FINAL REPORT

Sharnbrook Housing Needs Assessment (HNA)

July 2019

Quality information

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Revision History

Revision	Revision date	Details	Authorized	Name	Position
1	May 2019	Research and drafting	AO	Akwesi Osei	Graduate Planner
2	June 2019	Technical Review	SW	Stuart Woodin	Technical Director
3	June 2019	Group Review	HG	Helen Glanville	Sharnbrook Parish Council
4	June 2019	Draft for Locality	JH	Jesse Honey	Associate Director

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Disclaimer

This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (QB) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Parish Council is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Parish Council at the consultation stage. Where evidence from elsewhere conflicts with this report, the QB should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
DDC	Dorset District Council
DPA	Dwellings per annum
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HNA	Housing Needs Assessment
HNF	Housing Needs Figure
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SPC	Sharnbrook Parish Council

1. Executive Summary

1.1 Introduction

Sharnbrook Parish Council in Bedford Borough commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed two research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

The Bedford Local Plan 2030[1] provides Sharnbrook with the quantity of housing to plan for: 500 dwellings. As such, the quantity of housing to plan for has not been considered in this study. The Bedford Local Plan also sets the planning period for the Borough, which is the 15 years from 2015 to 2030.

1.2 Research Questions

1.2.1 Type and size

The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. From the Parish Council's perspective, new housing within the neighbourhood area should be appropriate for different stages of life: from newly forming households, to families, to ageing population and households wishing to downsize.

The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

RQ 1: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

1.2.2 Tenure and affordability

The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

This evidence will allow Sharnbrook to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

1.3 Findings of RQ 1: Type and Size

The type of home (detached, semi-detached, terraced or flat) is more a matter of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet local needs, based on the current stock transaction data from the Land Registry as well as the local context, are semi-detached and detached. Additionally, bungalows appeal to an ageing population and there is therefore potential for this particular type to be promoted so as to meet future demand, particularly as in terms of size they tend to align well with the recommendation that there needs to be a greater provision of small and medium-sized dwellings.

Key conclusions on dwelling size can be summarised as follows:

- Sharnbrook, in line with the District, is dominated by family-sized dwellings (2-4 bedrooms).

- There has been a significant increase in dwelling size over the inter-census period, particularly in terms of medium to large sized homes of 4+ rooms, in addition to homes consisting of 2 rooms. However, it is evident from the life stage modelling that demand for more small and medium homes may constrain the supply of these larger homes in coming years. On the basis of forward population projections, and allowing for the

[1] See Policy 3S: Amount and Distribution of Housing Development, at
http://edrms.bedford.gov.uk/OpenDocument.aspx?id=j7pmTH9GQTf0UD7FTcm5aQ%3d%3d&name=Local%20Plan%202030.pdf

existing stock, the best size split to correct misalignments between supply and demand is likely to be about 24% of houses should be one-bedroom homes, 30% two-bedroom and 46% three-bedroom (percentages may not sum due to rounding);

- The calculations on future provision indicate that there is no further requirement during the Neighbourhood Plan period for dwellings of four bedrooms or more; and

- Whilst the demand for three-bedroom homes will be significant, it is also important to acknowledge that the smaller dwellings will also have an important role to play in terms of catering for the growing older population. They have the potential to allow older households to downsize (which will make existing larger family housing available for those in need). Moreover, they also have the potential to be more affordable to younger households.

1.4 Findings of RQ 2: Tenure and Affordability

Home ownership remains the dominant tenure type in the parish, but the sector is experiencing slow growth and it is less common in Sharnbrook than across Bedford as a whole. Sharnbrook also has a much lower level of private renting social renting than the District. Sharnbrook, however, shows a much larger increase across most tenures compared with Bedford which suggests a degree of readjustment is occurring. The exception to this is the slow growth in shared ownership dwellings of 16.7% which compares to the 49.4% growth across Bedford.

The lower quartile price for homes in Sharnbrook is £266,000 whilst the average price for property in the parish is £362,291. A single person would need to be earning £68,400 annually to afford an entry-level property and earning £93,161 annually to afford a property around the average price. The annual income required even for a starter home is £54,720 and the income required to afford a 25% shared ownership property is £33,559.

Homes in Sharnbrook and the wider ML44 postcode area, remain more expensive than nearby Bedford and Clapham (Bedford) areas. This is partly due to the high demand for homes in Sharnbrook, which has a attractive rural character and a good local secondary school.

For those whose income falls into the District lower quartile tenure choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, a higher proportion of their household income would need to be devoted to housing costs than the recommended ceiling of 33%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.

For those whose income falls below the MSOA total annual income level, their choices are limited to market rent, entry level market rent, affordable rent, social rent and shared ownership (25%) housing tenures. It is evident that home ownership will not be a viable option for those whose income is less than the MSOA average annual income. This illustrates how property prices locally have outstripped household income in recent years

An annual household income of £17,154 is needed to afford a home in the parish.

