



North Cadbury and Yarlington Housing Needs Assessment (HNA)

October 2020

Quality information

Prepared by

Jessica Cooke
Graduate Planner

Checked by

Paul Avery
Senior Planner

Approved by

Paul Avery
Senior Planner

Revision History

Revision	Revision date	Details	Authorized	Position
1	10/08/2020	First draft	Jessica Cooke	Graduate Planner
2	13/08/2020	Technical review	Paul Avery	Senior Consultant
3	03/09/2020	Group Review	Jo Witherden	North Cadbury and Yarlington Planning Consultant
4	16/09/2020	Locality Review	John Wilkinson	Neighbourhood Planning Officer

Prepared for:

North Cadbury and Yarlington Parish Councils

Prepared by:

AECOM

Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

© 2020 AECOM. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Locality (the "Client") and in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Disclaimer

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 It is a 'snapshot' in time and may become superseded by more recent information.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 If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Qualifying Body at the consultation stage.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

Table of Contents

Executive Summary	7
Tenure Conclusions	7
Type and Size Conclusions	8
Specialist Housing for Older People Conclusions	8
1. Context	10
1.1 Local context	10
1.2 Planning policy context	10
1.2.1 Policies in the adopted Local Plan	11
1.2.2 Policies in the emerging Local Plan Review	12
1.2.3 Quantity of housing to provide	12
2. Approach	14
2.1 Research Questions	14
2.1.1 Tenure and Affordability	14
2.1.2 Type and Size	14
2.1.3 Housing for Older People	14
2.2 Relevant Data	14
2.2.1 Local authority evidence base	14
2.2.2 Other relevant data	15
3. RQ 1: Tenure and Affordability	16
3.1 Introduction	16
3.2 Definitions	16
3.3 Current tenure profile	16
3.4 Affordability	17
3.4.1 House prices	17
3.4.2 Income	19
3.4.3 Affordability Thresholds	20
3.5 Affordable rented housing- quantity needed	24
3.6 Affordable Housing Policies in NCY	26
3.7 Conclusions- Tenure and Affordability	30
4. RQ 2: Type and Size	32
4.1 Introduction	32
4.2 Existing types and sizes	32
4.2.1 Background and definitions	32
4.2.2 Dwelling type	33
4.2.3 Bungalows	33
4.2.4 Dwelling size	35
4.3 Household composition and age structure	36
4.3.1 Age structure	36
4.3.2 Household composition	38
4.4 Dwelling mix determined by life-stage modelling	39
4.5 Conclusions- Type and Size	44
5. Housing for older people	45
5.1.1 Introduction	45
5.1.2 Approach	45
5.1.3 Current supply of specialist housing for older people	46
5.1.4 Tenure-led projections	46
5.1.5 Housing LIN-recommended provision	49
5.2 Conclusions- Housing for Older People	51
6. Conclusions	52
6.1 Overview	52
6.2 Recommendations for next steps	53

Appendix A : Calculation of Affordability Thresholds	55
A.1 Assessment geography	55
A.2 Market housing.....	55
i) Market sales	56
ii) Private Rented Sector (PRS).....	56
A.3 Affordable Housing.....	57
i) Social rent.....	57
ii) Affordable rent.....	57
iii) Intermediate tenures	58
Appendix B : Housing Needs Assessment Glossary	60

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
HNA	Housing Needs Assessment
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LPA	Local Planning Authority
LTHPD	Long-Term Health Problem or Disability
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NCY	North Cadbury and Yarlington
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
SSDC	South Somerset District Council
VOA	Valuation Office Agency

Executive Summary

Tenure Conclusions

1. North Cadbury and Yarlington is characterised by a relatively high proportion of home ownership, as opposed to private and social renting, when compared with South Somerset and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this may not be the case, and may be one of the factors why the NCY area has a comparative shortage in those aged in their 20s and early 30s (8.5% of the population are 20 – 34 compared to 15.2% across South Somerset), although the number of children living in the area is fairly typical.
2. Indeed, the annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is significantly above average net household income locally and four times that of the lower quartile gross income of a single-earner.
3. The number of private renting experienced the largest change between 2001 and 2011, increasing by a significant 63%. At the same time, the number of properties available for social rent declined by 13% as occupiers of such accommodation made purchases through the Right to Buy program.
4. Given that social and affordable rent is the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social rented dwellings is likely to be one factor in why the younger adults in their 20s and early 30s do not appear to be staying in the local area.
5. To ensure that other households on lower than average incomes can afford to continue living and have the opportunity to form their own independent households in NCY, it will also be important to increase the quantity of affordable routes to home ownership – especially if reforms to welfare including housing benefit are implemented in the coming years. This is particularly important as there is no form of home ownership that is a viable option for those on lower than average incomes.
6. Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in NCY is expressed in the adopted and emerging Local Plan. The adopted emerging Plan states that 35% of new housing on developments providing 6 dwellings or more will be affordable. However, the emerging Plan suggests a reduction on this requirement stating that only 29% of new housing on development providing 10 dwellings or more will be affordable.
7. Two alternative scenarios for the tenure mix of Affordable Housing in NCY have been presented. While both options provide the same split in social rent and intermediate housing of 54% and 46% respectively, in the second scenario this assumes 25% of the intermediate housing should be for first homes, reducing the potential amount of shared ownership to be delivered.
8. Of the indicative figure of 60 dwellings proposed for NCY 17-21 dwellings (depending on whether adopted or emerging policy is applied) are likely to be affordable on the basis of that policy requirement. This figure is lower than the 25 households that are projected to be in need of Affordable Housing to rent over the same period and the 49 households projected to be in need of Affordable Housing for sale. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not yield the size or capacity required to provide affordable housing and so the number of Affordable Housing units will be lower still.
9. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 29-35% delivery requirement is met wherever possible in NCY. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites (explicitly supported by the emerging Local Plan Policy SS2) or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.
10. It is difficult to exceed the Local Plan affordable housing policy requirement in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of a HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.

11. The need to improve affordability in NCY across all tenures aligns with the findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

Type and Size Conclusions

12. NCY's stock of existing housing is characterized by significantly higher proportions of detached houses and homes with 7 or more bedrooms than South Somerset or England. Large properties also experienced the greatest level of growth between 2001 and 2011 among all home sizes.
13. Bungalows represent a slightly higher proportion of all housing in NCY compared to the situation across South Somerset as a whole, and national wide housing stock (15.5% of all homes in NCY, compared with 14% in South Somerset and 10% nationally). However, given older generations are more likely to choose to live in this type of dwelling and the relatively ageing population there may be an increased demand for bungalows.
14. The age profile of NCY population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84 – a group that is likely to reach retirement age over the Plan period to 2034 and will become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.
15. It will therefore be important that new development prioritise housing that is appropriate both to families with children and older households. The needs and financial capabilities of both these groups do overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary. In the context of NCY's unusual stock of large housing, an appropriate response would be to prioritise the supply of smaller or mid-sized dwellings.
16. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed.
17. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood group wish to influence the size mix of housing coming forward, smaller homes should be the priority.
18. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the affordable rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in NCY, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.
19. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with District and national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and particularly flats. The size recommendation for smaller homes would align with this. This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like NCY.

Specialist Housing for Older People Conclusions

20. NCY has an ageing population. Its demographic profile currently differs from that of South Somerset and England as a whole in its far higher proportion of people aged 45-84, and correspondingly lower proportion of people aged 44 and under.

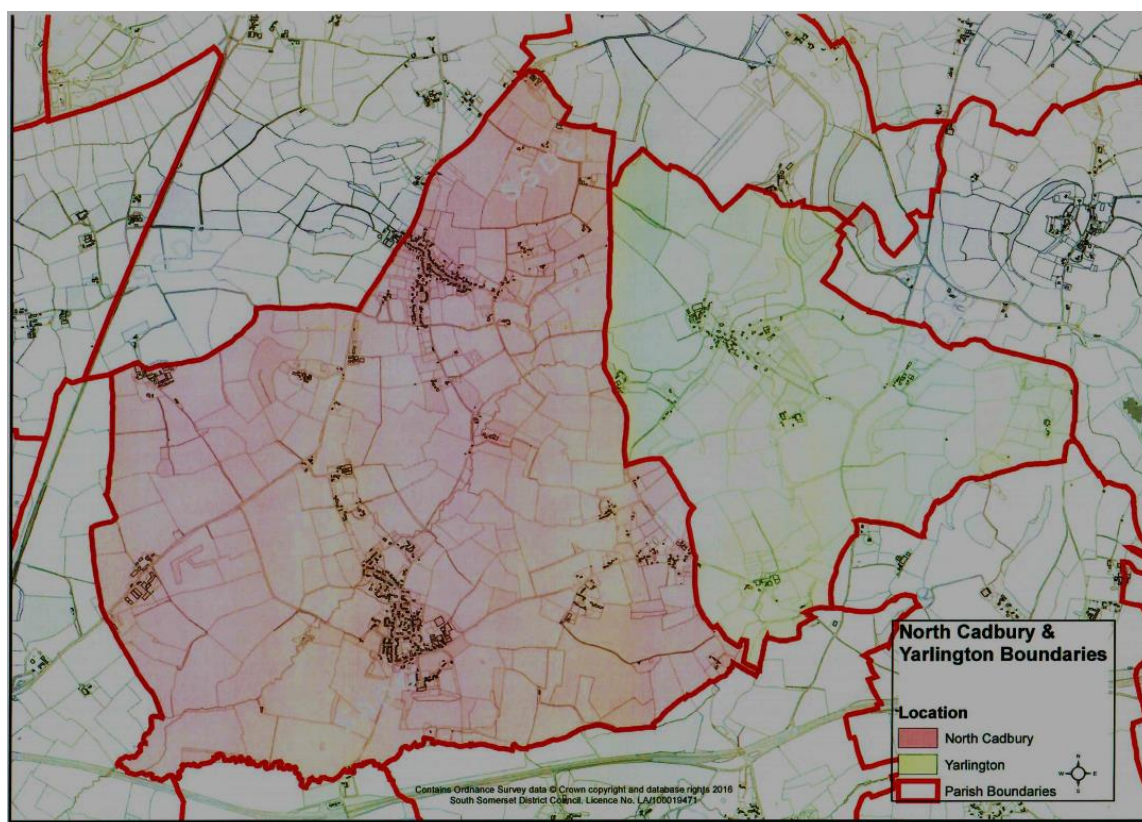
21. NCY's population of households aged over 75 is expected to increase by 87% over the Plan period 2019-2036, while most other age groups decline. This demographic shift is likely to be the chief influence on the components of housing demand over the period. Simply put, NCY can expect to require smaller dwellings better suited to older couples and single persons than to families with children, and an increased supply of specialist accommodation.
22. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that very few larger dwellings will be needed.
23. NCY's stock of existing housing is broadly in line with that of wider South Somerset, except for a notably higher proportion of households with or more bedrooms and lower proportion of all other dwelling sizes. The 1-bedroom homes that are currently lacking in NCY's housing stock are expected to constitute 25% of emerging housing need over the Plan period. This is driven by a high estimated level of demand from older people, but also reflects a gap in the currently available housing options.
24. However, bearing in mind that 1-bedroom dwellings may not be a particularly popular proposition for rightsizing older households (because they typically lack adequate space for visitors and storage), this suggests that 1-bedroom dwellings should not be the priority for meeting older people's mainstream housing needs.
25. It is therefore recommended that the target of 25% 1-bedroom dwellings be viewed as an upper bound and need not be met in its entirety. It is also recommended that 40% of new housing should have 2 bedrooms, and 35% should have 3 bedrooms. These dwelling sizes are likely more important for accommodating the NA's ageing population. The model also recommends that 4 and 5- bedroom houses should not be included in the dwelling mix.
26. In terms of dwelling types relevant to the older population, bungalows currently represent 15% of all housing in the wider Census data area in which the NA sits. This is slightly higher than the wider trend across South Somerset and far higher than the national average. On that basis, bungalows appear to be adequately supplied. However, the dramatic ageing of the population justifies encouraging further provision of this most accessible dwelling type.
27. Two methods of estimating need for specialist accommodation for older people (such as housing with additional care services) produce a range of 25 to 54 specialist accommodation units that would be required to meet the needs of NCY's ageing population during the Plan period.
28. Growth in the population aged over 75, which was used in these projections, is estimated to be an additional 97 individuals by 2036, bringing NCY's total to 208 people. This roughly equates to growth of 75 households aged 75 and over, many of whom would be looking for more specialist types of accommodation or adaptations to their own homes.
29. Observing the tenure of housing occupied by older people across wider South Somerset, it is estimated that 21-36% of specialist housing for older people will need to be Affordable Housing for those requiring some form of financial support.
30. The need for specialist housing for older people is additional to the need for mainstream housing of various sizes identified above, however the full amount of this estimated need does not have to be met within the NA boundary itself, and could also be met by improving accessibility standards in mainstream housing and adaptations to existing properties.

1. Context

1.1 Local context

31. North Cadbury and Yarlington (NCY) is a Neighbourhood Plan area located in South Somerset. The Neighbourhood Area (NA) boundary is an amalgamation of both parish boundaries, see Figure 2-1.
32. The proposed Neighbourhood Plan period has not as yet been decided, but for the purpose of this HNA has been assumed as 2018-2036, therefore comprising a Plan period of 18 years, and mirroring the proposed end date of the emerging South Somerset Local Plan Review when the research was undertaken.
33. North Cadbury and Yarlington parishes are located to the north east of South Somerset District, approximately 10-13 miles from Yeovil. Yeovil is accessed via the A303 / A359 and the nearest train station is located in Castle Cary, just north of the neighbourhood plan area.
34. The statistics show that in the 2011 Census the NA had a total of 1,073 residents.
35. A map of the NA appears below in Figure 1-1 below.

Figure 1-1: Map of the North Cadbury and Yarlington Neighbourhood Plan area¹



Source: North Cadbury and Yarlington application to designate a neighbourhood plan area, since approved by SSDC.

1.2 Planning policy context

36. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, there is a need for the relevant elements of

¹ Available at <https://www.southsomerset.gov.uk/media/2509/north-cadbury-parish-boundary-map.pdf>

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

³ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).

37. In the case of NCY, the relevant local planning context is as follows:
38. The South Somerset Local Plan 2006-2028 was adopted by South Somerset District Council (SSDC) on 5th March 2015⁴. It takes a spatial approach to shaping the future of the district, responding to specific needs and delivering sustainable development that creates positive outcomes for people and places.
39. The Council is currently undertaking a review of its Local Plan. Reg 18 Preferred Options was published in September 2019 with an aim to adopt the Plan post 2021.

