

Burton Overy

Housing Needs Assessment (HNA)

July 2024

Quality information

| Prepared by | Checked by | Approved by |
|----------------------------------|-----------------------------------|---|
| Kerry Parr Associate Director | Olivia Carr Housing Consultant | Paul Avery Principal Housing Consultant |

Revision History

| Revision | Date | Authorized | Position |
|--------------------|-------------|-------------------|-----------------------------------|
| 1. First Draft | May 2024 | KP | Associate Director |
| 2. Internal Review | May 2024 | PA | Principal Housing Consultant |
| 3. Group Review | July 2024 | RH | Burton Overy Parish Council |
| 4. Locality Review | July 2024 | AO | Neighbourhood Planning Officer |
| 5. Final Report | July 2024 | KP | Associate Director |

Prepared for: Burton Overy Parish Council

Prepared by:

AECOM Limited
Aldgate Tower
2 Leman Street
London E1 8FA
United Kingdom
aecom.com

© 2024 AECOM Limited. All Rights Reserved.

This document has been prepared by AECOM Limited (“AECOM”) for sole use of our client (the “Client”) 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. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

| | |
|--|----|
| 1. Executive Summary..... | 6 |
| Tenure, house prices, affordability and affordable housing | 7 |
| Demographics, housing stock and future housing mix | 10 |
| 2. Context..... | 12 |
| Local context..... | 12 |
| The NA boundary and key statistics | 12 |
| The housing market area context..... | 13 |
| Planning policy context..... | 14 |
| Housing Requirement..... | 15 |
| 3. Objectives and approach..... | 16 |
| Objectives | 16 |
| Tenure, House Prices, Affordability and Affordable Housing..... | 16 |
| Demographics, housing stock and future housing mix | 16 |
| Approach..... | 17 |
| 4. Tenure, House Prices, Affordability and Affordable Housing..... | 18 |
| Introduction | 18 |
| Definitions | 18 |
| Current tenure profile | 19 |
| Affordability..... | 20 |
| House prices | 20 |
| Income | 21 |
| Affordability Thresholds..... | 22 |
| Estimates of the need for Affordable Housing | 27 |
| Affordable Housing policies in Neighbourhood Plans..... | 28 |
| Application of Local Plan policies | 28 |
| Affordable Housing at Neighbourhood level | 28 |
| Conclusions- Tenure and Affordability | 30 |
| 5. Demographics, Housing Stock and Future Housing Mix | 33 |
| Introduction | 33 |
| Definitions | 33 |
| The current housing mix..... | 34 |
| Dwelling type..... | 34 |
| Dwelling size | 35 |
| Population characteristics | 35 |
| Age..... | 35 |
| Household composition and occupancy | 37 |
| Future population and size needs | 39 |
| Age..... | 40 |
| Tenure | 41 |
| Type | 42 |
| Conclusions- Type and Size..... | 43 |
| 6. Next Steps..... | 45 |
| Recommendations for next steps..... | 45 |
| Appendix A : Assessment geography | 46 |
| Appendix B : Local Plan context..... | 49 |

| | |
|--|----|
| Policies in the adopted local plan | 49 |
| Appendix C : Affordability calculations..... | 52 |
| Market housing..... | 52 |
| i) Market sales | 52 |
| i) Private Rented Sector (PRS)..... | 53 |
| Affordable Housing..... | 54 |
| i) Social rent..... | 54 |
| i) Affordable rent..... | 55 |
| i) Affordable home ownership | 55 |
| Appendix D : Affordable Housing need and policy..... | 60 |
| Affordable housing policy | 60 |
| Appendix E : Housing Needs Assessment Glossary | 63 |

List of acronyms used in the text:

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

1. Executive Summary

- 1.1 Burton Overy is a Neighbourhood Area (NA) located in the district of Harborough. The NA boundary covers the areas administered by Burton Overy Parish Council and was designated in July 2015.
- 1.2 The review version of the Neighbourhood Plan is envisaged to start in 2025 and extend to 2041, therefore covering a period of 16 years. The evidence supplied in this report will look forward to the Plan end date of 2041, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 1.3 It should be noted that it is not possible to recreate the NA boundary using Census Output Areas (OAs) in either 2011 or 2021, as discussed in Appendix A. This means that the Census data throughout the report relates to a slightly larger area than the NA and referred to as the 'proxy area' (see Figure A-1). Census data in the tables throughout the report is therefore represented as percentages rather than raw figures in the majority of instances. The data is still considered robust, with the overall characteristics of the NA still reflected when using this proxy data.
- 1.4 It is important to note that parish level data, which aligns with the exact geography of the NA, is available for limited datasets in the 2021 Census. It is not possible to use this data throughout the report as not all of the required datasets are available, the data is not comparable to 2011, and the available datasets are not all given to a suitable level of detail. Headline data for the population and number of households in the parish is available and 2021 Census records a population of 295, with 127 households in Burton Overy Parish (the NA).
- 1.5 For the majority of the analysis in this report, AECOM has used the 'Burton Overy Proxy Area'. This is an area larger than the parish but the closest proxy area at which data can be collated. For this area, the 2021 Census recorded 459 individuals. This is 164 more individuals than the exact NA. There has been an increase of 19 people in the proxy area since the 2011 Census which suggests that there may have been some limited growth in the population of Burton Overy parish. There are 188 households in the proxy area, a small decline since 2011 when 191 were recorded. There were 200 dwellings in 2021, an increase of just 1 dwelling since 2011, suggesting that there has been little or no net development of new homes in Burton Overy over the last 10 years.
- 1.6 However, the Neighbourhood Planning Group is aware of some small in-fill developments within the parish within this period, including 6 new build properties. It is possible that some of these dwellings have replaced existing dwellings which have been demolished and therefore have not increased the dwelling stock in net terms. If some new homes have been completed close to the Census 2021 survey period they may not have been recorded. As such, there is some uncertainty about the scale of new development over the last 10 years but it has been limited to some small scale in-fill development.

- 1.7 Data from the 2021 Census is continuing to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level is not yet available, as well as some data comparing numerous variables. As such this Housing Need Assessment (HNA) will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections where necessary to build up evidence at the neighbourhood level.
- 1.8 This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment, addressing each of the themes agreed with the Parish Council at the outset of the research.
- 1.9 Harbrough District Council has not provided Burton Overy with a housing requirement for the Neighbourhood Plan period. As the NA is defined in the Local Plan settlement hierarchy as within the 'Other Villages and Rural Settlements' category it is considered one of the less suitable locations for new housing development. Nevertheless, new housing is permitted under Local Plan policy GD4 on small sites of no more than 4 dwellings to meet identified needs and under other circumstances, such as to provide housing for rural workers or re-use existing building etc.

Tenure, house prices, affordability and affordable housing

- 1.10 The majority of households in Burton Overy own their own homes (78.2%), slightly higher than Harborough and significantly above the rate of owner occupation in England as a whole. Around two thirds of home owners own their homes outright which largely reflects the older population in the parish.
- 1.11 The private rented sector in the parish is relatively substantial with a higher proportion of private renters (18.6%) than in Harborough (13.5%). There is very limited Social Rented accommodation in the parish (3.2%) compared to 8.7% in the district which is also substantially below the level of 17.1% in England.
- 1.12 The data suggests the tenure of homes in Burton Overy has remained broadly stable over the period 2011-2021.
- 1.13 Current average median prices in the NA are around £586,565 (this is an average of 2022-2023 due to the small number of sales in any single year). Lower quartile prices – the cheapest 25% of prices - are around £275,625 (again based on the 2022-2023 period).
- 1.14 Prices in Burton Overy appear to be higher than in Harborough as a whole. Median prices in the district are around £320,000 (2023). To some extent this reflects the mix of properties sold in the parish compared to the wider district, with a greater share of smaller properties available and sold in Harborough as a whole which then feeds through into a lower average price.
- 1.15 Lower quartile prices are also higher in Burton Overy (£275,625) compared to Harborough (£245,000). The wider district appears to be more affordable than the parish

which is likely to impact on the ability of younger and newly forming households to remain in or move to Burton Overy.

- 1.16 The average household income locally was £47,600 in 2020 (the most recent year for this dataset). The area to which this data applies is an area larger than the parish which takes in neighbouring villages including Kibworth, Calton Curlieu, Great Glen, and Little Stretton. Discussion with the Parish Council suggests that some of these villages may contain lower income households, in contrast with Burton Overy, which may mean that the average income used in the HNA is lower than might be expected if data could be gathered for Burton Overy alone. Nevertheless, the average income figure is likely to provide a reasonable estimate of income for the purposes of estimating affordability.
- 1.17 Harborough's gross individual lower quartile annual earnings were £20,494 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £40,988.
- 1.18 It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit or existing housing equity. The median house price would require an annual income three times higher than the current average.
- 1.19 Average private rents are unaffordable to average income households but entry level private rents appear affordable to these households. They are also affordable to households with two lower quartile earners. Whilst the private rented sector in the parish is of a reasonable size (19% of households) the absolute number of private rented properties is small (35 in total) and very few properties are available on the market at any one time.
- 1.20 There is a group of households in Burton Overy who may be able to afford to rent privately but cannot afford home ownership. Given the size of the NA the number of these households is likely to be small in absolute terms. They are typically earning between around £38,100 per year (at which point entry-level rents become affordable) and £70,875 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 1.21 A new First Home discounted at 30% would not be affordable to households on average or lower quartile incomes. However, a discount of 40% would appear to be in reach of average income households in Burton Overy (bearing in mind the uncertainty over average incomes due to data limitations). Discounts of 50% would appear to enable households with two lower quartile earners to afford to buy a First Home.
- 1.22 Shared ownership appears to be more affordable than First Homes as equity shares of 25% appear affordable to both average income households and households with two LQ earners. Government has recently announced that the minimum equity share for shared

ownership will fall to 10% of the property value.¹ If this is delivered in the NA, it will make shared ownership easier to access for more households.

- 1.23 In theory, Social/Affordable Rented housing is generally affordable to households with one or two lower quartile earners depending on their household size and the size of dwelling they need. Many households who are eligible for these homes will be supported by Housing Benefit to access housing. However, there are very few of these properties available in Burton Overy.
- 1.24 A Housing and Economic Needs Assessment (HENA) was undertaken for Leicester and Leicestershire in 2022. This study estimates the need for affordable housing in the district based on analysis of the Council's housing waiting list and other data sets in line with Planning Practice Guidance at the time.
- 1.25 The HENA identifies the need for 321 additional Social/Affordable Rented homes and 177 affordable home ownership dwellings each year in Harborough as a whole. Taken together, this represents the need for 498 Affordable Homes each year in the District.
- 1.26 When the HENA figures are pro-rated to Burton Overy based on its fair share of the population (0.3%² of the district's population (Census 2021)), this equates to 1.5 homes per annum or 24 (rounded) homes over the Neighbourhood Plan period (2025-2041). This equates to 1 Social/Affordable Rented home and 0.5 affordable home ownership properties each year, equating to 15 (rounded) Social/Affordable Rented dwellings over the plan period and 9 (rounded) affordable ownership properties over the plan period. This HNA notes the challenges of pro rating district level estimates to rural areas such as Burton Overy. In addition, smaller rural villages such as Burton Overy may present additional affordability challenges to households in social/affordable rented housing because of the limited availability of local services and amenities and the need to own a car to access these in neighbouring villages and towns. Registered Providers (housing associations) may also be reluctant to take on small numbers of new social/affordable rented homes because of the additional challenge and cost of managing dispersed stock.
- 1.27 It is relevant to note that at the time of writing, there were fewer than 5³ households on Harborough's housing waiting list living within Burton Overy (parish). There is evidence of wider needs in neighbouring areas (with 230 applicants living in or willing to live in Glen Ward).
- 1.28 Harborough District Council's adopted policy on Affordable Housing (Policy H2) requires 40% of all new housing to be affordable on sites larger than 10 dwellings. Given that there is no housing requirement for Burton Overy and limited prospect of new housing development that would meet the threshold to secure Affordable Housing, any new

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

² Based on the actual parish population of 295 people which represents 0.3% of the Harborough population of 97,626 in 2021

³ Precise figures not presented due to small number to ensure confidentiality.

