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Quality information

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List of acronyms used in the text:

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes Orwell is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Orwell is a Neighbourhood Area (NA) located in the district of South Cambridgeshire. Orwell covers the areas administered by Orwell Parish Council.
2. The 2021 Census recorded 1,145 individuals in Orwell, indicating an increase of 110 people since the 2011 Census.
3. There has been some development in Orwell in recent years. South Cambridgeshire has provided data showing that 77 new homes have been built since 2011. Of these, 35 were delivered as Affordable Housing. The current total number of dwellings in ORWELL are therefore estimated to be 514.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Orwell Neighbourhood Plan Steering Group at the outset of the research.
5. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

Tenure and Affordability

Current tenure profile

- 1.1 Orwell has a tenure profile which is dominated by people who own their own homes (71%) – a proportion in line with the district areas as a whole. Orwell has a much smaller social rented and private rented sector than the district and national average.

Affordability

- 1.2 The current median house price in Orwell is £650,000, which represents a growth of 86% over the last decade. Lower Quartile (lowest 25%) prices grew by 82% over the same time period, to a current average of £446,000.
- 1.3 The average household income in Orwell is estimated to be £51,000. Lower quartile (individual) earnings in the district are £21,600, so a household with two lower earners could be expected to earn around £43,200.
- 1.4 There is a clear pattern of poor affordability of housing in Orwell, with a substantial gap between the spending power of average earners and the cost of housing in the NA. The average home in Orwell requires an income of £170,000, which is close to 230% higher than the current average household income. Moreover, entry level housing would require an income 145% higher than the average household income.

- 1.5 Subsidised routes to home ownership like First Homes and Shared Ownerships are intended to target people who can afford to rent but not to buy. However, given the steep issues of affordability in Orwell, these products could still present challenges for average income households.
- 1.6 Moreover, given the high costs associated with buying homes in Orwell, subsidised housing routes could also present challenges in terms of eligibility. First Homes offered at a discount of 30% and 40% would fail to meet the policy requirement that First Homes cost no more than £250,000 as expressed in more detail in the main body of the report.
- 1.7 Affordability is slightly better in the rental market, average rents are still generally out of reach for average income households, but entry level rents would be affordable. However, rental properties still present issues of affordability to households on lower incomes.

The need for Affordable Housing

- 1.8 A Housing Needs of Specific Groups (HNSG) study was undertaken for Cambridgeshire and West Suffolk in 2021 which considered the housing needs of the district and can be used to give an indication of the scale of affordable housing need in Orwell. The figures presented in this document can be pro-rated to Orwell on their fair share of the overall population, which is 0.7% of the HNSG study area population. This produces an estimate that Orwell res 3 units of social/affordable rental homes per annum, or 54 over the neighbourhood plan period (2022-2040).
- 1.9 The HNSG report provides an equivalent estimate for the scale of demand for affordable home ownership products across Cambridgeshire and West Suffolk. Again, pro-rating these figures, based on their fair share of the population, for Orwell would suggest Orwell has a potential demand for 1 (rounded) new unit for affordable home ownership per annum in the NA, or 11 over the Neighbourhood Plan period (2022 – 2040).

Affordable Housing policy

- 1.10 Orwell Neighbourhood Plan Steering Group have not yet been provided with an indicative or definite Housing Requirement Figure by South Cambridgeshire. As such, it is difficult to define how much Affordable Housing may be delivered in the future, and whether this would be sufficient to meet the needs identified in this report.
- 1.11 This HNA would suggest an Affordable Housing tenure mix in Orwell of 65% affordable rented homes and 35% affordable ownership accommodation. This is due to the particularly acute affordability problems in the NA. An increase in the supply of social/affordable rented homes would prioritise and respond to the most acute affordability pressures in Orwell. However, adopting the mix above would increase the supply of affordable home ownership products as well as providing some scope to deliver Shared Ownership as well as the required proportion of First Homes.
- 1.12 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development

orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

Type and Size

The current housing mix

- 1.13 Currently there are 514 dwellings in Orwell, occupied by 503 households (Census, 2011). Comparing this figure to the 2011 Census total suggests that there have been 60 dwellings built in the past decade, which is slightly below the figure of 77 new dwelling provided by South Cambridgeshire. However, it is likely that these dwellings were unoccupied when the time of the 2021 Census was being undertaken.
- 1.14 Orwell has a housing stock which is significantly biased toward detached and semi-detached dwellings, which make up over 90% of the overall housing profile. This figure is much higher than both the district and national averages.
- 1.15 In terms of size, the NA's housing stock is dominated by larger 3 and 4+ bed homes, making up over two-thirds of the housing profile. However, this bias toward larger homes appears to be a trend reflected in the district average.

Population characteristics

- 1.16 Orwell has a relatively balanced population profile, with no age group significantly dominating the overall age structure.
- 1.17 The most significant percentage growth in the Orwell population appears to be in the group aged 85+, though numbers are small in absolute terms. In terms of how the Orwell population compares to the district average, there appears to be a much higher proportion of people aged 65-84 than typically found in South Cambridgeshire, and a much smaller proportion of younger people (aged 15-44).
- 1.18 Household projections suggest this aging of the Orwell population will continue over the Neighbourhood Plan period, with a potential increase of 72% in the population aged 65 and over. This is in contrast to either slow growth or slight contractions in the other age cohorts. It is relevant to note that there has been growth in the youngest age group and the 25-44 age group between 2011 and 2021 and so it is possible that future population and household growth may not be as dominated by older households as projections suggest.

Future population and size needs

- 1.19 This study provides an insight into the likely need for different sizes of homes based on projected demographic change and gaps within the existing housing stock. To accommodate the future population of Orwell and to diversify its housing mix, AECOM's modelling suggests the continued delivery of a range of different dwelling sizes, but with a focus on 2/3 bed homes. It should be noted that this model is a fairly blunt indication of future needs, which does not reflect the preferences or desires of individuals in relation to the size of homes they would like to live in.
- 1.20 When considering the future mix of housing in Orwell in terms of size, the model should be considered alongside other factors such as the affordability and access of homes of

different types and sizes, and the existing historic character of the area, which may favour certain types of homes. In summary, there are good reasons to depart from the results of delete “of” presented in this HNA to allow for more balance than the model results might suggest. The focus on 2/3 bed homes suggested by the model would satisfy the needs of first-time buyers and newly arising families and may also alleviate some of the affordability challenges outlined in the previous chapter. However, there may be a desire to increase the supply of larger or smaller homes, should this align with the desires of the community.

Equally, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of Orwell or site within the wider housing.

Specialist Housing for Older People

- 1.21 Currently there are 154 people aged 75+ living in Orwell, a figure which has grown from 104 in 2011, and is projected to increase to 232 by the end of the Neighbourhood Plan period (2041).
- 1.22 A clear majority of South Cambridgeshire’s households aged between 55-75 in 2021 (therefore likely to reach the 75+ bracket by 2041) are owner occupiers (82%) and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase or adaptation of existing property, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing as they are unlikely to have the funds to buy.
- 1.23 The growth in the older population, which, rather than the total, is the focus of the estimates of need here should be converted into households because some older people will be cohabiting in old age. The projected growth in the older population of 78 roughly translates to 55 new households formed of persons aged 75+ over the Neighbourhood Plan period.
- 1.24 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 1.25 These two methods of estimating the future need in Barby and Onley produce a range of 20 to 22 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today’s older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here. However, as noted above, the potential impact of older people in the prison population the figure may have inflated the results, meaning that the real need may in fact be less than stated. Delete this last sentence
- 1.26 This report also estimates a need for 5 care homes beds over the NP period.

1.27 Note that Neighbourhood Plans typically cannot set the proportion of specialist housing that should be affordable – that usually has to be in line with Local Plan policy for all housing. If the known supply is all in one category, note that any additional provision could fill a different gap in the market. The main unmet need is for approximately 17 units of market sheltered housing, this might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs.