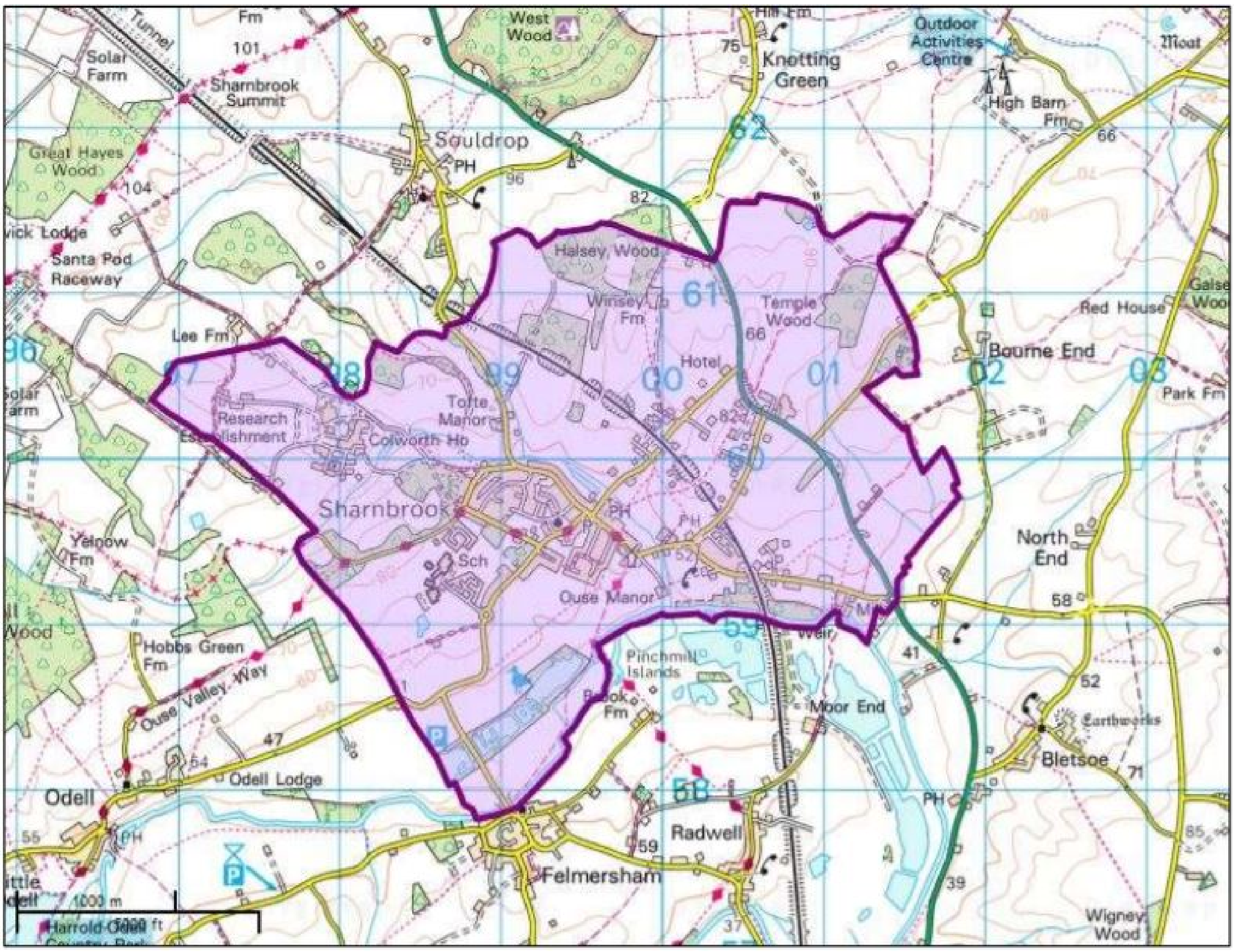
2. Context

2.1 Local context

1. Sharnbrook is a village located in Bedfordshire. It is within Bedford Borough. Sharnbrook lies on the A6 which connects to Bedford nine miles to the south, with Rushden and Kettering to the North.

2. The population of Sharnbrook at the time of the 2011 Census was 2,293. The village was designated as a Neighbourhood Area in 2017, and shortly thereafter a steering group began working towards developing a Neighbourhood Plan (NP). The Neighbourhood Area covers the whole of Sharnbrook Parish; a map identifying the designated NPA is shown in Figure 2-1.

Figure 2.1 The Parish of Sharnbrook



Source: © Crown Copyright 2017. An Ordnance Survey/EDINA supplied service

2.2 Planning policy context

3. In line with the Basic Conditions[2] of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement here for the relevant Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).

4. The current Core Strategy and Rural Issues Plan Development Plan Document sets out the long term spatial vision for Bedford Borough to 2021. It was adopted by the Council on the 16th April 2008. However, Bedford Borough Council are developing a new local plan which will replace the current Bedford Core strategy. Upon completion, the emerging Local Plan will provide the most up-to-date planning policy for the area, for the period up until 2030.

5. However, given that the Joint Local Plan is not due to be adopted until late 2019, the existing Bedford Core Strategy will be the document with which the NP must conform. However, in practice, there is normally little difficulty in achieving conformity with both the adopted Plan at the time of writing and the emerging Plan that will apply for the majority of the Neighbourhood Plan period, and for this reason, both Plans are reviewed.

2.2.1 Bedford Core Strategy and Rural Issues 2008

6. This section reviews the policies of the adopted Bedford Local Plan that are considered relevant to housing needs in Sharnbrook. Because only relevant text has been reviewed, policies have been edited for clarity.

7. **Policy CP6 – The sale and pace of housing development in the growth areas** requires provision to be made for 16,270 additional dwellings in the Bedford Growth Area between 2001 and 2021 to be phased as follows:

Year period	2001 - 2005	2006 - 2010	2011 - 2015	2016 - 2021	Total
Housing target	3130	4380	4380	4380	16,270

8. **Policy CP7 – Meeting Housing Needs** states that new housing developments will be expected to provide a mix of dwelling size and type to meet the identified housing needs of the community. Larger sites should provide a broad mix of housing suitable for different household types. On smaller sites, the mix of housing should contribute to the creation of mixed communities. This policy also applies outside the Growth Area

9. **Policy CP8 – Affordable Housing in the Borough** states that on sites of 15 units and over (or 0.5ha and over) and in villages having a population of less than 3,000 on sites of 3 dwellings or more (or 0.1ha and over) the council will expect the provision of 30% affordable housing.

10. **Policy CP12 – Settlement Policy Areas** are defined for villages with a built-up character. The Settlement Policy Area boundary encloses the main built-up part of the village but excludes undeveloped areas or more loosely knit development. This policy also applies in the Growth Area

11. **Policy CP13 –The country and development within it** states that all land outside the Settlement Policy Areas is defined as countryside. Development in the countryside will only be permitted if it would be consistent with national policy, particularly that in PPS7: Planning and the Countryside. This policy also applies in the Growth Area.

12. **Policy CP14 – Location of Development in the rural policy area** in circumstances where there is a proven need for development to be located in the Rural Policy Area, most new development will be focused in or around the edge of key service centres where employment, housing (including affordable housing), services and other facilities can be provided close together.

13. **Policy CP15 – Rural Key Service Centres** designates Sharnbrook as a rural key service centre. All key service centres are identified on the key Diagram in Figure 2-1 .

14. **Policy CP16 – Housing In the rural Policy Area** of the borough will provide for a net increase of 1300 dwellings in the period 2001-2021.

15. **Policy CP17 – Affordable housing to meet local needs in the rural area** will be granted for sites providing 100% affordable housing to meet identified local needs.

[2] See Glossary

Figure 2-1: Bedford Development Framework Key diagram

Source: Bedford Development Framework

2.2.2 Bedford Local Plan 2030

16. Bedford Borough Council is preparing a new local plan that will set out how much growth there should be in the borough in coming years (housing, jobs and associated infrastructure) and where it should take place. Current planning policy documents look ahead to 2021 and this new local plan will extend the period that development is planned for beyond that date. It will also contain policies that will be used to make decisions on planning applications. It is expected that the emerging local plan will be adopted in October 2019[3]. Here we review the housing chapters and the relevant policies that are outlined. This means that at the time of writing the emerging planning framework carries relatively little weight for planning purposes compared to the Adopted Local Plan reviewed above.

17. **Policy 59S - Affordable housing** sites in excess of 10 residential units or 1,000 sq m floor space and sites providing 3 or more additional homes in villages with a population of less than 3,000 will provide 30% affordable housing with 78% of these as social or affordable rented properties and the remainder (22%) as intermediate tenures. Affordable rents will be 80% of open market rents but a lower percentage should be set where this would preclude access to housing benefit. Shared ownership should be offered on the basis of a range of initial share purchases from 25% - 80%.

18. **Policy 60S - Housing mix** and dwellings sizes should meet the identified needs of the community including families with children, older people, people wishing to build their own homes and people with disabilities and special needs in accordance with the Council's current Strategic Housing Market Assessment and other current assessments of housing need including the Older Person's Accommodation Strategy, the Learning Disabilities Accommodation Strategy, the Mental Health Accommodation Strategy and evidence in respect of the needs of other specialist groups (such as a housing needs assessment)

[3] https://bbcdevwebfiles.blob.core.windows.net/webfiles/Planning%20and%20Building/Planning%20Policy/LDS%20May%202018.pdf

3. Approach

3.1 Research Questions

19. Research Questions, abbreviated to 'RQ;' are determined at the start of the project through discussion with the Parish Council. They serve to direct our research and provide the structure for the HNA.

20. We set out the RQs relevant to this study, as discussed and agreed with Sharnbrook Parish Council in a conference call and subsequent confirmation in writing.