Affordable Housing in the parish in the future may be more likely to be secured through more direct forms of delivery such as Rural Exception Sites.

- 1.29 If new housing were to come forward through a market led scheme of sufficient size to provide Affordable Housing, AECOM would suggest that 75% Affordable Homes could be delivered for Social/Affordable Rent to meet any localised need and to widen the availability of this housing in the parish. Under current Government policy, the remaining 25% would be delivered as First Homes. A discount of at least 40% on new build prices would be needed to ensure these are affordable to local households.
- 1.30 If new homes were delivered through an exception scheme where all or the majority of homes were provided as Affordable Housing, there may not be a requirement to provide a proportion of First Homes and this would give greater scope to expand the range of affordable home ownership products whilst also delivering Social/Affordable Rented housing to meet any acute needs. Another avenue to delivering Affordable Housing outside of market or developer-led schemes is community-led housing schemes such as Community Land Trusts.

Demographics, housing stock and future housing mix

- 1.31 The population in 2021 is dominated by people in the older age groups, particularly 45-64 and 65-84. This is consistent with many rural villages across England and reflects the ageing of the population nationally. Growth in the population has been strongest in the over 85 group but this represents a small absolute increase in the number of people aged 85+.
- 1.32 Burton Overy proxy area has an older bias to its population compared to both Harborough and England. The proportion of people aged 65+ is 26.8% in the proxy area, compared to 22% in Harborough and 18.4% in England.
- 1.33 The number of people in the 25-44 and 0-14 age groups has fallen which demonstrates loss of younger families in Burton Avery over time. Part of the explanation for this trend may be the limited availability of smaller and more affordable housing to suit newly forming and younger households.
- 1.34 Consistent with the population by age data, older households account for 31% of all households in Burton Overy proxy area. This includes single older people and couples. This is a substantially higher share than in Harborough and England.
- 1.35 The proportion of households with dependent children is just 21.4% in 2021 in Burton Overy, compared to 26.7% in Harborough and 25.8% in England. The share of households with non-dependent children is 15.1%, higher than both Harborough and England. This may reflect students returning home during the Covid lockdown (in operation during the Census 2021 survey period).
- 1.36 Over two thirds of dwellings within Burton Overy proxy area are detached, compared to just under half in Harborough as a whole and 22.9% in England. Consequently there are smaller proportions of other dwelling types with 23.4% semi detached, 9% terraces and

under 1% flats. The mix is substantially different to the wider district and England, reflecting its rural nature.

- 1.37 Almost half of the stock in Burton Overy proxy area has four or more bedrooms. This is consistent with the dominance of detached dwellings in the housing stock. A further 32.1% of dwellings have 3 bedrooms. Whilst the housing stock in Harbrough district is also dominated by larger homes, the proportion of 4+ bedroom properties is 36.8%, substantially below the proportion in the Burton Overy proxy area. The dominance of larger dwellings in Burton Overy contributes to higher average house prices as larger dwellings dominate sales.
- 1.38 Conversely, there is a small proportion of smaller 1-2 bedroom properties in Burton Overy. These dwellings make up just 18% of the stock, compared to 27% in Harbrough and almost 39% in England.
- 1.39 AECOM's simple modelling exercise suggests that if new homes are delivered in Burton Overy, the priority should be given to the development of mid sized 2-3 bedroom properties. This takes account of projected demographic change which is dominated by the growth in older households but includes some growth in younger households over the plan period, and the current dominance of larger homes in the existing stock. The provision of some 2-3 bedroom properties could widen the choice available to existing and future residents both in terms of providing choices to older households who may wish to downsize and also to younger households or first time buyers seeking relatively more affordable properties to buy or rent.
- 1.40 Noting that household growth is driven by older households, it would be worth the Neighbourhood Planning Group considering applying higher standards of accessibility and adaptability to any new homes that are delivered in the parish.
- 1.41 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. AECOM would suggest that this is applied in the NA if possible. Government is considering mandating M4(2) on newly erected dwellings⁴, although changes to Building Regulations have not yet been made.

⁴ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes) (www.gov.uk)

2. Context

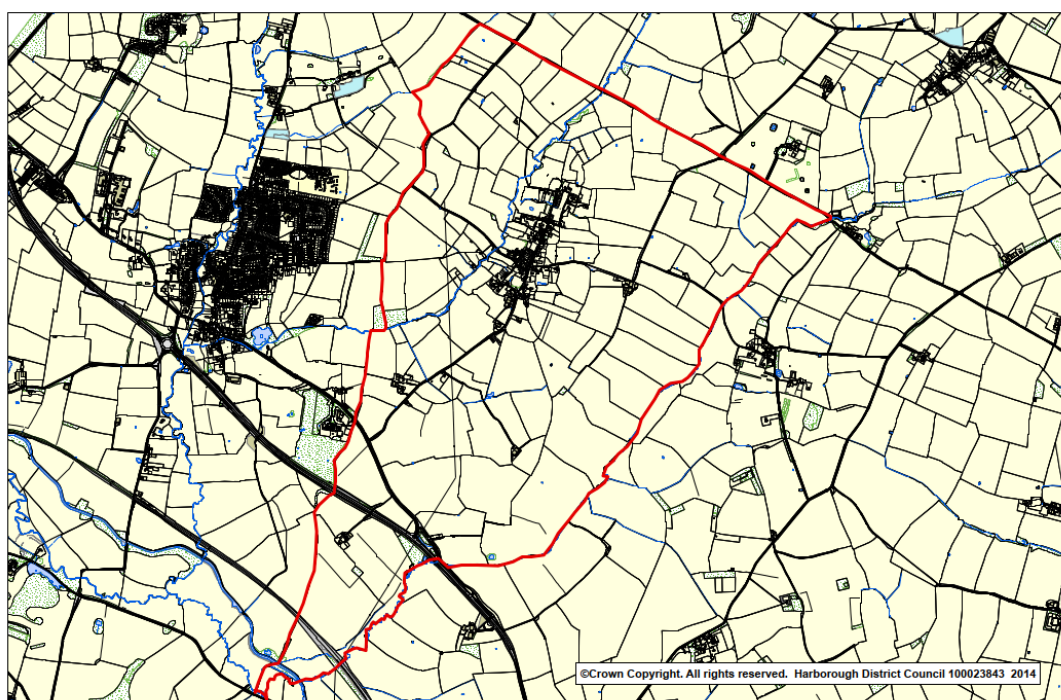
Local context

- 2.1 Burton Overy is a Neighbourhood Area (NA) located in the district of Harborough in Leicestershire. The NA boundary is consistent with the parish and was designated in July 2015.
- 2.2 The revision version of the Neighbourhood Plan is envisaged to start in 2025 and extend to 2041, therefore covering a period of 16 years. The evidence supplied in this report will look forward to the Plan end date of 2041, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 2.3 Burton Overy parish is located around 10km from the centre of Leicester and roughly equal distance between Leicester and Market Harborough, with both accessed from the A6 which runs through the parish to the south west.
- 2.4 The small village of Burton Overy is the only settlement within the parish, with more substantial sized village of Kibworth and Great Glen a short distance (under 1km) from the parish boundary. Burton Overy has a church, a pub, a dairy and village hall. The nearest shops, medical facilities and schools are located in villages outside of the parish.

The NA boundary and key statistics

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

Figure 2-1: Map of the Burton Overy Neighbourhood Area



Source: Harborough District Council⁵

⁵ Available at http://www.harborough.gov.uk/download/downloads/id/1482/burton_very_neighbourhood_area_planpdf.pdf

- 2.6 As noted in the Executive Summary, it is not possible to exactly recreate the NA boundary exactly using the Census Output Areas (OAs) in either 2011 or 2021, as discussed in Appendix A. This means that the Census data throughout the report relates to a slightly different area than the NA (see Figure A-1). Census data in the tables throughout the report is therefore represented as percentages rather than raw figures in the majority of instances. This data is still considered robust, with the overall characteristics of the NA still reflected when using this 'proxy area'.
- 2.7 Throughout the report, when discussing Census data, Burton Overy Proxy Area 'the proxy area' relates to the area shown in Figure A-1. This data is used to represent the NA.
- 2.8 Parish level Census data that aligns with the exact geography of the NA is available for limited datasets in the 2021 Census. It is not possible to use this data throughout the report as not all of the required datasets are available, the data is not comparable to 2011, and the available datasets are not all given to a suitable level of detail. However, headline data for the population and number of households is possible. 2021 Census data for the exact NA shows a population of 295, with 127 households.
- 2.9 At the time of the 2011 Census the proxy area was home to 440 residents, formed into 191 households and occupying 199 dwellings. The 2021 Census indicates population increase of 19 individuals since 2011, recording a total of 459 residents, 188 households and 200 dwellings. This suggests that there has been development of just 1 additional dwelling over the 10-year period.
- 2.10 Whilst this data applies to the proxy area, which is wider than the Parish, it suggests that there has been little or no net development of new homes in Burton Overy 2011-2021. The Neighbourhood Planning Group are aware of a number of small in-fill developments within the parish, including one site of 6 dwellings. It is possible that these have been developed through the demolition of existing dwellings and therefore had limited net effect on the dwelling stock. It is also possible that new dwellings completed close to the Census 2021 survey period may not have been recorded in the data. So there is some uncertainty over the level of new development over the last 10 years but it is likely to have been limited.
- 2.11 It is worth noting that in the Burton Overy proxy area there are more dwellings than households. 12 dwellings are 'not usually occupied' according to Census 2021 which may mean they are vacant due to sale or letting, or that they are second homes or holiday lets. This represents 6% of the dwelling stock which is consistent with the rate in England as a whole (6%), which would suggest that there is not a significant number or proportion of second homes or holiday homes in the stock at present.

The housing market area context

- 2.9 Whilst this Housing Needs Assessment (HNA) focuses on Burton Overy NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often

stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.