2. Context

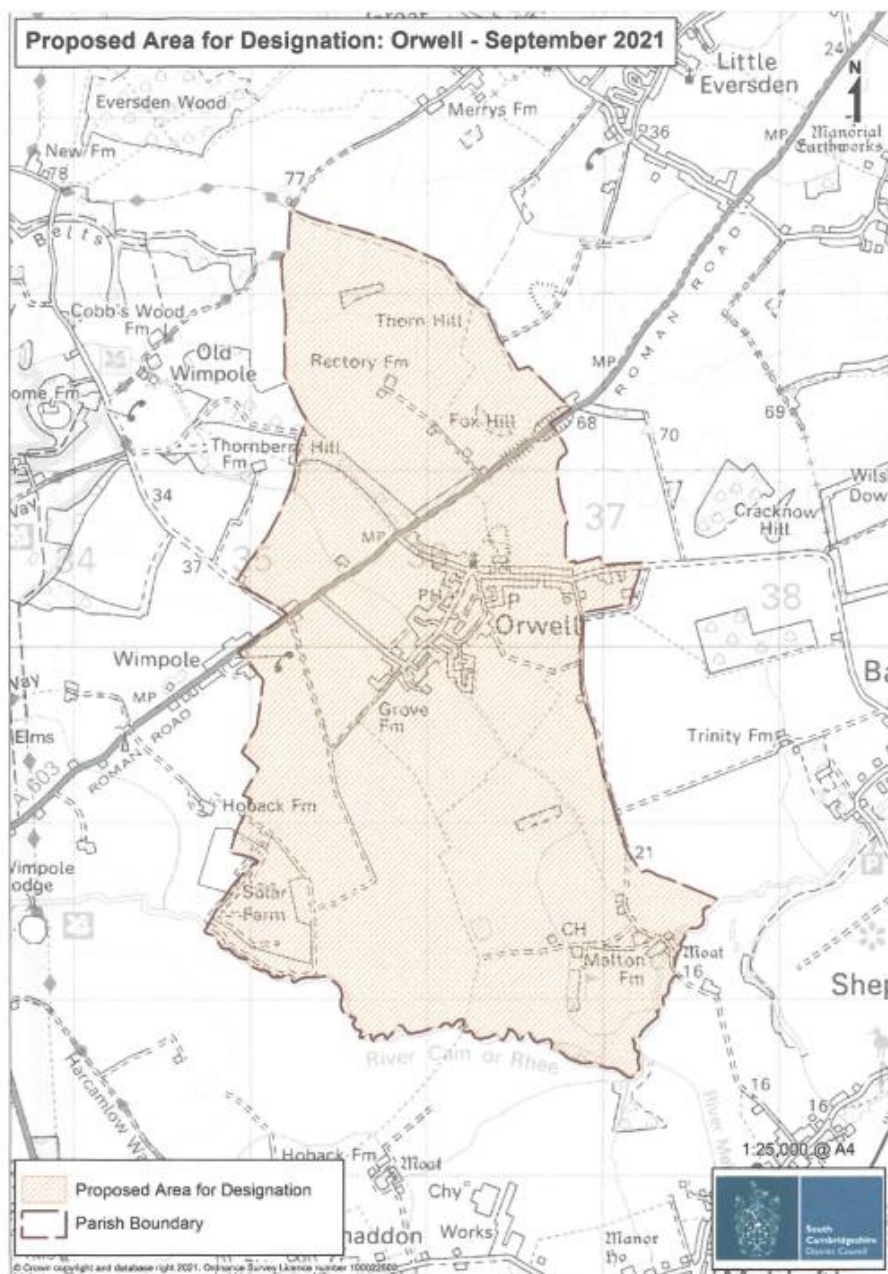
Local context

- 2.1 Orwell is a Neighbourhood Area (NA) located in the district of South Cambridgeshire in the east of England. The Orwell NA boundary follows the existing parish boundary and was designated in 2022.
- 2.2 The Neighbourhood Plan is envisaged to start in 2022 and extend to 2040, therefore covering a period of 18 years. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Neighbourhood Plan period changes.
- 2.3 Orwell is a relatively small rural village bypassed by the A603. The village is broadly residential in character and benefits from a range of services including a primary school, a pub and a number of small businesses. Orwell is approximately 8 miles from Cambridge, so it is likely residents use Cambridge as their main service centre. The smaller town of Royston is slightly closer to Orwell so may provide a sufficient range of services and amenities for residents of Orwell, including Orwell to a station, to reduce the need to travel into Cambridge.

Orwell boundary and key statistics

- 2.4 For Census purposes, Orwell is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Orwell is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Orwell Neighbourhood Area



Source: Orwell's Designated Neighbourhood Plan Area¹

2.5 At the time of the 2011 Census Orwell was home to 1,145 residents, formed into 503 households and occupying 514 dwellings. The 2021 Census indicates population growth of around 110 individuals (or 10.6%) since 2011², recording a total of 1,035 residents and 443 households. The average household size stayed the same between 2011 and 2021.

2.6 South Cambridgeshire have provided completions data showing that 77 new homes have been built since 2011. Of these, 35 were delivered as affordable.

¹ Available at https://www.scambs.gov.uk/media/21261/np-designation-application-_accessible-for-website_july22.pdf

² It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

The housing market area context

- 2.7 Whilst this HNA focuses on Orwell NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
- 2.8 Orwell sits within a housing market area which covers Cambridgeshire and West Suffolk (Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire and West Suffolk).^[1] This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area could also have links to other neighbouring areas however, including Milton Keynes and commuters from to? London.
- 2.9 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Orwell, are closely linked to other areas. In the case of Orwell changes in need or demand in settlements nearby, particularly Cambridge, is likely to impact on the neighbourhood.
- 2.10 In summary, Orwell functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (South Cambridgeshire), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

- 2.11 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of South Cambridgeshire, the relevant adopted Local Plan consists of:
- South Cambridgeshire Local Plan (adopted 2018).
- 2.12 South Cambridgeshire and Cambridge City Council are currently working together to create a joint Local Plan for the two areas which will ensure a coordinated approach to planning in both areas up to 2041. A Local Development Scheme (LDS) which includes a timetable for plan making activities was adopted in August 2022. However, the LDS is currently being updated due to work required associated with the relocation of Cambridge Waste Water Treatment Plant. This last comment needs explaining – in an appendix?

^[1] <https://cambridgeshireinsight.org.uk/wp-content/uploads/2021/10/CWS-Housing-Needs-of-Specific-Groups-Oct21.pdf>

³ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

2.13 A detailed breakdown of the adopted South Cambridgeshire Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the adopted Local Plan:

- Emerging Local Plan Policy S/5 identifies an overall housing target of 19,500 homes per year for the district.
- In Policy S/10 Orwell is designated as one of 32 Group Villages, which will support development on sites capable of delivering up to 8 dwellings, or 15 dwellings on suitable brownfield sites.
- Policy H/10 states that 40% of all new dwellings are expected to be delivered as Affordable Housing on sites larger than 11 homes. The suggested tenure mix within Affordable Housing will be informed by the most recent housing needs assessment;
- Policy H/9 sets out an expectation that 5% of new homes will be built to Category M4(2) accessibility standards.

Quantity of housing to provide

2.14 The NPPF 2021 (paragraphs 66 and 67) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.15 South Cambridgeshire have not yet provided Orwell with a Housing Requirement Figure (HRF). For the purpose of this study this figure is unknown, but once a figure has been arrived at, the calculations presented in the following chapters can be applied to the HRF to understand the expected delivery of, for example, Affordable Housing.

3. Objectives and approach

Objectives

3.1 This Housing Needs Assessment (HNA) is structured according to a number of themes or topics that were agreed at the outset of the research with the Orwell Neighbourhood Plan Steering Group. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Affordability and Affordable Housing

3.2 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

3.3 This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within Orwell at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

3.4 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Type and Size

3.5 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

3.6 The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in Orwell at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

3.7 In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including design, wealth, accessibility requirements and personal preference. The conclusions and recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors and evidence if desired.

Specialist Housing for Older People

3.8 It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.

3.9 This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

3.10 This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

Approach

3.11 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;
- ONS population age estimates for parishes (as 2021 Census data does not yet include age profile at small scales);
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk);
- Local Authority housing waiting list data; and
- Cambridgeshire and West Suffolk Housing Needs of Specific Groups (October, 2021).

3.12 Data from the 2021 Census continues to be released throughout 2023. At present, the available data covers population, households, tenure, and dwelling stock characteristics.

Some data at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

Introduction

- 4.1 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.
- 4.2 This chapter has three aims, each given its own sub-section:
- To establish the existing **tenure** of homes within Orwell at present (owner occupied, private rented, social/affordable rented, shared ownership);
 - To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
 - To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
- 4.3 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

- 4.4 This section uses a range of technical terms which are useful to define at the outset:
- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
 - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
 - The definition of **Affordable Housing** is set out in the NPPF 2021 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
 - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a

new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁴

- **First Homes** is a new product and expected to be an important part of the strategy for improving access to home ownership. Its key features are explained in greater detail in Appendix C.

Current tenure profile

4.5 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

4.6 Table 4-1 presents data on tenure in Orwell compared with South Cambridgeshire and England from the 2021 Census. It shows that home ownership significantly dominates the tenure profile in Orwell which is a similar rate to the district average. Social rented housing is the next most common tenure (20%), which is a higher proportion than the district average. In turn, there is a small private rented sector when compared to the district average.

Table 4-1: Tenure (households) in Orwell, 2021

Tenure	Orwell	South Cambridgeshire	England
Owned	71.0%	68.9%	61.3%
Shared ownership	4.2%	2.5%	1.0%
Social rented	19.5%	14.5%	17.1%
Private rented	5.4%	14.1%	20.6%

Sources: Census 2021, AECOM Calculations

6. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). It shows that there has been a reduction in the proportion of private renters in the NA, although the absolute numbers show that only 3 units have been removed from the market, it is worthy of note when considering the lack of availability of this tenure in general in Orwell.
7. Otherwise, there has been little or slow growth in the other tenure options over the last decade. Other than shared ownership properties (up 75%) but from a low base in 2011.