21. The Bedford Local Plan 2030[4] provides Sharnbrook with the quantity of housing to plan for: 500 dwellings. As such, the quantity of housing to plan for has not been considered in this study. The Bedford Local Plan also sets the planning period for the Borough, which is the 15 years from 2015 to 2030.

3.1.1 Type and size

22. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. From the Parish Council's perspective, new housing within the neighbourhood area should be appropriate for different stages of life: from newly forming households, to families, to ageing population and households wishing to downsize.

23. The aim of this research question is to provide neighbourhood planners with robust evidence on the types and sizes needed by the local community. This will ensure future development truly reflects what residents need.

RQ 1: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

3.1.2 Tenure and affordability

24. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

25. This evidence will allow Sharnbrook to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

[4] See Policy 3S: Amount and Distribution of Housing Development, at http://edrms.bedford.gov.uk/OpenDocument.aspx?id=j7pmTH9GQTf0UD7FTcm5aQ%3d%3d&name=Local%20Plan%202030.pdf

3.2 Relevant Data

3.2.1 The Local Authority Evidence Base

26. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Sharnbrook Neighbourhood Area is located within Bedford Borough Council's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is known as Bedford Strategic Housing Market Assessment.

27. For the purpose of this HNA, data from Bedford Borough Council'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

28. In addition to the Bedford Borough Council 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);
    - Information on current property asking prices, for housing for sale or rent, from home.co.uk; and
    - Valuation Office Agency (VOA) data on local housing stock by dwelling type;

4. RQ1: Type and size

RQ1: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

4.1 Introduction

30. This section analyses the type and size of existing housing provision and its suitability, focusing on demographic shifts in age and household composition, to address future as well as current community need. We start by considering the Bedford SHMA, which is the primary source of baseline information on dwelling type and size across the local area, as well as the Indices of Multiple Deprivation, which suggest that the SHMA conclusions need to be broken down, through the use of Census data, to a more parish-specific level. Next, demographic shifts in age and household composition will be considered based on that Census data. Finally, the future demand for housing by size and type will be determined.

4.2 Background and definitions

31. 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.

32. 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 thus 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 than demographics, household type and size would suggest for future years.

33. 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' should thus be translated as follows[5]:

- 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 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

34. 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.[6] 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.

35. The key measure of whether a dwelling is shared or unshared relates to the census' definition of a household. A 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.*"[7] 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.

36. Whilst it is unlikely that these issues are of specific relevance to Sharnbrook, given that their main applicability is to

[5] https://www.nomisweb.co.uk/census/2011/qs407ew
[6] https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form
[7] Ibid.

students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

4.3 Existing type and size

4.3.1 Dwelling type

37. The 2011 Census shows that there were 947 households in Sharnbrook, living in 457 detached houses, 289 semi-detached, 169 terraced houses, and 16 flats. Compared with the LPA, Sharnbrook is characterised by a higher proportion of detached homes (48.3% against 27.6%) whilst the LPA has a higher proportion of flats (12.6% against 1.7%) (see Table 4-1).

Table 4-1: Accommodation type (households), Sharnbrook 2011

Dwelling type		Sharnbrook	Bedford	England
Whole house or bungalow	Detached	48.3%	27.6%	22.4%
	Semi-detached	30.5%	32.3%	31.2%
	Terraced	17.8%	22.0%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	1.7%	12.6%	16.4%
	Parts of a converted or shared house	0.7%	4.1%	3.8%
	In commercial building	0.7%	1.1%	1.0%

Source: ONS 2011, AECOM Calculations

4.3.2 Dwelling size

38. Table 4-2 sets out the distribution of the number of rooms by household space. The housing stock in Sharnbrook is characterised by family homes of 4 rooms or more (95% of all stock). Roughly a third of properties are very large homes of 8 rooms or more (32.4% of all stock). Smaller properties of 1-3 rooms make up just 5% of all housing stock. It is evident in Table 4-2 that homes tend to be larger in the parish than the wider district.

Table 4-2: Number of rooms per household in Sharnbrook, 2011

Number of Rooms	2011 Sharnbrook	2011 Bedford
1 Room	0.2%	0.7%
2 Rooms	0.6%	2.6%
3 Rooms	4.1%	9.8%
4 Rooms	9.8%	15.1%
5 Rooms	17.6%	22.8%
6 Rooms	19.2%	20.2%
7 Rooms	16.2%	11.2%
8 Rooms or more	14.7%	8.0%
9 Rooms or more	17.7%	9.5%

Source: ONS 2011, AECOM Calculations

39. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that there has been a steady increase in most dwelling sizes. The largest increase is seen in 2 and 4 room homes which have increased by 66.7% and 49.2% respectively during the inter-census period. Meanwhile there has been a significant decrease in homes with 1 room (-33.3%).

Table 4-3: Rates of change in number of rooms per household in Sharnbrook, 2001-2011

Number of Rooms	Sharnbrook	Bedford	England
1 Room	-33.3%	-29.6%	-5.2%
2 Rooms	66.7%	13.8%	24.2%
3 Rooms	-9.8%	10.0%	20.4%
4 Rooms	49.2%	5.6%	3.5%
5 Rooms	0.6%	-0.3%	-1.8%
6 Rooms	-4.4%	0.8%	2.1%
7 Rooms	17.7%	14.3%	17.9%
8 Rooms or more	39.2%	24.2%	29.8%

Source: ONS 2001-2011, AECOM Calculations

40. It is also useful to compare the number of rooms with the number of bedrooms for each household. Table 4-4 summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that the majority of homes in the parish are 3 bedrooms or more (81.2%), with the majority of homes being 3 bedrooms (39.1%). This is fairly similar to the distribution of homes in the wider District, although there is a slightly higher proportion of 2 bedroom homes in the District.

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

Bedrooms	Sharnbrook		Bedford	
All categories: no. of bedrooms	**900**	**100.0%**	**63,812**	**100.0%**
No. bedrooms	0	0.0%	168	0.3%
1 bedroom	47	5.2%	7,371	11.6%
2 bedrooms	122	13.6%	13,623	21.3%
3 bedrooms	352	39.1%	27,343	42.8%
4 bedrooms	262	29.1%	11,388	17.8%
5 or more bedrooms	117	13.0%	3,919	6.1%

Source: ONS 2011, AECOM Calculations

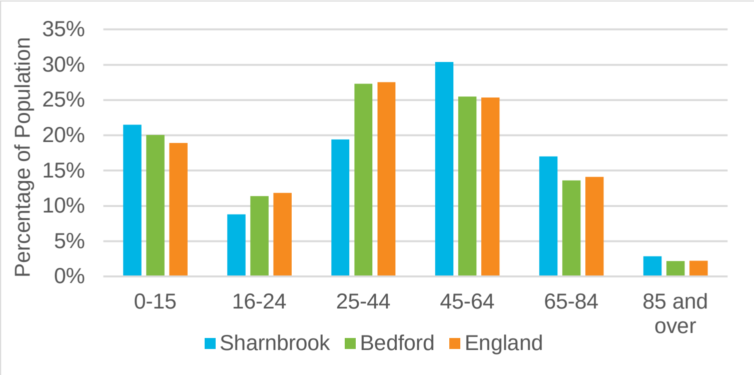
4.4 Household composition and age structure

41. We have now established the current stock profile of Sharnbrook and identified recent changes in its composition. The evidence assembled examines the composition and age structure of households both 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.