- 2.10 In the case of Burton Overy, the NA sits within a housing market area which covers Leicester and Leicestershire.¹ This means that when households who live in these authorities move home, the vast majority move within this geography.
- 2.11 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Burton Overy, are closely linked to other areas. In the case of Burton Overy, changes in need or demand in cities and towns nearby such as Leicester and the smaller town of Market Harborough are likely to impact on the neighbourhood as well as the larger neighbouring villages.
- 2.12 In summary, Burton Overy functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Harborough District Council), it is therefore useful to think about the role of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

- 2.13 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁶ In the case of Harborough District Council, the relevant adopted Local Plan consists of the Harborough Local Plan 2011 – 2031, which was adopted on Tuesday 30th April 2019. The Local Plan replaces the Council's Core Strategy 2006 – 2028 and Saved Policies from the previous 2001 Local Plan. The Local Plan sets out the vision, objectives, spatial strategy and planning policies for the entire District area, which includes Houghton on the Hill.
- 2.14 In July 2021, the Council's Cabinet took the decision to begin the preparation of a new Local Plan. The revised Local Development Scheme was approved on 4th July 2022, replacing the September 2021 version. The new Local Plan was expected to go out to consultation in September/October 2023 and again in December 2024/January 2025, before being submitted for examination in June 2025 and adopted in April 2026. However, a slight delay was announced to the September/October 2023 consultation, with the Issues and Options Consultation instead taking place between 16th January and 27th February 2024. This new Local Plan is not likely to impact the neighbourhood plan review.

⁶ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

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

- Local Plan Policy H1 identifies an overall housing target of 3,975 homes for the district during the plan period to 2031;
- Policy GD4 New housing in the countryside – this policy applies to Burton Overy which is designated within the Other Villages and Rural Settlements category. New housing will be limited to small sites of no more than 4 dwellings providing that need is identified (either through a housing needs survey of neighbourhood plan). Housing to meet the needs of a rural worker, rural exception sites, isolated homes in the countryside in accordance with NPPF paragraph 79, and replacement dwellings are also permitted under this policy.
- Policy H2 states that 40% of all new dwellings are expected to be delivered as Affordable Housing on sites larger than 10 homes. The suggested tenure mix within Affordable Housing is 75% affordable rent to 25% affordable home ownership;
- Policy H5 sets out an expectation that 4% of new homes will be built to Category M4(2) accessibility standards. However, we believe this to be an error as this expectation is very low for M4(2) standards. Instead, we believe this to be an expectation that 4% of new homes will be built to Category M4(3) standards. As a result, the Working Group should discuss this with the LPA.

Housing Requirement

2.16 The NPPF 2023 (paragraphs 67 and 68) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.17 Harbrough District Council has not provided Burton Overy with a housing requirement for the Neighbourhood Plan period. As the NA is defined in the Local Plan settlement hierarchy as within the 'Other Villages and Rural Settlements' category it is considered one of the less suitable locations for new housing development. Nevertheless, new housing is permitted under Local Plan policy GD4 on small sites of no more than 4 dwellings to meet identified needs and under other circumstances, such as to provide housing for rural workers, re-use existing building etc.

3. Objectives and approach

Objectives

3.1 This HNA is structured according to a number of themes or topics that were agreed at the outset of the research with Burton Overy Parish Council. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Tenure, House Prices, Affordability and Affordable Housing

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

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

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

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

Demographics, housing stock and future housing mix

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

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

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

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

Approach

- 3.8 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:
- ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Rightmove.co.uk;
 - Local Authority housing waiting list data; and
 - Leicester & Leicestershire Housing & Economic Needs Assessment.
- 3.9 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, including parishes, will not be available until later in 2024, as well as data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

4. Tenure, House Prices, Affordability and Affordable Housing

Introduction

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

Definitions

- 4.4 This section uses a range of technical terms which are useful to define at the outset:
- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
 - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
 - The definition of **Affordable Housing** is set out in the NPPF 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
 - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring

to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁷

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

Current tenure profile

- 4.5 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
- 4.6 Table 4-1 presents data on tenure in Burton Overy proxy area compared with Harborough and England from the 2021 Census. The majority of households in the parish own their own homes (78.2%), slightly higher than Harborough and significantly above the rate of owner occupation in England as a whole. Around two thirds of home owners own their homes outright which largely reflects the older population in the parish.
- 4.7 The private rented sector in the parish is relatively substantial with a higher proportion of private renters (18.6%) than in Harborough (13.5%). There is very limited Social Rented accommodation in the parish (3.2%) compared to 8.7% in the district which is also substantially below the level of 17.1% in England.

Table 4-1: Tenure (households) in Burton Overy Proxy Area, 2021

| Tenure | Burton Overy | Harborough | England |
|------------------|--------------|------------|---------|
| Owned | 78.2% | 75.8% | 61.3% |
| Shared ownership | 0.0% | 2.0% | 1.0% |
| Social rented | 3.2% | 8.7% | 17.1% |
| Private rented | 18.6% | 13.5% | 20.6% |

Sources: Census 2021, AECOM Calculations

- 4.8 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). There has been very limited change in tenure over the last 10 years. The number of home owners remained stable. There was a small increase in private renting, consistent with trends nationally. There appears to have been a small decline in the number of Social Rented homes which may be due Right to Buy sales. It is difficult to make robust conclusions from small numbers, however, the data suggests the tenure of homes in Burton Overy proxy area has remained broadly similar 2011-2021.

⁷ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

Table 4-2: Tenure change (households) in Burton Overy Proxy Area, 2011-2021

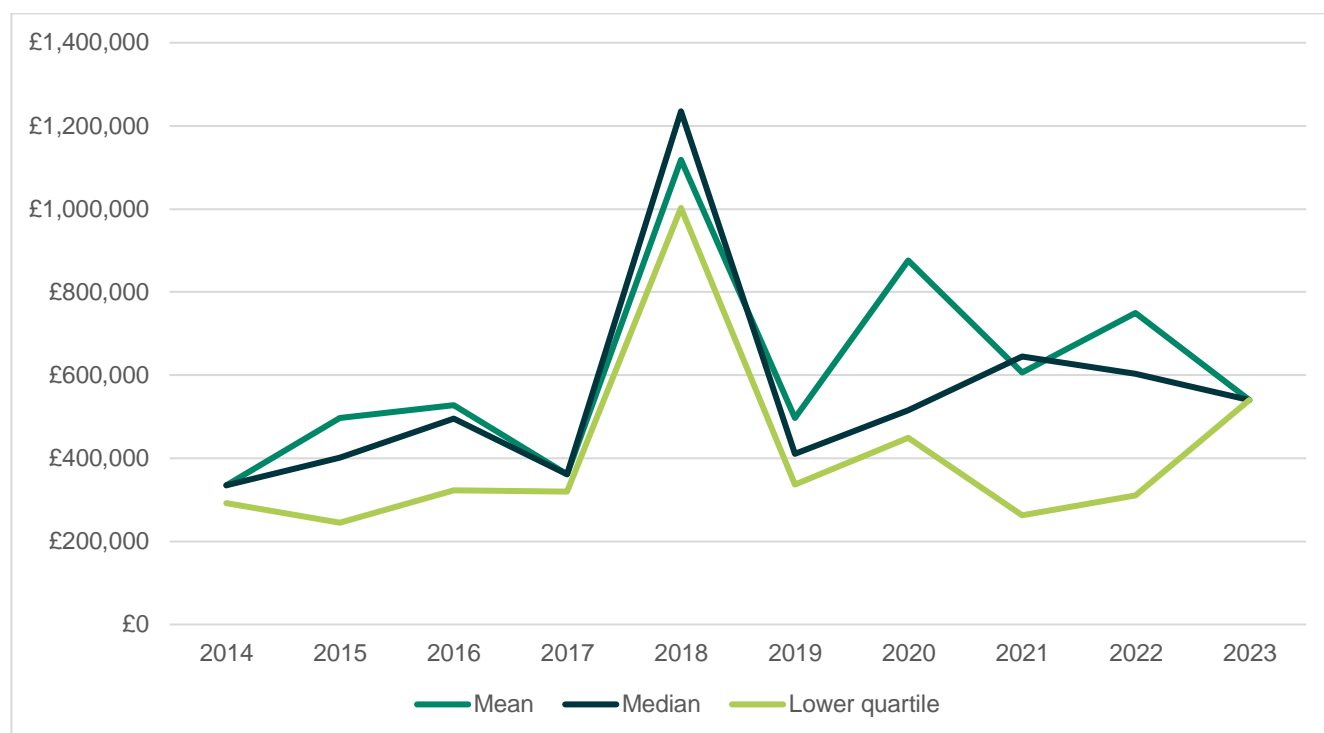
| Tenure | 2011 | 2021 | % Change |
|------------------|------|------|----------|
| Owned | 147 | 147 | 0.0% |
| Shared ownership | 1 | 0 | -100.0% |
| Social rented | 8 | 6 | -25.0% |
| Private rented | 32 | 35 | +9.4% |

Sources: Census 2021 and 2011, AECOM Calculations

Affordability

House prices

- 4.9 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
- 4.10 Figure 4-1 looks at the average and lower quartile house prices in Burton Overy NA based on sales price data published by the Land Registry. This data relates to the parish (NA) as it is possible to access localised data from Land Registry. It shows that average and lower quartile prices have broadly increased over the decade. Due to the small number of transactions in any single year there appears to be large fluctuations in prices but this reflects the mix of homes sold in any single year, including the sale of some very highly priced properties particularly in 2018.
- 4.11 Current average median prices in the NA are around £586,565 (this is an average of 2022-2023 due to the small number of sales in any single year). Lower quartile prices – the cheapest 25% of prices - are around £275,625 (again based on the 2022-2023 period).
- 4.12 Prices in Burton Overy appear to be higher than in Harborough as a whole. Median prices in the district are around £320,000 (2023). To some extent this reflects the mix of properties sold in the parish compared to the wider district, with a greater share of smaller properties available and sold in Harborough as a whole which then feeds through into a lower average price.
- 4.13 Lower quartile prices are also higher in Burton Overy (£275,625) compared to Harborough (£245,000). The wider district appears to be more affordable than the parish which is likely to impact on the ability of younger and newly forming households to remain in or move to Burton Overy.

Figure 4-1: House prices by quartile in Burton Overy NA, 2014-2023

Source: Land Registry PPD

4.14 Table 4-3 breaks down house prices by type, presenting the median within each type (again, using data for the parish (NA) area). Although the small number of transactions each year mean that not all housing types are reflected each year, the data shows a pattern of substantially higher house prices amongst detached dwellings. By contrast, terraced property prices are substantially lower and the prices of these different homes demonstrate the broad range of prices depending on property type which reflects the size of the home and other attributes such as gardens, space in and outside of the property and specific location.

