

Arnesby

Housing Needs Assessment (HNA)

March 2023

Quality information

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Table of Contents

1. Executive Summary.....	6
Tenure and Affordability Conclusions	6
Type and Size Conclusions	8
Specialist Housing for Older People Conclusions	9
2. Context.....	11
Local context	11
The NA boundary and key statistics	11
The housing market area context.....	12
Planning policy context.....	13
Quantity of housing to provide.....	14
3. Objectives and approach.....	15
Objectives	15
Affordability and Affordable Housing	15
Type and Size	15
Specialist Housing for Older People.....	16
Approach.....	16
4. Affordability and Affordable Housing.....	18
Introduction	18
Definitions	18
Current tenure profile	19
Affordability	20
House prices	20
Income	21
Affordability Thresholds.....	22
Estimates of the need for Affordable Housing	26
Evidence in the HENA.....	26
Additional evidence of Affordable Housing needs	27
Affordable Housing policies in Neighbourhood Plans.....	27
Application of Local Plan policies	27
Affordable Housing at Neighbourhood level	28
Conclusions- Tenure and Affordability	30
5. Type and Size.....	32
Introduction	32
Definitions	32
The current housing mix.....	33
Dwelling type.....	33
Dwelling size	34
Population characteristics	35
Age.....	35
Household composition and occupancy	36
Future population and size needs	38
Age.....	39
Tenure	41
Type	42
Conclusions- Type and Size.....	43

6.	Specialist housing for older people	45
	Introduction	45
	Definitions	46
	Specialist housing for older people.....	46
	Demographic characteristics	47
	Future needs for specialist accommodation and adaptations.....	48
	Further considerations.....	49
	Care homes.....	50
	The Role of Mainstream Housing	51
	Conclusions- Specialist Housing for Older People	53
7.	Next Steps	55
	Recommendations for next steps	55
	Appendix A : Assessment geography	56
	Appendix B : Local Plan context.....	59
	Policies in the adopted local plan	59
	Appendix C : Affordability calculations.....	62
C.1	Market housing	62
i)	Market sales	62
ii)	Private Rented Sector (PRS).....	63
C.2	Affordable Housing	64
i)	Social rent.....	64
ii)	Affordable rent	64
iii)	Affordable home ownership	65
	Appendix D : Affordable Housing estimates	70
	Appendix E : Specialist housing for older people	74
	Background data tables.....	74
	Appendix F : Housing Needs Assessment Glossary	76

List of acronyms used in the text:

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

1. Executive Summary

1. Arnesby is a Neighbourhood Area (NA) located in the district of Harborough. The NA boundary covers the areas administered by Arnesby Parish Council (APC).
2. The 2021 Census data which records 351 individuals living in Arnesby, indicating a decrease of 6 individuals between 2011 and 2021 (-1.6%).
3. There has been some development in Arnesby in recent years. Harborough District Council has provided data showing that four new homes have been built since 2011. Of these, none of were delivered as Affordable Housing. The current total number of dwellings in the NA is therefore estimated to be 137. As of April 2022, outstanding commitments (dwellings on sites with planning permission) totalled three homes.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Neighbourhood Plan Steering Group at the outset of the research.
5. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and Office for National Statistics (ONS) parish projections where necessary to build up evidence at the neighbourhood level.

Tenure and Affordability Conclusions

Current tenure profile

6. In 2021, 87.4% of households in Arnesby owned their own home. The proportion is significantly higher than both Harborough (75.8%) and England as a whole (61.3%). The NA has a notably small proportion of households living in affordable tenures, with households social renting accounting for 6.3% of the NA's tenure mix and no households living in shared ownership dwellings.

Affordability

7. This section identified that between 2013 and 2021, the median house price grew by 137.5% to £535,000, although this value peaked in 2020 at £550,000. The lower quartile house price also grew by 82.5% in the same period to £400,000 in 2021, again peaking in 2020 at £470,000.
8. NA prices are higher than the house prices across Harborough, with the median Harborough house price in 2021 being £312,500 compared to £535,000 in the NA. This suggests that the NA is a particularly high-value area (as noted by the Steering Group) and reflects the high number of larger and detached homes in the NA. Using ONS's annual estimates of UK employee earnings, it is clear that

there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

The need for Affordable Housing

9. Arnesby has clear affordability challenges issues, with the median house price requiring an annual income more than double the current average.
10. Private renting is generally only affordable to average earners, with households with two lower quartile earners able to afford entry-level market rents.
11. Looking at affordable home ownership options, it is recommended that First Homes are delivered at a 50% discount in the NA. Although this does not make the product affordable to any of the income groups assessed, it would extend home ownership to households with an income of £56,777 (compared to median house prices requiring an income of £137,571). Shared ownership appears slightly more affordable than First Homes, with shared ownership at 10% equity accessible to households on mean incomes.
12. Rent to Buy may be useful for households who lack sufficient deposits rather than sufficient incomes. If Rent to Buy is offered at a discount to entry level rents, this would expand home ownership quite significantly, including households with two lower quartile earners.
13. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Arnesby as the only option for a large segment of those in the greatest need and would be affordable to all income groups assessed.

Affordable Housing policy

14. Arnesby has not been provided with a housing delivery allocation in the Local Plan. Harborough District Council's adopted policy on this subject requires 40% of all new housing to be affordable. Given that there has been no Affordable Housing delivery in the last decade according to Harborough District Council completions figures, it is understood that this target is not usually met on sites in the NA.
15. A HENA was undertaken for Leicester & Leicestershire in 2022, calculating the need for social/affordable rented and affordable home ownership tenures across the local authority area. When the HENA figures are pro-rated to Arnesby this equates to a need for 1.6 affordable homes per annum or 12.8 over the plan period. When this is broken down to consider affordable rent and affordable sale, this equates to 7.4 and 5.4 homes respectively over the plan period.
16. AECOM suggests an indicative mix for the tenure split of Affordable Housing in the NA. A 70% rent to 30% ownership split is suggested for Arnesby. This mix aims to provide a balance between meeting the most acute needs (affordable rented tenures) whilst also increasing accessibility to home ownership. Looking specifically at affordable home ownership, it is suggested that First Homes are delivered at the national requirement level, at a 50% discount.

17. Assuming it can be offered at the appropriate discount level (10% equity), it is recommended that shared ownership features in the tenure mix (5% of all Affordable Housing) in order to provide variety and increase accessibility to home ownership. Due to the need to prioritise affordable rented tenures in the NA, Rent to Buy is not featured in the tenure mix.

Type and Size Conclusions

The current housing mix

18. Detached dwellings were the most common dwelling type in both 2011 and 2021, clearly representing the majority of housing in the NA. There was a marginal increase in the proportion of semi-detached and terraced dwellings over the last decade, however the proportion of flats remained notably very low at only 0.7%. Valuation Office Agency (VOA) data also illustrates that bungalows made up approximately 12.2% of accommodation types in the NA in 2021.
19. Turning to dwelling size, the proportion of 4+ bedroom dwellings increased over the time period 2011-2021, whilst the proportion of 2- and 3-bedroom dwellings decreased. The NA exhibits a significantly lower proportion of 1-bedroom dwellings than the district and England, with significantly higher proportion of 4+ bedroom dwellings.

Population characteristics

20. In 2011, the greatest proportion of the population was aged 45-64 in Arnesby, at 40.6% of the population, followed by those aged 65-84 at 16.5%. These age categories remain the greatest in 2021, at 37.9% and 21.1% respectively. There was a notable increase (of 25.4%) in the number of residents aged 65-84 between 2011 and 2021, and also notable declines in the number of people aged 0-64, indicative of an aging population. This sentiment is reinforced by the Steering Group, who also perceive that the NA is aging.
21. The issue of an ageing population is a key concern for residents, who perceive that action needs to be taken to encourage younger households to remain in (or move to) the area. Targeting future delivery towards smaller-sized dwellings will be the best approach from a housing perspective to attract younger households, many of whom are perceived to be forced out of the Parish due to concerns over affordability and availability of appropriate housing stock. In addition to appropriately sized dwellings, the Parish should also consider the necessary improvements to local infrastructure that supports younger households (such as education services) in their Neighbourhood Plan to encourage a sustainable, well-balanced community.
22. This chapter identified an overall trend of under-occupancy in Arnesby, with 90.1% of households living in a dwelling with at least one extra bedroom compared to their household size. This is most common in families aged 65+, families under 65 with no children, and single persons aged under 65. This may suggest that larger housing within Arnesby is being occupied by households with the most wealth rather than the largest households.

23. Focussing development on smaller dwellings may free up some mid to larger sized dwellings when older households occupying larger dwellings downsize. The model (Table 5-9) in this chapter suggests that it would be appropriate for there to be an increase in the proportion of smaller and mid-sized dwellings Arnesby by the end of the plan period. In order to reach the suggested mix it is recommended that 51.4% of new development is for 3-bedroom dwellings and 34.1% is for 2-bedroom dwellings. The modelling also suggests that no further provision of large 4+ bedroom dwellings is required.

Future population and size needs

24. Future population growth can be expected to be driven by the oldest households, with a household reference person aged 65 and over expected to increase by 71% between 2011 and 2031.
25. AECOM modelling suggests that by the end of the plan period there should be an increase in the proportion of smaller and mid-sized dwellings in the NA, with no further provision of large 4+ bedroom dwellings. However, as discussed in the main report, it is not always necessary or appropriate to completely limit the delivery of larger dwellings in the NA.
26. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

Specialist Housing for Older People Conclusions

27. This chapter showed there are no units of specialist accommodation in the NA at present. 2021 Census data suggests that there are currently around 44 individuals aged 75 or over in Arnesby. Individuals aged 75+ are expected to increase by 18 individuals between 2021 and 2031 and account for a larger share of the population mix (from 12.5% to 16.4%).
28. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
29. These two methods of estimating the future need in Arnesby produce a range of 4 to 5 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
30. In particular, the AECOM estimate of specialist housing need in Arnesby suggests a split of 2 market houses with care, 1 market house (with adaptations,

- sheltered, or retirement living) and 1 affordable house (with adaptations, sheltered, or retirement living), that could be provided the end of the Plan period.
31. There is no specific supply of specialist housing designated through local plan allocations in Arnesby. It is considered that Arnesby's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Arnesby entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in suitable nearby settlements such as Fleckney.
 32. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). Based on this rate and the expected increase of 18 individuals aged 75+ between 2021 and 2031, it is estimated that in 2031 there would be a need for 1 additional care home bed in the NA compared to 2021. Some of the need for care home beds might be met by independent housing accommodation and vice versa. However it should be noted that this can only be achieved by extending the existing care home.
 33. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development.
 34. The Local Plan requires housing development on sites capable of providing 100 dwellings or more to meet Category M4(2) in 4% of dwelling proposed. However, based on previous delivery rates it is unlikely that a site of this size would come forward in the NA. The evidence presented in the HNA may justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability.