4.4.1 Age structure

42. The 2011 Census data reveals that the parish has an older population than the wider District. Nevertheless, there is also a significant young population aged 0 – 15 years (22%) which is a similar proportion to the over 65 population of 20% (see Figure 4-1).

Figure 4-1: Age structure in Sharnbrook, 2011



Source: ONS 2011, AECOM Calculations

43. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 the parish population has increased significantly. The largest increases have been in both the youngest and oldest age ranges of 0 – 15 and 65 and over age groups (see Table 4-5).

Table 4-5: Rate of change in the age structure of Sharnbrook population, 2001-2011

Age group	Sharnbrook	Bedford	England
0-15	36.6%	3.0%	1.2%
16-24	21.7%	6.9%	17.2%
25-44	7.5%	-1.8%	1.4%
45-64	7.7%	15.4%	15.2%
65-84	36.4%	11.1%	9.1%
85 and over	3.1%	28.2%	23.7%

Source: ONS 2001-2011, AECOM Calculations

4.4.2 Household composition

44. Household composition is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

45. In assessing Census data on household composition, we see that Sharnbrook is fairly similar to the LPA in that there are a high proportion of one family households especially those with dependent children (Table 4-6). There is however, a slightly higher proportion of homes headed by elderly people above the age of 65 in the parish.

Table 4-6: Household composition (by household), Sharnbrook, 2011

Household composition		Sharnbrook	Bedford	England
One person household	**Total**	21.8%	28.8%	30.2%
	Aged 65 and over	12.1%	11.9%	12.4%
	Other	9.7%	16.9%	17.9%
One family only	**Total**	74.4%	63.6%	61.8%
	All aged 65 and over	12.2%	8.2%	8.1%
	With no children	19.4%	17.3%	17.6%
	With dependent children	32.7%	28.5%	26.5%
	All children Non-Dependent	10.1%	9.7%	9.6%
Other household types	**Total**	3.8%	7.5%	8.0%

Source: ONS 2011, AECOM Calculations

46. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, there was a drop in one person households headed by persons aged 65 and over (-9.2% in the parish). Meanwhile there were significant increases in one person households aged under 65, and family homes with children that are both dependent and non-dependent (27.3% and 23% respectively) (see Table 4-7).

Table 4-7: Rates of change in household composition, Sharnbrook, 2001-2011

Household type		Percentage change, 2001-2011		
		Sharnbrook	Bedford	England
One person household	**Total**	8.9%	10.2%	8.4%
	Aged 65 and over	-9.2%	-2.3%	-7.3%
	Other	45.0%	21.0%	22.7%
One family only	**Total**	18.2%	6.0%	5.4%
	All aged 65 and over	19.6%	-1.1%	-2.0%
	With no children	2.9%	-1.8%	7.1%
	With dependent children	27.3%	10.9%	5.0%
	All children non-dependent	23.0%	14.5%	10.6%
Other household types	**Total**	17.2%	4.7%	28.9%

Source: ONS 2001-2011, AECOM Calculations

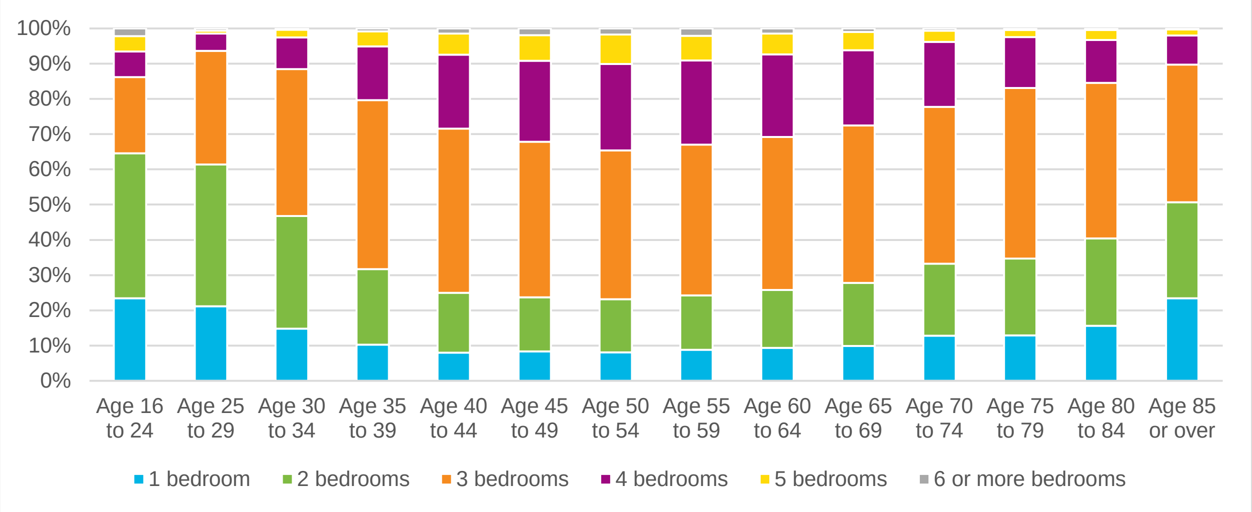
4.5 Dwelling mix determined by life-stage modelling

47. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that 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 single person households aged over 65 will lead to an increase in the need for the type of housing currently occupied by single person households of that age.

48. 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, LPA-level data needs to be used as the closest proxy.

49. Figure 4-2 sets out the relationship in the 2011 Census at LPA 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 homes with 2-3 bedrooms remain the most popular for all ages. However, 2 bedroom homes are most popular with households headed by those aged 29. Meanwhile, 3 bedroom homes remains the most popular choice for all households headed by those aged 30 and over.

Figure 4-2: Age of household reference person by dwelling size in Bedford, 2011



Source: ONS 2011, AECOM Calculations

50. We then use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2030, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 4-8.

Table 4-8: Projected distribution of households by age of HRP, Bedford

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	2,005	8,738	25,841	11,061	16,167
2014	1,983	9,048	26,537	10,882	18,592
2030	2,054	9,297	29,495	13,542	28,243
2039	2,094	9,437	31,159	15,037	33,671

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

51. At this point, it is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Sharnbrook. To do so, the percentage of increase expected for each group across Bedford, derived from the data presented above was mapped using the 2011 population of Sharnbrook as the starting point. The results of this calculation are detailed in Table 4-9 :

Table 4-9: Projected distribution of households by age of HRP, Sharnbrook

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	11	47	380	189	273
2014	11	49	390	186	314
2030	11	50	434	231	477

Source: AECOM Calculations

52. Then, to complement the two stages above, in Table 4-10 we set out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Bedford in 2036.

Table 4-10: Age of household reference person to size, grouped, Bedford, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	23.5%	17.5%	8.6%	9.1%	14.2%
2 bedrooms	41.1%	35.4%	17.1%	15.9%	21.8%
3 bedrooms	21.6%	37.7%	45.1%	43.1%	44.4%
4 bedrooms	7.2%	7.3%	21.1%	23.7%	15.7%
5+ bedrooms	6.6%	2.1%	8.0%	8.3%	3.8%

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

53. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Bedford and Sharnbrook falling into each of these stages by the end of the Plan period in 2030, it is now possible to recommend how the housing stock should evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and evidenced need (see Table 4-11).