Table 4-3: Median house prices by type in Burton Overy NA, 2014-2023

| Type | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Detached | - | £748,500 | £717,500 | £445,000 | £1,235,000 | £460,000 | £482,500 | £805,000 | £1,237,500 | - |
| Semi-detached | £335,000 | £245,000 | - | £277,500 | - | - | £2,000,000 | £220,000 | £365,000 | - |
| Terraced | - | - | £149,950 | - | - | £337,500 | - | £242,500 | £212,001 | £540,000 |
| Flats | - | - | - | - | - | - | - | - | - | - |
| All Types | £335,000 | £401,000 | £495,000 | £361,250 | £1,235,000 | £410,000 | £515,000 | £645,000 | £603,000 | £540,000 |

Source: Land Registry PPD

Income

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

4.16 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e., it does not provide the average income of

lower earners). The average total household income locally was £47,600 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A (shaded pink area). It is an area larger than the parish which takes in neighbouring villages including Great Glen, Kibworth Beauchamp, Calton Curliu and Little Stretton. Discussion with the Parish Council suggests that some of these villages may contain lower income households, in contrast with Burton Overy, which may mean that the average income used in the HNA is lower might be expected if data could be gathered for Burton Overy alone. Nevertheless, the average income figure is likely to provide a reasonable estimate of income for the purposes of estimating affordability.

4.17 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Harborough's gross individual lower quartile annual earnings were £20,494 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £40,988.

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

Affordability Thresholds

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

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

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

4.22 Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that

households may already hold equity from an existing property. This is particularly relevant in the parish due to the large number of home owners with equity in their homes. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

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

| Tenure | | | | Mortgage value (90% of price) | Annual rent | Income required | Affordable on average incomes? £47,600 | Affordable on LQ earnings (single earner)? £20,494 | Affordable on LQ earnings (2 earners)? £40,988 |
|--|-----------|--|--|-------------------------------|-------------|-----------------|---|---|---|
| Market Housing | | | | | | | | | |
| Median House Price | (2022/23) | | | £527,908 | - | £150,831 | No | No | No |
| Estimated Entry-Level NA New Build House Price | (2022/23) | | | £283,235 | - | £80,924 | No | No | No |
| LQ/Entry-level House Price | (2022/23) | | | £248,063 | - | £70,875 | No | No | No |
| LA New Build Median House Price | (2023) | | | £328,836 | - | £93,953 | No | No | No |
| Average Market Rent | | | | - | £15,386 | £51,288 | No | No | No |
| Entry-level Market Rent | | | | - | £11,430 | £38,100 | Yes | No | Yes |
| Affordable Home Ownership | | | | | | | | | |
| First Homes (-30%) | | | | £198,265 | - | £56,647 | No | No | No |
| First Homes (-40%) | | | | £169,941 | - | £48,555 | Marginal | No | No |
| First Homes (-50%) | | | | £141,618 | - | £40,462 | Yes | No | Yes |
| Shared Ownership (50%) | | | | £141,618 | £3,934 | £53,575 | No | No | No |
| Shared Ownership (25%) | | | | £70,809 | £5,901 | £39,900 | Yes | No | Yes |
| Shared Ownership (10%) | | | | £28,324 | £7,081 | £31,695 | Yes | No | Yes |
| Affordable Rented Housing | | | | | | | | | |
| Affordable Rent | | | | - | £6,005 | £19,998 | Yes | Yes | Yes |
| Social Rent | | | | - | £4,719 | £15,714 | Yes | Yes | Yes |

Source: AECOM Calculations

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

Market housing for purchase and rent

4.24 It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit or existing housing

equity. The median house price would require an annual income three times higher than the current average.

- 4.25 Average private rents are unaffordable to average income households but entry level private rents appear affordable to these households. They are also affordable to households with two lower quartile earners. Whilst the private rented sector in the parish is of a reasonable size (19% of households) the absolute number of private rented properties is small (35 in total) and very few properties are available on the market at any one time. In order to gain a robust sample to estimate private rental affordability, AECOM used a 3 mile radius from the centre of the parish, therefore capturing rented properties in other villages.
- 4.26 Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

- 4.27 There is a group of households in Burton Overy who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £38,100 per year (at which point entry-level rents become affordable) and £70,875 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 4.28 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
- 4.29 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. AECOM has assumed that new build entry level properties in Burton Overy would be priced at around £315,700. This estimate is based on existing entry level prices in the NA (£275,625) with an uplift applied (of 14%⁸) to reflect the new build premium. A new First Home discounted at 30% would not be affordable to households on average or lower quartile incomes. However, a discount of 40% would appear to be in reach of average income households in Burton Overy (bearing in mind the uncertainty over average incomes due to data limitations). Discounts of 50% would appear to enable households with two lower quartile earners to afford to buy a First Home.
- 4.30 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased.

⁸ Average new build prices in West Northamptonshire as a whole are 14% higher than average prices as a whole. This uplift has been applied to prices in Burton Overy to give a realistic indication of the likely price of a new build property.

This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Parish Council intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.

- 4.31 Shared ownership appears to be more affordable than First Homes as equity shares of 25% appear affordable to both average income households and households with two LQ earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁹ If this is delivered in the NA, it will make shared ownership easier to access for more households. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 4.32 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership via this route to average income households and those with two lower quartile earners. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
- 4.33 These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower

⁹ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

- 4.34 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Burton Overy (based on Affordable Rents in the wider district). However, there is very little Social/Affordable Rented housing within the parish so the availability of these cheaper rents is likely to be limited.
- 4.35 In theory, Affordable Rented housing is generally affordable to households with one or two lower quartile earners depending on their household size and the size of dwelling they need. Many households who are eligible for Affordable Rented homes will be supported by Housing Benefit to access housing.
- 4.36 Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Estimates of the need for Affordable Housing

- 4.37 This section seeks to estimate the need for Affordable Housing, which should be considered separately for Social/Affordable Rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.
- 4.38 A HENA was undertaken for Leicester and Leicestershire in 2022. This study estimates the need for affordable housing in the district based on analysis of the Council's housing waiting list and other data sets in line with Planning Practice Guidance at the time.
- 4.39 The HENA identifies the need for 321 additional Social/Affordable Rented homes and 177 affordable home ownership dwellings each year in Harborough as a whole. Taken together, this represents the need for 498 Affordable Homes each year in the District.
- 4.40 When the HENA figures are pro-rated to Burton Overy NA based on its fair share of the population (0.3%¹⁰ of the district's population (Census 2021)), this equates to 1.5 homes per annum or 24 (rounded) homes over the Neighbourhood Plan period (2025-2041). This equates to 1 Social/Affordable Rented home and 0.5 affordable home ownership properties each year, equating to 15 (rounded) Social/Affordable Rented dwellings over the plan period and 9 (rounded) affordable ownership properties over the plan period.¹¹
- 4.41 However, pro-rating district level estimates of affordable housing need to rural areas presents problems in practice. The Local Authority level figures are likely to represent higher needs in urban areas where there is a large social housing stock and larger numbers of households living in private rented homes on housing benefit. Both of these factors tend to generate higher needs.
- 4.42 By contrast, in rural parishes like Burton Overy the limited supply of social housing means there is more limited need generated from households already living in the sector. This is especially true for the NA given the small number of Social/Affordable Rented homes available. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify precisely the need for social/affordable rented housing within Burton Overy. In practice, the figures estimated here represent wider needs within the district as well as locally generated needs.
- 4.43 In addition, smaller rural villages such as Burton Overy may present additional affordability challenges to households in social/affordable rented housing because of the limited availability of local services and amenities and the need to own a car to access these in neighbouring villages and towns. Registered

¹⁰ Based on the actual parish population of 295 people which represents 0.3% of the Harborough population of 97,626 in 2021

¹¹ Note that these estimates related to the parish (actual NA) area rather than the proxy area as it is possible to access population data from the Census 2021 for the parish area and this is used for the pro rating exercise.

Providers (housing associations) may also be reluctant to take on small numbers of new social/affordable rented homes because of the additional challenge and cost of managing dispersed stock.

- 4.44 It is relevant to note that at the time of writing, there were fewer than 5¹² households on Harborough's housing waiting list living within Burton Overy. There are additional applicant households (around 230) in the wider area who live in or are willing to live in Glen ward (which contains the parish). The waiting list data identifies which wards applicants need or want to live in and does not provide data at the parish level. This suggests that there is a small level of localised need for Affordable Housing in Burton Overy but also evidence of wider needs in neighbouring areas.

Affordable Housing policies in Neighbourhood Plans

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

Application of Local Plan policies

- 4.46 HDC's adopted policy on this subject (Policy H2) requires 40% of all new housing to be affordable on sites larger than 10 dwellings. There appears to have been no new housing development in the parish in recent years and, as a result, no additional Affordable Housing delivered.
- 4.47 Given that there is no housing requirement for Burton Overy and limited prospect of new housing development that would meet the threshold to secure Affordable Housing, any new Affordable Housing in the parish in the future may be more likely to be secured through more direct forms of delivery such as Rural Exception Sites.
- 4.48 The adopted Local Plan includes a policy on rural exception sites (Policy H3) which allows development proposals for Affordable Housing on small sites in rural areas that would not normally be permitted for housing (see Appendix B).
- 4.49 This HNA finds some evidence of localised need for Affordable Housing (from the Harborough waiting list) and wider evidence of need based on need in Harborough as a whole. As such, the Neighbourhood Planning Group may wish to consider whether delivery of a small housing scheme might provide scope to boost the availability of Affordable Housing in Burton Overy

Affordable Housing at Neighbourhood level

- 4.50 This section suggests an Affordable Housing tenure mix that might be suitable for Burton Overy on the basis of identified housing need and a range of other considerations detailed in Appendix D and assuming that a sufficient sized

¹² Precise figures not presented due to small number to ensure confidentiality.

development came forward over the plan period (including for example a rural exception site).

4.51 If new housing comes forward through a market led scheme of sufficient size to provide Affordable Housing, AECOM would suggest that 75% Affordable Homes could be delivered for Social/Affordable Rent to meet any localised need and to widen the availability of this housing in the parish (Table 4-5). There appears to be a small number of households needing social/affordable rented housing and very limited stock in the parish. The remaining 25% could be delivered as affordable home ownership, recognising that some households currently living in the PRS in the parish may wish to own their own homes if suitably affordable products can be delivered locally. This is consistent with the current adopted Local Plan policy. However, it does not give scope to provide products other than First Homes on market led sites (given than these should make up 25% of Affordable Housing according to national policy).

Table 4-5: Indicative tenure split (Affordable Housing) on Market Led Sites

| Tenure | Indicative mix | Considerations and uncertainties |
|--|-----------------------------------|--|
| Routes to home ownership, of which | 75% | |
| First Homes | 25% | Product untested so uncertainties around viability, developer, lenders and buyer appetite etc. |
| Shared ownership | 0% | Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown. |
| Rent to Buy | 0% | Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown. |
| Affordable Housing for rent, of which | 75% | |
| Social rent | To be set by Registered Providers | Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area. |
| Affordable rent | To be set by Registered Providers | Uncertain whether RPs willing to own/manage stock in this area. |

Source: AECOM calculations

4.52 If new homes were delivered through an exception scheme where all or the majority of homes were provided as Affordable Housing, there may not be a requirement to provide a proportion of First Homes and this would give greater scope to expand the range of affordable home ownership products whilst also

delivering Social/Affordable Rented housing to meet any acute needs. In such a scenario, the tenure mix might differ from Table 4-5 and could aim to provide around 50% rent and 50% ownership products.

