



Earls Colne Housing Needs Assessment (HNA)

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Quality information

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Table of Contents

1.	Executive Summary	7
1.1	Conclusions- Tenure and Affordability	7
1.2	Conclusions- Type and Size	7
1.3	Conclusions- Specialist Housing for the Older People	8
1.4	Conclusions- Newly-forming households/first-time buyers	9
2.	Context	10
2.1	Local context	10
2.2	Planning policy context	12
2.2.1	Policies in the adopted local plan	12
2.2.2	Policies in the emerging local plan	13
2.2.3	Quantity of housing to provide	13
3.	Approach	15
3.1	Research Questions	15
3.1.1	Tenure and Affordability	15
3.1.2	Type and Size	15
3.1.3	Specialist Housing for Older People	15
3.1.4	Housing for Newly-Forming Households/First-Time Buyers	15
3.2	Relevant Data	16
3.2.1	Local authority evidence base	16
3.2.2	Other relevant data	16
4.	RQ 1: Tenure and Affordability	17
4.1	Introduction	17
4.2	Definitions	17
4.3	Current tenure profile	17
4.4	Affordability by tenure	18
4.4.1	House prices	18
4.4.2	Income	19
4.4.3	Affordability Thresholds	20
4.5	Affordable housing- quantity needed	24
4.5.1	Tenure Split within Affordable Housing	27
4.6	Conclusions- Tenure and Affordability	29
5.	RQ 2: Type and Size	31
5.1	Introduction	31
5.2	Existing types and sizes	31
5.2.1	Background and definitions	31
5.2.2	Dwelling type	32
5.2.3	Dwelling size	32
5.3	Household composition and age structure	34
5.3.1	Age structure	34
5.3.2	Household composition	35
5.4	Dwelling mix determined by life-stage modelling	36
5.5	Conclusions- Type and Size	39
6.	RQ 3: Specialist housing for older people	41
6.1	Introduction	41
6.2	Housing for older people - context	42
6.3	Approach	43
i)	Current supply of specialist housing for older people	44
ii)	Tenure-led projections	44
iii)	Housing LIN-recommended provision	47
6.4	Conclusions- Specialist Housing for the Older People	48

AECOM	5
7. RQ 4: Newly forming households/first-time buyers	50
7.1 Introduction.....	50
7.2 Assessment	50
7.3 Conclusions- Newly-forming households/first-time buyers.....	52
8. Conclusions	53
8.1 Overview	53
8.2 Recommendations for next steps.....	56
Appendix A : Calculation of Affordability Thresholds	58
A.1 Assessment geography	58
A.2 Market housing	58
i) Market sales	59
ii) Private Rented Sector (PRS)	59
A.3 Affordable Housing	60
i) Social rent.....	60
ii) Affordable rent	60
iii) Intermediate tenures	60
Appendix B : Housing Needs Assessment Glossary	62

List of acronyms used in the text:

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

1. Executive Summary

1.1 Conclusions- Tenure and Affordability

1. The vast majority of households in Earls Colne are owner-occupiers (67.9%). This is followed by the social rented sector (17.5%), and the private rented sector (12.9%). The proportion of households living in the private rented and social rented sectors are similar to district levels.
2. Between 2001 and 2011, the number of those renting privately has increased substantially (80.2%), whilst home ownership and shared ownership homes experienced a marginal increase. Meanwhile, social rent decreased in the NA by 9.3%.
3. House prices have grown by a notable 51% over the last 10 years (2009-2018). However, there is a degree of volatility in pricing over time. All housing types have experienced considerable growth over time. Detached homes have grown by 51% since 2009, whilst flats have only increased by 42% since 2010. Terraced and semi-detached homes also increased by 45.1% and 46% respectively between 2009 and 2018.
4. The approximate median and lower quartile incomes in Earls Colne are £45,200 and £23,349 respectively. Comparing these affordability thresholds with the costs of each tenure, it is clear that the most affordable forms of tenure are social rent and affordable rent, all of which are affordable to those within the lower quartile household. In order to purchase market housing, households will need to be earning far in excess of the mean and lower quartile incomes considered here, or to benefit from savings or other financial assistance.
5. In Earls Colne the total estimated Affordable Housing need over the Plan period 2013-2033 is 14 affordable rented homes. This is because the degree of need expressed on the housing waiting list is relatively moderate, but more significantly it is because there is an extensive existing pool of social rented accommodation in the NA. This extensive existing stock is expected to be capable of absorbing much of the newly arising need in Earls Colne through turnover (when households vacate some of those properties). The net need for affordable rented housing is apparently low because of the outsized beneficial effect of turnover in the existing stock.
6. There is potential demand for 184 additional affordable home ownership dwellings from households living in the private rented sector who can afford to rent but cannot afford to buy. However, as these households are already adequately housed, it may be appropriate to prioritise the needs of those who require affordable rented housing (and therefore have no alternatives). As a wider point, it is worth emphasizing that there is a large cohort of people across the UK who are increasingly priced out of home ownership. The primary reason for this is simply that incomes have not consistently risen as fast as house prices. This, and other relevant points, are raised in the 2017 Government whitepaper 'Fixing our broken housing market',¹ which acknowledges in strong terms how challenging conditions are in the housing market, as well as addressing issues associated with construction and house building business models that are outside of the scope of this study.
7. In the absence of a housing requirement figure (HRF) for Earls Colne from Braintree District Council, we recommend that the tenure split prioritise the affordable housing for rent figure of 14 dwellings over the plan period. Any tenure split should be formulated to accommodate this figure with the remaining homes provided as affordable housing for sale. Shared ownership with an equity share of around 25-50% would extend home ownership to the largest number of households in this group, but Rent to Buy also appears to be a suitable option. An indicative tenure split within Affordable Housing, assuming that Earls Colne's housing requirement figure is sufficient to meet the needs of households requiring affordable rent, is proposed at 75% affordable rented tenures, and 25% affordable routes to home ownership.

1.2 Conclusions- Type and Size

8. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
9. Earls Colne's stock of existing housing is made up of a different dwelling type breakdown to that of Braintree, with slightly more semi-detached homes, and fewer detached and terraced houses. The parish has three times the proportion

¹ Available at: <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

of detached houses and less than half the proportion of terraced homes as compared with the national average. The housing stock of Earls Colne is similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There has been a significant rise in the number of very large homes of eight or more rooms in Earls Colne, and a significant decrease in dwellings of two rooms or less.

10. The age profile of Earls Colne's population is generally older than Braintree and England; there is a significantly higher proportion of people over the age of 65 in the area. However, the greatest growth in households 2001-2011 has been amongst younger households including families with children, couples and single people (under the age of 65). Nevertheless, by the end of the plan period, the largest number of households will be aged 65 and over.
11. New development provides an opportunity to build dwellings that would be appropriate to the needs and financial capabilities of both young households and older households who may wish to downsize, such as two- and three-bedroom homes.
12. Much of the new housing delivered in Earls Colne between 2001 and 2011 had more than five rooms. While the provision of larger homes may be suitable for larger families, this pattern of supply potentially misses an opportunity to accommodate young families who may need smaller (and more affordable) accommodation. This appears to have been corrected since 2011, when the vast majority of new housing had between one and three bedrooms (relatively evenly split between the three size categories) and only five homes with four or more bedrooms.
13. Seen in the context of this pattern of supply and Earls Colne's comparatively large stock of dwellings overall, the results of the HNA modelling may warrant a Neighbourhood Plan policy to prioritise the provision of modest sized homes with 2 or 3 bedrooms. In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as terraced homes, should be addressed. The size recommendation for two- and three-bedroom homes would help to achieve this.

1.3 Conclusions- Specialist Housing for the Older People

14. Two methods of assessing the need for specialist housing for older people have been undertaken, and produce estimates of 157 and 97 new specialist units required in Earls Colne by 2033, respectively. It is recommended that the outcome of these approaches be treated as a range, with at least 97 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 157 dwellings functioning as an upper aspirational estimate.
15. These homes could be provided through new specialist supply (eg extra care) or it may be possible to achieve suitable adaptations to existing homes or to build new homes to improved accessibility standards that enable care and support to be provided in mainstream homes.
16. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
 - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
17. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
18. It is considered that Earls Colne is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Earls Colne in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.

19. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.
20. AECOM would suggest a key consideration for the neighbourhood planners is whether new mainstream homes (both market and affordable) could be provided to improved accessibility and adaptability standards. It may be possible to apply optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support. This could help to ensure that some stock of accessible dwellings is built up over time. The group may wish to discuss this policy option with the LPA as it is likely that Braintree District Council may wish to adopt these standards across the District.

1.4 Conclusions- Newly-forming households/first-time buyers

21. It can be concluded that, on the basis of ONS Census 2011 data, about 131 individuals below 35 had not formed their own household by that year. This represents around 8.4% new households with the potential to form.
22. An estimated tenure split of new-build homes can be calculated, having regard to the specific tenure needs of newly forming households. It should be noted that this estimated split emphasises the importance to such households of both entry-level market sales (including affordable routes to home ownership) and private rent. This is provided in Table 1-1 below.
23. It is recommended that neighbourhood planners seek to promote these tenures within new housing developments if the policy goal is to ensure that suitable and affordable housing for younger people can be provided within the Neighbourhood Plan area.

Table 1-1: Tenures recommended in Earls Colne to meet the needs of newly forming households

Tenure	Recommended proportion
Home ownership	1%
Entry-level market sales/intermediate ownership product	15%
Social rent	38%
Private rent	46%

Source: AECOM calculations

29. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

2.2 Planning policy context

31. In line with the Basic Conditions³ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁴ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
32. In the case of Earls Colne, the relevant local planning context is as follows:
33. The Core Strategy sets out the vision, objectives and strategy for the development of the District up to 2026 and was adopted in September 2011. This Core Strategy supersedes some of the older Local plan review 2005 policies. For this reason, the Local Plan review 2005 has not been reviewed, but the Core Strategy is reviewed below.⁵
34. The emerging Braintree Local Plan is set out over two separate documents, one at a more strategic regional level and one which relates to Braintree District only. Both documents together are considered to be the Braintree District Local Plan. Braintree District Council, along with partners Colchester Borough Council and Tendring District Council and with the support of Essex County Council, have been working together to plan strategically for growth across the North Essex area.
35. This is in recognition that issues wider than individual Local Authorities, such as transport infrastructure, can have a significant impact on what is being proposed. This work has resulted in a shared Strategic Plan, which covers major sub-regional issues and provides a guiding framework in which local policies can then be formed. In this policy review, all the relevant policies can be found in the local policies of section two.⁶
36. It is also worth emphasising that the most recent update to the emerging Local Plan was in July 2017. Given that the Plan period cited in the draft is 2013-2033, and that the Local Plan does not appear to have progressed significantly in the intervening period, it is possible that future drafts may amend the Plan period to start at a more recent date. It is also understood that Braintree is progressing plans for North Essex Garden Communities, and that this process may be connected to the timeframe for the adoption of the emerging Local Plan.
37. It is important and useful for Neighbourhood Plans to be prepared in parallel with Local Plans, or with a relatively clear policy context with which to interact. It is acknowledged that there is a degree of uncertainty around the Braintree Local Plan that may impact on the Earls Colne Neighbourhood Plan process. As such, the policy review below should be viewed as subject to change, and policy decisions in the Neighbourhood Plan should take this into account.

2.2.1 Policies in the adopted local plan⁷

Table 2-2: Summary of Braintree adopted policies having relevance to Earls Colne Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
Policy CS1 - Housing Provision and Delivery	<p>The Council will plan, monitor and manage the delivery of a minimum of 4,637 dwellings between 2009 and 2026.</p> <p>A minimum of 600 dwellings should be delivered in key service villages such as Earls Colne (as defined in the settlement hierarchy) between 2009 and 2026.</p> <p>An update in November 2016 has seen this figure increased to 716 homes between 2013-2033</p>

³ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁴ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁵ Available at http://www.braintree.gov.uk/download/downloads/id/358/core_strategy_september_2011.pdf

⁶ Available at http://www.braintree.gov.uk/download/downloads/id/6860/sdbdc00117_braintree_dc_publication_draft_local_plan_june_17.pdf

⁷ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Provisions
Policy CS2 - Affordable Housing	Affordable housing will be directly provided by the developer within housing schemes on the following basis: <ul style="list-style-type: none"> - A target of 40% affordable housing provision on sites in rural areas. - A threshold of 5 dwellings or 0.16ha in the rural areas. - Where it is impractical to achieve on site provision, off site provision, or a financial contribution in lieu of broadly equivalent value, may be accepted. - The Local Planning Authority will take economic viability into account where it is proved to be necessary to do so.

Source: Braintree District Council Local Development Framework Core Strategy

2.2.2 Policies in the emerging local plan⁸

Table 2-3: Summary of Braintree adopted policies having relevance to Earls Colne Neighbourhood Plan Housing Needs Assessment

Policy	Provisions
Policy LPP17 – Housing Provision and Delivery	Braintree will plan, monitor and facilitate the delivery of a minimum of 14,320 new homes between 2013 and 2033. These homes will be located primarily in the Main Towns, Key Service Villages and strategic growth locations.
Policy LPP33 – Affordable Housing	Affordable housing will be directly provided by the developer within housing schemes. These should constitute at least 40% of the total number of residential units in the development. A threshold of 11 dwellings or more with a maximum combined gross internal floor space of 1,000sqm will apply in all other areas of the District. 10% of all homes on individual sites should be affordable home ownership products, including starter homes and shared ownership. ⁹ The mix of ownership options will be subject to identified local needs
Policy LPP35 – Specialist Housing	Specialist housing is defined as accommodation, which has been specifically designed and built to meet the needs of the elderly, disabled, young or vulnerable adults, and may include some elements of care and support for everyone who lives there. Proposals for specialist housing provision are allocated on the Proposals Map and will be permitted within development boundaries providing that all the following criteria are met: <ol style="list-style-type: none"> a) Everyday services that users would expect to access, such as shops should be available on site or should be located close by and be able to be accessed by a range of transport modes b) Health services should be available on site or in close proximity and have capacity to accommodate the additional services required from residents c) Parking should be provided in line with the Council's adopted standards. d) There is an appropriate level of private amenity space to meet the needs of residents

Source: Section 2 - Publication Draft Local Plan June 2017

2.2.3 Quantity of housing to provide

38. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

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

⁹ Note that Starter Homes are no longer being promoted by Government, with the new First Homes product taking precedence. First Homes are currently being consulted on before finalisation.

39. Braintree are expected to fulfill that requirement by providing Earls Colne with a housing requirement figure that should be accommodated within the Neighbourhood Plan area by the end of the Plan period. However, they have indicated that they are unable to do so (upon request by the Parish Council) at the present time.
40. Given that the NPPF requirement is still expected to be fulfilled at a later date, the question of how many houses to plan for is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).

3. Approach

3.1 Research Questions

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

3.1.1 Tenure and Affordability

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

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

3.1.2 Type and Size

45. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The group are aware that recent new build homes are too large to meet local needs, especially the needs of new members of the community, Therefore, it is important that new development helps to address the imbalance between the type of homes being delivered and local needs.
46. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

3.1.3 Specialist Housing for Older People

47. The neighbourhood planning group wishes to ensure that future housing provision takes into account the needs of older people. In terms of housing, the group is particularly interested in how those needs might be met through a variety of solutions – including mainstream housing which meets the needs of households at all life stages and specialist accommodation which promotes independent living and access to care and support. There is significant overlap between this area and the question of housing type and size, but this question will specifically address the need for specialised housing for older people through the Plan period.

RQ 3: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

3.1.4 Housing for Newly-Forming Households/First-Time Buyers

48. The neighbourhood planning group is keen to ensure that there is an adequate supply of affordable and suitable dwellings for first-time buyers in the Neighbourhood Plan area, given the well known difficulties that younger people face, compared with previous generations, in accessing home ownership. As such it is appropriate to understand the specific dwelling tenures and types that could be provided to ensure that the Neighbourhood Plan area retains its younger population.

RQ 4: What provision should be made in terms of housing for newly forming households/first-time buyers over the Neighbourhood Plan period?

3.2 Relevant Data

3.2.1 Local authority evidence base

49. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Earls Colne Neighbourhood Area is located within Braintree's planning area, we have accessed the relevant Strategic Housing Market Assessment (SHMA), which is known as Braintree, Chelmsford, Colchester & Tendring Councils HMA SHMA, Update – 2015.
50. For the purpose of this HNA, data from Braintree's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area, and has been referenced as appropriate.

3.2.2 Other relevant data

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

4. RQ 1: Tenure and Affordability

RQ 1: What Affordable Housing (eg social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

4.1 Introduction

52. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
53. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, make an assessment on whether continuation of these trends would meet future needs. This section also investigates whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.¹⁰

4.2 Definitions

54. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹¹
55. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). However, it still recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
56. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,¹² the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes shared ownership homes, and homes available for discount market sale.

4.3 Current tenure profile

57. In order to set a baseline for the examination of tenure, it is necessary to present a picture of the Neighbourhood Plan area based on the most recent reliable data. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Earls Colne, compared to the rest of Braintree and England.
58. The vast majority of households in Earls Colne are owner-occupiers (67.9%). This is followed by the social rented sector (17.5%), and the private rented sector (12.9%). Both the private rented and social rented sectors are similar in size to the district levels. The dominance of the owner-occupied sector is common to other rural areas across the country and is also a feature of places with relatively older populations. However, the tenure of the housing stock will impact on the ability of different households to live in Earls Colne, and the dominance of ownership may limit the ability of those on lower incomes to live in the NA.

¹⁰ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹¹ NPPF 2019.

¹² PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

Table 4-1: Tenure (households) in Earls Colne, 2011

Tenure	Earls Colne	Braintree	England
Owned; total	67.9%	68.6%	63.3%
Shared ownership	0.3%	0.6%	0.8%
Social rented; total	17.5%	16.5%	17.7%
Private rented; total	12.9%	13.2%	16.8%

Sources: Census 2011, AECOM Calculations

59. In Table 4-2, we note the changes in tenure between 2001 and 2011. The largest change in the NA was seen in private rented accommodation, a substantial increase of 80.2%, though that is smaller than a more significant 157.5% increase experienced in the wider District. Shared ownership also increased by 33.3% (albeit from a low base of 3 dwellings and reflects an increase of just one dwelling in this tenure). Meanwhile, there has been a decline of -9.3% in social rented homes in the NA, which mirrors a smaller decline of -3.2% in the wider District.
60. Home ownership has grown in the NA by 9.8%, compared to 7.1% growth experienced in the wider District. Given the growth of the private rented sector in Earls Colne over the period, the low growth rate in home ownership is likely to be a consequence of worsening affordability. It is likely that some new homes and a higher proportion of existing homes in Earls Colne that were previously owner-occupied have been listed for private rent as demand from potential renters rises in step with increased house prices. For some households, private renting may now be the only affordable option for living in Earls Colne.

Table 4-2: Rates of tenure change in Earls Colne, 2001-2011

Tenure	Earls Colne	Earls Colne %	Braintree	Braintree %	England %
Owned; total	960 > 1,054	9.8%	39,110 > 41,872	7.1%	-0.6%
Shared ownership	3 > 4	33.3%	253 > 362	43.1%	30.0%
Social rented; total	300 > 272	-9.3%	10,384 > 10,055	-3.2%	-0.9%
Private rented; total	111 > 200	80.2%	3,139 > 8,083	157.5%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability by tenure

61. Having reviewed the tenure of the existing housing stock in Earls, this report turns to assessing future provision over the Neighbourhood Plan period.
62. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, the starting point is to consider whether this profile provides different groups access to dwellings of a suitable type and size, given their household composition.

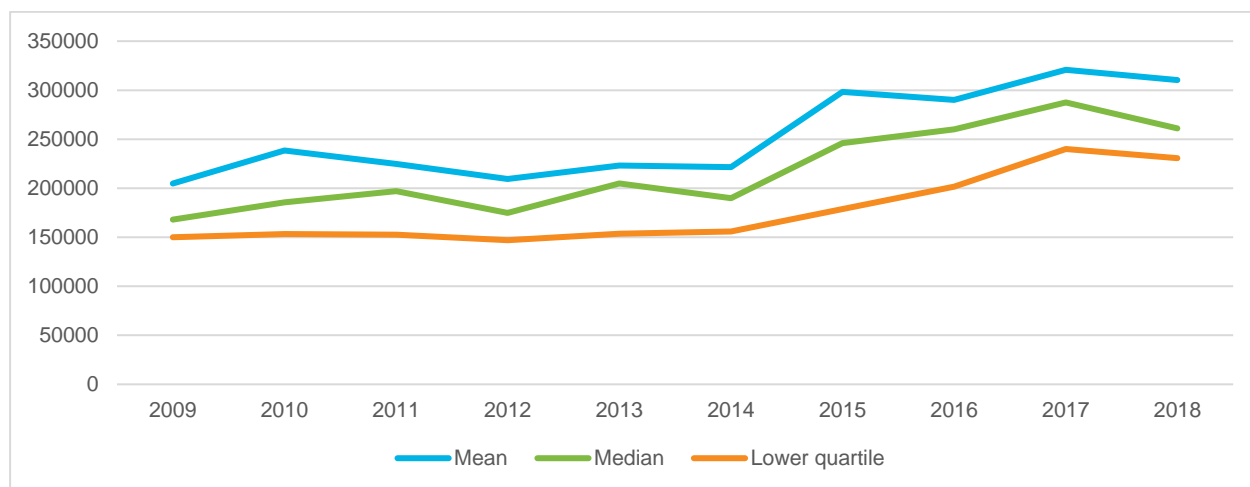
4.4.1 House prices

63. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹³
64. An entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to be in conformity with Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with one or two bedrooms). Entry-level properties can therefore also be understood as one or two-bedroom flats/houses.
65. Figure 4-1 on the following page looks at selected measures of house prices in Earls Colne. It shows that there has

¹³ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

been fluctuation in prices over the last decade, but an overall trend of growing prices.

Figure 4-1: House prices by quartile in Earls Colne between 2009 and 2018



Source: Land Registry PPD

66. Table 4-3 breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It confirms that house prices have grown by a notable 51% overall. However, there is a degree of volatility in pricing over time.
67. All housing types have experienced considerable growth over time. Detached homes have grown by 51.7% since 2009, whilst flats have increased by 42% since 2010. Terraced and semi-detached homes also increased by 45.1% and 46.0% respectively between 2009 and 2018.
68. This data warrants further commentary. In particular, the data source (Land Registry) only allows for the data to be broken down along relatively broad categories. The blanket house type labels and annual average sales prices obscure a relatively high degree of variation both within each property type and any given year. It is understood in Earls Colne in particular, for instance, that the category of terraces is likely to include both substantial historic terraced homes and more recent builds at the more affordable end of the market, while the price of detached homes ranges widely between the existing stock and new build properties (which tend to be more expensive).
69. These caveats are worth pointing out, and the Neighbourhood Plan may make use of additional local knowledge not available within the limits of this exercise. That said, house price data is here presented primarily as contextual information rather than as a primary basis upon which specific neighbourhood plan policies will be drafted.

Table 4-3: House prices by type in Earls Colne, 2008-2017,000's

Type	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth
Detached	£299K	£373K	£297K	£296K	£315K	£348K	£414K	£425K	£442K	£455K	51.7%
Semi-detached	£198K	£216K	£208K	£193K	£215K	£207K	£279K	£286K	£318K	£290K	46.0%
Terraced	£166K	£147K	£194K	£163K	£165K	£188K	£209K	£213K	£250K	£240K	45.1%
Flats		£114K	£99K	£91K	£91K	£107K	£128K	£121K	£199K	£162K	42.0%
All Types	£204K	£238K	£224K	£209K	£223K	£221K	£298K	£290K	£320K	£310K	51.5%

Source: Land Registry PPD

4.4.2 Income

70. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
71. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimate

published by ONS¹⁴ at the level of the Middle-layer Super Output Area (MSOA)¹⁵. In the case of Earls Colne the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is MSOA E02004451. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

72. The total annual household income across in MSOA E02004451 2015/16 was £45,200.¹⁶ This is the figure commonly used by mortgage lenders to assess how much a household can borrow in order to buy a home.
73. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level. It is derived from ONS Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2018 dataset.
74. Braintree's gross LQ gross annual residence-based earnings is £23,349 per year. It is important to note that this data is taken from the Annual Survey of Hours and Earnings release, produced by ONS. These statistics provide data on the levels, distribution and make-up of earnings and hours worked by UK employees. Therefore, the lower quartile *income* for some households could be double this figure if there is more than one employed person in the household.
75. This LQ figure is a helpful indication of what those in the lowest earnings brackets are able to put towards their housing costs, although it is important to note three caveats. First, where a household has two people in work, the average LQ income from earnings could be double the level given by individual earnings. Second, this figure applies to the wider District and may therefore differ from actual LQ earnings levels within the NA itself. Third, it is an indication of gross rather than net earnings, and so the actual amount received after taxes and expenses will differ.

4.4.3 Affordability Thresholds

76. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
77. AECOM has determined thresholds for entry-level market purchase and private rent and the full range of Affordable Housing tenures as set out in NPPF across Earls Colne. There are: social rent; affordable rent set at 80%, shared ownership at 25%, 50%, and 75%; discounted market sale (20% discount) and rent to buy and estimated social rent levels. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 25% and that mortgage financing will be offered at a maximum of 3.5 times household income.
78. The actual proportion of annual income that a given household will be able or willing to spend on their rental costs will of course vary from this assumption. As housing costs continue to increase, there is some justification to consider that closer to 30% or 35% of household income is likely to be more realistic. However, the approach taken here is to take the lower conservative estimate, and to note in the analysis of income thresholds where increasing the proportion of income available for housing costs may in fact bring particular tenures within reach of relevant income groups.
- 79.

¹⁴Available at

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

¹⁵ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

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

¹⁶ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

80. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Earls Colne. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

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

Tenure	Cost of purchase	Annual rent	Annual Income required ¹⁷
Entry-level Market Sale	£207,563	N/A	£59,304
Shared ownership (75%)	£155,672	£5,766	£50,243
Discounted market sale (20% discount)	£166,050	N/A	£47,443
Shared ownership (50%)	£103,781	£11,531	£41,183
Discounted market sale (30% discount)	£145,295	N/A	£37,361
Entry-level Market Rent/ Rent to Buy	N/A	£8,630	£34,520
Shared ownership (25%)	£51,891	£17,297	£32,123
Affordable Rent	N/A	£6,904	£27,616
Social Rent - 3 Bed Dwelling	N/A	£5,392	£21,568
Social Rent - 2 Bed Dwelling	N/A	£4,967	£19,868

Source: AECOM Calculations

81. The income required to afford the different tenures is then benchmarked in Figure 4-2 against the two measurements of household income set out above. These are the total household income for MSOA E02004451 at £45,200 and the lower quartile gross household income for Braintree at £23,349.
82. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale (£59,304) is higher than that available to those on median household incomes (£45,200). Households with incomes lower than £59,304 are currently priced out of home ownership based on this analysis. The income required to buy an average entry-level home for sale is also higher than that available to those on lower quartile earnings, even where two members of the household are earning.
83. Affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market, extend home ownership to various degrees. Shared ownership (shared of 25-50%) would extend homeownership to the largest number of households. Rent to buy has similar levels of affordability to shared ownership. Households must be able to afford market rents and are then given a discount (20%) on the rent of their property that they can save for a deposit with the option to buy at a later date.
84. Discounted market sale homes where the discount is 20% on entry level prices would extend home ownership to some households currently priced out but these properties would remain unaffordable to those on median incomes in the NA. It is relevant to note that a 30% discount on entry level prices would be affordable to those on median incomes in Earls Colne. The Government intends to introduce 'First Homes' to provide a new route to affordable home ownership. These are likely to provide discounts of around 30% and be available to local people and key workers.
85. It is important to caveat the analysis in Table 4-4 since the cost of accessing different affordable home ownership tenures is based on entry level prices. In practice, developers (including housing associations) may price these products in relation to average or new build properties which are typically much higher. As a consequence, any discount on may not extend home ownership beyond current entry level prices in practice.
86. Finally, the ability of those on lower quartile incomes to afford affordable rent and social rent suggests that these tenures provide those on the lowest incomes an affordable way to rent a home. However, it is evident that there are no other affordable housing options to those on the lowest incomes, unless they sacrifice a larger percentage of their income towards housing costs. Shared ownership at a 25% equity share, for example, may provide affordable to LQ earning households able to spend a higher proportion of their income on housing costs than is assumed here.
87. Government policy aimed at tackling the housing crisis continues to focus on helping those on lower quartile incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁸ In the case of Earls Colne, the figure below suggests that the most appropriate tenures to

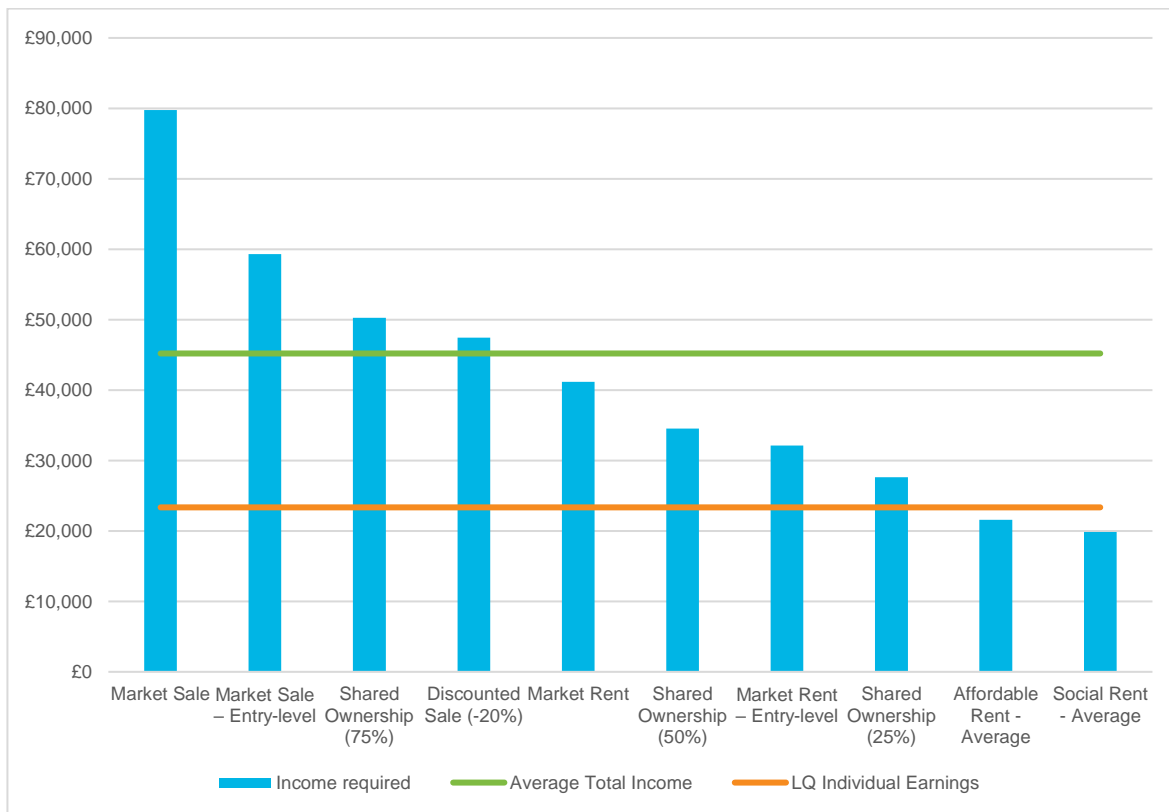
¹⁷ On top of deposit assumed at 10% (see Appendix A).

¹⁸ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

help implement this policy goal locally are shared ownership at 25% equity. However this may still be inaccessible for those on the lowest incomes unless they able to spend a greater proportion of their incomes on housing.

- 88. The Government recently published a consultation document on the introduction of First Homes which are intended to provide at least a 30% discount on the price of new homes. Furthermore, the consultation indicates that there may be a requirement to provide a proportion of Affordable Housing as First Homes (ranging from 40-80%). In the case of Earls Colne, analysis of prices, rents and incomes suggest that there is scope to provide Affordable Housing in the NA to support households on median incomes, but it is acknowledged that large discounts would be needed in order for this product to be of genuine use to lower earning households, and that this may not necessarily be viable.

Figure 4-2: Affordability thresholds in Earls Colne (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

89. In Table 4-5 below we have calculated, using PPG as a starting point,¹⁹ an estimate of the total need for affordable housing in Earls Colne over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out in Table 4-5 are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
90. It should also be noted that figures in Table 4-5 are largely dependent on information provided by Braintree in its capacity as manager of the local housing waiting list. As of July 2017, there were 51 households registered for housing association homes with a current address in Earls Colne and surrounding villages (White Colne, Colne Engaine & Greenstead Green). These 51 applicants are allocated to priority bands. Band A is the most urgent need which includes social tenants wanting to move to a smaller home. Meanwhile, band F is only used for people who have care needs and are applying to specialist accommodation only.

Table 4-5 : Quantity of need for Affordable Housing for rent in Earls Colne over the Plan period

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	51.0	Braintree housing waiting list
Additional overcrowded	33.0	Overcrowded homes (Census 2011)
1.2 Per annum	4.2	(1.1 + additional overcrowded homes) divided by the plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	373.2	MHCLG 2014-based household projections for the LA between start and end of plan period. % increase applied to NA
2.2 Proportion of new households unable to rent in the market	25%	(1.1 + 2.2.1 + 2.2.2) divided by number of households in NA
2.2.1 Current number of social renters in NA	272.0	2011 Census + LA-level % increase (MHCLG, Live Table 100)
2.2.2 Number of private renters on housing benefits	5.8	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	93.3	2.1 * 2.2
2.4 Per annum	4.7	2.3 divided by plan period 2013-2033
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year
3.2 Supply of social/affordable re-lets (including transfers)	8.2	3.1 x NA social rented stock (2.2.1)
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM		
Overall shortfall (or surplus) per annum	0.7	1.2 + 2.4 - 3.2
Shortfall	14	Shortfall multiplied by the amount of years in the plan period

Source: Braintree District Council data, Census 2011, AECOM calculations

91. Whilst we are aware that out of these 51 households, only 41 households currently live in Earls Colne, it is important to recognise and accommodate to the ends of all those who express their interest in wanting affordable housing in the NA.

¹⁹ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Moreover, the Housing StatNav document titled "Guide to data & sources (Larger villages version)" states that it is also likely that there are more applicants waiting for a home in Earls Colne who have a local connection to the village who do not currently live there, and are therefore not counted in the 51 homes on the housing waiting list. This view is also echoed by the ECPC who note that local people have been priced out of the area and have little choice but to live elsewhere. Additionally, ECPC have voiced concerned over the ability to join the waiting list. Therefore, it is appropriate to use the higher waiting list figure for Earls Colne, to reflect these issues.

92. Table 4-5 shows that there are projected to be approximately 14 households in Earls Colne in need of Affordable Housing to rent over the Plan period. These households cannot afford to rent on the open market, and the vast majority will require social and affordable rented housing. This includes households who are in need currently and those expected to fall into need by 2033.
93. In order to fully understand the conclusion, it is worth explaining the method behind this estimate in further detail. Its first part estimates how many households at the time of writing require affordable rented housing, with reference to the number of applicants on Braintree's waiting list with a preference or local connection to Earls Colne. It then estimates what proportion of the current population need affordable rented housing (they either occupy it currently or are counted in the shortfall counted in the first part) and apply this to the estimated number of new households expected to form over the Plan period. Both of these estimates are divided by the number of years in the Plan period so that they are spread over the entire time horizon of the Plan, and will be multiplied by the same amount at the end of the exercise.
94. The third part of the estimate counts the number of affordable rented homes that exist currently (2011 Census totals, uplifted by the rate of growth between 2011 and the time of writing across Braintree to ensure that an approximate amount of recent builds are included), and assumes that around 3% of those homes will be re-let to other households per year. In other words, for every 100 social rented homes, it is assumed that each year 3 will be vacated by households moving to another area, a different tenure of property, or passing away. These 3 newly vacated homes are able to satisfy newly arising demand from other households in need. Thus, from the estimates of current and newly arising need is deducted this assumed quantity of turnover in the existing stock each year. This done, the sum is multiplied by the number of years in the Plan period to derive an overall total. If the Plan period shifts by a few years prior to publication, this result may simply be multiplied by the number of years in the new Plan period.
95. The conclusion of the exercise is that only 14 new affordable rented homes will be needed over a 20-year period, which is a very small addition to the 272 such homes estimated to exist in Earls Colne presently. This is because the degree of need expressed on the housing waiting list is relatively moderate, but more significantly it is because there is an extensive existing pool of social rented accommodation in the NA. This extensive existing stock is expected to be capable of absorbing much of the newly arising need in Earls Colne through turnover (when households vacate some of those properties). The net need for affordable rented housing is apparently low because of the outsized beneficial effect of turnover in the existing stock.
96. The second part of the assessment, which is calculated in much the same way as the above estimate, provides a figure for the number of households who need Affordable Housing because they cannot afford to buy in the market. They can afford to rent however and so this estimate is different in nature to the first group. If they are to be accommodated in Affordable Housing these households will need some form of affordable home ownership, such as shared ownership, or discounted market sale housing, rent to buy or intermediate rent.

97. Table 4-6 estimates the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households but considered reasonable and proportionate for the purposes of neighbourhood planning. These households are additional to the 14 households (0.7 household per annum) that require affordable housing for rent (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 184 affordable home ownership dwellings (9 per annum) over the plan period.
98. The total estimated Affordable Housing need over the Plan period 2013-2033 is therefore 14 affordable rented homes and 184 (rounded) affordable home ownership dwellings. It is worth noting that when the needs of households who cannot afford ownership (but can afford rent) are assessed they appear higher in scale than the need for rented homes. This is because the population of this group is larger, though it is important to keep in mind that their needs are relatively less urgent than those needing affordable rent (who may be homeless or in overcrowded or unsuitable housing), as the majority may already be accommodated in the private rented sector. They do not lack housing but would prefer to be accommodated in a different tenure. This figure can therefore be considered as potential demand for affordable home ownership products in Earls Colne.

Table 4-6 : Estimate of the need for affordable home ownership housing, Earls Colne

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	243.8	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	0.2	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	41.3	1.1 x 1.2
1.4 Current need (households)	151.8	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	7.6	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	373.2	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	0.1	Current % of households in PRS
2.3 Total newly arising need	38.7	2.1 x 2.2
2.4 Total newly arising need per annum	1.9	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	6.8	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.3	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	9.2	Shortfall = (Step 1.5 + Step 2.4) – 3.2
Shortfall	184	Shortfall multiplied by the amount of years in the plan period

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

99. It is important to recognise that this figure does not overlap entirely with, or supersede, the overall Housing Requirement Figure for the Neighbourhood Plan area. Rather, it has an unspecified degree of overlap with it. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for it to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit.
100. It is also important to remember that even after the Earls Colne, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
101. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

4.5.1 Tenure Split within Affordable Housing

102. The two affordable housing estimates suggest the needs to build Affordable Housing for sale rather than Affordable Housing for rent over the plan period. However, the needs of households who need social/affordable rent are more urgent and include those living in temporary housing, overcrowded and unsuitable homes. By contrast, those households who need affordable home ownership are, by and large, living in housing that meets their basic needs, but they would prefer to own their own home rather than rent. AECOM would suggest that meeting the needs of the estimated 14 households over the plan period who need Affordable Housing for rent is likely to be the priority for the Neighbourhood Plan and the Braintree Local Plan.
103. It can be assumed that Earls Colne's Housing Requirement Figure, when it is provided by Braintree District Council, is unlikely to be high enough to deliver the full quantity of Affordable Housing even if Affordable Housing policies are met (40% of housing development should be delivered as Affordable Housing in line with Policy LPP33. Therefore, it will be important to prioritise the provision of housing for those whose needs are most urgent – i.e. those who require affordable housing for rent rather than those who can afford to rent on the market but may wish to buy.

104. In the absence of a housing requirement figure (HRF) for Earls Colne from Braintree District Council, it is difficult to make recommendations on an affordable housing tenure split. Rather, we recommend that the tenure split prioritises the affordable housing for rent figure (estimated 14 dwellings over the plan period) and any tenure split should be formulated to accommodate this figure with the remainder provided as affordable home ownership homes. For example, if the HRF for Earls Colne is 50 dwellings over the plan period, this would equate to the potential delivery of 20 affordable homes, in line with Policy LPP33 – Affordable Housing (40% of housing in new developments should be affordable). To ensure that affordable housing for rent is delivered as a priority, the affordable housing tenure split would need to be 70% affordable/social rent (70% x 20 = 14).
105. Both affordable rent tenures (social and affordable rent) are affordable to those on the lowest household incomes, albeit social rent is more affordable than affordable rent and would be preferable if it is practical and viable to deliver. The balance between these two forms of housing is likely to depend on the viability of schemes to housing associations who will own and manage the stock.
106. With regard to affordable housing for sale, it is recommended that the majority of these homes are provided as shared ownership with an equity share of 25-50%. This tenure has the potential to extend home ownership to the greatest number of households. Rent to buy products are also likely to reach this group and offer an alternative to access home ownership. Forms of discounted market sale which are offered at 20% discount on entry level prices would remain unaffordable to those on median household incomes in the NA. A 30% discount would enable those on median incomes to access home ownership (based on a discount of entry level prices).
107. Where there are plans or proposals to develop discounted market sale homes care will need to be taken to ensure these offer a substantial discount compared to current market prices, otherwise they will not be affordable to those on median and lower income households.
108. It is also important to reference Braintree's affordable housing policy. Whilst it does not yet recommend a tenure split, it does recommend that the tenure split reflects Paragraph 64 of the NPPF, which states that at least 10% of the homes provided in a development²⁰ should be available for affordable home ownership (10% of all homes, not 10% of affordable housing). According to the emerging Local Plan, then, intermediate tenures should constitute at least of 25% affordable housing.
109. On this basis, it is recommended that once a HRF for Earls Colne is obtained from Braintree District Council, the tenure split enables at least 10% of all housing (or 25% of the affordable housing tenure split in line with Policy LPP33 – Affordable Housing (40% of housing in new developments should be affordable)) should be intermediate tenures. This could be composed of a mix of shared ownership and Rent to Buy with a small amount of discounted market housing if sufficient discounts can be achieved. However, this should not come at the expense of the need to ensure at least 14 affordable housing for rent dwellings are delivered over the plan period, which should remain the priority.
110. A proposed baseline tenure split, which should be reviewed in light of the HRF for Earls Colne when this is made available, is presented in Table 4-7 below. Note that AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (e.g. housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.

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

Routes to home ownership, of which	25%
Discounted market sale	5%
Shared ownership	10%
Rent to buy	10%
Affordable Housing for rent, of which	75%
Social rent	To be confirmed by Registered Providers
Affordable rent	To be confirmed by Registered Providers

²⁰ The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

111. However, the precise mix of affordable homes at the site specific level will be influenced by factors other than the scale of need. The mix will be influenced by viability considerations, the views of Registered Providers, the existing stock mix and other policy objectives. It is important to state that the estimates of need in this HNA or elsewhere do not directly determine affordable housing policies because of these wider policy considerations.
112. AECOM has made suggestions for the split of different products within the tenure split, though this should be considered indicative as it will be subject to wider considerations of costs, viability and the availability of funding for particular products.
113. It is also for the neighbourhood planners to consider the wider objectives of the community and to discuss with the Local Authority where Earls Colne sits within Braintree's development strategy. This tenure split should be considered a guideline for the ideal mix of tenures to be delivered within the NA. As such, it will be a useful point of reference when planning applications are considered, but may not represent sufficient justification for the tenure split to be enforced precisely through a Neighbourhood Plan policy.
114. Where the neighbourhood planners wish to develop policy that requires a different mix, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.
115. Note that the Government is also consulting on First Homes and may require that a substantial proportion of affordable homes are provided as First Homes. The consultation document is consulting on a range of 40, 60 or 80%. The neighbourhood group will need to take account of this emerging policy and how it could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan.
116. If Government requires 40-80% of all affordable housing delivered through new market led developments as First Homes this would impact on the ability of Earls Colne to accommodate those with acute needs within the area (including those in need of affordable housing for rent, if such need arises in future or turnover in the existing stock is lower than what is estimated here). Therefore, it is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.). However, the group should note that the First Homes product has not been formally implemented and should monitor the outcomes of the Government consultation closely.

4.6 Conclusions- Tenure and Affordability

117. The vast majority of households in Earls Colne are owner-occupiers (67.9%). This is followed by the social rented sector (17.5%), and the private rented sector (12.9%). The proportion of households living in the private rented and social rented sectors are similar to district levels.
118. Between 2001 and 2011, the number of those renting privately has increased substantially (80.2%), whilst home ownership and shared ownership homes experienced a marginal increase. Meanwhile, social rent decreased in the NA by 9.3%.
119. House prices have grown by a notable 51% over the last 10 years (2009-2018). However, there is a degree of volatility in pricing over time. All housing types have experienced considerable growth over time. Detached homes have grown by 51% since 2009, whilst flats have only increased by 42% since 2010. Terraced and semi-detached homes also increased by 45.1% and 46% respectively between 2009 and 2018.
120. The approximate median and lower quartile incomes in Earls Colne are £45,200 and £23,349 respectively. Comparing these affordability thresholds with the costs of each tenure, it is clear that the most affordable forms of tenure are social rent and affordable rent, all of which are affordable to those within the lower quartile household. In order to purchase market housing, households will need to be earning far in excess of the mean and lower quartile incomes considered here, or to benefit from savings or other financial assistance.
121. In Earls Colne the total estimated Affordable Housing need over the Plan period 2013-2033 is 14 affordable rented homes. This is because the degree of need expressed on the housing waiting list is relatively moderate, but more significantly it is because there is an extensive existing pool of social rented accommodation in the NA. This extensive existing stock is expected to be capable of absorbing much of the newly arising need in Earls Colne through turnover (when households vacate some of those properties). The net need for affordable rented housing is apparently low because of the outsized beneficial effect of turnover in the existing stock.

122. There is potential demand for 184 additional affordable home ownership dwellings from households living in the private rented sector who can afford to rent but cannot afford to buy. However, as these households are already adequately housed, it may be appropriate to prioritise the needs of those who require affordable rented housing (and therefore have no alternatives). As a wider point, it is worth emphasizing that there is a large cohort of people across the UK who are increasingly priced out of home ownership. The primary reason for this is simply that incomes have not consistently risen as fast as house prices. This, and other relevant points, are raised in the 2017 Government whitepaper 'Fixing our broken housing market',²¹ which acknowledges in strong terms how challenging conditions are in the housing market, as well as addressing issues associated with construction and house building business models that are outside of the scope of this study.
123. In the absence of a housing requirement figure (HRF) for Earls Colne from Braintree District Council, we recommend that the tenure split prioritise the affordable housing for rent figure of 14 dwellings over the plan period. Any tenure split should be formulated to accommodate this figure with the remaining homes provided as affordable housing for sale. Shared ownership with an equity share of around 25-50% would extend home ownership to the largest number of households in this group, but Rent to Buy also appears to be a suitable option. An indicative tenure split within Affordable Housing, assuming that Earls Colne's housing requirement figure is sufficient to meet the needs of households requiring affordable rent, is proposed at 75% affordable rented tenures, and 25% affordable routes to home ownership.

²¹ Available at: <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

5. RQ 2: Type and Size

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

5.1 Introduction

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

5.2 Existing types and sizes

5.2.1 Background and definitions

126. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
127. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
128. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows²²:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
129. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²³ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
130. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same

²² At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²³ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²⁴ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

131. The 2011 Census shows that there were 1,616 households in Earls Colne, living in 516 detached houses, 542 semi-detached, 404 terraced houses, and 151 flats. Compared with the LPA, Earls Colne has a similar breakdown of dwelling types. The proportion of semi-detached homes in both the NA and the LPA are 33%, 25% of homes in the NA are terraced homes (24% in the wider District). Detached homes make up 31.9% of homes in the NA (28.7% in the District). There is a slightly higher proportion of flats in the District (11.3%) compared to the NA (7.2%) (see Table 5-1 below).

Table 5-1: Accommodation type (households), Earls Colne 2011

Dwelling type		Earls Colne	Braintree	England
Whole house or bungalow	Detached	31.9%	28.7%	22.4%
	Semi-detached	33.5%	33.9%	31.2%
	Terraced	25.0%	24.0%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	7.2%	11.3%	16.4%
	Parts of a converted or shared house	1.4%	1.2%	3.8%
	In commercial building	0.7%	0.6%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

132. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in Earls Colne is characterised by mainly medium to large dwellings, with high proportions of properties with 4 or more rooms. This theme is broadly reflected at the LA level.

133. Earls Colne and Braintree have a similar distribution of dwelling sizes. Both the NA and the District have a concentration around the 4-6 room category. There is also a notable proportion of homes that have 7 rooms or more in both the NA and the District.

Table 5-2: Number of rooms per household in Earls Colne, 2011

Number of Rooms	2011	2011
	Earls Colne	Braintree
1 Room	0.1%	0.3%
2 Rooms	2.1%	1.6%
3 Rooms	6.4%	7.6%
4 Rooms	22.2%	18.7%
5 Rooms	18.3%	24.0%
6 Rooms	22.1%	19.5%
7 Rooms	11.1%	11.0%
8 Rooms or more	7.7%	8.2%
9 Rooms or more	10.1%	9.0%

Source: ONS 2011, AECOM Calculations

²⁴ Ibid.

134. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that there has been a notable increase in homes of all sizes in the NA, with the exception of the smallest dwelling sizes of 5 rooms and 2 rooms and under. The most significant increase has been in dwellings of 8 rooms or more (32.1% increase). There has also been a notable increase in dwellings of 3 rooms (19%).
135. Nevertheless, there has been a significant decrease in homes of 1 room by -83.3% in the NA. This is mirrored by a similar decrease in 1 room properties in the wider District by -20.4%. The declining availability of the smallest homes is likely to have knock-on impacts on the affordability of homes in Earls Colne for those on lower incomes.

Table 5-3: Rates of change in number of rooms per household in Earls Colne, 2001-2011

Number of Rooms	Earls Colne	Earls Colne %	Braintree	Braintree %	England
1 Room	6 > 1	-83.3%	235 > 187	-20.4%	-5.2%
2 Rooms	42 > 33	-21.4%	839 > 996	18.7%	24.2%
3 Rooms	84 > 100	19.0%	3,578 > 4,666	30.4%	20.4%
4 Rooms	307 > 344	12.1%	10,431 > 11,418	9.5%	3.5%
5 Rooms	305 > 284	-6.9%	14,624 > 14,630	0.0%	-1.8%
6 Rooms	316 > 343	8.5%	11,070 > 11,913	7.6%	2.1%
7 Rooms	157 > 172	9.6%	5,484 > 6,739	22.9%	17.9%
8 Rooms or more	209 > 276	32.1%	8,071 > 10,494	30.0%	29.8%

Source: ONS 2001-2011, AECOM Calculations

136. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that the majority of dwellings in the NA are 3 bedroom properties, followed by 2 bedroom properties. This is a similar trend to the wider District.
137. In addition to the 2011 Census data, the breakdown of dwelling completions by number of bedrooms between 2011 and 2018 in Earls Colne has been provided by Braintree District Council. This has been added to the 2011 numbers in the column showing the dwelling mix in 2018 in the table below. Note that the total number of dwellings this suggests may not be wholly accurate as it does not take account of all demolitions, extensions and sub-divisions. The Braintree District Council data also only gives data for dwellings with four or more bedrooms, while the Census data distinguishes between those with four and those with five or more bedrooms. The 5 new 4+ bedroom properties have therefore been included in the 4 bedroom column in the table below, but might in fact have more bedrooms. It is evident that the vast majority of homes built between 2011 and 2018 have between one and three bedrooms, with a relatively even split between them.

Table 5-4: Number of bedrooms in household spaces in Earls Colne, 2011

Bedrooms	Earls Colne 2011		Earls Colne 2018		Braintree		England	
All categories: no. of bedrooms	1,553	100.0%	1,618	100.0%	61,043	100.0%	22,063,368	100.0%
No. bedrooms	4	0.3%	4	0.2%	134	0.2%	54,938	0.2%
1 bedroom	120	7.7%	136	8.4%	5,107	8.4%	2,593,893	11.8%
2 bedrooms	455	29.3%	478	29.5%	16,621	27.2%	6,145,083	27.9%
3 bedrooms	616	39.7%	637	39.4%	25,019	41.0%	9,088,213	41.2%
4 bedrooms	268	17.3%	273	16.9%	10,738	17.6%	3,166,531	14.4%
5 or more bedrooms	90	5.8%	90	5.6%	3,424	5.6%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

5.3 Household composition and age structure

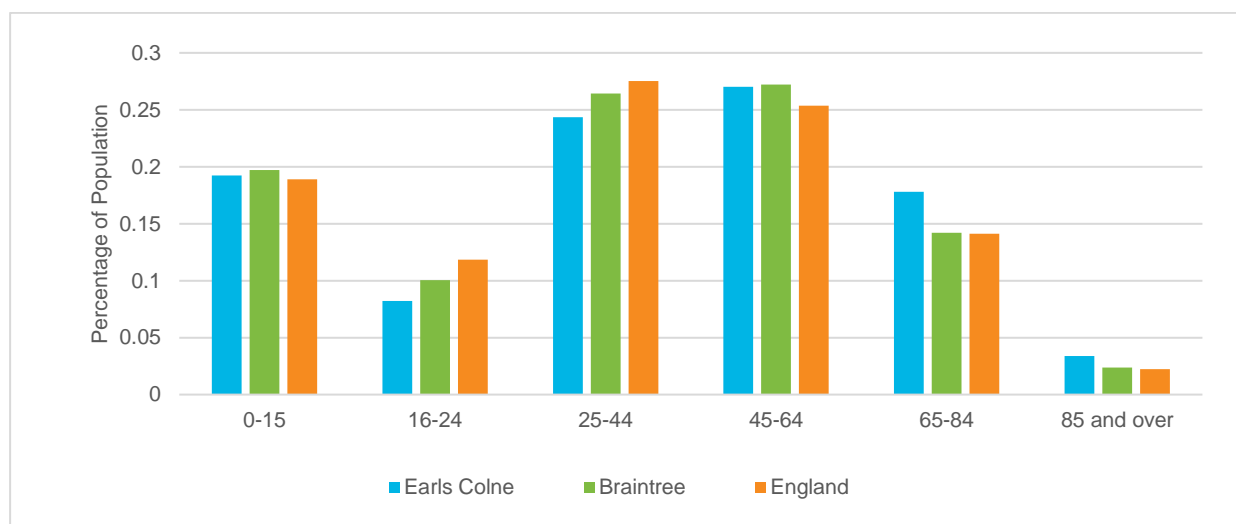
138. Having established the current stock profile of Earls Colne and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected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

5.3.1 Age structure

139. The 2011 Census data reveals that Earls Colne has a high percentage of people over 65, when compared with district and national figures. With an ageing population, Earls Colne may require some smaller dwellings suited to older couples and single persons who wish to downsize, running contrary to the recent building patterns in the Parish (see Figure 5-1 below).

140. Earls Colne has slightly lower rates of young people aged 45 and under, as compared with the national averages. There are far fewer people aged between 25-44 in the NA and higher numbers of those aged 65-84 when compared to the wider District. It also illustrates the significant jump that can be expected in the over 65 population as the NA's large 45-64 age cohort ages over the Plan period.

Figure 5-1: Age structure in Earls Colne, 2011



Source: ONS 2011, AECOM Calculations

141. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001, the NA population has grown significantly, especially for the 85 and over group. The 45-64 age group have also grown considerably by 25.4%. This growth is mirrored in the wider district, which shows that an ageing population is being experienced across the District (see Table 5-5 below).

Table 5-5: Rate of change in the age structure of Earls Colne population, 2001-2011

Age group	Earls Colne	Braintree	England
0-15	9.9%	4.8%	1.2%
16-24	0.7%	19.1%	17.2%
25-44	-0.7%	-0.1%	1.4%
45-64	25.4%	19.7%	15.2%
65-84	3.5%	22.2%	9.1%
85 and over	27.6%	32.1%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.3.2 Household composition

142. Household composition (i.e the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
143. In assessing Census data on household composition, Earls Colne almost mirrors the LPA in that there are roughly a third of all homes are occupied by just one person (28.9% and 27.1% respectively). A notable proportion of one person households are aged 65 and over in the NA (15.5%) (Table 5-6).
144. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-6: Household composition (by household), Earls Colne, 2011

Household composition		Earls Colne	Braintree	England
One person household	Total	28.9%	27.1%	30.2%
	Aged 65 and over	15.5%	11.8%	12.4%
	Other	13.5%	15.3%	17.9%
One family only	Total	66.6%	67.9%	61.8%
	All aged 65 and over	11.0%	8.7%	8.1%
	With no children	19.6%	20.4%	17.6%
	With dependent children	27.0%	29.0%	26.5%
	All children Non-Dependent ²⁵	9.0%	9.8%	9.6%
Other household types	Total	4.5%	5.0%	8.0%

Source: ONS 2011, AECOM Calculations

145. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were one family households (i.e. couples) without children (19.6%) and one person households under age 64 (18.1%). There has also been substantial growth in family households with children (15.1%). These households grew at a greater rate than the District and England as a whole. The most significant change in the NA was the 25% increase in other household types (see Table 5-7). 'Other' households are typically groups of single people sharing a dwelling.
146. Interestingly homes headed by those aged 65 and over have declined in the NA. Although though this percentage change is due to the difference of just 28 households in these age groups between 2001 and 2011 it points to a more general trend of household growth being driven by younger households in Earls Colne over this period.

²⁵ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 5-7: Rates of change in household composition, Earls Colne, 2001-2011

Household type		Percentage change, 2001-2011		
		Earls Colne	Braintree	England
One person household	Total	3.0%	14.5%	8.4%
	Aged 65 and over	-7.3%	1.9%	-7.3%
	Other	18.1%	26.6%	22.7%
One family only	Total	11.4%	9.9%	5.4%
	All aged 65 and over	-5.0%	7.2%	-2.0%
	With no children	19.6%	7.8%	7.1%
	With dependent children	15.1%	10.2%	5.0%
	All children non-dependent	7.8%	15.9%	10.6%
Other household types	Total	25.0%	41.9%	28.9%

Source: ONS 2001-2011, AECOM Calculations

5.4 Dwelling mix determined by life-stage modelling

147. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
148. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
149. Figure 5-2 below sets out the relationship in the 2011 Census at LPA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that 2 bedroom properties are the most common dwelling size for those ages 29 and under. 3 bedroom properties remain the most common dwelling size for all other demographic groups, with the exception of those aged 85 and over in the NA.

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



Source: ONS 2011, AECOM Calculations

150. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2033 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-8 below.

Table 5-8: Projected distribution of households by age of HRP, Braintree

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	1,586	7,567	24,734	11,361	15,795
2014	1,598	8,023	24,247	10,556	18,489
2033	1,585	7,861	24,317	11,448	29,068
2039	1,581	7,809	24,338	11,729	32,408

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

151. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Earls Colne. To do so, the percentage increase expected for each group across Braintree, derived from the data presented above was mapped to the population of Earls Colne. The results of this calculation are detailed in Table 5-9 below:

Table 5-9: Projected distribution of households by age of HRP, Earls Colne

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	26	156	588	288	495
2014	26	165	576	268	579
2033	26	162	578	290	911
% change 2011-2033	0%	4%	-2%	1%	84%

Source: AECOM Calculations

152. To complement the two stages in Table 5-10 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Braintree by the end of the plan period.

Table 5-10: Age of household reference person to size, grouped, Braintree, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	25.5%	12.2%	6.0%	6.0%	11.1%
2 bedrooms	54.8%	42.5%	20.6%	21.0%	32.1%
3 bedrooms	15.8%	36.1%	43.4%	44.3%	39.8%
4 bedrooms	2.7%	7.3%	22.3%	22.2%	13.2%
5+ bedrooms	1.3%	1.9%	7.8%	6.5%	3.8%

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

153. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Braintree and Earls Colne falling into each of these stages by the end of the Plan period in 2033, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-11 below).

154. The table takes in turn each projected age group in 2033, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-11: Likely dwelling size distribution in Earls Colne by the end of the Plan period, based on modelled household life-stages

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling size
Households 2033	26	162	578	290	911	-
1 bedroom	7	20	34	17	102	180
2 bedrooms	14	69	119	61	292	555
3 bedrooms	4	58	251	129	362	804
4 bedrooms	1	12	129	64	121	327
5+ bedrooms	0	3	45	19	35	102

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

155. It is now possible to compare the 2018 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-11 above modelling the change in the age structure of the population in Earls Colne.

156. Table 5-12 below indicates that, by 2033, the size distribution of dwellings should not differ too much from the current size distribution. In 2033, 9.1% of dwellings should be 1 bedroom properties, 28.2% 2 bedroom properties, 40.9% 3 bedroom properties, 16.6% 4 bedroom dwellings and 5.2% 5 bedroom properties.

Table 5-12: 2011 housing sizes compared to likely distribution at end of Plan period, Earls Colne

Number of bedrooms	2011		2033	
	Count	Percentage	Count	Percentage
1 bedroom	136	8.8%	180	9.1%
2 bedrooms	478	30.8%	555	28.2%
3 bedrooms	637	41.0%	804	40.9%
4 bedrooms	273	17.6%	327	16.6%
5 or more bedrooms	90	5.8%	102	5.2%
Total households	1,553	100.0%	1,967	100.0%

Source: Census 2011, AECOM Calculations

157. Table 5-13 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 5-13: Future potential misalignments of supply and demand for housing, Earls Colne

Number of bedrooms	2011	2033	Change to housing mix	Recommended split
1 bedroom	136	180	44	12.4%
2 bedrooms	478	555	77	21.8%
3 bedrooms	637	804	167	47.3%
4 bedrooms	273	327	54	15.2%
5 or more bedrooms	90	102	12	3.3%

Source: AECOM Calculations

158. The result of the life-stage modelling exercise is that, in terms of demographic change, new development might involve the following share of dwelling sizes: 12.4% as 1 bedroom, 21.8% as two bedrooms, 47.3% as three bedrooms, 15.2% as four bedrooms and 3.3% as 5 or more bedrooms.

159. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5 Conclusions- Type and Size

160. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.

161. Earls Colne's stock of existing housing is made up of a different dwelling type breakdown to that of Braintree, with slightly more semi-detached homes, and fewer detached and terraced houses. The parish has three times the proportion of detached houses and less than half the proportion of terraced homes as compared with the national average. The housing stock of Earls Colne is similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There has been a significant rise in the number of very large homes of eight or more rooms in Earls Colne, and a significant decrease in dwellings of two rooms or less.

162. The age profile of Earls Colne's population is generally older than Braintree and England; there is a significantly higher proportion of people over the age of 65 in the area. However, the greatest growth in households 2001-2011 has been amongst younger households including families with children, couples and single people (under the age of 65). Nevertheless, by the end of the plan period, the largest number of households will be aged 65 and over.

163. New development provides an opportunity to build dwellings that would be appropriate to the needs and financial capabilities of both young households and older households who may wish to downsize, such as two- and three-bedroom homes.
164. Much of the new housing delivered in Earls Colne between 2001 and 2011 had more than five rooms. While the provision of larger homes may be suitable for larger families, this pattern of supply potentially misses an opportunity to accommodate young families who may need smaller (and more affordable) accommodation. This appears to have been corrected since 2011, when the vast majority of new housing had between one and three bedrooms (relatively evenly split between the three size categories) and only five homes with four or more bedrooms.
165. Seen in the context of this pattern of supply and Earls Colne's comparatively large stock of dwellings overall, the results of the HNA modelling may warrant a Neighbourhood Plan policy to prioritise the provision of modest sized homes with 2 or 3 bedrooms. In terms of the types of dwellings required, some unmet demand for generally more affordable dwelling types, such as terraced homes, should be addressed. The size recommendation for two- and three-bedroom homes would help to achieve this.

6. RQ 3: Specialist housing for older people

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

6.1 Introduction

166. This chapter considers in detail the specialist housing needs for older and disabled people in Earls Colne. It considers the quantity, tenure and size of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the '3rd age' – where people are healthy and active and may or may not continue to work and the '4th age' – where older people need care and support to meet their health needs.²⁶ These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.
167. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.²⁷
168. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.²⁸
169. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool²⁹, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
170. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings)³⁰. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule - clear differentiation between the two has not been set in government policy.
171. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan area whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

²⁶ University of Sheffield & DWELL (2016) Designing with Downsizers

²⁷ See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

²⁸ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²⁹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

³⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

6.2 Housing for older people - context

172. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.
173. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many moves as rest of population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a life time of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a in deciding to move to a home with significantly fewer rooms.³¹ It is also important to note that the rooms need to be of sufficient size to accommodate mobility impairments and the desire for useable second double-bedrooms for visitors and storage.
174. The concept of 'rightsizing' (formerly referred to as downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move³² with many older people stuck in a 'rightsizing gap'.³³
175. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.³⁴
176. Indeed, 76% of those in homes of three or more bedrooms wished to rightsize, and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.³⁵ However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes,³⁶ with Demos suggesting that, "*the chronic under-supply of appropriate housing for older people is the UK's next housing crisis*";³⁷ and local authorities are often, "*accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs*".³⁸ Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do is likely to be relatively low, and many who downsize may move into mainstream housing.
177. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population in Earls Colne affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.³⁹
178. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.

³¹ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

³² Pannell et al., 2012

³³ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

³⁴ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³⁵ Ibid.

³⁶ https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

³⁷ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³⁸ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

³⁹ Available at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

179. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG⁴⁰ adopts the following planning approach:
- a. Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
 - i. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
 - ii. M4(2) Category 2: Accessible and adaptable dwellings
 - iii. M4(3) Category 3: Wheelchair user dwellings
 - b. Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site specific factors.
180. In the case of Earls Colne, this HNA, together with any local housing survey conducted will form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two most common types of specialist housing for older people - sheltered housing and extra care (see Appendix B for definitions).
181. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.⁴¹ This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector as well as changing aspirations and expectations amongst older people today in comparison with previous generations.
182. Local planning authorities can plan for older co-housing communities through their implementation of the Self-build and custom-build legislation 2015⁴², as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.⁴³
183. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

6.3 Approach

184. In accordance with NPPF guidance, this chapter applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.⁴⁴ These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Braintree.
185. Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of older people currently choose to continue to live in their homes for their entire lives.

⁴⁰ Housing for Older and disabled people, Guidance June 2019, MHCLG

⁴¹ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

⁴² <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

⁴³ See Paragraph: 011 Reference ID: 63-011-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

⁴⁴ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

186. The charity Age UK suggests that “*inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.*”⁴⁵ By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

i) Current supply of specialist housing for older people

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

188. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below.⁴⁶ This is because for the purposes of the UK planning system, such institutions occupy a different land-use class from other housing (use class C2, which comprises residential institutions, versus C3, which comprises private dwellings)⁴⁷. However, all other types of specialist housing for older people fall within use class C3 and, as such, are within the scope of this Housing Needs Assessment. Having said this, we note the existing provision of such institutional accommodation where it exists in Earls Colne.

189. The 2011 Census highlights the number of residents living in different types of communal establishments. Within Earls Colne, it identified 10 residents living in care homes with nursing and 83 in care homes without nursing.⁴⁸

190. Given that communal establishments (care homes) are generally outside the scope of housing needs assessments for the reasons described above, these are discounted from this analysis (these are shown below in Table 6-1).

191. There is one other specialist housing development for older people in Earls Colne, that is understood to be within use class C3 and thus within the scope of this assessment. This is Howard Sims House, with 13 flats (of 1-2 bedrooms) rented by a social landlord. However, the approach taken here is to investigate the expected growth in the older population during the Plan period, and to plan for specialist housing provision on that basis. As such, the 13 existing flats identified here are useful context for the current level of provision, but should not be deducted from the estimates of future need provided later in this section.

Table 6-1: Existing Care Home specialist housing for the elderly in Earls Colne

	Name	Description	Bed spaces	Type
1	Colne House	This home accommodates 38 residents in 26 single and 6 shared rooms (14 en suite).	38	Care Home
2	Colne Place	This home accommodates 33 residents in 29 single and 2 shared rooms (20 en suite)	33	Care Home

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

ii) Tenure-led projections

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

193. The projection is based on the premise that those currently occupying their own home will also wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who

⁴⁵ See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

⁴⁶ Further details on the definition of different types of housing within the English planning system are available at <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

⁴⁷ See Paragraph: 009 Reference ID: 13-009-20140306 at <https://www.gov.uk/guidance/when-is-permission-required>

⁴⁸ ONS, 2011 (KS405EW)

currently rent, either in the private or social sectors, are projected to need affordable rented accommodation of some kind.

194. According to Table 6-2 below, 54.1% of dwellings in Earls Colne are occupied by the 55-75 age group are owned outright and 25% are owned with a mortgage or loan or shared ownership. 20.9% of dwellings are rented in Earls Colne - the majority of these (14.1% of all dwellings) are socially rented.

Table 6-2: Tenure of households aged 55-75 in Earls Colne, 2011

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
79.1%	54.1%	25.0%	20.9%	14.1%	5.9%	0.9%

Source: Census 2011

195. The next step is to project how the overall number of older people in Earls Colne is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Braintree at the end of the Plan period. The figure must be extrapolated from the LPA data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below.
196. This calculation indicates that the proportion of elderly people in the population of the parish is expected to grow to a total of 19.3% by 2033, from 11% in 2011. This is a significantly higher proportion than the district as a whole, which is expected to have only 13.6% of residents aged 75 and over by 2033. This trend indicates a future increase in demand for homes that meet the needs of aging people in the area.

Table 6-3: Modelled projection of elderly population in Earls Colne by end of Plan period

Age group	2011		2033	
	Earls Colne (Census)	Braintree (Census)	Earls Colne (AECOM Calculations)	Braintree (ONS SNPP 2014)
All ages	3,693	147,084	4,097	163,187
75+	407	11,380	793	22,165
%	11.0%	7.7%	19.3%	13.6%

Source: ONS SNPP 2016, AECOM Calculations

197. The results of this exercise provide us with a projection of the number of people in Earls Colne living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by subtracting the current number of people aged 75 and over (407) from the projection for the end of the Plan period (793), and then multiplying the result (386) by the tenure split for the 55-75 age group in Earls Colne presented in Table 6-2 above, and is set out in Table 6-4 below.
198. A key assumption made here is that, for the purposes of determining the proportion of households aged 75+ falling into different tenures in 2033, and consequently the number of specialist units they might need, the growth in the overall population of those aged 75 is used.

Table 6-4: Projected tenure of households aged 75+ in Earls Colne to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
305	209	97	81	54	23	3

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

199. The population figures in Table 7-4 above are then translated into households, as set out in Table 6-5 below. The translation factor used was 1.4 persons per household, which was the rate in Braintree for people aged over 75 in the Census 2011.

Table 6-5: Projected tenure by household aged 75+ in the NA by the end of the plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
218	149	69	58	39	16	2

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

200. Next the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ in Earls Colne. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).

201. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector.

Table 6-6: Tenure and mobility limitations of those aged 65+ in Earls Colne, 2011

Tenure	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
All categories: Tenure	23.1%	28.9%	48.0%
Owned or shared ownership: Total	15.6%	28.1%	56.4%
Owned: Owned outright	16.0%	28.2%	55.8%
Owned: Owned with a mortgage or loan or shared ownership	12.5%	26.8%	60.7%
Rented or living rent free: Total	38.5%	30.5%	31.0%
Rented: Social rented	38.7%	31.8%	29.5%
Rented: Private rented or living rent free	37.9%	27.3%	34.8%

Source: DC3408EW Health status

202. Focusing on those whose activities are limited a lot, the calculations suggest that of the 58 renters and 218 owners in Earls Colne in this age group, there could be a need for 34 specialist homes for owner occupiers (15.6% x 218) and 22 for renters of all kinds (38.5% x 58), or 56 new specialist homes in total.

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

Table 6-7: AECOM estimate of specialist housing need in Earls Colne by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.	56
	22	34	
Adaptations, sheltered, retirement living or	Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.	101
	17	84	
Total	39	118	157

Source: Census 2011, AECOM Calculations

204. The number of households falling into potential need for specialist accommodation is therefore 157, which is 28% of the 566 households in total aged 75 and above projected to live in Earls Colne by the end of the Plan period.

iii) Housing LIN-recommended provision

205. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the respected models for planning for the housing needs of older people. In Table 6-8 below we reproduce the key table from their Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide, based on best practice research, to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 6-8: Recommended provision of specialist housing for older people from the SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

206. As Table 6-3 shows, Earls Colne is forecast to have an over-75 population of 793 by the end of the Plan period, which includes growth of 386 new households. According to the HLIN tool, this translates into need as follows (all figures rounded):

- Conventional sheltered housing to rent = 60 per 1,000 x 386 = 23
- Leasehold sheltered housing = 120 per 1,000 x 386 = 46
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 per 1,000 x 386 = 8
- Extra care housing for rent = 15 per 1,000 x 386 = 6
- Extra care housing for sale = 30 per 1,000 x 386 = 12
- Housing based provision for dementia = 6 per 1,000 x 386 = 2

207. This produces an overall total of 97 specialist dwellings which might be required by the end of the plan period.

208. Table 6-9 below sets out the HLIN recommendations in the same format as Table 6-7. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates. This means that the requirements expressed by the SHOP toolkit are higher than those implied by a straightforward projection based on the growth of the over 75 population.

Table 6-9: HLIN estimate of specialist housing need in Earls Colne by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	27
	15	15	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	69
	23	46	
Total	35	62	97

Source: Housing LIN, AECOM calculations (figures may not sum due to rounding)

6.4 Conclusions- Specialist Housing for the Older People

209. Two methods of assessing the need for specialist housing for older people have been undertaken, and produce estimates of 157 and 97 new specialist units required in Earls Colne by 2033, respectively. It is recommended that the outcome of these approaches be treated as a range, with at least 97 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 157 dwellings functioning as an upper aspirational estimate.

210. These homes could be provided through new specialist supply (eg extra care) or it may be possible to achieve suitable adaptations to existing homes or to build new homes to improved accessibility standards that enable care and support to be provided in mainstream homes.

211. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
- so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
- so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.

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

213. It is considered that Earls Colne is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Earls Colne in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself.
214. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.
215. AECOM would suggest a key consideration for the neighbourhood planners is whether new mainstream homes (both market and affordable) could be provided to improved accessibility and adaptability standards. It may be possible to apply optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support. This could help to ensure that some stock of accessible dwellings is built up over time. The group may wish to discuss this policy option with the LPA as it is likely that Braintree District Council may wish to adopt these standards across the District.

7. RQ 4: Newly forming households/first-time buyers

RQ 4: What provision should be made in terms of housing for newly forming households/first-time buyers over the Neighbourhood Plan period?

7.1 Introduction

216. The neighbourhood group have asked AECOM to consider the housing needs of newly forming households in Earls Colne. For the purpose of this HNA, we define newly forming households as those where the Household Reference Person (HRP- a more modern term for 'head of household') is aged between 18 and 35 and is looking to form their own independent household.

7.2 Assessment

217. In order to understand the needs of newly-forming households, we start by interrogating the ONS 'Age by Single Year' dataset.⁴⁹ This reveals that there were 654 individuals aged between 18 and 35 in the Neighbourhood Plan area in 2011. This represents 17.7 % of the population. These individuals may or may not have formed their own households.

218. Table 7-1 below shows that there is a total of 182 households with an HRP aged under 35, or around 42.1% of all 1,553 households in Earls Colne. To estimate the number of individual residents aged between 18 and 35 this represents, we use the following approach:

- i. Multiply the number of households under 35 by the average household size in the Neighbourhood Plan area (2.38 individuals per household), which results in 433 individuals. ($2.38 \times 182 = 433$)
- ii. We then discount all children (i.e. individuals under the age of 18). As 90 households live with at least one dependent child, we estimated there were about 343 children among these households. ($433 - 90 = 343$)
- iii. Therefore, among the 654 individuals who are between 18 and 35, 311 have not formed their own household ($654 - 343 = 311$)
- iv. This represents 131 households that could potentially be formed (311 divided by 2.38).

219. We make the reasonable assumption that those individuals with the potential to form new households who have not yet done so are, in most cases, either living with their parents or in shared houses with other young people. They will not yet have formed their own household for many potential reasons, but most likely the absence of suitable affordable tenures.

220. Census data about household composition shows that 129 households include non-dependent children. The figure of 131 above can therefore be considered a broadly reasonable estimate.

221. Therefore, around 131 households in Earls Colne had the potential to form their own household, but had not yet done so, at the time of the last Census in 2011 (8.4 % of the total number of households).

Table 7-1: Households in Earls Colne with HRP under the age of 35, 2011

Household composition	Number
Age of HRP under 35: One person household	27
Age of HRP under 35: Two or more person household: No dependent children	65
Age of HRP under 35: Two or more person household: With dependent children	90
Age of HRP under 35: Total	182

Source: ONS, 2011

222. Now that we have identified the number of households with potential to form but who have not yet done so, we need to determine the type of tenures they are most likely to occupy. To do so, we assess the tenures of households in the Neighbourhood Plan area where the HRP is aged 24 or younger, as well as those with HRPs aged 25 to 49. The results are set out in Table 7-2 below.

⁴⁹ ONS, Census 2011: QS103EW.

223. The table shows that the most common form of tenure for those aged 24 and under is rented or living rent free, representing 84.6% of the demographic. Meanwhile, two thirds of those aged 25-49, (66.2%) own their own property, either through mortgage, outright, or shared ownership.

224. Within rented and ownership tenures however, there are some similarities. Both age groups are more likely to own with a mortgage or shared ownership rather than own outright. Moreover, within the rental sector both age groups are more likely to be living in private rented or living rent free accommodation rather than social rented accommodation.

Table 7-2: Tenures occupied by HRP under the age of 50, Earls Colne, 2011

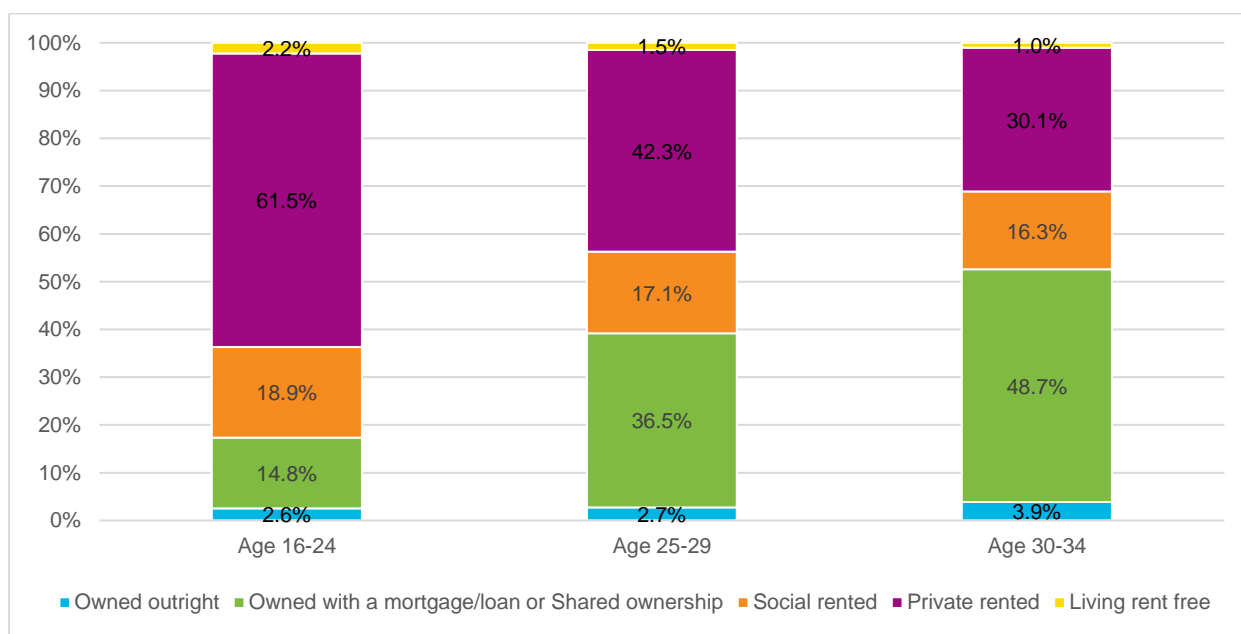
Tenure	Age 24 and under		Age 25 to 49	
	Number	Percent	Number	Percent
All categories: Tenure	26	100.0%	598	100.0%
Owned or shared ownership: Total	4	15.4%	396	66.2%
Owned: Owned outright	0	0.0%	54	9.0%
Owned: Owned with a mortgage or loan or shared ownership	4	15.4%	342	57.2%
Rented or living rent free: Total	22	84.6%	202	33.8%
Rented: Social rented	10	38.5%	77	12.9%
Rented: Private rented or living rent free	12	46.2%	125	20.9%

Source: ONS, 2011

225. The data we have just examined considers the tenure of households with HRPs aged 49 and under as a single group. However, the tenures occupied by different households can vary significantly between these ages.

226. Such data is only available at the level of Braintree. This data, presented in Figure 7-1 below, reveals that there is marked decrease in the occupancy for all rented accommodation in the district, as residents get older. Meanwhile, ownership with a mortgage or shared ownership is over three times more common amongst those aged 30-34 as it is with those aged 16-24.

Figure 7-1: Tenure by age of HRP, Braintree, 2011



Source: ONS, 2011

7.3 Conclusions- Newly-forming households/first-time buyers

227. It can therefore be concluded that, on the basis of ONS Census 2011 data, about 131 individuals below 35 had not formed their own household by that year. This represents around 8.4% new households with the potential to form.
228. Based on the average of the numbers in Table 7-2 and Figure 7-1, an estimated tenure split of new-build homes can be calculated, having regard to the specific tenure needs of newly forming households. It should be noted that this estimated split emphasises the importance to such households of both entry-level market sales (including affordable routes to home ownership) and private rent.
229. It is recommended that neighbourhood planners seek to promote these tenures within new housing developments if the policy goal is to ensure that suitable and affordable housing for younger people can be provided within the Neighbourhood Plan area.

Table 7-3: Tenures recommended in Earls Colne to meet the needs of newly forming households

Tenure	Recommended proportion
Home ownership	1%
Entry-level market sales/intermediate ownership product	15%
Social rent	38%
Private rent	46%

Source: AECOM calculations

8. Conclusions

8.1 Overview

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

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

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing tenure and affordability</p>	<p>The vast majority of households in Earls Colne are owner-occupiers (67.9%). This is followed by the social rented sector (17.5%), and the private rented sector (12.9%). Both the private rented and social rented sectors are far similar district levels.</p> <p>Between 2001 and 2011, the number of those renting privately has increased substantially, whilst home ownership and shared ownership homes experienced a marginal increase. Meanwhile, social rent decreased in the NA.</p> <p>House prices have grown by a notable 51% overall. However, there has been a degree of volatility in pricing over time.</p> <p>The approximate median and lower quartile incomes in Earls Colne are £45,200 and £23,349 respectively. Comparing these affordability thresholds with the costs of each tenure, it is clear that the most affordable forms of tenure are social rent and affordable rent, all of which are affordable to those within the lower quartile household incomes.</p> <p>Shared ownership would extend home ownership to the largest group of households who currently cannot afford to buy.</p>	<p>In Earls Colne the total estimated Affordable Housing need over the Plan period 2013-2033 is 14 affordable rented homes, with potential demand for an additional 184 affordable home ownership dwellings from households who are renting but might prefer to buy.</p> <p>In the absence of a housing requirement figure (HRF) for Earls Colne from Braintree District Council, we recommend that the tenure split prioritises the affordable housing for rent figure of 14 dwellings over the plan period. Any tenure split should be formulated to accommodate this figure</p> <p>In regard to which affordable housing tenures should be delivered for affordable housing for rent, our affordability thresholds suggest that both affordable rent and social rent would be a suitable affordable housing tenure for rent in Earls Colne.</p> <p>With regard to affordable housing for sale, it is recommended that these homes are primarily shared ownership with an equity share of 25-50%. Rent to buy would also reach the same households. Other routes to home ownership are less affordable unless significant discounts on open market sale prices can be achieved.</p> <p>It is also important to reference Braintree’s affordable housing policy. Whilst it does not yet recommend a tenure split, it does recommend that the tenure split reflects Paragraph 64 of the NPPF, which states that at least 10% of the homes provided in a development⁵⁰ should be available for affordable home ownership. On this basis, it is recommended that once a HRF for Earls Colne is obtained from Braintree District Council, the tenure split enables at least 10% of all housing (or 25% of the affordable housing tenure split in line with Policy LPP33 – Affordable Housing (40% of housing in new developments should be affordable)) should be provided as affordable home ownership. However, AECOM recommends that this should not come at the expense of the need to ensure around 14 affordable housing for rent dwellings are delivered over the plan period, which is likely remain the priority.</p> <p>An indicative tenure split within Affordable Housing, assuming that Earls Colne’s housing requirement figure is sufficient to meet the needs of households requiring affordable rent, is proposed at 75% affordable rented tenures, and 25% affordable routes to home ownership.</p>

⁵⁰ The NPPF is clear that the 10% forms a part of the overall affordable housing contribution from the site.

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing type and size</p>	<p>Earls Colne’s stock of existing housing is made up of a different dwelling type breakdown to that of Braintree, with slightly more semi-detached homes, and fewer detached and terraced houses. The parish has three times the proportion of detached houses and less than half the proportion of terraced homes as compared with the national average. The housing stock of Earls Colne is similarly characterised by generally large dwellings, with high percentages of homes over four rooms. There has been a significant rise in the number of very large homes of eight or more rooms in Earls Colne, and a decrease in dwellings of two rooms or less.</p> <p>The age profile of Earls Colne’s population is generally older than Braintree and England. There is a higher proportion of people over the age of 65 in the area.</p> <p>However, recent household growth has been focused amongst younger households. Nevertheless, by the end of the plan period, the largest number of households will be aged 65 and over. This suggests the need for housing to accommodate a range of ages and households types in Earls Colne.</p>	<p>New development provides an opportunity to build dwellings that would be appropriate to the needs and financial capabilities of both young households and older households who may wish to downsize.</p> <p>It is recommended that new development might involve a relatively balanced provision of different sizes, prioritising 2 and 3 bedroom homes to meet a wide range of needs.</p> <p>However, the mix of new homes will also need to take into considerations wider factors such as site specific circumstances, viability and the wider objectives of both the Neighbourhood Plan and emerging Braintree Local Plan.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>In Earls Colne, there are 10 residents living in care homes with nursing and 83 in care homes without nursing. There are no specialist dwellings (or bed spaces), for a 2011 population aged 75+ of 407.</p> <p>There are projected to be 793 households in Earls Colne over the age of 75 by the end of the Plan period in 2033.</p> <p>The older population of the parish is expected to grow to a total of 19.3% by 2033, from 11% in 2011. This is a significantly higher proportion than the district as a whole, which is expected to have only 13.6% of residents aged 75 and over by 2033. This trend indicates a future increase in demand for homes that meet the needs of ageing people in the area.</p>	<p>Estimates in this HNA suggest the need for at least 97 specialist dwellings to service the needs of older people over the Plan period, up to a higher bound of 157 units. This suggests there is relatively substantial potential demand for housing with care (eg extra care) in the NA.</p> <p>In practice, much of this need may be met within the mainstream housing stock through adaptations and care and support provided in the home.</p> <p>As a result, AECOM would suggest a key consideration for the neighbourhood planners is whether new mainstream homes (both market and affordable) could be provided to improved accessibility and adaptability standards. It may be possible to apply optional building regulation standards M4(2) and M4(3) to some or all new homes so that they better meet the needs of occupants as they age and need care and support. This could help to ensure that some stock of accessible dwellings is built up over time. The group may wish to discuss this policy option with the LPA as it is likely that Braintree District Council may wish to adopt these standards across the District.</p>
Newly-forming households/first-time buyers	<p>On the basis of ONS Census 2011 data, around 131 individuals aged under 35 had not formed their own household by that year. This represents around 8.4% new households with the potential to form.</p>	<p>It is recommended that neighbourhood planners consider supporting the delivery of tenures within new housing developments that are suitable and affordable housing for younger people. These include affordable forms of renting and entry level market sale homes (or affordable home ownership).</p>

8.2 Recommendations for next steps

231. This Neighbourhood Plan housing needs assessment aims to provide Earls Colne 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 Braintree with a view to agreeing and formulating draft housing policies, bearing the following in mind:

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

characteristics of suitable land, and any capacity work carried out by Braintree, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);

- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for Braintree and the neighbourhood plan areas within it.

232. 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.

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

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

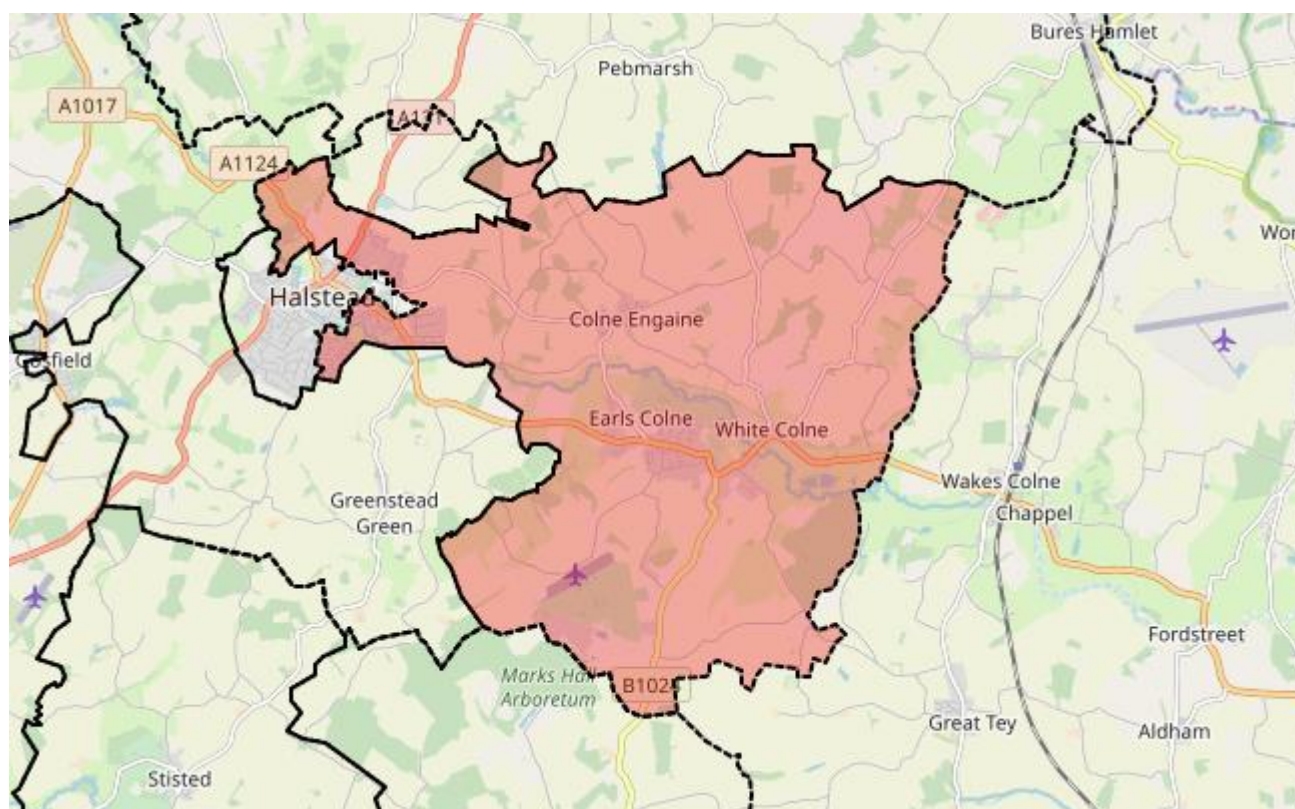
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

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

236. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Earls Colne, it is considered that MSOA E02004451 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02004451 appears below in Figure 8-1.

Figure 8-1: MSOA E02004451 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

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

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

239. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

240. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

241. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
242. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Earls Colne. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
243. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.⁵¹ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.
244. The calculation is therefore:
- Value of an 'entry level dwelling' = £230,625;
 - Purchase deposit = £23,063 @10% of value;
 - Value of dwelling for mortgage purposes = £207,563;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £59,304.**

ii) Private Rented Sector (PRS)

245. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.
246. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,⁵² such a home would require three habitable rooms (a flat or house with two bedrooms).
247. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the CO6 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
248. According to home.co.uk, there are 6 two-bed properties currently listed for rent across the CO6 postcode area, with an average price of £719 per calendar month.
249. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £719 x 12 = £8,630;
 - Multiplied by 4 (so that no more than 25% of income is spent on rent) = £34,520;
 - **Income threshold (private rental sector) = £34,520.**
250. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

⁵¹ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

⁵² This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

A.3 Affordable Housing

251. There are a range of tenures that constitute the definition of Affordable Housing within the 2018 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.
252. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
253. We consider each of the affordable housing tenures in turn.

i) Social rent

254. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
255. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Earls Colne. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Braintree in the table below.
256. To determine the income needed, it is assumed that no more than 25% of income should be spent on rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£81	£96	£104	£120	£97
Annual average	£4,215	£4,967	£5,392	£6,240	£5,047
Income needed	£16,858	£19,868	£21,568	£24,960	£20,188

Source: Homes England, AECOM Calculations

ii) Affordable rent

257. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent in Earls Colne is £8,630. In the event of a 20% reduction in rent to £6,904, the income threshold would reduce to an estimated **£27,616**. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs 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%.

iii) Intermediate tenures

258. Intermediate housing includes homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the affordable housing definition above. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

Discounted market sale

259. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access market housing for purchase.
260. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £230,625.
261. Applying a discount of 20% provides an approximate selling price of £184,500. Allowing for a 10% deposit further reduces the value of the property to £166,050. The income threshold at a loan to income ratio of 3.5 is £47,443.

262. In practice, developers are likely to price discounted market homes in relation to new build prices. When these are discounted by 20% they may not offer any discount on entry level prices in the existing dwelling stock.

Shared ownership

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

264. 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.

265. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £230,625.⁵³ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (as for the income threshold for the private rental sector).

266. A 25% equity share of £230,625 is £57,656 from which a 10% deposit of £5,766 is deducted. The mortgage value of £51,891 (£57,656 - £5,766) is then divided by 3.5. To secure a mortgage of £51,891, an annual income of £14,826 (£51,891/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £172,969. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £4,324 and requires an income of £17,297 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around **£32,123** (£14,826 + £17,297) is required to afford a 25% shared equity purchase of an entry-level home.

267. A 50% equity share of £230,625 is £115,313, from which a 10% deposit of £11,531 may be deducted. The mortgage cost of £103,781 (£115,313 - £11,531) is then divided by 3.5. To secure a mortgage of £103,781, an annual income of £29,652 (£103,781 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, comprising the unsold value of £115,313. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,883, requiring an income of £11,531 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an annual income of around **£41,183** (£29,652 + £11,531) is required to afford a 50% shared equity purchase of an entry-level home.

268. A 75% equity share of £230,625 is £172,969, from which a 10% deposit of £17,297 can be deducted. The mortgage cost of £155,672 (£172,969 - £17,297) is then divided by 3.5. To secure a mortgage of £155,672, an annual income of £44,478 (£155,672 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, comprising the unsold value of £57,656. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,441, requiring an income of £5,766 multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an annual income of around **£50,243** (£44,478 + £5,766) is required to afford a 75% shared equity purchase of an entry-level home.

⁵³ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods⁵⁴.

Age-Restricted General Market Housing

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

⁵⁴ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard⁵⁵

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁵⁶

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)⁵⁷

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

Equity Loans/Shared Equity

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

⁵⁵ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

⁵⁶ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁵⁷ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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

Extra Care Housing or Housing-With-Care

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

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 years⁵⁸, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

⁵⁸ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁵⁹

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

⁵⁹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent 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.⁶⁰

⁶⁰ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