Table 4-11: Ideal dwelling size distribution in Sharnbrook by the end of the Plan period, based on modelled household life-stages

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
Pop. 2030	11	50	434	231	477	-
1 bedroom	3	9	38	21	68	138
2 bedrooms	5	18	74	37	104	237
3 bedrooms	2	19	196	100	212	529
4 bedrooms	1	4	92	55	75	226
5+ bedrooms	1	1	35	19	18	74

Source: Census 2011, AECOM Calculations

54. 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 4-11 above modelling the change in the age structure of the population in Sharnbrook.

55. Table 4-12 indicates that, by 2030, the size distribution of dwellings should be weighted more towards the small to medium part of the size spectrum, with a particular focus on dwellings of 3 bedrooms (alongside a reasonable proportion of 1, 2 and 4 bedroom dwellings).

Table 4-12: 2011 housing sizes compared to ideal distribution at end of Plan period, Sharnbrook

Number of bedrooms	2011		2030	
1 bedroom	47	5.2%	138	11%
2 bedrooms	122	13.6%	237	20%
3 bedrooms	352	39.1%	529	44%
4 bedrooms	262	29.1%	226	19%
5 or more bedrooms	117	13.0%	74	6%
Total households	900	100.0%	1,203	100.0%

Source: Census 2011, AECOM Calculations

56. Table 4-13 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. This misalignment is particularly evident for 2 and 3 bedroom homes.

Table 4-13: Future potential misalignments of supply and demand for housing, Sharnbrook

Number of bedrooms	2011	2030	Change to housing mix	Recommended split
1 bedroom	47	138	91	24%
2 bedrooms	122	237	115	30%
3 bedrooms	352	529	177	46%
4 bedrooms	262	226	-36	0.0%
5 or more bedrooms	117	74	-43	0.0%

Source: AECOM Calculations

57. The interim result of the life-stage modelling exercise, therefore, is that to minimise misalignments between supply and demand, 24 % of dwellings in new developments should have 1 bedroom, 30% should have two bedrooms and 46% should have three bedrooms. Most of the need will be for small to medium sized homes and, as such, there will be no need to build further large properties with four or more bedrooms.

58. Note that the changes to the housing mix given above for 4 and 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 interim results of the life-stage modelling suggest that there will be no need for further 4 and 5+ bedroom dwellings over the Neighbourhood Plan period[8].

4.6 Conclusion – type and size

59. The type of home (detached, semi-detached, terraced or flat) is more a matter of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet local needs, based on the current stock transaction data from the Land Registry as well as the local context, are semi-detached and detached. Additionally, bungalows appeal to an ageing population and there is therefore potential for this particular type to be promoted so as to meet future demand, particularly as in terms of size they tend to align well with the recommendation that there needs to be a greater provision of small and medium-sized dwellings.

60. Key conclusions on dwelling size can be summarised as follows:

[8] The Parish Council has made us aware that, increasingly, bungalows are being converted to 4+ bedroom properties. Given our recommendation that no further 4+ bedroom properties are required in Sharnbrook over the Plan period, this may justify a Neighbourhood Plan policy resisting conversion of bungalows to dwellings of 4 bedrooms or more on the basis that there is no evidenced need for the latter housing type.

- Sharnbrook, in line with the District, is dominated by family-sized dwellings (2-4 bedrooms).

- There has been a significant increase in dwelling size over the inter-census period, particularly in terms of medium to large sized homes of 4+ rooms, in addition to homes consisting of 2 rooms. However, it is evident from the life stage modelling that demand for more small and medium homes may constrain the supply of these larger homes in coming years. On the basis of forward population projections, and allowing for the existing stock, the best size split to correct misalignments between supply and demand is likely to be about 24% of houses should be one-bedroom homes, 30% two-bedroom and 46% three-bedroom (percentages may not sum due to rounding);

- The calculations on future provision indicate that there is no further requirement during the Neighbourhood Plan period for dwellings of four bedrooms or more; and

- Whilst the demand for three-bedroom homes will be significant, it is also important to acknowledge that the smaller dwellings will also have an important role to play in terms of catering for the growing older population. They have the potential to allow older households to downsize (which will make existing larger family housing available for those in need). Moreover, they also have the potential to be more affordable to younger households.

5. RQ 2: Tenure and affordability

RQ 2: What Affordable Housing (social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

61. 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 in England falls into three categories, a tenancy, (where rent is paid to a landlord), owner occupancy and mixed forms of tenure. Affordable Housing (AH) refers to social, affordable rented & intermediate or mixed forms of tenure & usually requires a level subsidy to enable householders to live in their home. Market Housing (MH) is a broad category that covers privately rented and owner occupation forms of tenure where market forces determine price.

62. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.[9]

5.1 Definitions

63. 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, abbreviated to 'AH'. AH comprises 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 of AH designed to offer affordable routes to home ownership.[10] To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

64. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.

65. The revisions seek to broaden the definition of AH (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, including starter homes.

66. In paragraph 64 of the NPPF, 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*". In line with PPG,[11] the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

5.2 Current tenure profile

67. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Plan area based on the most recent reliable data. Table 4-1 presents Census data from 2011; this table shows the distribution of how households occupy their homes in Sharnbrook, compared to the rest of Bedford and England.

68. It is worth noting the higher number of home ownership dwellings in Sharnbrook (78%) compared to Bedford (65.7%). By contrast there is a much lower number of social rented dwellings in Sharnbrook (9.1%) compared to Bedford (16.1%) and England (17.7%). However, levels of privately rented dwellings are slightly lower in Sharnbrook (10.9%) than Bedford (15.8%) and the same is true for dwellings in shared ownership at 0.8% and 1% respectively.

[9] PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments
[10] NPPF 2019.
[11] PPG 031 Reference ID: 23b-031-20161116, available at https://www.gov.uk/guidance/planning-obligations

Table 4-1: Tenure (households) in the parish, 2011[12]

Tenure	Sharnbrook	Bedford	England
Owned; total	78.0%	65.7%	63.3%
Shared ownership	0.8%	1.0%	0.8%
Social rented; total	9.1%	16.1%	17.7%
Private rented; total	10.9%	15.8%	16.8%

Source: Census 2011, AECOM Calculations

69. In Table 4-2, we note the changes in the way households occupied their homes during the intercensal period; the general uplift across all tenures is the result of the increase in dwellings (and therefore households) over the period from 807 in 2001 to 947 in 2011. In particular, there has been a significant increase in privately rented dwellings in both the parish (226.7%, but from a low base)) and to a lesser extent in the Bedford (91.9%). Overall, Sharnbrook shows a much larger increase across most tenures compared with Bedford. The exception to this is the slow growth in shared ownership dwellings of 16.7% which compares to the 49.4% growth across Bedford. It should be noted that this slow growth is not necessarily indicative of a lack of need for shared ownership dwellings and may instead reflect other factors.

Table 4-2: Rates of tenure change in the parish, 2001-2011

Tenure	Sharnbrook	Bedford	England
Owned; total	7.0%	-1.7%	-0.6%
Shared ownership	16.7%	49.4%	30.0%
Social rented; total	32.3%	8.9%	-0.9%
Private rented; total	226.7%	91.9%	82.4%

Source: Census 2001 and 2011, AECOM Calculations

70. It is evident from Table 5-3 that shared ownership and private rented properties are uncommon in the parish, despite the significant increase in demand for private rental accommodation. Home ownership continues to dominate the housing market mix in both the parish and the District.