- 4.53 In practice if a small scheme was developed in Burton Overy it may make practical sense to deliver a limited range of Affordable Housing tenures or products, bearing in mind there are only likely to be a small number of homes overall.
- 4.54 Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Harborough District Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Conclusions- Tenure and Affordability

- 4.55 The majority of households in the Burton Overy proxy area own their own homes (78.2%), slightly higher than Harborough and significantly above the rate of owner occupation in England as a whole. Around two thirds of home owners own their homes outright which largely reflects the older population in the parish.
- 4.56 The private rented sector in the proxy area is relatively substantial with a higher proportion of private renters (18.6%) than in Harborough (13.5%). There is very limited Social Rented accommodation in the parish (3.2%) compared to 8.7% in the district which is also substantially below the level of 17.1% in England. The data suggests the tenure of homes in Burton Overy has remained broadly stable 2011-2021.
- 4.57 Current average median prices in the NA are around £586,565 (this is an average of 2022-2023 due to the small number of sales in any single year). Lower quartile prices – the cheapest 25% of prices - are around £275,625 (again based on the 2022-2023 period).
- 4.58 Prices in Burton Overy appear to be higher than in Harborough as a whole. Median prices in the district are around £320,000 (2023). To some extent this reflects the mix of properties sold in the parish compared to the wider district, with a greater share of smaller properties available and sold in Harborough as a whole which then feeds through into a lower average price.
- 4.59 Lower quartile prices are also higher in Burton Overy (£275,625) compared to Harborough (£245,000). The wider district appears to be more affordable than the parish which is likely to impact on the ability of younger and newly forming households to remain in or move to Burton Overy.
- 4.60 The average total household income locally was £47,600 in 2020 (the most recent year for this dataset). Harborough's gross individual lower quartile annual earnings were £20,494 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £40,988.

- 4.61 It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit or existing housing equity. The median house price would require an annual income three times higher than the current average.
- 4.62 Average private rents are unaffordable to average income households but entry level private rents appear affordable to these households. They are also affordable to households with two lower quartile earners. Whilst the private rented sector in the parish is of a reasonable size (19% of households) the absolute number of private rented properties is small (35 in total) and very few properties are available on the market at any one time.
- 4.63 There is a group of households in Burton Overy who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £38,100 per year (at which point entry-level rents become affordable) and £70,875 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 4.64 A new First Home discounted at 30% would not be affordable to households on average or lower quartile incomes. However, a discount of 40% would appear to be in reach of average income households in Burton Overy (bearing in mind the uncertainty over average incomes due to data limitations). Discounts of 50% would appear to enable households with two lower quartile earners to afford to buy a First Home.
- 4.65 Shared ownership appears to be more affordable than First Homes as equity shares of 25% appear affordable to both average income households and households with two LQ earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹³ If this is delivered in the NA, it will make shared ownership easier to access for more households.
- 4.66 In theory, Affordable Rented housing is generally affordable to households with one or two lower quartile earners depending on their household size and the size of dwelling they need. There are very few social/affordable rented homes available in Burton Overy however.
- 4.67 A Housing and Economic Needs Assessment was undertaken for Leicester and Leicestershire in 2022. This study estimates the need for affordable housing in the district based on analysis of the Council's housing waiting list and other data sets in line with Planning Practice Guidance.
- 4.68 The HENA identifies the need for 321 additional Social/Affordable Rented homes and 177 affordable home ownership dwellings each year in Harborough as a

¹³ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

whole. Taken together, this represents the need for 498 Affordable Homes each year in the District.

- 4.69 When the HENA figures are pro-rated to Burton Overy based on its fair share of the population (0.3%¹⁴ of the district's population (Census 2021)), this equates to 1.5 homes per annum or 24 (rounded) homes over the Neighbourhood Plan period (2025-2041). This equates to 1 Social/Affordable Rented home and 0.5 affordable home ownership properties each year, equating to 15 (rounded) Social/Affordable Rented dwellings over the plan period and 9 (rounded) affordable ownership properties over the plan period.
- 4.70 It is relevant to note that at the time of writing, there were fewer than 5¹⁵ households on Harborough's housing waiting list living within Burton Overy parish. There is evidence of wider needs in neighbouring areas (with 230 applicants living in or willing to live in Glen Ward).
- 4.71 HDC's adopted policy on this subject (Policy H2) requires 40% of all new housing to be affordable on sites larger than 10 dwellings. Given that there is no housing requirement for Burton Overy and limited prospect of new housing development that would meet the threshold to secure Affordable Housing, any new Affordable Housing in the parish in the future may be more likely to be secured through more direct forms of delivery such as Rural Exception Sites.
- 4.72 If new housing comes forward through a market led scheme of sufficient size to provide Affordable Housing, AECOM would suggest that 75% Affordable Homes could be delivered for Social/Affordable Rent to meet any localised need and to widen the availability of this housing in the parish.
- 4.73 If new homes were delivered through an exception scheme where all or the majority of homes were provided as Affordable Housing, there may not be a requirement to provide a proportion of First Homes and this would give greater scope to expand the range of affordable home ownership products whilst also delivering Social/Affordable Rented housing to meet any acute needs. Another avenue to delivering Affordable Housing outside of market or developer-led schemes is community-led housing schemes such as Community Land Trusts.

¹⁴ Based on the actual parish population of 295 people which represents 0.3% of the Harborough population of 97,626 in 2021

¹⁵ Precise figures not presented due to small number to ensure confidentiality.

5. Demographics, Housing Stock and Future Housing Mix

Introduction

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

Definitions

- **Dwelling type:** whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size:** how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.

- **Household:** a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.
- **Household composition:** the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage:** the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix:** the range of home sizes and types in an area.
- **Over- and under-occupancy:** the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

The current housing mix

5.6 This section establishes the current housing mix of Burton Overy (proxy area), highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

5.7 Table 5-1 shows that over two thirds of dwellings within Burton Overy proxy area are detached, compared to just under half in Harborough as a whole and 22.9% in England. Consequently there are smaller proportions of other dwelling types with 23.4% semi detached, 9% terraces and under 1% flats. The mix is substantially different to the wider district and England, reflecting its rural nature. It is important to keep in mind that these figures represent the Burton Overy proxy area dwellings which does not match the parish and NA boundary precisely. Census 2021 data for parishes is limited at present and does not include data on dwelling types and sizes. Nevertheless, the percentage figures are likely to provide a reasonable reflection of the mix in the parish.

Table 5-1: Accommodation type, various geographies, 2021

| Type | Burton Overy Proxy Area | Harborough | England |
|---------------|----------------------------|------------|---------|
| Detached | 66.5% | 48.8% | 22.9% |
| Semi-detached | 23.4% | 29.2% | 31.5% |
| Terrace | 9.0% | 14.4% | 23.0% |
| Flat | 0.5% | 7.0% | 22.2% |

Source: Census 2021, AECOM Calculations

- 5.8 It is not robust to compare the change in dwelling type over the period 2011-2021 because 2021 data is based on households occupying dwellings rather than dwellings themselves. In an area as small as Burton Overy, where limited development has taken place, the two data sets appear to show change over time but in reality this is just the difference between how the two Censuses have collected the data, with 2021 data based on households occupying different dwelling types and dwelling types themselves (with a small number of dwellings not occupied by households at the time of the Census survey).

Dwelling size

- 5.9 Table 5-below presents the current housing mix in terms of size compared to the wider local authority and country. It shows that almost half of the stock in Burton Overy proxy area has four or more bedrooms. This is consistent with the dominance of detached dwellings in the housing stock. A further 32.1% of dwellings have 3 bedrooms. Whilst the housing stock in Harbrough district is also dominated by larger homes, the proportion of 4+ bedroom properties is 36.8%, substantially below the proportion in Burton Overy. The proportion of larger (4+ bedroom) properties in England as a whole is just 21.1%. The dominance of larger dwellings in Burton Overy contributes to higher average house prices as larger dwellings dominate sales.
- 5.10 Conversely, there is a small proportion of smaller 1-2 bedroom properties in Burton Overy proxy area. These dwellings make up just 18% of the stock, compared to 27% in Harbrough and almost 39% in England.
- 5.11 As with the data on dwelling type, it is not robust to provide a comparison of 2011 and 2021 due to data inconsistencies.

Table 5-2: Dwelling size (bedrooms), various geographies, 2021

| Number of bedrooms | Burton Overy Proxy Area | Harbrough | England |
|--------------------|-------------------------|-----------|---------|
| 1 | 1.1% | 5.7% | 11.6% |
| 2 | 17.1% | 21.6% | 27.3% |
| 3 | 32.1% | 35.9% | 40.0% |
| 4+ | 49.7% | 36.8% | 21.1% |

Source: Census 2021, AECOM Calculations

Population characteristics

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

Age

- 5.13 Table 5-3 shows the most recent age structure of the Burton Overy proxy area population, alongside 2011 Census figures. The population in 2021 is dominated

by people in the older age groups, particularly 45-64 and 65-84. This is consistent with many rural villages across England and reflects the ageing of the population nationally. Growth in the population has been strongest in the over 85 group but this represents a small absolute increase in the number of people aged 85+.

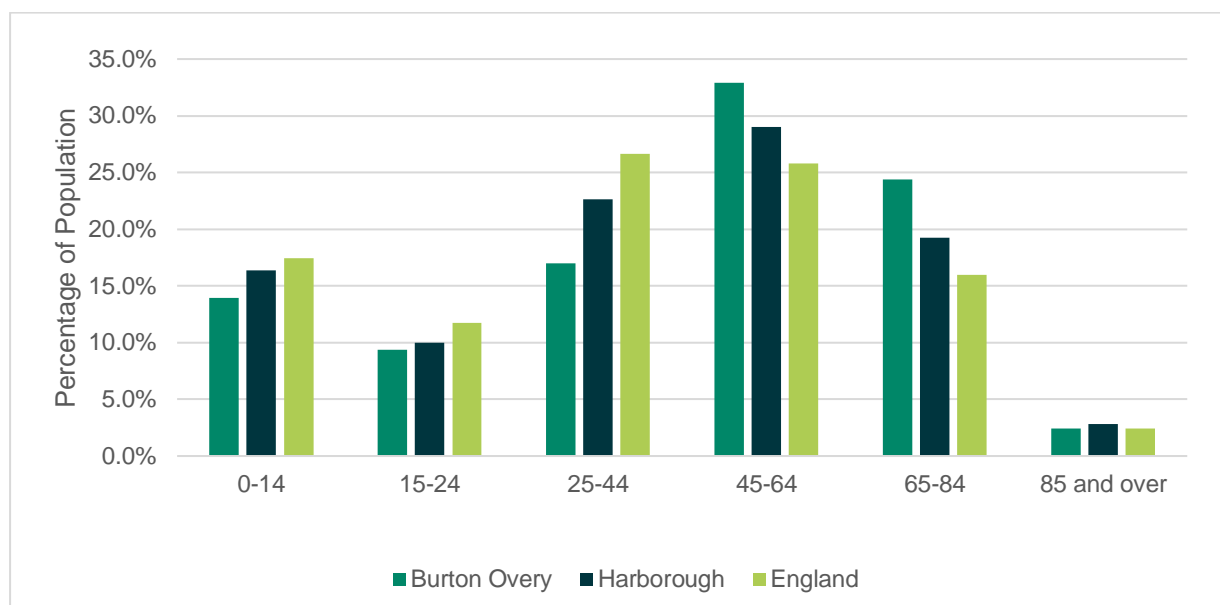
- 5.14 The number of people in the 25-44 and 0-14 age groups has fallen which demonstrates loss of younger families in Burton Overy over time. Some may have moved away and in other cases, as these people have aged they have not been replaced by younger people and families moving in. The number of 15-24 year olds appears to have increased over the last 10 years however this may reflect students moving back home during Covid lockdown (in operation during the Census 2021 survey period) and universities moving teaching on line. AECOM has observed this pattern in other rural areas and the converse pattern in urban areas with usually high student populations.

Table 5-3: Age structure of Burton Overy Proxy Area, 2011 and 2021

| Age group | 2011 | 2021 | Change |
|-------------|-------|-------|---------|
| 0-14 | 16.8% | 13.9% | -13.5% |
| 15-24 | 4.5% | 9.4% | +115.0% |
| 25-44 | 19.8% | 17.0% | -10.3% |
| 45-64 | 33.6% | 32.9% | +2.0% |
| 65-84 | 24.1% | 24.4% | +5.7% |
| 85 and over | 1.1% | 2.4% | +120.0% |

Source: ONS 2011, ONS 2021, AECOM Calculations

- 5.15 For context, it is useful to look at the proxy area population structure alongside that of the district and country. Figure 5-1 (using 2021 Census data) shows that Burton Overy proxy area has an older bias to its population compared to both Harborough and England. The proportion of people aged 65+ is 26.8% in Burton Overy, compared to 22% in Harborough and 18.4% in England.
- 5.16 Conversely, the proportion of the population in younger age groups in Burton Overy is smaller than the district and England.

Figure 5-1: Age structure in Burton Overy Proxy Area, 2021

Source: ONS 2021, AECOM Calculations

Household composition and occupancy

5.17 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-4 shows that, consistent with the population by age data, older households account for 31% of all households in Burton Overy proxy area. This includes single older people and couples. This is a substantially higher share than in Harborough and England.

5.18 The proportion of households with dependent children is just 21.4% in 2021 in Burton Overy, compared to 26.7% in Harborough and 25.8% in England. The share of households with non-dependent children is 15.1%, higher than both Harborough and England. This may reflect students returning home during the Covid lockdown (in operation during the Census 2021 survey period).

5.19 Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category doubled between 2011 and 2021 in the NA –a faster rate than the district and England but AECOM consider that most of this increase is more likely to be attributed to the Covid lockdown in operation at the time of the Census survey.

Table 5-4: Household composition, Burton Overy Proxy Area, 2021

| Household composition | | Burton Overy | Harborough | England |
|------------------------------|---|--------------|--------------|--------------|
| One person household | Total | 24.0% | 26.0% | 30.1% |
| | Aged 66 and over | 15.6% | 13.2% | 12.8% |
| | Other | 8.3% | 12.8% | 17.3% |
| One family only | Total | 71.9% | 69.6% | 63.1% |
| | All aged 66 and over | 15.6% | 12.8% | 9.2% |
| | With no children | 18.2% | 19.6% | 16.8% |
| | With dependent children | 21.4% | 26.7% | 25.8% |
| | With non-dependent children ¹⁶ | 15.1% | 10.2% | 10.5% |
| Other household types | Total | 4.2% | 4.4% | 6.9% |

Source: ONS 2021, AECOM Calculations

- 5.20 The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
- 5.21 The majority of households in Burton Overy proxy area have more bedrooms than they appear to need based on their household size. It is important to note that many households will use spare bedrooms for other purposes such as work, family visits, or hobbies, even in later life. Older households are more likely to under occupy their homes but most choose to stay in their home as they age. However, some may wish to downsize but may find that there are limited options to do so locally (as demonstrated in the mix of homes in the proxy area which is dominated by detached and larger dwellings).
- 5.22 There are a small number of households (with dependent children) who are living in overcrowded homes in Burton Overy proxy area. The number is consistent with the number of applicants on the local authority's waiting list which appears to provide corroboration of a small number of households with acute housing needs locally.

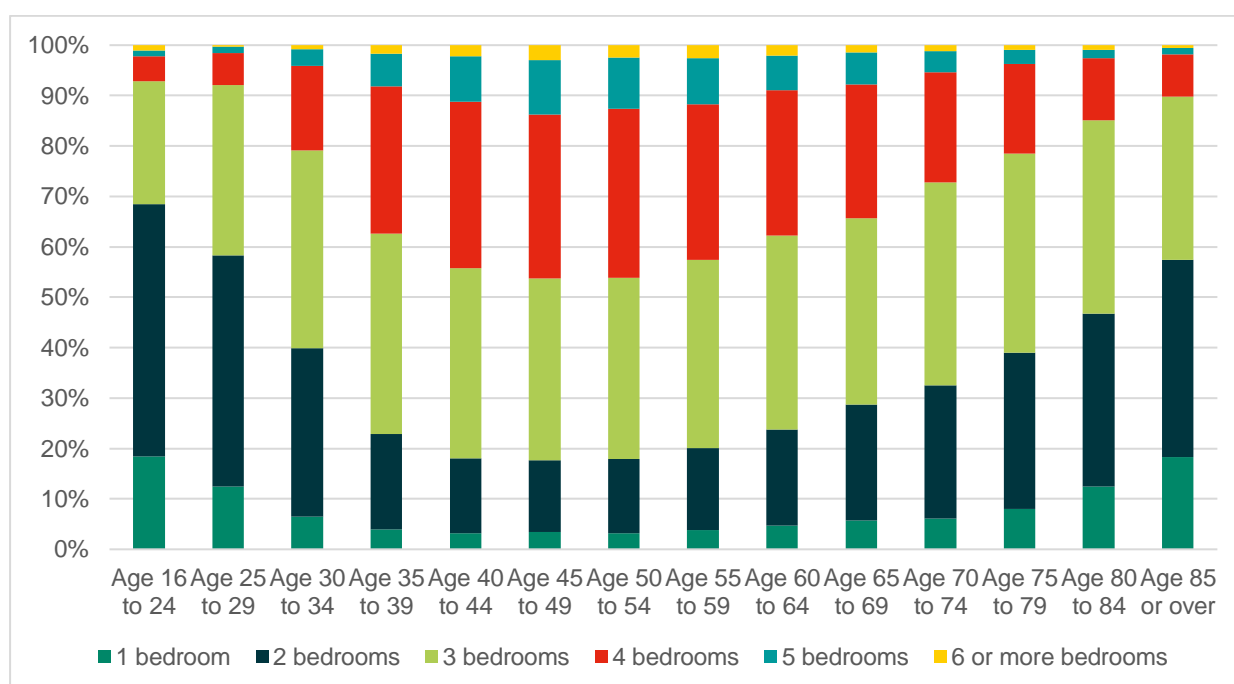
¹⁶ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 5-5: Occupancy rating by age in Burton Overy Proxy Area, 2021

| Household type | +2 rating | +1 rating | 0 rating | -1 rating |
|--------------------------------------|-----------|-----------|----------|-----------|
| Family 66+ | 80.0% | 20.0% | 0.0% | 0.0% |
| Single person 66+ | 63.0% | 33.3% | 3.7% | 0.0% |
| Family under 66 - no children | 82.9% | 17.1% | 0.0% | 0.0% |
| Family under 66 - dependent children | 43.9% | 24.4% | 26.8% | 4.9% |
| Family under 66 - adult children | 46.7% | 43.3% | 10.0% | 0.0% |
| Single person under 66 | 62.5% | 31.3% | 6.3% | 0.0% |
| All households | 61.4% | 27.5% | 9.5% | 1.6% |

Source: ONS 2021, AECOM Calculations

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

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

Source: ONS 2011, AECOM Calculations

Future population and size needs

5.24 This section projects the future age profile of the population in Burton Overy proxy area at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

5.25 The result of applying Local Authority level household projections to the age profile of Burton Overy households in 2011 is shown in Table 5-6. This makes clear that population growth can be expected to be driven by the oldest households, with the number of older households expected to double by 2041 compared the number in 2011.

Table 5-6: Projected age of households, Burton Overy Proxy Area, 2011 - 2041

| Year | 24 and under | 25 to 34 | 35 to 54 | 55 to 64 | 65 and over |
|--------------------|--------------|----------|----------|----------|-------------|
| 2011 | 1 | 6 | 71 | 48 | 65 |
| 2041 | 1 | 7 | 78 | 59 | 132 |
| % change 2011-2041 | +15% | +22% | +10% | +23% | +104% |

Source: AECOM Calculations

5.26 The demographic change discussed above can be translated into an ‘ideal’ mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-6 immediately above. The resulting ‘ideal’ future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

5.27 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

5.28 The result of this exercise is presented in Table 5-7. It suggests that if new homes are delivered in Burton Overy, the priority should be given to the development of mid sized 2-3 bedroom properties. This takes account of projected demographic change which is likely to be driven by growth in older households but also includes some growth of younger households, and the current dominance of larger homes in the existing stock. The provision of some 2-3 bedroom properties could widen the choice available to existing and future residents.

5.29 Noting that household growth is driven by older households, it would be worth the Neighbourhood Planning Group considering applying higher standards of accessibility and adaptability to any new homes that are delivered in the parish.

5.30 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. AECOM would suggest that this is applied in the NA

if possible. Government is considering mandating M4(2) on newly erected dwellings¹⁷, although changes to Building Regulations have not yet been made.

5.31 The current adopted Local Plan policy H5 is unclear on this matter. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

Table 5-7: Suggested dwelling size mix to 2041, Burton Overy

| Number of bedrooms | Mix (2011) | Suggested mix (2041) | Balance of new housing to reach suggested mix |
|--------------------|------------|----------------------|---|
| 1 | 4.2% | 6.6% | 10.7% |
| 2 | 16.8% | 23.4% | 34.4% |
| 3 | 35.1% | 37.5% | 38.8% |
| 4+ | 42.9% | 32.5% | 16.1% |

Source: AECOM Calculations

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

- The preceding chapter found that affordability is a serious challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether 1 bedroom homes (usually provided as flats) are suitable given the area's character, current density and design objectives.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households who wish to may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable.

Tenure

5.33 The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at

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

neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth considering:

- The waiting list for affordable rented housing, kept by the Local Authority. This provides a current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs.
- The Leicestershire HENA which sets out the projected need by size within each tenure over the long-term. The mix in the HENA identifies need for all sizes of social/affordable rented homes (1-4+ bedrooms) but with increased shares of 1 and 2-bedroom dwellings.

5.34 To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but information on the size requirements of households on the local authority waiting list is likely to be a key source of data to determine the size of Affordable Homes provided on any scheme in Burton Overy.

Type

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

5.36 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

5.37 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Burton Overy, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment.