Table 4-2: Tenure change (households) in Orwell, 2011-2021

Tenure	2011	2021	% change
Owned	321	357	11.2%
Shared ownership	12	21	75.0%
Social rented	74	98	32.4%
Private rented	30	27	-10.0%

Sources: Census 2021 and 2011, AECOM Calculations

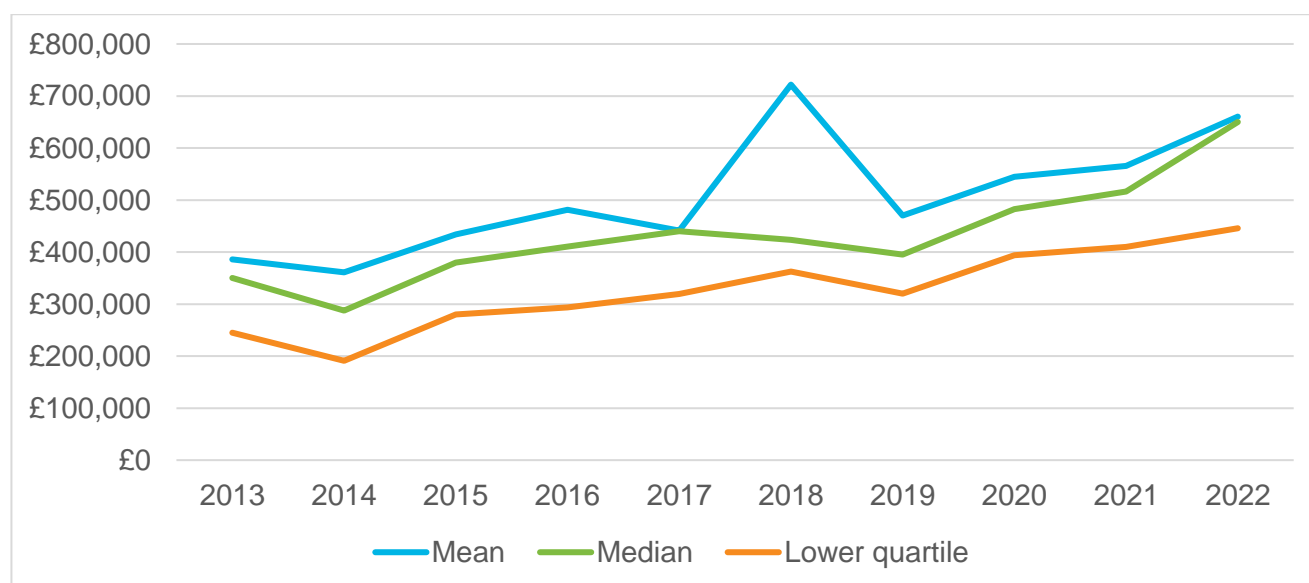
⁴ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

Affordability

House prices

- 4.7 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
- 4.8 Figure 4-1 looks at the average and lower quartile house prices in Orwell based on sales price data published by the Land Registry. When looking at changes in the median house price, which represents the middle number when the data is sorted from smallest to largest, it shows that house prices have experienced relatively steady growth between 2013 – 2019 and significant upward growth between 2019 - 2022.
- 4.9 The current median house price in Orwell is £650,000, which is 86% higher than the median price in 2013. The current mean, which represents the average of all house prices, is £660,000 which is slightly higher than the median price and is 71% higher than the average in 2013.
- 4.10 The current lower quartile price, which is the determined by ranking all properties prices – the lower 25% of properties are below the lower quartile, the highest 75% are above. This price provides a good representation of entry level housing at £446,000 – which is 82% higher than the 2013 lower quartile average.
- 4.11 House prices in Orwell appear quite significantly higher than in other areas of South Cambridgeshire, where the current median price is £425,000.

Figure 4-1: House prices by quartile in Orwell, 2013-2022



Source: Land Registry PPD

4.12 Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that there is a clear distinction between the value of detached housing and other housing types, with this dwelling type costing over £500,000 more than the median semi-detached dwelling in 2022. However, it should be noted that there was only one semi-detached dwelling sold in 2022, so the median cost contained in the table below is likely not an accurate reflection of the cost of this dwelling type. Measuring price changes for semi-detached dwellings between 2013 - 2021 shows a 60% increase over this time period with a median cost of £400,000, which is more in line with growth in the other housing types included in table 4-3. Terraced dwellings appear to be increasing in price at a much higher rate in comparison to other housing types, but it should be noted that these dwellings started at a much lower base in 2012 and are still considerably cheaper than detached dwellings.

4.13 The table shows that there were no sales of flats over the 10-year period (2013-2022), which suggests a low level of provision in the NA. It would be worthwhile to consider the cost of dwelling types in the context of the overall housing typology, with analysis of this dwelling type contained in the subsequent chapter. Considering the price changes below in the context of the overall median house price in Orwell (£650,00) would suggest that detached dwellings are the most common sales in the NA.

Table 4-3: Median house prices by type in Orwell, 2013-2022

Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Growth
Detached	£433K	£410K	£495K	£537K	£480K	£514K	£588K	£495K	£615K	£685K	58.4%
Semi-detached	£250K	£210K	£263K	£335K	£339K	£338K	£320K	£409K	£399K	£171K	-31.6%
Terraced	£100K	£188K	£105K	£165K	£125K	£170K	£205K	£780K	£257K	£303K	202.5%
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	£350K	£288K	£380K	£411K	£440K	£424K	£396K	£483K	£516K	£650K	85.7%

Source: Land Registry PPD

Income

4.14 Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

4.15 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £51,000 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

4.16 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. South Cambridgeshire's gross individual lower quartile annual earnings were £21,600 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £43,200.

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

Affordability Thresholds

4.18 To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

4.19 AECOM has determined thresholds for the income required in Orwell to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.

4.20 The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives such as higher percentages for mortgage offers. This is discussed in more detail at the start of Appendix C.

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

The comments in 4.20 and 4.21 tend to undermine the conclusions based on table 4-4 so some variants should be explored

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £51,000	Affordable on LQ earnings (single earner)? £22,000	Affordable on LQ earnings (2 earners)? £43,000
Market Housing						
Median House Price	£585,000	-	£167,143	No	No	No
Estimated NA New Build Entry-Level House Price	£436,096	-	£124,599	No	No	No
LQ/Entry-level House Price	£401,175	-	£114,621	No	No	No
LA New Build Median House Price	£415,796	-	£118,799	No	No	No
Average Market Rent	-	£18,000	£60,000	No	No	No
Entry-level Market Rent	-	£13,200	£44,000	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£305,267	-	£87,219	No	No	No
First Homes (-40%)	£261,658	-	£74,759	No	No	No
First Homes (-50%)	£218,048	-	£62,299	No	No	No
Shared Ownership (50%)	£218,048	£6,057	£82,489	No	No	No
Shared Ownership (25%)	£109,024	£9,085	£61,434	No	No	No
Shared Ownership (10%)	£43,610	£10,902	£48,801	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£7,644	£25,455	Yes	No	Yes
Social Rent	-	£5,772	£19,221	Yes	Yes	Yes

Source: AECOM Calculations

4.22 Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give an indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

4.23 Upon first glance, the table above shows that there is a clear issue with affordability of housing in Orwell, with a very apparent gap between the spending power of the average household relative to average cost of housing. Households would require

Market housing for purchase and rent

4.24 Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median

house price would require an annual income approximately two and a half times higher than the current average.

4.25 Private renting at entry level rent appears affordable to households with average incomes. Households made up of two lower quartile earners cannot afford the given income thresholds required to rent. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

4.26 There is a relatively large group of households in Orwell who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £44,000 per year (at which point entry-level rents become affordable) and £115,000 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

4.27 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

4.28 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Given the high cost of housing in the NA, housing with a of 50% discount would still be unaffordable to households on average incomes. They would need incomes 23% higher than the current average household income.

4.29 It should also be noted that the eligibility threshold for First Homes is capped at £80,000. First Homes offered at a 30% discount would surpass the cap. Moreover, if the discounted price of the unit once a discount has been applied is above £250,000 the home would also fail to meet the eligibility criteria, which would also rule out 40% discounts. As such, only First Homes offered at a discount of 50% would meet the eligibility criteria in terms of both the income threshold required (£62,000) and the cost of the discounted unit (£240,000). Finally, it should be stressed here that the figures presented are an estimate cost for new build housing based on the average costs across South Cambridgeshire.

4.30 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Orwell Steering Group intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.

- 4.31 Shared ownership appears to be present similar affordability challenges as First Homes, being generally out of reach to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁵ If this is delivered in the NA, it will make shared ownership easier to access for more households. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 4.32 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership quite significantly. However, discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable to First Homes and Shared Ownership. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
- 4.33 These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at the lowest equity share appears to be affordable to households on average incomes in Orwell and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

⁵ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

- 4.34 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in ??
- 4.35 Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units on the basis of their earnings alone. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
- 4.36 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Orwell as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Estimates of the Need for Affordable Housing

- 4.37 This section seeks to quantify the long-term potential need for Affordable Housing, which should be considered separately for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.
- 4.38 A Housing Needs of Specific Groups (HNSG) assessment was undertaken for Cambridgeshire and West Suffolk in 2021, This study estimates the housing needs of the study area based on analysis of the LA's waiting lists and analysis of other data sets in line with Planning Practice Guidance at the time.
- 4.39 Given the how recent the HNSG report is, prorating the figures presented in this document represent the most appropriate basis for estimating the likely need for Affordable Housing in Orwell. The HNSG report estimates the need for an additional 435 affordable/social rental units per annum in Cambridgeshire and West Suffolk.
- 4.40 When this figure is prorated to Orwell based on its fair share of the study population (0.7% of the study area population (Census 2021)), the result is 3 additional social/affordable rented homes per annum. This means that, over the Neighbourhood Plan period (2022-2040) to fully meet Affordable Housing need, Orwell needs to deliver a total of 54 social/affordable rental homes.
- 4.41 Turning to affordable home ownership, the HNSG report estimates a net need for 1 unit in Orwell per annum. The HNSG report arrives at this figure by suggesting that 50% of sales of lower quartile properties in the mainstream housing market would satisfy this category of need⁶.
- 4.42 As an alternative to this figure, using AECOM's own modelling, Table 4-5 estimates the potential demand for Affordable Home ownership units in Orwell. It suggests a similar figure to that presented in the HSNG of 0.6 units per annum or 11 over the Neighbourhood Plan period. As such, despite the assumption regarding the sale of lower quartile homes meeting some of the need for affordable home ownership, the figures in the HSNG report generally reflect the estimates of need for affordable homeownership using AECOM's inhouse modelling.
- 4.43 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

⁶ The HNSG arrives at this figure by suggesting that 50% of sales at the lower end of the mainstream housing market would satisfy this category of need. Despite not carrying forward this assumption AECOMs model arrives at a similar figure for Affordable Home Ownership need,

Affordable Housing Policies in Neighbourhood Plans

4.44 This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides a recommendation and summarises relevant considerations.

Application of Local Plan Policies

4.45 South Cambridgeshire's adopted policy 'H/10: Affordable Housing' on this subject requires 40% of all new housing to be affordable. Given that Affordable Housing made up 45% of new housing in Orwell over the last decade according to South Cambridgeshire's completions figures, it is understood that this target is usually met on sites in the NA. Indeed, previous completions suggest some sites have delivered more than the affordable housing quota and may have been affordable housing led sites.

4.46 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g., about development viability) would be needed.

4.47 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence.

Affordable Housing at Neighbourhood level

4.48 The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Orwell on the basis of identified housing need and a range of other considerations detailed in Appendix D.

4.49 The key factors are as follows:

- This HNA estimates the need for 3 social/affordable units per annum (based on the HNSG report), and the potential demand for 1 unit of affordable home ownership per annum.
- Given the size of Orwell and the scale of development experienced over the last decade, where 30 units of Affordable Housing have been delivered, it is unlikely that Orwell will meet the full need identified in this HNA. However, if this rate of development were to continue over the Neighbourhood Plan period it would meaningfully improve access to Affordable Housing in a rural context where there appears to be

significant affordability challenges for average and lower income households.

- The affordability analysis earlier in this chapter established that socially rented housing is affordable and necessary for lower income households. Moreover, affordable home ownership still presents affordability challenges to both average income and lower earning households. As such, an increase in provision would still meaningfully widen access to home ownership for local people. This suggests both should feature in the tenure mix.

4.50 Where the Orwell Neighbourhood Planning Steering Group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with South Cambridgeshire to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Table 4-5: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	35%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	-	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	65%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current tenure profile

4.51 Orwell has a tenure profile which is dominated by people who own their own homes (71%) – a proportion in line with the district. Orwell has a much smaller social rented and private rented sector than the district and national average.

Affordability

4.52 The current median house price in Orwell is £650,000, which represents a growth of 86% over the last decade. Lower Quartile (lowest 25%) prices grew by 82% over the same time period, to a current average of £446,000.

4.53 The average household income in Orwell is estimated to be £51,000. Lower quartile (individual) earnings in the district are £21,600, so a household with two lower earners could be expected to earn around £43,200.

4.54 There is a clear pattern of poor affordability of housing in Orwell, with a substantial gap between the spending power of average earners and the cost of housing in the NA. The average home in Orwell requires an income of £170,000, which is close to 230% higher than the current average household income. Moreover, entry level housing would require an income 145% higher than the average household income.

4.55 Subsidised routes to home ownership like First Homes and Shared Ownerships are intended to target people who can afford to rent but not to buy. However, given the steep issues of affordability in Orwell, these products could still present challenges for average income households.

4.56 Moreover, given the high costs associated with buying homes in Orwell, subsidised housing routes could also present challenges in terms of eligibility. First Homes offered at a discount of 30% and 40% would fail to meet the policy requirement that First Homes cost no more than £250,000 as expressed in more detail in the main body of the report.

4.57 Affordability is slightly better in the rental market, average rents are still generally out of reach for average income households, but entry level rents would be affordable. However, rental properties still present issues of affordability to households on lower incomes.

The Need for Affordable Housing

4.58 A Housing Needs of Specific Groups (HNSG) study was undertaken for Cambridgeshire and West Suffolk in 2021 which considered the housing needs of the district and can be used to give an indication of the scale of affordable housing need in Orwell. The figures presented in this document can be pro-rated to Orwell on their fair share of the overall population, which is 0.7% of the HNSG study area population. This produces an estimate that Orwell require 3 units of social/affordable rental homes per annum, or 54 over the neighbourhood plan period (2022-2040).

4.59 The HNSG report provides an equivalent estimate for the scale of demand for affordable home ownership products across Cambridgeshire and West Suffolk. Again, pro-rating these figures, based on their fair share of the population, for Orwell would suggest potential demand for 1 (rounded) new unit for affordable home ownership per annum in the NA, or 11 over the Neighbourhood Plan period (2022 – 2040).

Affordable Housing Policy

4.60 Orwell Neighbourhood Plan Steering Group have not yet been provided with an indicative or definite Housing Requirement Figure by South Cambridgeshire. As such, it is difficult to define how much Affordable Housing may be delivered in the future, and whether this would be sufficient to meet the needs identified in this report.

4.61 This HNA would suggest an Affordable Housing tenure mix in Orwell of 65% affordable rented homes and 35% affordable ownership accommodation. This is due to the particularly acute affordability problems in the NA. An increase in the supply of social/affordable rented homes would prioritise and respond to the most acute affordability pressures in Orwell, adopting the mix above would increase the supply of affordable home ownership products as well as providing some scope to deliver Shared Ownership as well as the required proportion of First Homes.

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

5. Type and Size

Introduction

- 5.1 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
- 5.2 This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.
- 5.3 This chapter has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in Orwell at present;
 - To describe characteristics of the local **population** that are relevant to housing need; and
 - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
- 5.4 It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.
- 5.5 The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

- **Dwelling type:** whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size:** how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.
- **Household:** a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that

are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

- **Household composition:** the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage:** the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix:** the range of home sizes and types in an area.
- **Over- and under-occupancy:** the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

The Current Housing Mix

5.6 This section establishes the current housing mix of Orwell, highlighting recent changes to it and comparing the mix to wider averages.

5.7 Currently there are 514 dwellings in Orwell, occupied by 503 households (Census, 2021). Comparing this figure to the 2011 Census total suggests that there have been 60 dwellings built in the past decade, which is slightly below the figure of 77 new dwelling provided by South Cambridgeshire. However, it is likely that these dwellings were unoccupied when the time of the 2021 Census was being undertaken.

Dwelling Type

5.8 Table 5-1 below shows the breakdown of different housing types available in Orwell. It shows that Orwell housing stock is significantly skewed toward detached and semi-detached dwellings which make up close to 90% of the overall housing stock. The rest of the housing stock is made up of terraced dwellings and a very small proportion of flats.

5.9 It is worthwhile to reflect on the affordability analysis conducted in the previous chapter in the context of the results presented in Table 5-1. The analysis pointed toward a median housing cost of £650,000, which is close to the median cost of detached homes (£685,000). Being the most prevalent housing type in Orwell it is likely that a majority of homes available for sale are detached dwellings hence the high median cost. Moreover, the analysis found there to be significant growth in the prices of terraced dwelling over the 10-year period, the low proportion of these dwellings presented below may suggest a scarcity of options which is driving the price increase amongst these smaller properties.

5.10 Table 5-1 also presents figures from 2011, to give an understanding of how the housing stock may have changed over the last 10 years, however it does not

show any significant variation over this time period, with some growth in the number and proportion of semi-detached homes and a small decline in the number and proportion of terraces. It is also notable that a small number of flats have been delivered since 2011, but only account for 2% of the stock (10 dwellings).

Table 5-1: Accommodation type, Orwell, 2011-2021

Type	2011	%	2021	%
Detached	273	60.1%	299	59.4%
Semi-detached	117	25.8%	145	28.8%
Terrace	54	11.9%	49	9.7%
Flat	0	0.0%	10	2.0%
Total	454	100%	503	100%

Source: ONS 2021 and 2011, VOA 2021, AECOM Calculations

5.11 Table 5-2 compares Orwell mix to wider benchmarks. It shows a relatively unique housing profile when compared to the district and national averages, with a much higher proportion of detached dwellings and a smaller share of terraced dwellings and flats.

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

Type	Orwell	South Cambridgeshire	England
Detached	59.4%	41.2%	22.9%
Semi-detached	28.8%	33.8%	31.5%
Terrace	9.7%	16.8%	23.0%
Flat	2.0%	7.2%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling Size

5.12 Table 5-3 below presents the current housing mix in terms of size. It shows that Orwell's housing stock is dominated by homes with 3+ bedrooms which make up over 70% of the overall stock.

5.13 Table 5-3 also presents figures from 2011, to give an understanding of how the housing stock may have changed in terms of size over the last decade. However, again, it does not appear that there have been any significant changes to the size of homes in Orwell, which suggests that new housing developed over the last decade has not shifted the prevailing character of the area in terms of type and size.

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

Number of bedrooms	2011	%	2021	%
1	27	6.1%	34	6.8%
2	95	21.4%	110	21.9%
3	140	31.6%	153	30.5%
4+	181	40.9%	205	40.8%
Total	443	100%	502	100%

Source: ONS 2021 and 2011, AECOM Calculations

5.14 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows Orwell generally follows the trend seen across the district in terms of the size of homes, with a higher proportion of larger 4+ bed homes.

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

Number of bedrooms	Orwell	South Cambridgeshire	England
1	6.8%	6.7%	11.6%
2	21.9%	22.5%	27.3%
3	30.5%	35.2%	40.0%
4+	40.8%	35.6%	21.1%

Source: Census 2021, AECOM Calculations

Self-Build Housing

5.15 Self-build and custom housebuilders refer to individuals or groups seeking to acquire serviced plots of land in order to build houses for themselves to occupy as homes (as opposed to building to sell or rent). There is a wide range of types of self-build, from large Grand Designs style houses, more affordable construction using self-build as a form of sweat equity, community self-build where a group come together to build a small number of homes, and more hands-off self-finish. There is a scale of involvement from individuals: from undertaking all work themselves, to hiring a range of external contractors (e.g. builders, architects, project managers), to simply making decisions regarding the final layout/design of the property.

5.16 The Self-Build and Custom Housebuilding Act 2015 placed a duty on local authorities, such as South Cambridgeshire, to keep a register of individuals and groups of individuals with a desire to acquire a serviced plot of land within the local authority area. This is generally referred to as the 'Self-Build Register'. Local authorities must take note of this when planning for development in their area, with relevant authorities required to give development permission to enough suitable serviced plots of land to meet the demand in their area⁷.

5.17 In August 2021, Richard Bacon, MP for South Norfolk, undertook an independent review into scaling up self-build and custom build housing, with the Government

⁷<https://www.gov.uk/government/publications/self-build-and-custom-housebuilding-data-2016-2016-17-2017-18-and-2018-19/data-release-self-build-and-custom-housebuilding-data-2016-to-2020-21>

publishing a response in June 2022⁸. This recognises that a key challenge for those looking to build their own home is the lack of supply of serviced plots. The Brownfield Land Release Fund (BLRF) has been used in part since its launch in April 2021 to help Councils to meet this demand. Approximately £8.7 million of this fund was allocated to 54 bids, delivering 466 homes across 13 local authorities⁹.

- 5.18 The demand for self-build in the UK can be somewhat difficult to quantify. Although local authorities are required to keep a register of those interested in a serviced plot within their local authority area, this is done to differing levels of success. Additionally, the Self Build Register is often not widely publicised, and in some local authorities there is a charge to be added to it, and so there are likely to be additional individuals not counted on the registers. Equally, some interested parties can add themselves to multiple registers in different areas. However, it is generally understood that they underestimate demand.
- 5.19 Looking at individuals nationally that are currently on self-build registers, the last reporting period covers 31st October 2020 to 30th October 2021. The Government data release¹⁰ outlines that in this time period, 12,263 new individuals and 157 new groups joined registers, a 31% and 12% increase respectively on the previous year. As of October 2021, there were 58,813 individuals and 759 groups on self-build registers. In terms of delivery, in the last reporting period (2020/21), 8,309 planning permissions were granted for serviced plots, a 7% increase on 2019/20. This increase in the provision of serviced plots is lower than the increase in individuals and groups joining the registers in the last year, suggesting that demand is outstripping supply.
- 5.20 On a local level, the adopted South Cambridgeshire Local Plan does not make reference to self-build or include any requirement for the provision of self-build plots. South Cambridgeshire does however have a page on their website¹¹ which clearly outlines the process regarding joining the Self Build register for the Local Authority. The section of the website also provides detail on the number of new entries to the self-build register and the number of planning applications that have been approved for self-build housing. Between 2021 – 2022 there were 130 people added to the self-build register across South Cambridgeshire, which is lower than the 189 people added in 2020 – 2021.
- 5.21 If the Orwell Neighbourhood Plan Steering Group wish to accommodate self-build housing plots within their Neighbourhood Plan this should be left as a matter for discussion between the steering group and South Cambridgeshire Council.

⁸ See Government response here: <https://www.gov.uk/government/publications/government-response-to-the-independent-review-into-scaling-up-self-build-and-custom-housebuilding/independent-review-into-scaling-up-self-build-and-custom-housebuilding-government-response>

⁹ See <https://www.gov.uk/government/publications/government-response-to-the-independent-review-into-scaling-up-self-build-and-custom-housebuilding/independent-review-into-scaling-up-self-build-and-custom-housebuilding-government-response>

¹⁰ See <https://www.gov.uk/government/publications/self-build-and-custom-housebuilding-data-2016-2016-17-2017-18-and-2018-19/data-release-self-build-and-custom-housebuilding-data-2016-to-2020-21>

¹¹ <https://www.scambs.gov.uk/housing/housing-development/self-build-and-custom-build-property-register/>

Population Characteristics

5.22 This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

5.23 Table 5-5 shows the most recent age structure of Orwell population, alongside 2011 Census figures. It shows that Orwell has a population of 1,145, which has grown by 11% since the 2011 Census.

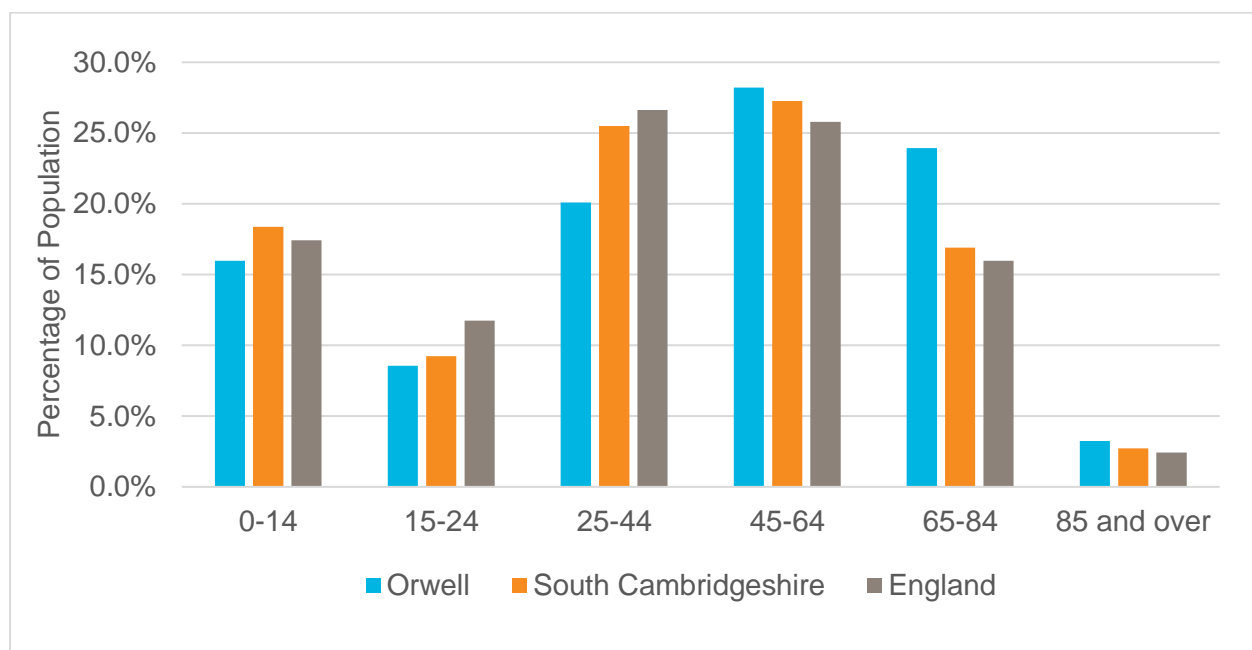
5.24 The same table shows that Orwell has a relatively balanced age profile, with no age cohort dominating the overall population proportions. However, when looking at how the population has changed over the last decade, it would appear that the largest proportional changes are being experienced in the oldest age cohort (85+), though this relates to quite a small number of people in absolute terms. There have also been notable increases in those aged between 24-44 and 0-14, when considered together can be a sign of a growth growing family population.

Table 5-5: Age structure of Orwell, 2011 and 2021

Age group	2011 (Census)		2021 (Census)		Change
0-14	158	15.3%	183	16.0%	15.8%
15-24	112	10.8%	98	8.6%	-12.5%
25-44	170	16.4%	230	20.1%	35.3%
45-64	358	34.6%	323	28.2%	-9.8%
65-84	214	20.7%	274	23.9%	28.0%
85 and over	23	2.2%	37	3.2%	60.9%
Total	1035	100.0%	1,145	100.0%	10.6%

Source: ONS 2011, ONS 2021, AECOM Calculations

5.25 For context, it is useful to look at Orwell population structure alongside that of the district and country. Figure 5-1 (using 2021 Census data) shows that Orwell has a much higher proportion of its population aged between 65-84 than the district and national averages. Moreover, despite the growth in the population aged between 25-44 cited above, the figure below shows that there is still a much higher proportion of people of this age bracket on average across both South Cambridgeshire and England.

Figure 5-1: Age structure in Orwell, 2021

Source: ONS 2021, AECOM Calculations

Household composition and occupancy

5.26 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kind of housing needed over the Neighbourhood Plan period. Table 5-6 shows that there is little distinction between Orwell and South Cambridgeshire in terms of the composition of their respective housing groups. However, Orwell appears to have a slightly lower proportion of family households with dependent children than the wider district. There are also higher proportions of older households – both single and couple households compared to the district and England as a whole.

5.27 Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and from their own households. It is interesting to observe that this category grew by 24% between 2011 and 2021 in Orwell – a slightly faster rate than the district average.

Table 5-6: Household composition, Orwell, 2021

Household composition		Orwell	South Cambridge shire	England
One person household	Total	26.3%	26.2%	30.1%
	Aged 66 and over	13.7%	12.3%	12.8%
	Other	12.5%	14.0%	17.3%
One family only	Total	70.9%	69.1%	63.1%
	All aged 66 and over	13.7%	11.4%	9.2%
	With no children	19.9%	18.7%	16.8%
	With dependent children	24.7%	29.2%	25.8%
	With non-dependent children ¹²	9.4%	9.3%	10.5%
Other household types	Total	2.8%	4.7%	6.9%

Source: ONS 2021, AECOM Calculations

5.28 The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A household is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy (or overcrowding) works in the same way, with a rating of -1 indicating at least one bedroom too few.

5.29 Table 5-7 shows that the parish population is generally well housed, with less than 1% of households overall being over occupied (overcrowded). However, a small but notable proportion of families with dependent children are living in overcrowded homes in the parish (2.6% of this group). The data shows that households in the parish tend to have at least one more bedroom than they would be expected to need (80%). This dynamic appears to be most prevalent in the older population but is also common with other single person households.

Table 5-7: Occupancy rating by age in Orwell, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	84.1%	14.6%	1.2%	0.0%
Single person 66+	38.0%	40.8%	21.1%	0.0%
Family under 66 - no children	80.6%	14.3%	5.1%	0.0%
Family under 66 - dependent children	38.4%	23.2%	36.0%	2.4%
Family under 66 - adult children	54.9%	35.3%	9.8%	0.0%
Single person under 66	44.4%	30.2%	25.4%	0.0%
All households	55.6%	24.7%	19.1%	0.6%

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

Source: ONS 2021, AECOM Calculations

5.30 As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for South Cambridgeshire in 2011 (because this data is not available at smaller scales). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

Future Population and Size Needs

5.31 This section projects the future age profile of the population in Orwell at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

5.32 The result of applying Local Authority level household projections to the age profile of Orwell households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with the population aged 65+ expected to grow by 72% over the Neighbourhood Plan period. This is in contrast to modest or minimal growth in each of the other age cohorts included in the table below.

Table 5-8: Projected age of households, Orwell, 2011 - 2040

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	8	19	154	99	163
2040	7	16	146	111	280
% change 2011-2040	-10%	-14%	-5%	12%	72%

Source: AECOM Calculations

- 5.33 This demographic change can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2 (rainbow bar graph)) onto the projected age profile for Orwell in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.
- 5.34 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.
- 5.35 The result of this exercise is presented in Table 5-9. It suggests that in order to diversify its housing offer, Orwell should provide a balanced supply of different sizes of homes. Orwell should focus on delivering 2/3 bed homes, while also maintaining a modest supply of smaller 1 bed homes and larger 4+ bed homes. It should be noted that this suggested mix is chiefly a response to projected changes to the population and to differences between local size characteristics and those of the wider district.
- 5.36 If the neighbourhood plan is seeking to influence the future size mix of homes in the parish it would be worthwhile to consider these figures alongside the average price of housing presented in the previous chapter. Policies on housing should reflect the lived experience of persons in parish and aim to deliver housing that meets the needs of the population, whilst also being within reach of average earners in terms of pricing.

Table 5-9: Suggested dwelling size mix to 2040, Orwell

Number of bedrooms	Current mix (2011)	Suggested mix (2040)	Balance of new housing to reach suggested mix
1	5.9%	6.8%	9.0%
2	21.4%	23.1%	25.2%
3	31.6%	37.5%	51.4%
4	40.8%	32.6%	14.3%

Source: AECOM Calculations

5.37 The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The Cambridgeshire and West Suffolk Housing Needs of Specific Groups (2021) report deviates slightly from the model results presented above, suggesting a higher proportion of larger 4+ bed homes, a smaller proportion of 1 bed homes but maintaining a healthy supply of 2/3 bed homes.
- There already exists a high proportion of larger 4+ homes in the NA, applying the mix presented in the table above would provide a supply of homes at a range of sizes to meet the needs of different segments of the population.
- The results of this model should be considered in the context of the significant affordability challenges being experienced in the NA. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Maintaining a supply of smaller one bed homes as suggested by the model would help to address this situation, although it should be considered whether a large number of 1-bedroom homes is suitable given the area's rural character and current density patterns.
- The delivery of smaller 2-3 bedroom homes would also provide older households opportunities to downsize if they wish and free up larger family homes, and also provide an opportunity for younger households to access the housing market as first time buyers.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable.

Tenure

5.38 The housing mix discussed above applies to all housing in Orwell over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

5.39 Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because most households on the Council's waiting list are only likely to be eligible for 1- or 2-bedroom properties due to allocation policies restricting households to the minimum space they need eg children of a certain age are expected to share bedrooms and so even families with 2 children may only be entitled to a 2 bedroom home. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

5.40 There are three key sources of information for thinking through the size needs of different categories. These are:

- The Housing Needs of Specific Groups (2021) report sets out the projected need by size for different tenure options. It suggests the tenure mix for affordable housing should deviate from that of owner-occupied homes by providing more smaller 1-2 bed homes.
- The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In this case there is a higher demand for smaller 1-2 bed homes.
- Any relevant household survey or consultation work in Orwell can also highlight any specific gaps in the market within particular segments of the population.

5.41 To summarise, the overall size mix suggested above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

5.42 Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

5.43 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants

with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

- 5.44 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Orwell, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, a large block of which may not be a welcome proposition in the NA. That said, it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue.
- 5.45 In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about Orwell today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Orwell Neighbourhood Plan Steering Group and community to consider.

Conclusions- Type and Size

The current housing mix

- 5.46 Currently there are 514 dwellings in Orwell, occupied by 503 households (Census, 2011). Comparing this figure to the 2011 Census total suggests that there have been 60 dwellings built in the past decade, which is slightly below the figure of 77 new dwelling provided by South Cambridgeshire. However, it is likely that these dwellings were unoccupied when the time of the 2021 Census was being undertaken.
- 5.47 Orwell has a housing stock which is significantly biased toward detached and semi-detached dwellings, which make up over 90% of the overall housing profile. This figure is much higher than both the district and national averages.
- 5.48 In terms of size, the NA's housing stock is dominated by larger 3 and 4+ bed homes, making up over two-thirds of the housing profile. However, this bias toward larger homes appears to be a trend reflected in the district average.

Population characteristics

- 5.49 Orwell has a relatively balanced population profile, with no age group significantly dominating the overall age structure.
- 5.50 The most significant percentage growth in the Orwell population appears to be in the group aged 85+, though numbers are small in absolute terms. In terms of how the Orwell population compares to the district average, there appears to be a much higher proportion of people aged 65-84 than typically found in South Cambridgeshire, and a much smaller proportion of younger people (aged 15-44).
- 5.51 Household projections suggest this aging of the Orwell population will continue over the Neighbourhood Plan period, with a potential increase of 72% in the population aged 65 and over. This is in contrast to either slow growth or slight

contractions in the other age cohorts. It is relevant to note that there has been growth in the youngest age group and the 25-44 age group between 2011 and 2021 and so it is possible that future population and household growth may not be as dominated by older households as projections suggest.

Future population and size needs

- 5.52 This study provides an insight into the likely need for different sizes of homes based on projected demographic change and gaps within the existing housing stock. To accommodate the future population of Orwell and to diversify its housing mix, AECOM's modelling suggests the continued delivery of a range of different dwelling sizes, but with a focus on 2/3 bed homes. It should be noted that this model is a fairly blunt indication of future needs, which does not reflect the preferences or desires of individuals in relation to the size of homes in which they would like to live.
- 5.53 When considering the future mix of housing in Orwell in terms of size, the model should be considered alongside other factors such as the affordability and access of homes of different types and sizes, and the existing historic character of the area, which may favour certain types of homes. In summary, there are good reasons to depart from the results presented in this HNA to allow for more balance than the model results might suggest. The focus on 2/3 bed homes suggested by the model would satisfy the needs of first-time buyers and newly arising families and may also alleviate some of the affordability challenges outlined in the previous chapter. However, there may be a desire to increase the supply of larger or smaller homes, should this align with the desires of the community.
- 5.54 Equally, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of Orwell or site within the wider housing.

These sections 4 and 5 demonstrate a lack but do they show a need?

6. Specialist housing for older people

Introduction

6.1 It is relatively common for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Orwell. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

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

6.3 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.¹³ does this paragraph make sense?

6.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁴ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

6.5 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

¹³ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹⁴ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, 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.
- **Sheltered Housing¹⁵:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

- 6.6 There is a total of 45 units of specialist accommodation in Orwell at present, all of which are provided for Social Rent. Details are provided in Appendix E.
- 6.7 The 2021 Census suggests there are currently 154 people aged 75 or over in Orwell. This suggests that current provision is in the region of 292 units per 1,000 of the 75+ population (a common measure of specialist housing supply), specialist units which could potentially accommodate 29% of the over 75 population.

¹⁵ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Demographic characteristics

- 6.8 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Orwell is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for South Cambridgeshire. The results are set out in Table 6-1. It estimates that by 2040 the population over 75 years old will make up approximately 20% of the overall NA population, up from 13% in 2021.
- 6.9 A key assumption for the estimate given at the end of this section is that the older people living in Orwell currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.

Table 6-1: Modelled projection of older population in Orwell by end of Plan period

Age group	2021		2040	
	Orwell	South Cambridgeshire	Orwell	South Cambridgeshire
All ages	1,145	162,117	1,163	164,680
75+	154	15,217	232	22,960
%	13.4%	9.4%	20.0%	13.9%

Source: ONS SNPP 2020, AECOM Calculations

- 6.10 The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
- 6.11 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2040. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the vast majority of older people own their own homes, with some social renters and very few private renters.
- 6.12 The expected growth in the 75+ population in Orwell is 78 additional individuals by the end of the plan period. This can be converted into 55 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Orwell households are likely to need in 2040, and is shown in the bottom row of Table 6-2.