2. Context

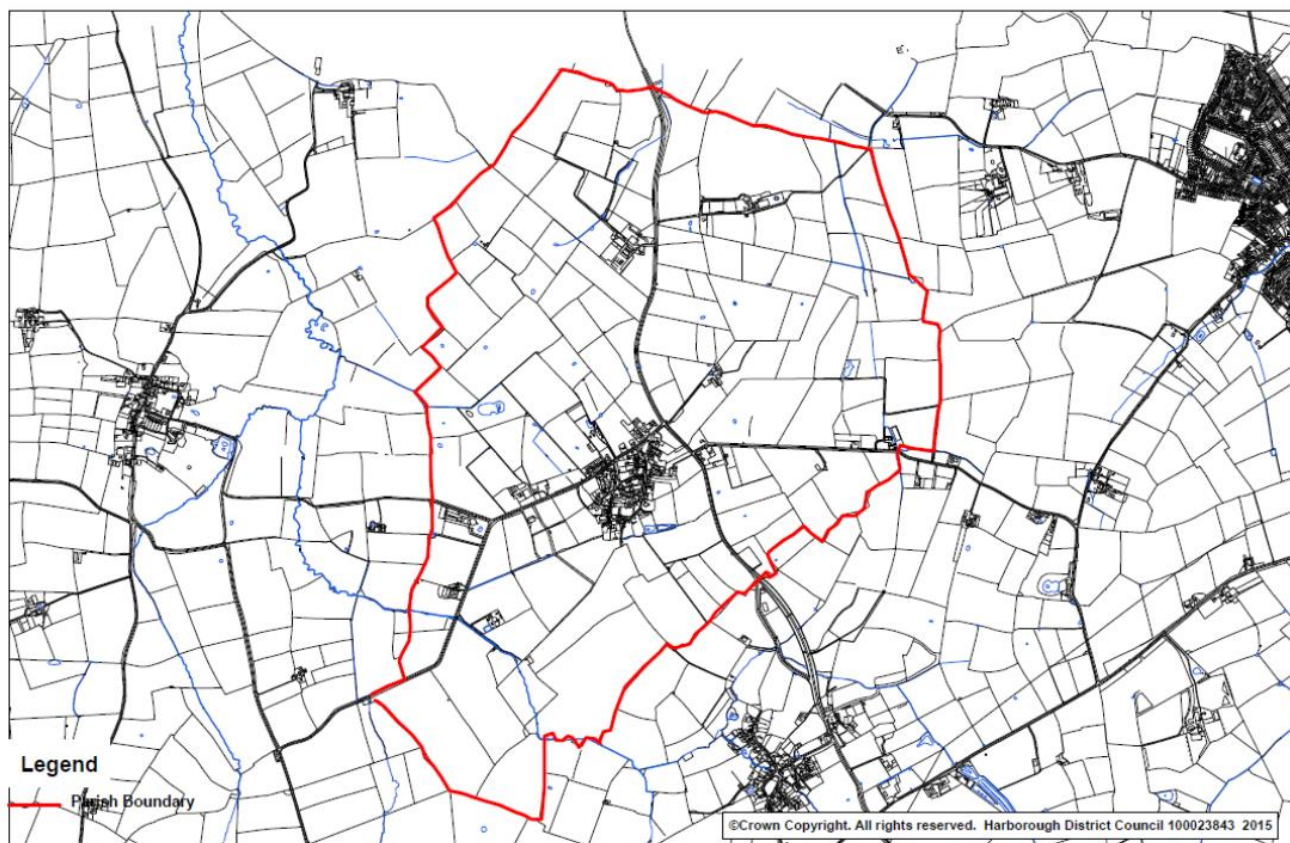
Local context

35. Arnesby is a NA located in the district of Harborough in Leicestershire. The NA boundary is delineated by the parish boundary and was designated in 2016.
36. The Neighbourhood Plan is envisaged to start in 2023 and extends to 2031, therefore covering a period of 8 years. The evidence supplied in this report will look forward to the Plan end date of 2031, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
37. Arnesby is a conservation village with 14 listed buildings and limited number of community facilities including two churches and the Arnesby Church of England Primary School. Arnesby is situated approximately eight miles south of the centre of Leicester, with the centre of the settlement lying west of the A5199 and south of Lutterworth Road. The Steering Group have noted that there is currently no bus service, with no shops or similar services. In terms of character, the NA is compact in nature with narrow roads and predominantly cottage style housing.
38. In order to gain more information about the community's thoughts about sites and the proposed number of houses, a questionnaire was produced and distributed to all households in the NA. There were 135 responses to the questionnaire, representing a return from over 46% of the adult population of 292. The responses to the questionnaire confirmed that the community's views are mixed in relation to the numbers of new housing needed in the Parish in the coming years¹, explored further in the report.

The NA boundary and key statistics

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

¹ APC (2019) Resident Questionnaire available at: [Arnesby Neighbourhood Plan | Harborough District Council](#)

Figure 2-1: Map of the Arnesby Neighbourhood Area

Source: *Harborough District Council*²

40. At the time of the 2011 Census the NA was home to 357 residents, formed into 142 households and occupying 143 dwellings. 2021 Census data which records 351 individuals living in Arnesby, indicating a decrease of 6 individuals between 2011 and 2021 (-1.6%).
41. At the time of writing, the 2021 Census data for the number of dwellings at a local level has not yet been released. An information request was submitted to Harborough Council, which identified the total housing completions between 2011 and 2022 to be four. The is low level of development broadly aligns with the small scale of the parish and the population change mentioned above.

The housing market area context

42. Whilst this HNA focuses on Arnesby NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
43. In the case of Arnesby, the NA sits within a housing market area of Leicester and Leicestershire which covers the administrative areas of nine local authorities including Blaby, Charnwood, Harborough, Hinckley and Bosworth, Leicester,

² Available at [Arnesby Neighbourhood Plan | Harborough District Council](#)

Melton, Northwest Leicestershire, and Oadby and Wigston. This means that when households who live in these authorities move home, the vast majority move within this geography. In particular, the housing market area has links to the neighbouring areas of Rutland to the east and Warwickshire to the west.

44. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Arnesby, are closely linked to other areas. In the case of Arnesby, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. For example there are neighbouring towns with expansion planned (the development of almost 50 homes in Whetstone is underway, which is circa 7 km from Arnesby), or regeneration strategies which might meet some of the needs or demand of the NA.
45. In summary, Arnesby functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Harborough District Council), it is therefore useful to think about the role of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

46. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of Harborough District Council, the relevant adopted Local Plan consists of the Harborough Local Plan 2011-2031⁴, adopted in April 2019. This document sets out the vision, objectives, spatial strategy, and planning policies for Harborough up to 2031.
47. In July 2021 the Council's Cabinet took the decision to begin the preparation of a new Local Plan for Harborough. The Local Development Scheme⁵, approved in July 2022, outlines that the new Local Plan is expected to be adopted in April 2026, with Regulation 18 consultation expected to take place in autumn 2023.
48. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the adopted Local Plan:
 - Policy H1 makes provision for a minimum of 12,800 dwellings from 2011 to 2031. Of this, about 8,792 dwellings have already been built or committed (through the granting of planning permission, or through allocation in neighbourhood plans) with a further 225 anticipated on windfall sites. Policy H1 therefore provides housing land for a minimum of a further 3,975 dwellings.;

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

⁴ Available at https://www.harborough.gov.uk/downloads/file/5714/harborough_local_plan_2011-2031_-_adopted_april_2019

⁵ Available at https://www.harborough.gov.uk/downloads/file/7243/local_development_scheme_july_2022

- The Local Plan establishes a hierarchy of settlements to help to determine the most appropriate locations for development. On the basis of this hierarchy, Arnesby is classified as an 'Other Village or Rural Settlement' which the Local Plan describes as 'the least sustainable locations for growth. A4L_Arnesby shows no housing allocations (H1) or commitments for Arnesby parish.
- Policy H2 states that 40% of all new dwellings are expected to be delivered as Affordable Housing on sites larger than 10 homes. The suggested tenure mix within Affordable Housing is 75% affordable rent to 25% affordable home ownership;
- Policy H5 states that housing development on sites capable of providing 100 dwellings or more, should meet the accessible and adaptable standards in Building Regulations, Part M4(2) Category 2, in 4% of dwellings proposed.

Quantity of housing to provide

49. The NPPF 2021 (paragraphs 66 and 67) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
50. Harborough District Council has fulfilled that requirement but have provided Arnesby with figure of 0 dwellings to be accommodated within the NA by the end of the Plan period.

3. Objectives and approach

Objectives

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

Affordability and Affordable Housing

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

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

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

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

Type and Size

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

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

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

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

Specialist Housing for Older People

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

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

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

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

Approach

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

- Other ONS datasets providing more up-to-date demographic information at the neighbourhood level;
- ONS population and household projections for future years;
- VOA data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk)
- Local Authority housing waiting list data; and
- Leicester & Leicestershire (including Harborough) Housing & Economic Needs Assessment (2022).

62. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, VOA data, and ONS parish projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

Introduction

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

Definitions

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

product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁶

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

Current tenure profile

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

68. Table 4-1 presents data on tenure in Arnesby compared with Harborough and England from the 2021 Census. It shows that the majority of households in the NA (87.4%) owned their own home, significantly higher than both Harborough (75.8%) and England as a whole (61.3%). Whilst the larger geographies show 1-2% of households living in shared ownership dwellings, there was no provision in Arnesby in 2021. The NA also had a significantly lower proportion of households living in private rented housing (6.3%) than both Harborough (13.5%) and England (20.6%). Arnesby and Harborough both had significantly lower proportions of social rented housing than that exhibited nationally.

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

Tenure	Arnesby	Harborough	England
Owned	87.4%	75.8%	61.3%
Shared ownership	0.0%	2.0%	1.0%
Social rented	6.3%	8.7%	17.1%
Private rented	6.3%	13.5%	20.6%

Sources: Census 2021, AECOM Calculations

69. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). In Arnesby the private rented sector grew by 50.0% in this time period, from 6 households living in private rented dwellings in 2011 to 9 in 2021. This level of growth that is significantly higher than the growth across Harborough (38.9%) and England (20.3%) and may reflect the lack of purchasing power from younger residents resulting in the need to rent. The Steering Group also perceive that the NA has an above average market value of dwellings which may make it more difficult for residents to own properties within Arnesby. This is reinforced by the slight decline in the number of households owning their own home in the NA over the last decade (-0.7%). Also of note is the district level of growth in households living in shared ownership dwellings of 94.4% between 2011 and 2021. None of this growth took place in Arnesby, with no households living in shared ownership dwellings in both years.