5.38 The Design Code Technical Support package for Burton Overy suggests dwelling densities for the NA and specific areas. It notes that in the Burton Overy Conservation Area development must generally not exceed 30 dwellings per

hectare (dph) and be no more than 3 storeys. The Design Codes document also identifies 3 character areas:

- Historic Core – generally no more than 20 dph and maximum 3-storey dwellings.
- St Andrews Church – generally no more than 10 dph and maximum 2 storey dwellings.
- Post War Residential – generally no more than 5 dph and maximum 2-storey dwellings.

The Parish Council may therefore need to balance need and character when looking at future development.

5.39 In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Parish Council and community to consider.

Conclusions- Type and Size

5.40 The Burton Overy proxy area population in 2021 is dominated by people in the older age groups, particularly 45-64 and 65-84. This is consistent with many rural villages across England and reflects the ageing of the population nationally. Growth in the population has been strongest in the over 85 group but this represents a small absolute increase in the number of people aged 85+.

5.41 The Burton Overy proxy area has an older bias to its population compared to both Harborough and England. The proportion of people aged 65+ is 26.8% in Burton Overy, compared to 22% in Harborough and 18.4% in England.

5.42 The number of people in the 25-44 and 0-14 age groups has fallen which demonstrates loss of younger families in Burton Avery over time.

5.43 Consistent with the population by age data, older households account for 31% of all households in Burton Overy proxy area. This includes single older people and couples. This is a substantially higher share than in Harborough and England.

5.44 The proportion of households with dependent children is just 21.4% in 2021 in Burton Overy, compared to 26.7% in Harborough and 25.8% in England. The share of households with non-dependent children is 15.1%, higher than both Harborough and England. This may reflect students returning home during the Covid lockdown (in operation during the Census 2021 survey period).

5.45 Over two thirds of dwellings within Burton Overy proxy area are detached, compared to just under half in Harborough as a whole and 22.9% in England. Consequently, there are smaller proportions of other dwelling types with 23.4%

semi detached, 9% terraces and under 1% flats. The mix is substantially different to the wider district and England, reflecting its rural nature.

- 5.46 Almost half of the stock in Burton Overy proxy area has four or more bedrooms. A further 32.1% of dwellings have 3 bedrooms. Whilst the housing stock in Harbrough district is also dominated by larger homes, the proportion of 4+ bedroom properties is 36.8%, substantially below the proportion in Burton Overy. The dominance of larger dwellings in Burton Overy contributes to higher average house prices as larger dwellings dominate sales.
- 5.47 Conversely, there is a small proportion of smaller 1-2 bedroom properties in Burton Overy proxy area. These dwellings make up just 18% of the stock, compared to 27% in Harborough and almost 39% in England.
- 5.48 AECOM's simple modelling exercise suggests that if new homes are delivered in Burton Overy, the priority should be given to the development of mid sized 2-3 bedroom properties. This takes account of projected demographic change which is dominated by the growth in older households but includes some growth in younger households over the plan period, and the current dominance of larger homes in the existing stock. The provision of some 2-3 bedroom properties could widen the choice available to existing and future residents.
- 5.49 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Next Steps

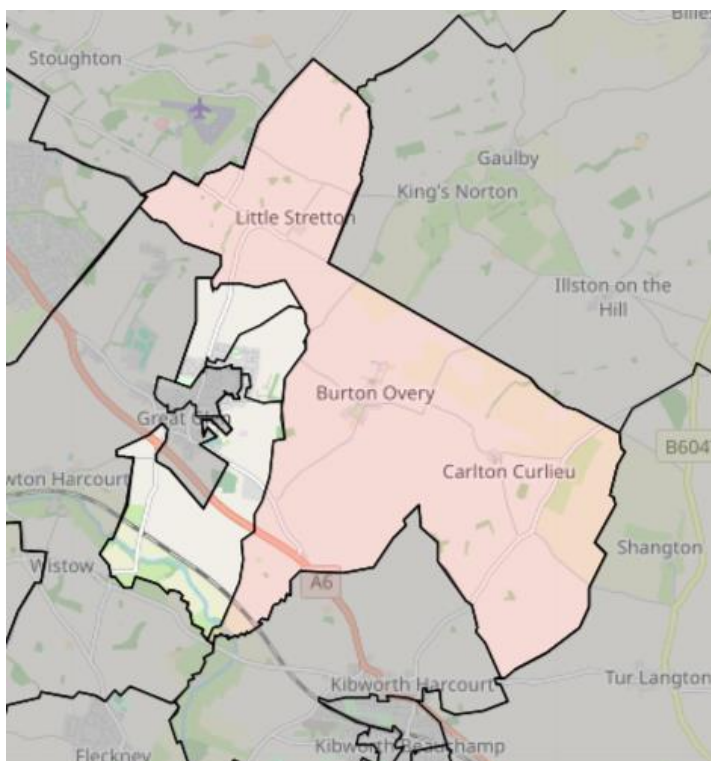
Recommendations for next steps

- 6.1 This Neighbourhood Plan housing needs assessment aims to provide Burton Overy Parish Council 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 Harborough District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Harborough District Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Harborough District Council.
- 6.2 This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
- 6.3 Bearing this in mind, it is recommended that the Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Harborough District Council, or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 6.4 At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Assessment geography

- A.1 For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs).
- A.2 As noted in the main report, it is not possible to exactly recreate the NA (see Figure 2-1) in the 2011 or 2021 Censuses. Figure A-1 shows the closest geography it is possible to create using Census OAs. Although the 2021 Census parish profile for Burton Overy aligns exactly with the geography of the NA, there is very limited data available at this geography so it cannot be used throughout the report (headline figures for population and households are in Chapter 1 and 2 and price data in Chapter 4).
- A.3 The NA equates most closely to the following combination of OA, which will be used for Census data throughout the report.
- OA E00130806.

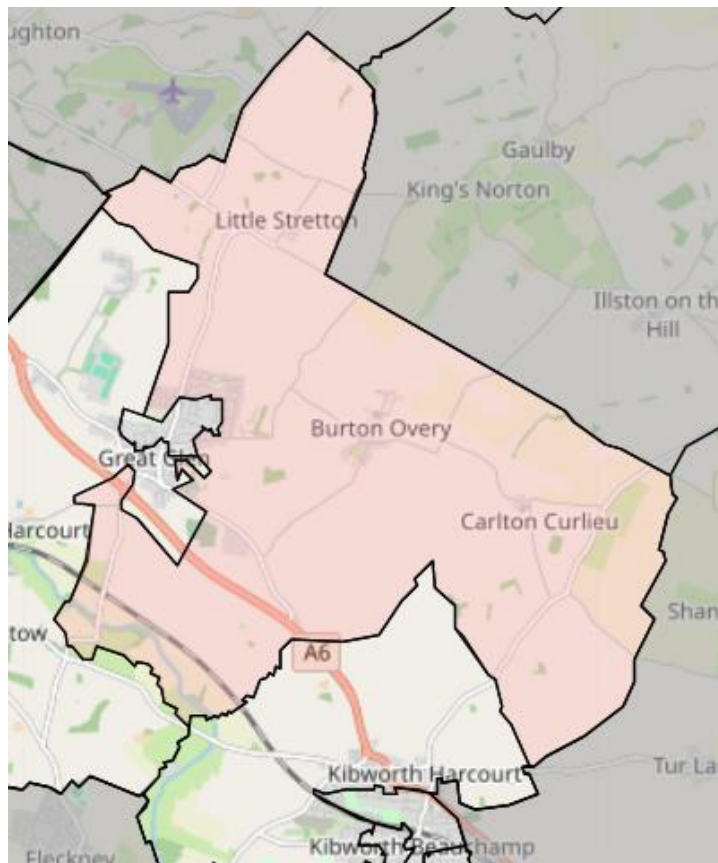
Figure A-1: Proxy area for NA Census data (shaded pink)



Source: NOMIS

- A.4 Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. The most relevant LSOA in this case, which will need to be used as a proxy for the NA, is:
- LSOA E01025783.

Figure A-2: LSOA for VOA data (pink shaded area)

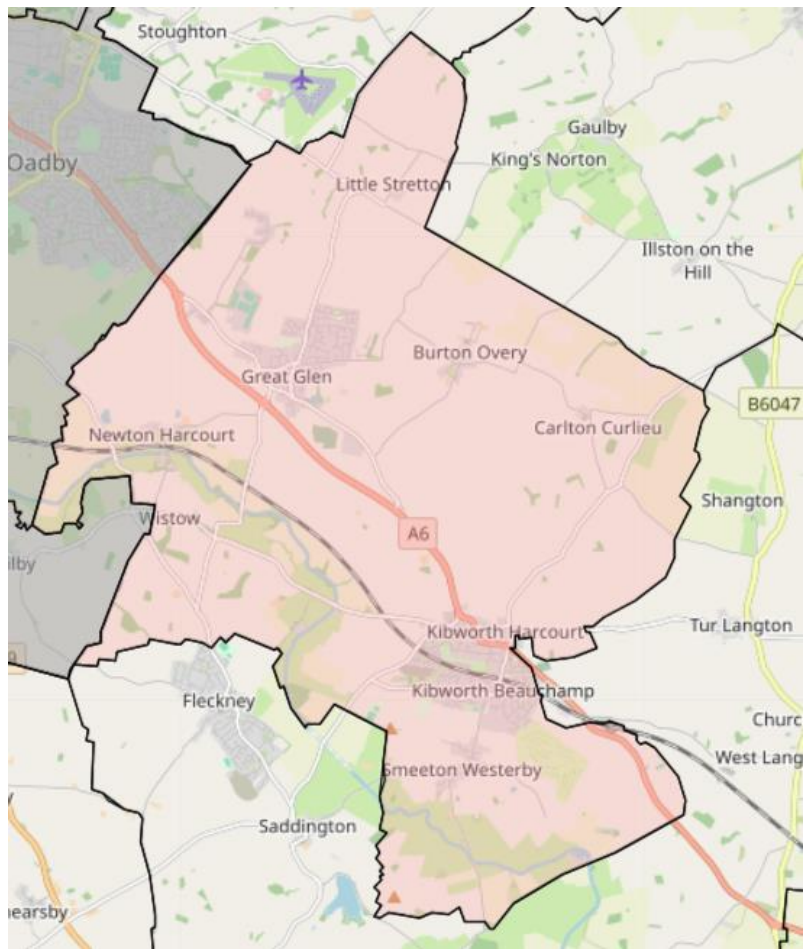


Source: NOMIS

A.5 Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, is:

- MSOA E02005369.