Table 5-3: Tenure change in Sharnbrook, 2001-2011

	2001		2011	
Tenure	Sharnbrook	Bedford	Sharnbrook	Bedford
All categories – Total	789	59597	900	63812
Owned	656	42679	702	41937
Shared ownership	6	445	7	665
Social rented	62	9416	82	10252
Private rented	30	5268	98	10110

Source: ONS 2011, AECOM Calculations

71. Bringing the evidence together, whilst it is clear that the private rental sector increased quickly (albeit from a low base), growth in other housing tenures during this period was more modest. Home ownership continues to form the overwhelming proportion of dwelling tenures in the parish.

5.3 Affordability

72. This section details the affordability requirements for each of the tenures in Sharnbrook, with reference to income levels, in order to assess which tenures of housing are within reach (i.e. affordable) for the local population. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations.

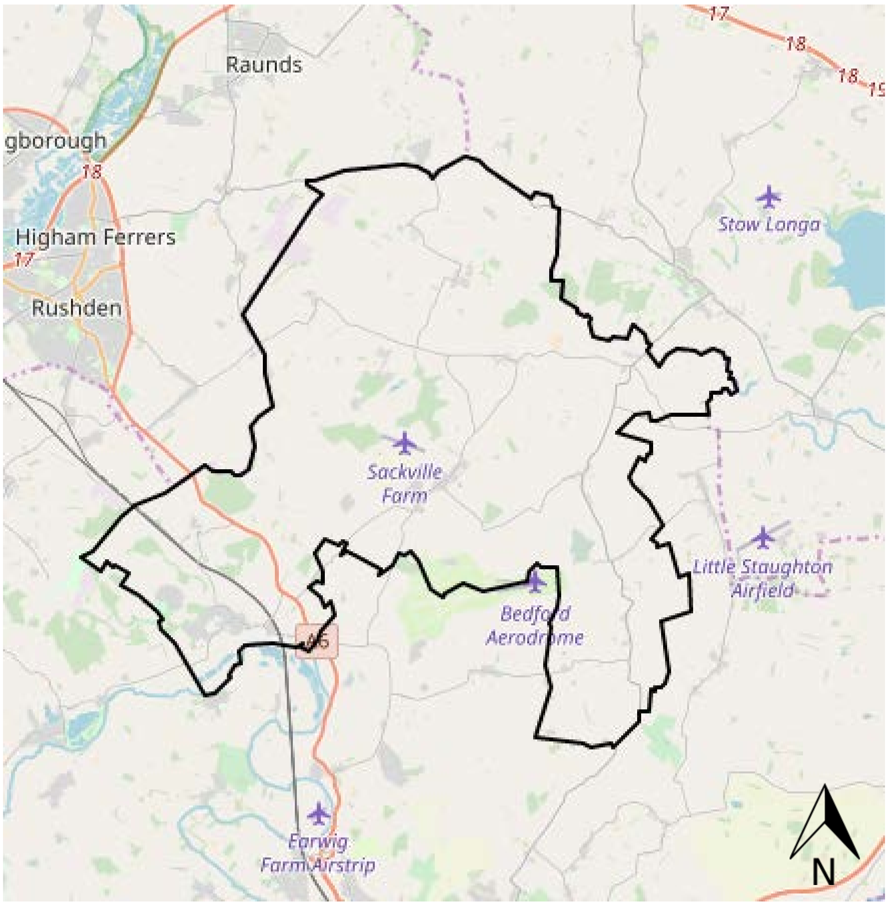
[12] As we have used Census 2011 data throughout, completions since 2011 have not been taken into account. This includes a 2018 affordable housing development, which consisted of some rental properties, (2 flats and 3 2 bedroom properties,) some shared ownership (4) and some outright ownership (4) that the Parish Council has made us aware of.

5.3.1 Income

73. Incomes are considered first, as they are the primary factor influencing the ability of households to exercise choice in the housing market and the level of need for Affordable Housing products. A range of sources were used to estimate income levels in Sharnbrook.

74. As household income data at the Parish level is not publicly available, we have used estimates of average household income for 2015/16, published by the ONS at the Middle-layer Super Output Area (MSOA). While the selected area used to obtain estimates of household average income is larger than the parish, we believe this data is a robust proxy, giving a more accurate picture than provided by estimates of incomes at the LPA level. The geography used to retrieve the data is shown in Figure 5-1 . The net annual household income before housing costs (equalised) for this MSOA (which is known as Bedford 001) in 2015/2016 was **£43,800**, while the total annual income[13] was **£57,600.**

Figure 5-1: Map of E02003616: Bedford 004[14]



Source: ONS 2011

5.3.2 Market Housing

75. To determine the affordability of market housing, we consider two primary indicators: firstly, income thresholds (IT), which denote the maximum share of a family's income that should be spent on accommodation costs, and secondly purchase thresholds (PT), which denotes the standard household income requirement to access mortgage products.

Market sales

76. The PT informs the affordability of 'for sale' market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price which the cheapest 25% of houses may be bought and is a measure of **'entry-level' property** in the area (i.e. cheaper,

[13] 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.
[14] While this area is significantly larger than Sharnbrook Parish itself and may therefore include a range of dwelling types not found in the Parish itself, this is the closest equivalent geography possible for income analysis, and no other method is available without payment to a data services provider.

more affordable housing)[15]. More helpfully, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with two bedrooms). **Entry-level properties can therefore also be understood as two-bedroom flats/houses.**

77. As there have been few sales of smaller homes in the parish, including two bedroom properties, it is necessary to use the lower quartile home price from 2018 Land Registry data instead. The lower quartile price for homes in Sharnbrook is **£266,000** whilst the average price for property in the parish is **£362,291**.

78. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5 because most mortgage providers use this as the standard loan-to-value ratio.

79. The PT for the entry-level property price is therefore (£266,000 x 10% = £26,600; £266,000– £26,600 =) £239,400; Dividing this figure by 3.5 produces a threshold of £68,400 A single person would therefore need to be earning **£68,400 annually to afford an entry-level property without putting down a larger (than 10%) deposit**.

80. The PT for the mean property price in September 2018 is (£362,291 x 10% =) £36,229; (£362,291– £36,229=) £326,062; Dividing this figure by 3.5 produces a threshold of £93,161. A single person would therefore need to be earning **£93,161 annually to afford a property around the average price without putting down a larger (than 10%) deposit.**

Private rented sector (PRS)

81. Using income thresholds we can also examine affordability for rental market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the parish scale, making it impossible to calculate LQ rent price. Nonetheless, as we saw, entry-level dwellings can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on www.rightmove.com. The results unfortunately showed that no properties were available to rent in the area. Therefore, we have turned to home.co.uk, which provides a market rent summary for the wider postcode area.

82. Table 5-4 shows the average property rents by number of bedrooms in the MK44post code area. The average rent for a two bedroom property is £758 pcm and £995 pcm for a three bedroom property.

