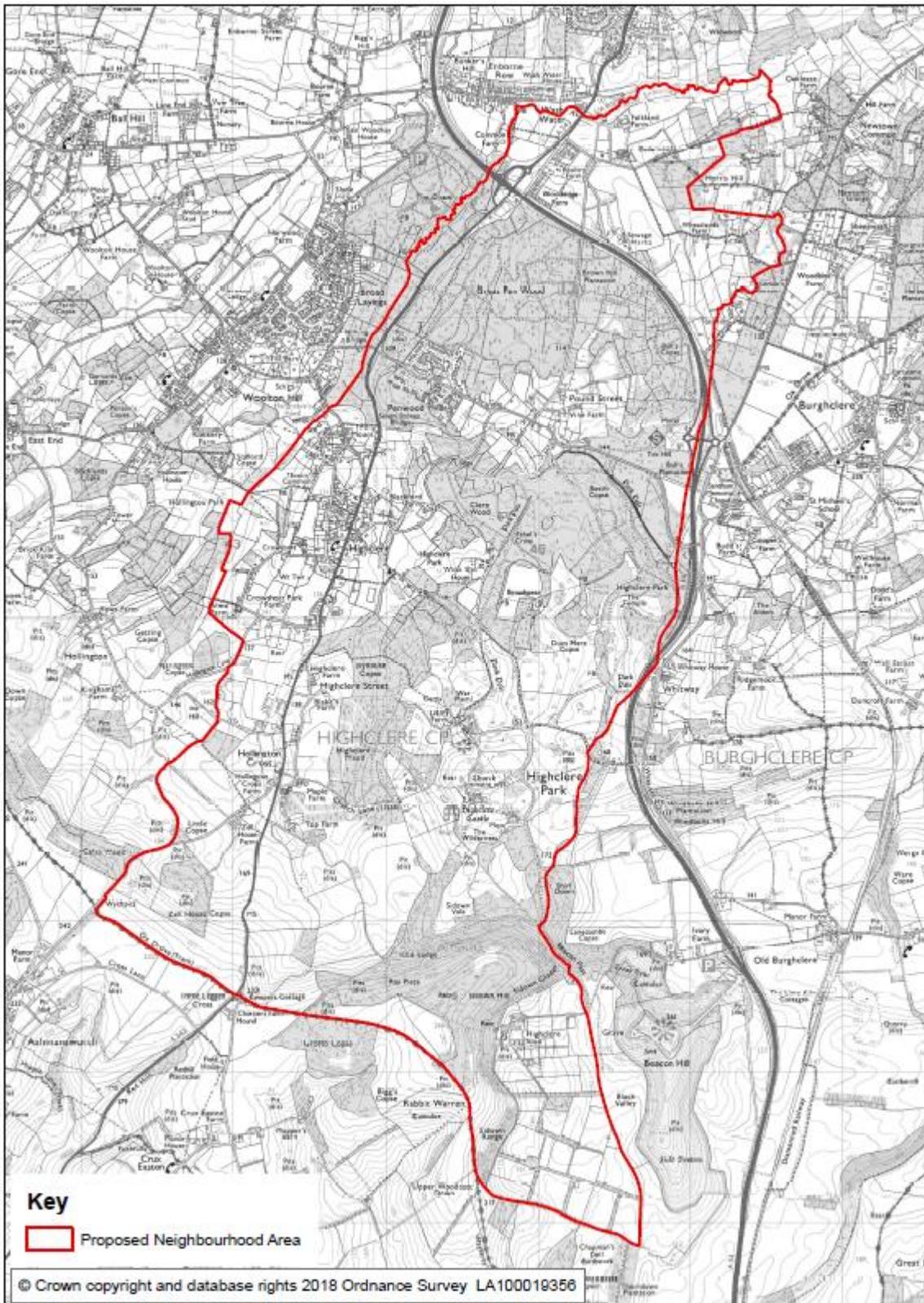
Figure 2-1: Map of the Highclere Neighbourhood Plan area<sup>2</sup>



Source: ONS Open Street Map. Black boundary denotes Highclere Parish

<sup>2</sup> Available at [www.nomisweb.co.uk](http://www.nomisweb.co.uk)

Figure 2-2: Detailed Map of the Highclere Neighbourhood Plan area<sup>3</sup>



<sup>3</sup> Available at <https://www.highclerepc.uk/shared/attachments.asp?f=b116d181%2D016f%2D4659%2Da485%2D42e328c17322%2Epdf&o=Highclere%2DArea%2DDesignation%2DMap%2Epdf>

30. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

## 2.2 Planning policy context

31. In line with the Basic Conditions<sup>4</sup> of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.<sup>5</sup> Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
32. In the case of Highclere, the relevant local planning context is as follows:
33. Basingstoke and Deane Adopted Local Plan 2011-2029 (Adopted 2016)<sup>6</sup>: the current Local Plan was adopted in 2016 and covers the period up to 2029. The policies in the adopted Local Plan apply to Highclere.
34. Local Plan Update<sup>7</sup>: The Council has begun the process of updating the Local Plan. The first stage has involved consultation on 'issues and options' which was undertaken at the end of 2020. This non-statutory consultation asked for views on the key planning issues facing the borough over the next Local Plan period (to at least 2038) and potential options to address these.

### 2.2.1 Policies in the adopted local plan<sup>8</sup>

35. The policies in Table 2-2 are included within the current Local Plan and are relevant to the Highclere neighbourhood area.

**Table 2-2: Summary of Basingstoke and Deane's adopted policies having relevance to Highclere Neighbourhood Plan Housing Needs Assessment**

Policy	Source	Provisions
S1 – Scale and Distribution of New Housing	Local Plan 2011-2019	The Plan makes provision for 15,300 new homes in the borough over the plan period, equating to 850 homes per annum. The focus of new development is Basingstoke town and existing larger settlements. There is no housing requirement for Highclere as a smaller settlement.
S5 – Neighbourhood Planning	Local Plan 2011-2019	The policy requires that settlements with defined Settlement Policy Boundaries make provision for at least 10 homes within or adjacent to the settlement. Highclere is not included in these settlements.
S6 – New Housing in the Countryside	Local Plan 2011-2019	The policy sets out exceptions under which new small scale development would be allowed in areas defined as the countryside. This includes where sites are allocated in Neighbourhood Plans.
CN1 – Affordable Housing	Local Plan 2011-2019	The policy requires 40% of new homes on sites of 5 or more homes to be provided as affordable housing. The policy also requires an affordable housing tenure mix of 70% rented and 30% intermediate. 15% of affordable homes should meet enhanced access standards M4(2) or M4(3).

<sup>4</sup> Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

<sup>5</sup> However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

<sup>6</sup> Available at <https://www.basingstoke.gov.uk/planningpolicy>

<sup>7</sup> Available at <https://www.basingstoke.gov.uk/issues-and-options>

<sup>8</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
CN2 – Rural Exceptions for Affordable Housing	Local Plan 2011-2019	Small scale development to meet the needs of local people will be permitted on sites outside of the Settlement Policy Boundaries.
CN3 - Housing Mix for Market Housing	Local Plan 2011-2019	Development is permitted where it includes a range of housing types and sizes to address local requirements and is appropriate to the size, location and characteristics of sites and appropriate to the characteristics and density of the neighbourhood. 15% of homes should also be provided to enhanced accessible and adaptable standards (optional building regulations M4(2) and M4(3)).
CN4 – Housing for Older People / Specialist Housing	Local Plan 2011-2019	Proposals specifically designed to meet the identified needs of older people will be permitted where they meet a proven need and the location is appropriate.

Source: *Basingstoke and Deane Local Plan 2011-2019 (Adopted 2016)*

### 2.2.2 Policies in the emerging local plan<sup>9</sup>

36. Basingstoke and Deane Borough Council has just begun the process of reviewing the Local Plan. The first stage in this process was a consultation on Issues and Options which was undertaken at the end of 2020. There are no emerging policies as yet given the early stage of the plan, but the Issues and Options consultation identified a number of relevant themes.
37. Housing is identified as one of the 7 key issues for the Local Plan Update, including ensuring provision of new homes and addressing affordability as well as providing the right mix of new housing.
38. The Issues and Options consultation has started to consider where new homes might be provided. The consultation states the importance of protecting and enhancing the character of the borough and its settlements but also sustaining communities and the vitality of smaller towns and villages. It recognizes that new development can help support the viability of existing facilities and services in rural settlements.
39. Alongside the Issues and Options consultation, the Council has published a Settlement Study (part 1)<sup>10</sup>, which is likely to be relevant in the evidence and policy development in relation to the scale and distribution of new housing in the borough.
40. The Settlement Study takes account of such issues as size, range of local services and facilities, accessibility to larger settlements and their facilities by sustainable transport and employment opportunities. The study has enabled settlements to be placed in a sustainability category (see table 2.3 below and included under paragraph 7.5.2 in the consultation document). The Issues and Options consultation document states that the 'relative sustainability of the listed settlements will be taken into account alongside local needs, opportunities and constraints in determining future suitable levels of growth for each settlement. This will be considered in Part 2 of the Settlement Study.'
41. Table 2.3 shows that Highclere is considered in the 5<sup>th</sup> category of settlements – as a small village because it has two of the services set out in the criteria (a pub and village hall) and is within 5km of a primary school. Neighbouring and adjoining village of Woolton Hill is identified as a larger village. These categories will provide a framework for directing housing growth and other forms of development towards settlements that have a range of services and facilities, and access to sustainable transport and employment opportunities.
42. Settlements that are identified within higher tier categories (Categories 1-3 above) are considered to be more sustainable locations for future growth, due to their relative size and access to services and facilities. The Study states that limited growth could potentially be considered as suitable in the lower categories identified (Categories 4 and 5), including Highclere village, in order to meet local social, economic and community needs and to maintain the vitality of these rural communities. Part 2 of the Settlement Study will consider potentially suitable levels of growth for the

<sup>9</sup> Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

<sup>10</sup> <https://www.basingstoke.gov.uk/content/page/64504/Settlement%20Study%20-%20Part%201.pdf>

settlements to at least 2038.

**Table 2-3: Settlement Categories in the Settlement Study (Part 1)**

Category	Settlement
1. Principal Service Centre	Basingstoke Town
2. Large Local Service Centre	Overton, Tadley, Whitchurch
3. Small Local Service Centre	Bramley, Kingsclere, Oakley and Old Basing
4. Large Villages	North Waltham, Sherborne St John, Sherfield on Loddon, Woolton Hill
5. Small Villages	Ashford Hill, Bishops Green, Burghclere, Cliddesden, Dummer, Ecchinswell, Headley, Highclere, Preston Candover, Silchester, St Mary Bourne, Upton Grey

### 2.2.3 Quantity of housing to provide

43. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
44. In the adopted Local Plan there is no housing requirement for Highclere because it is identified as a small village. The neighbourhood group would like a housing requirement for Highclere to give more certainty in planning for new homes. However, the Council has only recently started its Local Plan Update and is not yet at the stage where it can provide the group with a figure. As such, the group has requested that AECOM provide an indicative figure, until such time as a housing requirement is provided through the Local Plan Update. The Council are supportive of this approach. It must be noted that any figure provided by the Council at a later stage will replace the figures in this report.<sup>11</sup>
45. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
46. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.<sup>12</sup> The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
47. It is important to note here because any housing requirement for Highclere is likely to be lower than the number of dwellings that would need to be delivered on a single site in order for Affordable Housing contributions to be required. It is therefore unlikely that any Affordable Housing will be built on normal development sites in the NA while this temporary change applies.
48. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 5 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites identified in the Local or Neighbourhood Plan. Finally, given that the Highclere Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

<sup>11</sup> As confirmed Inception Call with the group and follow up e mail with the Council in December 2020.

<sup>12</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

## 3. Approach

### 3.1 Research Questions

49. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
50. The RQs relevant to this study, as discussed and agreed with Highclere, are set out below.

#### 3.1.1 Quantity of New Housing

51. Highclere does not currently benefit from a specific housing requirement figure (HRF) provided by Basingstoke and Deane Borough Council through the Local Plan process.
52. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Basingstoke and Deane will provide Highclere with an HRF as part of the Local Plan Update. However, the neighbourhood planners have asked if AECOM to provide an interim HRF, in line with national policy and best practice, and Basingstoke and Deane have indicated they have no in-principle objection to this element of the HNA.
53. As such, a quantity figure does need to be caveated in the sense that it has the potential to differ from any HRF provided by Basingstoke and Deane after the completion of this report, and that in line with national policy, the Basingstoke and Deane HRF will supersede that calculated by AECOM (if it comes to a different figure).
54. With all this in mind, an appropriate RQ for this study is as follows:

***RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?***

#### 3.1.2 Tenure and Affordability

55. The neighbourhood planning group would like to understand the needs of the community for housing of different tenures, the affordability of housing to rent and buy and the tenure of homes that should be provided to meet local need now and in the future.
56. This evidence will allow Highclere 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 priced out of the market.

***RQ 3: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?***

#### 3.1.3 Type and Size

57. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group are interested in particular in the type of housing available and suitable for older people and the type and size of homes affordable to local residents.
58. 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.

***RQ 4: 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?***

#### 3.1.4 Specialist Housing for Older People

59. The neighbourhood planning group wishes to ensure that future housing provision takes into account the needs of older people. There is significant overlap between this area and the question of housing type and size, but this question will specifically address the need for specialised housing for older people through the Plan period.

***RQ 4: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?***

## 3.2 Relevant Data

### 3.2.1 Local authority evidence base

60. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Highclere Neighbourhood Area is located within Basingstoke and Deane's planning area, we therefore draw on the relevant Strategic Housing Market Assessment (SHMA), which is known as Basingstoke and Deane Strategic Housing Market Assessment Update May 2015. Note that an update of the affordable housing needs assessment within the SHMA was also undertaken in October 2015.
61. For the purpose of this HNA, data from Basingstoke and Deane's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

### 3.2.2 Other relevant data

62. In addition to the Basingstoke and Deane evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
  - Land Registry data on prices paid for housing within the local market;
  - Population and household projections produced by the Office of National Statistics (ONS), including population estimates at the Parish level in 2019;
  - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](http://home.co.uk);
  - Valuation Office Agency (VOA) data on local housing stock by dwelling type;
  - The Housing Learning and Improvement Network (LIN)'s SHOP@ tool for estimating the need for differing types of specialist dwellings for older people; and

## 4. RQ 1: Quantity

### **RQ 1: What quantity of housing in the Neighbourhood Area should be planned for over the Plan period?**

#### 4.1 Introduction

63. The 2019 NPPF (paragraph 65) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
64. NPPF paragraph 66 states that “Where it is not possible to provide a requirement figure for a neighbourhood area<sup>13</sup> the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”<sup>14</sup>
65. Given that the Basingstoke and Deane Local Plan Update is not yet at the stage of publishing draft policies or determining housing requirements for neighbourhood areas, there is the potential to calculate an interim objectively assessed Housing Need Figure (HNF) for Highclere. It has been confirmed by BDBC to the neighbourhood planning group that the local authority has no in principle objection to this.
66. The methodology for calculating housing need used by AECOM is known as the ‘standard method’. This was published in its current, formally adopted form in February 2019.<sup>15</sup> While a new amended version of this methodology was published as a consultation proposal in August 2020, this change has since been abandoned.<sup>16</sup> One change to the method has since been introduced, but this only applies to the most populous urban local authorities and is not relevant to Highclere.
67. In calculating the HNF in this HNA, it should be noted that NPPF paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). That said, AECOM’s calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
68. The relevant Planning Practice Guidance (PPG)<sup>17</sup> states that “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
69. A housing need figure is a ‘policy-off’ figure. This means that, while it takes account of the factors set out in paragraph 66 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a ‘policy-on’ Neighbourhood Plan housing requirement figure.
70. This is the difference between an HNF (such as is estimated in this HNA report) and a HRF (which would be produced by the LPA): while an HNF is a measure of unconstrained ‘need’, an HRF also takes supply-side factors into account in generating a final, policy-on requirement. As such, it is possible that an HRF from the LPA that will eventually supersede the HNF in this HNA, and will be different as a result of those additional factors.
71. The HNF in this report is estimated using a four-step approach, seeking to reflect to the maximum extent the NPPF,

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<sup>13</sup> For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

<sup>14</sup> NPPF, paragraph 66, available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>15</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>16</sup> <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>, pages 8-18.

<sup>17</sup> Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

PPG advice and relevant consultation documents. This is set out in the box below.

**Step 1: “the population of the neighbourhood area”**

The HNF for the Neighbourhood Plan area should take as its starting point the housing target for the Local Planning Authority (LPA) in which it sits. The baseline for our calculation for the NA is therefore a share of the current LPA Local Housing Need (LHN) figure that reflects the share of the LPA population living in the Plan area.

NPPF requires local authorities, and anyone calculating LHN in their place, to use the ‘standard method’ for calculating the minimum number of homes that a local authority should plan for in an area. This calculation takes the most recent MHCLG-approved household population projection for the LPA (currently the 2014-based projection), applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

The standard method is a simple and transparent way of calculating a baseline of need that can be applied consistently across the country using publicly available datasets. It produces a starting point for planning and not the final housing requirement.

**Step 2: “most recently available planning strategy of the planning authority”**

The NPPF guidance then states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”<sup>18</sup> and “the most recently available planning strategy of the local planning authority.”<sup>19</sup>

This means introducing relevant indicators from local authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LPA housing target that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

**Step 3: Dwelling completions**

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide an HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed) at this point, they should not be deducted from the total until they are completed.

**Step 4: The Local Planning Authority**

The NPPF makes it clear that the local authority should provide housing numbers to designated neighbourhood planning areas within their area where requested to do so. To this extent, AECOM is performing a similar role to that required of the local authority in providing an HNF to the Neighbourhood Plan area. With this in mind, it is important the group share the HNF and underlying methodology with the LPA, once they have received the final version of this document, to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.<sup>20</sup>

72. Employing this methodology, the HNF for Highclere may be calculated as follows:

## 4.2 Standard method (Step 1)

73. Firstly, the Local Housing Need (LHN) for the LPA is calculated using the standard method outlined in 2019 Planning Practice Guidance, before taking the population of the Neighbourhood Plan area, and calculating the proportion of the total population of the LPA area that it represents. This percentage will then be used to determine the share of the LPA targets that should be apportioned to the Neighbourhood Plan area as a baseline step.

<sup>18</sup> NPPF, paragraph 65.

<sup>19</sup> Ibid.

<sup>20</sup> Paragraph: 010 Reference ID: 2a-010-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

74. The Basingstoke and Deane LHN figure, using the standard method, is calculated as follows<sup>21</sup>:
75. **Stage one** is to set the baseline, by calculating the projected average annual household growth in the borough over a 10-year period, beginning with the current year, using the 2014-based ONS household projections:
- According to Basingstoke and Deane's 2014-based household projection, the projected number of households in 2020 is 77,024, and the projected number of households in 2030 is 83,940. Total household growth is therefore projected to be 6,916 between 2020 and 2030. This equates to an annual average of 692 (rounded) households. This equates to a baseline need for 692 dwellings per year in Basingstoke and Deane.
76. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,<sup>22</sup> which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:
- Basingstoke and Deane's 2019 median affordability ratio is 8.44. Using the formula outlined in PPG to calculate the adjustment factor<sup>23</sup> results in an adjustment factor of 1.275, and therefore an adjusted minimum annual housing need figure of 844 dwellings (rounded).
77. **Stage three** is to apply a cap which limits the magnitude of increase (Stage two adjustment) an LPA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
  - Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
    - a) The annual average projected household growth for the area over the 10-year period identified in Stage one above; or
    - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
  - The relevant strategic policy in this case is provided in the Basingstoke and Deane Local Plan (adopted 2016). Strategic Policy S1 sets a housing requirement (2011-2029) of 850 dwellings per annum. As the Local Plan was adopted within the last five years, the first option above is applied.
  - 40% above the annual requirement of 850 dwellings is 1,190 dwellings per year. This figure is higher than the result of Stage 2 and therefore the cap limiting the adjustment for affordability does not apply in this case.
  - The minimum LHN for Basingstoke and Deane is therefore 844 net additional dwellings per year.
78. Having derived Basingstoke's LHN, the next step is to take the population of the Neighbourhood Plan area and Local Authority area. The proportion of the total population of the Local Authority area who live in the Neighbourhood Plan area can then be calculated. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Neighbourhood Plan area.
79. At the time of the last Census, there were 1,606 people living in Highclere, or 0.96% of the 167,799 people in Basingstoke and Deane.
80. Applying this percentage (0.96%) to Basingstoke and Deane's LHN of 844 gives an indicative HNF for Highclere of 8.1 dwellings per annum, or 122 dwellings (rounded) over the Neighbourhood Plan period 2020-2035.

<sup>21</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>22</sup> Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

<sup>23</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

81. If the Neighbourhood Plan period changes before the Plan is adopted, this annualised figure can be multiplied by the new term (for example to reflect the new Basingstoke and Deane Local Plan period, once this is published for consultation).
82. It is relevant to consider here, that the population of Highclere Parish is likely to have experienced a small decline since 2011. This is common to many rural parishes in England. The latest parish estimates, produced by the ONS in 2019 suggest the population of Highclere is now 1,563 people (an estimate fall in population of 43 people or -2.7%). By contrast, the population of the borough is estimated by ONS to have grown by 5% to 176,163 in 2019. If the 2019 population estimates are used Highclere's population represents 0.89% of the borough's population. This would imply an indicative HNF of 7.5 dwellings per annum, or 113 dwellings (rounded) over the Neighbourhood Plan period 2020-2035.

### 4.3 Latest available LPA planning strategy (Step 2)

83. As stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the LPA. Those policies should reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing an HNF for the NA that takes into account the Local Authority's spatial strategy, and therefore may differ from the baseline figure calculated above.
84. In Basingstoke and Deane, the relevant document is the adopted Basingstoke and Deane Local Plan, as the emerging Local Plan Update is not yet at the stage of including draft policies.
85. The adopted Local Plan identifies five tiers of settlement across the borough based on their size and services and uses this hierarchy to focus development within Basingstoke town and the main settlements. As such, the distribution of the borough's current local housing requirement is not based on a simple pro rating according to population, it takes account of existing patterns of urbanisation, services and sustainability. **In the current Local Plan, Highclere, therefore is not required to provide any new homes because it is identified as a small village and without a Settlement Boundary. In effect, the current housing requirement for Highclere is zero.** New development has been permitted in Highclere however, under policies which allow small scale development in exceptional circumstances, but the parish does not have a housing target which it is expected to meet.
86. Whilst the Local Plan Update is at an early stage, alongside the Issues and Options consultation, the Council has published a Settlement Study (part 1)<sup>24</sup>, which is likely to be relevant in the evidence and policy development in relation to the scale and distribution of new housing in the borough.
87. The Settlement Study takes account of such issues as size, range of local services and facilities, accessibility to larger settlements and their facilities by sustainable transport and employment opportunities. The study has enabled settlements to be placed in a sustainability category (see Table 4.1 below and included under paragraph 7.5.2 in the consultation document). The Issues and Options consultation document states that the 'relative sustainability of the listed settlements will be taken into account alongside local needs, opportunities and constraints in determining future suitable levels of growth for each settlement. This will be considered in Part 2 of the Settlement Study.'
88. Table 4.1 shows that Highclere is considered in the 5<sup>th</sup> category of settlements – as a small village because it has two of the services set out in the criteria (a pub and village hall) and is within 5km of a primary school. Neighbouring and adjoining village of Woolton Hill is identified as a larger village. These categories will provide a framework for directing housing growth and other forms of development towards settlements that have a range of services and facilities, and access to sustainable transport and employment opportunities.
89. Settlements that are identified within higher tier categories (Categories 1-3 above) are considered to be more sustainable locations for future growth, due to their relative size and access to services and facilities. The Study states that limited growth could potentially be considered as suitable in the lower categories identified (Categories 4 and 5), including Highclere village, in order to meet local social, economic and community needs and to maintain the vitality of these rural communities. Part 2 of the Settlement Study will consider potentially suitable levels of growth for the settlements to at least 2038.

<sup>24</sup> <https://www.basingstoke.gov.uk/content/page/64504/Settlement%20Study%20-%20Part%201.pdf>

**Table 4.1: Settlement Categories in the Settlement Study (Part 1)**

Category	Settlement
1. Principal Service Centre	Basingstoke Town
2. Large Local Service Centre	Overton, Tadley, Whitchurch
3. Small Local Service Centre	Bramley, Kingsclere, Oakley and Old Basing
4. Large Villages	North Waltham, Sherborne St John, Sherfield on Loddon, Woolton Hill
5. Small Villages	Ashford Hill, Bishops Green, Burghclere, Cliddesden, Dummer, Ecchinswell, Headley, Highclere, Preston Candover, Silchester, St Mary Bourne, Upton Grey

90. The Local Plan Update does not identify a housing need figure or housing requirement for Basingstoke and Deane. However, work has begun to consider how any requirement should be distributed across the borough in terms of priority areas. As a small village, Highclere is unlikely to have a substantial housing requirement, if it is given a housing requirement in the new Local Plan.

#### 4.4 Past dwelling completions (Step 3)

91. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period, i.e. the period between 2020 and the time of writing (January 2021), as well as to consider known commitments.
92. There are no reported completions for 2020/21 according to the Council. There were 4 dwellings completed in the previous year (2019/2020) and a total of 12 completions over the 5 year period to 2019/2020.
93. As of January 2021, there are currently 14 dwelling commitments (i.e. planning permissions that are yet to be implemented). AECOM recommends that commitments should not yet be discounted from the overall quantity figure; it is only once they are completed that this can take place and indeed, a proportion of planning permissions are not implemented.
94. As such, there are no completions to deduct from the HNF of 113-122 dwellings (over the entire Plan period). Note that the range relates to the different population figures that have been used as set out earlier in this section.

## 4.5 Final Housing Need Figure(s)

95. Based on the evidence above, it is useful to set out this HNA's estimates of the overall HNF for Highclere in a range.

**Table 4-2: Indicative Range for Highclere's Housing Need Figure**

Evidence/Strategy Consideration	Justification	Implied housing need figure (HNF) for Plan Period 2020-2035	Implied HNF per annum (rounded)
Adopted Local Plan (2011-2019): no housing requirement for Highclere	Small village, limited services, development focused in Basingstoke and larger settlements	0	0
Local Plan Update: potential introduction of a Settlement Boundary for Highclere	Adopted Local Plan policy of at least 10 dwellings for settlements with Settlement Boundary Policies	10	0.7
Standard Method (December 2020); pro-rated to Highclere 2019 ONS Parish Population Estimates	Highclere's share of BDBC housing need figure, based purely on current population share (2019 estimate)	113	7.5
Standard Method (December 2020); pro-rated to Highclere 2011 Census Population	Highclere's share of BDBC housing need figure, based purely on Census 2011 population share	122	8.1

96. At the low end of the range is the likelihood that, as a small village with limited services, Highclere may be identified for little or no housing growth. This is the case with the adopted Local Plan. In the adopted Local Plan, however, smaller villages with Settlement Boundaries are required to provide at least 10 dwellings over the plan period. Highclere does not currently have a Settlement Boundary, but the Local Plan Update opens the possibility for a Settlement Boundary Policy to be developed for Highclere and other small villages. This does not mean that a housing requirement (10 dwellings for example) would follow, but policies in the adopted Local Plan imply that this might lead to a requirement for some small scale development.
97. At the upper end of the range, pro rating the borough's housing need figure from the Standard Method implies the need for 113-122 dwellings, which equates to around 8 dwellings per year between 2020 and 2035. These figures are based on Highclere's share of the borough population and assume it would receive a comparable share of the borough's housing target.
98. The use of ONS parish population estimates for 2019, rather than Census 2011 population data would suggest Highclere's share of the borough's population has fallen in recent years. This would imply a smaller share of the borough's housing need figure, therefore, if the Council's strategy for distributing growth was based on population alone.
99. AECOM suggests that Highclere's population based share of the borough HNF is likely to be the upper estimate of any housing requirement which may be produced for the Parish through the Local Plan Update. It is likely that Basingstoke town and the larger settlements will receive a greater share of the borough's housing requirement, reflecting their services and amenities and the availability and sustainability of sites.
100. Given that Highclere's current housing requirement is zero and the Standard Method housing need figure for the borough does not imply an increase on existing plan targets, AECOM estimate that any housing requirement for Highclere is likely to fall at the lower end of the range of 0-122 dwellings over the plan period or 0-8 dwellings per annum.
101. If the Plan period for the Highclere Neighbourhood Plan changes in future, the annualised need figure should be multiplied by the new total number of years in the Plan period. From this total, completions to date may be deducted to determine the new residual number of homes to plan for.

102. The results of the Government's standard method for Highclere are likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in Basingstoke and Deane and any indicative housing requirement figure provided by Basingstoke and Deane for neighbourhood areas, depending on how government policy and guidance on housing evolve.
103. At the time that any Neighbourhood Plan housing requirement figure is provided by Basingstoke and Deane, it can be considered to supersede the provisional calculations within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.

## 5. RQ 2: Tenure, Affordability and the Need for Affordable Housing

**RQ 3: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?**

### 5.1 Introduction

104. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.<sup>25</sup>

### 5.2 Definitions

105. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.

106. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.<sup>26</sup>

107. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing 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 proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.<sup>27</sup> However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

### 5.3 Current tenure profile

108. The current tenure pattern is a key characteristic of the local neighbourhood area. 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. Table 5-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Highclere, compared to the rest of Basingstoke and Deane and England.

109. The majority of households in Highclere own their homes (Table 5-1). Rates of homeownership are higher in Highclere (73.4%) than in Basingstoke and Deane (67.7%) and England (63.3%). The share of all other tenures are lower than the local authority area and England as a whole. This is consistent with patterns seen in many other villages and more rural areas of England.

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<sup>25</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>26</sup> NPPF 2019.

<sup>27</sup> The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

**Table 5-1: Tenure (households) in Highclere, 2011**

Tenure	Highclere	Basingstoke and Deane	England
Owned; total	73.4%	67.7%	63.3%
Shared ownership	0.5%	1.4%	0.8%
Social rented; total	13.3%	17.8%	17.7%
Private rented; total*	12.8%	13.1%	18.2%

Sources: Census 2011, AECOM Calculations \*Private rented category includes households living rent free

110. In Table 5-2, we note the changes in tenure during the intercensal period. Levels of home ownership (the dominant tenure) grew 2001-2011 in Highclere and Basingstoke and Deane, in contrast to England as a whole. In line with other areas, Highclere has experienced growth of the private rented sector over the 10 year period and this is likely to have continued from 2011 to 2020, in line with national trends. However, this growth in Highclere is from a small base of 39 households in 2011, rising to 57 in 2011.

**Table 5-2: Rates of tenure change in Highclere, 2001-2011**

Tenure	Highclere	Basingstoke and Deane	England
Owned; total	7.6%	4.3%	-0.6%
Shared ownership	0.0%	183.4%	30.0%
Social rented; total	9.3%	14.9%	-0.9%
Private rented; total	46.2%	125.7%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

## 5.4 Affordability

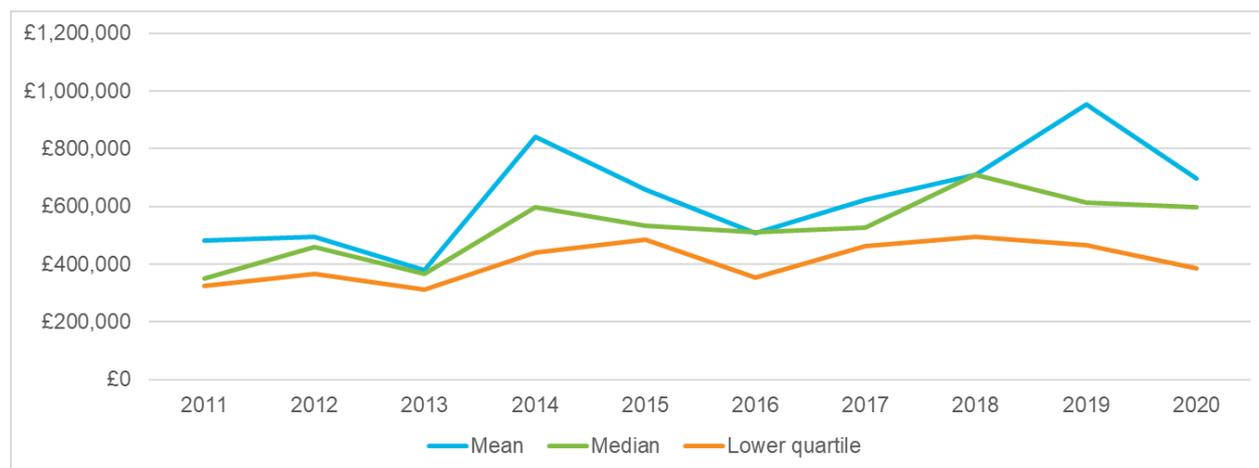
111. Having reviewed the tenure of the existing housing stock in Highclere, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
112. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability or homes to rent or buy can indicate the need to provide Affordable Housing.

### 5.4.1 House prices

113. 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.
114. Figure 5-1 on the following page looks at selected measures of house prices in Highclere. It shows that absolute house prices have increased over the last 10 years (2011 – 2020). This is true for mean (44.3%), median (70.6%) and lower quartile (18.8%) prices in the neighbourhood area. This growth equates to substantial absolute increases in prices. For lower quartile prices, growth of 18.8% translates into an increase of £61,250 over the 10 year period. Lower quartile prices grew from £325,000 in 2011 to £386,250 in 2020.
115. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.<sup>28</sup> Entry-level properties are typically those with one or two bedrooms – either flats or houses.

<sup>28</sup> See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

**Figure 5-1: House prices by quartile in Highclere between 2011 and 2020**



Source: Land Registry PPD

116. Table 5-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that house prices across all dwelling types grew over the last 10 years. Prices of detached, semi detached and terraced homes in Highclere are substantially higher in 2020 compared to 2011. Very few flats were bought and sold in the NA over the last 10 years and so it is not possible to draw conclusions on flat prices. The average price (mean) of homes in Highclere in 2020 was almost £700,000. By contrast, the average price of a home in Basingstoke and Deane was £448,650 in 2020 – significantly lower than in the neighbourhood area. It is relevant to note that the sale of detached properties dominates the market in Highclere and on average, in 2020, the price of these homes was £887,000.

**Table 5-3: House prices by type in Highclere, 2011-2020, 000's**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£610k	£546k	£435k	£984k	£738k	£598k	£562k	£754k	£1,070k	£887k	45.3%
Semi-detached	£350k	£246k	£300k	£388k	£466k	£372k	£370k	£375k	~	£500k	42.9%
Terraced	£165k	£355k	£305k	£188k	£525k	£302k	£400k	£385k	£321k	£316k	91.5%
Flats	~	~	~	~	~	~	£425k	~	£245k	~	~
<b>All Types</b>	<b>£482k</b>	<b>£494k</b>	<b>£380k</b>	<b>£842k</b>	<b>£659k</b>	<b>£509k</b>	<b>£623k</b>	<b>£711k</b>	<b>£953k</b>	<b>£696k</b>	<b>44.3%</b>

Source: Land Registry PPD

#### 5.4.2 Income

117. 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 Highclere.

118. The first source is locally specific but limited to the average total household income. This is provided by the average household income estimates published by ONS<sup>29</sup> at the level of the Middle-layer Super Output Area (MSOA)<sup>30</sup>. In the case of Highclere the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02004677. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

<sup>29</sup>Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

<sup>30</sup> An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

119. The average total household income across MSOA E02004677 in 2018 was £62,800. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.<sup>31</sup>
120. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
121. Basingstoke and Deane's gross lower quartile earnings for 2018 was £17,448 per year. This is the LQ income before taxes (or benefits) for individual earners and so is only a measure of household incomes for single-person households. To estimate the income of LQ-earning households with two earners, the annual earnings figure is doubled, to £34,976.

### 5.4.3 Affordability Thresholds

122. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
123. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to affords private rent and the range of Affordable Housing tenures as set out in NPPF (see Table 5-4). These calculations are also detailed in Appendix A. 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 with a 10% deposit.

**Table 5-4: Affordability thresholds in Highclere (income required, £)**

Tenure	Mortgage Value (after 10% deposit)	Rent	Income required	Affordable on average incomes? £62,800	Affordable on LQ earnings (single earner)? £17,488	Affordable on LQ earnings (2 earners)? £34,976
<b>Market Housing</b>						
NA Median House Price	£537,750	-	£153,643	No	No	No
LA New Build Mean House Price	£372,064	-	£106,304	No	No	No
NA LQ/Entry-level House Price	£347,625	-	£99,321	No	No	No
Average Market Rent	-	£22,836	£76,120	No	No	No
Entry-level Market Rent	-	£12,300	£41,000	Yes	No	No
<b>Affordable Home Ownership</b>						
Discounted Market Sale (-20%)	£430,200	-	£122,914	No	No	No
Discounted Market Sale (-30%)	£376,425	-	£107,550	No	No	No
Discounted Market Sale (-40%)	£322,650	-	£92,186	No	No	No
Discounted Market Sale (-50%)	£268,875	-	£76,821	No	No	No
Shared Ownership (50%)	£268,875	£7,469	£101,717	No	No	No
Shared Ownership (25%)	£134,438	£11,203	£75,754	No	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent (average)	-	£7,637	£30,547	Yes	No	Yes
Social Rent (average)	-	£5,967	£23,868	Yes	No	Yes

Source: AECOM Calculations

<sup>31</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

124. Table 5-4 shows the cost of different tenures and the annual income required to afford these costs within Highclere. The income required column is the annual income needed to support ongoing housing costs, and assumes the household has access to a deposit (which we have assumed to be 10% of the value to be purchased). These figures do not reflect the possibility that households may be able to access market housing for purchase using equity from an existing property or with support from family.
125. The income required to afford the different tenures is also benchmarked in Figure 5-2 against the three measurements of household income set out above. These are the average total household income for MSOA E02004677 at £62,800 and the lower quartile gross earnings for Basingstoke and Deane for single-earners at £17,488 and dual-earning households at £34,976.
126. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes, even though average income in Highclere are substantially higher than other parts of the country. The income required to buy an average entry-level home for sale is higher than the average income of those on lower quartile household incomes.
127. Entry level rents in Highclere appear affordable to households on average incomes, though average market rents require incomes above average levels to be affordable.
128. Affordability for households on lower incomes (lower quartile earnings) is unsurprisingly poor. Social and affordable rents may be affordable to households with two earners on LQ earnings, but other tenures are not affordable to these households. Households with only one lower quartile earner are unlikely to be able to access any tenures without the support of benefits.
129. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.<sup>32</sup> In the case of Highclere, none of the affordable home ownership options would be affordable to households on average or lower incomes because the discounts available are insufficient to make them affordable. The high prices of homes in Highclere would mean substantial discounts would need to be secured to make affordable homeownership accessible to those on average incomes or lower.
130. Table 5-4 shows that households with incomes between £41,000 and £99,300 are able to rent in the market but unable to buy in Highclere. These households may need or be interested in affordable home ownership options if they were available. With regard to these products and the discounts required, the following observations can be made:
- The discount on the average market sale price required to enable households on average incomes to afford to buy is 59% (see Table 5-5).
  - Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock. Note that it is not possible to provide robust new build prices at the NA level so LPA prices have been used.
  - Table 5-4 shows that Discounted Market Sale (50% discount) and Shared Ownership (25% share) would extend home ownership furthest. Though this is still insufficient to ensure households on average incomes are able to afford to buy. The discounts and shares in Table 5-4 are based on average prices in the NA. If it were possible to provide affordable home ownership which was discounted in relation to lower quartile prices, this would clearly extend home ownership further. Discounts on new build or average prices make homes no more affordable than entry level properties in the existing stock according to this analysis.
  - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, average prices provide a reasonable proxy for the price of new homes. In Highclere a 30% discount on average prices would not be sufficient to extend home ownership to households on average incomes. Even a discount of 50% on new homes (which is the maximum discount proposed under First Homes) would be insufficient to enable those on average incomes to afford to buy, though it would extend home ownership to many households.

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<sup>32</sup> See the White Paper 'Fixing Our Broken Housing Market', at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

- Rent to Buy may be a product which offers affordable home ownership options to some households in Highclere. Rent to Buy allows households to rent at discounted rents so that they can save for a deposit and have the option to buy their home within a defined period of time. Households must be able to afford market rents to be eligible for Rent to Buy in order to ensure they can save the discount they receive. As such, the income required to access Rent to buy is the same as that required to afford market rents. If Rent to Buy was offered at average market rents, this would not extend homeownership to households on average incomes. But Entry level rents are affordable to households with incomes of around £41,000 – below average incomes in the NA. If Rent to Buy can be provided at, or close to, entry level rents, this product has the potential to offer a route to homeownership for lower income households in the NA.
- It is important to note that the Neighbourhood Plan and neighbourhood group have limited control or influence over the level of discount achieved on market sale properties (eg under First Homes) or the share offered under Shared Ownership. But the LPA has a significant role here and the evidence developed through the NP can provide useful analysis to feed into the Local Plan review process and in the determination of individual planning applications.

131. Table 5-5 below shows what discounts are required in order for properties to be affordable to households on average incomes in Highclere. A discount of 59% on average market sale prices would be needed to enable households on average incomes to afford home ownership through the First Homes product. This is substantially higher than the 30% discount envisaged in the First Homes product, although 30% is set as the minimum discount. The maximum discount under First Homes is 50% and even this would be insufficient to extend homeownership to households on average incomes in Highclere. If discounts can be achieved in relation to entry level sale prices, a discount of around 37% would be needed to ensure these homes are affordable to those on average incomes. However, new homes are unlikely to be built at entry level prices and hence AECOM's use of average or new build prices as the starting point.

132. The latest Government consultation on 'Changes to the current planning system'<sup>33</sup> proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion. The evidence gathered here suggests that seeking the highest possible discounts would be necessary in Highclere. Furthermore, it is likely that only smaller properties (closer to entry level prices) with substantial discounts would have the scope to extend home ownership to households on average incomes in Highclere.

133. It is also important to emphasise that more affordable homes are available in areas close to Highclere (including Newbury and Basingstoke), which might provide lower income and younger households the opportunity to buy and discounts provided on homes in these areas are likely to extend home ownership much further. The extent to which it is desirable and viable to provide affordable home ownership options in Highclere will depend on a range of policy considerations as well as the evidence set out in this report.

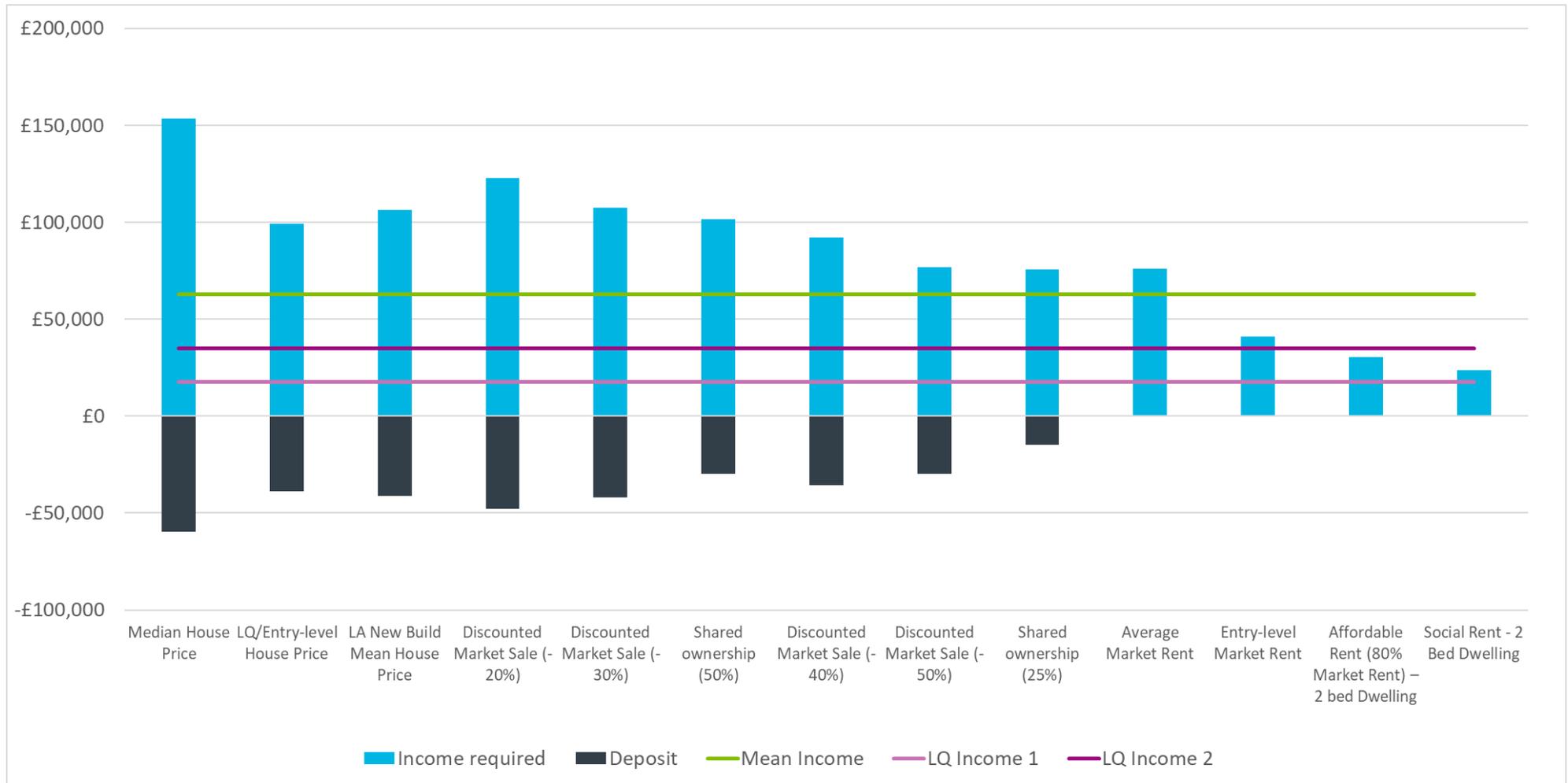
**Table 5-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford**

Mean household income in NA:	<b>£62,800</b>
<b>Tenure/ product:</b>	Discount on sale price required:
- <i>Market sale (Average)</i>	59%
- <i>New build market sale (Average for LA)</i>	41%
- <i>Entry level sale (LQ)</i>	37%

Source: Land Registry PPD; ONS MSOA total household income

<sup>33</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

**Figure 5-2: Affordability thresholds in Highclere (income required, £)**



Source: AECOM Calculations

## 5.5 Affordable housing- quantity needed

134. The starting point for understanding the need for affordable housing in Highclere is the relevant Strategic Housing Market Assessment A SHMA was undertaken for Basingstoke and Deane in 2014 and updated in 2015 with a further update undertaken for affordable housing need figures in October 2015. This study estimates the need for affordable housing in the borough based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA (October 2015 update) identifies the need for 296 additional affordable homes each year in Basingstoke and Deane as a whole. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
135. When the SHMA figures are pro-rated to Highclere based on its fair share of the population<sup>34</sup>, this equates to 2-3<sup>35</sup> (rounded) homes per annum (predominately for social/affordable rent) or 37-43 homes (rounded) over the Neighbourhood Plan period. A range is presented here to reflect that the parish population is likely to have fallen since the 2011 Census and so Highclere's share of the borough figure may be lower than in the past. However, pro-rating borough level estimates of affordable housing need to rural areas presents problems in practice. The borough level figures are likely to represent higher needs in the urban areas of the borough where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages and parishes like Highclere the lack of social housing (and affordable private rented options) means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Highclere.
136. There are currently 16 households are currently registered as needing affordable housing in and having a local connection to Highclere. The demand indicated on the housing register suggests that the need for affordable rented housing is broadly in balance with the supply available in the existing stock through re-lets. However, caution needs to be exercised with estimates based on the housing register in rural areas (as with all estimates of affordable housing need) because some households do not apply to the housing register because of the limited prospect of being housed, or indeed move to other areas where they are more likely to access affordable housing.
137. Figure 5-6 estimates potential demand for affordable home ownership products within Highclere because a full assessment of the need for affordable home ownership was not included in the SHMA 2015. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around 3 (rounded) household per annum who may be interested in affordable home ownership (43 over the plan period).

<sup>34</sup> Highclere's share of the population of Basingstoke and Deane was 0.96% in 2011 (Census). ONS parish population estimates suggest the share is now 0.86% (2019 population estimates).

<sup>35</sup> Pro rating the borough's affordable housing need (rented) of 296 to Highclere's share of the population equates to 2.46 dwellings per annum (if ONS 2019 parish population estimates used) or 2.84 per annum (if Census 2011 population figures used).

**Table 5-6: Estimate of the potential demand for affordable housing for sale in Highclere**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	69.5	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	15.7%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	11	1.1 x 1.2
1.4 Current need (households)	43.9	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	<b>2.9</b>	1.4/ plan period
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	33.3	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	7.4%	Current % of households in PRS
2.3 Total newly arising need	2.5	2.1 x 2.2
2.4 Total newly arising need per annum	<b>0.2</b>	2.3/ plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	5	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	<b>0.2</b>	3.1 x 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
<b>Shortfall (per annum)</b>	<b>2.9</b>	<b>Shortfall = (Step 1.5 + Step 2.4) – 3.2</b>

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

138. It is important to keep in mind that the households identified in the estimate in Figure 5-6 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.
139. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
140. It is also important to remember that even after the Highclere, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
141. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

### 5.5.1 Affordable Housing Policies in Highclere

142. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Highclere. Basingstoke and Deane's Local Plan (adopted) policy in relation to Affordable Housing delivery requires 40% of all new homes on sites of 5 dwellings or more to be delivered as Affordable Housing (Local Plan policy CN1 – Affordable Housing). Note, however, that the latest Government policy in the NPPF 2019 restricts the application of affordable housing policies to sites of 11 or more dwellings nationally. This policy would apply in Highclere, subject to sites coming forward for development with 11 or more dwellings.
143. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.

144. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
145. Table 5.8 at the end of this chapter estimates the number of affordable homes likely to come forward based on the overall likely housing requirement for the NA and the application of current affordable housing policies.
146. On small scale developments, such as those expected to come forward over the plan period, at best, only small numbers of affordable homes are likely to be delivered through the application of this policy. In practice, new homes may be delivered on small sites that fall below the affordable housing threshold. For this reason, the neighbourhood group may wish to consider identifying sites specifically for the provision of affordable housing. This would enable more substantial provision of Affordable Housing, and could also act as a suitable way forward if the Government's proposal to temporarily lift the small sites Affordable Housing threshold is likely to have a significant impact on provision in the NA.
147. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Highclere. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in [NA].
- A. **Evidence of need for Affordable Housing:** If Highclere was to meet its share of Basingstoke and Deane's need for social/affordable rented housing this would imply 37-43 homes over the plan period. AECOM's cross check with the number of households registered on the waiting list who have a local connection to Highclere suggests local need for affordable rented housing is lower than the pro rating exercise would suggest however and need and supply may be broadly in balance. AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Highclere to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 43 homes over the plan period, but these households are not in acute housing need and not all will want to take up affordable home ownership options. The Council's SHMA (pro rated to Highclere) and AECOM's estimate of potential demand for affordable home ownership suggest the need/demand for these two forms of affordable housing is broadly similar.
- B. **Can Affordable Housing needs be met in full?** Highclere does not currently have a housing requirement figure. AECOM's analysis suggests that, even if Highclere were to be given a housing requirement at the high end of the range considered in Section 2 of this report, this level of housing delivery would not allow affordable housing needs to be met in full. It is unlikely that sufficient Affordable Housing will be delivered over the plan period to meet identified needs. The majority of new homes in the NA are expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 5 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This suggests some form of prioritisation will be required. In most cases, Councils will wish to prioritise the delivery of social/affordable rented homes to meet acute needs. However, considerations can differ in rural areas (see below, bullet 'H') and subject to other strategic considerations.
- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. If any schemes are delivered in Highclere that are large enough for the LPA's affordable housing policies to apply, there is no clear evidence that delivering 10% as affordable home ownership would prejudice the provision of much needed affordable rented homes.
- Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.<sup>36</sup> The outcome of this consultation and the policy which emerges may

<sup>36</sup>The original proposals are available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/864265/First\\_Homes\\_consultation\\_docu](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_docu)

shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. The 25% First Homes requirement is likely to displace other affordable home ownership products in the first instance. Those affordable home ownership products providing the lowest discount should be displaced first. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing). As yet, it is unclear whether there will be any flexibility over this 25% requirement to take account of local circumstances.

- D. **Local Plan policy:** Basingstoke and Deane's emerging/adopted Local Plan requires a tenure mix of 70% rented and 30% intermediate housing (Local Plan policy CN1). The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. This proportion could be accommodated within the Council's 30% intermediate quota, albeit replacing most other forms of affordable home ownership.
  - E. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided. It is relevant to note that very substantial discounts on market sale prices in Highclere would be needed to make home ownership affordable to households on average incomes in the area.
  - F. **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 group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
  - G. **Existing tenure mix in Highclere:** The proportion of affordable housing in Highclere is low compared to the LPA and England as a whole. There are only a small number of shared ownership properties within this. The NA is dominated by home ownership, with a small private rented sector as well. This suggests that some provision of Affordable Housing, including affordable home ownership, 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.
  - H. **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 this area. Some housing associations may be reluctant to take on small numbers of homes in rural areas because of the extra cost involved in managing this stock. However, there may be specialist providers who are willing to provide this housing and so the delivery of social/affordable rented homes should not be ruled out if it is an objective of the neighbourhood group and supported by the Council.
  - I. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Highclere and/or the wider borough. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. The proximity to Woolton Hill, where more significant development may come forward is also likely to be a factor for the Neighbourhood Plan. These wider considerations may influence the mix of Affordable Housing provided.
148. In Table-5-7 below, two alternative scenarios for the tenure mix of Affordable Housing in Highclere are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.

**Table 5-7: Indicative tenure split (Affordable Housing)**

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>30%</b>	<b>30%</b>	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes <sup>37</sup>	10%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	10%	2.5%	Proposed changes to the model to allow purchases of 10% share <sup>38</sup> - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	10%	2.5%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
<b>Affordable Housing for rent, of which</b>	<b>70%</b>	<b>70%</b>	
Social rent	To be set by Registered Providers	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	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area

Source: AECOM calculations

149. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Highclere as identified in the HNA evidence, and also conforms to the target tenure split set out in the Local Plan, with 70% of affordable homes as rented tenures and 30% as routes to ownership. This mix reflects AECOM's on balance view that, although the potential demand for affordable home ownership may be higher than the need affordable rented housing in Highclere, delivering affordable home ownership products which are affordable to local people is likely to be challenging. Given that the Local Plan policy allows for local flexibility, there does not appear to be compelling evidence to diverge from the adopted Local Plan policy mix.
150. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be generally not affordable to households on average incomes in Highclere, if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the neighbourhood planners revert to the other indicative mix as their starting point for policy development in this area.]
151. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, rent to buy and shared ownership would be displaced equally/

<sup>37</sup> In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

<sup>38</sup> <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

152. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. 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.
153. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
154. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.
155. Assuming that the Government's proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Highclere to accommodate those with the most acute needs, since First Homes would most likely displace other forms of affordable home ownership provision as required by existing Local Plan policy (CN1).
156. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.
157. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.).

## 5.6 Conclusions- Tenure and Affordability

158. The housing stock in Highclere is dominated by home ownership (73.4%), with more limited affordable housing supply (13.8%) and a small private rented sector (12.8%). Rates of homeownership are higher in Highclere (73.4%) than in Basingstoke and Deane (67.7%) and England (63.3%). This is common to other villages and rural areas and also reflects an older bias in the population, with older households more likely to own their own homes.
159. Highclere is characterised by high average house prices, partly driven by its larger housing stock as well as the desirability of the location. Average (mean) prices in 2020 were almost £700,000. By contrast, the average price of a home in Basingstoke and Deane was £448,650 in 2020 – significantly lower than in the neighbourhood area. It is relevant to note that the sale of detached properties dominates the market in Highclere and on average, in 2020, the price of these homes was £887,000.
160. Whilst average household incomes in Highclere (using MSOA E02004677 area) in 2018 were £62,800. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.<sup>39</sup> By comparison to many other areas of England and even the South East, these are high average incomes. Nevertheless, these households would be unable to afford to buy in the market and most affordable home ownership products would also remain out of reach.
161. Basingstoke and Deane's gross lower quartile earnings for 2018 was approximately £17,448 per year. This is the LQ income before taxes (or benefits) for individual earners and so is only a measure of household incomes for single-person households. To estimate the income of LQ-earning households with two earners, the annual earnings figure is doubled, to £34,976. Whilst lower quartile incomes in Highclere may be higher than in Basingstoke and Deane as a whole, this data serves to demonstrate the difficulty that lower income households will have in accessing housing to buy or rent in Highclere. Only social or affordable rents are likely to be accessible to households on lower quartile earnings.
162. Evidence presented in this report suggests that 86 affordable homes might be needed over the plan period by combining

<sup>39</sup> Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

the borough's SHMA 2015 estimate of the need for affordable rented housing and AECOM's analysis of potential demand for affordable home ownership. In practice, the need for affordable rented housing appears to be lower – there are few households on the Council's register with a local connection. Potential demand for affordable home ownership may also be lower, particularly given the higher prices in Highclere and the opportunity to access cheaper housing (including outright ownership) elsewhere in the borough, or in nearby Newbury.

163. Table 5.8 below summarises Highclere'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 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 each of the tenure mixes proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints. In practice, the figures in Table 5-8 are the maximum likely to be delivered in Highclere. The NA does not have a housing requirement and emerging policy suggests the borough's housing requirement will be distributed to the main towns and settlements. It is unlikely that Highclere will have a housing requirement (if at all) that is based on its share of the BDBC population. However, this is a useful exercise to illustrate what level of affordable housing might be delivered if policies are applied.
164. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government's proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

**Table 5-8: Estimated delivery of Affordable Housing in Highclere**

	<b>Step in Estimation</b>	<b>Mix 1 based on local needs</b>	<b>Mix 2 with 25% First Homes requirement</b>
A	Maximum likely requirement (pro rated BDBC requirement to <u>current</u> population of Highclere)	113	113
B	Affordable housing quota (%) in LPA's Local Plan	40%	40%
C	Potential total Affordable Housing in NA (A x B)	45	45
D	Rented % (e.g. social/ affordable rented)	70%	70%
E	Rented number (C x D)	32	32
F	Affordable home ownership % (e.g. First Homes, Shared Ownership, Rent to Buy)	30%	30%
G	Affordable home ownership number (C x F)	14	14

*Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix. Figures are rounded to nearest whole number of units.*

165. If Highclere was given as housing requirement of the scale set out in Table 5-8, this could yield relatively substantial affordable housing provision but it would be insufficient to address the (pro rated) borough estimates of the need for affordable rented housing, or AECOM's estimate of the potential demand for affordable home ownership. As discussed earlier in this section, in practice, the need for affordable rented accommodation is likely to be more limited than the NA's share of the SHMA figures. There are currently only 16 households on the register with a local connection to Highclere.
166. In recent years, very limited new housing has been delivered and most new homes come forward as single dwellings rather than larger development sites. This limited the delivery of affordable housing therefore. In the absence of a housing requirement, therefore, the group may wish to explore other avenues for delivering Affordable Housing (such as exception sites) if they wish to boost affordable housing supply.

167. 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, and implemented by the LPA. 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 tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.

## 6. RQ 4: Type and Size

**RQ 4: 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?**

### 6.1 Introduction

168. The Highclere Neighbourhood Plan may benefit from the inclusion policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life.

169. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Highclere. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the wider Local Authority area, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

### 6.2 Existing types and sizes

#### 6.2.1 Background and definitions

170. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.

171. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.

172. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows<sup>40</sup>:

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 4 or more bedrooms

173. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.<sup>41</sup> As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

174. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A

<sup>40</sup> At <https://www.nomisweb.co.uk/census/2011/qs407ew>

<sup>41</sup> At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

household is defined as “One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.”<sup>42</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

## 6.2.2 Dwelling type

175. The 2011 Census shows that there were 616 households in Highclere, living in 418 detached houses, 112 semi-detached, 83 terraced houses, and 12 flats. Compared with Basingstoke and Deane, Highclere is characterised by a very high proportion of detached homes and fewer smaller dwelling types. Two thirds of dwellings in Highclere are detached, compared to just under one third in Basingstoke and Deane (see Table 6-1 below). Just over 2% of homes in Highclere are flats or maisonettes, compared to over 15% in the local authority area. This is unsurprising given the rural nature of the NA, but serves to limit the number of smaller dwellings in the area and smaller dwellings are typically more affordable to younger households and first time buyers. It is possible that some of these smaller dwellings (eg flats) have since been combined into larger homes. Recent completions in the area include some such conversions and redevelopments of smaller properties to create larger dwellings.

**Table 6-1: Accommodation type (households), Highclere 2011**

Dwelling type		Highclere	Basingstoke and Deane	England
Whole house or bungalow	Detached	66.8%	30.9%	22.4%
	Semi-detached	17.9%	24.8%	31.2%
	Terraced	13.3%	29.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	1.1%	13.3%	16.4%
	Parts of a converted or shared house	0.6%	1.1%	3.8%
	In commercial building	0.2%	0.4%	1.0%

Source: ONS 2011, AECOM Calculations

## 6.2.3 Dwelling size

176. Table 6-2 below sets out the number of rooms that households in Highclere have in their homes. The housing stock in Highclere is characterised by a high proportion of dwellings with 9 or more rooms. These are likely to be houses with more than 4 bedrooms and multiple reception rooms. By contrast, less than 10% of households have 4 rooms or fewer – equating to 2 bedroom and smaller properties.

**Table 6-2: Number of rooms per household in Highclere, 2011**

Number of Rooms	2011	2011
	Highclere	Basingstoke and Deane
1 Room	0.0%	0.4%
2 Rooms	0.2%	2.2%
3 Rooms	1.0%	8.8%
4 Rooms	7.3%	15.9%
5 Rooms	19.0%	23.7%
6 Rooms	10.9%	19.1%
7 Rooms	12.7%	11.3%
8 Rooms or more	14.9%	8.5%

<sup>42</sup> Ibid.

9 Rooms or more	34.1%	10.2%
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Source: ONS 2011, AECOM Calculations

177. Whilst it is now possible to analyse data on the number of bedrooms rather than rooms in the Census 2011, the data on rooms remains useful because it allows comparison of the number of rooms occupied by households between the 2001 and 2011. The main change from the 2001 Census findings is that the number of smaller properties in Highclere has fallen. This is consistent with data from the Council which shows that the pattern of new development in recent years has involved some amalgamation of smaller properties into larger ones. This is on a small scale, but the 'loss' of smaller properties is also likely to have been due to households extending their properties over time.

**Table 6-3: Rates of change in number of rooms per household in Highclere, 2001-2011**

Number of Rooms	Highclere	Basingstoke and Deane	England
1 Room	0.0%	-32.1%	-5.2%
2 Rooms	-80.0%	52.6%	24.2%
3 Rooms	-53.8%	36.8%	20.4%
4 Rooms	50.0%	21.7%	3.5%
5 Rooms	-3.3%	0.6%	-1.8%
6 Rooms	17.5%	2.9%	2.1%
7 Rooms	0.0%	13.1%	17.9%
8 Rooms or more	13.1%	21.1%	29.8%

Source: ONS 2001-2011, AECOM Calculations

178. LPA Annual Monitoring data<sup>43</sup> for the last 5 years in Highclere shows that, on average, 2-3 dwellings were completed each year (12 dwellings in the last 5 years). 9 of these (3/4 of completions) were properties with 3 or more bedrooms. Half of these completions (6) dwellings had 4 or 5 bedrooms. This is consistent with the change 2001-2011 where the housing stock of larger dwellings expanded and smaller dwellings contracted.

179. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 6-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that the largest number of homes in Highclere have 4 bedrooms (35.4%), with substantial numbers of properties having 5 or more bedrooms (20.3%). There were just 6 1-bedroom properties in 2011 (1% of the housing stock) and a further 11.4% had 2 bedrooms.

180. Basingstoke and Deane as a whole has a high proportion of 3 bedroom properties (42.6%) and over one third of dwellings have 1-2 bedrooms. These proportions are broadly consistent with England as a whole.

**Table 6-4: Number of bedrooms in household spaces in Highclere, 2011**

Bedrooms	Highclere		Basingstoke and Deane		England	
<b>All categories: no. of bedrooms</b>	<b>616</b>	<b>100.0%</b>	<b>69,315</b>	<b>100.0%</b>	<b>22,063,368</b>	<b>100.0%</b>
No. bedrooms	0	0.0%	147	0.2%	54,938	0.2%
1 bedroom	6	1.0%	6,276	9.1%	2,593,893	11.8%
2 bedrooms	70	11.4%	15,412	22.2%	6,145,083	27.9%
3 bedrooms	197	32.0%	29,550	42.6%	9,088,213	41.2%
4 bedrooms	218	35.4%	13,972	20.2%	3,166,531	14.4%
5 or more bedrooms	125	20.3%	3,958	5.7%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

<sup>43</sup> Completions data for Highclere provided by Basingstoke and Deane Borough Council

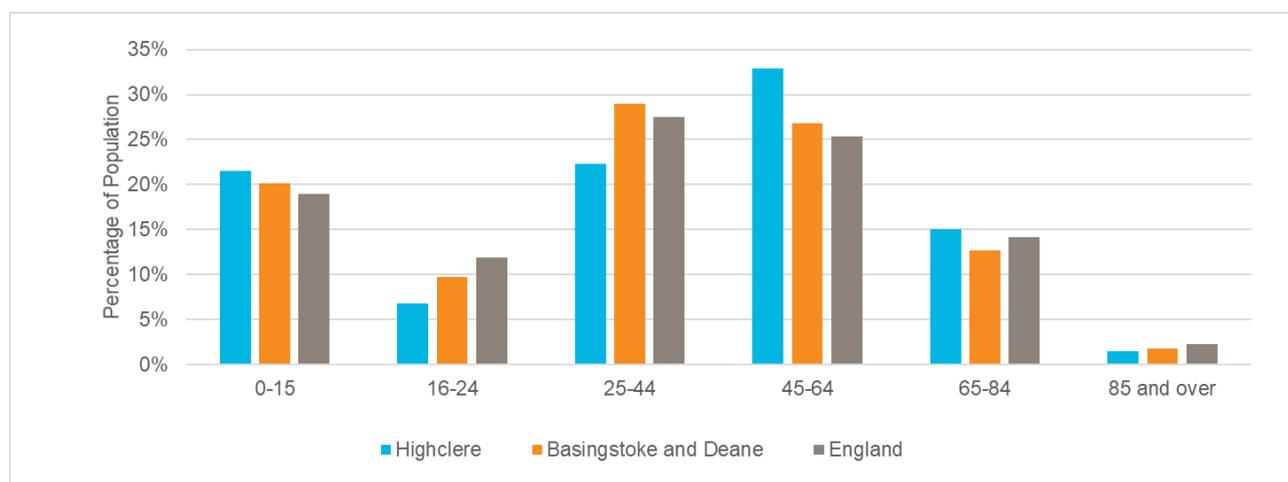
## 6.3 Household composition and age structure

181. Having established the current stock profile of Highclere and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

### 6.3.1 Age structure

182. Figure 6-1 below shows that the largest proportion of people living in Highclere are in the 45-64 age group (Census 2011). There is also a relatively large proportion of children (aged 0-15). There are fewer younger adults (16-24 and 25-44), compared to the local authority area and England as a whole. Compared to the benchmark areas, Highclere has a larger share of its population in the 65-84 age group, but lower proportion in the 85 and over age group. This is a common pattern in more rural areas and reflects the tendency for a proportion of people in advanced old age to move to specialist settings, which are not typically found in villages and rural areas. Nevertheless, Highclere, in common with many other rural areas, has an older bias to its population due to the larger share of the 45-64 and 65-84 age groups.

Figure 6-1: Age structure in Highclere, 2011



Source: ONS 2011, AECOM Calculations

183. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 Highclere's older population has grown, particularly the 65-84 age group. The number of children living in Highclere also grew over the 10 year period, which suggests the NA is a popular location for families (see Table 6-5 below).

Table 6-5: Rate of change in the age structure of Highclere population, 2001-2011

Age group	Highclere	Basingstoke and Deane	England
0-15	6.8%	4.8%	1.2%
16-24	-5.2%	9.6%	17.2%
25-44	-2.2%	-0.2%	1.4%
45-64	8.2%	19.0%	15.2%
65-84	30.8%	26.0%	9.1%
85 and over	15.0%	36.4%	23.7%

Source: ONS 2001-2011, AECOM Calculations

### 6.3.2 Household composition

184. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
185. In assessing Census data on household composition, Highclere differs from the local authority area in that there is a slightly higher proportion of families with dependent children. These households are the largest group in Highclere. There is also a higher proportion of families where children are non-dependent – these are likely to be older family households (Table 6-6). Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.
186. There is a higher proportion of older couples (aged 65+) in Highclere (11%), compared to the local authority area (7.9%) and England (8.1%) as a whole. But a slightly smaller proportion of single older people compared to the local authority area, reflecting the likelihood that some single older people in advanced older age (85+) will move to specialist accommodation outside of the NA.

**Table 6-6: Household composition (by household), Highclere, 2011**

Household composition		Highclere	Basingstoke and Deane	England
<b>One person household</b>	<b>Total</b>	17.7%	26.4%	30.2%
	Aged 65 and over	9.1%	9.9%	12.4%
	Other	8.6%	16.5%	17.9%
<b>One family only</b>	<b>Total</b>	77.4%	67.3%	61.8%
	All aged 65 and over	11.0%	7.9%	8.1%
	With no children	23.4%	21.4%	17.6%
	With dependent children	31.8%	29.2%	26.5%
	All children Non-Dependent <sup>44</sup>	11.2%	8.8%	9.6%
<b>Other household types</b>	<b>Total</b>	4.9%	6.3%	8.0%

Source: ONS 2011, AECOM Calculations

187. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition was growth in older (couple) households. These households grew by over 15% 2001 to 2011, consistent with Basingstoke and Deane as a whole (see

<sup>44</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

188. Table 6-7). Single adult households (under the age of 65) also grew substantially, in line with national trends but these households account for a small proportion of all households compared to the benchmark areas, so growth was from a relatively small base.

**Table 6-7: Rates of change in household composition, Highclere, 2001-2011**

Household type		Percentage change, 2001-2011		
		Highclere	Basingstoke and Deane	England
<b>One person household</b>	<b>Total</b>	2.8%	17.0%	8.4%
	Aged 65 and over	-11.1%	4.3%	-7.3%
	Other	23.3%	26.2%	22.7%
<b>One family only</b>	<b>Total</b>	9.2%	9.7%	5.4%
	All aged 65 and over	15.3%	14.6%	-2.0%
	With no children	7.5%	11.1%	7.1%
	With dependent children	9.5%	10.1%	5.0%
	All children non-dependent	6.2%	1.6%	10.6%
<b>Other household types</b>	<b>Total</b>	7.1%	22.5%	28.9%

Source: ONS 2001-2011, AECOM Calculations

## 6.4 Dwelling mix determined by life-stage modelling

189. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
190. It is important to keep in mind that 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 propensity of households to occupy more or less space than they ‘need’. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
191. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for ‘head of household’) is available at neighbourhood level. For this reason, LA-level data needs to be used as the closest proxy.
192. Figure 6-2 below sets out the relationship in the 2011 Census at LA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that younger households in the local authority area tend to occupy smaller dwellings. The size of property occupied tends to increase with age up to the 55-59 age group. Then the occupation of smaller dwellings increases again as some older households choose to downsize. However, even in the 80-84 age group, the majority of households occupy homes with 3 or more bedrooms. This pattern is broadly repeated across the Country.

Figure 6-2: Age of household reference person by dwelling size in Basingstoke and Deane, 2011



Source: ONS 2011, AECOM Calculations

193. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the Local Authority level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2035 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 6-8 below.

Table 6-8: Projected distribution of households by age of HRP, Basingstoke and Deane

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	1,870	10,144	29,688	11,887	15,726
2018	1,794	9,073	29,888	12,858	19,540
2035	1,682	9,422	27,560	12,942	25,772
2043	1,630	9,586	26,465	12,982	28,705

Source(s): MHCLG 2014-based household projections, ONS 2011, AECOM Calculations

194. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in Highclere. To do so, the percentage increase expected for each group across Basingstoke and Deane, derived from the data presented above was mapped to the population of Highclere. The results of this calculation are detailed in Table 6-9 below and show anticipated growth in the number of older households (aged 65+ and 55-64) and falls in the number of younger households.

Table 6-9: Projected distribution of households by age of HRP, Highclere

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	8	33	260	147	168
2018	8	30	262	159	209
2035	7	31	241	160	275
% change 2011-end of Plan period	-10%	-7%	-7%	9%	64%

Source: AECOM Calculations

195. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 6-2, and the approximate number of households in Basingstoke and Deane and Highclere falling into each of these stages by the end of the Plan period in 2035, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 6-10 below).

196. The table takes in turn each projected age group in 2035, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

**Table 6-10: Ideal dwelling size distribution in Highclere by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)**

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2035	7	31	241	160	275	-
1 bedroom	2	5	16	10	29	62
2 bedrooms	4	12	42	25	65	146
3 bedrooms	1	11	107	71	123	314
4 bedrooms	0	2	59	42	47	151
5+ bedrooms	0	1	18	13	12	42

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

197. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 6-10 above modelling the change in the age structure of the population in Highclere.
198. Table 6-11 below indicates that, by 2035, the size distribution of dwellings, to meet demographic change and current occupancy patterns, would comprise almost 44% 3 bedroom homes (the largest share of dwelling), with almost 30% 1-2 bedroom homes and the remaining 27% with 4 bedrooms or more.

**Table 6-11: 2011 housing sizes compared to ideal distribution at end of Plan period, Highclere**

Number of bedrooms	2011		2035	
	Count	Percentage	Count	Percentage
1 bedroom	6	1.0%	62	8.6%
2 bedrooms	70	11.4%	146	20.4%
3 bedrooms	197	32.0%	314	43.9%
4 bedrooms	218	35.4%	151	21.1%
5 or more bedrooms	125	20.3%	42	5.9%
Total households	<b>616</b>	<b>100.0%</b>	<b>715</b>	<b>100.0%</b>

Source: Census 2011, AECOM Calculations

199. Table 6-12 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

**Table 6-12: Future potential misalignments of supply and demand for housing, Highclere**

Number of bedrooms	2011	2035	Change to housing mix	Recommended split
1 bedroom	6	62	56	22.4%
2 bedrooms	70	146	76	30.6%
3 bedrooms	197	314	117	47.0%
4 bedrooms	218	151	-67	0.0%
5 or more bedrooms	125	42	-83	0.0%

Source: AECOM Calculations

200. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 22.4% as 1 bedroom, 30.6% as two bedrooms and 47% as three bedrooms. The modelling exercise suggests that there is no need for additional 4+ bedroom homes in Highclere

because of the large share of these dwellings in the existing stock which is expected to accommodate new households who may need or want larger homes.

201. Note that the changes to the housing mix given above for 4-5+ bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the results of the life-stage modelling suggest that there will be no need for further 4-5+ bedroom dwellings over the Neighbourhood Plan period. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
202. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

## 6.5 Conclusions - Type and Size

203. The analysis in this HNA 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 NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
204. Highclere is a popular location for families with young children and older households and these types of households have grown in recent years. Fewer young single and couple households live in Highclere, compared to Basingstoke and Deane and England as a whole, but this is unsurprising given the mix of dwellings available and the price and affordability of buying and renting in the neighbourhood area.
205. The majority of Highclere's housing stock is detached dwellings (two thirds), with few smaller dwellings available. This is not uncommon in other rural areas of the Country but this larger bias to the housing stock influences prices and limits the affordability of homes to lower income households. A small number of new housing completions in recent years has added to the stock of larger dwellings – the majority being 3, 4 and 5 bedroom homes.
206. The projected growth in households over the plan period is expected to result in more older households in Highclere, in line with the borough and national trends. In terms of demographic change, the analysis in this HNA suggests that development of new homes in Highclere should focus on smaller and modest sized dwellings (1-3 bedrooms) which are underrepresented in the housing stock, and reflect the need for some smaller dwellings to cater for older households who choose to downsize. These would also provide accommodation for some younger households (if they can afford to access housing in Highclere), given their tendency to occupy smaller dwellings.
207. It is important to state that, with only limited new development likely, provision of small and modest sized dwellings will not rebalance the housing stock in Highclere. However, given the strong bias towards larger properties in the existing stock, there is some justification for prioritising smaller dwellings to provide some choice locally.
208. The neighbourhood group and LPA are likely to consider a range of factors in developing policies on dwelling mix or in relation to site specific schemes.

## 7. RQ 4: Specialist housing for older people

**RQ 4: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?**

### 7.1 Introduction

209. This chapter considers in detail the specialist housing needs for older people in Highclere. It considers the quantity, tenure and size of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the '3<sup>rd</sup> age' – where people are healthy and active and may or may not continue to work and the '4<sup>th</sup> age' – where older people need care and support to meet their health needs.<sup>45</sup> These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.

210. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.<sup>46</sup>

211. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.<sup>47</sup>

212. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool<sup>48</sup>, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

213. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings)<sup>49</sup>. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. 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. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule- clear differentiation between the two has not been set in government policy.

214. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

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<sup>45</sup> University of Sheffield & DWELL (2016) Designing with Downsizers

<sup>46</sup> See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

<sup>47</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>48</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

<sup>49</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

## 7.2 Housing for older people - context

215. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.
216. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many moves as rest of population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a life time of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a factor in deciding to move to a home with significantly fewer rooms.<sup>50</sup>
217. The concept of 'rightsizing' (or downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move<sup>51</sup> with many older people stuck in a 'rightsizing gap'.<sup>52</sup>
218. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.<sup>53</sup>
219. Indeed, 76% of those in homes of three or more bedrooms wished to rightsize, and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.<sup>54</sup> However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes,<sup>55</sup> with Demos suggesting that, "the chronic under-supply of appropriate housing for older people is the UK's next housing crisis",<sup>56</sup> and local authorities are often, "accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs".<sup>57</sup> Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do is likely to be relatively low, and many who downsize may move into mainstream housing.
220. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population in Highclere affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.<sup>58</sup>
221. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.

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<sup>50</sup> Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

<sup>51</sup> Pannell et al., 2012

<sup>52</sup> Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

<sup>53</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>54</sup> Ibid.

<sup>55</sup> [https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/for-future-living\\_Oct2014.pdf](https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf)

<sup>56</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>57</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>58</sup> Available at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

222. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG<sup>59</sup> adopts the following planning approach:
- a. Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
    - i. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
    - ii. M4(2) Category 2: Accessible and adaptable dwellings
    - iii. M4(3) Category 3: Wheelchair user dwellings
  - b. Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site specific factors.
223. In the case of Highclere, this HNA, together with any other local housing evidence developed will form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two main types of specialist housing for older people - sheltered housing and extra care (see Appendix B for definitions).
224. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.<sup>60</sup> This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector as well as changing aspirations and expectations amongst older people today in comparison with previous generations.
225. Local planning authorities can plan for older co-housing communities through their implementation of the Self-build and custom-build legislation 2015<sup>61</sup>, as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.<sup>62</sup>
226. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

### 7.3 Approach

227. In accordance with NPPF guidance, this chapter applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.<sup>63</sup> These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Basingstoke and Deane.
228. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of older people currently choose to continue to live in their homes for their entire lives.

<sup>59</sup> Housing for Older and disabled people, Guidance June 2019, MHCLG

<sup>60</sup> [https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb\\_july14\\_housing\\_later\\_life\\_report.pdf](https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf)

<sup>61</sup> <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

<sup>62</sup> See Paragraph: 011 Reference ID: 63-011-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

<sup>63</sup> <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

229. The charity Age UK suggests that “inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.”<sup>64</sup> By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

### 7.3.1 Current supply of specialist housing for older people

230. When determining an estimate for the need for specialist dwellings, it is necessary first to take account of current supply. There are a number of ways to do this. Data on specialist housing within a given area can be obtained using the search function on the Elderly Accommodation Counsel’s Website: <http://www.housingcare.org>.

231. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the search.<sup>65</sup> This is because for the purposes of the UK planning system, such institutions occupy a different land-use class from other housing (use class C2, which comprises residential institutions, versus C3, which comprises private dwellings)<sup>66</sup>. However, all other types of specialist housing for older people fall within use class C3 and, as such, are within the scope of this Housing Needs Assessment. Having said this, we note the existing provision of such institutional accommodation where it exists in Highclere.

232. The 2011 Census identifies the number of residents living in different types of communal establishments. Within Highclere, there were no residents living in care homes with or without nursing in 2011. There are no recorded communal establishment (care homes for older people) in the parish.<sup>67</sup>

233. There are no specialist older persons housing schemes within Highclere, including extra care, sheltered or retirement housing. The nearest retirement, sheltered or extra care schemes are found in Kingsclere (in Basingstoke and Deane borough) and in Newbury (West Berkshire).

### 7.3.2 Tenure-led projections

234. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Basingstoke and Deane, as this is the smallest geography for which tenure by age bracket data is available. The age cohort-based approach is taken because it is these households which, over the next 20 years, will be reaching the age of 75+, where the need for specialist housing provision is more likely. The existing tenure split within this cohort is used to project forward the need for specialist housing according to different tenures.

235. The projection is based on the premise that those currently occupying their own home will also 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 accommodation of some kind.

236. According to Table 7-1 below, the majority of older people in the local authority area own their own homes, with more than half owning their homes outright. A further 14.4% live in the social rented sector, with just under 6% living in the private rented sector.

**Table 7-1: Tenure of households aged 55-75 in Basingstoke and Deane, 2011**

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
79.8%	54.5%	25.2%	20.2%	14.4%	4.5%	1.3%

Source: Census 2011

<sup>64</sup> See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

<sup>65</sup> Further details on the definition of different types of housing within the English planning system are available at <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

<sup>66</sup> See Paragraph: 009 Reference ID: 13-009-20140306 at <https://www.gov.uk/guidance/when-is-permission-required>

<sup>67</sup> ONS, 2011 (KS405EW)

237. The next step is to project how the overall number of older people in Highclere is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Basingstoke and Deane 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 7-2 below.
238. This calculation indicates that the population aged 75+ in Highclere is expected to be around 200 people by 2035 – almost double the population recorded in 2011. This growth is consistent with the local authority area as a whole and the group will account for almost 12% of the population in 2035, compared to almost 7% in 2011.

**Table 7-2: Modelled projection of older population in Highclere by end of Plan period**

Age group	2011		2035	
	Highclere (Census)	Basingstoke and Deane (Census)	Highclere (AECOM)	Basingstoke and Deane (ONS SNPP 2014)
All ages	1,606	167,799	1,706	178,276
75+	106	10,704	202	20,445
%	6.6%	6.4%	11.9%	11.5%

Source: ONS SNPP 2016, AECOM Calculations

239. The results of this exercise provide us with a projection of the number of households in Highclere living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by multiplying the projected number of people aged 75 and over by the end of the Plan period by the tenure split for Basingstoke and Deane presented in Table 7-1 above, and is set out in Table 7-3 below.
240. A key assumption made here is that, for the purposes of determining the proportion of households aged 75+ falling into different tenures in 2035, and consequently the number of specialist units they might need, the growth in the overall population of those aged 75 is used.

**Table 7-3: Projected tenure of households aged 75+ in Highclere 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
161	110	51	41	29	9	3

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

241. Next the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ in Highclere. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).
242. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. 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 7-4: Tenure and mobility limitations of those aged 65+ in Highclere, 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	
<b>All categories: Tenure</b>	265	40	15.1%	62	23.4%	163	61.5%
<b>Owned or shared ownership: Total</b>	213	28	13.1%	43	20.2%	142	66.7%
Owned: Owned outright	182	20	11.0%	37	20.3%	125	68.7%
Owned: Owned with a mortgage or loan or shared ownership	31	8	25.8%	6	19.4%	17	54.8%
<b>Rented or living rent free: Total</b>	52	12	23.1%	19	36.5%	21	40.4%
Rented: Social rented	39	9	23.1%	16	41.0%	14	35.9%
Rented: Private rented or living rent free	13	3	23.1%	3	23.1%	7	53.8%

Source: DC3408EW Health status

243. Focusing on those whose activities are limited a lot, the calculations suggest that of the 52 renters and 213 owners in Highclere in this age group, there could be a need for 28 specialist homes for owner occupiers (13.1% x 213) and 12 for renters of all kinds (23.1% x 52), or 40 new specialist homes in total.
244. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

**Table 7-5: AECOM estimate of specialist housing need in Highclere by the end of the Plan period**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	<i>Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	40
	12	28	
Adaptations, sheltered, or retirement living	<i>Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.</i>	62
	19	43	
<b>Total</b>	31	71	102

Source: Census 2011, AECOM Calculations

245. The number of households falling into potential need for specialist accommodation of some form is therefore 102, which

is around half all households in total aged 75 and above projected to live in Highclere by the end of the Plan period. This is an approximation as the analysis combines data on health from the (larger) over 65 population with data on households age 75 and over. Nevertheless, it highlights potentially substantial need for homes which can meet the needs of older people who may have care and support requirements. It is also important to stress that many of these needs could be met through adaptations to existing homes, or care provided within mainstream housing.

### 7.3.3 Housing LIN-recommended provision

246. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the respected models for planning for the housing needs of older people. In Table 7-6 below we reproduce the key table from their Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, 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.

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

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

Source: *Housing LIN SHOP Toolkit*

247. As Table 7-2 shows, Highclere is forecast to have an over-75 population of 202 by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.202 = 12$
- Leasehold sheltered housing =  $120 \times 0.202 = 24$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.202 = 4$
- Extra care housing for rent =  $15 \times 0.202 = 3$
- Extra care housing for sale =  $30 \times 0.202 = 6$
- Housing based provision for dementia =  $6 \times 0.202 = 1$

248. This produces an overall total of 50 specialist dwellings which might be required by the end of the plan period to accommodate existing and future needs of the older population. Around half of these specialist dwellings would be needed to meet the growth in the older household population over the plan period.

249.

250. Table 7-7 below sets out the HLIN recommendations in the same format as Table 7-5 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population.

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

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	<i>Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia</i>	<i>Includes: enhanced sheltered housing for sale + extra care housing for sale</i>	14
	6	8	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	36
	12	24	
<b>Total</b>	<b>18</b>	<b>32</b>	<b>50</b>

Source: Housing LIN, AECOM calculations

251. AECOM's tenure-led projection provides an estimate for sheltered housing if it is assumed that this housing is deemed suitable for those whose lives are limited 'a little'. However, there is a range of housing suitable for this group of the population including mainstream housing with adaptations, or retirement type housing. In contrast, the HLIN identifies the need for sheltered housing specifically. The two estimates in this section are not directly comparable therefore. Nevertheless, most sheltered housing provides limited (if any) care and support and in many ways is little different from the mainstream housing stock. Indeed mainstream housing products (eg apartments or clusters of bungalows) may offer suitable alternatives.
252. It is important therefore to keep in mind whether mainstream housing could be provided in a way that meets the needs of older people, particularly because many older people will prefer to remain in their homes rather than move to specialist accommodation as their support needs changes. This is particularly an issue for rural areas like Highclere, where older people with support needs may need to move to other areas to find suitable specialist provision. Optional building regulation accessibility and adaptability standards provide the opportunity to ensure new homes are developed in a way that they can adapt to occupants changing needs over time, from minor adaptation to wheelchair use.

## 7.4 Conclusions- Specialist Housing for the Older People

253. Highclere has an older bias to its population and this is anticipated to grow over time, in line with national trends. The number of households aged 75+ is expected to be around double at the end of the plan period (2035) compared to the Census 2011. Most of these households are home owners with small numbers living in social rented housing and the private rented sector. By and large, these older home owners live in large properties, because the housing stock in Highclere is dominated by larger detached properties. Most are likely to continue living in their current homes, but some older households will choose to downsize as their care and support needs change.
254. The estimates in this section suggest there is substantial need or demand for specialist properties. For some older people, with limited support needs, properties which are accessible and adaptable could allow these households to remain living independently. These properties might be provided within Highclere, if new homes are built to optional building regulation standards M4(2) and M4(3). The neighbourhood group might wish to explore the application of optional building regulations to new homes in the NA, working with the LPA which will set borough wide standards. Given that only a small number of new homes are likely to be provided over the plan period in Highclere, the application of improved accessibility standards will make a limited contribution but nevertheless, will improve the choice of homes locally.
255. While it is important to maximise the accessibility of all new housing, particularly in locations like Highclere which are home to older households, 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.

256. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale, particularly where this accommodation provides care and support eg extra care or assisted living type accommodation. This can be achieved by serving the specialist older housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
257. It is considered that Highclere's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Highclere entirely within the Neighbourhood Plan area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Highclere, neighbouring Woolton Hill, or other larger settlements nearby such as Kingsclere may have potential to accommodate the specialist housing need arising from the Neighbourhood Plan area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself would not overlap.
258. 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.

## 8. Conclusions

### 8.1 Overview

259. Table 8-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 8-1: Summary of study findings specific to Highclere with a potential impact on Neighbourhood Plan housing policies**

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	4	<p>Highclere has no housing requirement currently and has experienced limited new development in recent years.</p> <p>This HNA presents a range of potential housing requirements for Highclere based on the borough's housing requirements, the NA's share of the borough population and other factors.</p>	<p>This HNA does not recommend a housing requirement for Highclere but sets out a potential range of housing need figures to consider. A requirement would be developed through consideration of need alongside the availability and sustainability of sites as well as the LPA's Local Plan strategy.</p> <p>Based on the current share of the borough's population and housing requirement, the maximum likely figure the NA might be required to provide over the plan period is 112 homes (7 per annum).</p> <p>However, AECOM suggest any housing requirement is likely to be lower in practice because Highclere is identified as a small village in BDBC's settlement study. Development is likely to be focused in the towns and larger settlements.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	5	<p>The borough's SHMA 2015 can be pro rated to Highclere's population to provide an estimate of the need for affordable (rented) housing. This suggests that there is a need for 37-43 homes over the plan period or 2-3 per annum. The range reflects uncertainty over the parish population. However, the borough's housing register suggests that need arising within Highclere is more limited and could be met through relets within the existing stock.</p> <p>AECOM's estimate of the need for affordable home ownership properties suggests there is potential demand for 43 homes over the plan period – 3 per annum. However, these households are not in acute need, rather live in the private rented sector and might prefer home ownership if there were affordable options.</p>	<p>As development of new homes is likely to be small scale, particularly if future development reflects the pattern of recent completions, this may limit the delivery of affordable housing. The group may wish to consider alternative mechanisms for providing affordable housing including exception sites if delivering new affordable housing is a priority for the Neighbourhood Plan.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	5	<p>Highclere is dominated by home ownership, with a small social rented and private rented sector. Housing to buy or rent is expensive and households on average incomes are unable to afford to buy. Households on lower quartile incomes would be unable to afford any tenure except affordable or social rent.</p> <p>Very substantial discounts on the price of market sale housing would be needed to ensure it is affordable to households on average incomes. The Government's proposed First Homes policy would allow discounts up to 50% on market sale prices, but even this would be insufficient to bring prices within reach of households on average incomes in Highclere. Nevertheless, substantial discounts would extend access to home ownership to some households who are currently priced out of home ownership.</p> <p>Affordability of affordable home ownership products (First Homes, Shared Ownership etc) would be improved if smaller properties were developed as AECOM's analysis is based on average prices which are skewed by the larger housing stock in Highclere.</p>	<p>The potential demand for affordable home ownership may be higher than the need affordable rented housing in Highclere but delivering affordable home ownership products which are affordable to local people is likely to be challenging. Given that the adopted Local Plan policy allows for local flexibility, there does not appear to be compelling evidence to diverge from the adopted Local Plan policy mix of requiring 70% affordable housing for rent and 30% for affordable home ownership. This would also accommodate the Government's proposed delivery of 25% affordable housing as First Homes.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	6	<p>Highclere is a popular location for families with young children and older households and these types of households have grown in recent years. Fewer young single and couple households live in Highclere, compared to Basingstoke and Deane and England as a whole, but this is unsurprising given the mix of dwellings available and the price and affordability of buying and renting in the neighbourhood area.</p> <p>The majority of Highclere’s housing stock is detached dwellings (two thirds), with few smaller dwellings available. The projected growth in households over the plan period is expected to result in more older households in Highclere, in line with the borough and national trends.</p> <p>The majority of the housing stock is comprised of detached homes with 4 or more bedrooms. There are very few smaller properties and this affects the average price of homes in Highclere.</p>	<p>In terms of demographic change, the analysis in this HNA suggests that development of new homes in Highclere should focus on smaller and modest sized dwellings (1-3 bedrooms) which are underrepresented in the housing stock, and reflect the need for some smaller dwellings to cater for older households who choose to downsize. These would also provide accommodation for some younger households (if they can afford to access housing in Highclere), given their tendency to occupy smaller dwellings.</p> <p>The provision of smaller homes, combined with affordable home ownership products would also go further to improve access to home ownership.</p> <p>The neighbourhood group and LPA are likely to consider a range of factors in developing policies on dwelling mix or in relation to site specific schemes.</p> <p>These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	7	<p>Highclere has an older bias to its population and this is anticipated to grow over time, in line with national trends. The number of households aged 75+ is expected to be around double at the end of the plan period (2035) compared to the Census 2011.</p> <p>Most of these households are home owners with small numbers living in social rented housing and the private rented sector. By and large, these older home owners live in large properties, because the housing stock in Highclere is dominated by larger detached properties.</p> <p>Most are likely to continue living in their current homes, but some older households will choose to downsize as their care and support needs change.</p>	<p>The estimates in this section suggest there is substantial need or demand for specialist properties. For some older people, with limited support needs, properties which are accessible and adaptable could allow these households to remain living independently. These properties might be provided within Highclere, if new homes are built to optional building regulation standards M4(2) and M4(3). The neighbourhood group might wish to explore the application of optional building regulations to new homes in the NA, working with the LPA which will set borough wide standards.</p>

## 8.2 Recommendations for next steps

260. This Neighbourhood Plan housing needs assessment aims to provide Highclere 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 Basingstoke and Deane with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and 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 Basingstoke and Deane Borough Council – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Basingstoke and Deane, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government’s Standard Methodology on calculating housing need for Basingstoke and Deane and the neighbourhood plan areas within it.

261. 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.

262. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies

and documents with an impact on housing policy produced by the Government, Basingstoke and Deane Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

263. 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.

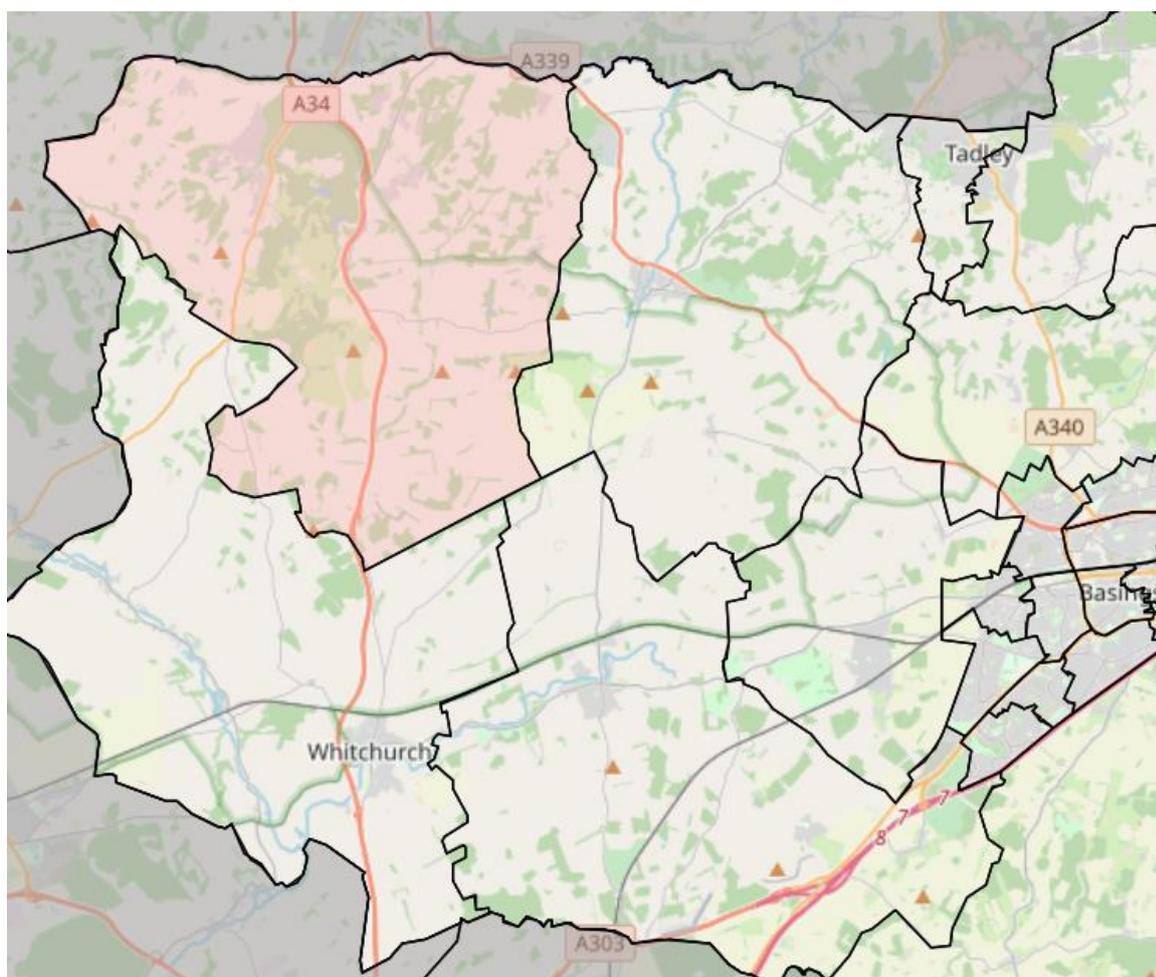
## Appendix A : Calculation of Affordability Thresholds

### A.1 Assessment geography

264. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Highclere, it is considered that MSOA E02004677 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02004677 appears below in Figure 8-1.

**Figure 8-1: MSOA E02004677 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

### A.2 Market housing

265. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.

266. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.

267. In this sense, the notion of development viability is essential. It is important not to deter development in the context of

clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

268. To determine affordability in market housing, the 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

269. 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.

270. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Highclere. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

271. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.<sup>68</sup> The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2020.

272. The calculation is therefore:

Value of an 'entry level dwelling' = £386,250;

- Purchase deposit = £38,625 @10% of value;
- Value of dwelling for mortgage purposes = £347,625;
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £99,321.**

### ii) Private Rented Sector (PRS)

273. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.

274. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,<sup>69</sup> such a home would require three habitable rooms (a flat or house with two bedrooms).

275. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the RG20 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

276. According to [home.co.uk](https://www.home.co.uk), there are 9 two-bed properties currently listed for rent across RG20, with an average price of £1,025 per calendar month.

277. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual entry-level rent = £1,025 x 12 = £12,300;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £40,100;
- **Income threshold (private rental sector) = £41,100.**

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<sup>68</sup> 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

<sup>69</sup> This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: [http://england.shelter.org.uk/housing\\_advice/repairs/overcrowding](http://england.shelter.org.uk/housing_advice/repairs/overcrowding)

278. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

### A.3 Affordable Housing

279. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.

280. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay. We consider each of the affordable housing tenures in turn.

#### i) Social rent

281. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual 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 low incomes and is subject to strict eligibility criteria.

282. 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 Highclere. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Basingstoke and Deane in Table A-1.

283. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

**Table A-1: Social rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£95.94	£112.56	£122.73	£135.35	£114.75
Annual average	£4,989	£5,853	£6,382	£7,038	£5,967
Income needed	£19,956	£23,412	£25,528	£28,153	£23,868

Source: Homes England, AECOM Calculations

#### ii) Affordable rent

284. 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). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, 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%.

285. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Basingstoke and Deane (above). Again it is assumed that no more than 30% of income should be spent on rent.

**Table A-2: Affordable rent levels (£)**

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£122.95	£151.36	£171.94	£191.51	£146.86
Annual average	£6,393	£7,871	£8,941	£9,959	£7,637
Income needed	£25,574	£31,483	£35,764	£39,834	£30,547

Source: Homes England, AECOM Calculations

### iii) Intermediate tenures

286. Intermediate housing includes 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. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

#### Discounted Market Homes

287. In paragraph 64 of the NPPF 2019, 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 most recent proposals for ‘Changes to the current planning system’ suggest 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% requirement referenced above may be replaced by the First Homes requirement.

288. Whether to treat discounted market sale homes as affordable housing 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 access market housing for purchase.

289. Applying a discount of 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £418,250 (30% discount on median average prices of £597,500). Allowing for a 10% deposit further reduces the value of the property to £376,425. The income threshold at a loan to income ratio of 3.5 is £107,550.

290. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 30% they may not offer any discount on entry level prices.

291. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home. This would require an income threshold of £122,913, £92,186 and £76,821 respectively.

#### Shared ownership

292. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Government has recently proposed to allow Shared Ownership at 10% share. 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 leaseholder can be varied by ‘staircasing’. Generally, staircasing will be upward, thereby increasing the share owned over time.

293. 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.

294. To determine the affordability of shared ownership, calculations are based on the median house price of £597,500.<sup>70</sup> 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 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).

295. A 25% equity share of £597,500 is £149,375, from which a 10% deposit of £14,938 is deducted. The mortgage value of £134,438 (£149,375 - £14,938) is then divided by 3.5. To secure a mortgage of £134,438, an annual income of £38,411 (£134,438/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £448,125. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £11,203 and requires an income of £37,343 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£75,754** (£38,411 + £37,343) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £101,717 and £127,680 respectively.

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<sup>70</sup> It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

## 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 methods<sup>71</sup>.

### 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.

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<sup>71</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

## **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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

## **Bedroom Standard<sup>72</sup>**

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

## **Co-living**

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

## **Community Led Housing/Community Land Trusts**

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

## **Community Right to Build Order<sup>73</sup>**

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)<sup>74</sup>**

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

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<sup>72</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

<sup>73</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>74</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

### **Extra Care Housing or Housing-With-Care**

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

### **Fair Share**

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

### **First Homes**

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will provide a discount of at least 30% on the price of new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments are likely to be required to provide 25% of Affordable Housing as First Homes.

### **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 years<sup>75</sup>, 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

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<sup>75</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

### **Neighbourhood plan**

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

### **Older People**

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

### **Output Area/Lower Super Output Area/Middle Super Output Area**

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

### **Overcrowding**

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

### **Planning Condition**

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

### **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%, 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 Housing<sup>76</sup>**

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 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

### **Strategic Housing Land Availability Assessment**

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

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<sup>76</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.<sup>77</sup>

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<sup>77</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