Figure A-3: MSOA for income data (pink shaded area)



Source: NOMIS

Appendix B : Local Plan context

Policies in the adopted local plan

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

Table B-1: Summary of relevant adopted policies in the Harborough District Council adopted Local Plan

| Policy | Provisions |
|-----------------------------------|---|
| GD4 housing in the countryside | <p>1. Outside Market Harborough, Key Centres, the Principal Urban Area, Rural Centres and Selected Rural Villages, but excluding Green Wedges, new residential development will only be permitted either where it is in accordance with Policy GD2, or where it is for:</p> <p>a. Housing on small sites of no more than 4 dwellings which are within or physically and visually connected to settlements and which meet a local need for housing of a particular type, including small dwellings for the elderly and starter homes, providing this has been evidenced through a rural housing needs survey or a neighbourhood plan;</p> <p>b. Housing to meet the needs of a rural worker, providing that: i. there is an established existing functional need for a full time worker that is directly related to the commercial enterprise or operation concerned; ii. the business has been established for at least three years, has been profitable for at least one of them, is financially sound and has a clear prospect of remaining so; iii. the need cannot be met by any existing residential accommodation at the business or in the locality which is suitable and available to the worker; iv. there are no available dwellings, or buildings that are suitable for conversion to dwellings, that have recently been sold separately from the rural business unit that could address the need; v. the size of the dwelling is commensurate with the financial need and is not unusually large in relation to the functional needs of the unit; vi. its location is suitable to meet the functional need and well-related to any existing farm buildings, dwellings or other buildings linked to the commercial enterprise or operation concerned; and vii. it will be kept available to meet the functional need in perpetuity through being subject to an appropriate occupancy condition;</p> <p>c. the re-use of redundant or disused buildings that results in enhancement to their immediate setting;</p> |

| Policy | Provisions |
|-----------------------------|--|
| | <p>d. the subdivision of an existing dwelling; e. a design of exceptional quality, in that it is truly outstanding or innovative and would significantly enhance its immediate setting; or</p> <p>f. the rebuilding or replacement of an existing dwelling providing that the resultant dwelling preserves or enhances the character and appearance of the countryside.</p> |
| H1 Provision of new housing | <p>In addition to the delivery of existing commitments and completions and the allowance for windfalls, land for a minimum of 3,975 new homes will be provided during the plan period to 2031.</p> |
| H2 Affordable housing | <p>40% affordable housing will be required on housing sites of more than 10 dwellings or with a combined gross floorspace of more than 1,000 square metres. The tenure split for the affordable housing should be 75% affordable or socially rented and 25% low-cost home ownership products, or a variation of this mix which is shown to be justified by reference to the latest assessment of affordable housing need.</p> <p>When developments of 10 dwellings or less are proposed within 5 years of each other on sites which have a spatial relationship, or on adjacent sites under the same ownership, affordable housing will be required where there is a cumulative total of more than 10 dwellings or a combined gross floorspace of more than 1,000 square metres.</p> |
| H3 Rural exception sites | <p>Development proposals for affordable housing on small sites in rural areas that would not normally be permitted for housing, will be approved as rural exception sites where the development would meet evidenced affordable housing need, the housing remains affordable in perpetuity, the site is proportionate in scale to and in safe and reasonable walking distance of a rural settlement and the development respects the character, form and appearance of the immediate vicinity and surrounding area. Small numbers of market homes may be permitted on rural exception sites where they are essential to enable the delivery of affordable units, meet an identified and proven element of local need, such as starter homes or units to enable downsizing, and constitute no more than 20% of the number of dwellings proposed, the exact percentage being determined by the viability of each scheme.</p> |
| H4 Specialist housing | <p>The provision of well-designed specialist forms of accommodation in appropriate locations will be supported, taking into account housing needs.</p> |

| Policy | Provisions |
|---------------------------------------|--|
| H5 Housing density, mix and standards | <p>New housing development will be permitted where it makes efficient use of land and whilst respecting the character of the surrounding area, maximises the density on sites from where a full range of services and facilities is accessible by walking, cycling and public transport, and is designed to meet higher water efficiency standards of 100 litres per person per day.</p> <p>Major housing development should provide a mix of house types that is informed by up to date evidence of housing need.</p> <p>Housing developments of 100 dwellings or more should meet the accessible and adaptable standards set out in Building Regulations, Part M4(2) Category 2, in 4% of dwellings proposed.</p> <p>Proposals for self-build and custom build housing will be supported in any location suitable for housing, including allocated sites, committed sites, windfall sites and sites which are in accordance with Policy GD2: Settlement Development.</p> |

Source: Harborough District Council Local Plan 2011 - 2031

Appendix C : Affordability calculations

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

Market housing

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

i) Market sales

- C.3 The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
- C.4 To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Burton Overy, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
- C.5 The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2022/23¹⁸) = £586,565;
 - Purchase deposit at 10% of value = £58,656;
 - Value of dwelling for mortgage purposes = £527,908;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £150,831.
- C.6 The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022/23 was £275,625, and the purchase threshold is therefore £70,875.

¹⁸ Small sample sizes mean that the median and lower quartile prices used to represent Burton Overy are for 2022 and 2023.

- C.7 It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in 2023. It is, however, important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).
- C.8 Therefore an estimate has been calculated by determining the uplift between all house prices in 2023 across Harborough and new build house prices in 2023 in the same area. This percentage uplift (or 'new build premium') is then applied to the 2022/23 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £314,706 and purchase threshold of £80,924.
- C.9 In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Harborough in 2023. The median cost of new build dwellings in Harborough was £365,373 with a purchase threshold of £93,953.

i) Private Rented Sector (PRS)

- C.10 It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
- C.11 This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
- C.12 The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within a 3 mile radius, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

- C.13 According to Rightmove.co.uk, there were 34 properties for rent at the time of search in May 2024, with an average monthly rent of £1,282. There were 8 2-bedroom properties listed, with an average price of £953 per calendar month.
- C.14 The calculation for the private rent income threshold for entry-level (2-bedroom) dwellings is as follows:
- Annual rent = £953 x 12 = £11,430;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £38,100.
- C.15 The calculation is repeated for the overall average to give an income threshold of £51,288.

Affordable Housing

- C.16 There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. The new First Homes was introduced in 2021 but is not yet included in the NPPF. Each of the affordable housing tenures are considered below.

i) Social rent

- C.17 Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
- C.18 To determine social rent levels, 2021 data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Burton Overy. This data provides information about rents and the size and type of stock owned and managed by private registered providers and local authorities and is presented for Harborough in Table C-1.
- C.19 To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

| Size | 1 bed | 2 beds | 3 beds | 4 beds | All |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Average social rent per week | £78.63 | £91.08 | £98.31 | £112.92 | £90.75 |
| Annual average | £4,089 | £4,736 | £5,112 | £5,872 | £4,719 |
| Income needed | £13,616 | £15,771 | £17,023 | £19,553 | £15,714 |

Source: Homes England, AECOM Calculations

i) Affordable rent

- C.20 Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
- C.21 Even a 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
- C.22 Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Harborough. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
- C.23 Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

| Size | 1 bed | 2 beds | 3 beds | 4 beds | All |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Average affordable rent per week | £96.20 | £115.27 | £131.89 | £167.94 | £115.49 |
| Annual average | £5,002 | £5,994 | £6,858 | £8,733 | £6,005 |
| Income needed | £16,658 | £19,960 | £22,838 | £29,080 | £19,998 |

Source: Homes England, AECOM Calculations

i) Affordable home ownership

- C.24 Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.
- C.25 In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” There are exemptions to this requirement, including where:
- The provision would exceed the level of affordable housing required in an area;

- The provision would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
- A proposed development provides solely Build to Rent homes;
- A proposed development provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for students or the elderly);
- The development is proposed to be developed by people who wish to build or commission their own homes; or
- The proposed development is exclusively for affordable housing, a community-led development exception site, or a rural exception site.

First Homes

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

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

C.27 The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £314,706.

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

- Value of a new home (estimated NA new build entry-level) = £314,706;
- Discounted by 30% = £220,294;
- Purchase deposit at 10% of value = £22,029;
- Value of dwelling for mortgage purposes = £198,265;
- Divided by loan to income ratio of 3.5 = purchase threshold of £56,647.

C.29 The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £48,555 and £40,462 respectively.

C.30 All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. All of the discounted values are also below the £250,000 cap.

C.31 Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹⁹) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Burton Overy.

C.32 Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

| House price benchmark | Mean household income | Single LQ earner | Dual LQ earning household |
|--|-----------------------|------------------|---------------------------|
| NA median house price | 68% | 86% | 73% |
| NA estimated new build entry-level house price | 41% | 75% | 49% |
| NA entry-level house price | 33% | 71% | 42% |
| LA median new build house price | 49% | 78% | 56% |

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

¹⁹ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

- C.33 Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
- C.34 In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
- C.35 To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
- C.36 The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £314,706 is £78,677;
 - A 10% deposit of £7,868 is deducted, leaving a mortgage value of £70,809;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £20,231;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £236,030;
 - The estimated annual rent at 2.5% of the unsold value is £5,901;
 - This requires an income of £19,669 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £39,900 (£20,231 plus £19,669).
- C.37 The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £31,695 and £53,575 respectively.
- C.38 All of the income thresholds are below the £80,000 cap for eligible households.

Rent to Buy

- C.39 Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended

to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Appendix D : Affordable Housing need and policy

Affordable housing policy

D.1 The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

Table D-1: Wider considerations in developing Affordable Housing mix policy

| Consideration | Local Evidence |
|---|---|
| <p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p> | <p>This HNA suggests that the NA requires around 1 units of affordable rented housing and 0.5 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that social/affordable rented housing should be prioritized over affordable home ownership. There are a small number of households in Burton Overy on the Harborough waiting list indicating a level of acute need.</p> |
| <p>B. Can Affordable Housing needs be met in full?</p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p> | <p>There is no housing requirement for Burton Overy and due to the scale of development likely to be permitted (in line with policy GD4) it will be difficult to secure Affordable Housing through market led development. Affordable housing may be delivered directly through a rural exception site or community led housing if the group choose to pursue this option. It is therefore unclear whether any Affordable Housing will be delivered.</p> |
| <p>C. Government policy (eg NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this</p> | <p>For 10% of all housing to be affordable ownership in Burton Overy, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership.</p> |

| | |
|---|--|
| requirement if it would prevent the delivery of other forms of Affordable Housing. | |
| D. Local Plan policy: | The adopted Local Plan seeks a tenure split of 75% affordable rent and 25% affordable home ownership. |
| <p>E. First Homes policy:</p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.</p> | This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. |
| F. Viability: | HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this |

| | |
|--|---|
| | may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties. |
| <p>G. Funding:</p> <p>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.</p> | The Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available. |
| <p>H. Existing tenure mix in Burton Overy:</p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p> | There is very limited availability of Affordable Housing in Burton Overy so the provision of new Affordable Homes would widen choice in the parish. |
| <p>I. Views of registered providers:</p> | It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels. |
| <p>J. Wider policy objectives:</p> | The Parish Council may wish to take account of broader policy objectives for Burton Overy and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided. |

Appendix E : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁰.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²¹

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.

²⁰ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²¹ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community-led developments (NPPF definition)

A development instigated and taken forward by a not-for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed, and democratically controlled by its members. It may take any one of the various legal forms including a community land trust, housing co-operative, and community benefit society. Membership of the organisation is open to all beneficiaries and prospective beneficiaries of that organisation. The organisation should own, manage, or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.

Community Right to Build Order²²

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)²³

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

Equity Loans/Shared Equity

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

²² See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²³ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning

authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of 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 years²⁴, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

²⁴ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²⁵

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

²⁵ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁶

²⁶ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