1.2.1 Policies in the adopted Local Plan⁵

Table 1-1: Summary of SSDC's adopted policies having relevance to the NCY HNA

Policy	Provisions
Policy HG2: The use of previously developed land for new housing development.	SSDC will seek to provide a minimum of 40% of new dwellings on previously developed land (PDL) over the period of the Plan.
Policy HG3: Provision of affordable housing.	All new developments have to provide 35% affordable housing if they are over 6 dwellings or 0.2ha. However, the thresholds only applies to those developments considered to be acceptable by nature of their sustainability as permitted by Policy SS2 (see below) in rural settlements.
Policy SS2: Development in rural settlements ⁶	Development in rural settlements will be strictly controlled and limited to that which meets identified housing need, particularly for affordable housing (not all rural settlements are considered sustainable enough to deliver housing however, it does include North Cadbury and Galhampton)
Policy HG5: Achieving a mix of market housing	A range of market housing types and sizes should be provided across the district, the mix should contribute to the provision of sustainable and balanced communities.
Policy HG6: Care homes and specialist accommodation	Proposals for this type of development that meets an identified local need will be supported where it is consistent with the Settlement Strategy. In exceptional circumstances, where development is proposed in a countryside location, the Council will require clear justification for its location.

⁴ Available at: https://www.southsomerset.gov.uk/media/1250/j-plan_pol-web-site-2018-1-local-plan-local-plan-2006-2028-south_somerset_local_plan_2006-2028_adoption_version_march_2015.pdf

⁵ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question. The policies are conveniently presented at <https://plymswdevonplan.co.uk/policy>.

⁶ While there is no specific policy on affordable housing, it can be brought forward in Rural Settlements under Policy SS2 which allows for new housing, employment or community uses to meet an identified local need. The development must be in keeping with the scale of the settlement and generally increase sustainability. This means that affordable housing can be brought forward on a site together with a modest amount of market housing which could produce a cross subsidy, reducing (or eliminating) the need for grant for the affordable units. The emphasis remains on the applicant to provide sufficient evidence to justify the proposed scheme and it is likely to remain the case that a local housing needs survey will be necessary to supplement the contemporary evidence from the Housing Register. Policy SS2 does not prevent a development for 100% affordable housing coming forward.

1.2.2 Policies in the emerging Local Plan Review⁷

Table 1-2 Summary of SSDC’s emerging policies having relevance to the NCY HNA

Policy	Provisions
Policy HG2: Provision of Affordable Housing	Sites over 10 dwellings or over 0.5 ha are required to contribute 29% of the total number of dwellings to the provision of affordable housing. Of these 80% should be social rent or affordable rent and 20% should be starter homes ⁸ .
Policy HG4: Achieving a Mix of Market Housing	A range of market housing should be provided across the district on major development sites that can meet the needs of the residents and should be in general accordance with the following targets: 5-10% 1 bedroom, 30-35% 2 bedrooms, 40-45% 3 bedrooms and 10-15% 4+ bedrooms.
Policy HG5: Care Homes and Specialist Accommodation	Proposals for care homes or similar specialist accommodation that meets an identified local need will be supported where it is consistent with the Settlement Strategy. In exceptional circumstances, where development is proposed in a countryside location, the Council will require clear justification for its location. This will take into account the nature of specialist care required and demonstration that alternative sites are unsuitable and/or unavailable, and the economic benefit of the proposal to the locality.
Policy SS1: Settlement Strategy	This policy defines North Cadbury as a Village, where provision will be made for limited development to meet local need, support local services and economic activity appropriate to the scale of the settlement.
Policy SS4: Development in Rural Settlements	Development in rural settlements will be support subject to meeting 4 criteria however, in settlements that do not meet this criteria proposals for 100% affordable housing will be supported where there is an identified local need demonstrated through a Local Housing Needs Survey.

1.2.3 Quantity of housing to provide

40. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
41. Given the Local Plan is under review, SSDC have fulfilled that requirement and have given the group a minimum housing requirements of 60 dwellings to be accommodated within the Neighbourhood Plan area for the period 2018-2036 (excluding any existing commitments as at 31st March 2018), with a focus of this requirement being delivered in the relatively sustainable village of North Cadbury, by the end of the Plan period. This equates to an annual average of between 3 - 4 dwellings. However, this is subject to change as the Local Plan progresses and should be monitored alongside the development of the Neighbourhood Plan.
42. Given that the NPPF requirement for the Local Authority to provide the neighbourhood group with a housing number has already been fulfilled (for the purpose of this report), the question of how many houses to plan for has already been answered. It is therefore outside the scope of this Housing Needs Assessment; for this reason, the issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
43. Note that the Government’s August 2020 consultation proposals for ‘Changes to the current planning system’ include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.⁹ The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
44. It is important to note here because the housing requirement for NCY is only marginally higher than the number of dwellings that would need to be delivered on a single site in order for Affordable Housing contributions to be required. It is therefore only likely that Affordable Housing will be built on normal development sites in the NA if more than 40 or 50 dwellings are planned for any single site (while this temporary change applies). Turning to the known housing

⁷ Available at: <https://southsomerset.inconsult.uk/consult/ti/PreferredOptionsConsultation/consultationHome>

⁸ Note that the Government is no longer promoting Starter Homes, which are expected to be effectively replaced by the new First Homes product when the ongoing consultation is concluded. More detail on First Homes is provided in the Tenure chapter of this report.

⁹ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

allocations for NCY, this is not likely to be the case if those allocations are built out during the period of this temporary change.

45. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 10 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the NCY Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

2. Approach

2.1 Research Questions

46. Research Questions, abbreviated to 'RQs', are formulated at the start of the project through discussion with the neighbourhood planning group. They serve to direct our research and provide the structure for the HNA.
47. Below we set out the RQs relevant to this study, as discussed and agreed with North Cadbury and Yarlington Parish Council.

2.1.1 Tenure and Affordability

48. NCY Parish Council would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
49. This evidence will allow NCY to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

2.1.2 Type and Size

50. NCY Parish Council is seeking to determine what size and type of housing would be best suited to the local community. This will ensure future development truly reflects what residents need.

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

2.1.3 Housing for Older People

51. NCY Parish Council recognises that the local population is ageing and wishes to ensure that future housing provision takes into account the needs of older people. The HNA will therefore consider the dwelling size requirements of older people, including potential demand for downsizing options, as well as the need for specialist accommodation such as housing with additional care facilities.

RQ 3: What housing provision should be made for older people over the Neighbourhood Plan period, including mainstream and specialist accommodation?

2.2 Relevant Data

2.2.1 Local authority evidence base

52. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As the NCY NA is located within SSSDC planning area, we therefore turned to the relevant Strategic Housing Market Assessment, which is known as the Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)¹⁰ (hereafter abbreviated as the SHMA). An update to the SHMA has been commissioned but at the time of drafting this report there was not definite date for its publication.
53. For the purpose of this HNA, data from South Somerset's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area, and therefore has been referenced as appropriate.

¹⁰ Available at: <https://www.southsomerset.gov.uk/media/1344/strategic-housing-market-assessment-oct-16.pdf>

2.2.2 Other relevant data

54. In addition to the South Somerset evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Household Survey Consultation (Carried out by the Neighbourhood Planning Group in February 2020).
- Land Registry data on prices paid for housing within the local market;
- Population and household projections produced by the Office of National Statistics (ONS);
- Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk); and
- Valuation Office Agency (VOA) data on local housing stock by dwelling type.

3. RQ 1: Tenure and Affordability

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

3.1 Introduction

55. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and market housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
56. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.¹¹

3.2 Definitions

57. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹²
58. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
59. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home.
60. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,¹³ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes discounted market homes, shared ownership homes, and homes available for discount market sale.

3.3 Current tenure profile

61. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area (NA) based on the most recent reliable data. Table 3-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within the plan area, compared to the rest of South Somerset and England.
62. As seen at higher level geographies, the vast majority of homes in NCY are owned. The next most common tenure is private rent, followed distantly by social rent at a rate far below that seen for South Somerset and England as a whole. This deficit of social rented dwellings could indicate that there is unmet need for this tenure among qualifying households in the area. Shared ownership has a similar market share as the district and national level.

¹¹ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹² NPPF 2019.

¹³ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

Table 3-1: Tenure (households), 2011

Tenure	North Cadbury and Yarlington	South Somerset	England
Owned; total	75.4%	70.3%	63.3%
Shared ownership	0.7%	0.8%	0.8%
Social rented; total	4.3%	14.0%	17.7%
Private rented; total	15.2%	13.3%	16.8%

Sources: Census 2011, AECOM Calculations

63. In Table 3-2, we note the changes in the way households have occupied housing in NCY during the intercensal period. The greatest apparent change occurring in the NA was the increase in private rented housing, which could be linked to the relatively small starting figure of 43 dwellings. In any case this growth of private renting likely points to the declining affordability of home ownership. In addition to this, the social rented sector experienced a fairly significant reduction which does not follow the pattern of the district and national figures, again this could be attributed to the relatively small starting figure of 23 dwellings, and the likelihood that some occupants will have been able to buy out their socially rented homes through the Right to Buy scheme.

Table 3-2: Rates of tenure change, 2001-2011

Tenure	North Cadbury and Yarlington	South Somerset	England
Owned; total	6.1%	3.3%	-0.6%
Shared ownership	0.0%	72.1%	30.0%
Social rented; total	-13.0%	9.5%	-0.9%
Private rented; total	62.8%	104.5%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

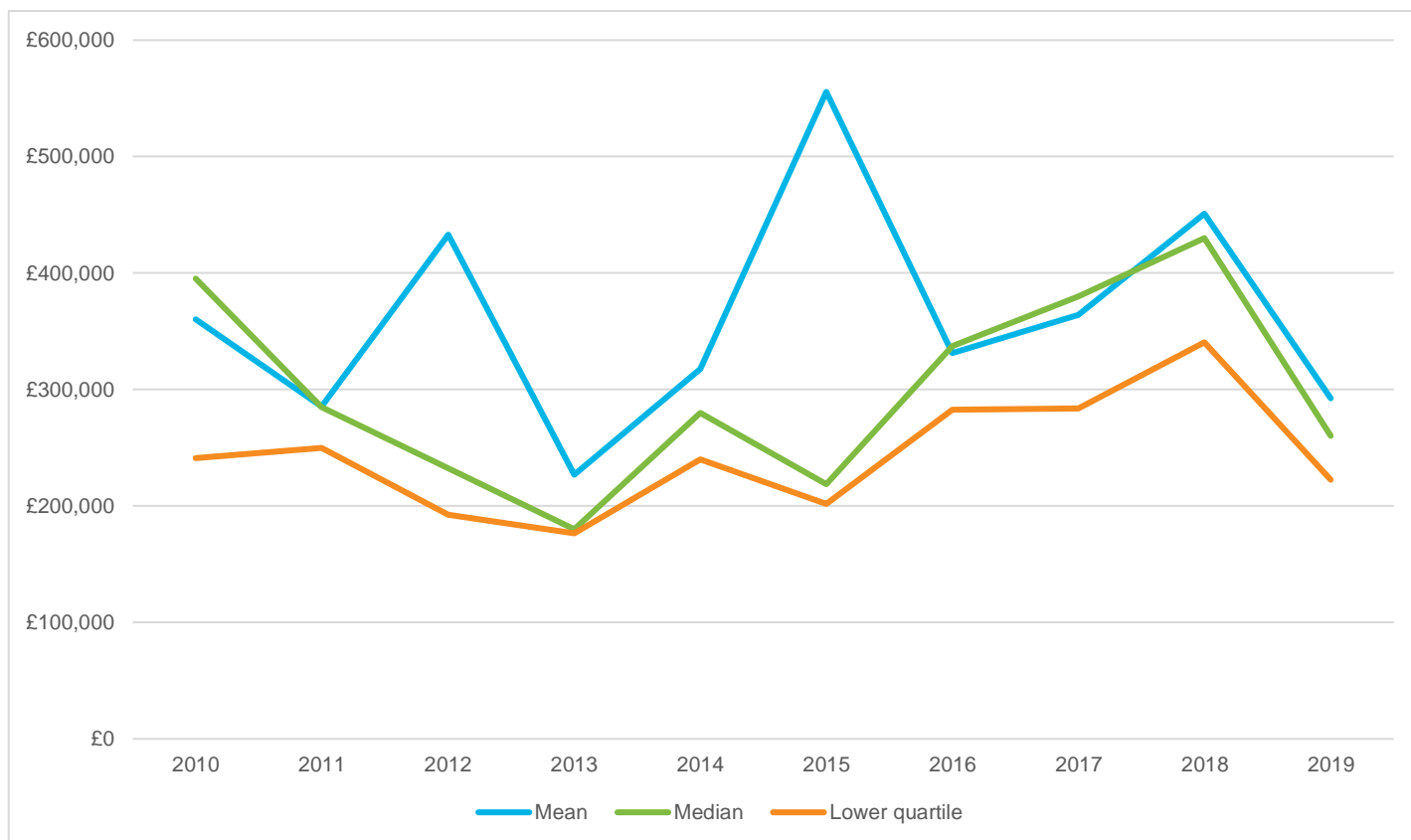
3.4 Affordability

64. Having reviewed both the tenure of the existing housing stock in the NCY area we now turn to assessing future provision over the Plan period.
65. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, an important starting point is to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.

3.4.1 House prices

66. We begin by considering the price of market housing, in particular the costs of entry-level dwellings. An entry-level dwelling can also be understood as one suitable for a household comprising one, two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
67. Figure 3-1 examines selected measures of house prices in NCY. It shows that house prices in all categories have fluctuated substantially over the 10-year period, with the result that prices in 2019 are actually lower for all categories than they were in 2010. Lower quartile price trends roughly follow those of the median and mean, with a lower degree of volatility.

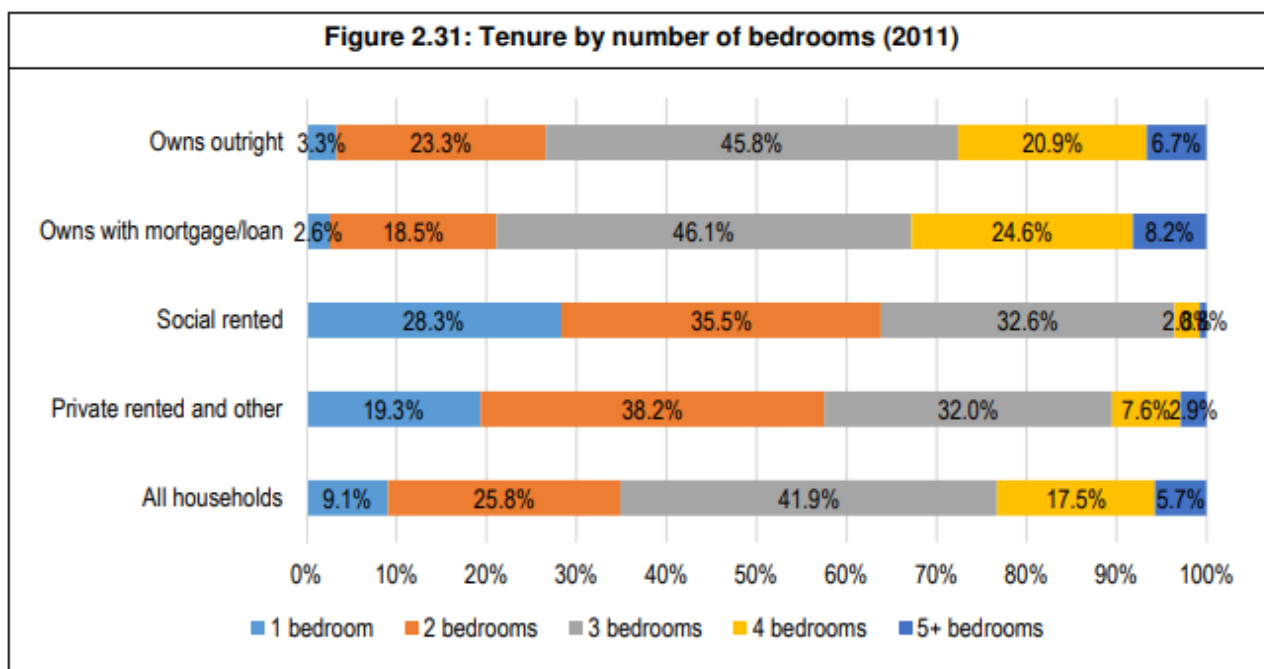
Figure 3-1: Average house prices North Cadbury and Yarlington between 2010 and 2019



Source: Land Registry PPD

68. Figure 3-2 below, taken from the SHMA, helpfully shows the tenure by number of bedrooms throughout South Somerset. It demonstrates that houses that are owned tend to be larger (3 bedrooms or more) whereas rented houses tend to be smaller (1-2 bedrooms). This can be attributed to the fact that those who own their own homes tend to have a higher income than those who rent and therefore often can afford to live in a property with more bedrooms. However, it must be noted that this is a representation of the whole housing market area and therefore the district and neighbourhood area may see some differences to this in reality.