Table 6-2: Tenure of households aged 55-75 in South Cambridgeshire (2011) and projected additional households aged 75+ in Orwell (2040)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
South Cambridgeshire (2011 mix)	82.1%	59.1%	23.0%	17.9%	12.7%	4.0%	1.2%
Orwell (2040 projection)	45	33	13	10	7	2	1

Source: Census 2011

6.13 It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-2 in Appendix E presents this data for Orwell from the 2011 Census.

Future needs for specialist accommodation and adaptations

6.14 Based on the evidence outlined above, the number of additional households falling into potential need for specialist accommodation over the Plan period is calculated to be 22.

6.15 AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

6.16 The model suggests there is an opportunity to provide a large share of the need for specialist housing in Orwell through adaptations to the existing housing stock and the provision of sheltered or retirement living. However, there remains a robust potential demand for housing with care.

6.17 The model suggests that the balance of tenure options in both forms of specialist housing should be weighted in favour of market rather than social rented housing, which is due to the high rates of ownership among the existing older population.

Table 6-3: AECOM estimate of specialist housing for older people need in Orwell by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	1.9	8	10
Adaptations, sheltered, or retirement living	3.6	9	13
Total	5	17	22

Source: Census 2011, AECOM Calculations

6.18 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table E-3 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Orwell results in a total of 20 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4.

Table 6-4: HLIN estimate of specialist housing for older people needed in Orwell by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	2.4	3.1	6
Adaptations, sheltered, or retirement living	5	9	14
Total	7	13	20

Source: Housing LIN, AECOM calculations

Further considerations

6.19 The above estimates suggest that potential need for specialist accommodation could be in the range of 20-22 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing delivery expectation in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

6.20 In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others. Should this cross refer to the availability of housing for those earners in this category?

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

- 6.22 It is considered that Orwell 's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from OrwellOrwell ely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Orwell, RoysOrwell d Cambridge would likely have the potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model).
- 6.23 It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

Care homes

- 6.24 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.
- 6.25 However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
- 6.26 Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.
- 6.27 AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2040 there would be a need for 5 care homes beds in the NA.
- 6.28 It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in

addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

- 6.29 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 71% of the Orwell population aged 75 and over is likely to live in the mainstream housing stock¹⁶.
- 6.30 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
- 6.31 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with South Cambridgeshire.
- 6.32 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings¹⁷, although changes to Building Regulations have not yet been made.
- 6.33 The current adopted Local Plan policy H/9 provides explicit encouragement for development to accommodate specific groups such as older people, outlining that a minimum of 5% of homes in a development should be built to the accessible and adaptable dwelling M4(2) standards. The evidence gathered here may justify the Orwell Neighbourhood Plan Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
- 6.34 The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at the Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.
- 6.35 The national average proportion of wheelchair users is either 0.6% of the population using a wheelchair all of the time or 3% of the population using a wheelchair part of the time. A common method for understanding how much of the housing stock should be wheelchair accessible it delete "it" is by applying these percentages to any new housing stock which may come forward in future.

¹⁶ 154 over 75s in 2021, of which 45 are accommodated in specialist housing, leaving 109 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75.

¹⁷ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

However, as Orwell does not currently have an active Housing Requirement Figure (HRF) it is difficult to project forward the need for wheelchair accessible housing needed. However, when the HRF is provided in future, applying the percentage figures above will give the Orwell Neighbourhood Plan Steering Group an understanding of the potential need for this housing type.

Conclusions- Specialist Housing for Older People

- 6.36 Currently there are 154 people aged 75+ living in Orwell, a figure which has grown from 104 in 2011, and is projected to increase to 232 by the end of the Neighbourhood Plan period (2041).
- 6.37 A clear majority of South Cambridgeshire's households aged between 55-75 in 2021 (therefore likely to reach the 75+ bracket by 2041) are owner occupiers (82%) and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing as they are unlikely to have the funds to buy.
- 6.38 The growth in the older population, which, rather than the total, is the focus of the estimates of need here should be converted into households because some older people will be cohabiting in old age. The projected growth in the older population of 78 roughly translates to 55 new households formed of persons aged 75+ over the Neighbourhood Plan period.
- 6.39 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 6.40 These two methods of estimating the future need in Barby and Onley produce a range of 20 to 22 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed ?considering exceeding? the range identified here. However, as noted above, the potential impact of older people in the prison population may have inflated the results, meaning that the real need may in fact be less than stated.
Delete final sentence
- 6.41 This report also estimates a need for 5 care homes beds over the NP period.
- 6.42 Note that Neighbourhood Plans typically cannot set the proportion of specialist housing that should be affordable – that usually has to be in line with Local Plan policy for all housing. If the known supply is all in one category, note that any additional provision could fill a different gap in the market. The main unmet need for approximately 17 units of market sheltered housing, this might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs.

7. Next Steps

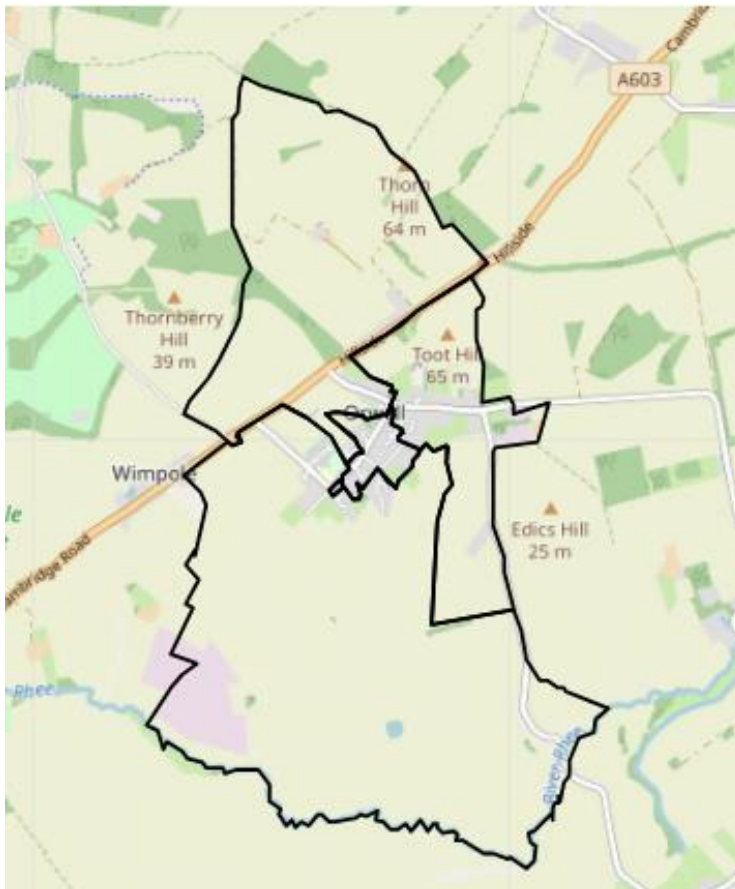
Recommendations for next steps

- 7.1 This Neighbourhood Plan housing needs assessment aims to provide Orwell Neighbourhood Plan Steering Group with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with South Cambridgeshire with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of South Cambridgeshire;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Cambridgeshire.
- 7.2 This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
- 7.3 Bearing this in mind, it is recommended that the Orwell Neighbourhood Plan Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, South Cambridgeshire or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 7.4 At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Assessment geography

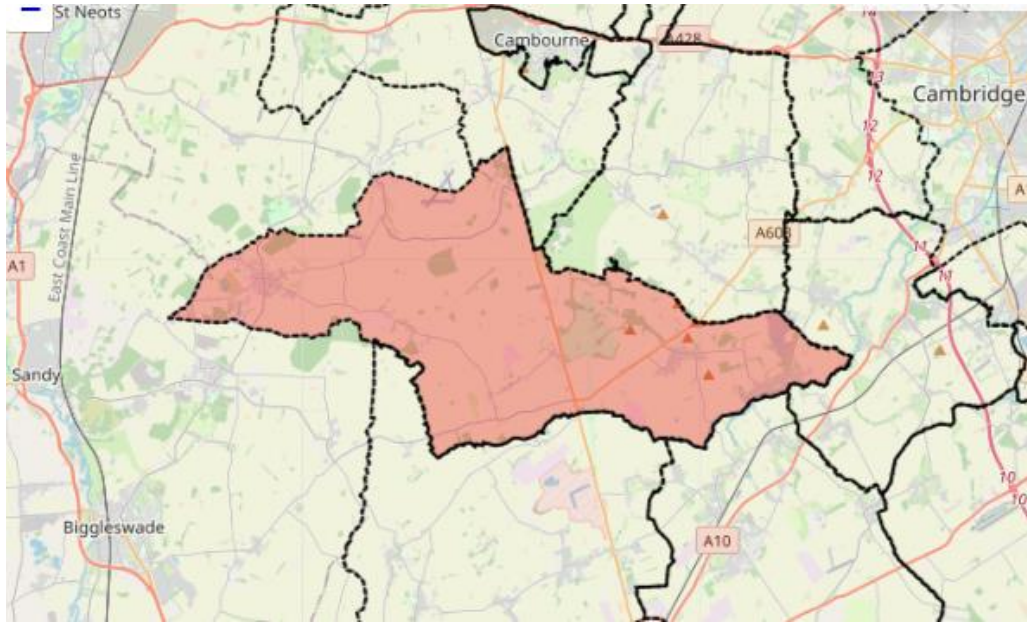
1. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). Orwell equates to the following combination of OAs:

- E00092176
- E00092177
- E00092178
- E00092179



A-1: OA's which make up Orwell NA (Source: NOMIS)

2. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which Orwell is located and which will need to serve as a proxy for it, is:
- E02003787 (As can be seen from the map below, this MSOA extends beyond Orwell in each direction.)



A-2: MSOA covering the Orwell NA (Source: NOMIS)

Appendix B : Local Plan context

Policies in the adopted local plan

1. Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Orwell.

Table B-1: Summary of relevant adopted policies in the South Cambridgeshire Local Plan Adopted 2018

Policy	Provisions
Policy Jobs and Homes	S/5: Development in South Cambridgeshire will meet the objectively assessed needs in the district between 2011-2031, and is expected to deliver 19,500 new homes
Policy Group Villages	S/10: Orwell is designated through the Local Plan as one of 32 'Group Villages'. Residential development will be supported in group villages for schemes of up to 8 dwellings. Development may consist of up to 15 dwellings were this would make the best use of a single brownfield site.
Policy Housing Mix	H/9: Market homes of 10 homes of more should consists of: <ul style="list-style-type: none"> - 30% 1/2 bed; - 30% 3 bed; - 30% 4+ bed - 10% flexibility allowance. <p>The housing mix of affordable homes will be determined by local housing needs evidence.</p> <p>5% of homes in a development should be built to the accessible and adaptable dwellings M4(2) standard.</p>
Policy Affordable Housing	H/10: All development of 11 dwellings or more will provide 40% of the homes on site as Affordable Housing.

Source: South Cambridgeshire Local Plan (2018)

Appendix C : Affordability calculations

1. This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

C.1 Market housing

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

i) Market sales

3. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
4. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Orwell, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
5. The calculation for the purchase threshold for market housing is as follows:
 - Value of a median NA house price (2022) = £660,000;
 - Purchase deposit at 10% of value = £65,000;
 - Value of dwelling for mortgage purposes = £585,000;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £167,140.
6. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022 was £445,750, and the purchase threshold is therefore £114,620.
7. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 0 sales of new build properties in Orwell in

2022. There were too few recent sales in Orwell specifically to determine an accurate average for the cost of new build housing in Orwell. It is, however, important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).

8. Therefore, an estimate has been calculated by determining the uplift between all house prices in 2022 across South Cambridgeshire and new build house prices in 2022 in the same area. This percentage uplift (or 'new build premium') is then applied to the 2022 lower quartile house price in Orwell to give an estimated NA new build entry-level house price of £485,000 and purchase threshold of £125,000.
9. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across £462,000 in 2022. The median cost of new build dwellings in South Cambridgeshire was £462,000, requiring a purchase threshold of £120,000.

ii) Private Rented Sector (PRS)

10. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
11. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
12. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the SG8 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
13. According to [home.co.uk](https://www.home.co.uk), there were 15 properties for rent at the time of search in September, 2023, with an average monthly rent of £1,500. There were 6 one/two-bed properties listed, with an average price of £1,100 per calendar month.

14. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
 - Annual rent = £1,100 x 12 = £13,200;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £44,000.
15. The calculation is repeated for the overall average to give an income threshold of £60,000.

C.2 Affordable Housing

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

i) Social rent

17. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
18. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Orwell. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Cambridgeshire in Table C-1.
19. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£90.00	£107.00	£120.00	£132.00	£111.00
Annual average	£4,680	£5,564	£6,240	£6,864	£5,772
Income needed	£15,584	£18,528	£20,779	£22,857	£19,221

Source: Homes England, AECOM Calculations

ii) Affordable rent

20. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
21. Even a 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 60% of market levels rather than 80%.
22. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for South Cambridgeshire. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
23. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in Orwell are actually closer to 60% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£123.00	£140.00	£161.00	£206.00	£147.00
Annual average	£6,396	£7,280	£8,372	£10,712	£7,644
Income needed	£21,299	£24,242	£27,879	£35,671	£25,455

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

24. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.
25. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership

requirement referenced above may be replaced by the First Homes requirement.

First Homes

26. Because First Homes are a new tenure product, it is worth explaining some of their key features:

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

27. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in Orwell noted above of £485,000.

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

- Value of a new home = £485,000;
- Discounted by 30% = £340,000;
- Purchase deposit at 10% of value = £34,000;
- Value of dwelling for mortgage purposes = £306,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £87,000.

29. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £75,000 and £62,000 respectively.
30. It should be noted that eligibility threshold for First Homes is capped at £80,000. First Homes offered at a 30% discount would surpass the cap. Moreover, if the discounted price of the home is above £250,000 the home would also fail to meet the eligibility criteria, which would rule out 40% discounts. As such, only First Homes offered at a discount of 50% would meet the eligibility criteria in terms of both the income threshold required (£62,000) and the cost of the discounted unit (£240,000). Finally, it should be stressed here that the figures presented here is an estimate cost for new build housing based on the average costs across South Cambridgeshire with a percentage uplift applied to reflect the local context. Given that the cost of the 50% discounted unit is approximately 95% of the maximum cost of a First Home, the reality may be that this rate of discount could also experience difficulties in terms eligibility.
31. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹⁸) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Orwell.
32. Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	69%	87%	74%
NA estimated new build entry-level house price	59%	83%	65%
NA entry-level house price	56%	81%	62%
LA median new build house price	57%	82%	64%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

33. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and

¹⁸ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

34. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
35. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
36. The affordability threshold for a 25% equity share is calculated as follows:
 - A 25% equity share of £485,000 is £121,000;
 - A 10% deposit of £12,000 is deducted, leaving a mortgage value of £109,000;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £31,200;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £363,000;
 - The estimated annual rent at 2.5% of the unsold value is £9,100;
 - This requires an income of £30,300 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £61,300 (£31,200 plus £9,100).
37. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £48,800 and £82,500 respectively.
38. Shared Ownerships at a 50% equity share would surpass the £80,000 cap for eligible households.

Rent to Buy

39. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated

to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

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

Affordable housing policy

42. The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

Table D-3: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
<p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that Orwell requires around 3 units of affordable rented housing and 0.6 (rounded) units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that there is a more robust need for social/affordable rented homes in Orwell but both tenure categories would be beneficial to provide.</p>
<p>B. Can Affordable Housing needs be met in full?</p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>Orwell does not currently have an active HRF, as such it is difficult to understand how much Affordable Housing might be delivered of the Plan period.</p> <p>If the scale of Affordable Housing development in Orwell over the last decade were to continue into the future it would not be sufficient to fully meet the need identified in this HNA. However, it would meaningfully</p>

	improve the access to Affordable Housing across the NA.
<p>C. Government policy (eg NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	For 10% of all housing to be affordable ownership in Orwell, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. As there is currently no active tenure mix policy, it is unknown whether this complies with the guideline tenure split sought in the Local Plan.
<p>D. Local Plan policy:</p>	The adopted Local Plan does not currently have a tenure mix policy.
<p>E. First Homes policy:</p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over</p>	<p>This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing.</p> <p>Including the minimum requirement for First Homes would not prejudice the delivery of First Homes but could have a displacing effect on other affordable home ownership products such as shared ownership.</p>

whether First Homes could replace this model.	
F. Viability:	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
G. Funding: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.	The Orwell Neighbourhood Plan Steering Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
H. Existing tenure mix in Orwell: The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.	The present tenure mix in Orwell is heavily dominated by home ownership, with some socially rented homes and very few shared ownerships. This mix would support increased delivery of both socially rented and affordable home ownership dwellings.
I. Views of registered providers:	It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels.
J. Wider policy objectives:	The Orwell Neighbourhood Plan Steering Group may wish to take account of broader policy objectives for Orwell or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

Appendix D : Specialist housing for older people

Background data tables

Table E-1: Existing specialist housing supply, Orwell

	Name	Description	Dwellings	Tenure	Type
1	Lordship Close	Retirement Housing	21	Social Landlord	Bungalows
2	Meadowcroft Way	Retirement Housing	24	Social Landlord & Shared Ownership	Bungalows

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

Table E-2: Tenure and mobility limitations of those aged 65+ in Orwell, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	42	17.7%	57	24.1%	138	58.2%
Owned Total	31	17.3%	36	20.1%	112	62.6%
Owned outright	20	13.3%	33	22.0%	97	64.7%
Owned (mortgage) or shared ownership	11	37.9%	3	10.3%	15	51.7%
Rented Total	11	19.0%	21	36.2%	26	44.8%
Social rented	9	18.8%	17	35.4%	22	45.8%
Private rented or living rent free	2	20.0%	4	40.0%	4	40.0%

Source: DC3408EW Health status

HLIN calculations

Table E-3: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

43. As Table X-X in the main report shows Orwell is forecast to see an increase of 78 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.078 = 5$
- Leasehold sheltered housing = $120 \times 0.078 = 9$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.078 = 1.6$
- Extra care housing for rent = $15 \times 0.078 = 1.2$
- Extra care housing for sale = $30 \times 0.078 = 2.4$
- Housing based provision for dementia = $6 \times 0.078 = 0.5$

Appendix E : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁹.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²⁰

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.

¹⁹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²⁰ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²¹

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)²²

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 older parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

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

²¹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²² See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of Orwell 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 years²³, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

People over retirement age, including the active, newly-retired through to very frail older people, 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

²³ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level.

Sheltered Housing²⁴

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

²⁴ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁵

²⁵ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