⁶ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

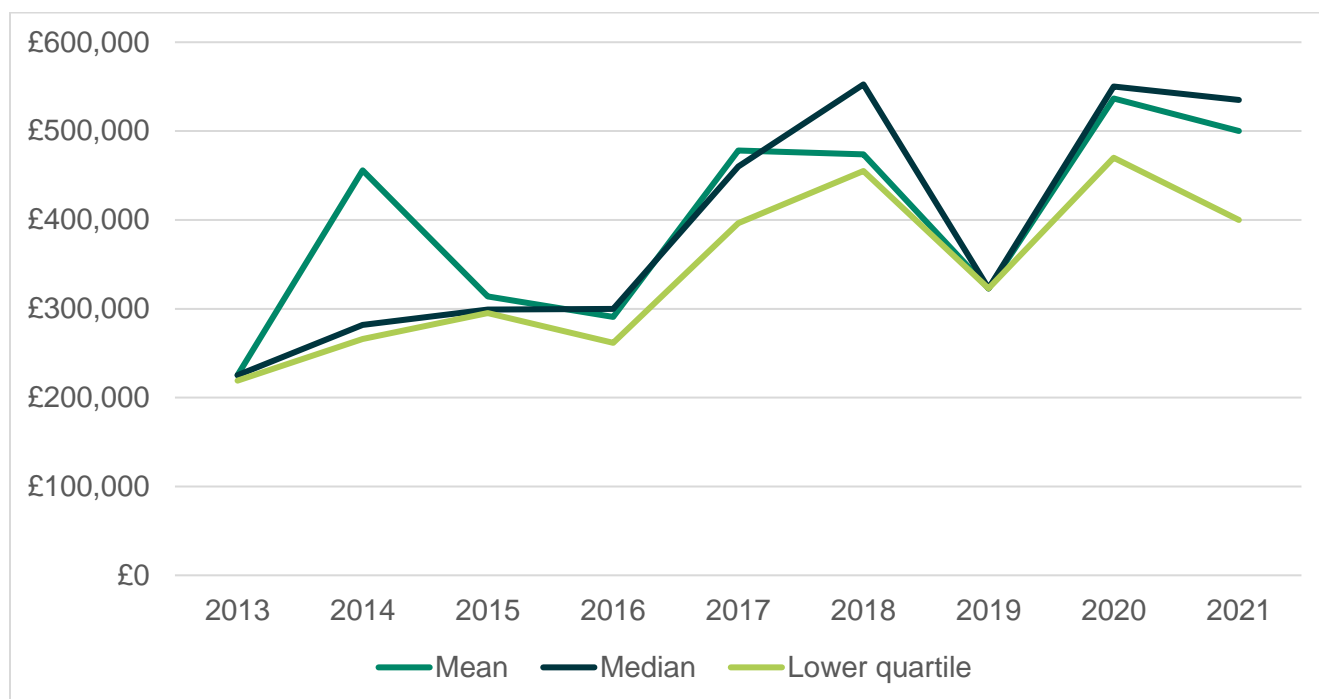
Tenure	2011	2021	% change
Owned	126	125	-0.7%
Shared ownership	0	0	0.0%
Social rented	7	9	+28.6%
Private rented	6	9	+50.0%

Sources: Census 2021 and 2011, AECOM Calculations

Affordability

House prices

70. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
71. Figure 4-1 looks at the average and lower quartile house prices in Arnesby based on sales price data published by the Land Registry. There were no property sales in Arnesby in 2012 and so this data has been removed from the graph so as not to skew the distribution.
72. The median, which is the middle number when you sort the data from smallest to largest, and the lower quartile which is the middle figure of the lowest 50% of prices and a good representation of entry-level housing have both displayed an overall increase, with a fairly high level of fluctuation (likely due to small sample sizes), especially since 2014. There was a clear drop in house prices between 2018 and 2019, with lower quartile prices falling to £323,000, before rapidly increasing 2020 to £470,000 and then falling marginally to £400,000 in 2021.
73. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median, this is reflected in all recorded year apart from 2019 when all measured featured approximated £323,000.
74. Between 2013 and 2021 the median house price grew by 137.5% to £535,000, although peaked in 2020 at £550,000. The lower quartile house price grew by 82.5% in the same period to £400,000 in 2021, again peaking in 2020 at £470,000.
75. The NA prices are higher than the house prices across Harborough, with the median Harborough house price in 2021 being £312,500 compared to £535,000 in the NA. This suggests that the NA is a particularly high-value area (as noted by the Steering Group) and reflects the high number of larger and detached homes in the NA.

Figure 4-1: House prices by quartile in Arnesby, 2013-2021

Source: Land Registry PPD

76. Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that the median house price growth was not equal across house types. There were no flat transactions between 2012 and 2021, not unusual for small rural areas that often have very little stock of flats. Between 2013 and 2021 detached dwellings saw the most growth, at 128.4%.

77. Although there was overall house price growth, there was some year-on-year fluctuation, more common in small sample sizes, and indicating that dwelling type is not the only factor affecting price. In small samples factors such as the size, condition, and location of the dwelling within the NA will have a greater impact on price.

Table 4-3: Median house prices by type in Arnesby, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	-	£237,500	£558,500	£290,500	£350,000	£492,500	£552,500	-	£550,000	£542,500	128.4%
Semi-detached	-	-	£249,995	-	-	-	-	-	-	-	-
Terraced	-	£213,000	-	£298,950	£261,500	£350,000	-	£323,000	-	£240,000	12.7%
Flats	-	-	-	-	-	-	-	-	-	-	-
All Types	-	£225,250	£282,000	£298,950	£300,000	£460,000	£552,500	£323,000	£550,000	£535,000	137.5%

Source: Land Registry PPD

Income

78. 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.

79. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £52,900 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.
80. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Harborough District Council's gross individual lower quartile annual earnings were £17,982 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,964.
81. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

82. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
83. AECOM has determined thresholds for the income required in Arnesby to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.
84. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.
85. Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether

housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £52,900	Affordable on LQ earnings (single earner)? £17,982	Affordable on LQ earnings (2 earners)? £35,964
Market Housing						
Median House Price	£481,500	-	£137,571	No	No	No
Estimated NA New Build Entry-Level House Price	£397,440	-	£113,554	No	No	No
LQ/Entry-level House Price	£360,000	-	£102,857	No	No	No
LA New Build Median House Price	£310,500	-	£88,714	No	No	No
Average Market Rent	-	£13,116	£43,720	Yes	No	No
Entry-level Market Rent	-	£9,828	£32,760	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£278,208	-	£79,488	No	No	No
First Homes (-40%)	£238,464	-	£68,133	No	No	No
First Homes (-50%)	£198,720	-	£56,777	No	No	No
Shared Ownership (50%)	£198,720	£5,520	£75,177	No	No	No
Shared Ownership (25%)	£99,360	£8,280	£55,989	No	No	No
Shared Ownership (10%)	£39,744	£9,936	£44,475	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,678	£18,907	Yes	Marginal	Yes
Social Rent	-	£4,770	£15,886	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

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

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

Affordable home ownership

89. There is a relatively large group of households in Arnesby who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £32,760 per year (at which point entry-level rents become affordable) and £102,857 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
90. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
91. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Table 4-4 shows that none of the discount levels make First Homes accessible to households on average incomes, or households with one or two lower quartile earners. However, First Homes still significantly extend home ownership potential in the NA. It is recommended (subject to viability) that First Homes are delivered at a 50% discount in the NA, which would extend home ownership to households with an income of £56,777 (compared to median house prices requiring an income of £137,571). First Homes at a 30% and 40% discount would likely not be appropriate in the NA as the discounted prices are above the cap of £250,000.
92. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Arnesby Steering Group intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.
93. Shared ownership appears to be slightly more affordable than First Homes and at a 10% equity share is accessible to households on mean incomes. Government has recently announced that the minimum equity share for shared

ownership will fall to 10% of the property value.⁷ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

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

⁷ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

Affordable rented housing

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

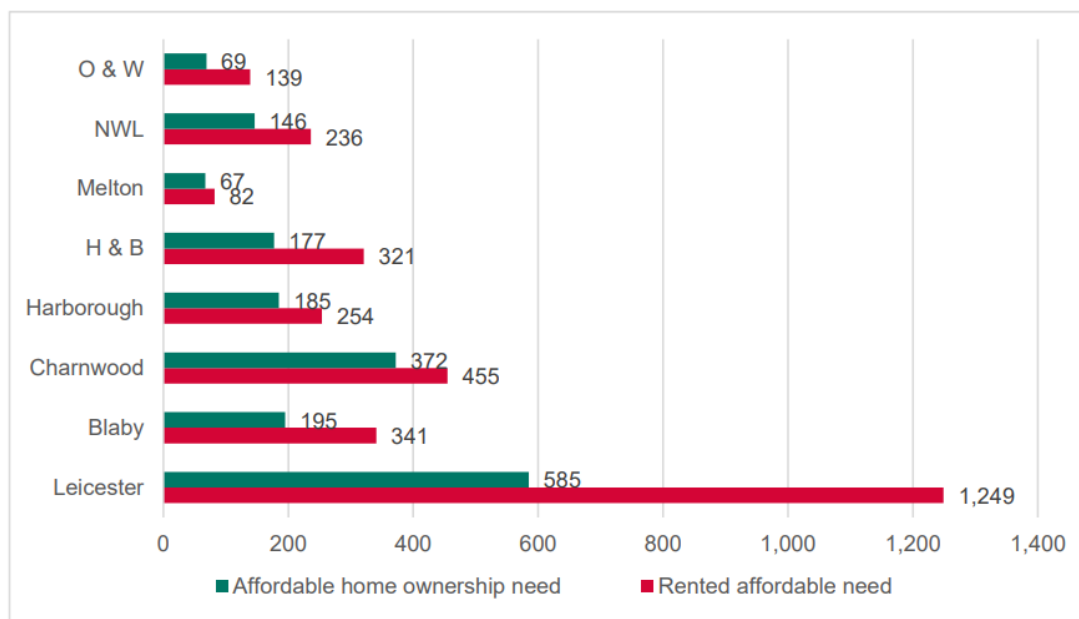
Estimates of the need for Affordable Housing

Evidence in the HENA

99. A Housing & Economic Needs Assessment (HENA) was undertaken for Leicester & Leicestershire in 2022. This study estimates the need for affordable housing in the county based on analysis of the Council's housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
100. The HENA identifies the need for 254 additional affordable rented homes (57.9%) and 185 affordable home ownership dwellings (42.1%) each year in Harborough as a whole.
101. When the HENA figures are pro-rated to Arnesby based on its fair share of the population (0.36% of Harborough's population based on 2021 Census data), this equates to 1.6 homes per annum or 12.8 homes over the Neighbourhood Plan period (2023-2031). When this is broken down to consider affordable rent and affordable sale, this equates to 7.4 and 5.4 homes, respectively, over the plan period.
102. However, pro-rating district level estimates of affordable housing need to rural areas presents problems in practice. The Local Authority level figures are likely to represent higher needs in urban areas where there is a large social housing stock and larger numbers of households living in private rented homes on

housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural parishes like Arnesby the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Arnesby. As shown in Figure 4-2 the nearby city of Leicester requires the majority of rented affordable need across the county.

Figure 4-2: Annual Affordable Housing Need (HENA)



Source: *Leicester & Leicestershire Housing & Economic Needs Assessment*

Additional evidence of Affordable Housing needs

103. Housing Register data provided by Harborough District Council indicates that the greatest proportion of households are in need of 1- and 2-bedroom dwellings (76.4%). However this data pertains specifically to Dunton Ward, which includes Arnesby, but also incorporates the villages as far west as Dunton Bassett and as far south as Peatling Parva. Approximately 12.7% of applicants had at least one household member that was 55 or older.

Affordable Housing policies in Neighbourhood Plans

Application of Local Plan policies

104. Harborough District Council's adopted policy on this subject Policy H2 (Affordable Housing) requires 40% of all new housing to be affordable. Given that Affordable Housing made up 0% of new housing in Arnesby over the last decade according to Harborough District Council completions figures, it is understood that this target is not usually met on sites in the NA.

105. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.
106. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is specified as 75% affordable or socially rented and 25% low-cost home ownership products in the adopted Local Plan.

Affordable Housing at Neighbourhood level

107. The HNA can provide more localised evidence, and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Arnesby on the basis of identified housing need and a range of other considerations detailed in Appendix D.
108. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here, the proportion of households living in social rented households is low, and the severe affordability challenges in the NA. In this context, affordable rented tenures should be prioritised. The Local Plan guideline mix of 75% rented to 25% ownership appears to offer a starting point which complies with the various minimum requirements mandated nationally. However, this HNA recommends that for Arnesby the split between affordable rented and affordable home ownership tenures is 30/70.
109. Looking specifically at affordable home ownership, as First Homes appears the least affordable route to home ownership in the NA, it should be delivered at the national requirement level, at 25% of Affordable Housing delivered. It is recommended that this product is delivered at a 50% discount.
110. Assuming it can be offered at the appropriate discount level (10% equity), it is recommended that shared ownership features in the tenure mix (5% of all Affordable Housing) in order to provide variety and increase accessibility to home ownership. Due to the need to prioritise affordable rented tenures in the NA, Rent to Buy is not featured in this tenure mix.
111. Where the Steering Group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Harborough District Council to determine what additional evidence (notably about development viability) may

be needed, and to ensure that departures from the local policy context have their support.

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

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	30%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	70%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current tenure profile

112. In 2021, 87.4% of households in Arnesby owned their own home. The proportion is significantly higher than both Harborough (75.8%) and England as a whole (61.3%). The NA has a notably small proportion of households living in affordable tenures, with households social renting accounting for 6.3% of the NA's tenure mix and no households living in shared ownership dwellings.

Affordability

113. This section identified that between 2013 and 2021, the median house price grew by 137.5% to £535,000, although this value peaked in 2020 at £550,000. The lower quartile house price also grew by 82.5% in the same period to £400,000 in 2021, again peaking in 2020 at £470,000.

114. NA prices are higher than the house prices across Harborough, with the median Harborough house price in 2021 being £312,500 compared to £535,000 in the NA. This suggests that the NA is a particularly high-value area (as noted by the Steering Group) and reflects the high number of larger and detached homes in the NA. Using ONS's annual estimates of UK employee earnings, it is clear that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

The need for Affordable Housing

115. Arnesby has clear affordability challenges issues, with the median house price requiring an annual income more than double the current average.

116. Private renting is generally only affordable to average earners, with households with two lower quartile earners able to afford entry-level market rents.

117. Looking at affordable home ownership options, it is recommended that First Homes are delivered at a 50% discount in the NA. Although this does not make the product affordable to any of the income groups assessed, it would extend home ownership to households with an income of £56,777 (compared to median house prices requiring an income of £137,571). Shared ownership appears slightly more affordable than First Homes, with shared ownership at 10% equity accessible to households on mean incomes.

118. Rent to Buy may be useful for households who lack sufficient deposits rather than sufficient incomes. If Rent to Buy is offered at a discount to entry level rents, this would expand home ownership quite significantly, including households with two lower quartile earners.

119. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Arnesby as the only option for a large segment of those in the greatest need and would be affordable to all income groups assessed.

Affordable Housing policy

120. Arnesby has not been provided with a housing delivery allocation in the Local Plan. Harborough District Council's adopted policy on this subject requires 40% of all new housing to be affordable. Given that there has been no Affordable Housing delivery in the last decade according to Harborough District Council completions figures, it is understood that this target is not usually met on sites in the NA.
121. A HENA was undertaken for Leicester & Leicestershire in 2022, calculating the need for social/affordable rented and affordable home ownership tenures across the local authority area. When the HENA figures are pro-rated to Arnesby this equates to a need for 1.6 affordable homes per annum or 12.8 over the plan period. When this is broken down to consider affordable rent and affordable sale, this equates to 7.4 and 5.4 homes respectively over the plan period.
122. AECOM suggests an indicative mix for the tenure split of Affordable Housing in the NA. A 70% rent to 30% ownership split is suggested for Arnesby. This mix aims to provide a balance between meeting the most acute needs (affordable rented tenures) whilst also increasing accessibility to home ownership. Looking specifically at affordable home ownership, it is suggested that First Homes are delivered at the national requirement level, at a 50% discount. Assuming it can be offered at the appropriate discount level (10% equity), it is recommended that shared ownership features in the tenure mix (5% of all Affordable Housing) in order to provide variety and increase accessibility to home ownership. Due to the need to prioritise affordable rented tenures in the NA, Rent to Buy is not featured in the tenure mix.

5. Type and Size

Introduction

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

Definitions

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

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

The current housing mix

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

Dwelling type

129. Table 5-1 below shows the breakdown of dwelling types in Arnesby in both 2011 and 2021. Detached dwellings are the most common type in both 2011 and 2021, clearly representing the majority of housing in the NA. There was a marginal increase in the proportion of semi-detached and terraced dwellings over the last decade, however the proportion of flats remained fixed (and are notably very low at only 0.7%, not unusual in rural areas).

130. Unfortunately Census data cannot be used to fully understand the dwelling mix in the NA because it counts bungalows within each of the other categories rather than independently (generally within the detached and semi-detached categories). Although Census data does not capture the proportion of bungalows, this can be derived from Valuation Office Agency (VOA) data (although for a slightly wider proxy area) which illustrates that bungalows make up approximately 12.2% of dwellings. This figure is comparable to LPA proportions but slightly higher than the national average of 9.2%.

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

Dwelling type	2011	%	2021	%
Detached	85	59.4%	82	56.9%
Semi-detached	38	26.6%	40	27.8%
Terrace	18	12.6%	20	13.9%
Flat	1	0.7%	1	0.7%
Total	143	100.0%	144	100.0%

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

131. Table 5-2 compares the NA mix to wider benchmarks. It shows that the NA had a significantly higher proportion of detached dwellings than Harborough and

England (48.8% and 22.9% respectively). This may be in part due to a greater proportion of bungalows in the NA than nationally, as discussed above. The heavy weighting of detached housing in Arnesby means that the proportions of all other housing types are lower than (or equal to) the district and country. The proportion of semi-detached and terraced dwellings in Arnesby was slightly below district levels, but more significantly so when comparing the NA to England. This is particularly evident for the proportion of flats, when compared to England (22.2%), although this is not unusual in rural parishes.

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

Dwelling type	Arnesby	Harborough	England
Detached	56.9%	48.8%	22.9%
Semi-detached	27.8%	29.2%	31.5%
Terrace	13.9%	14.4%	23.0%
Flat	0.7%	7.0%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling size

132. Table 5-3 below presents the 2021 housing mix in terms of size. It shows that the proportion of 4+ bedroom dwellings increased over the time period 2011-2021, whilst the proportion of 2 and 3-bedroom dwellings decreased. It is possible that extensions may be the cause of this change. In both years the greatest proportion of dwellings were 4+ bedroom dwellings, followed by 3-bedrooms, with little provision of the smallest 1-bedroom dwellings, which remained at 2.8% in across both measured years.

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

Number of bedrooms	2011	%	2021	%
1	4	2.8%	4	2.8%
2	24	16.9%	23	15.9%
3	43	30.3%	42	29.0%
4+	71	50.0%	76	52.4%
Total	142	100.0%	145	100.0%

Source: ONS 2021 and 2011, AECOM Calculations

133. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-4 shows that in the NA and district, 4+ bedroom dwellings were the most common dwelling size, with the weighting significantly higher in Arnesby than Harborough. Across England 3-bedroom dwellings were the most common. The proportion of 2-bedroom dwellings in the NA (15.9%) was below the proportion across Harborough (21.6%) and England (27.3%). The NA also had a significantly lower proportion of 1-bedroom dwellings than the district and England.

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

Number of bedrooms	Arnesby	Harborough	England
1	2.8%	5.7%	11.6%
2	15.9%	21.6%	27.3%
3	29.0%	35.9%	40.0%
4+	52.4%	36.8%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

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

Age

135. Table 5-5 shows the 2021 Census data, alongside 2011 Census figures, for the age profile of Arnesby. In 2011 the greatest proportion of the population was aged 45-64 in Arnesby, at 40.6% of the population, followed by those aged 65-84 at 16.5%. These age categories remain the greatest in 2021, at 37.9% and 21.1% respectively. Between 2011-2021 several age categories experienced a decline, including the 0-15, 25-44, and 45-64 age brackets, with the number of people falling within these age categories decreasing by 15.1%, 14.5% and 8.3% respectively. All other age categories grew over the same period with the 65-84 and the 85 and over age categories exhibiting a significant increase, at 25.4% and 20.0%, respectively. This is indicative of an aging population in the NA, with the large decline of the young working age population (25-44) potentially due to the high house prices, lack of Affordable Housing, and small private rented sector in Arnesby. The Steering Group perceive this to be a key issue in the area.

Table 5-5: Age Category Breakdown for the Arnesby NA

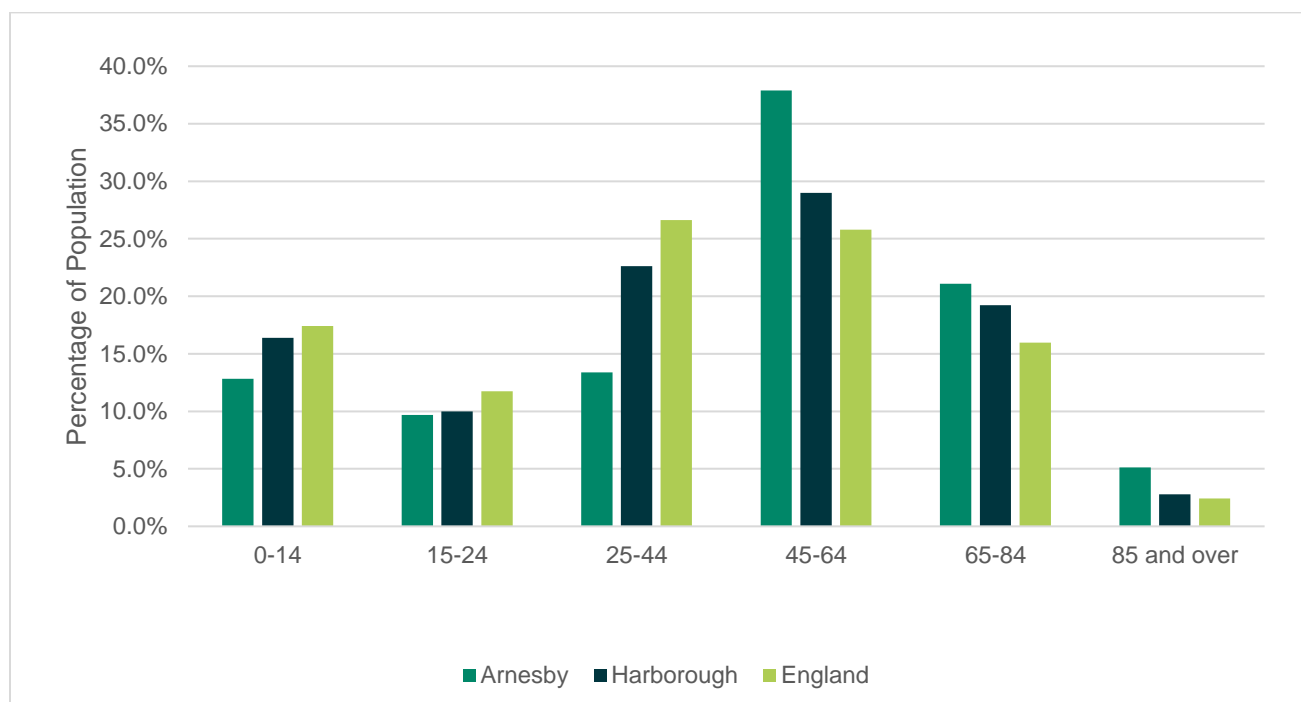
Age group	2011 (Census)		2021 Census		Change
0-14	53	14.8%	45	12.8%	-15.1%
15-24	30	8.4%	34	9.7%	+13.3%
25-44	55	15.4%	47	13.4%	-14.5%
45-64	145	40.6%	133	37.9%	-8.3%
65-84	59	16.5%	74	21.1%	+25.4%
85 and over	15	4.2%	18	5.1%	+20.0%
Total	357	100.0%	351	100.0%	-1.7%

Source: ONS 2011, ONS 2021, AECOM Calculations

136. Across Harborough as a whole the population increased by 14.3%, from 85,400 in 2011 to 97,600 in 2021. This is higher than the overall increase for England (6.6%). The increase in Harborough's population between 2011 and 2021 does not align with the slight decline in the NA's population.

137. For context, it is useful to look at the parish population structure alongside that of the district and country. **Error! Reference source not found.** (using 2021 Census data) shows that the NA had a population age structure more weighted towards the older age bands than Harborough and (to an even greater extent) England in 2021. The proportion of people aged 0-14 was considerably lower than the district and country, with the proportion of 85 and over and 65-84 in the NA was considerably higher, further demonstrating Arnesby's aging population. The NA also had a higher proportion of individuals in the 45-64 age categories than both the district and country.

Figure 5-1: Age structure in Arnesby, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

138. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 shows that almost three quarters of the NA's households are families, a higher rate than across the district and the country. Consequently, Arnesby's proportion of single person households is significantly lower when making the same comparisons. Table 5-6 also highlights that the proportion of one person households in Arnesby aged 65 and over (9.7%), is marginally lower than that of Harborough (13.2%) and England (12.8%).

139. It is interesting to note the changes in household composition between 2011 and 2021. In this time the number of families with dependent children in the NA decreased significantly by 15.2%, a noticeable difference from the district, where this feature increased by 8.5% over the same time period (and increased by 0.9% nationally).

Table 5-6: Household composition, Arnesby, 2021

Household composition		Arnesby	Harborough	England
One person household	Total	20.1%	26.0%	30.1%
	Aged 66 and over	9.7%	13.2%	12.8%
	Other	10.4%	12.8%	17.3%
One family only	Total	73.6%	69.6%	63.1%
	All aged 66 and over	9.7%	12.8%	9.2%
	With no children	22.9%	19.6%	16.8%
	With dependent children	19.4%	26.7%	25.8%
	With non-dependent children ⁸	9.7%	10.2%	10.5%
Other household types	Total	6.3%	4.4%	6.9%

Source: ONS 2021, AECOM Calculations

140. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
141. Table 5-7 shows an overall trend of under-occupancy in Arnesby, with 90.1% of households living in a dwelling with at least one extra bedroom compared to their household size. This is most common in families aged 65+ (100% under-occupancy), families under 65 with no children (97.9% under-occupancy), and single person households aged under 65 (100% under-occupancy).
142. This may suggest that larger housing within Arnesby is being occupied by households with the most wealth rather than the largest households. It may also suggest that older people have remained within family homes due to being unable or unwilling to downsize into smaller dwellings. There is also some over-occupancy in the NA, with 6.1% of family households (with dependent children) living in a dwelling with too few bedrooms for their household size in 2011.

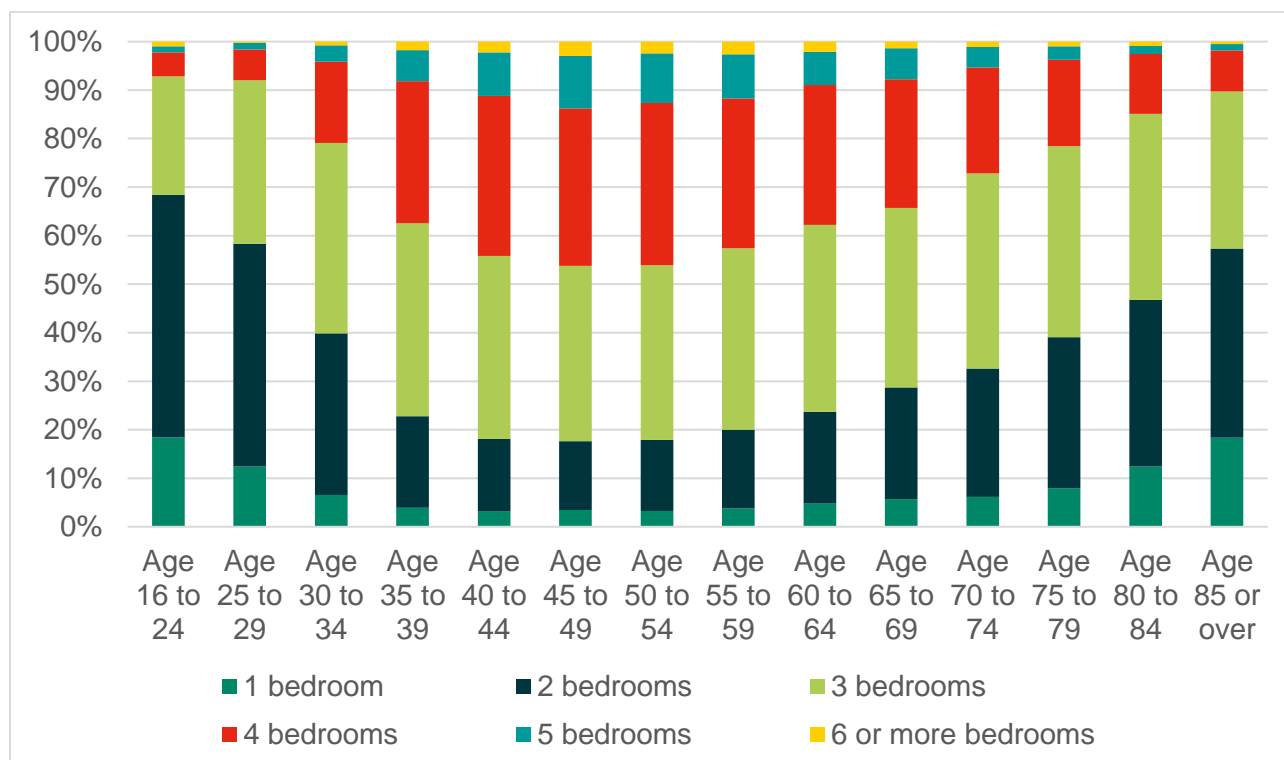
⁸ Refers to households containing children who are older than 18 e.g students or young working people living at home.

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

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	86.7%	13.3%	0.0%	0.0%
Single person 65+	37.5%	50.0%	12.5%	0.0%
Family under 65 - no children	78.7%	19.1%	2.1%	0.0%
Family under 65 - dependent children	30.3%	45.5%	18.2%	6.1%
Family under 65 - adult children	57.1%	28.6%	14.3%	0.0%
Single person under 65	85.7%	14.3%	0.0%	0.0%
All households	61.3%	28.9%	8.5%	1.4%

Source: ONS 2011, AECOM Calculations

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

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

Source: ONS 2011, AECOM Calculations

Future population and size needs

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

Age

145. The result of applying Local Authority level household projections to the age profile of Arnesby households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with households with a household reference person aged 65 and over expected to increase by 71% between 2011 and 2031. Notable growth is also expected in younger households aged 25 to 34 (14%) and households aged 55 to 64 (16%). No growth is expected in households with a household reference person aged 24 and under.

Table 5-8: Projected age of households, Arnesby, 2011 - 2031

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	0	8	59	36	39
2031	0	9	62	42	67
% change 2011 - 2031	+0%	+14%	+5%	+16%	+71%

Source: AECOM Calculations

146. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2) onto the projected age profile for the NA in Table 5-8 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

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

148. The result of this exercise is presented in Table 5-9. The model suggests that it would be appropriate for there to be an increase in the proportion of smaller and mid-sized dwellings Arnesby by the end of the plan period. In order to reach the suggested mix it is recommended that 51.4% of new development is for 3-bedroom dwellings and 34.1% is for 2-bedroom dwellings. The modelling also suggests that no further provision of large 4+ bedroom dwellings is required, although this is not necessarily appropriate, as discussed further below. It suggests that the remaining housing delivery (14.5%) is for 1-bedroom dwellings. In essence the goal is diversification away from a relatively skewed current mix (of larger sized dwelling), with a need for all sizes of home but particular emphasis on mid-sized (3-bedroom) dwellings.

Table 5-9: Suggested dwelling size mix to 2031, Arnesby

Number of bedrooms	Current mix (2011)	Suggested mix 2031	Balance of new housing to reach suggested mix
1	2.8%	6.1%	14.5%
2	16.9%	22.4%	34.1%
3	30.3%	37.6%	51.4%
4	36.6%	25.7%	0.0%
5+	13.4%	8.3%	0.0%

Source: AECOM Calculations

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

- A Community Questionnaire was conducted in the NA in 2017. The responses to the questionnaire indicate that the community's views are mixed in relation to the delivery of new housing in Arnesby. Responses noted that more 2-bedroom starter homes with gardens are needed in the NA. Another resident response noted that no further 4- or 5-bedroom homes were needed in the NA. This community opinion aligns with the modelling produced by AECOM but it must be noted that surveys are a snapshot in time and only represent a portion of the population.
- The suggested mix of market housing at an HMA and local authority level is also expressed in the 2022 Leicester & Leicestershire HENA. Site location and area character are also however relevant considerations in the appropriate mix of market housing on individual development sites.
- The findings of the HENA may justify rebalancing the HNA recommendation if this is in line with the objectives of the community. Based on the HENA evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bedroom properties, in line with AECOM's modelling for the NA. Continued demand for family housing is to be expected from newly forming households at the HMA level. There may also be some demand for medium-sized properties (2- and 3-bedrooms) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay. Some households may seek additional space to support homeworking. This is reinforced by Figure 5-7 in this HNA, which illustrates that a number older people have remained within family homes due to being unable or unwilling to downsize into smaller dwellings.
- The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.

- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of 1-bedroom homes are suitable given the area's character and current density.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable. However, this may be a reason not to limit the delivery of larger dwellings in the NA entirely, with lower income families potentially not able to afford the larger dwellings older households are downsizing from. Some larger more affordable housing options may therefore be appropriate.

Tenure

150. The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.
151. Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for 1 or 2-bedroom properties. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.
152. There are three key sources of information for thinking through the size needs of different categories. These are:
- The relevant HENA for the Local Authority, which will (usually) set out the projected need by size within each tenure over the long-term. In this case, the HENA indicates that across Harborough the suggested mix for social/affordable rented housing focuses on smaller dwellings, at 35% 1-bedroom and 40% 2-bedroom. It suggests the delivery of 20% 3-bedroom dwellings and 5% 4+ bedroom. When looking at the size mix of affordable

home ownership dwellings, this remains focussed on smaller dwellings (50% 1-bedroom and 2-bedroom) although to a lesser extent than in the affordable rented sector. Market housing is more focussed on mid-sized (40%) and larger (20%) dwellings. Although not within the scope of this study to recommend size mixes for different tenures, it might be something that the Steering Group wish to consider when thinking about future housing.

The waiting list for affordable rented housing, kept by the Local Authority, provides a current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In this case, the Housing Register provided by Harborough District Council relates to households with a desire to live in Dunton Ward, which includes Arnesby, but also incorporates the villages as far west as Dunton Bassett and as far south as Peatling Parva. This showed that 47.1% of applicants are in need of a 1-bedroom dwelling, 29.3% in need of a 2-bedroom dwelling, 17.8% a 3-bedroom dwelling, 3.8% a 4-bedroom dwelling, and 1.9% a 5+ bedroom dwelling. This shows that there is a need, at least in the wider Dunton Ward area, for some larger social/affordable rented dwellings, and so the larger dwellings sizes may not need to be entirely restricted as the modelling suggests.

- Any relevant household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population. The Community Questionnaire suggests a need for 2-bedroom starter homes in the NA, with residents highlighting that gardens should also be prioritised.

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

Type

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

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

Conclusions- Type and Size

The current housing mix

158. Detached dwellings were the most common dwelling type in both 2011 and 2021, clearly representing the majority of housing in the NA. There was a marginal increase in the proportion of semi-detached and terraced dwellings over the last decade, however the proportion of flats remained notably very low at only 0.7%. VOA data also illustrates that bungalows made up approximately 12.2% of accommodation types in the NA in 2021.
159. Turning to dwelling size, the proportion of 4+ bedroom dwellings increased over the time period 2011-2021, whilst the proportion of 2- and 3-bedroom dwellings decreased. The NA exhibits a significantly lower proportion of 1-bedroom dwellings than the district and England, with significantly higher proportion of 4+ bedroom dwellings.

Population characteristics

160. In 2011, the greatest proportion of the population was aged 45-64 in Arnesby, at 40.6% of the population, followed by those aged 65-84 at 16.5%. These age categories remain the greatest in 2021, at 37.9% and 21.1% respectively. There was a notable increase (of 25.4%) in the number of residents aged 65-84 between 2011 and 2021, and also notable declines in the number of people aged 0-64, indicative of an aging population. This sentiment is reinforced by the Steering Group, who also perceive that the NA is aging.
161. The issue of an ageing population is a key concern for residents, who perceive that action needs to be taken to encourage younger households to remain in

(or move to) the area. Targeting future delivery towards smaller-sized dwellings will be the best approach from a housing perspective to attract younger households, many of whom are perceived to be forced out of the Parish due to concerns over affordability and availability of appropriate housing stock. In addition to appropriately sized dwellings, the Parish should also consider the necessary improvements to local infrastructure that supports younger households (such as education services) in their Neighbourhood Plan to encourage a sustainable, well-balanced community.

162. This chapter identified an overall trend of under-occupancy in Arnesby, with 90.1% of households living in a dwelling with at least one extra bedroom compared to their household size. This is most common in families aged 65+, families under 65 with no children, and single persons aged under 65. This may suggest that larger housing within Arnesby is being occupied by households with the most wealth rather than the largest households.
163. Focussing development on smaller dwellings may free up some mid to larger sized dwellings when older households occupying larger dwellings downsize. The model (Table 5-9) in this chapter suggests that it would be appropriate for there to be an increase in the proportion of smaller and mid-sized dwellings Arnesby by the end of the plan period. In order to reach the suggested mix it is recommended that 51.4% of new development is for 3-bedroom dwellings and 34.1% is for 2-bedroom dwellings. The modelling also suggests that no further provision of large 4+ bedroom dwellings is required.

Future population and size needs

164. Future population growth can be expected to be driven by the oldest households, with a household reference person aged 65 and over expected to increase by 71% between 2011 and 2031.
165. AECOM modelling suggests that by the end of the plan period there should be an increase in the proportion of smaller and mid-sized dwellings in the NA, with no further provision of large 4+ bedroom dwellings. However, as discussed in the main report, it is not always necessary or appropriate to completely limit the delivery of larger dwellings in the NA.
166. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Specialist housing for older people

Introduction

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

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

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

169. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.⁹

170. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁰ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

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

⁹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing¹¹:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

172. There are no units of specialist accommodation in the NA at present. The closest can be found at Fleckney 2.5km east of the NA. This includes Byron Close (age exclusive housing) which consists of 15 leasehold flats, where residents are accepted from 55 years of age, and Brookside Gardens (retirement housing) which consists of 29 flats (social rent), where residents are accepted from 60 years of age.

173. 2021 Census data shows that there were 44 individuals aged 75 or over in Arnesby at this time.

¹¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Demographic characteristics

174. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Arnesby is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Harborough District Council. The results are set out in Table 6-1.
175. A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.
176. The data in Table 6-1 reinforces conclusions made throughout this report suggesting that the future population of Arnesby will continue to age towards the end of the NP period. This is demonstrated by the number of individuals aged 75+ expecting to increase by 18 individuals between 2021 and 2031. Individuals aged 75+ are expected to account for a larger share of the population mix, accounting for 16.4% of the population in 2031 compared to 12.5% in 2021. The proportion of the population in this age category in the NA is expected to be greater than the proportion across the district as a whole. The Steering Group also perceive that there is a reasonable level of retirement in the parish with this aging population.

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

Age group	2021		2031	
	Arnesby	Harborough	Arnesby	Harborough
All ages	351	97,626	377	104,839
75+	44	10,069	62	14,141
%	12.5%	10.3%	16.4%	13.5%

Source: ONS SNPP 2020, AECOM Calculations

177. The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
178. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2031. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that largest proportion of households

(91.5%) aged 55-75 own their home in the district. This can be broken down into 64.9% owning outright and 26.6% with either a mortgage or living in shared ownership dwellings. Only 0.9% of households aged 55-75 were privately renting, with 7.5% socially renting.

179. The expected growth in the 75+ population in the NA is 18 additional individuals by the end of the plan period. This can be converted into 13 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55–75-year-olds occupying each tenure gives a breakdown of which tenures Arnesby households are likely to need in 2031, and is shown in the bottom row of Table 6-2.

Table 6-2: Tenure of households aged 55-75 in Harborough District Council (2011) and projected aged 75+ in Arnesby 2031

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
Harborough District Council	91.5%	64.9%	26.6%	8.5%	7.5%	0.9%	0.1%
Arnesby	12	8	3	1	1	0	0

Source: Census 2021, Census 2011

180. It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-1 in Appendix E presents this data for Arnesby from the 2011 Census.

Future needs for specialist accommodation and adaptations

181. Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 4.
182. AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day-to-day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

183. It should be noted that the Arnesby Steering Group perceive that since there are very few facilities in Arnesby, this means it is not ideal location for specialist housing for older persons and that more focus on adaptable and accessible housing should be provided.

Table 6-3: AECOM estimate of specialist housing need in Arnesby by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	0	2	2
Adaptations, sheltered, or retirement living	1	1	2
Total	1	3	4

Source: Census 2011, Census 2021, AECOM Calculations

184. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. TaE-2 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Arnesby results in a total of 5 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4.

Table 6-4: HLIN estimate of specialist housing need in Arnesby by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	1	1	2
Adaptations, sheltered, or retirement living	1	2	3
Total	2	3	5

Source: Housing LIN, AECOM calculations

Further considerations

185. The above estimates suggest that potential need for specialist accommodation could be in the range of 4-5 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing need in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

186. In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.

187. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale.

This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

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

Care homes

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

Based on this rate and the expected increase of 18 individuals aged 75+ between 2021 and 2031, it is estimated that there would be a need for 1 additional care homes bed in the NA compared to 2021.

194. The HENA also advises on the specialist housing needs for older people in Leicestershire between 2020-2041. For Harborough district this is broken down into a shortfall of 1,021 units of housing with support, a shortfall of 547 units of housing with care, and a shortfall of 663 nursing and residential care bedspaces between 2020 and 2041. Per annum this equates to a shortfall of 49 units, 26 units, and 32 bedspaces respectively across Harborough. When these HENA figures are pro-rated to Arnesby based on its fair share of the population (0.36% of Harborough's population), this equates to a shortfall of roughly 0.27 units of specialist housing for older people in Arnesby per annum, and a shortfall of 0.12 residential/care bedspaces per annum (2.1 and 1.0 respectively over the plan period).
195. It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

196. The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the fact that there is no specialist accommodation in the NA at present, 100% of the Arnesby population aged 75 and over is likely to live in the mainstream housing stock¹².
197. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
198. However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with Harborough District Council.
199. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings¹³, although changes to Building Regulations have not yet been made.

¹² 18 over 75s in 2021, of which none are accommodated in specialist housing and none in care homes, leaving 18 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75.

¹³ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

200. The current adopted Local Plan policy H4 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). Policy H5 notes that housing development on sites capable of providing 100 dwellings or more should meet Category M4(2) in 4% of dwelling proposed. However, based on previous delivery rates it is unlikely that a site of this size would come forward in the NA.
201. The evidence gathered here may justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability at district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
202. The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.
203. Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). As a crude estimate, these percentages can be applied to the expected level of housing delivery for Arnesby to suggest the number that might be encouraged to be wheelchair friendly or adaptable. Based on commitments data provided by Harborough District Council, it is expected that 3 dwellings will come forward in the plan period. This would imply a potential need for 0-1 wheelchair accessible dwellings over the Plan period. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

Table 6-5: Wheelchair use Nationally Applied to Arnesby

	Percentage in England	% Applied to NA commitments (2021 to end of plan period)
Households using wheelchair all the time	0.6%	0
Households using wheelchair either indoors or outdoors	3.0%	0.1

Source: Survey of English Housing 2018/19

204. The HENA also identifies a housing need from around 7,000 wheelchair users in Leicestershire to 2041. This would suggest a clear county-wide need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings. These figures relate to households with a need for wheelchair accessible dwellings as a whole rather than just older persons, but is likely that a considerable proportion relate to households aged 65 and over. The HENA suggests that the Councils in the study require that 10% to 25% of all homes

meet M4(3) where feasible, with a higher proportion in the affordable sector. This figure could act as a guideline for the NA when discussing accessible and adaptable housing with the local authority.

Conclusions- Specialist Housing for Older People

205. This chapter showed there are no units of specialist accommodation in the NA at present. 2021 Census data suggests that there are currently around 44 individuals aged 75 or over in Arnesby. Individuals aged 75+ are expected to increase by 18 individuals between 2021 and 2031 and account for a larger share of the population mix (from 12.5% to 16.4%).
206. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
207. These two methods of estimating the future need in Arnesby produce a range of 4 to 5 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
208. In particular, the AECOM estimate of specialist housing need in Arnesby suggests a split of 2 market houses with care, 1 market house (with adaptations, sheltered, or retirement living) and 1 affordable house (with adaptations, sheltered, or retirement living), that could be provided the end of the Plan period.
209. There is no specific supply of specialist housing designated through local plan allocations in Arnesby. It is considered that Arnesby's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Arnesby entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in suitable nearby settlements such as Fleckney.
210. AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). Based on this rate and the expected increase of 18 individuals aged 75+ between 2021 and 2031, it is estimated that in 2031 there would be a need for 1 additional care home bed in the NA compared to 2021. Some of the need for care home beds might be met by independent housing accommodation and vice versa.
211. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant

needs is to discuss the standards of accessibility and adaptability in new development.

212. The Local Plan requires housing development on sites capable of providing 100 dwellings or more to meet Category M4(2) in 4% of dwelling proposed. However, based on previous delivery rates it is unlikely that a site of this size would come forward in the NA. The evidence presented in the HNA may justify the Steering Group approaching the LPA to discuss setting requirements on accessibility and adaptability.

7. Next Steps

Recommendations for next steps

213. This Neighbourhood Plan housing needs assessment aims to provide Arnesby with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Harborough District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Harborough District Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Harborough District Council.

214. 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.

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

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

Appendix A : Assessment geography

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

- E00130958

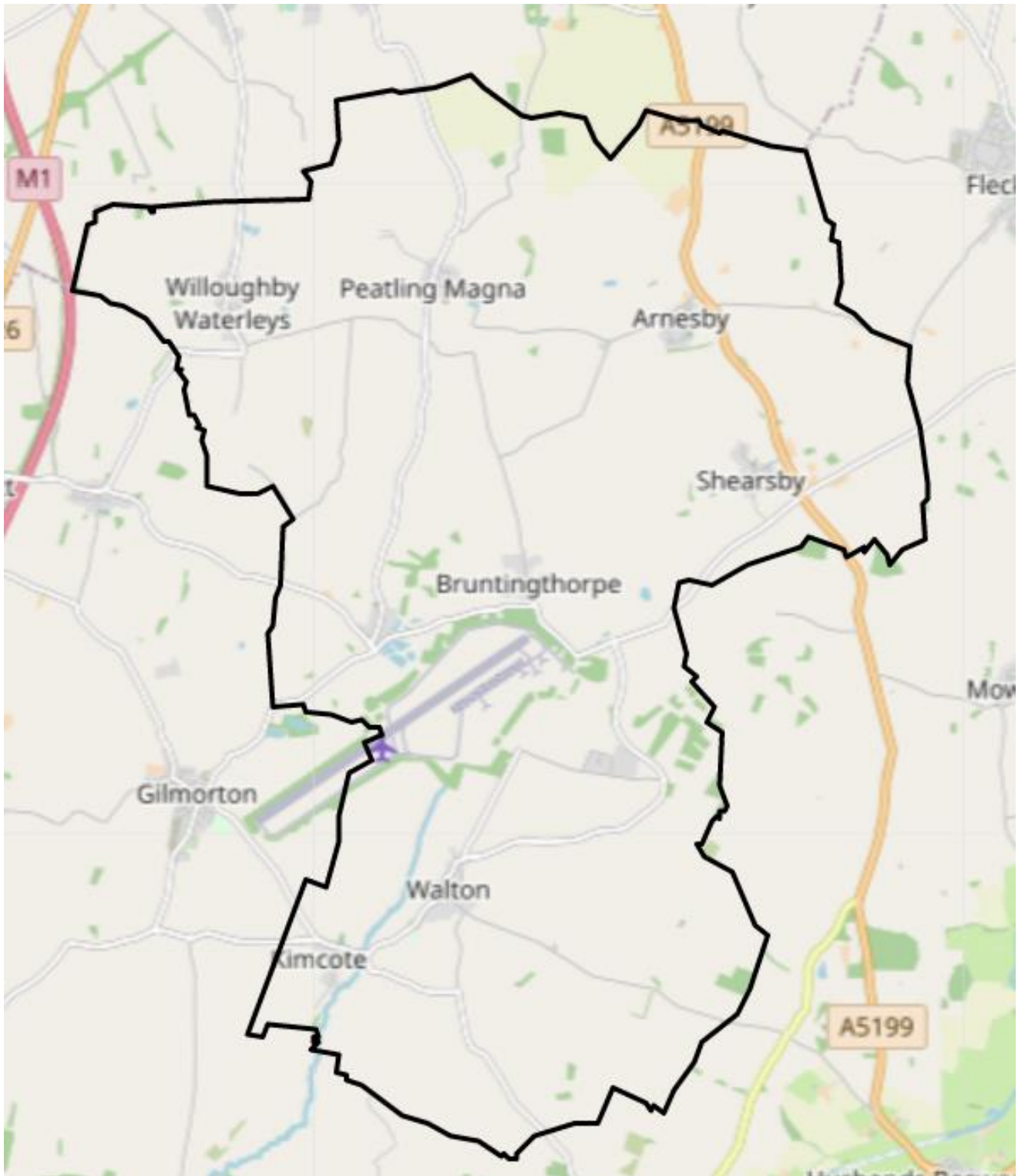
218. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. The most relevant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

- LSOA E01025810. This includes neighbouring villages such as Shearsby, and Walton.

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

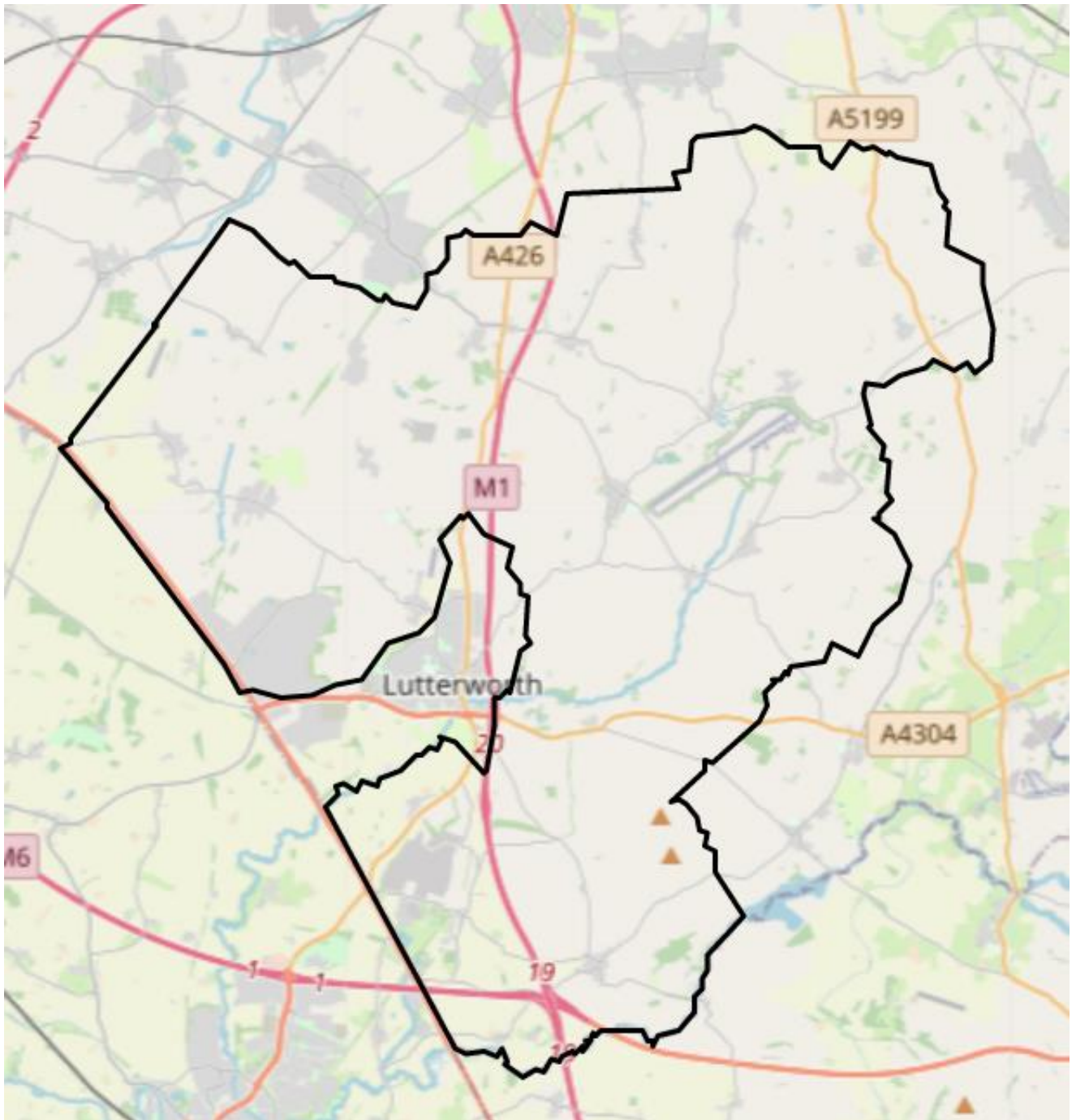
- MSOA E02005372. This includes neighbouring villages such as Shearsby, but also villages as far west as Frolesworth and as far south as Swinford.

Figure A-1: Map of LSOA E01025810



Source: Nomis

Figure A-2: Map of MSOA E02005372



Source: Nomis

Appendix B : Local Plan context

Policies in the adopted local plan

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

Table B-1: Summary of relevant adopted policies in the Harborough Local Plan 2011-2031

Policy	Provisions
Policy SS1 The spatial strategy	<p>Policy SS1 sets out the following hierarchy:</p> <ul style="list-style-type: none"> a. (part of) the Leicester Principal Urban Area: Scraftoft, Thurnby and Bushby; b. Sub-regional Centre: Market Harborough; c. Key Centres: Lutterworth, Broughton Astley; d. Rural Centres: Billesdon, Fleckney, Great Glen, Houghton on the Hill, Husbands Bosworth, The Kibworths, Ullesthorpe; e. Selected Rural Villages: Bitteswell, Church and East Langton, the Claybrookes, Dunton Bassett, Foxton, Gilmorton, Great Bowden, Great Easton (with Bringhurst), Hallaton, Lubenham, Medbourne, North Kilworth, South Kilworth, Swinford, Tilton on the Hill, Tugby; f. Other villages, rural settlements (which includes Arnesby), and the countryside where development will be strictly controlled. <p>Other villages and rural settlements, such as Arnesby, are the least sustainable locations for growth (see policy GD3).</p>
Policy GD3 Development in the countryside	<p>Outside of Market Harborough, Key Centres, the Principal Urban Area, Rural Centres and selected Rural Villages, and land adjoining them, but excluding Green Wedges, development will only be permitted in certain circumstances. These are outlined fully in the policy.</p>
Policy GD4 New housing in the countryside	<p>Outside Market Harborough, Key Centres, the Principal Urban Area, Rural Centres and Selected Rural Villages, new residential development will only be permitted either where it is in accordance with Policy GD2, or where it is for:</p> <ul style="list-style-type: none"> a. Housing on small sites of no more than 4 dwellings which are within or physically and visually connected to settlements and which meet a local need for housing of a particular type, including small dwellings for the elderly and starter homes, providing this has been evidenced through a rural housing needs survey or a neighbourhood plan; b. housing to meet the needs of a rural worker;

Policy	Provisions
	<ul style="list-style-type: none"> c. the re-use of redundant or disused buildings that results in enhancement to their immediate setting; d. the sub-division of an existing dwelling; e. a design of exceptional quality; or f. the rebuilding or replacement of an existing dwelling.
<p>Policy H1 Provision of new housing</p>	<p>In addition to delivery of existing commitments and completions and the allowance for windfalls, land for a minimum of 3,975 new homes will be provided during the plan period to 2031.</p> <p>Arnesby is not one of the Selected Rural Villages identified to facilitate this growth. Policy H1 makes provision for a minimum of 12,800 dwellings from 2011 to 2031. Of this, about 8,792 dwellings have already been built or committed (through the granting of planning permission, or through allocation in neighbourhood plans) with a further 225 anticipated on windfall sites.</p>
<p>Policy H2 Affordable housing</p>	<p>40% affordable housing will be required on housing sites of more than 10 dwellings.</p> <p>The tenure split for the affordable housing will be as follows:</p> <ul style="list-style-type: none"> a. about 75% affordable or socially rented; b. about 25% low-cost home ownership products; or c. a variation on the above mix which is shown to be justified by reference to the latest assessment of affordable housing need.
<p>Policy H3 Rural exception sites</p>	<p>Development proposals for affordable housing on small sites in rural areas that would not normally be permitted for housing may be approved as rural exception sites. Full requirements are outlined in the policy.</p>
<p>Policy H4 Specialist housing</p>	<p>The provision of well-designed specialist forms of accommodation in appropriate locations will be supported, taking into account housing needs.</p> <p>Specialist accommodation development will be:</p> <ul style="list-style-type: none"> a. permitted on sites within existing residential areas; b. permitted where it is in accordance with Policy GD2; c. sought as an integral part all residential developments of over 100 dwellings at a rate of at least 10% of all dwellings proposed (subject to further requirements in the full policy).
<p>Policy H5 Housing density, mix and standards</p>	<p>Housing development on sites capable of providing 100 dwellings or more, should meet the accessible and adaptable standards in Building Regulations, Part M4(2) Category 2, in 4% of dwellings proposed.</p>

Policy

Provisions

A4L_Arnesby	The Policies Maps for the Harborough Local Plan 2011-2031: shows no housing allocations (H1) or commitments for Arnesby parish, but identifies one area of local green space, Paddock, Stoneyleigh (G14) and several open spaces (G12).
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Source: Harborough District Council

Appendix C : Affordability calculations

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

C.1 Market housing

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

i) Market sales

223. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

224. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Arnesby, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

225. The calculation for the purchase threshold for market housing is as follows:

- Value of a median NA house price (2021) = £535,000;
- Purchase deposit at 10% of value = £53,500;
- Value of dwelling for mortgage purposes = £481,500;
- Divided by loan to income ratio of 3.5 = purchase threshold of £137,571.

226. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £400,000, and the purchase threshold is therefore £102,857.

227. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry recorded no sales of new build properties in the NA in

2021. It is, however, important to understand the likely cost of new housing because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).

228. Therefore an estimate has been calculated by determining the uplift between all house prices in 2021 across Harborough and new build house prices in 2021 in the same area. This percentage uplift (or 'new build premium') is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £441,600 and purchase threshold of £113,554.
229. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Harborough District Council in 2021. The median cost of new build dwellings in Harborough District Council was £345,000, with a purchase threshold of £88,714. This shows that house prices in the NA in 2021 were significantly higher than the district as a whole.

ii) Private Rented Sector (PRS)

230. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
231. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
232. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the LE8 5 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.
233. According to [home.co.uk](https://www.home.co.uk), there were 34 properties for rent at the time of search in January 2023, with an average monthly rent of £1,093. There were 9 two-bed properties listed, with an average price of £819 per calendar month.
234. The calculation for the private rent income threshold for entry-level (2-bedroom) dwellings is as follows:

- Annual rent = £819 x 12 = £9,828;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £32,760.

235. The calculation is repeated for the overall average to give an income threshold of £43,720.

C.2 Affordable Housing

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

i) Social rent

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

238. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Arnesby. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Harborough District Council in Table C-1.

239. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£81.29	£92.61	£97.08	£109.39	£91.74
Annual average	£4,227	£4,816	£5,048	£5,688	£4,770
Income needed	£14,076	£16,036	£16,810	£18,942	£15,886

Source: Homes England, AECOM Calculations

ii) Affordable rent

240. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on

housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

241. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
242. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Harborough District Council. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
243. Comparing this result with the average 2-bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£91.40	£109.34	£121.75	£158.91	£109.19
Annual average	£4,753	£5,686	£6,331	£8,263	£5,678
Income needed	£15,827	£18,933	£21,082	£27,517	£18,907

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

First Homes

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

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
 - Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
 - They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
 - In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
 - 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.
247. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £441,600.
248. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated NA new build entry-level) = £441,600;
 - Discounted by 30% = £309,120;
 - Purchase deposit at 10% of value = £30,912;
 - Value of dwelling for mortgage purposes = £278,208;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £79,488.
249. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £68,133 and £56,777 respectively.
250. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible, although this is marginal

for a 30% discount with a purchase threshold of £79,488. Moreover in the case of Arnesby NA, two of the discounted prices (30% and 40%) are above the cap of £250,000 outside of London and as such they would also fail to meet the criteria. In this case, either a greater discount is justified, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark.

251. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹⁴) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Arnesby.
252. Table C-3 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	62%	87%	74%
NA estimated new build entry-level house price	53%	84%	68%
NA entry-level house price	49%	83%	65%
LA median new build house price	40%	80%	59%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

253. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
254. 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

¹⁴ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

255. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
256. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £441,600 is £110,400;
 - A 10% deposit of £11,040 is deducted, leaving a mortgage value of £99,360;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £28,389;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £331,200;
 - The estimated annual rent at 2.5% of the unsold value is £8,280;
 - This requires an income of £27,600 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £55,989 (£28,389 plus £27,600).
257. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £44,475 and £75,177 respectively. All three income thresholds are below the £80,000 cap for eligible households.

Rent to Buy

258. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

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

260. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix D : Affordable Housing estimates

261. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

262. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

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

Consideration	Local Evidence
<p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the NA requires around 7.4 units of affordable rented housing and 5.4 units of affordable home ownership housing over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that affordable rented housing should be prioritised over affordable home ownership.</p>
<p>B. Can Affordable Housing needs be met in full?</p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>No specific housing delivery target has been set for Arnesby, and it is unlikely that a realistic level of delivery in the NA will satisfy all of the need for dwellings on affordable tenures.</p> <p>According to Harborough District Council figures, current commitments total 3 dwellings. Even if these were all to be delivered on a single site, it would be below the threshold for Affordable Housing policy to apply.</p>

	This level of potential affordable housing delivery would not be sufficient to meet all of the need identified.
<p>C. Government policy (eg NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	For 10% of all housing to be affordable ownership in Arnesby, where 40% of all housing should be affordable, 25% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the Local Plan.
<p>D. Local Plan policy:</p>	The adopted Local Plan seeks a tenure split of 75% affordable rent and 25% affordable home ownership.
<p>E. First Homes policy:</p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidize affordable rented housing and uncertainty over</p>	This new minimum requirement may have the effect of displacing other products in any established tenure mix and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. Given the suggested split in row D, a 25% First Homes contribution would not impact on the provision of affordable rented dwellings required in policy. However, it may impact on the delivery of other affordable home ownership products.

<p>whether First Homes could replace this model.</p>	
<p>F. Viability:</p>	<p>HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.</p>
<p>G. Funding:</p> <p>The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.</p>	<p>The Arnesby Neighbourhood Plan Steering Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p>H. Existing tenure mix in Arnesby:</p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>In 2021 the NA had a notably small proportion of households living in Affordable Housing, with 6.3% of households living in social rented dwellings and no households living in shared ownership dwellings. These are significantly below national levels of 17.1% (social rent) and 1.0% (shared ownership).</p>
<p>I. Views of registered providers:</p>	<p>It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.</p>
<p>J. Wider policy objectives:</p>	<p>The Arnesby Neighbourhood Plan Steering Group may wish to take account of broader policy objectives for Arnesby and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working aged people to the NA. These wider</p>

	considerations may influence the mix of Affordable Housing provided.
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Appendix E : Specialist housing for older people

Background data tables

Table E-1: Tenure and mobility limitations of those aged 65+ in Arnesby, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
	Count	Percentage	Count	Percentage	Count	Percentage
All categories	9	15.3%	8	13.6%	42	71.2%
Owned Total	8	15.4%	5	9.6%	39	75.0%
Owned outright	7	14.9%	5	10.6%	35	74.5%
Owned (mortgage) or shared ownership	1	20.0%	0	0.0%	4	80.0%
Rented Total	1	14.3%	3	42.9%	3	42.9%
Social rented	1	14.3%	3	42.9%	3	42.9%
Private rented or living rent free	0	0.0%	0	0.0%	0	0.0%

Source: DC3408EW Health status

Table E-2: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

263. As Table 6-1 in the main report shows, Arnesby is forecast to see an increase of 18 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.018 = 1$
- Leasehold sheltered housing = $120 \times 0.018 = 2$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.018 = 0.4$
- Extra care housing for rent = $15 \times 0.018 = 0.3$
- Extra care housing for sale = $30 \times 0.018 = 0.5$
- Housing based provision for dementia = $6 \times 0.018 = 0.1$

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership are 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 methods¹⁵.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁶

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.

¹⁵ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁶ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order¹⁷

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)¹⁸

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

Equity Loans/Shared Equity

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

¹⁷ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁸ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

Income thresholds are derived as a result of the annualization 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 years¹⁹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

¹⁹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to downsize 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 downsize.

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²⁰

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

²⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²¹

²¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