Figure 3-2: Tenure by number of Bedrooms, Somerset (2011)



Source: 2011 Census

Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

69. Table 3-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that detached homes are substantially more expensive than other types on average. Semi-detached homes have appreciated by the greatest amount over the period, whilst terraced homes have significantly dropped in price. This would somewhat challenge the assumption of affordability issues. However, the 2019 data upon which price is compared seems to be an anomaly (both in 2012 and 2019) that may be due to a small sample size (the 2011 Census records that there are only 34 terraced properties in NCY). Over the 10 year period the average house price has been around £362,000, with the lower quartile house price around £243,000.

Table 3-3: House prices by type in the North Cadbury and Yarlington plan area, 2010-2019 (mean)

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£447,125	£341,000	£551,800	£302,667	£386,444	£305,000	£380,707	£396,707	£471,200	£467,500	4.6%
Semi-detached	£186,500	£230,000	£190,333	£242,500	£226,000	£206,750	£297,500	£266,500	£250,000	£246,667	32.3%
Terraced			£499,000	£183,667	£208,738	£219,000	£239,333			£78,750	
Flats						£196,000					
All Types	£360,250	£285,500	£432,800	£226,818	£317,663	£555,583	£331,496	£364,223	£450,857	£292,292	-18.9%

Source: Land Registry PPD

3.4.2 Income

70. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. As such, we have used two sources of data for household incomes in the NA.
71. The first is locally specific but limited to the average total household income. This is the average household income estimates published by ONS at the level of the Middle-layer Super Output Area (MSOA). In the case of NCY, the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02006076 (South Somerset 002) (however, it must be noted that this MSOA covers a far larger area than the NA). Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

72. The average total annual household income was £42,200.
73. The second source of data provides the Lower Quartile (LQ) average income that is helpful for understanding affordability challenges among those with lower than average incomes, but it is only available at the District level and so is less locally-specific.
74. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
75. South Somerset's gross LQ weekly income for 2018 was £279, or approximately £14,492 per year. This is the LQ income before taxes for individual earners but only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, we have doubled the annual income, to £28,984.

3.4.3 Affordability Thresholds

76. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
77. We have determined thresholds for: entry-level market purchase; entry-level private rent; shared ownership at 25%, 50%, and 75%; discounted market sale (20% discount), affordable rent set at 80% of private rents, and estimated social rent levels in NCY. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but 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 assumptions will not apply in all circumstances, and it is perhaps more realistic to expect that most households will spend a higher percentage than 30% of their incomes on housing costs.
78. The Government has set out its intention to bring forward First Homes which provide a discount on open market sale, likely to be set at a discount of 30%. A proportion of new homes will be required to be provided as First Homes, with the most recent consultation suggesting that First Homes may be required at a rate of 25% of all Affordable Housing.
79. It is also important to note that when calculating the cost of renting there are limited options of data, therefore this data is likely to quite variable over time and therefore slightly less reliable.
80. Table 4-4 below shows the annual cost of different tenures and the income and deposit required to support these costs within NCY.

Table 3-4: Affordability thresholds in North Cadbury and Yarlington (income required)

Tenure	Cost of purchase	Annual rent	Income required	Deposit required
Entry-level market sale	£222,500	N/A	£57,214	£22,250
Shared ownership (75%)	£150,188	£5,563	£48,473	£15,018
LA New Build Mean House Price	£254,250	N/A	£72,643	£25,425
Discounted market sale (20% discount)	£160,200	N/A	£45,771	£16,020
Discounted market sale (30% discount)	£155,750	N/A	£40,050	£15,750
Discounted market sale (40% discount)	£133,500	N/A	£34,393	£13,500
Discounted market sale (50% discount)	£111,250	N/A	£28,607	£11,250
Shared ownership (50%)	£100,125	£11,125	£39,732	£10,125
Shared ownership (25%)	£50,063	£16,688	£30,991	£5,006
Entry-level market rent	N/A	£10,415	£34,681	N/A
Affordable rent	N/A	£8,332	£18,807	N/A

Social rent	N/A	£4,702	£18,807	N/A
-------------	-----	--------	---------	-----

Source: AECOM Calculations

81. The income required to afford the different tenures is then benchmarked, in Figure 3-4 below, against the three measurements of household income set out previously. These are the average total household income for the local area at £42,200 and the lower quartile gross household income for South Somerset at £14,492 for single-person households and £28,984 for dual-earning households.
82. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is higher than the average income of those on lower quartile household incomes.
83. Looking at the affordability thresholds set out above, it is apparent that single-earning households on lower quartile incomes are unable to afford any of the housing tenures under consideration. However, the lower quartile income data is gross, and therefore does not reflect housing benefits or other forms of financial assistance. For this reason, it is possible that many such single-person households would also be able to meet their housing needs in social rented and 1 bedroom dwellings for private rent, which will be cheaper than the 2 bedroom dwellings used here, or rooms in a shared house.
84. For dual-earning households on LQ incomes, only the social and affordable rented sector is within reach. These households are fairly close to being able to afford the next most affordable tenure (shared ownership 25%). It is also possible that housing benefits and financial assistance could enable such households to rent privately, if appropriately priced options are available.
85. Government policy aimed at tackling the housing crisis continues to focus on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership¹⁴. In the case of NCY, the most appropriate tenure to help implement this policy goal locally is shared ownership, while discounted market homes are not particularly affordable. As explored in greater detail in Appendix A, the cost of discounted market homes may be higher still in practice due to ambiguity in the way that prices are set, and it is worth bearing in mind that the price of a lower quartile dwelling used as a baseline throughout this analysis includes existing housing and so may not reflect the price premium normally associated with new build housing.
86. Table 4-4 shows that households with incomes between £34,681 and £57,214 are able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. With regard to these products and the discounts required, the following observations can be made:
 - The discount on the average market sale price required to enable households on average incomes to afford to buy is 41%.
 - Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock (LA prices have been used for new builds as there is not enough data for this at neighbourhood level).
 - Discounts on new build or average prices may make homes no more affordable than entry level properties in the existing stock.
 - Shared ownership at 25% would extend homeownership to the widest group.
 - Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.¹⁵ This cost excludes any land value or developer profit.

¹⁴ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

¹⁵ This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

- The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In NCY a 30% discount on average prices would not be sufficient to extend home ownership to households on average incomes, but a slightly higher discount of 40% (which is permitted under the First Homes proposals if local conditions justify it) would bring them just within reach.
 - The income required to access Rent to buy is the same as that required to afford market rents therefore, the income required is £34,681, this would extend ownership to those on average incomes but not those on lower quartile incomes.
 - There is a limitation of NP and neighbourhood group to control or influence level of discount achieved on market sale properties but the LPA should have a role here.
87. Table 4-5 below shows what discounts are required in order for properties to be affordable to households on average incomes. A 30% discount on entry level sale house would be adequate for those on median incomes to afford to buy however, it is optimistic to expect discounts to be benchmarked in this way. For new houses or market sale houses more than a 40% discount would need to be applied to make this affordable.
88. The latest Government consultation on 'Changes to the current planning system'¹⁶ proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion. The evidence gathered here suggests that seeking a mid-range discounts may be appropriate in NCY, as a 40% discount would produce an estimated income threshold of £40,050, which would only just bring First Homes within reach of average earning households, but provide little assistance to those on lower incomes.

Table 4-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford

Mean household income in NA:	£42,200
Tenure/ product:	Discount on sale price required:
- Market sale (Average)	41%
- New build market sale (Average for LA)	45%
- Entry level sale (LQ)	31%

Source: Land Registry PPD; ONS MSOA total household income

89. For context, Figure 3-3 below demonstrates the cost of lower quartile level private rents by size for the Housing Market Area. This HNA uses two-bedroom as a standard for the private rented sector which renders it an unaffordable option for lower quartile (both single and dual earning) incomes. Figure 4-3 however, demonstrates the price difference per number of bedrooms for this sector, it would be reasonable to suggest that those on dual earning lower quartile incomes would be able to afford a one-bedroom private rented property.

Figure 3-3: Lower Quartile level private rents by size in Somerset, by size and location

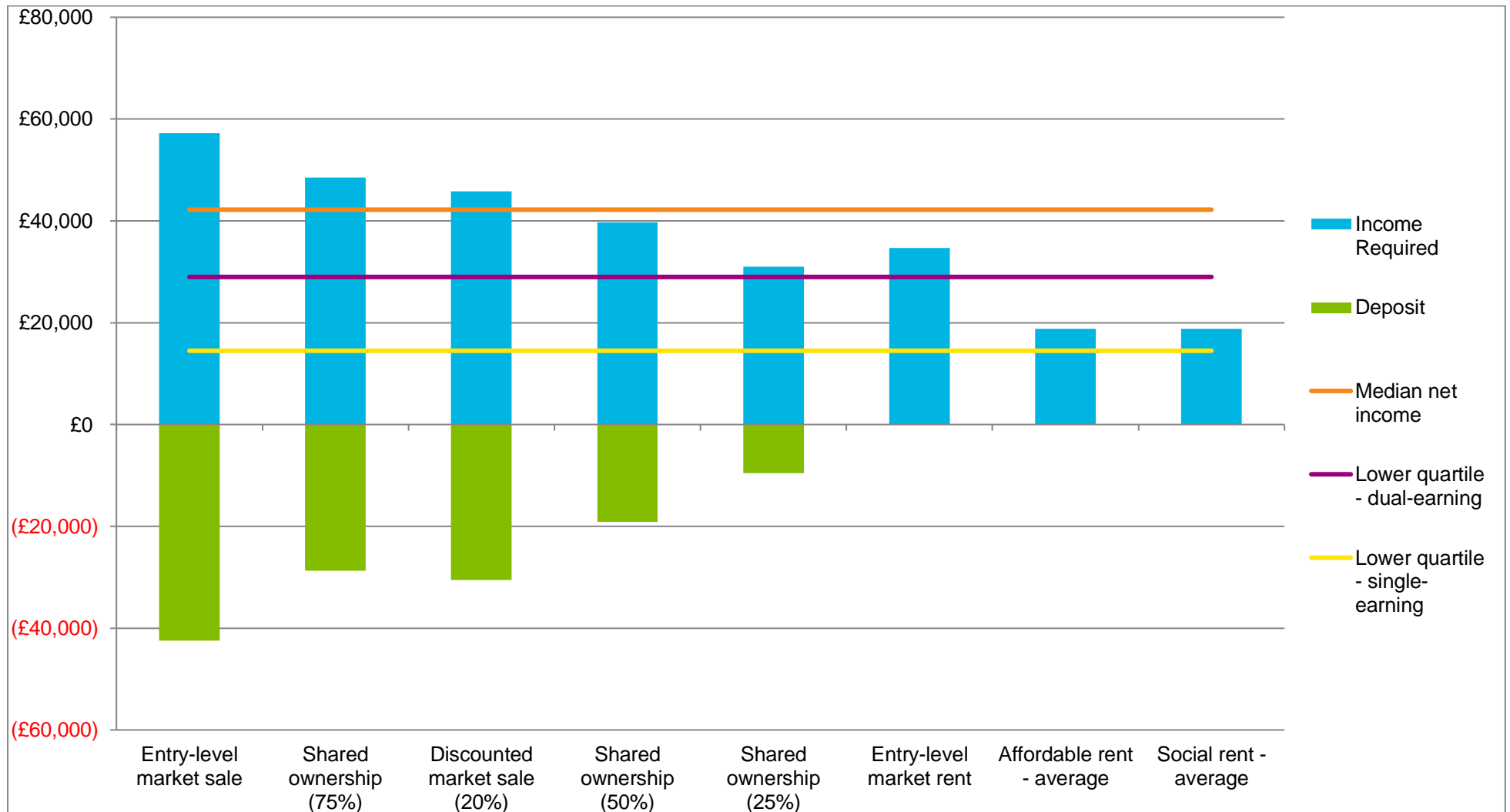
Figure 6.2: Lower Quartile Private Rents by Size and Location (year to March 2016) – per month							
	Room only	Studio	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	All dwellings
Mendip	£332	£325	£425	£550	£675	£850	£525
Sedgemoor	£368	£338	£400	£500	£625	£795	£480
South Somerset	£321	£330	£395	£540	£650	£850	£485
Taunton Deane	£303	£325	£425	£550	£675	£850	£500
Somerset	£321	£330	£400	£535	£650	£850	£500

Source: Valuation Office Agency

Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

¹⁶ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

Figure 3-4: Affordability thresholds in North Cadbury and Yarlington (income required)



Source: AECOM Calculations

3.5 Affordable rented housing- quantity needed

90. The SHMA calculates the need for affordable housing within South Somerset. The SHMA does identify the difference between those who can't afford to buy but can afford to rent and those who cannot afford either. In addition, estimated future supply only includes those houses that have potential to re-let rather than building in an assumption of supply that may not be realistic in practice. Therefore, is it considered appropriate to pro-rate the affordable rented housing need identified in the SHMA to NCY.
91. At Local Authority level, the SHMA estimates a net need of 206 homes for affordable housing each year (Figure 4-5).

Figure 3-5 Estimated Annual Need for Affordable Housing by location

Figure 7.11: Estimated Annual Need for Affordable Housing – by location						
	Current need (annualised)	Newly forming households	Existing households falling into need	Total Need	Relet Supply	Net Need
Mendip	17	351	191	559	319	240
Sedgemoor	15	408	232	655	354	301
South Somerset	20	466	379	865	659	206
Taunton Deane	17	363	393	774	613	161
Somerset	74	1,665	1,274	3,013	2,058	955

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

92. To produce an affordability quantity figure for the NA alone, we must break down this housing need figure, using population data from the Census. According to the 2011 Census, NCY had a population of 1,073 while South Somerset had a population of 161,243. Therefore, based on its population, NCY 'share' of South Somerset's population is 0.66% ($1,073 \div 161,243 \times 100$).
93. We can now use this proportion to work out NCY's 'share' of affordable housing need:
- $206 \times 0.0066 = 1.37$ or roughly 1 dwelling per year
 - 1.37×18 (provisional NP period) = 24.6 or roughly 25 dwellings from 2018-2036.
94. Next, we turn to the quantity of homes needed for affordable home ownership. Although the SHMA identifies an imbalance of intermediate tenures, this only relates to households on the waiting list and newly forming households who are unable to afford market rents. We therefore turn to our own methodology to calculate the full need for affordable home ownership.
95. This calculation estimates the number of households who can afford to rent in the market but cannot afford to buy. The needs and aspirations of this group have become a priority of Government in recent years and this now reflected in revisions to the NPPF which include affordable home ownership products within the definition of Affordable Housing.
96. Table 4-6 estimates the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households, but considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy and may prefer to do so. These households are additional to the 1.37 households per annum identified above (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 2.7 affordable home ownership dwellings per annum, or 49 in total over the plan period.

Table 3-6 Estimate of the need for affordable home ownership housing, North Cadbury and Yarlington

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	85.3	Census 2011 number of private renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	16.3%	% of private renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	13.9	1.1 x 1.2
1.4 Current need (households)	53.6	Current private renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	3.0	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	63.7	LA household projections for plan period (2014 based) pro-rated to NA
2.2 % of households unable to buy but able to rent	15.5%	Current % of households in PRS (current need (1.4) and supply (3.1) and dividing the result by 489 (number of households in 2011)).
2.3 Total newly arising need	9.9	2.1 x 2.2
2.4 Total newly arising need per annum	0.8	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	22.3	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales per annum	1.1	3.1 x 5% (assumed rate of re-sale per annum)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	2.7	Shortfall = (Step 1.5 + Step 2.4) – 3.2

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

97. The total estimated Affordable Housing need over the Plan period 2021-2036 is therefore 25 (rounded) affordable rented homes and 49 (rounded) affordable home ownership dwellings.
98. The Household Survey data shows that of the responses, 12 households were looking for some form of affordable housing, 2 of which were for social rented and 10 for affordable home ownership. This is further broken down into 4 for part ownership options such as shared ownership and 6 for dwellings at a discounted market rate. This demonstrates a ratio more heavily weighted towards the need for affordable ownership over social rented dwellings, supporting the data shown in this assessment.
99. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the Local Planning Authority. It should be noted that under the emerging Local Plan NCY would have an allocation of 60 homes. Policy HG3 in the adopted Local Plan states that 35% of new housing needs to be affordable and Policy HG2 in the emerging Local Plan states that 29% of new housing needs to be affordable. On that basis, without using rural exception sites as a policy option (which is one possibility), NCY could expect to receive 17 to 21 affordable homes over the plan period depending on which Plan's affordability percentage is applied, or less if smaller sites that fall under the affordable housing threshold are promoted. Clearly this is not sufficient to deliver the 25 houses in most urgent need (nor the additional 41 who may aspire to home ownership but cannot afford to).
100. Unless promoted as rural exception sites (with landowners acceptance of lower land values), small sites (under 10 houses) are unlikely to yield the development capacity to require an affordability percentage, further reducing the number of affordable houses NCY can expect to receive.
101. Therefore, the community may wish to boost the supply of affordable housing in other ways. For example, identifying rural exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
102. It is important to state there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for estimated affordable housing needs to be met in full, either within or outside the Neighbourhood Plan area,

though there are tools available to neighbourhood planners, as outlined above, that can help ensure that it is met to a greater extent if resources permit.

103. It is also important to remember that even after the NCY, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
104. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

3.6 Affordable Housing Policies in NCY

105. In terms of the ideal split of tenures within Affordable Housing, it is important to reference South Somerset's affordable housing policy. This split is not outlined in the adopted Local Plan, but it has been set out in the emerging Local Plan. Policy HG2 of the emerging Local Plan states that 80% should be affordable rent and 20% affordable routes to homeownership.
106. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
107. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
108. Table 4-8 at the end of this chapter estimates the number of affordable homes likely to come forward based on the overall housing requirement for the NA and the application of affordable housing policies.
109. On small scale developments, such as those expected to come forward over the plan period, only small numbers of affordable homes are likely to be delivered through the application of this policy. For this reason, the neighbourhood group may wish to consider identifying sites specifically for the provision of affordable housing. This would enable more substantial provision of Affordable Housing, and could also act as a suitable way forward if the Government's proposal to temporarily lift the small sites Affordable Housing threshold is likely to have a significant impact on provision in the NA.
110. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in NCY. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in NYC.
 - A. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in NCY to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 49 homes over the plan period. If NCY was to meet its share of South Somerset's need for social/affordable rented housing this would imply 25 homes over the plan period.
 - B. **Can Affordable Housing needs be met in full?** The HRF for NA is 60. This level of housing delivery would not allow affordable housing needs to be met in full. It is unlikely that sufficient Affordable Housing will be delivered over the plan period to meet identified needs. If the majority of NA's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This suggests some form of prioritisation will be required. In most cases, Councils will wish to prioritise the delivery of social/affordable rented homes to meet acute needs. However, considerations can differ in rural areas and subject to other considerations.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA delivery 10% of homes as affordable home ownership would impact on the ability to deliver social/affordable rented homes.

Emerging policy: the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.¹⁷ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

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

- D. **Local Plan policy:** South Somerset's emerging Local Plan requires a tenure mix of 80% rented and 20% intermediate housing. The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes, which would likely supersede the emerging Local Plan target and result in a slightly higher percentage of intermediate tenures.
- E. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- F. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- G. **Existing tenure mix in NCY:** Evidence suggests there is limited Affordable Housing (either to rent or for sale) within the NA at present eg is there much more social rent than shared ownership. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- H. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area. Some housing associations may be reluctant to take on small numbers of homes in rural areas because of the extra cost involved in managing this stock. However, there may be specialist providers who are willing to provide this housing and so the delivery of social/affordable rented homes should not be ruled out if it is an objective of the neighbourhood group and supported by the Council.
- I. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for NCY and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.

111. In Table 4-7 below, two alternative scenarios for the tenure mix of Affordable Housing in NCY are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through

¹⁷The original proposals are available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>. Note that the latest proposals are not final, and could potentially be subject to further change.

developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.

112. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in NCY as identified in the HNA evidence.
113. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress.
114. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, the suggested affordable routes to home ownership (rent to buy and shared ownership) would be displaced by roughly half each in order to ensure diversity in the resulting mix and not eliminate one tenure entirely.
115. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.
116. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
117. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

Table 4-7: Indicative tenure split (Affordable Housing)

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
Routes to home ownership, of which	46%	46%	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes ¹⁸	10%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	26%	16%	Proposed changes to the model to allow purchases of 10% share ¹⁹ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	10%	5%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which	54%	54%	
Social rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area Uncertain whether RPs willing to own/manage stock in this area
Affordable rent	To be set by Registered Providers	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area

Source: AECOM calculations

118. Assuming that the Government’s proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing polices (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of NCY to accommodate those with the most acute needs
119. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.).
120. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

¹⁸ In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

¹⁹ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

3.7 Conclusions- Tenure and Affordability

121. NCY is characterised by a relatively high proportion of home ownership, as opposed to private and social renting, when compared with South Somerset and England as a whole. While this could be taken to indicate a housing market where home ownership is within reach of most people, a more detailed analysis of affordability reveals that this may not be the case, and may be one of the factors why the NCY area has a comparative shortage in those aged in their 20s and early 30s (8.5% of the population are 20 – 34 compared to 15.2% across South Somerset), although the number of children living in the area is fairly typical.
122. Indeed, the annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is significantly above average net household income locally and four times that of the lower quartile gross income of a single-earner.
123. The number of private renting experienced the largest change between 2001 and 2011, increasing by a significant 63%. At the same time, the number of properties available for social rent declined by 13% as occupiers of such accommodation made purchases through the Right to Buy program.
124. Given that social and affordable rent is the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social rented dwellings is likely to be one factor for why the younger adults in their 20s and early 30s do not appear to be staying in the local area.
125. To ensure that other households on lower than average incomes can afford to continue living and have the opportunity to form their own independent households in NCY, it will also be important to increase the quantity of affordable routes to home ownership – especially if reforms to welfare including housing benefit are implemented in the coming years. This is particularly important as there is no form of home ownership that is a viable option for those on lower than average incomes.
126. Affordable Housing is typically provided and made financially viable by Borough-wide planning policies that require it to be included at a set proportion of larger market housing developments. This policy expectation in NCY, expressed in the adopted and emerging Local Plan. The adopted emerging Plan states that 35% of new housing on developments providing 6 dwellings or more will be affordable. However, the emerging Plan suggests a reduction on this requirement stating that only 29% of new housing on development providing 10 dwellings or more will be affordable.
127. Two alternative scenarios for the tenure mix of Affordable Housing in NCY have been presented. While both options provide the same split in social rent and intermediate housing of 54% and 46% respectively, in the second scenario this assumes 25% of the intermediate housing should be for first homes, reducing the potential amount of shared ownership to be delivered.
128. Table 4-8 below summarises NCY’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.
129. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government’s proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

Table 4-8: Estimated delivery of Affordable Housing in NCY

	Step in Estimation	Expected delivery (same for Mix 1 and Mix 2)
A	Housing requirement figure	60
B	Affordable housing quota (%) in LPA’s Local Plan	29-35%

C	Potential total Affordable Housing in NA (A x B)	17-21
D	Rented % (e.g. social/ affordable rented)	54%
E	Rented number (C x D)	9-11
F	Affordable routes to home ownership % (e.g. First Homes, Rent to Buy)	46%
G	Affordable route to home ownership number	8-10

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

130. Of the indicative figure of 60 dwellings proposed for NCY 17-21 dwellings (depending on whether adopted or emerging policy is applied) are likely to be affordable on the basis of that policy requirement. This figure is lower than the 25 households that are projected to be in need of Affordable Housing to rent over the same period and the 49 households projected to be in need of Affordable Housing for sale. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not yield the size or capacity required to provide affordable housing and so the number of Affordable Housing units will be lower still.
131. Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 29-35% delivery requirement is met wherever possible in NCY. Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, using community development orders, identifying exception sites (explicitly supported by the emerging Local Plan Policy SS2) or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.
132. It is difficult to exceed the Local Plan affordable housing policy requirement in the neighbourhood plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of a HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance.
133. The need to improve affordability in NCY across all tenures aligns with the findings in relation to the type and size of homes – that new residential development should ensure a substantial proportion of smaller dwellings. Increasing the proportion of smaller homes and more affordable types (as above) should help to rebalance the housing stock in favour of options that are both suitable to the population profile as it evolves over time and that will combat growing affordability challenges.

4. RQ 2: Type and Size

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

4.1 Introduction

135. The NCY Neighbourhood Plan will need to include policies informed by robust data on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people at all stages of life the options they require, while keeping the market operating efficiently.
136. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in the NCY area (NA). Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA, and then applying to that baseline assessment demographic projections of how the NCY population is likely to change by the end of the Plan period.

4.2 Existing types and sizes

4.2.1 Background and definitions

137. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
138. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size would suggest for future years.
139. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should thus be translated as follows:²⁰
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
140. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²¹ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
141. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same address

²⁰ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²¹ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

who share cooking facilities and share a living room or sitting room or dining area.”²² On this basis, where unrelated *residents* of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

4.2.2 Dwelling type

142. The 2011 Census shows that the NA is characterised by a particularly large proportion of detached dwellings compared to wider geographies, with a correspondingly lower proportion of terraced houses and a particularly low proportion of flats, maisonettes or apartments (see Table 4-1 below).

Table 4-1: Accommodation type (households), North Cadbury and Yarlington 2011

Dwelling type		North Cadbury and Yarlington	South Somerset	England
Whole house or bungalow	Detached	60.6%	33.5%	22.4%
	Semi-detached	30.3%	30.7%	31.2%
	Terraced	6.9%	24.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.4%	7.9%	16.4%
	Parts of a converted or shared house	0.8%	2.1%	3.8%
	In commercial building	0.6%	0.9%	1.0%

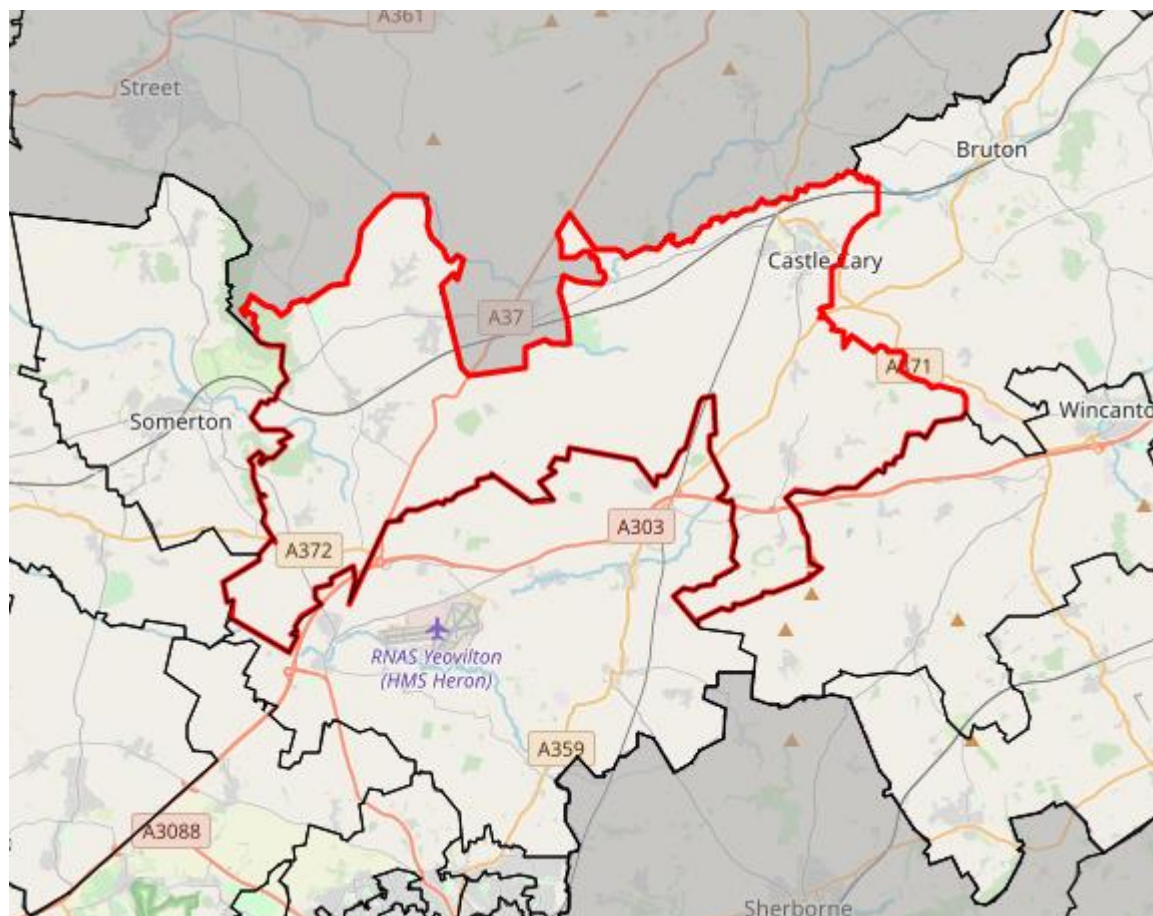
Source: ONS 2011, AECOM Calculations

4.2.3 Bungalows

143. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their presence in NCY. This data is limited in the sense that all the statistics are rounded to the nearest 10, and because it is only available down to the level of the Middle Super Output Area (MSOA) used in the Census, so the data discussed below covers a far wider area than the NCY neighbourhood area. The code for the MSOA in question is E02006076, and the map in Figure 4-1 below shows its boundary.

²² Ibid.

Figure 4-1: MSOA E02006076, used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

- 144. The data is presented in Table 4-2 below. It shows that 15% of properties in NCY are bungalows, a slightly higher rate to that seen across South Somerset as a whole and England and Wales. On the basis of comparison with these wider geographies it does not appear to be the case that NCY has an undersupply of bungalows. However, further analysis in this and subsequent chapters may show if demand is expected to rise beyond the current level of provision.
- 145. The Household Survey Consultation highlighted that older households are more likely to opt to live in a bungalow than younger households (bungalows accounted for 23% of pensioner’s house types), with far fewer (13%) households with only working age adults living in bungalows, and very few families with dependent children (5%). Therefore, considering the relatively ageing population the requirement for bungalows may see an increase.

Table 4-2: Number of bungalows by property size, 2019

	MSOA inc North Cadbury and Yarlinton		South Somerset		England and Wales	
1 bedroom	70	11%	1,340	12%	280,050	11%
2 bedrooms	260	42%	5,170	47%	1,200,960	49%
3 bedrooms	240	39%	3,680	33%	794,840	33%
4 bedrooms +	60	10%	680	6%	160,990	7%
Unknown	0	0	40	0.4%	7,320	0.3%
Total	620		10,900		2,444,150	
Percentage of all properties that are bungalows	15.5% (of 4,000)		14% (of 76,980)		10% (of 25,635,730)	

Source: Valuation Office Agency, Council tax: stock of properties, 2019, Table CTSOP3.1_2018

146. The Household Survey demonstrates there is a slightly higher proportion of bungalows in NCY than in the wider MSOA, at 17% of all dwellings. In addition, it showed a far higher percentage of bungalows were larger in terms of number of bedrooms. However, this data must be looked at with caution, especially when considering the demographic and potentially occupancy of those who responded to the survey.

4.2.4 Dwelling size

147. Table 4-3 below sets out the proportion of dwellings having various numbers of rooms. The housing stock in the NA is characterised by a notably larger share of homes with 7 rooms or more than seen at Borough level – a combined 50% compared with 30% in South Somerset. There are consequently proportionally fewer smaller homes in NCY.

Table 4-3: Number of rooms per household in the plan area, 2011

Number of Rooms	North Cadbury and Yarlinton	South Somerset
1 Room	0.2%	0.2%
2 Rooms	0.0%	1.8%
3 Rooms	3.7%	7.1%
4 Rooms	9.8%	16.7%
5 Rooms	16.7%	23.9%
6 Rooms	19.8%	20.1%
7 Rooms	15.7%	12.2%
8 Rooms or more	14.1%	8.7%
9 Rooms or more	20.0%	9.3%

Source: ONS 2011, AECOM Calculations

148. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that the plan area has undergone significant growth in households with 3 rooms, compared to moderate growth in this category at the wider geographies. A further stark contrast between the NA and wider geographies is the reduced level of households with 2 rooms (actual numbers show the number of dwellings with 2 rooms decreased from 6 to 0 in NCY), while in both South Somerset and nationally there was an increase.

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

Number of Rooms	North Cadbury and Yarlinton		South Somerset		England
1 Room	0.0%	+1	-21.0%	-44	-5.2%
2 Rooms	-100.0%	-6	31.9%	+309	24.2%
3 Rooms	183.3%	+11	22.1%	+894	20.4%
4 Rooms	12.5%	+5	-4.1%	-497	3.5%
5 Rooms	-14.4%	-13	-2.0%	-340	-1.8%
6 Rooms	-3.2%	-3	7.4%	+967	2.1%
7 Rooms	14.3%	+9	20.3%	+1,450	17.9%
8 Rooms or more	18.9%	+25	31.6%	+3,013	29.8%

Source: ONS 2001-2011, AECOM Calculations

149. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 4-5 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that the NA is roughly in line with higher level geographies for all categories, but contains a lower proportion of smaller properties and a higher proportion of larger properties. This imbalance in the existing housing stock towards large homes is alone sufficient evidence for NCY to promote the delivery

of smaller homes in future. The ideal proportion of dwelling sizes for future development is explored at the end of this chapter.

Table 4-5: Number of bedrooms in household spaces in North Cadbury and Yarlington, 2011

Bedrooms	North Yarlington	Cadbury and South Somerset	England
All categories: no. of bedrooms	460	100.0%	22,063,368
No bedrooms	0	0.0%	54,938
1 bedroom	10	2.2%	2,593,893
2 bedrooms	85	18.5%	6,145,083
3 bedrooms	192	41.7%	9,088,213
4 bedrooms	114	24.8%	3,166,531
5 or more bedrooms	59	12.8%	1,014,710

Source: ONS 2011, AECOM Calculations

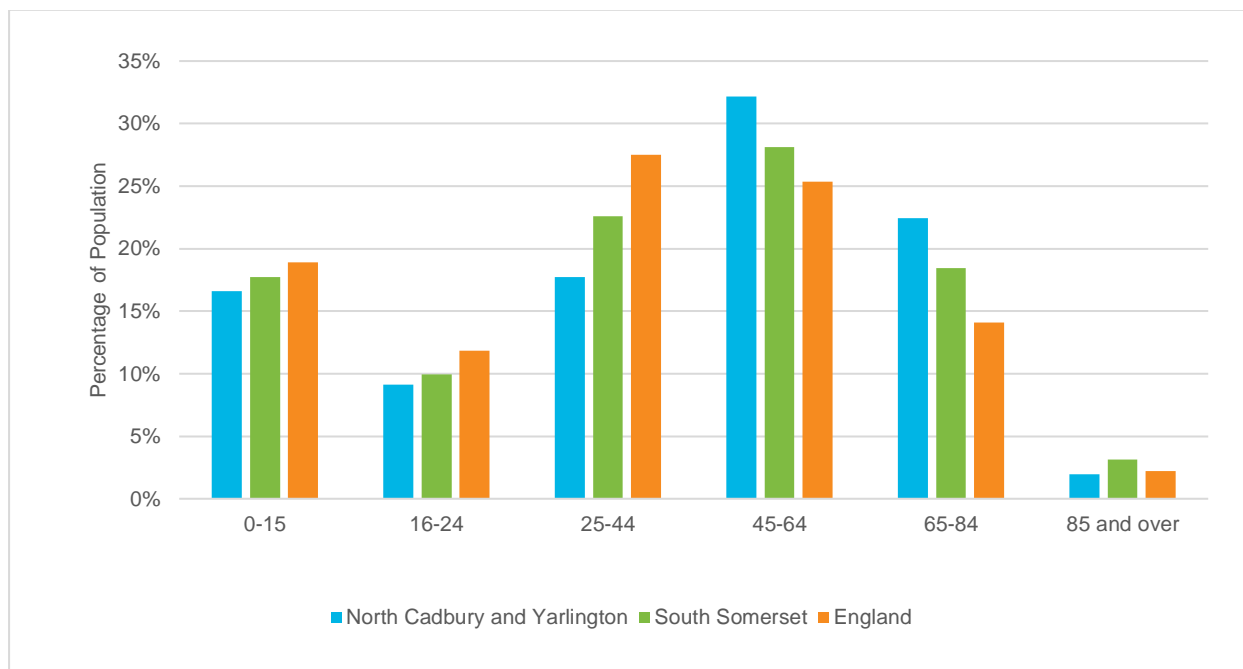
4.3 Household composition and age structure

150. The current stock profile of NCY has now been established, with recent changes in its composition identified. The evidence assembled below relates to the composition and age structure of households both in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the size of housing needed in the NA by the end of the Plan period.

4.3.1 Age structure

151. The 2011 Census data presented in Figure 4-2 below reveals that the plan area has a much higher proportion of people in the 45-64 and 65-84 age categories than seen at the Local Authority or national level. Given this weighting towards an older population, over the Plan period to 2036, it is likely that NCY will require smaller dwellings better suited to couples and single persons, however, during the intercensal period dwellings with 8 rooms or more saw the largest actual increase. In addition, the general housing stock is weighted more heavily to dwellings with 3 or more bedrooms. Therefore, the increase and prominence of these larger dwellings is unlikely to meet the needs of the future demographic of the area.

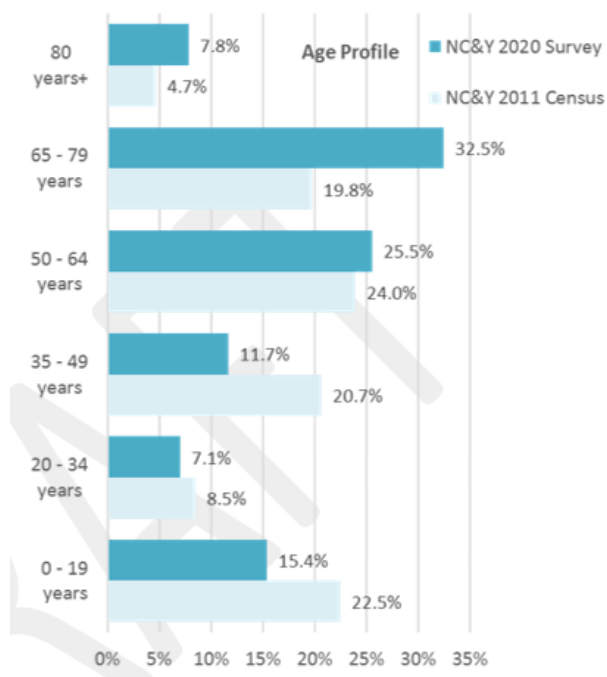
Figure 4-2: Age structure, 2011



Source: ONS 2011, AECOM Calculations

152. The Household Survey Consultation presented a similar but more pronounced age structure and while this may be much more recent data than the 2011 census data, it must also be considered that not all residents responded to the survey and it is often similar demographics who do respond. However, it does indicate that there may have been further growth in those aged 50 and over, while there has been potential decreases in those aged under 50 (although this age group were less likely to respond to the survey).

Figure 4-3 Household Survey Consultation Demographics



Source: Neighbourhood Plan Household Survey Consultation

153. In terms of changes to age structure over time, Census data shows that since 2001 the NCY population has grown notably for both categories of 65 and above (and to a lesser extent those in their mid-40s upwards), while the number of school-aged children (0-15) and those in the 25-44 age groups have declined. In addition to a moderately ageing population, a further demographic challenge for NCY is the lack of growth in those of childbearing age and consequently the younger replacement population. These patterns are similar to those seen at borough level, but are slightly more pronounced (see Table 4-6 below).
154. Unusually, there has been significant growth in the 16-24 age group, far higher than both the wider geographies. However, the increase in terms of actual numbers is only 30 individuals and may be reflective of the increase in the number of adults in their late 40s and 50s whose children remain living at home because there are few affordable alternatives locally.

Table 4-6: Rate of change in the age structure of the population, 2001-2011

Age group	North Cadbury and Yarlington	South Somerset	England
0-15	-1.1%	-3.2%	1.2%
16-24	60.7%	19.4%	17.2%
25-44	-15.6%	-7.3%	1.4%
45-64	10.9%	16.0%	15.2%
65-84	25.5%	15.4%	9.1%
85 and over	16.7%	32.4%	23.7%

Source: ONS 2001-2011, AECOM Calculations

4.3.2 Household composition

155. Household composition (i.e. the mix of adults and children in a dwelling) is another relevant factor in driving the size (and to an extent, the type) of housing needed over the Plan period.
156. In assessing Census data on household composition in Table 4-7 below, we see that NCY is fairly consistent with the Borough for all household composition, with only a slightly higher proportion of one family households.
157. Note that non-dependent children refers to children who are adults but live at home with their parents or keep that address while at university.

Table 4-7: Household composition (by household), 2011

Household composition		North Cadbury and Yarlington	South Somerset	England
One person household	Total	26.5%	29.5%	30.2%
	Aged 65 and over	15.0%	14.8%	12.4%
	Other	11.5%	14.7%	17.9%
One family only	Total	68.7%	65.5%	61.8%
	All aged 65 and over	14.8%	11.7%	8.1%
	With no children	23.7%	21.1%	17.6%
	With dependent children	23.0%	24.2%	26.5%
	All children Non-Dependent	7.2%	8.4%	9.6%
Other household types	Total	4.8%	5.0%	8.0%

Source: ONS 2011, AECOM Calculations

158. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. As shown in Table 4-8 below, between 2001 and 2011 the biggest change was the increase in one family households with non-dependent children (demonstrating an actual increase of 12 households), which is not reflected at district or national level. This could indicate significant affordability issues in the area, as increasingly adult children remain living in the family home. In addition, one person households aged 65 and over increased significantly compared to wider geographies again showing reflecting the increasing trend of the ageing population. Other household types, such as houses of multiple occupation,

decreased in the NA while this sector saw an increase at the Local Authority and national level.

Table 4-8: Rates of change in household composition, 2001-2011

Household type		Percentage change, 2001-2011		
		North Cadbury and Yarlinton	South Somerset	England
One person household	Total	10.9%	13.6%	8.4%
	Aged 65 and over	15.0%	2.1%	-7.3%
	Other	6.0%	28.2%	22.7%
One family only	Total	5.0%	6.1%	5.4%
	All aged 65 and over	-2.9%	2.5%	-2.0%
	With no children	-0.9%	11.8%	7.1%
	With dependent children	6.0%	2.4%	5.0%
	All children non-dependent	57.1%	8.9%	10.6%
Other household types	Total	-21.4%	23.4%	28.9%

Source: ONS 2001-2011, AECOM Calculations

4.4 Dwelling mix determined by life-stage modelling

- 159. Recognising the fact that households of different ages have different housing needs, to estimate the housing mix needed by the end of the Plan period we adopt an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
- 160. The Household Survey data provides data on size of dwelling and the age of its occupants. See Table 5-9 below. This demonstrates that younger households tend to occupy smaller dwellings and the size of dwellings tends to increase with age.
- 161. However, this data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') available at neighbourhood level is not overly reliable due to the sample size and demographic of the respondents. For this reason, Borough-level data needs to be used as the closest proxy.

Table 4-9 Age range to number of bedrooms in North Cadbury and Yarlinton

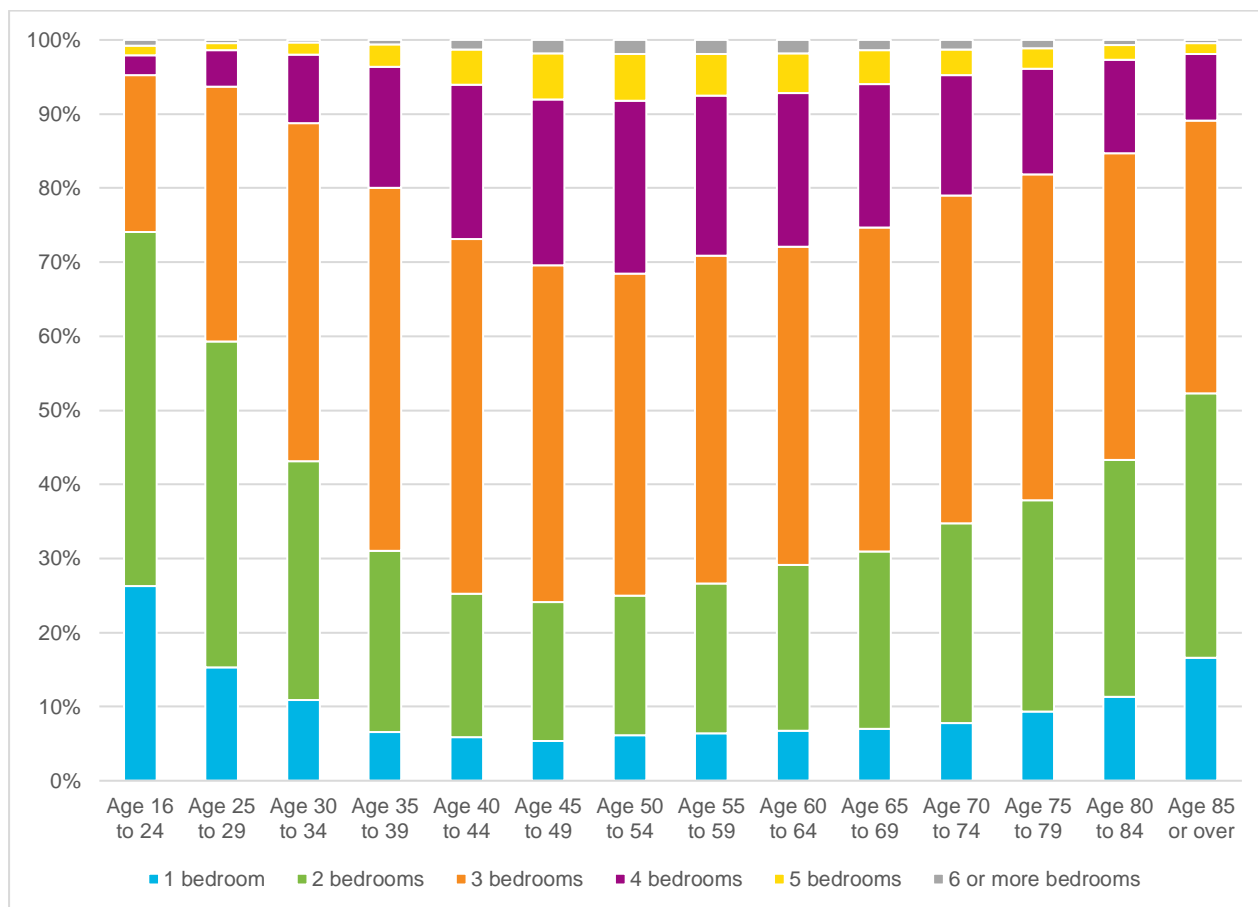
Age range to bedroom	1 bed	2 bed	3 bed	4 bed	5 bed
20 - 34	16.7%	0.0%	66.7%	16.7%	0.0%
35 - 49	0.0%	9.7%	35.5%	38.7%	16.1%
50 - 64	1.3%	9.1%	41.6%	26.0%	22.1%
65 - 79	2.6%	15.5%	24.1%	42.2%	15.5%
80 years+	2.6%	13.2%	28.9%	47.4%	7.9%

Source: Household Survey

- 162. Figure 4-4 below sets out the relationship in the 2011 Census in South Somerset between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Plan period. The data shows that whilst the majority of South Somerset's residents live in 1- and 2- bedroom properties until the age of 29, the preference turns to dwellings of 3 bedrooms or more right up until the age of 85, when the preference for smaller homes again exceeds 50% of households. Generally, all household sizes follow the same trend throughout the life stage, with households starting small then moving to larger properties and then moving back to smaller

properties.

Figure 4-4: Age of household reference person by dwelling size in South Somerset, 2011



Source: ONS 2011, AECOM Calculations

163. Next, household projections provided by MHCLG are consulted to achieve an understanding of the future distribution of households by the age of the HRP. Again, this data is only available at the Borough level and for the years 2011 to 2039. Therefore, the distribution of households by the age of the HRP in 2036, i.e. the end of the proposed Neighbourhood Plan period, is estimated and coloured red in Table 4-10 below.

Table 4-10: Projected distribution of households by age of HRP, South Somerset

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,944	7,143	24,356	13,368	22,690
2014	1,904	7,889	23,712	12,601	25,480
2036	2,054	8,003	23,085	12,084	38,010
2039	2,074	8,019	23,000	12,013	39,719

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

164. At this point, it is then necessary to extrapolate from these Borough-level population projections an estimate of the corresponding change in the age structure of the population in NCY. To do so, the percentage of increase expected for each group across South Somerset between 2011 and 2036, derived from the data presented above, is mapped to the population of NCY. The results of this calculation are detailed in

165. Table 4-11 below. It is notable that while age groups between 35 and 64 are expected to decrease in size over the Plan period, those aged 65 and over will more than double (to nearly 69% of the entire population). The distribution of HRPs under 34 is set to stay at a relatively even level.

Table 4-11: Projected distribution of households by age of HRP, North Cadbury and Yarlington

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
% change 2011-2036 for South Somerset	0%	10%	-5.5%	-9.5%	69%
NCY 2011 population	6	20	164	95	175
NCY 2036 projection	6	22	155	86	296

Source: AECOM Calculations

166. Then, to complement the two stages above, Table 4-12 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in South Somerset at the time of the Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across NCY by the end of the plan period.

Table 4-12: Age of household reference person to size, grouped, South Somerset, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	26.3%	12.8%	5.9%	6.5%	9.9%
2 bedrooms	47.7%	37.4%	20.1%	21.3%	28.8%
3 bedrooms	21.2%	40.7%	46.3%	43.6%	42.3%
4 bedrooms	2.7%	7.3%	21.0%	21.2%	14.9%
5+ bedrooms	2.1%	1.7%	6.7%	7.3%	4.1%

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

167. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in South Somerset and NCY falling into each of these stages by the end of the Plan period in 2036, it is now possible to recommend how the housing stock could evolve in terms of size over the Neighbourhood Plan period to overcome existing or future misalignments between the supply of dwellings and demand (see Table 5-13 below).

168. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. By doing so for each age bracket and then adding together the totals for each dwelling size, we arrive at an estimation of what proportion of each size of dwelling will be required overall. By multiplying a number of households by the percentages in Table 4-12 above, the results are rarely whole numbers and are therefore presented as rounded. Because the totals are derived from the exact (non-rounded) data, not all columns and rows will sum precisely.

Table 4-13: Ideal dwelling size distribution in North Cadbury and Yarlington by the end of the Plan period, based on modelled household life-stages

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2036	6	22	155	86	296	-
1 bedroom	2	3	9	6	29	49
2 bedrooms	3	8	31	18	85	146
3 bedrooms	1	9	72	38	125	245

4 bedrooms	0	2	32	18	44	96
5+ bedrooms	0	0	10	6	12	29

Source: Census 2011, AECOM Calculations

- 169. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in .
- 170. Table 4-13 above, which are produced by modelling the change in the age structure of the population in NCY.
- 171. Table 4-14 below indicates that, by 2036, the size distribution of dwellings should shift towards the smaller end of the size spectrum, with lower proportions of dwellings with 4 or more bedrooms and higher proportions of smaller homes.
- 172. It is important to note, when comparing the current and recommended size mix, the fact that NCY currently has an unusually large stock of housing – i.e. it contains higher proportions of larger homes and lower proportions of smaller ones than the wider district. It is therefore likely that any estimate of future demand based on the occupation patterns of different age groups will contrast with what is a relatively unusual baseline housing mix.

Table 4-14: 2011 housing sizes compared to ideal distribution at end of Plan period, North Cadbury and Yarlington

Number of bedrooms	2011		2036	
1 bedroom	10	2.2%	49	8.6%
2 bedrooms	85	18.5%	146	25.8%
3 bedrooms	192	41.7%	245	43.3%
4 bedrooms	114	24.8%	96	17.1%
5 or more bedrooms	59	12.8%	29	5.2%
Total households	460	100.0%	565	100.0%

Source: Census 2011, AECOM Calculations

- 173. Table 4-15 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 4-15: Future potential misalignments of supply and demand for housing, North Cadbury and Yarlington

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	10	49	39	25.4%
2 bedrooms	85	146	61	40.0%
3 bedrooms	192	245	53	34.6%
4 bedrooms	114	96	-18	0.0%
5 or more bedrooms	59	29	-30	0.0%

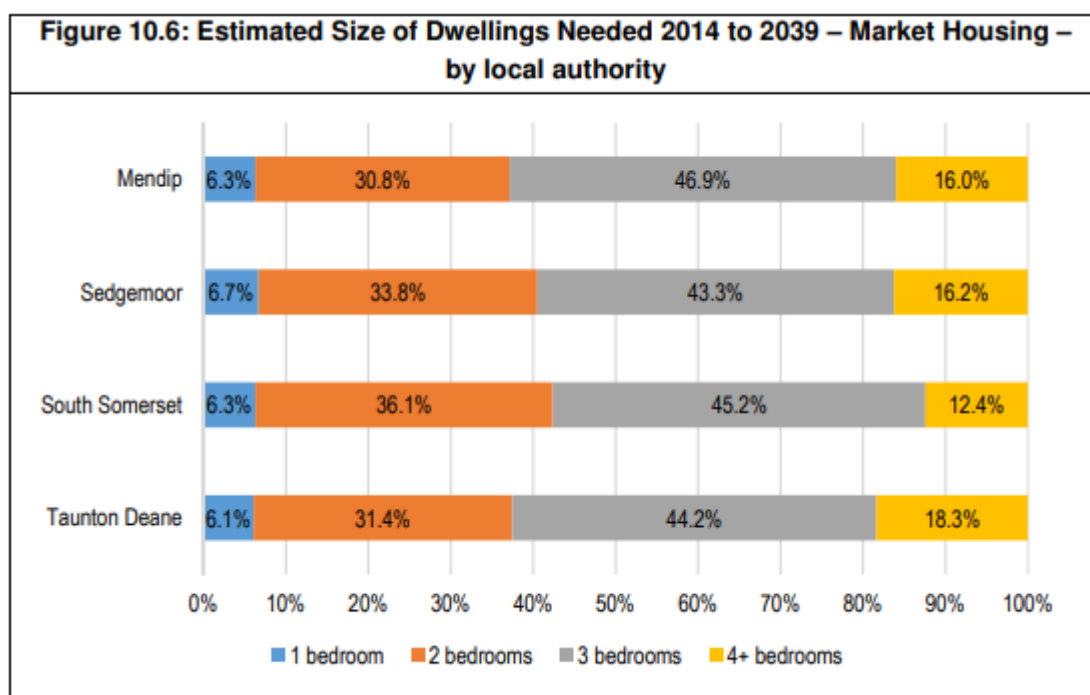
Source: AECOM Calculations

- 174. Note that the changes to the housing mix given above for 4- and 5-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with four or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total.
- 175. The interim result of the life-stage modelling exercise is that to minimise misalignments between supply and demand, 25.4% of dwellings in new developments should have 1 bedroom, 40% should have two bedrooms, 34.6% should have three bedrooms, and no further dwellings with 4 or more bedrooms are needed. However, it should also be recognised that this data could be further refined by taking into account the size of properties built since 2011.
- 176. Efforts to change the dwelling mix in this smaller direction would help to allow a growing older cohort of households to rightsize within their existing community if they wish to, and younger people to be able to move into suitably sized first

homes, while leaving enough of the larger existing homes to meet demand from families and the still-prominent 35 to 45 age group.

- 177. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with four or more bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for larger homes. There may also be good reasons to deliver larger properties in the NA as part of a housing mix strategy in the district as a whole.
- 178. The Household Survey Consultation also highlighted potential further issues when estimating the size of houses required over the Plan period. Whilst the smaller households (with one or two people) will tend to occupy dwellings with fewer bedrooms, most homes are ‘under-occupied’ in that there are clearly more bedrooms than generally required (i.e. there will generally be one or more spare bedrooms), with (for example) over a quarter (29%) of 1 person households and more than a half (54%) of 2 person households in homes with 4 or more bedrooms. Larger households (4 or more people) are generally occupying homes with at least three bedrooms.
- 179. In addition, out of those surveyed who responded that they will require different housing in the future the size which had the largest proportion was equally shared by a 1-2 bedroom bungalow and a 3-4 bedroom house. This reflects the identified need for smaller dwellings for older people to ‘rightsize’ as well as providing dwellings (with a percentage as affordable) larger dwellings for younger families to move into.
- 180. The SHMA puts forward a dwelling size mix only by tenure rather than for all housing, but can still be usefully compared to the above result. For market housing, which can be assumed to most closely align with all the housing as considered above, 2- and 3-bedroom homes are projected to be in greatest need, in broadly similar proportions to NCY, although the need for 1-bedroom homes is lower and that for 4+ bedroom homes higher. This is likely a function of the existing stock profile of South Somerset, which is dominated by large homes (although not to the same extent as NCY), as was demonstrated in the analysis at the start of this chapter.

Table 4-16: Dwelling size mix need from 2014 to 2039 by Local Authority



Source: Mendip, Sedgemoor, South Somerset and Taunton Deane Strategic Housing Market Assessment (2016)

4.5 Conclusions- Type and Size

181. NCY's stock of existing housing is characterized by significantly higher proportions of detached houses and homes with 7 or more bedrooms than South Somerset or England. Large properties also experienced the greatest level of growth between 2001 and 2011 among all home sizes.
182. Bungalows represent a slightly higher proportion of all housing in NCY compared to the situation across South Somerset as a whole, and national wide housing stock (15.5% of all homes in NCY, compared with 14% in South Somerset and 10% nationally). However, given older generations are more likely to choose to live in this type of dwelling and the relatively ageing population there may be an increased demand for bungalows.
183. The age profile of NCY population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84 – a group that is likely to reach retirement age over the Plan period to 2034 and will become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs.
184. It will therefore be important that new development prioritise housing that is appropriate both to families with children and older households. The needs and financial capabilities of both these groups do overlap to some extent, although the precise configuration and quality expectations that they have for smaller dwellings may vary. In the context of NCY's unusual stock of large housing, an appropriate response would be to prioritise the supply of smaller or mid-sized dwellings.
185. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed.
186. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood group wish to influence the size mix of housing coming forward, smaller homes should be the priority.
187. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the lowest incomes are unable to afford to live outside of the affordable rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to rightsize and younger ones seeking to form their own independent households are to be able to afford to live in NCY, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from very large housing, will be key.
188. In terms of the types of dwellings required, the current predominance of detached dwellings, compared with District and national trends, suggests that there may be some unmet demand for the rarer and generally more affordable dwelling types, such as terraced homes and particularly flats. The size recommendation for smaller homes would align with this. This might also include the delivery of bungalows in order to meet the needs of some older households and to reflect the fact that other smaller dwelling types, such as apartments, may not in practice be popular market propositions in a rural area like NCY.

5. Housing for older people

5.1.1 Introduction

189. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.²³
190. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.²⁴
191. It is appropriate to consider the need for specialist housing for older aged 75+ since this is the age at which the need for care and support generally increases. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool²⁵, which is based on best practice nationally and sets a recommended level of provision per 1,000 of the population aged 75 and over.
192. Housing needs assessments cover the need for houses that fall into Use Class C3 (private dwellings)²⁶. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, residential homes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule; clear differentiation between the two has not been set in government policy.
193. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

5.1.2 Approach

194. In accordance with NPPF guidance, this section applies a three stage process to determine the potential need for specialist housing for older people, based on tenures, projections of the future population of older people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.²⁷ These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision.
195. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority continue to live in their own homes for their whole lives.

²³ See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

²⁴ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁵ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

²⁶ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

²⁷ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

196. The charity Age UK suggests that “inaccessible housing should not force anyone out of their home or local community against their wishes. That it is much better to have ‘pull factors’ that attract older people towards housing alternatives.²⁸ The tenure of properties available is a key factor in the extent to which older people will wish to move in later life.

5.1.3 Current supply of specialist housing for older people

197. Before determining a target range for the provision of specialist dwellings, it is necessary first to take account of current supply. There are a number of ways to do this. Data may be available within South Somerset’s housing evidence base. Alternatively, data may be collated manually on the amount of specialist housing within a given area using the search function on the Elderly Accommodation Counsel’s Website: <http://www.housingcare.org>.

198. This done, there are no specialist housing within the Neighbourhood Plan area. The 2011 Census highlights the number of residents living in different types of communal establishments. Within the North Cadbury and Yarlinton plan area, it identified 0 residents living in care.²⁹ However, there is one sheltered housing scheme, Elliscombe Park, located just south of the NA, and there are six specialist housing facilities, including care homes and retirement housing, located in Castle Cary just north of the NA.

5.1.4 Tenure-led projections

199. To estimate the scale of future need for specialist housing, the first step is to review data on the tenure of households aged 55-74 across South Somerset, as this is the smallest geography for which tenure by age bracket data is available. We take this age cohort-based approach because it is these households which, over the next 20 years, will be reaching the age of 75+, and are most likely to demand specialist housing provision. We will then use the existing tenure split within this cohort to project forward the need for specialist housing according to different tenures.

200. As additional data, the Household Survey demonstrates the tenure of those in the age brackets 50-64 and 65-79 in NCY. The tenure split for both age groups follows a similar pattern with the majority owning their home followed by renting from a private landlord. The main difference is in the age bracket 65-79, the percentage of those in social rented dwellings is higher.

201. The projection is based on the premise that those currently occupying their own home will also wish to remain owner-occupiers for as long as practicably possible in future, even if they later wish to downsize or need to move into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented accommodation of some kind.

202. According to Table 5-1 below, the vast majority of households in South Somerset aged 55-74 own their home, most of whom own the property outright. There is a low incidence of private renting in this age group: the majority of those who do not own their own homes live in social rented accommodation. However, as shown in the Household Survey data there is a lower instance of those who live in social rented dwellings in North Cadbury and Yarlinton (due to a lack of this type of provision) resulting in a greater number in private rented than seen at district level, which is seen below.

Table 5-1: Tenure of households aged 55-74 in South Somerset, 2011

All owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
81.6%	59.3%	22.2%	18.4%	10.5%	6.7%	1.2%

Source: Census 2011

203. The next step is to project how the overall number of older people in NCY is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for South Somerset at the end of the Plan period. The figure must be extrapolated from the borough-level data because such projections are not available at NA level. The results are set out in Table 5-2 below.

204. This calculation indicates that the number of older residents in the NA is likely to grow, from 111 to 208 over the Plan period. This is an increase of a third in the number of older residents.

²⁸ See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

²⁹ ONS, 2011 (KS405EW)

Table 5-2: Modelled projection of the 75+ population in NCY by end of Plan period

Age group	2011		2036	
	North Cadbury and Yarlington	South Somerset	North Cadbury and Yarlington	South Somerset
All ages	1,073	161,243	1,193	179,324
75+	111	16,835	208	31,497
%	10.3%	10.4%	17.4%	17.6%

Source: ONS SNPP 2016, AECOM Calculations

205. It is now possible to project the growth in the number of people in NCY living in each tenure in the 75+ cohort by 2036. This projection is calculated by subtracting the current number of people aged 75 and over (111) by the projection for the end of the Plan period (208), and then multiplying the result (97) by the tenure split for the 55-74 age group in South Somerset (presented in Table 5-1 above). The results are set out in Table 5-3 below.

Table 5-3: Projected tenure of households aged 75+ in NCY to the end of the Plan period

All owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
169	123	46	38	22	14	3

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

206. The population figures in Table 5-3 above now need to be translated into households. This is done in Table 5-4 below. The translation factor used was 1.3 persons per household, which was the rate in South Somerset for people aged over 75 in the Census 2011 (there were 16,835 people in this age group and 12,703 households headed by those in that age group).

Table 5-4: Projected tenure by household aged 75+ in NCY by the end of the plan period

All owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
130	95	35	29	17	11	2

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

207. Next, the incidence of mobility limitation, as defined by the Census, is considered within each tenure group for those aged 65+ in NCY. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group). Note that data on mobility limitation is not available for the 75+ age group, so the 65+ age group is used as a proxy. This data is also only available for individuals rather than households, but it is assumed that the percentage of individuals affected by a disability is the same as the percentage of households (since many households will include only one person and it is not possible to estimate how many households contain more than one person affected by a disability).

208. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives.

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

Tenure	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
All categories: Tenure	11.5%	22.5%	66.0%
Owned or shared ownership: Total	11.1%	22.1%	66.8%
Owned: Owned outright	11.4%	23.8%	64.9%
Owned: Owned with a mortgage or loan or shared ownership	8.3%	8.3%	83.3%
Rented or living rent free: Total	13.9%	25.0%	61.1%
Rented: Social rented	20.0%	40.0%	40.0%
Rented: Private rented or living rent free	12.9%	22.6%	64.5%

Source: DC3408EW Health status

209. Focusing on those whose activities are limited a lot, for example, the calculations suggest that of the 130 projected new owning households and 29 projected new renting households over 75 years of age in 2036 in NCY, there could be a need for 14 specialist homes for owner occupiers (11.1% x 130) and 4 for renters of all kinds (13.9% x 29), or 18 new specialist homes in total.
210. These findings are set out in the table below, based on the assumption that those whose day-to-day activities are limited a lot will 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.
211. The assumption is also made that those currently owning their own home will be able to afford market specialist housing, while those that currently rent will need affordable specialist housing (particularly in this case, where the vast majority of 55-75 renting households in the NA currently are social rather than private renters).

Table 5-6: AECOM estimate of specialist housing need in NCY by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot.	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot.	18
	4	14	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little.	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little.	38
	7	29	
Total	11	43	54

Source: Census 2011, AECOM Calculations

212. The total number of households falling into potential need for some form of specialist accommodation based on projections using population and tenure data is therefore 54. Most (70%) of this could be provided through adaptations to existing homes, and through a proportion of the new homes being specifically designed for occupants who have mobility limitations. The need for more care-based provision will be dependent on the viability of such provision at the scale required in this area – but of located in North Cadbury would potentially be in line with the settlement strategy of the Local Plan.

5.1.5 Housing LIN-recommended provision

213. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the Government’s recommended models for planning for the needs of older people. Table 5-7 reproduces the key table from the Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 5-7: Recommended provision of specialist housing for older people from the SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

214. As seen in Table 5-2, NCY is forecast to have an over-75 population of 208 by the end of the Plan period, an estimated increase of 97 people from the 2011 Census. According to the HLIN recommendations this should mean there will be need for specialist accommodation as follows:

- Conventional sheltered housing to rent = $60 \times 0.097 = 6$
- Leasehold sheltered housing = $120 \times 0.097 = 12$
- Enhanced sheltered housing (divided 2:1 between that for rent and that for sale) = $20 \times 0.097 = 2$
- Extra care housing for rent = $15 \times 0.097 = 1$
- Extra care housing for sale = $30 \times 0.097 = 3$
- Housing based provision for dementia = $6 \times 0.097 = 1$

215. This produces an overall total of 25 specialist dwellings. This is a far lower estimate than that produced by the tenure-led model above, and highlights the likelihood that care-based accommodation is unlikely to be deliverable unless there is a clear local need (sufficient to make such accommodation viable) and a willing provider.

216. Table 5-8 below sets out the HLIN recommendations in the same format as Table 5-6 above.

Table 5-8: HLIN estimate of specialist housing need in NCY by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	7
	3	4	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	18
	6	12	
Total	9	16	25

Source: Housing LIN, AECOM calculations

217. It is recommended that range provided by these estimated levels of need be treated as a guide and not as a specific target.
218. Affordable tenures make up 21% and 36% of all specialist housing in the two estimates. Given that specialist housing for the elderly costs more to build, this range is considered reasonable and realistic. It is also in line with the overall Affordable Housing policy requirement for mainstream housing in South Somerset of 35% in Policy HG3 in the adopted Local Plan, however, is slightly higher than the requirement of 29% set out in Policy HG2 in the emerging Local Plan Review.
219. A useful comparison is to the Household Survey data, which showed that of those who would require a different home, 43% noted they would stay in North Cadbury and Yarlinton yet only 0.4% of those stated they would require shared accommodation with care facilities. While this percentage is far lower than the need identified in this assessment this could be for a myriad of reasons; such as the Household Survey is very specific and only considers shared accommodation with care facilities, respondents to the survey may have assumed they would not stay in the neighbourhood area given the current lack of suitable housing or potential high quality provision elsewhere and the demographic of the respondents may have also impacted this. The level of response from the over 65's was the highest however, 207 of those respondents were aged 65-79 whereas only 50 respondents from the over 80's who are more likely to be in need of more specialist housing. In addition, the Household Survey demonstrates residents views and preferences whereas the HNA looks at the unconstrained need.
220. The neighbourhood planners should seek to include policies to help meet the need for specialist housing for older people within NCY itself, as it is important that older people with evolving housing needs have access to suitable options within their existing communities and in close proximity to friends and family. However, given the scale of the need identified, and practicality and viability of provision in a rural area (especially given the lack of current provision), some of that need could be met elsewhere. There is no specific requirement or obligation to provide the specialist accommodation need arising from NCY entirely within the NA boundary.
221. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for the elderly to be provided in sustainable, accessible locations, for a number of reasons, as follows:
- so that residents, who often lack cars of their own are able to access local services and facilities, such as shops and doctor's surgeries on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
222. 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 people's housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

223. It is considered that NCY's position in the settlement hierarchy (rural settlement) does not make it the most suitable location for specialist accommodation on the basis of the accessibility criteria above, but local households could utilize supply available in nearby large towns such as Castle Cary or the possibility of creating a hub-and-spoke model, working with other nearby neighbourhood areas.
224. Wherever the specialist housing need is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for elderly people who wish to leave their family homes in their old age.
225. Given that most older people will live within the mainstream housing stock and may receive care and support in their own homes, the Parish Council may also wish to consider the extent to which new housing provision is built to accessible and adaptable standards. Increasing the proportion of accessible and adaptable homes within the housing stock, through applying optional building regulations (M4(2) and M4(3)) could play an important part in ensuring the wider housing stock meets the needs of older people.

5.2 Conclusions- Housing for Older People

226. NCY has an ageing population. Its demographic profile currently differs from that of South Somerset and England as a whole in its far higher proportion of people aged 45-84, and correspondingly lower proportion of people aged 44 and under.
227. NCY's population of households aged over 75 is expected to increase by 87% over the Plan period 2019-2036, while most other age groups decline. This demographic shift is likely to be the chief influence on the components of housing demand over the period. Simply put, NCY can expect to require smaller dwellings better suited to older couples and single persons than to families with children, and an increased supply of specialist accommodation.
228. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, corroborates this finding. The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that very few larger dwellings will be needed.
229. NCY's stock of existing housing is broadly in line with that of wider South Somerset, except for a notably higher proportion of households with or more bedrooms and lower proportion of all other dwelling sizes. The 1-bedroom homes that are currently lacking in NCY's housing stock are expected to constitute 25% of emerging housing need over the Plan period. This is driven by a high estimated level of demand from older people, but also reflects a gap in the currently available housing options.
230. However, bearing in mind that 1-bedroom dwellings may not be a particularly popular proposition for rightsizing older households (because they typically lack adequate space for visitors and storage), this suggests that 1-bedroom dwellings should not be the priority for meeting older people's mainstream housing needs.
231. It is therefore recommended that the target of 25% 1-bedroom dwellings be viewed as an upper bound and need not be met in its entirety. It is also recommended that 40% of new housing should have 2 bedrooms, and 35% should have 3 bedrooms. These dwelling sizes are likely more important for accommodating the NA's ageing population. The model also recommends that 4 and 5- bedroom houses should not be included in the dwelling mix.
232. In terms of dwelling types relevant to the older population, bungalows currently represent 15% of all housing in the wider Census data area in which the NA sits. This is slightly higher than the wider trend across South Somerset and far higher than the national average. On that basis, bungalows appear to be adequately supplied. However, the dramatic ageing of the population justifies encouraging further provision of this most accessible dwelling type.
233. Two methods of estimating need for specialist accommodation for older people (such as housing with additional care services) produce a range of 25 to 54 specialist accommodation units that would be required to meet the needs of NCY's ageing population during the Plan period.
234. Growth in the population aged over 75, which was used in these projections, is estimated to be an additional 97 individuals by 2036, bringing NCY's total to 208 people. This roughly equates to growth of 75 households aged 75 and over, many of whom would be looking for more specialist types of accommodation or adaptations to their own homes.
235. Observing the tenure of housing occupied by older people across wider South Somerset, it is estimated that 21-36% of specialist housing for older people will need to be Affordable Housing for those requiring some form of financial support.
236. The need for specialist housing for older people is additional to the need for mainstream housing of various sizes identified above, however the full amount of this estimated need does not have to be met within the NA boundary itself,

and could also be met by improving accessibility standards in mainstream housing and adaptations to existing properties.

6. Conclusions

6.1 Overview

237. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of findings

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>NCY is characterised by a relatively high proportion of home ownership, as opposed to private and social renting, when compared with South Somerset and England as a whole.</p> <p>The annual income required for an entry-level home (in terms of mortgage availability, and not including the cost of the necessary deposit) is significantly above average net household income locally and four times that of the lower quartile gross income of a single-earner.</p> <p>The number of private renting experienced the largest change between 2001 and 2011, increasing by a significant 63%. At the same time, the number of properties available for social rent declined by 13% as occupiers of such accommodation made purchases through the Right to Buy program.</p>	<p>Given that social rent is the only secure tenure within reach of dual-earning households on lower quartile incomes (though some may access private rented dwellings through housing benefit), a lack of social rented dwellings is the principle affordability challenge for NCY residents.</p> <p>To ensure that other households on lower than average incomes can afford to continue living and have the opportunity to form their own independent households in NCY, it will also be important to increase the quantity of affordable routes to home ownership – especially if reforms to welfare including housing benefit are implemented in the coming years.</p> <p>Of the indicative figure of 60 dwellings proposed for NCY 17-21 dwellings (depending on whether adopted or emerging policy is applied) are likely to be affordable on the basis of that policy requirement. This figure is lower than the 25 households that are projected to be in need of Affordable Housing to rent over the same period and the 49 households projected to be in need of Affordable Housing for sale. If the majority of new housing is delivered through windfall development on small sites dispersed around the NA, many of these sites will not yield the size or capacity required to provide affordable housing and so the number of Affordable Housing units will be lower still.</p> <p>Since the level of expected delivery is not sufficient to meet local need as evidenced in this HNA, it is critical that the 29-35% delivery requirement is met wherever possible in NCY.</p> <p>Should the community wish to further boost the supply of Affordable Housing there are other routes available to providing it. For example, identifying rural exception sites (explicitly supported by the emerging Local Plan Policy SS2) or developing community land trusts are all tried and tested ways of increasing the supply of affordable housing above the minima indicated by Local Plan policy.</p> <p>Of the Affordable Housing units to be delivered in NCY, two alternative scenarios for the tenure mix of Affordable Housing in NCY have been presented. While both options provide the same split in social rent and intermediate housing of 54% and 46% respectively, in the second scenario this assumes 25% of the intermediate housing should be for first homes, reducing the potential amount of shared ownership to be delivered.</p>

<p>Housing type and size</p>	<p>NCY's stock of existing housing is characterized by significantly higher proportions of detached houses and homes with 7 or more bedrooms than South Somerset or England. Large properties also experienced the greatest level of growth between 2001 and 2011 among all home sizes.</p> <p>Bungalows represent a slightly higher proportion of all housing in NCY compared to the situation across South Somerset, and national wide housing stock.</p> <p>The age profile of NCY population is broadly similar to that of the wider Borough, except for a substantially higher share of the population aged 45-84.</p>	<p>New development should prioritise housing that is appropriate both to families with children and older households. In the context of NCY's unusual stock of large housing, an appropriate response would be to prioritise the supply of smaller or mid-sized dwellings.</p> <p>Given the older generations are more likely to choose to live in bungalows and the relatively ageing population there may be an increased demand for this type of dwelling.</p> <p>The recommended size mix of new housing focuses on dwellings of 1 to 3 bedrooms, and suggests that no further large dwellings are needed. However, on the basis of evidence from the SHMA, the supply of larger homes should not be inhibited altogether.</p> <p>To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible.</p>
<p>Specialist Housing for Older People</p>	<p>NCY has an ageing population. Its demographic profile currently differs from that of South Somerset and England as a whole in its far higher proportion of people aged 45-84, and a correspondingly lower proportion of people aged 44 and under.</p> <p>NCY's population of households aged over 75 is expected to increase by 87% over the Plan period 2019-2036.</p> <p>Growth in the population aged over 75, which was used in these projections, is estimated to be an additional 97 individuals by 2036, bringing NCY's total to 208 people. This roughly equates to growth of 75 households.</p>	<p>NCY can expect to require smaller dwellings better suited to older couples and single persons than to families with children, and an increased supply of specialist accommodation.</p> <p>The estimated need for specialist accommodation for older people (such as housing with additional care services) is 25 to 54 specialist accommodation units that would be required to meet the needs of NCY's ageing population during the Plan period.</p> <p>It is estimated that 21-36% of specialist housing for older people will need to be Affordable Housing for those requiring some form of financial support.</p> <p>The need for specialist housing for older people is additional to the need for mainstream housing of various sizes identified above, however the full amount of this estimated need does not have to be met within the NA boundary itself, and could also be met by improving accessibility standards in mainstream housing and adaptations to existing properties.</p>

6.2 Recommendations for next steps

238. This Neighbourhood Plan housing needs assessment aims to provide NCY 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 Somerset with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of South Somerset – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers;

- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Somerset, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for South Somerset and the neighbourhood plan areas within it.

239. 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.

240. Bearing this in mind, we recommend that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, South Somerset or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

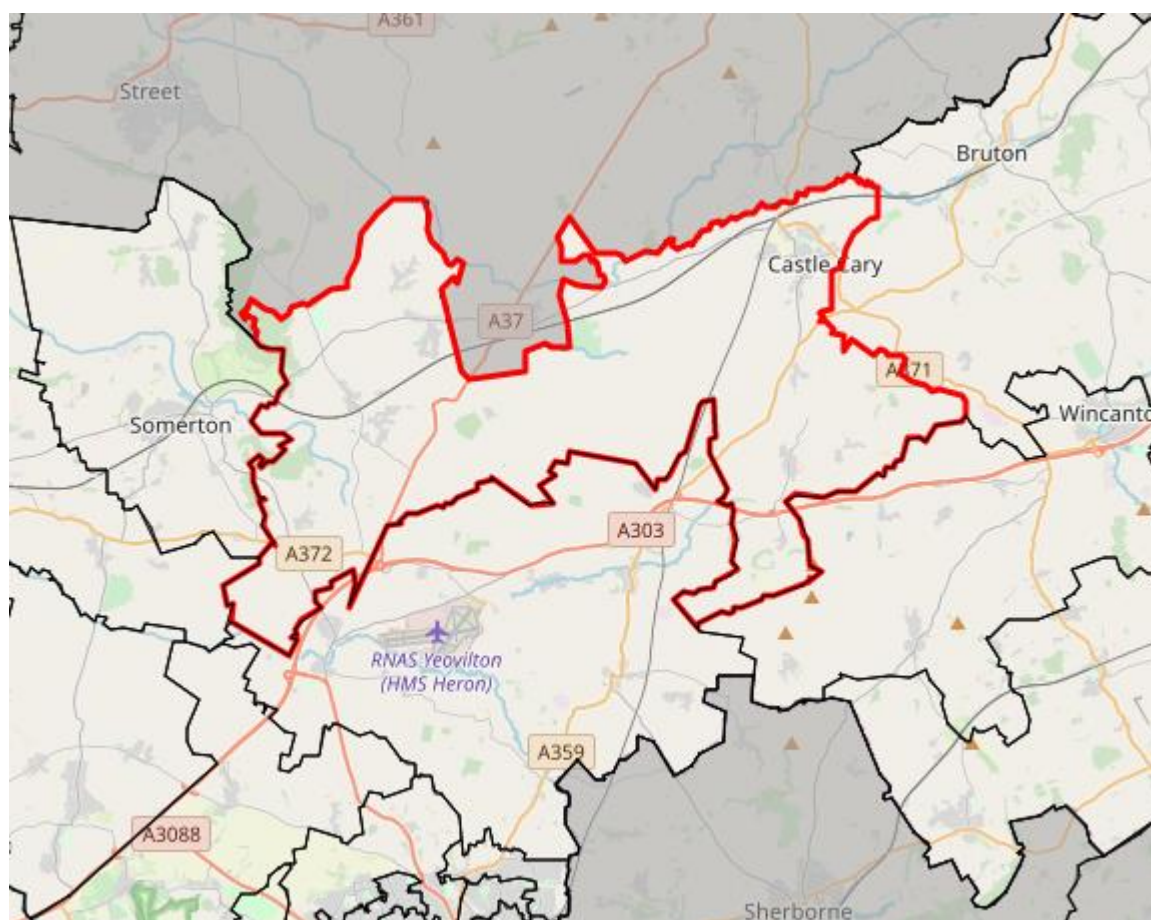
241. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

242. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.
243. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of NCY, it is considered that MSOA E02006076 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. Note that the MSOA extends well beyond the NCY NA, encompassing Castle Cary, Keinton Mandeville and Charlton Adam among other settlements. However, it does contain the entirety of the NA and, as no smaller geography is available for local income data, this is the most robust available proxy. A map of the MSOA appears below in Figure 6-1.

Figure 6-1: MSOA E02004500 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

244. Market dwellings for sale and rent are increasingly accessible only to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.
245. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market that prevent its ability to respond to demand.

246. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.
247. To determine affordability in market housing, we consider two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

248. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
249. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for NCY. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
250. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.³⁰ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2019. Though this is not necessarily reflected in the currently available properties on the local market, the larger sample size across 2019 as a whole and the difference between paid prices as recorded by Land Registry and asking prices visible on the market, render the 2019 Land Registry data more accurate for the purpose of this calculation.
251. The calculation is as follows:
- Value of an entry level dwelling = 222,500;
 - Purchase deposit = £22,250 @10% of value;
 - Value of dwelling for mortgage purposes = £200,250;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - Purchase threshold (i.e. annual income needed to afford entry-level market housing) = £57,214.

ii) Private Rented Sector (PRS)

252. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rent property if the lower quartile private rent does not exceed 30% of net household income.
253. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,³¹ such a home would require three habitable rooms (a flat or house with two bedrooms).
254. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the BA22 and BA9 postcode area, which covers a much 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.
255. According to Home.co.uk, there are 10 x 2 bedroom properties currently listed for rent across the wider area, with an average rent of £868 per calendar month³².

³⁰ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

³¹ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

³² A HNA is a snapshot in time, and the figures used here are likely to be variable as it uses current listings therefore, should be considered with some degree of caution as this is limited in terms of scope and reliability.

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

- Annual rent = £868 x 12 = £10,415;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £34,681.

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

A.3 Affordable Housing

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

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

260. Each of the Affordable Housing tenures is considered in turn below.

i) Social rent

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

262. To determine social rent levels, we used the data and statistical return from Homes England. This data is only available at the Local Authority level so South Somerset must act as a proxy for NCY. 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 Somerset in the table below.

263. To determine the income needed, we continue to operate on the assumption that no more than 30% of income should be spent on rent. As for entry-level market rent, the figure we take forward for the affordability analysis is the 2 bedroom income threshold of £18,807.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average weekly social rent	£78	£90	£100	£113	£93
Annual average	£4,036	£4,702	£5,192	£5,861	£4,823
Income needed	£16,143	£18,807	£20,767	£23,446	£19,290

Source: Homes England, AECOM Calculations

ii) Affordable rent

264. Affordable rent is controlled at no more than 80% of the local market rent. As we have seen, the annual entry-level rent in NCY is £10,415. In the event of a 20% reduction in rent to £8,332, the income threshold would reduce to an estimated £33,327. This tenure is usually only accessible to those on local authority and housing association waiting lists.

265. Although affordable rent at 80% of market rent is permitted, in practice most registered providers seek to cap rents so that they are affordable to those on universal credit, which is the group of people who will be accessing this tenure. This may be done by determining a percentage of the maximum benefit available to a household that should be spent on housing costs: for example, it might be set at 40% of the maximum universal credit amount of £20,000, meaning that affordable rent for larger homes for families would be capped at £8,000 per year.

266. Given that the cost of renting is very uncertain and may be comparatively high in NCY, it is very unlikely that the 20% discount on market rents will be realistic and applied in practice. Because registered providers' approach will differ across the area and is not published, another indicator is used.
267. South Somerset's Local Housing Allowance (LHA) rates for 2019-20 are also provided in Table A-2 below. Affordable rent levels can also be set with reference to the housing allowance that will be paid to the tenant, and this measure is considered to be a more reliable measure of the affordable rent tenure in this instance. A housing association would be within their rights to charge the full LHA amount, and so we will take forward the LHA-derived figure in the comparative analysis in the main Tenure chapter. Because a weighted average is not available, we use the cost of a 2-bedroom unit in line with the proxy used elsewhere for an entry-level dwelling.

Table A-2: South Somerset Local Housing Allowance levels

Size	1 bed	2 beds	3 beds	4 beds
Average rent per calendar week	£78	£90	£100	£113
Annual average rent	£4,036	£4,702	£5,192	£5,861
Income needed	£16,143	£18,807	£20,767	£23,446

Source: HCA, AECOM Calculations

iii) Intermediate tenures

268. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.
269. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that *“where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”*.

Discounted Market Homes

270. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that *“where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”*. The most recent proposals for 'Changes to the current planning system' suggest that 25% of all Affordable Housing should be First Homes – the Government's new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% requirement referenced above may be replaced by the First Homes requirement.
271. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.
272. Applying a discount of 30% - as in the Government's proposed First Homes product – provides an approximate selling price of £155,750 (30% discount on median average prices of £222,500). Allowing for a 10% deposit further reduces the value of the property to £140,175. The income threshold at a loan to income ratio of 3.5 is £40,050.
273. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 30% they may not offer any discount on entry level prices.
274. The income thresholds can also compare local incomes with the costs of a 20%, 40% and 50% discounted home. This would require an income threshold of £45,771, £34,393 and £28,607 respectively.

Shared ownership

275. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned.

276. 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.
277. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £222,500.³³ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
278. A 25% equity share of £222,500 is £55,624, from which a 10% deposit of £5,563 is deducted. The mortgage value of £50,063 (£55,624 - £5,563) is then divided by 3.5. To secure a mortgage of £50,063, an annual income of £14,304 is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £166,875. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £4,172 and requires an income of £16,688. Therefore, an income of around £30,991 (£14,304 + £16,688) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
279. The same calculations are repeated for shared ownership at a 50% and 75% equity share, producing affordability thresholds of £39,732 and £48,473 respectively.

³³ It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

b) 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 methods³⁴.

Age-Restricted General Market Housing

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

³⁴ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard³⁵

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³⁶

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)³⁷

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore, one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

³⁵ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁶ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁷ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing 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 known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Fair Share

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

First Homes

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will be provided at least 30% discount on new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments may be required to provide a proportion of Affordable Housing as First Homes (40-80%).

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years³⁸, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

³⁸ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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.

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁹

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

Strategic Housing Land Availability Assessment

³⁹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.⁴⁰

⁴⁰ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