Table 5-4: Property Rents in MK44 by Number of Bedrooms

	No. of properties	Average rent (pcm)
One bedroom	2	£637
Two bedrooms	8	£758
Three bedrooms	14	£995
Four bedrooms	3	£1,359
Five bedrooms	1	£2,900
Average property rents in MK44		£991

Source: www.rightmove.com

83. Finally, we have examined rents in surrounding areas and the results were compiled in Table 5-5 . It appears that the rental market in MK44 (including Sharnbrook), is relatively expensive when compared to Bedford and nearby Clapham (Bedford).

Table 5-5: Property rents in surrounding areas

	Average Rent (PCM)
Average property rents in MK44	£991
Average property rents in Clapham, Bedford	£896
Average property rents in Bedford	£796

Source: https://www.home.co.uk

84. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise, affordability is defined as spending 1/3 of income on housing costs.

85. The average rent for MK44 used as a proxy for Sharnbrook is £991 PCM. The annualisation of this figure is £11,892. The income threshold is therefore **£39,600.**

[15] Definition of 'entry-level' taken from https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html

86. The average entry-level rent in Sharnbrook is £758 PCM. The annualisation of this figure is £9,096. The income threshold is therefore **£30,290.**

5.3.3 Affordable Housing

87. There is a wide range of tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2019 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

88. This variety of AH tenures reflects an ambition by the Government to provide a clearer pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH 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.

89. A good example is, in 2012, the introduction of dwellings for Affordable Rent. Rent for this tenure is set at up to 80% of the market rate, with the intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the Social Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.

90. The overall aim is to reduce the group who are eligible for Social Rent dwellings to those who have relatively low household incomes. However, within this segment, market principles also apply, given the link between rents and size of dwelling, with a strong financial incentive for households only to occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

Social Rent

91. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, offering substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, but is subject to strict eligibility criteria.

92. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing (RSH). This data is, however, only available at the District level. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 5-6 .

Table 5-6: Social rent levels (£) in Bedford Borough

Size	1 bed	2 beds	3 beds	4 beds	5 beds	6 beds	All Stock Sizes[16]
Average Net rent per week	£84.19	£96.46	£110.64	£124.65	£139.97	£138.60	£98.79
Average social rent rate per week	£83.46	£95.64	£110.15	£124.14	£139.34	£141.05	£98.17
Annual rent	£4,390	£5,030	£5,769	£6,500	£7,298	£7,227	£5,151
Income needed	£14,618	£16,749	£19,211	£21,644	£24,304	£24,066	£17,154

Source: SDR, AECOM Calculations

Affordable Rent

93. Commentators have repeatedly raised concerns about Affordable Rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.

94. To determine Affordable Rent prices we can also use the SDR from the RSH. The data is presented in Table 5-7 below.

Table 5-7: Affordable Rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	5 beds	All Stock Sizes
Average weekly gross rent	£101.89	£124.59	£141.50	£174.32	£177.25	£128.48
Annual rent	£5,313	£6,496	£7,378	£9,090	£9,242	£6,699
Income needed	£17,692	£21,633	£24,570	£30,268	£30,777	£22,309

Source: SDR, AECOM Calculations

[16] Weighted average

Intermediate Tenures

95. Intermediate housing comprises 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. It can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Starter Homes

96. The Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'Starter Homes,' and a specific duty to require a minimum number or proportion of 'Starter Homes' on certain residential development sites. 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".

97. This is a fulfilment of the direction of travel set in the Housing White Paper, which stated that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".

98. However, this is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to Neighbourhood Plans to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

99. A Starter Home is a new-build home with a value not exceeding £250,000 outside London; they are eligible for first time buyers aged under 40.

100. The decision whether to treat Discounted Market Sale Homes (DMSH) as AH should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access Affordable Market Housing for purchase.

101. In order to provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling, namely £266,000.

102. Applying a discount of 20% to this figure gives the approximate selling price of £212,800. Allowing for a 10% deposit further reduces the value of the property to £191,520. The PT at a multiple of 3.5 is therefore **£54,720**.

Shared Ownership

103. As we have seen, there was a single shared ownership dwelling in Sharnbrook at the time of the last Census. Nevertheless, it is worth considering the future role of this tenure, as it offers a genuine opportunity to enhance affordability in locations like Sharnbrook.

104. Shared ownership involves the purchaser buying an initial share in a property, typically between 25% and 75%, and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in terms of 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 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned.

105. In exceptional circumstances (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 both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000.

106. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Sharnbrook (£266,000). The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling. The standard loan to value 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 33% of its income on rent (as for the IT for PRS).

107. A 25% equity share of £266,000 is £66,500, from which a 10% deposit of £6,650 is deducted. The mortgage value of £59,850 (£66,500- £6,650) is then divided by 3.5. To secure a mortgage of £59,850, an annual income of £17,100 (£59,850/ 3.5) is therefore needed.

108. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, comprising the unsold value of £199,500. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed,

which is £5,486, and requires an income of £16,459. Therefore, an income of around **£33,559** (£17,100 + £16,459) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.

109. The same calculation is reiterated for different initial share, and the results are presented in Table 5-8 , which comprises an affordability calculator for shared ownership.

Table 5-8: Affordability calculator for shared ownership

Purchase Price: £266,000	Share price	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
25%	£66,500	£33,559	£59,850	£17,100	£5,486	£16,459	£6,650
35%	£93,100	£38,204	£83,790	£23,940	£4,755	£14,264	£9,310
40%	£106,400	£40,527	£95,760	£27,360	£4,389	£13,167	£10,640
50%	£133,000	£45,173	£119,700	£34,200	£3,658	£10,973	£13,300
60%	£159,600	£49,818	£143,640	£41,040	£2,926	£8,778	£15,960
75%	£199,500	£56,786	£179,550	£51,300	£1,829	£5,486	£19,950
80%	£212,800	£54,720	£191,520	£54,720			£21,280

Source: AECOM Calculations

Affordability Thresholds

110. To understand the affordability of different tenures in Sharnbrook, we use the concept of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. Table 5-9 and Figure 5-2 provide a summary of this process.

Table 5-9: Affordability Thresholds (Income required)

Tenure	Price	Annual rent	Income Required	Deposit (10%)
Market Sale	£362,291	-	£93,161	£36,229
Market Rent	-	£11,892	£39,600	-
Entry level Market Sale	£266,000	-	£68,400	£26,600
Shared ownership (75%)	£199,500	£1,829	£56,786	£19,950
Starter Homes	£212,800	-	£54,720	£21,280
Market Rent - Entry-level	-	£9,096	£30,290	-
Shared ownership (50%)	£133,000	£3,658	£45,173	£13,300
Shared ownership (25%)	£66,500	£5,486	£33,559	£6,650
Affordable Rent - Average	-	£6,699	£22,309	-
Social Rent - Average	-	£5,151	£17,154	-

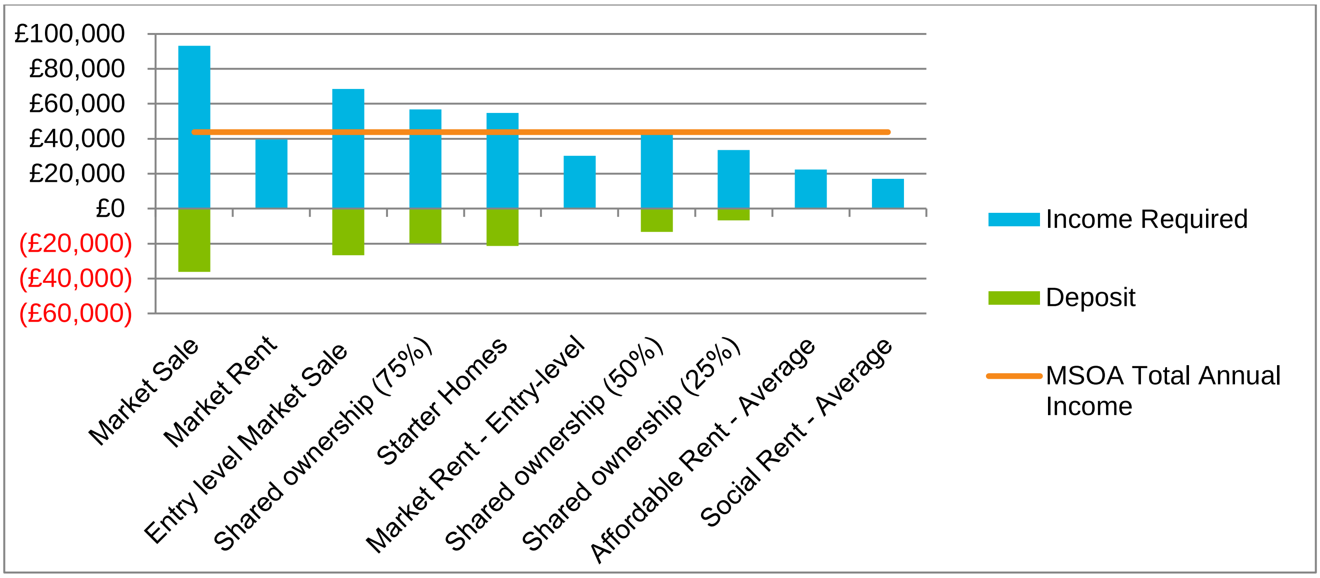
Source: AECOM Calculations

111. The relationship between affordability thresholds and prevailing income levels is set out in Figure 5-2 . For the avoidance of doubt, this figure shows the data displayed in Table 5-9 in graphic form. For comparison purposes, the average income for the wider MSOA area within which Sharnbrook falls has been used as a proxy.

112. For those whose income falls below the MSOA total annual average income level, their choices are limited to market rent, entry level market rent, affordable rent, social rent and shared ownership (25%) housing tenures. It is evident that home ownership will not be a viable option for those whose income is less than the MSOA average annual income. This illustrates how property prices locally have outstripped household income in recent years

113. An annual household income of £17,154 is needed to afford a home in the parish.

Figure 5-2: Affordability thresholds and income distribution



Source: AECOM Calculations

5.4 Conclusions- tenure and affordability

114. Home ownership remains the dominant tenure type in the parish, but the sector is experiencing slow growth and it is less common in Sharnbrook than across Bedford as a whole. Sharnbrook also has a much lower level of private renting social renting than the District. Sharnbrook, however, shows a much larger increase across most tenures compared with Bedford which suggests a degree of readjustment is occurring. The exception to this is the slow growth in shared ownership dwellings of 16.7% which compares to the 49.4% growth across Bedford.

115. The lower quartile price for homes in Sharnbrook is £266,000 whilst the average price for property in the parish is £362,291. A single person would need to be earning £68,400 annually to afford an entry-level property and earning £93,161 annually to afford a property around the average price. The annual income required even for a starter home is £54,720 and the income required to afford a 25% shared ownership property is £33,559.

116. Homes in Sharnbrook and the wider ML44 postcode area, remain more expensive than nearby Bedford and Clapham (Bedford) areas. This is partly due to the high demand for homes in Sharnbrook, which benefits from an attractive rural character and a good local secondary school.

117. For those whose income falls into the District lower quartile tenure choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, a higher proportion of their household income would need to be devoted to housing costs than the recommended ceiling of 33%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.

118. For those whose income falls within the MSOA total annual income level, their choices are limited to market rent, entry level market rent, affordable rent, social rent and shared ownership (25%) housing tenures. It is evident that home ownership will not be a viable option for those whose income is less than the MSOA average annual income. This illustrates how property prices locally have outstripped household income in recent years

119. An annual household income of £17,154 is needed to afford a home in the parish.

6. Conclusions and recommendations

6.1 Assessment conclusions

120. Table 6.1 summarises factors affecting the type of housing needed in Sharnbrook Parish, and the HNA recommendations.

Table 6.1: Summary of local factors specific to Sharnbrook with a potential impact on neighbourhood plan housing characteristics

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	AECOM Calculations, ONS 2011 MHCLG 2014-based household projections, MHCLG 2011-based household projections	Sharnbrook, in line with the District, is dominated by family-sized dwellings (2-4 bedrooms). There has been a general increase in dwelling size over the inter-census period, particularly in terms of medium to large sized homes of 4+ rooms, in addition to homes consisting of 2 rooms	On the basis of forward population projections, and allowing for the existing stock, the best size split to correct misalignments between supply and demand would be for approximately **24% of new houses to be one-bedroom, 30% two-bedrooms and 46% three-bedrooms.** The calculations on future provision indicate that there is no further requirement during the Neighbourhood Plan period for dwellings of four bedrooms or more.
Housing tenure and affordability	Census 2001/2011, Land Registry PPD, Local Plan, SHMA, RSH, AECOM Calculations	Home ownership remains the dominant tenure type in the parish, but the sector is experiencing slow growth and it is less common in Sharnbrook than across Bedford as a whole. The lower quartile price for homes in Sharnbrook is £266,000 whilst the average price for property in the parish is £362,291. A single person would need to be earning £68,400 annually to afford an entry-level property and earning £93,161 annually to afford a property around the average price. The annual income required even for a starter home is £54,720 and the income required to afford a 25% shared ownership property is £33,559. Homes in Sharnbrook and the wider MK44 postcode area, remain more expensive than nearby Bedford and Clapham (Bedford) areas.	An annual household income of £17,154 is needed to afford a home in the parish. For those whose income falls into the District lower quartile choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, a higher proportion of their household income would need to be devoted to housing costs than the recommended ceiling of 33%. For those whose income falls below the MSOA total annual income level, their choices are limited to market rent, entry level market rent, affordable rent, social rent and shared ownership (25%) housing tenures.

6.2 Recommendations for next steps

121. This neighbourhood plan housing needs advice has aimed to provide Sharnbrook Parish Council with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with BBC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, 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 adopted strategic development plan;
- the views of Bedford Borough Council;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Borough Council, including but not limited to the SHLAA; and
- the recommendations and findings of this study.

122. Ongoing changes to the planning system (for example the recent amendments to the NPPF) will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

123. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).

124. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Borough Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

125. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed will help ensure the continued relevance and credibility of its policies.

Appendix A : 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 house 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) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) 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.

d) 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[17].

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[18]

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[19]

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)[20]

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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[17] The Tenant Services Authority has issued an explanatory note on these methods at http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf
[18] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report
[19] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary
[20] See 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[21]

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to manage day-to-day tasks without assistance. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

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.

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, such as Starter Homes, the Government's flagship 'housing product'.

[21] See http://www.housingcare.org/jargon-extra-care-housing.aspx

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[22], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

[22] See https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

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[23]

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 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

[23] See http://www.housingcare.org/jargon-sheltered-housing.aspx

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.[24]

[24] See http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing