

# Audley Rural

Housing Needs Assessment (HNA)

October 2023

## Quality information

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6. Final Report	October	KP	Kerry Parr, Associate Director

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**List of acronyms used in the text:**

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes 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

- 1.1 Audley Rural is a Neighbourhood Plan area located in Newcastle-under-Lyme Borough, which lies to the north west of Stoke on Trent. The Neighbourhood Area (NA) boundary is defined as the parish of Audley Rural and was designated in November 2020. The proposed Neighbourhood Plan period starts in 2020 and extends to 2042, therefore comprising a planning period of 22 years. The evidence provided in this report will look forward to the Plan end date of 2042, but where possible will also provide annualised figures which can be extrapolated to a different term if the Neighbourhood Plan period changes.
- 1.2 A HNA for Audley Rural was completed in November 2021. However, following the finalisation of that report, new Census 2021 was gradually released, allowing key analysis to be updated. Furthermore, Newcastle-under-Lyme Borough Council made substantial progress with their new Local Plan which includes proposed housing allocations for Audley. The national policy context has also changed, with proposed changes to the NPPF published in December 2022. As such, a new HNA was commissioned early in 2023 to ensure the Neighbourhood Plan reflects the latest developments.
- 1.3 The statistics show that in the 2011 Census the NA had a total of 8,435 residents, formed into 3,678 households and occupying 3,801 dwellings. The 2021 Census indicates population of around 8,354 individuals, suggesting a fall in population since 2011, but a small growth in the number of households to 3,692 (+14 households). The average household size fell over the 10 year period. The number of dwellings recorded in the Census 2021 was 3,875, an increase of 74 dwellings since 2011.
- 1.4 This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Audley Rural Parish Council at the outset of the research.
- 1.5 Data from the 2021 Census is being released throughout 2023. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

## Key Figures

- 1.6 This HNA provides a number of figures and estimates which may be taken forward in the Audley Rural Neighbourhood Plan. Table E1 provides a headline summary of the key figures with further explanation on how these were derived in this executive summary and the main body of the report. It is worth stating that the estimate of affordable housing need is higher than the proposed housing

requirements for Audley. Similarly, the estimate of the need for specialist housing for older people is proportionately high compared to the housing requirement. This is because the main urban centres in the borough are the focus of new housing growth and will meet a greater share of the borough's needs, with Audley's requirement reflecting its place in the settlement hierarchy as a rural centre.

**Table E1: Summary of Key Figures**

Key Figure	Type	Estimated number or percentage	Per annum	Description	Source
Proposed housing requirement 2020-2040*	Total	250	12.5	Proposed requirement substantially lower than need (as calculated as share of borough's proposed requirement figure) due to growth focus in urban centres.	Newcastle-under-Lyme Borough Council Draft Local Plan
Affordable homes needed 2020-2042	Affordable Rented	416	19	Affordable housing need is higher than the proposed requirement because some figures have been pro rated from borough estimates.	AECOM (see Section 5)
	Affordable Home ownership	262	12		
Affordable housing potential delivery 2020-2040	Affordable Rented	49	2	Likely delivery based on overall housing delivery of 250 homes, assuming 30% affordable housing and assumed tenure split.	AECOM estimate (see Section 5)
	Affordable Home ownership	26	1		
Indicative housing mix 2020-2042	1 bed	27.4%	n/a	Proportions based on demographic projection, occupancy patterns and current stock. Actual mix may reflect other considerations, particularly on individual sites.	AECOM estimate (see Section 6)
	2 bed	0%			
	3 bed	48.7%			
	4+ bed	23.9%			
Specialist housing units for older people 2021-2042**	Range	115-206	5-9	Estimate falls within housing requirement as it is for independent housing rather than care homes.	AECOM estimate (see section 7)

Source: AECOM \*period relates to Draft Local Plan \*\*period relates to availability of data so begins in 2021 using Census data.



## Proposed Housing Requirement for Audley Rural

- 1.7 Policy PSD 3: Distribution of Development in the First Draft Local Plan 2023 proposes that Audley and Bignall End (joint) deliver in the order of 250 new homes over the Local Plan period 2020-2040. It is relevant to note that the overall housing need for the borough, as calculated by the Government's Standard Method is 347 homes per annum. The Draft Local Plan proposes a slightly higher housing requirement of 358 per annum. If Audley's requirement was based on a 'fair share' of this figure, on the basis of its population, this would imply the delivery of 24 homes per annum in the parish (equating 487 homes to 2040, or 528 homes to 2042). That the proposed requirement for Audley in the Draft Local Plan is substantially lower (250 homes in total, 12.5 per annum), is likely to reflect the Borough Council's considerations about where growth should be focused and Audley's nature as a rural settlement.
- 1.8 Nevertheless, the figure of 250 over the Local Plan period broadly equates to Audley's 'fair share' of the borough's *residual* housing requirement<sup>1</sup> on the basis of its share of the borough's population.
- 1.9 This figure equates to 12.5 homes on average per annum so if this rate of development was extended to the proposed Neighbourhood Plan period the delivery of new homes in Audley Rural might equate to 275 homes 2020-2042. It is likely that both the Local Plan and Neighbourhood Plan would be reviewed before 2040 however, which may result in a new requirement for the period beyond 2040.
- 1.10 The draft Local Plan goes on to identify four proposed allocations for housing in Audley in order to deliver this requirement. It is also relevant to note that significant allocations of new homes are proposed in areas adjacent to Audley Rural parish and these could have impacts on the parish.
- 1.11 It is important to emphasise that the planning context is particularly uncertain at present. Government has recently consulted on amendments to the NPPF which could impact on housing developments in the Green Belt. Furthermore, Government has also set out its commitment to review the household projections to take account of the Census 2021 and these will feed into the standard method – the basis on which housing requirements are calculated. However, these household projections will not be ready until 2024.

## Affordability and the Need for Affordable Housing

- 1.12 The majority of households in Audley Rural own their own homes (74.5% in 2021), a rate which is higher than the borough and England average but similar to other rural areas of the country. The proportion of households living in the social rented sector (at 13.4%) is lower than in Newcastle-Under-Lyme (17.1%) and England (17.1%). Whilst higher than many other rural parishes in the country

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<sup>1</sup> The remaining homes the borough needs to deliver to meet needs once existing completions, commitments and permissions have been taking into account.

where rates are typically 5-10%, the size of the social rented stock has fallen over the last 10 years. There are only a small number of shared ownership properties in the parish (23 dwellings in 2021) and these account for under 1% of the dwelling stock. The private rented sector is relatively small, compared to the borough and England as a whole, (11.4% of households rent in the PRS) but this is similar to rates in other rural parishes.

- 1.13 House prices have grown steadily over 10 years since 2013 with average (both mean and median) prices higher in 2022 than in 2013. Lower quartile prices (the cheapest 25% of properties) increased by 71% over the period. In 2022, median average prices in the parish were £176,000, with lower quartile prices at £142,750.
- 1.14 Detached prices averaged £318,500 in 2022 having increased by 74% since 2021. Semi detached and terraced properties increased in price by just under 58% between 2013-2022. There were very few flat sales over the period so it is not possible to interpret price changes accurately. However, flat prices are substantially lower than other properties – on average around £100k.
- 1.15 The average household income locally was £39,900 in 2018. Newcastle-Under-Lyme's gross individual lower quartile annual earnings were £17,028 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £34,056. These income benchmarks provide a basis for assessing the affordability of different housing tenures within the parish.
- 1.16 Local households on average incomes are able to access entry level priced homes, providing they have a sufficient deposit (minimum 10%). Compared to other parts of the country, house prices are relatively low and comparably affordable in relation to local incomes. Households where two people have lower quartile earnings would be unable to afford lower quartile prices but would be able to afford market rents.
- 1.17 It is relevant to note that new build house prices are out of the reach of average household incomes in Audley Rural. New build prices used in this analysis relate to the borough as a whole as there are too few transactions in the parish to ensure a robust sample. Nevertheless, this illustrates the premium attached to new build properties. Whilst local households on average incomes can afford lower quartile house prices in the existing stock, new build properties may be out of reach.
- 1.18 Private renting (both average and lower quartile rents) is generally affordable to households on average incomes and to households on lower incomes where two people are earning lower quartile wages.
- 1.19 There is a group of households in Audley Rural who may be able to afford to rent privately but cannot afford home ownership. This is unlikely to be a large group as the gap between the income required to afford private rents and to purchase

a lower quartile priced property is narrow. This is supported by evidence in the HENA for Newcastle-under-Lyme<sup>2</sup>.

- 1.20 In Audley Rural, the ‘can rent; can’t buy’ group are typically earning between around £28,600 per year (at which point entry-level rents become affordable) and £36,500 (at which point entry-level market sale homes become affordable). In practice, households who may be close to being able to afford an entry level market sale homes may need a larger home to meet their needs. This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
- 1.21 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.
- 1.22 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Broadly, First Homes would not extend home ownership to households on average incomes because entry level prices are already affordable to these households. Discounts of 30% or more would allow households on lower quartile earnings (where two people are earning) to access home ownership, again assuming they have a suitable deposit. First Homes discounts would not extend affordability to households on lower quartiles earnings where there is just one household member earning.
- 1.23 Shared ownership appears to be slightly more affordable than First Homes (at the minimum discount of 30%) but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>3</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people. It is at the margins of affordability for households on lower quartile incomes (where just one household member is earning). 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.
- 1.24 The income required to access rent to buy is assumed to be the same as that required to afford market rents. Rent to buy would allow households with limited or no deposit to access cheaper rents, allowing them to save for a deposit. These households, whilst having sufficient incomes for affordable homeownership, would not be able to access it because of the lack of deposit.

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<sup>2</sup> Housing and economic needs assessment (2023), to be published alongside the Draft Local Plan

<sup>3</sup> 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>.

- 1.25 In conclusion, all of these products could prove valuable to different segments of the local population though demand may be limited because of the relative affordability of market housing to buy and rent for households on average incomes. AECOM would expect that, given the similar levels of affordability offered by the different affordable home ownership products, First Homes may be more attractive to potential home owners because it offers full ownership rather than a share.
- 1.26 Finally, the relatively lower price of properties in Audley Rural may impact on the viability of providing affordable home ownership products. Discounted prices would need to be sufficient to cover build costs, land value and developer profit unless Government grant or another form of subsidy can be provided.
- 1.27 Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford social and affordable rents and are likely to require additional subsidy through Housing Benefit to access these tenures.
- 1.28 The affordable rented sector performs a vital function in Audley Rural as an important tenure for those on the lowest incomes and often in acute housing need.
- 1.29 This study estimates that Audley Rural requires around 19 units of affordable rented housing and 12 units of affordable home ownership per annum over the Local Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes. These figures are 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 transition to ownership. Furthermore, in this area, affordable home ownership products may not be cheaper in cost than existing properties in the stock.
- 1.30 It is relevant to note that the affordable housing needs estimated in this HNA are higher than the overall housing requirement proposed for the parish in the Draft Local Plan. This is a common occurrence and reflects two main factors. First that the estimates of affordable rented needs are pro rated from the borough assessment on the basis of population share, but in reality more of this need arises in the urban centres. Further, actual affordable housing delivery will reflect where new housing is delivered and is likely to be focused in the urban centres. Second, the estimates of affordable home ownership need (or potential demand) count households who are already adequately housed (e.g in private rented homes) but would prefer to buy rather than rent.
- 1.31 If the proposed Draft Local Plan target of 30% were achieved on every site, around 75 affordable homes might be expected to be delivered, or 4 (rounded) dwellings per annum (assuming overall delivery of 250 homes to 2040). It is assumed that the proposed allocations in the Draft Local Plan would deliver

affordable housing, on the basis of their scheme size, so there is potential to apply the policies on these sites. If some of Audley Rural's housing comes forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower.

- 1.32 Overall, the potential delivery of affordable housing is not sufficient to satisfy the total potential demand identified here. As a result, it is likely that affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority.
- 1.33 The adopted Local Plan does not specify a tenure split within the borough's adopted affordable housing policy. However, the Draft Local Plan for consultation this year sets out expected proportions of social/affordable rented housing as 65% of the affordable housing quota, 25% as First Homes, consistent with Government policy and the remaining 10% to be provided flexibly as other forms of affordable home ownership.
- 1.34 The latest HENA (2023) for Newcastle- Under-Lyme identifies the need for predominately affordable rented housing. Affordable home ownership products do not extend affordability to those currently priced out of home ownership in the borough as a whole. At the borough level, there is limited role for affordable home ownership products though they may widen choice and improve the quality of housing available. However, in Audley Rural, there may be more of a role for affordable home ownership because there is a cohort of households who can afford to rent in the market but cannot afford to buy.
- 1.35 To meet these needs and policy requirements, AECOM suggest the proposed borough tenure mix of 65% affordable rented housing and 35% affordable home ownership would be appropriate in Audley Rural.

### **Housing Mix – Type and Size**

- 1.36 There is an older bias to population in Audley Rural compared to the borough and England as a whole but young people and families still comprise a substantial share of the population – 22% of households were families with dependent children in 2021 with a further 11% families where the children are non dependent (grown up but living at home). The older population and the number of older households is expected to grow in the future, in line with the ageing population, and this will continue to impact on housing demand in the parish.
- 1.37 The housing stock in Audley Rural has a bias towards semi detached (37%) and terraced homes (28%) and two and three bedroom properties, a pattern which was raised by the neighbourhood group. There are few small (1 bedroom) homes and a smaller share of larger properties (4 bed plus) compared to the borough and England, suggesting there is scope to widen the range of properties locally to provide greater choice. Audley Rural has a relatively large share of bungalows

in its housing stock (17%), which is not uncommon to other rural parishes in England. These properties may provide wider choice for older households seeking more accessible properties in later life, though this HNA does not consider evidence on the quality and suitability of these homes.

- 1.38 Data on recent completions suggests that development is focused on two beds, with small numbers of other sized properties, suggesting that new development is reinforcing the existing pattern of homes in the stock rather than improving the diversity of dwellings.
- 1.39 This study provides an indication of the likely need for different types and sizes of homes based on demographic change and the profile of the existing stock. It suggests that some prioritisation should be given to the provision of small (1 bedroom) and larger (4 bedroom) homes through new housing development but the provision of 3 bedroom properties should continue to be an important component of provision. This would help to meet gaps within the stock of housing in the parish.
- 1.40 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. Other considerations 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 which may justify a particular dwelling mix.

### **The Need for Specialist Housing for Older People**

- 1.41 Audley Rural has an older bias to its population and the older population is expected to grow substantially over the Neighbourhood Plan period, with an additional 458 people aged 75+ by 2042 (compared to 2021), equating to an additional 339 households.
- 1.42 Rates of health problems and mobility limitations in population suggests there will be need for a range of accommodation. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
- 1.43 There is a very limited stock of specialist housing within the parish. According to data from the EAC, there are 30 age exclusive bungalows with 1-2 bedrooms available for older people. There are schemes in neighbouring areas (Silverdale) and in Newcastle-Under-Lyme, but these are supporting wider populations as well. The vast majority of the older population live in mainstream housing in Audley Rural (estimated at 95% of those aged 75+).
- 1.44 Audley Rural has a relatively large share of bungalows in the stock (17%) which is likely to meet the needs of some older households, particularly where these properties have been made more accessible or adaptable. There is no guarantee

that these properties are suitable for the needs of older people who required care and support however.

- 1.45 Government has published specific practice guidance on planning for housing for older people, including the range of accommodation options which might be provided.<sup>4</sup>
- 1.46 Two estimates of the future need in Audley Rural produce a range of 115 to 206 specialist accommodation units that might be required 2021-2042 (equating to 5-9 units per annum). These estimates are based on the projected growth of the older population, thereby assuming that the existing population of older households are already well accommodated. Note that this estimated range (115-206) is for housing and therefore falls within the proposed housing requirement for Audley (of 250 homes to 2040). This might imply that most of the new homes in Audley could be delivered to meet the needs of the older population. However, the mix of housing is likely to be informed by a range of factors.
- 1.47 It is important to note that whilst these estimates suggest the need for additional specialist housing, it is possible that some of this need could be accommodated within the mainstream housing stock (through adaptations and provision of care/support in the home) or through the development of new mainstream homes which are accessible and adaptable. AECOM's estimate suggests around half of the need for specialist housing is for households with more limited needs for support and it is possible that this might be met through the mainstream housing stock. The HLIN estimate, which produces a lower figure overall, suggests greater need from those with more limited support and could be accommodated in sheltered housing or similar accommodation. The HLIN suggests the need or demand for housing with care (extra care) with greater levels of care and support is lower.
- 1.48 The majority of the need for specialist housing is for market tenures, reflecting that most older households in the parish are home owners. However, there is also relatively substantial need for specialist housing that is affordable – around one quarter to one third of estimated need is for affordable units.
- 1.49 As yet, it is uncertain what the scale of overall development will be in the parish. The Draft Local Plan proposes around 250 homes over the Local Plan period (to 2040). A proportion of these may be delivered as specialist housing for older people, however, because of the rural nature of the parish there is unlikely to be a large volume of additional specialist supply during the Neighbourhood Plan period. Another avenue open to the Neighbourhood Plan is to require standards of accessibility and adaptability in new development to be met at ambitious levels, and to encourage the adaptation of existing properties through grant

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<sup>4</sup> [Housing for older and disabled people - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-for-older-and-disabled-people)

schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).

- 1.50 The Draft Local Plan proposes 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)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan.
- 1.51 The Draft Local Plan policy HOU 2 requires new development to accommodate specific groups such as older people. The draft policy states that 'all new dwellings should meet the requirements of Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings) and 'on major residential developments and specialist housing for older people, 10% of the dwellings should also meet the requirements of Building Regulations Part M4(3)(2)(a) wheelchair adaptable dwellings.'
- 1.52 Audley Rural's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation such as extra care and assisted living which requires economies of scale, on the basis of the accessibility criteria and the considerations of cost-effectiveness. However, much depends on the broader strategy for growth, being developed in the emerging Local Plan. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.



## 2. Context

- 2.1 A HNA for Audley Rural was completed in November 2021. However, following the finalisation of that report, new Census 2021 was gradually released, allowing key analysis to be updated. Furthermore, Newcastle-under-Lyme have made substantial progress with their new Local Plan which includes proposed allocations for Audley. The national policy context has also changed, with proposed changes to the NPPF. As such, a new HNA was commissioned early in 2023 to ensure the Neighbourhood Plan reflects the latest developments.

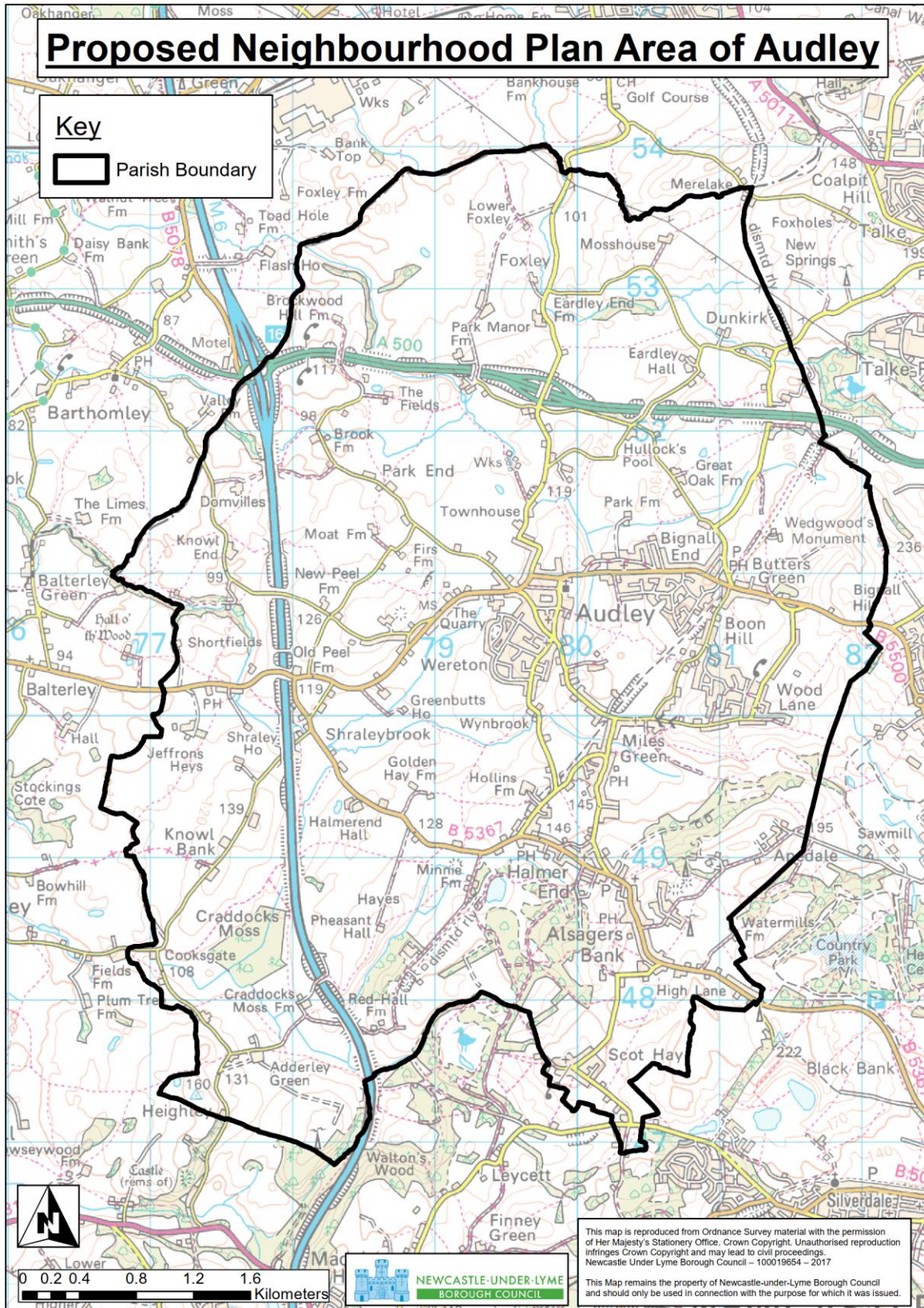
### Local context

- 2.2 Audley Rural is a Neighbourhood Plan area located in Newcastle-under-Lyme Borough, which lies to the north west of Stoke on Trent. The Neighbourhood Area (NA) boundary is defined as the parish of Audley Rural and was designated in November 2020.
- 2.3 The proposed Neighbourhood Plan period starts in 2020 and extends to 2042, therefore comprising a planning period of 22 years. The evidence supplied in this report will look forward to the Plan end date of 2042, but where possible will also provide annualised figures which can be extrapolated to a different term if the Neighbourhood Plan period changes. However, the draft borough Local Plan has a proposed plan period of 2020-2040 so in some cases, data relates to this period, though it is annualised where possible.
- 2.4 Audley Rural parish is a large area of Newcastle-under-Lyme Borough which contains a number of separate rural villages. It lies to the north west of the urban area of Stoke on Trent, with the M6 motorway passing through the west of the parish in a north-south direction and the A500 crossing east-west from Stoke on Trent to join with the M6.

### The NA boundary and key statistics

- 2.5 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 Audley Rural is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Audley Rural Neighbourhood Plan area<sup>5</sup>



Source: <https://audleyparishcouncil.org/wp-content/uploads/2021/01/Audley-NP-Area-Designation-Map.pdf>

2.6 The statistics show that in the 2011 Census the NA had a total of 8,435 residents, formed into 3,678 households and occupying 3,801 dwellings. The 2021 Census

<sup>5</sup> Available at <https://audleyparishcouncil.org/wp-content/uploads/2021/01/Audley-NP-Area-Designation-Map.pdf>

indicates population of around 8,354 individuals, suggesting a fall in population since 2011, but a small growth in the number of households to 3,692 (+14 households). The average household size fell over the 10 year period. The number of dwellings recorded in the Census 2021 was 3,875, an increase of 74 dwellings since 2011.

## The housing market area context

- 2.7 Whilst this HNA focuses on Audley Rural neighbourhood area 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. In the case of Audley Rural, the parish sits within a housing market area which covers Newcastle-under-Lyme and Stoke on Trent.<sup>6</sup> This means that when households who live in these two authorities move home, the vast majority (almost 75%) move within the two authority areas. Both authority areas have links to other neighbouring areas however, including Cheshire East (to the north of Audley Rural).
- 2.8 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Audley Rural, are closely linked to other areas. In the case of Audley Rural, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. For example, the success of regeneration strategies, including bringing empty properties back into use, in Newcastle-under-Lyme may impact on housing need and demand in the rural parishes. Similarly, planned growth in settlements near to Audley, including Alsager (in Cheshire East) which is identified for substantial housing growth to 2030, could impact on demand and need in Audley Rural.
- 2.9 In summary, Audley Rural functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Newcastle-under-Lyme), it is therefore useful to think about the role of the neighbourhood within the wider area. Neighbourhood Plans have a role in shaping their neighbourhoods, enhancing the positive role they play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

## Planning policy context

- 2.10 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>7</sup> In the case of Audley Rural Parish Council, the relevant adopted Local Plan for Newcastle-under-Lyme Borough Council consists of:

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<sup>6</sup> Stoke and Newcastle Housing Market Assessment 2015, para 2.5

<sup>7</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

- 2.11 The current adopted Local Plan is the Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy 2006-2026, which was adopted in October 2009<sup>8</sup>. The plan area is comprised of two neighbouring authorities – the City of Stoke-on-Trent and the Borough of Newcastle-under-Lyme. This is supported by a number of saved policies<sup>9</sup> from the Newcastle-under-Lyme Local Plan 2011 (adopted October 2003) as well as an Affordable Housing Supplementary Planning Document (SPD) (January 2009)<sup>10</sup>. The Affordable Housing SPD was unusually adopted before the Core Strategy due to Affordable Housing being a key priority for the Government and the Council at the time.
- 2.12 It is worth noting that where the Core Spatial Strategy 2006-2026 refers to ‘the villages of Audley Parish’, this covers Audley, Bignall End, Wood Lane, Miles Green, Alsagers Bank, Halmerend and Scot Hay. The Core Strategy identifies Audley Parish as a ‘Rural Service Centre’, meaning that it is a rural settlement which provides the most comprehensive range of essential rural services. Development within these centres will primarily be to ensure that the sustainability of these centres is maintained.
- 2.13 Between 2013 and January 2021, Newcastle-under-Lyme Borough Council was working with Stoke-on-Trent City Council to produce a Joint Local Plan. Work on this plan has ceased and as of January 2021, Newcastle-under-Lyme began work to undertake a new Local Plan for the Borough. The Joint Local Plan did not reach examination or adoption, so these policies also do not form part of this HNA.
- 2.14 Newcastle-under-Lyme Borough Council recently completed a consultation on its emerging new Local Plan Issues and Options 2020-2040 and has recently developed a First Draft Local Plan for consultation later in 2023. The key policy proposals are discussed in Section 4 of this report in consideration of the level of housing need in Audley Rural. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B.

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<sup>8</sup> Available here - <https://www.newcastle-staffs.gov.uk/all-services/planning/planning-policy/current-development-plan>

<sup>9</sup> Available here - [https://www.newcastle-staffs.gov.uk/sites/default/files/IMCE/Planning\\_Policy/Saved%20Policies%20of%20the%20Newcastle-under-Lyme%20Local%20Plan%20154KB.pdf](https://www.newcastle-staffs.gov.uk/sites/default/files/IMCE/Planning_Policy/Saved%20Policies%20of%20the%20Newcastle-under-Lyme%20Local%20Plan%20154KB.pdf)

<sup>10</sup> Available here - <https://www.newcastle-staffs.gov.uk/all-services/planning/planning-policy/newcastle-under-lymes-local-development-framework/affordable>

## 3. Objectives and Approach

### Objectives

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

### Quantity

3.2 The objective of this section is to understand what quantity of housing overall might be provided in the NA over the Neighbourhood Plan period. This is different to the overall level of housing needed and the need for affordable housing. The housing *requirement* for any area takes account of the availability of sites, environmental and other constraints, infrastructure and services as well as housing need. As such, the housing requirement for any area can be higher or lower than what might be needed locally.

3.3 Establishing a housing requirement falls within the remit of the LPA, to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing requirement for any designated NA.

3.4 Newcastle-under-Lyme Borough Council has recently prepared a First Draft Local Plan for Regulation 18 consultation in 2023<sup>11</sup>. The Draft Plan includes an indicative housing requirement for Audley and Bignall End of 250 homes over the Local Plan period (2020-2040), equating to 12.5 homes per annum. For the borough as a whole, a minimum of 7,160 dwellings will be delivered over the Local Plan period, which equates to 358 dwellings per annum.

### Affordability and Affordable Housing

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

3.6 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

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<sup>11</sup> Cabinet report for the First Draft Local Plan <https://moderngov.newcastle-staffs.gov.uk/documents/s40137/Local%20Plan%20Cabinet%20Report%20June%202023%20Final.pdf>

- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
- 3.7 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

## Type and Size

- 3.8 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
- 3.9 The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
  - To describe relevant characteristics of the local **population**; and
  - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
- 3.10 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

- 3.11 It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.
- 3.12 This chapter supplements the demographic evidence relating to the current and future mix of housing, including the potential demand for downsizing for those who wish to, to consider the quantity and characteristics of need for housing for older people with some form of additional care. 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 disability and ill health; and
  - To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

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

## Approach

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

- ONS population and household projections for future years;
- ONS population age estimates for parishes (as 2021 Census data does not yet include age profile at small scales);
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk);
- Local Authority completions data; and
- The Newcastle-under-Lyme HENA 2023.

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

## 4. Quantity

### Introduction

- 4.1 The objective of this section is to understand what the requirement for housing overall might be the Neighbourhood Area (NA) over the Neighbourhood Plan period.
- 4.2 This question falls within the remit of the Local Planning Authority (LPA), to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing need or requirement for any designated NA.

### Audley's Housing Requirement

- 4.3 Policy PSD 3: Distribution of Development in the First Draft Local Plan 2023 proposes that Audley and Bignall End (joint) deliver in the order of 250 new homes over the Local Plan period 2020-2040. This equates to 12.5 homes on average per annum. Note that this period is different to the proposed Neighbourhood Plan period which extends to 2042.
- 4.4 The draft Plan goes on to identify four proposed allocations for housing in Audley in order to deliver this requirement. These are:
- AB12 Land East of Diglake Street, Bignall End Rural Centre (Audley): Around 150 dwellings. The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt.
  - AB15 Land North of Vernon Avenue, Audley Rural Centre (Audley): Around 40 dwellings. The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt, particularly on its western boundary.
  - AB32 Land Nursery Gardens, Audley Rural Centre (Audley): Around 20 dwellings. The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt.
  - Land off Nantwich Road / Park Lane Audley Rural Centre (Audley): Around 60 dwellings. The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt.
- 4.5 Collectively, these proposed site allocations sum to around 270 homes, though the precise number of dwellings on each site would be determined at a later stage.
- 4.6 The Draft Local Plan's proposed housing requirement for Audley and Bignall End and the four proposed allocations focus on the rural centre. There is no proposed requirement for the rest of the parish so the requirement for Audley, delivered as four allocations, is assumed to be the full housing requirement for the neighbourhood area. This does not mean that housing cannot be planned and



delivered in other parts of the parish, for example, in the form of rural exception sites, but there is no requirement from the LPA to provide additional housing.

- 4.7 The First Draft Local Plan will be subject to consultation and so the proposed housing requirement for Audley and the allocations listed above could be subject to amendment. However, it is useful to set out the Council's reasoning for the proposed requirement in the context of national planning policy.
- 4.8 The First Draft Local Plan 'Policy PSD 1: Overall Development Strategy' states that a minimum of 7,160 dwellings will be delivered in the borough over the Local Plan period 2020- 2040 which equates to 358 dwellings per annum.
- 4.9 According to the Census 2021, there were 8,354 people living in Audley Rural, or 6.8% of the 123,303 people in Newcastle-under-Lyme. Therefore, applying this percentage to Newcastle-under-Lyme's requirement for the borough can be used to estimate Audley's 'fair share' according to population.
- 4.10 If the borough's proposed requirement of 358 dwellings per annum were pro rated on a 'fair share' basis to Audley, the requirement for the parish would be 24 dwellings per annum. This is almost double the figure proposed as a requirement for Audley in the Draft Local Plan.
- 4.11 However, taking account of completions 2020-2022 (1,208 dwellings) and dwellings with planning permission (2,215) this leaves a residual requirement for the borough of 3,739 dwellings. It is worth noting that Audley's proposed requirement of 250 dwellings in the Draft Local Plan equates to 6.7% of the borough's residual requirement.
- 4.12 However, the First Draft Local Plan does not distribute housing requirements on the basis of population share alone. As stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available<sup>12</sup> development plan document for the LPA. The policies reflect the overall strategy for the pattern and scale of development and any relevant allocations.
- 4.13 Logically the spatial strategy for the borough aligns with the hierarchy of centres, in that a greater proportion of development is proposed to be allocated in the larger centres than those areas lower down the hierarchy.
- 4.14 Policy PSD 2: Settlement Hierarchy identifies to the Newcastle-under-Lyme as the Strategic Centre. The Draft Local Plan states that this centre represents the most sustainable location for growth and is therefore a focus for new development.
- 4.15 Kidsgrove forms an 'urban centre' in the Borough – the second tier in the settlement hierarchy behind Newcastle-under-Lyme. The Draft Plan states that

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<sup>12</sup> This is the exact word used in the NPPF, i.e. not necessarily 'adopted'. In the case of Newcastle-under-Lyme the most recently 'available' planning strategy is the Issues and Options Consultation for the new Local Plan, albeit this does not yet set out preferred options for growth. It is likely that the adopted Local Plan would also be considered relevant.

development should be of a scale, location and nature that recognises the distinctiveness of Kidsgrove to maintain its vitality and viability.

4.16 Rural Centres (including Audley and Bignall End) will meet some of the development needs of the Borough, commensurate to their role as villages and with the type, density and design of development seeking to protect and enhance their rural and historic character.

4.17 'Other Settlements and Rural Areas' will be expected to accommodate development in line with the policy approach set out in the Local Plan but are not expected to be a focus for growth.

4.18 In terms of the specific requirement for these different areas, Policy PSD 3: Distribution of Development proposes the following distribution of development:

- The strategic centre of Newcastle-under-Lyme is expected to accommodate in the order of 4,800 new homes.
- The urban centre of Kidsgrove is expected to accommodate in the order 900 new homes.
- The rural centres are expected to accommodate development as follows:
  - Audley and Bignall End (joint): in the order of 250 new homes
  - Betley & Wrinehill (joint) and Madeley & Madeley Heath (joint): in the order of 200 new homes
  - Loggerheads: in the order of 500 new homes
  - Keele and Keele University (joint): in the order of 600 new homes.

4.19 Since a number of the proposed allocations in the Draft Local Plan (including in Audley) involve development on existing Green Belt land, the draft Plan includes the following policy:

4.20 'Policy PSD 5: Green Belt and Safeguarded Land<sup>1</sup>. The Green Belt boundary is defined on the draft Policies Map. 2. The Green Belt boundary will be altered through this Plan to a. Support the allocation of the Green Belt sites listed in section 15 of this Plan b. Establish an inset boundary at Keele 3. Within the Green Belt, planning permission will not be granted for inappropriate development, except in very special circumstances, in accordance with National Planning Policy Framework. 4. The construction of new buildings within the Green Belt should be regarded as inappropriate, unless it is one for the exceptions listed within national planning policy.'

4.21 It is important to emphasise that the planning context is particularly uncertain at present. Government has recently consulted on amendments to the NPPF which could impact on housing developments in the Green Belt. Furthermore, Government has also set out its commitment to review the household projections to take account of the Census 2021 and these will feed into the standard method – the basis on which housing requirements are calculated. However, these household projections will not be ready until 2024.

- 4.22 It is relevant to note that Government published the Levelling Up and Regeneration Bill reforms to national planning policy consultation in December 2022. This included proposed amendments to the NPPF, including in relation to the development of land within the Green Belt. The relevant amended paragraph in the NPPF is as follows (para 142, bold emphasis highlights the new sentence in this paragraph).
- 4.23 *'Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. **Green Belt boundaries are not required to be reviewed and altered if this would be the only means of meeting the objectively assessed need for housing over the plan period. Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period. Where a need for changes to Green Belt boundaries has been established through strategic policies, detailed amendments to those boundaries may be made through non strategic policies, including neighbourhood plans.**'* [new proposed sentence in **bold**]
- 4.24 It is important to state that these are proposed changes and so there is some uncertainty about whether they will be taken forward in full or amended through consultation. However, the new sentence in paragraph 142 appears to strengthen the case against development of new homes in the Green Belt. Newcastle-under-Lyme Borough Council will need to consider the revised NPPF when it is finalised.
- 4.25 AECOM would also note that the current standard method approach set out in Government policy and practice guidance uses 2014 based household projections. Updates to population and household projections since 2014 show that the population nationally is expected to grow more slowly than the 2014 based projections anticipated. Indeed, this is confirmed by the Census 2021 data. Until the projections are reviewed to take account of the Census 2021 out turn the practice guidance necessitates the use of 2014 based projections. In the December 2022 consultation on proposed changes to the NPPF, Government committed to reviewing the projections which feed into the standard method in 2024. This will impact on the standard method derived housing need figure for the borough and consequently Audley Rural's share.

## Past dwelling completions

- 4.26 It is usual to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan (and Local Plan) period, i.e. the period between April 2020 and present to identify the residual requirement for housing in the neighbourhood area. However, as the Draft Local Plan proposes four new allocations, if these are delivered, in practice the delivery of new homes in Audley is likely to exceed the indicative figure of 250 homes.

4.27 There have been 26 dwelling completions in Audley Rural between April 2020 and March 2022, as confirmed by the Borough Council. This comprises 19 net new dwellings between April 2020 and March 2021 and 7 net new dwellings between April 2021 and March 2022. The Council is still awaiting the information for the 2022/2023 monitoring year. This suggests that delivery of new homes in the first two years of the Neighbourhood and Local Plan period (26 homes) has been consistent with the level of new homes proposed by the Draft Local Plan (equating to 12.5 per annum).

## 5. Affordability and Affordable Housing

### Introduction

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

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

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

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

### Definitions

5.4 This section uses a range of technical terms which are useful to define at the outset:

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

new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.<sup>13</sup>

- **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

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

5.6 Table 5-1 presents data on tenure in Audley Rural compared with Newcastle-under-Lyme and England from the 2021 Census. Almost three quarters of households are home owners, higher than the proportion in the borough (67.7%) and England as a whole (61.3%). Conversely, the social rented sector is small in comparison to the borough and England. Just 11.4% of households live in the private rented sector, compared to 14.6% in the borough and over 20% in England. Taken together, the social and private rented sectors account for just less than a quarter of households, indicating that options for affordable renting in the parish are likely to be limited.

**Table 5-1: Tenure (households) in various geographies, 2021**

Tenure	Audley	Newcastle-under-Lyme	England
Owned	74.5%	67.7%	61.3%
Shared ownership	0.6%	0.7%	1.0%
Social rented	13.4%	17.1%	17.1%
Private rented	11.4%	14.6%	20.6%

Sources: Census 2021, AECOM Calculations

5.7 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 5-2). There has been little change in the *number* of home owners over the last decade but the number of shared owners has grown (albeit from a small base). The social rented sector appears to have reduced in size by 11% since 2011 with the number of households renting privately increasing by 22%. These trends are reflected at the borough level with no change in home ownership levels, an increase in shared owners and private renters, but in contrast the number of households in the social rented sector grew by 7.1% in Newcastle-under-Lyme.

<sup>13</sup> 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 5-2: Tenure change (households) in Audley Rural, 2011-2021**

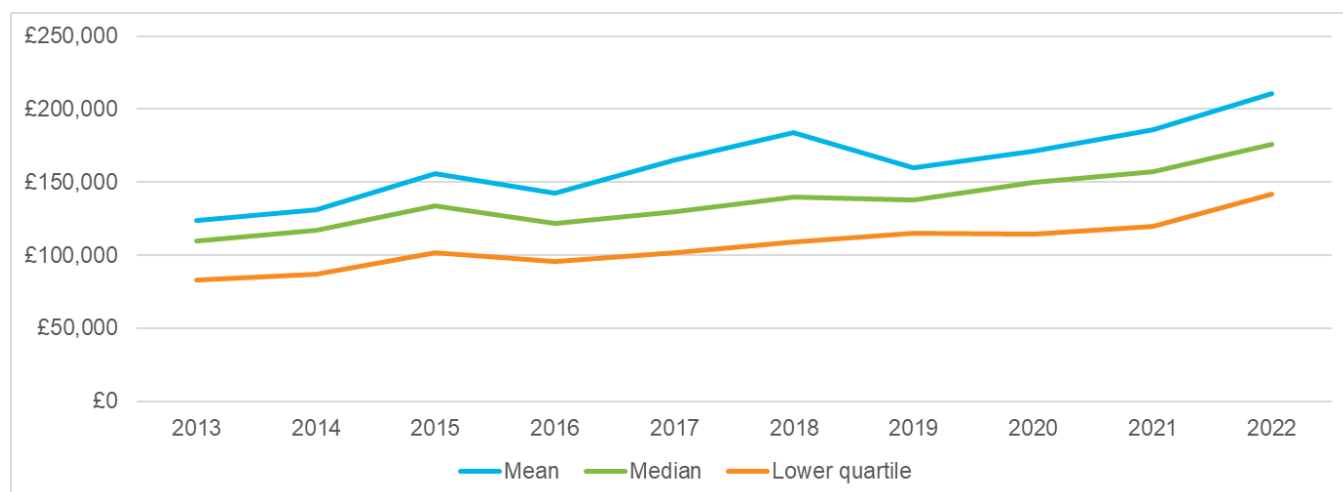
Tenure	2011	2021	% Change
Owned	2,758	2,759	0%
Shared ownership	16	23	44%
Social rented	558	497	-11%
Private rented	346	423	22%

Sources: Census 2021 and 2011, AECOM Calculations

## Affordability

### House prices

- 5.8 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.
- 5.9 Figure 5-3 looks at the average and lower quartile house prices in Audley Rural based on sales price data published by the Land Registry. It shows relatively steady growth in average and lower quartile prices over the last 10 years.
- 5.10 The median average price, which is the middle number when you sort the data from smallest to largest, increased by 70% over the 10 years to end 2022. Median prices are currently around £176k, having increased from £110k in 2013. Because the mean average 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.
- 5.11 The lower quartile price is the middle figure of the lowest 25% of prices and a good representation of entry-level housing. At end 2022, the lower quartile house price in Audley Rural was £142k, up from £83k in 2013 - an increase of 71%.

**Figure 5-3: House prices by quartile in Audley Rural, 2013-2022**

Source: Land Registry PPD

5.12 Table 5-4 breaks down house prices by type, presenting the median within each type. It shows that detached houses were the highest price properties on average (mean), at £318k in 2022 and also experienced the greatest rate of growth over the last 10 years at around 74%. This may imply greater demand for these homes, bidding up the price, but can also reflect the additional attributes associated with these properties eg larger plots, bigger gardens and parking etc. Semi detached and terraced homes experienced more modest price rises of just under 58% over the last 10 years. There were insufficient flat sales to establish growth rates over the same period but data from 2021 suggests some growth in prices compared to 2013, albeit this is based on small numbers of properties.

**Table 5-4: Average (mean) house prices by type in Audley, 2013-2022**

Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Growth
Detached	£183k	£209k	£255k	£251k	£245k	£247k	£236k	£244k	£293k	£318k	73.9%
Semi-detached	£127k	£130k	£145k	£136k	£151k	£160k	£167k	£170k	£175k	£200k	57.5%
Terraced	£95k	£99k	£104k	£103k	£117k	£117k	£123k	£111k	£126k	£150k	57.8%
Flats	£65k	~	£77k	£62k	£57k	~	~	~	£100k	~	~
<b>All Types</b>	£124k	£131k	£156k	£143k	£165k	£184k	£160k	£171k	£186k	£211k	70.3%

Source: Land Registry PPD ~ denotes no transactions in this year.

## Income

5.13 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.

5.14 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 £39,900 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.



5.15 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. Newcastle-under-Lyme's gross individual lower quartile annual earnings were £17,028 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £34,056.

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

## **Affordability Thresholds**

5.17 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.

5.18 AECOM has determined thresholds for the income required in Audley Rural to buy a home in the open market (average and entry-level prices), and the income required to afford private rents 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.

5.19 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 proportion 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.

5.20 Table 5-5 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 5-5: Affordability thresholds in Audley Rural (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £39,900	Affordable on LQ earnings (single earner)? £17,028	Affordable on LQ earnings (2 earners)? £34,056
<b>Market Housing</b>						
Median House Price	£158,400	-	£45,257	No	No	No
LA New Build Median House Price	£249,063		£71,161	No	No	No
LQ/Entry-level House Price	£127,800	-	£36,514	Yes	No	Yes
Average Market Rent	-	£9,240	£30,800	Yes	No	Yes
Entry-level Market Rent		£8,580	£28,600	Yes	No	Yes
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£110,880	-	£31,680	Yes	No	No
First Homes (-40%)	£95,040	-	£27,154	Yes	No	Yes
First Homes (-50%)	£79,200	-	£22,629	Yes	No	Yes
Shared Ownership (50%)	£79,200	£2,200	£29,962	Yes	No	Yes
Shared Ownership (25%)	£39,600	£3,300	£22,314	Yes	No	Yes
Shared Ownership (10%)	£15,840	£3,960	£17,726	Yes	Marginal	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£4,768	£19,072	Yes	No	Yes
Social Rent	-	£4,284	£17,135	Yes	Marginal	Yes

Source: AECOM Calculations

5.21 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 assesses tenure products as 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

5.22 In terms of housing for purchase on the open market, it appears that local households on average incomes are unable to access average (median) priced homes but entry-level homes are likely to be affordable to those on average incomes (£39,900). Households with two workers on lower quartile earnings would find entry level prices just out of reach. It is important to stress that the availability of entry level priced properties is likely to be limited, since there are fewer flats and smaller dwellings in the housing stock and fewer available to buy or rent at any time.

5.23 Private renting is generally affordable to households with average incomes and households with two people earning lower quartile wages. There appears little difference between average and entry level rents because most available rental

properties are smaller (e.g. 2 bedrooms). It is important to note that whilst the private rented sector appears affordable to households on average incomes, there is limited availability of properties because the sector is relatively small in Audley Rural. Households made up of one lower quartile earner cannot afford private rents given the given rental thresholds. 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. Some of these households may be able to claim housing benefit to access the private rented sector but this is not taken into account in the earnings/incomes figures presented above.

### **Affordable home ownership**

- 5.24 There is a group of households in Audley Rural who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes of between around £28,600 per year (at which point entry-level rents become affordable) and £36,500 (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. In contrast to many other parts of the country, the gap between the cost of renting and buying is relatively narrow in Audley Rural. This may mean that the number of households in this group is relatively small and the market for affordable home ownership products less strong than in other areas.
- 5.25 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.
- 5.26 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Broadly, First Homes would not extend home ownership to any group which is currently priced out of the market. This is because entry level and average prices are already affordable to households on average income and to lower quartile earnings (where two household members are earning). However, First Homes discounts would extend affordability to the group of households who 'can rent but can't buy'. The product may also allow those households able to afford entry level housing to purchase a home which is more suited to their households' needs eg a larger property than they can currently afford. First Homes discounts would not extend affordability to households on lower quartiles earnings where there is just one household member earning.
- 5.27 Table 5-5 uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this relates to the local market and is a useful proxy for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes

than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area. The average price of a new build home in the borough as a whole was £276,700 in 2022, around 57% higher than median average prices in the parish.

- 5.28 If First Homes are priced in relation to median or entry level prices in the NA discounts are not required to make them affordable to those on average incomes. However, if First Homes values are similar to the price of new build properties in Newcastle-Under-Lyme as a whole discounts of around 44% would be required to ensure they are affordable to households in Audley Rural on average incomes.
- 5.29 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 to considerations about the discount levels for First Homes and indeed the mix of affordable housing more generally. Requiring higher discount levels on First Homes may affect site viability, leading developers to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. In some cases, this could result in reduced provision of affordable rented housing to provide a First Homes. 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 Audley Rural Parish Council intend to set a higher First Homes discount level than that set at borough level, further discussions with the LPA are advised.
- 5.30 Shared ownership appears to slightly more affordable than First Homes (at the minimum discount of 30%), but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>14</sup> If this is delivered in the NA, it will make shared ownership easier to access for more people, and may be marginally affordable to households with one lower quartile earner. 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.
- 5.31 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. Rent to Buy affordability, in terms of the household income required, is comparable to First Homes and Shared Ownership in Audley Rural. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home

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<sup>14</sup> 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>.

ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

5.32 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.

### **Affordable rented housing**

5.33 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 Newcastle-under-Lyme and Audley Rural

5.34 Affordable rented housing is generally affordable to households with two lower earners depending on their household size as well as average income households. However, households with a single lower earner appear at the margins of being able to afford this tenure. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

5.35 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Audley Rural 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

- 5.36 This section seeks to quantify the long-term potential need for Affordable Housing, with separate estimates for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.
- 5.37 The starting point for understanding the need for affordable housing in Audley Rural is the relevant Local Housing Need Assessment (LHNA). A Housing and Economic Needs Assessment (HENA) was undertaken for Newcastle-Under-Lyme in 2023 by Turley to support the Draft Local Plan. This document is not yet published and will be available alongside the Draft Local Plan consultation. However, some figures from the assessment are quoted in the Draft Local Plan.
- 5.38 The HENA 2023 identifies the need for 278 additional affordable homes each year in Newcastle-Under-Lyme as a whole. This figure is substantially higher than the previous estimate for the borough, or 28 additional affordable homes per annum and this has a knock on impact on the estimate for Audley as a result.
- 5.39 The need identified in the HENA 2023 is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market housing. In the borough as a whole, the cost of buying or renting is similar. Furthermore, the costs of accessing affordable home ownership is actually greater than accessing market ownership because of cheaper properties available within the second hand stock. As such, there is no obvious need for affordable home ownership to address the needs of those who can rent but cannot buy. However, these properties may offer other benefits, including enabling larger households to access homes suitable to their needs or for households to access better quality housing than that available in the existing stock.
- 5.40 When the HENA affordable housing need figures are pro-rated to Audley Rural based on its fair share of the population (6.8% of the LPA's population based on Census 2021), this equates to 19 (rounded) homes per annum (predominately for social/affordable rent) or 416 (rounded) homes over the Neighbourhood Plan period 2020-2042. Note that this figure is higher than the proposed *overall* housing requirement for Audley Rural in the Draft Local Plan (of around 250 dwellings). This is not unusual either at the neighbourhood or local authority area as overall housing requirements can be set at levels lower than affordable housing needs imply.
- 5.41 Pro-rating borough level estimates of affordable housing need to rural areas can present problems in practice. Generally, borough level figures represent higher needs in the urban areas where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these

factors tend to generate higher needs. By contrast, in rural area the relative lack of social housing means there is limited 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). On balance, AECOM consider that the pro rated figures may over estimate the scale of need in the parish to some extent but are a reasonable estimate of needs.

- 5.42 There may be a role for affordable home ownership products in the borough to widen choice and improve quality, but these will not extend home ownership since households who could afford these products can already afford to buy in the open market.
- 5.43 However, there is a gap between the cost of renting and buying in the open market within Audley Rural as identified in Table 5-5 which suggests there may be a role of affordable home ownership here. However, the extent to which these products can extend home ownership to those currently priced out will depend on whether the discounted prices (for First Homes) or the shares (for shared ownership) offer a cheaper route than open market sale.
- 5.44 Assuming that these products can be offered at prices below comparable properties available in the existing market it is useful to consider what the scale of potential demand might be. This estimate is in addition to that provided by the HENA (which focus on social/affordable rented needs).
- 5.45 AECOM estimate potential demand for 12 (rounded) affordable home ownership dwellings per annum in Audley Rural, equating to a total of 262 over the Neighbourhood Plan period (2020-2042). The estimate and assumptions used is detailed in Appendix D and summarised in Table 5-6 below.
- 5.46 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

**Table 5-6: Estimate of need for Affordable Housing for sale in Audley Rural**

Component of need or supply in the AECOM estimate	Per annum
Current need	10.6
Newly arising need	2.5
Supply	1.2
Net shortfall	11.9

Source: AECOM model summary of estimates. Full estimate included in Appendix D

## Affordable Housing policies in Neighbourhood Plans

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

### Application of Local Plan policies

5.48 Newcastle-under-Lyme's adopted policy on this subject CSP6: Affordable Housing requires 25% of all new housing to be affordable on sites of 5 or more units in rural areas. Affordable housing completions data is not available at the neighbourhood level at present, though the borough council plan to monitor this in future. However, given that most housing delivery within Audley Rural in recent years has been small scale and typically falls below this threshold, it is likely that little Affordable Housing has been provided in the parish in recent years.

5.49 The Draft Local Plan Policy HOU1: Affordable Housing proposes that for major residential developments of greenfield sites, 30% should be affordable. This proportion is likely to apply to developments proposed in Audley. The policy further states that *'the size and type of affordable dwellings to be provided will be dependent on recognised local housing need (including the need of older residents and residents with disabilities) and confirmed with the Council's Housing Team prior to application determination, and will generally comprise: (at least) 25% to be delivered as First Homes, 65% to be delivered as social rented, and 10% delivered as other forms of affordable housing In line with national policy.'*

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

5.51 The HNA can supply more localised evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Audley Rural specifically.

### Affordable Housing at Neighbourhood level

5.52 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 Audley Rural on the basis of identified housing need and a range of other considerations detailed in Appendix D.

5.53 This indicative mix is broadly based on the expectation that Audley Rural will be expected to deliver around 250 new homes over the Local Plan period,



consistent with the Draft Local Plan, 12.5 homes per annum. The actual housing requirement, when the new Local Plan is adopted, may be higher or lower depending on the outcome of the consultation and examination in public. This will in turn impact on the scale of affordable housing that can be delivered.

5.54 If 30% of new homes are delivered as affordable housing, this would provide 4 (rounded) affordable home per annum in Audley Rural. AECOM consider the priority is likely to be to meet acute need for affordable rented housing and consider the proposed tenure split (of 65% of affordable housing for rent) to be appropriate for Audley Rural. The remainder could provide affordable homes to address potential demand for affordable home ownership. National policy states that 10% of new homes should be provided for affordable home ownership and that 25% of new affordable housing delivered through market developments should be provided as First Homes. The Borough Council's proposed tenure split in Policy HOU1 reflects these requirements.

**Table 5-7: Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>35%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>65%</b>	
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*

5.55 Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is

important that they liaise with Newcastle-under-Lyme Borough Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

## **Conclusions- Tenure and Affordability**

- 5.56 The vast majority of households in Audley Rural are owner occupiers (almost three quarters of all households), with the social and private rented sectors relatively modest in size and smaller in proportion than the borough and England as a whole. This tenure mix limits the availability of more affordable rented opportunities for local residents.
- 5.57 The number of home owners has remained flat over the last 10 years, consistent with the borough as a whole. Private renting and shared ownership tenures have grown modestly but the social rented sector appears to have reduced in size.
- 5.58 House prices have risen substantially over the last 10 years with median average prices up 60% and lower quartile prices up 71%. The absolute rise in prices is likely to have made it more difficult for younger households and first time buyers to afford to buy.
- 5.59 Although house prices have increased over the last 10 years, home ownership is a relatively affordable option compared to other parts of the country. Households with average incomes (of around £39,900) could afford entry level house prices in Audley Rural, though average (median) prices remain out of reach. Much depends therefore on the availability of these cheaper properties and they may not be suitable for all households in terms of size and condition.
- 5.60 Whilst there is a gap between the cost (and affordability) of renting and buying, there is likely to be a limited market for affordable home ownership products since average income and some lower income households are able to afford to buy on the open market. These products may help households with limited deposits, or households on the margins of home ownership or those needing larger sized homes than available at the cheaper end of the open market.
- 5.61 The HENA for Newcastle-under-Lyme identifies the need for 278 affordable rented homes per annum in the borough as a whole. Pro rated to Audley Rural on the basis of its population would imply the need for 19 new social/affordable rented homes each year.
- 5.62 There may be a role for affordable home ownership products in the borough to widen choice and improve quality, but that these will not extend home ownership since households who could afford these products can already afford to buy in the open market. However, there is a gap between the cost of renting and buying in the open market within Audley Rural which suggests there may be a role of affordable home ownership here. However, the extent to which these products can extend home ownership to those currently priced out will depend on whether

the discounted prices (for First Homes) or the shares (for shared ownership) offer a cheaper route than open market sale.

5.63 AECOM estimate potential demand for 12 (rounded) affordable home ownership dwellings per annum in Audley Rural. It is important to keep in mind that these households are already housed, but they would prefer to buy rather than rent.

5.64 Table 5-8 below summarises Audley Rural's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Local Plan period. This exercise simply applies the indicative housing need figure for the area to the Local Plan policy expectation that 35% of new homes will be affordable, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

**Table 5-8: Estimated delivery of Affordable Housing in Audley Rural**

	Step in Estimation	Expected delivery
A	Indicative minimum housing need figure (for period 2020-2040*)	250
B	Affordable housing quota (%) in LPA's Draft Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	75
D	Rented % (e.g. social/ affordable rented)	65%
E	Rented number (C x D)	49
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	35%
G	Affordable home ownership number (C x F)	26

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix \*The Neighbourhood Plan period may extend to 2042 but here we use the Local Plan period given that the Draft Local Plan 2020-2040 has been recently published.

5.65 The potential level of Affordable Housing delivery would not meet the estimated need for affordable/social rented housing nor the full potential demand for affordable home ownership. However, as this report and the Borough Council's HENA concludes, there may be more limited demand for affordable home ownership in practice because market housing is relatively affordable to households on average incomes.

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

## 6. Type and Size

### Introduction

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

### 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

6.6 This section establishes the current housing mix of Audley Rural, highlighting recent changes to it and comparing the mix to wider borough and England as a whole.

### Dwelling Type

6.7 Table 6-1 below shows that, according to Census 2021, most households live in semi detached homes (37%), followed by terraces and detached homes (similar proportions) with just 5% living in flats.

6.8 It is important to state that the Census 2021 data is not a direct comparison with the Census 2011 as the 2021 data is based on households and not dwellings. Dwellings by type and size is not yet available at the localised level. There will be some dwellings which are not occupied that are not represented in Census 2021 data. However these are small in number and the data is robust enough to conclude that there has been little change in the overall mix of dwellings over the last 10 years.

6.9 Valuation Office Agency data provides a useful cross check and also allows separation of bungalows from other housing types. Around 17% of homes in the parish are bungalows – either detached or semi detached. The VOA data is also broadly consistent with the Census though suggests a slightly higher proportion of terraces and flats. It is possible that some of these do not have 'usual residents' and therefore not recorded by the household data. This can be checked when Census 2021 dwelling stock data is released in full.

**Table 6-1: Accommodation type, Audley Rural, 2011-2021**

Type	2011 (Census) %	2021 (Census) %	2021 (VOA %
Bungalow	~	~	17%
Detached	28%	28%	17%
Semi-detached	36%	37%	29%
Terrace	30%	29%	32%
Flat	6%	5%	6%
Total	100%	100%	100%

Source: Census 2021 (accommodation type based on households) and Census 2011 dwelling type, Valuation Office Agency, AECOM Calculations. Figures may not sum to 100% due to rounding.

6.10 Table 6-2 compares the NA's housing mix to the borough and England. Again, this is based on the type of dwelling that households occupy. The proportion of detached homes is higher in Audley than in both the borough and England but not substantially so. The proportion of terraced homes is higher at 29% of homes compared to 19% in the borough and 23% in England. The proportion of flats is substantially lower than the borough and England, which is typical of villages and rural areas.

**Table 6-2: Accommodation type (households), various geographies, 2021**

Type	Audley Rural	Newcastle-under-Lyme	England
Detached	28%	26%	23%
Semi-detached	37%	45%	31%
Terrace	29%	19%	23%
Flat	5%	10%	22%

Source: Census 2021, AECOM Calculations

## Dwelling size

6.11 Table 6-3 below presents the current housing mix in terms of size. The largest proportion of dwellings have 3 bedrooms (46%) and this has remained consistent over the last 10 years. Two bedroom homes are the second most common sized dwelling (34% in 2021). Four bedroom plus properties make up 14% of the stock and this has increased relatively substantially since 2011. The growth in the number of these larger homes will have been created by extension to existing properties as well as new build. One bedroom properties make up just 5% of the stock and these have declined in number and as a share of properties over the last 10 years.

**Table 6-3: Dwelling size (bedrooms), Audley Rural, 2011-2021**

Number of bedrooms	2011	%	2021	%
1	217	6%	203	5%
2	1,286	35%	1,244	34%
3	1,701	46%	1,719	46%
4+	474	13%	535	14%
Total	3,678	100%	3,701	100%

Source: Census 2021 and 2011

6.12 It is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider borough and country. Table 6-4 shows that the share of 3 bedroom homes in Audley Rural is the same as Newcastle-under-Lyme. However, it has a smaller proportion of 1 bedroom and 4+ bedroom homes compared to the borough and England as a whole. Audley Rural's share of 2 bedroom properties is larger than the borough and England as a whole. Overall, Audley Rural's housing stock appears concentrated on mid sized homes with 2-3 bedrooms.

**Table 6-4: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Audley Rural	Newcastle-under-Lyme	England
1	5%	8%	12%
2	34%	28%	27%
3	46%	46%	40%
4+	14%	17%	21%

Source: Census 2021, AECOM Calculations

## Population Characteristics

6.13 This section examines key characteristics of the 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 use the 2011 Census.

### Age

6.14 Table 6-5 shows the most recent age structure of Audley Rural's population, alongside 2011 Census figures to demonstrate change over the last 10 years. The largest group within the population is the older working age cohort aged 45-64, accounting for around 29% of the population in 2021. Older people (aged 65 plus) account for 24% of the population in 2021 and the numbers have increased substantially over the last 10 years, particularly in the 65-84 age group. Older people are the only age group that have increased in number over 10 years.

**Table 6-5: Age structure of Audley Rural, 2011 and 2021**

Age group	2011 (Census)		2021 (Census)		Change
0-14	1,413	16.7%	1,307	15.6%	-8%
15-24	811	9.6%	714	8.5%	-12%
25-44	2,062	24.4%	1,885	22.6%	-9%
45-64	2,533	30.0%	2,444	29.3%	-4%
65-84	1,404	16.6%	1,762	21.1%	25%
85 and over	214	2.5%	242	2.9%	13%
Total	8,437	100.0%	8,354	100.0%	-1%

Source: Census 2011 and 2021, AECOM Calculations

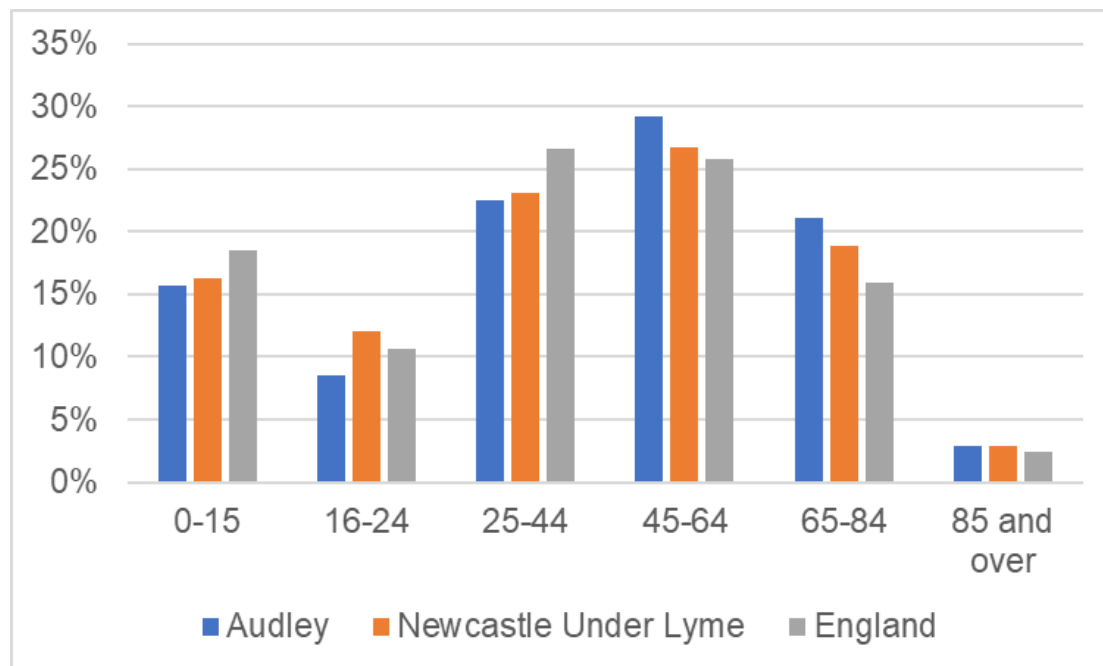
6.15 The number of younger people and children has fallen. However, younger working age people (25-44) still account for a substantial proportion of the population (22.6%). These trends are common to many areas of England, consistent with the ageing of the population. It is often more pronounced in rural



parishes because of the tendency for younger people to move away to seek employment and housing opportunities.

6.16 For context, it is useful to look at the NA population structure alongside that of the borough and country. Figure 6-6 (using 2021 Census data) shows that on the whole, Audley Rural has an older bias to its population when compared to the borough and England. Conversely, it has a smaller share of people in the younger age groups.

**Figure 6-6: Age structure in Audley Rural, Newcastle-under-Lyme and England, 2021**



Source: Census 2021, AECOM Calculations

## Household Composition and Occupancy

6.17 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 6-7 shows that single households (one person) account for a similar share of the population (30%) to both the borough and England as a whole. However, Audley Rural has a higher share of older single households compared to both comparator areas.

6.18 Households with dependent children account for 22% of the population, with a further 11% of households where non-dependent children live at home. The proportion of Audley households with children is lower than the borough and England, which is unsurprising given the changes to the age profile of the population. However, the proportion of households with non-dependent children is the same as the borough and England. Non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university.

6.19 A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category fell slightly between 2011 and 2021 in the parish in contrast to increases in the borough and England as a whole.

6.20 Older households (single and couples aged 65+) account for 27% of the household population in Audley Rural. This compares to 25% in Newcastle-under-Lyme and 22% in England as a whole.

**Table 6-7: Household composition, various geographies, 2021**

Household composition		Audley	Newcastle-under-Lyme	England
<b>One person household</b>	<b>Total</b>	30%	31%	30%
	Aged 66 and over	15%	14%	13%
	Other	15%	17%	17%
<b>One family only</b>	<b>Total</b>	66%	64%	63%
	All aged 66 and over	12%	11%	9%
	With no children	20%	18%	17%
	With dependent children	22%	24%	26%
	With non-dependent children <sup>15</sup>	11%	11%	11%
<b>Other household types</b>	<b>Total</b>	4%	5%	8%

Source: Census 2021, AECOM Calculations

**Table 6-8: Occupancy rating by age of household in Audley Rural, 2021**

Household type	+2 rating	+1 rating	0 rating	-1 rating	All
Family 66+	51%	46%	3%	0%	100%
Single person 66+	51%	35%	14%	0%	100%
Family under 66 - no children	60%	36%	4%	0%	100%
Family under 66 - dependent children	13%	44%	39%	4%	100%
Family under 66 - adult children	15%	46%	37%	2%	100%
Single person under 66	39%	45%	16%	0%	100%
Other	12%	43%	32%	13%	100%
<b>All households (total)</b>	<b>1,341</b>	<b>1,543</b>	<b>725</b>	<b>65</b>	<b>3,674</b>
<b>All households (%)</b>	<b>36%</b>	<b>42%</b>	<b>20%</b>	<b>2%</b>	<b>100%</b>

Source: Census 2021, AECOM Calculations

6.21 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

<sup>15</sup> Refers to households containing children who are older than 18 e.g students or young working people living at home.

bedroom or at least two surplus bedrooms (respectively). Over-crowding works in the same way, with a rating of -1 indicating at least one bedroom too few.

6.22 In 2021, 65 households (2% of all households) were living in overcrowded homes. Table 6-8 shows how this breaks down between different household types. The majority of overcrowded household are families with dependent children. ‘Other’ households ie non traditional households such as sharers account for the second largest group of overcrowded households.

6.23 Conversely, the vast majority of households under-occupy their homes – they have more bedrooms than they need on the basis of their household size. This is particularly true amongst older households where 97% of older ‘family’ households (most commonly older couples) live in homes with more bedrooms than they need according to their household size. The same is true for older single people, where 86% of these households live in homes with more bedrooms than they need.

6.24 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 6-9 sets out this relationship for Newcastle-under-Lyme 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 6-9: Age of household reference person by dwelling size in Newcastle-under-Lyme, 2011**



Source: ONS 2011, AECOM Calculations

## Future population and size needs

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

### Age

6.26 The result of applying Local Authority level household projections to the age profile of Audley Rural households in 2011 is shown in Table 6-10. This makes

clear that population growth can be expected to be driven by the oldest households, with over half of the change between 2011 and 2042 being accounted for by growth in the number of households aged 65 and over.

**Table 6-10: Projected age of households, Audley Rural, 2011 - 2042**

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	70	362	1,407	744	1,095
2042	75	457	1,427	750	1,687
% change 2011-2042	7%	26%	1%	1%	54%

Source: AECOM Calculations

6.27 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 6-9 (rainbow bar graph)) onto the projected age profile for the NA in Table 6-10 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.

6.28 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. For example, through the development of more affordable family housing in order to attract and retain families within Audley. The parish council reported some concern amongst the local community about the loss of family households and so Neighbourhood Plan policies may wish to address this. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

6.29 The result of this exercise is presented in Table 6-11. It suggests that a substantial proportion of new 3 bedroom homes are required to meet demographic needs, even though the existing stock has a high proportion of these properties. The model envisages increases in 1 bedroom and 4 bedroom properties and as such these account for around one quarter of new homes to reach this indicative ‘ideal’ mix. Whilst the modelling suggests that there are already sufficient 2 bedroom homes to meet future needs, these properties are very flexible in development terms – they can be provided as flats, houses, bungalows and are popular for a variety of households. They are likely to continue to provide part of the mix and, indeed, may be preferable to the development of 1 bedroom dwellings because of their flexibility.

6.30 On large sites it is likely to be appropriate to deliver a range of different housing types and sizes. On small sites, there may need to be a focus on a particular type or size of dwelling in order to achieve efficient use of land.

**Table 6-11: Suggested dwelling size mix to 2042, Audley Rural**

Number of bedrooms	Mix 2011	Current mix (2021)	Suggested mix (2042)	Balance of new housing to reach suggested mix
1	5.8%	5.5%	9.4%	27.4%
2	35.0%	33.6%	29.1%	0.0%
3	46.2%	46.4%	46.7%	48.7%
4+	12.8%	14.5%	14.8%	23.9%

Source: AECOM Calculations

**Table 5.2: Implied Size of Housing Required (2020-37)**

	Standard method			Experian baseline			Higher job growth		
	SoT	NuL	Study area	SoT	NuL	Study area	SoT	NuL	Study area
1 bed	14%	13%	<b>13%</b>	12%	12%	<b>12%</b>	11%	12%	<b>11%</b>
2 beds	43%	31%	<b>39%</b>	41%	31%	<b>38%</b>	41%	31%	<b>37%</b>
3 beds	37%	43%	<b>39%</b>	39%	43%	<b>41%</b>	40%	43%	<b>41%</b>
4 beds	6%	13%	<b>9%</b>	7%	14%	<b>9%</b>	8%	14%	<b>10%</b>
Total	100%	100%	<b>100%</b>	100%	100%	<b>100%</b>	100%	100%	<b>100%</b>

Source: Turley; Edge Analytics; Census 2011

6.31 It is useful to refer to the size mix of housing likely to be required, as estimated in the HEDNA for Newcastle-Under-Lyme. The table above (taken from the HEDNA 2020 since the HENA 2023 has not yet been published) suggests provision of all sizes of properties are needed in the borough as a whole, with the largest share for 2-3 bedroom properties. This contrasts with the Audley Rural estimate (above) which suggests there is already a sufficient supply of two bed homes. The provision of new homes in the parish, particularly if allocations are made in the emerging Local Plan, may need to take account of borough wide as well as localised needs.

6.32 To best meet the needs of the large cohort of older households expected to be present by the end of the Neighbourhood Plan period, it should 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 smaller and mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.

## Tenure

- 6.33 The mix discussed above applies to all housing in the NA over the Neighbourhood 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.
- 6.34 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 affordable housing is allocated on the basis of the household size, with younger children sharing bedrooms. Households are generally allocated homes that meet their basic requirements and as such most are 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.

## Type

- 6.35 Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.
- 6.36 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

## Conclusions- Type and Size

- 6.37 The housing stock in Audley Rural has some bias towards terraced homes and two bedroom and three bedroom properties, a concern which was also raised by the neighbourhood group. There are few small (1 bedroom) homes and a smaller share of larger properties (4 bed plus) compared to the borough and England, suggesting there is scope to widen the range of properties locally to provide greater choice.
- 6.38 Audley Rural has a relatively large share of bungalows in its housing stock, which is not uncommon to other rural parishes in England. These properties may provide wider choice for older households seeking more accessible properties in

later life, though this HNA does not consider evidence on the quality and suitability of these homes.

- 6.39 There is an older bias to population in Audley Rural compared to the borough and England as a whole but young people and families still comprise a substantial share of the population. The older population and the number of older households is expected to grow in the future, in line with past trends, and this will impact on housing demand in the parish.
- 6.40 The growth in the population and households over the Neighbourhood Plan period is projected to be driven by older households. This does not automatically translate into the need for smaller dwellings since many older households choose to occupy larger homes. However, high quality options for down sizing, including specialist housing with care (see Section 6), may offer choice to some households looking to move.
- 6.41 AECOM's modelling suggests a range of dwelling sizes are needed in the future including smaller and large dwellings to accommodate demographic change and provide wider choice in the housing stock.
- 6.42 Data on recent completions suggests that development is focused on two beds, with small numbers of other sized properties, suggesting that new development is reinforcing the existing pattern of homes in the stock rather than improving the diversity of dwellings.
- 6.43 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. On large sites it is likely to be appropriate to deliver a range of different housing types and sizes. On small sites, there may need to be a focus on a particular type or size of dwelling in order to achieve efficient use of land. 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.

## 7. Specialist housing for older people

### Introduction

7.1 Government has set out specific practice guidance on planning for the housing needs of older people.<sup>16</sup> 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 Audley Rural. 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**.

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

7.3 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>17</sup>

7.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>18</sup> 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.

7.5 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each

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<sup>16</sup> [Housing for older and disabled people - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments)

<sup>17</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>18</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)



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.

## 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 Housing<sup>19</sup>:** 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

7.6 There is a total of 30 units of specialist accommodation in the NA at present. These are age exclusive bungalows with 1 and 2 bedrooms. The data from the Elderly Accommodation Counsel suggests these properties are all social rented dwellings. The data suggests there are no other specialist housing schemes in the parish. There are two further residential care homes, however these provide

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<sup>19</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

care in an institutional setting and are not defined as specialist housing. Details are provided in Appendix E.

- 7.7 Census 2021 recorded 884 individuals aged 75 or over in Audley Rural. This suggests that current provision is in the region of 34 units per 1,000 of the 75+ population (a common measure of specialist housing supply). This is a low rate of provision compared to many areas, but not uncommon with other rural parishes. It is relevant to note that there are other specialist schemes outside of the parish, including in Silverdale and Madeley, but these are not counted in this exercise. The proximity of Newcastle-under-Lyme is also likely to mean that older households who need specialist accommodation may move to access available schemes in the urban area.

## Demographic Characteristics

- 7.8 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Audley Rural is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Newcastle-under-Lyme. The results are set out in Table 7-1.
- 7.9 The population of over 75s in the parish is 884, accounting for 10.6% of the population in 2021. The population over 75s has grown by 150 people in 2011 when this group accounted for 8.7% of the population. Population projections expect the population of over 75s to reach 1,342 in 2042 (the end of the Neighbourhood Plan period) and account for 13.9% of the population overall. This growth is mirrored at the borough level but the share of the population aged over 75 in Audley continues to be slightly larger than in Newcastle-under-Lyme, reflecting the older bias in the population.
- 7.10 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 Neighbourhood Plan period is the key output of this calculation.

**Table 7-1: Modelled projection of older population in Audley Rural by end of the Neighbourhood Plan period**

Age group	2011		2021		2042	
	Audley Rural	Newcastle-Under-Lyme	Audley Rural	Newcastle-Under-Lyme	Audley Rural	Newcastle-Under-Lyme
All ages	8,437	123,871	8,354	123,303	9,623	141,281
75+	734	10,478	884	12,619	1,342	19,160
%	8.7%	8.5%	10.6%	10.2%	13.9%	13.6%

Source: Census 2021, ONS population projections, AECOM Calculations

7.11 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.

7.12 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Neighbourhood Plan period to 2042. Note that 2011 data is used because Census 2021 data which compares households by age and tenure is not yet available. The top row in Table 7-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the vast majority are home owners (78.2%) with 16.8% in the social rented sector. Very few households in this age group rent in the private rented sector (5%).

7.13 The expected growth in the 75+ population in the NA is 458 additional individuals by the end of the Neighbourhood Plan period (the difference between 2042 projection and Census 2021 outturn). This can be converted into 339 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 additional Audley Rural households are likely to need over the Neighbourhood Plan period, and is shown in the bottom row of Table 7-2.

**Table 7-2: Tenure of households aged 55-75 in Newcastle-under-Lyme (2011) and projected aged 75+ in Audley Rural (2021-2042)**

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>Newcastle-under-Lyme (2011)</b>	78.2%	59.0%	19.2%	21.8%	16.8%	4.1%	0.9%
<b>Audley Rural (2021-2042)</b>	<b>265</b>	200	65	<b>74</b>	57	14	3

Source: Census 2011, Census 2021, ONS Population Projections

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

## Future needs for specialist accommodation and adaptations

7.15 Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Neighbourhood Plan period is calculated to be 274.

7.16 AECOM's modelling, summarised in Table 7-3, 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.

7.17 Table 7-3 suggests broadly balanced need for housing with care, where households need more intense care and support, and specialist housing which may house people with more limited support need. Some of these households may be capable of living in mainstream housing with suitable adaptations and/or care in place. The modelling suggests the majority of these older households will need or want market housing, primarily because they are currently owner occupiers and will want to stay in this tenure.

**Table 7-3: AECOM estimate of specialist housing for older people need in Audley Rural 2021 to the end of the Neighbourhood Plan period**

Type	Affordable	Market	Total
Housing with care	30	76	<b>106</b>
Adaptations, sheltered, or retirement living	24	75	<b>100</b>
<b>Total</b>	<b>55</b>	<b>152</b>	<b>206</b>

Source: Census 2011, AECOM Calculations

7.18 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. HLIN calculations

7.19 **Ta4** 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 Audley Rural results in a total of 115 specialist dwellings that might be required over the Neighbourhood Plan period. This is set out in Table 7-4.

**Table 7-4: HLIN estimate of specialist housing for older people need in Audley Rural 2021 to the end of the Neighbourhood Plan period (2042)**

Type	Affordable	Market	Total
Housing with care	14	18	33
Adaptations, sheltered, or retirement living	27	55	82
<b>Total</b>	<b>42</b>	<b>73</b>	<b>115</b>

Source: Housing LIN, AECOM calculations

## Further considerations

7.20 The above estimates suggest that potential need for specialist accommodation could be in the range of 115-206 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 proposed overall housing requirement of 250 homes over the Local Plan period, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

7.21 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.

7.22 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).

7.23 It is considered that Audley Rural is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Audley Rural in other suitable locations near to but outside the Plan area boundaries).

7.24 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

7.25 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.

- 7.26 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.
- 7.27 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.
- 7.28 AECOM has estimated the likely need for care home accommodation over the Neighbourhood Plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to the growth in the older population for consistency with the calculations above, it is estimated that 2021-2042 there would be a need for 57 care homes beds in the NA.
- 7.29 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

- 7.30 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 95% of the Audley Rural population aged 75 and over is likely to live in the mainstream housing stock<sup>20</sup>.
- 7.31 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

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<sup>20</sup> 884 over 75s in 2021, equating to 655 households, of which 30 are accommodated in specialist housing, leaving 623 people living in mainstream housing. This is approximate since some people in specialist housing may be under the age of 75.

to their needs and whether adequate care or support is provided within the home when they need.

7.32 However, given that there is unlikely to be a large volume of additional specialist supply during the Neighbourhood 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 Newcastle-under-Lyme.

7.33 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 dwellings<sup>21</sup>, although changes to Building Regulations have not yet been made.

7.34 The Draft Local Plan policy HOU 2 requires new development to accommodate specific groups such as older people. The draft policy states that ‘all new dwellings should meet the requirements of Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings) and ‘on major residential developments and specialist housing for older people, 10% of the dwellings should also meet the requirements of Building Regulations Part M4(3)(2)(a) wheelchair adaptable dwellings.’

7.35 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.

7.36 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.

## Conclusions- Specialist Housing for Older People

- There is a very limited stock of specialist housing within the parish. According to data from the EAC, there are 30 age exclusive bungalows with 1-2 bedrooms available for older people. There are schemes in neighbouring areas (Silverdale) and in Newcastle-Under-Lyme, but these are supporting wider populations as well.
- Audley Rural has a relatively large share of bungalows in the stock which is likely to meet the needs of some older households, particularly where these properties have been made more accessible or adaptable. There is no guarantee that these properties are suitable for the needs of older people who required care and support however.

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<sup>21</sup> 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)

- Audley Rural has an older bias to its population and the older population is expected to grow substantially over the Neighbourhood Plan period, with an additional 458 people aged 75+ by 2042 (compared to 2021), equating to an additional 339 households.
- Rates of health problems and mobility limitations in population suggests there will be need for a range of accommodation. 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.
- These two methods of estimating the future need in Audley Rural produce a range of 115 to 206 specialist accommodation units that might be required 2021-2042. These estimates are based on the projected growth of the older population, thereby assuming that the existing population of 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.
- It is important to note that whilst these estimates suggest the need for additional specialist housing, it is possible that some of this need could be accommodated within the mainstream housing stock (through adaptations and provision of care/support in the home) or through the development of new mainstream homes which are accessible and adaptable. AECOM's estimate (Table 7-5) suggests around half of the need for specialist housing is for households with more limited needs for support and it is possible that this might be met through the mainstream housing stock. The HLIN estimate, which produces a lower figure overall, suggests greater need from those with more limited support and could be accommodated in sheltered housing or similar accommodation. The HLIN suggests the need or demand for housing with care (extra care) with greater levels of care and support is lower.
- The majority of the need for specialist housing is for market tenures, reflecting that most older households in the parish are home owners. However, there is also relatively substantial need for specialist housing that is affordable – around one quarter to one third of estimated need is for affordable units.
- The proposed scale of overall development the parish over the Local Plan period is 250 homes (2020-2040). The four sites identified as potential allocations would qualify as major developments and would therefore be expected to provide homes which meet higher standards of accessibility and adaptability.
- The Draft Local Plan sets 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)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.



- While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:
  - so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
  - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
  - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
- 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 housing needs arising from a number of different locations and/or neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model). This is particularly the case when considering appropriate locations for extra care or assisted living schemes which require economies of scale.
- It is considered that Audley Rural's position in the settlement hierarchy makes it a relatively less suitable location for some forms of specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. However, much depends on the broader strategy for growth, being developed in the Draft Local Plan. There is no specific requirement or obligation to provide the specialist accommodation need arising from Audley Rural entirely within the Neighbourhood Plan area boundaries, if it cannot be accommodated in the parish it is recommended it could be provided in a 'hub and spoke' model. In the case of Audley Rural, Newcastle-Under-Lyme (urban area) is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Plan area (i.e. to be the hub in the hub-and-spoke model). There may also be opportunities presented with major development sites (currently being considered in the Local Plan review) where specialist housing could be provided within a new community centre. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself would not overlap.
- Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

## 8. Next Steps

### Recommendations for next steps

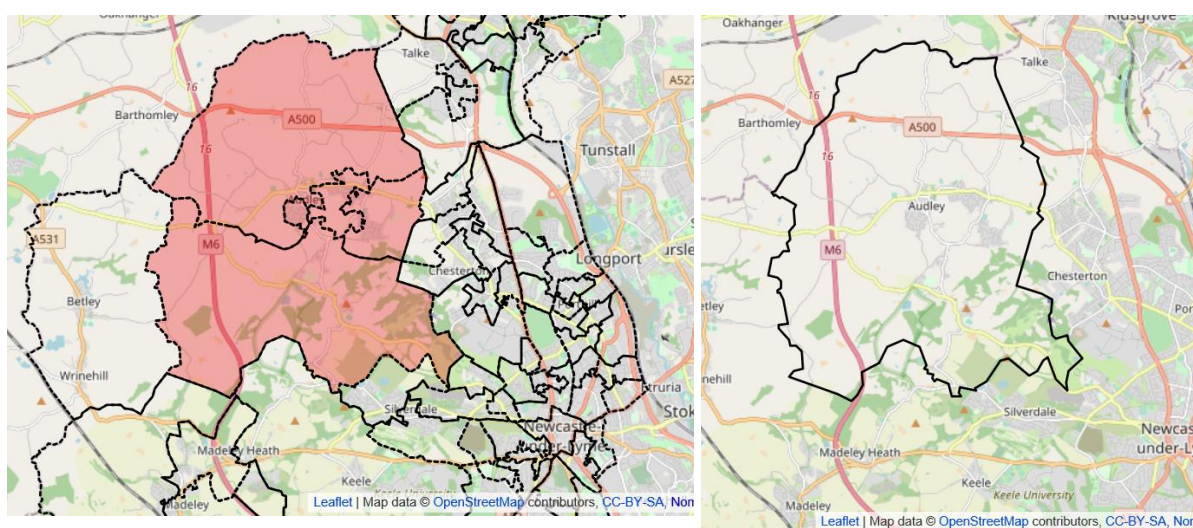
1. This Neighbourhood Plan housing needs assessment aims to provide Audley Rural Parish Council with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Newcastle-under-Lyme 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 Newcastle-under-Lyme Borough 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 Newcastle-under-Lyme.
2. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
3. Bearing this in mind, it is recommended that the parish council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Newcastle-under-Lyme Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
4. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

## Appendix A : Assessment geography

1. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs).
2. The parish area of Audley Rural is used for data analysis in this report where data is available at the parish level eg for the Census 2011 and ONS population estimates. Comparable parish level data is not available for the Census 2021 and so the Audley Rural area is defined and built up through statistical units called Output Areas (OAs). The Plan area equates to the following OAs (in this case Lower Super Output Areas – LSOAs), which match the NA boundary for any data which compares the 2011 and 2021 Censuses:

- LSOA E01029532
- LSOA E01029533
- LSOA E01029534
- LSOA E01029535
- LSOA E01029556

**Figure A-1: Map of LSOAs in Audley Parish**

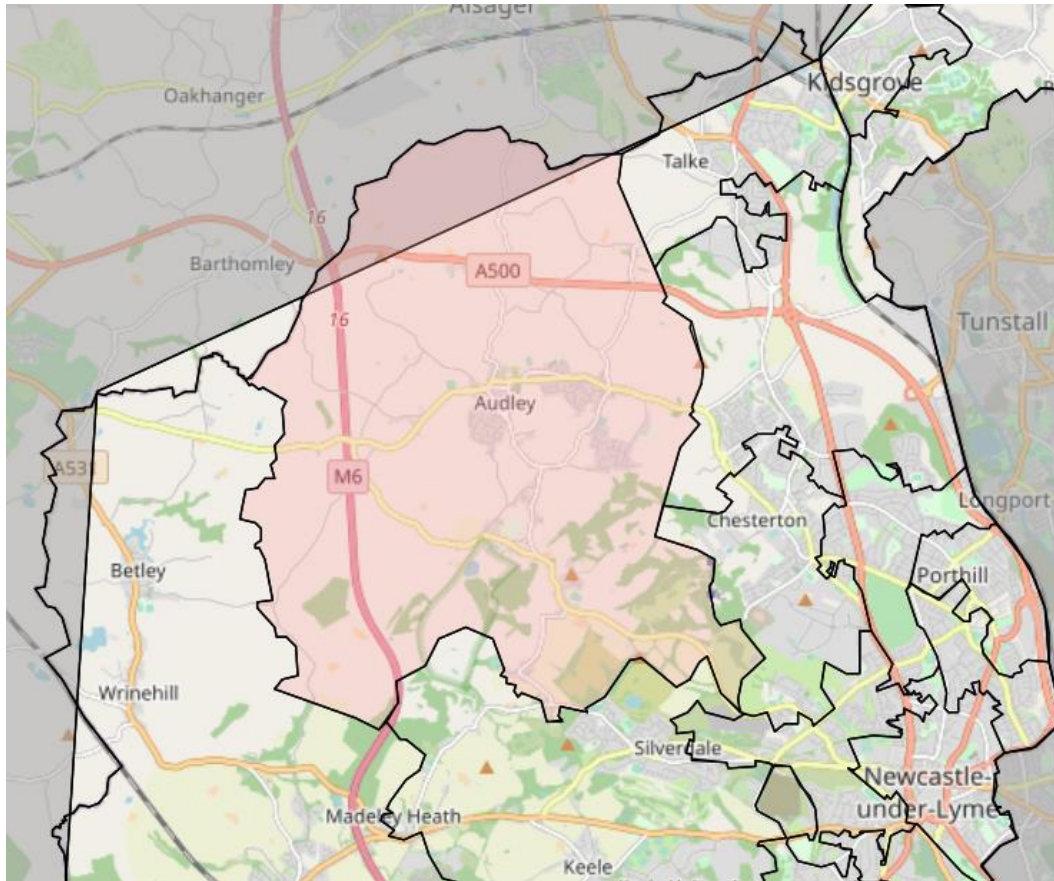


Source: Nomis website. Map on left shows 5 LSOAs in Audley Rural Parish. Map on right shows Parish boundary for comparison

3. 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.
4. 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 E02006162. This area has the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the

assessment geography that has been selected. A map of this MSOA appears below in FigureA-2. In this case the MSOA area corresponds to the parish boundary.

**Figure A-2: MSOA E02006162 used as a best-fit geographical proxy for the Neighbourhood Plan area**



Source: ONS

# Appendix B : Local Plan context

## Policies in the adopted local plan

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

**Table B-1: Summary of relevant adopted policies in the Adopted Local Plan**

Policy	Provisions
SP1: Principles of Targeted Regeneration	<p>Spatial Area</p> <p>New housing will primarily be directed towards sites within:</p> <ul style="list-style-type: none"> <li>• The Inner Urban Core, including the City Centre;</li> <li>• Newcastle Town Centre;</li> <li>• Neighbourhoods within General Renewal Areas and Areas of Major Intervention and other Areas of Housing Intervention identified by RENEW North Staffordshire (market renewal pathfinder did not include Audley), and</li> <li>• Within the identified significant urban centres</li> </ul> <p>New development will be prioritised in favour of previously developed land where it can support sustainable patterns of development and provides access to services and service centres by foot, public transport, and cycling.</p>
ASP6: Rural Spatial Policy	<p>Area</p> <p>There will be a maximum of 900 net additional dwellings of high design quality, primarily located on sustainable brownfield land, within the village envelopes of key Rural Service Centres to meet identified local requirements – in particular, the need for affordable housing.</p> <p>A positive approach will be taken towards development for supported and special needs housing where it supports the Housing Strategy for Newcastle Borough.</p>
CSP6: Housing	<p>Affordable</p> <p>New residential development within rural areas, on sites of 5 dwellings or more, will be required to contribute towards affordable housing at a rate equivalent to a target of 25% of the total dwellings to be provided. In some areas the local need for affordable housing may be less than 25%. In this case a financial contribution to offsite affordable housing provision will be required at the equivalent rate to meet priority needs elsewhere.</p> <p>Within the plan area the affordable housing mix will be negotiated on a site by site basis to reflect the nature of development and local needs. Generally, affordable housing types will be expected to reflect that of the site as a whole.</p> <p>Affordable housing units should be fully integrated with the market housing, be built to the same design, quality and space standards and should not be visually distinguishable from other development on site. It should be assumed that affordable housing will be required to be provided without subsidy.</p> <p>Within the rural area, where published evidence of need highlights a local need not capable of being met through normal housing provision policy, sites may be released as Rural Exception Sites. If such a site cannot be accommodated within an existing village, then a site immediately adjoining the village may be deemed appropriate. The scale of development should not exceed the level of need identified. Schemes should be able to be afforded by local people identified as having a housing need and will remain affordable in perpetuity.</p>
Saved Policy of the Newcastle-under-Lyme Local Plan 2011.	<p>Permission for residential development will only be given where one of the following requirements are satisfied:</p> <ol style="list-style-type: none"> <li>i) The site is within the urban area of Newcastle or Kidsgrove.</li> <li>ii) The site is within one of the 'village envelopes' as defined on the Proposals Map.</li> <li>iii) It is essential for the proper functioning of a viable enterprise of agriculture or forestry that residential accommodation for a person or persons engaged in that enterprise is available in the precise location proposed and there is no alternative.</li> </ol>
H1: Sustainable Location	<p>Residential Development –</p>

## Policy Provisions

and Protection of the Countryside	<p>iv) The development consists of affordable housing permissible under the terms of Policy H12 (<i>Policy H12 was not saved, see Policy CSP6 in the Core Strategy</i>).</p> <p>v) The development consists of the conversion of a rural building in accordance with Policy H9.</p> <p>Where permission is given under clauses (iii) or (iv), any new buildings should be sited within an existing group of dwellings or farm buildings and designed to fit in with them.</p>
Saved Policy of the Newcastle-under-Lyme Local Plan 2011.	<p>Before the conversion of rural buildings for living accommodation can be considered, evidence must be provided to show that the applicant has made every reasonable attempt to secure a suitable business use for the premises. Numerous criteria must also be met, outlined in the full policy.</p>
H9: Conversion of Rural Buildings for Living Accommodation	
Saved Policy of the Newcastle-under-Lyme Local Plan 2011.	<p>Development for supported and special needs housing in accordance with the Council's Housing Strategy will be encouraged. When considering any applications for such development, the positive contribution that it would make towards the Council's Housing Strategy would be weighed against any concerns raised in the context of other policies of the Plan.</p>
H13: Supported Housing	
Saved Policy of the Newcastle-under-Lyme Local Plan 2011.	<p>Appropriate amounts of publicly accessible open space must be provided in areas of new housing, and its maintenance must be secured.</p>
C4: Open Space in New Housing Areas	<p>On sites with 10 or more dwellings, or at least 0.4 hectares with fewer dwellings, taking a gross figure for all contiguous development areas, developers will be expected to provide open space in accordance with the following:</p> <ul style="list-style-type: none"> <li>i) Publicly accessible open space must be provided pro rata at a scale of 0.1 hectares for each 50 houses.</li> <li>ii) Appropriate play equipment must be provided within new housing areas with 100 or more dwellings, taking a gross figure for all contiguous development areas. The amount of equipment required will be appropriate to the size of the development.</li> <li>iii) Where new play areas are provided within the development, each must be of at least 0.1 hectare and be located so that no child has to walk more than 0.4 km (0.25 mile) or cross a major road to reach such an area from home.</li> <li>iv) In the case of developments of fewer than 50 dwellings, areas of new housing development, or in other situations where the Council considers that such a course of action would be more appropriate, developers will be invited to make some other contribution in accordance with a scale to be determined by the Council.</li> </ul> <p>v) The design and location of new play areas must take into account community safety issues.</p>
Affordable Housing Supplementary Planning Document	<p>In rural areas, a threshold of 5 dwellings is to be used for requiring affordable housing as part of general housing development. In considering whether a development meets the threshold for providing affordable housing, the Council will consider the gross number of proposed dwellings, not the net increase. (p.14)</p> <p>25% of all new dwellings to be built should be affordable housing. Within that, at least 15% should be social rented, with the remainder being intermediate housing – largely forms of shared ownership (p.16).</p> <p>The analysis of the housing register identifies acute unmet need for two types of housing:</p> <ul style="list-style-type: none"> <li>• Bungalows of 2-bedroom spaces</li> <li>• Houses with 4-bedroom spaces (p.17).</li> </ul> <p>Any requirement to demonstrate a specific local need for a new development would only arise where the issue was supporting new affordable housing, either in terms of</p>

Policy	Provisions
	<p>housing strategy or to justify the use of a site where general market housing might not be acceptable (p.12).</p> <p>There may be needs identified that require the provision of facilities such as housing for the elderly, supporting housing or hostels to serve people with a variety of special needs. In some cases, it may be possible to require the inclusion of such provision as part of a housing development, in the same way that affordable housing can be required (p.8).</p>

Source: Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy 2006-2026, saved Policies of the Newcastle-under-Lyme Local Plan 2011, and Affordable Housing Supplementary Planning Document (January 2009).

## Policies in the First Draft Local Plan – June 2023

2. Table B-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Audley Rural. The latest document available is the First Draft Local Plan (Regulation 18 Consultation).

Policy	Provision
Policy PSD 1: Overall Development Strategy	A minimum of 7,160 dwellings will be delivered in the Borough over the Local Plan period 2020- 2040 which equates to 358 dwellings per annum.
Policy PSD 2: Settlement Hierarchy	<p>Strategic Centre: Newcastle-under-Lyme. This centre represents the most sustainable location for growth and therefore is a focus for new development.</p> <p>Urban Centre: Kidsgrove forms an urban centre in the Borough. Development should be of a scale, location and nature that recognises the distinctiveness of Kidsgrove to maintain its vitality and viability.</p> <p>Rural Centres (including Audley and Bignall End): The Rural Centres will meet some of the development needs of the Borough, commensurate to their role as villages and with the type, density and design of development seeking to protect and enhance their rural and historic character.</p> <p>Other Settlements and Rural Areas</p>
Policy PSD 3: Distribution of Development	<p>1. The strategic centre of Newcastle-under-Lyme is expected to accommodate in the order of 4,800 new homes</p> <p>2. The urban centre of Kidsgrove is expected to accommodate in the order 900 new homes</p> <p>3. The rural centres are expected to accommodate development as shown below: - a. Audley and Bignall End (joint): in the order of 250 new homes b. Betley &amp; Wrinehill (joint) and Madeley &amp; Madeley Heath (joint): in the order of 200 new homes c. Loggerheads: in the order of 500 new homes d. Keele and Keele University (joint): in the order of 600 new homes.</p>
Policy PSD 5: Green Belt and Safeguarded Land	<p>1. The Green Belt boundary is defined on the draft Policies Map.</p> <p>2. The Green Belt boundary will be altered through this Plan to a. Support the allocation of the Green Belt sites listed in section 15 of this Plan b. Establish an inset boundary at Keele</p>

3. Within the Green Belt, planning permission will not be granted for inappropriate development, except in very special circumstances, in accordance with National Planning Policy Framework.

4. The construction of new buildings within the Green Belt should be regarded as inappropriate, unless it is one for the exceptions listed within national planning policy.

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Policy HOU 1: Affordable Housing

1. In residential development affordable housing will be provided as follows: -

a. For major residential developments of greenfield sites, 30% of all units are to be affordable

b. For major residential developments of brownfield sites in the low value zone as shown on the draft Policies Map, 15% of all units are to be affordable

c. For major residential developments of brownfield sites in the high value zone as shown on the draft Policies Map, 25% of all units are to be affordable

2. The size and type of affordable dwellings to be provided will be dependent on recognised local housing need (including the need of older residents and residents with disabilities) and confirmed with the Council's Housing Team prior to application determination, and will generally comprise: (at least) 25% to be delivered as First Homes, 65% to be delivered as social rented, and 10% delivered as other forms of affordable housing in line with national policy.

7. In regard to Rural Exception Sites and Entry Level/First Homes Exceptions Sites, the development of affordable housing will be permitted on small sites as an exception to other policies concerning the countryside, to meet locally identified affordable housing need, subject to all of the following criteria being met: a. Sites should adjoin rural centres development boundaries or 'village envelopes' in the other settlements or rural areas tier of the settlement hierarchy and have reasonable access to existing employment, services and facilities including public transport; b. There is a proven and as yet unmet local need, having regard to the latest Housing Needs Assessment and other local data, e.g. a 'made' Neighbourhood Plan; No other suitable and available sites exist within the Development Boundary of the village or rural centre; d. Secure arrangements exist to ensure the housing will remain affordable and available to meet the continuing needs of local people in perpetuity; e. The scale and location of the site relates well to the existing settlement and landscape character, with a site not exceeding a maximum of 1 hectare in line with the definition of a small site; f. Where viability for 100% affordable housing provision cannot be achieved, an element of market housing<sup>8</sup> may be included within a Rural Exception and Entry Level/First Home scheme to provide sufficient cross-subsidy to facilitate the delivery of affordable homes. In such cases, a viability assessment will be submitted to demonstrate that cross-subsidisation is necessary and will be independently verified at cost to the applicant; g. Where local evidence suggests that a significant local need exists for one or more other forms of affordable housing on a proposed Entry Level/First Homes Exception Site, applicants may alter the proportions of affordable housing to include small quantities (up to 25%) of other affordable housing products h. Entry Level/First Homes Exception Sites are not permitted within the Green Belt. The Written Ministerial Statement and the NPPG are clear that in these Green Belt locations, only Rural Exception Sites



can be brought forward for affordable housing on unallocated sites beyond the development boundaries.

<p>Policy HOU 2: Housing Mix, Density and Standards</p>	<p>3. All major residential development sites, having regard to location and site size, should contain a mix of types and sizes of market housing which should also include housing suitable for the needs of older people. The mix will be informed by the most up-to-date evidence comprising Housing Need Assessments (HNA) / Strategic Housing Market Assessment (SHMA) and, where available, by other local data; this could include housing registers, Neighbourhood Plans, parish surveys, parish plans, or the latest council position statements.</p> <p>The current evidence suggests a market housing mix, comprising of (and is subject to change on the basis of updated evidence): - a. 40% as 1-2 bed dwellings; b. 45% as 3 bed dwellings; c. 15% as 4 or more bed dwellings; d. In terms of the type of housing, 75-80% as houses and 20-25% evenly split as bungalows and flatted units.</p> <p>4. Proposals for new residential development in the Borough should meet the Nationally Described Space Standard.</p> <p>5. All new dwellings should meet the requirements of Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings).</p> <p>6. On major residential developments and specialist housing for older people, 10% of the dwellings should also meet the requirements of Building Regulations Part M4(3)(2)(a) wheelchair adaptable dwellings</p> <p>7. Where housing for older people or people with special needs falling into Class C2 of the Town and Country Planning (Use Classes) Order 1987 (as amended) is proposed, permission will be supported provided that: a. There is an evidenced requirement for that type of accommodation; b. It is designed to meet the particular requirements of residents with a particular focus on social, physical, mental and / or health care needs; and c. The scheme has good access to public transport, healthcare, shopping and other community facilities for its residents, their visitors and on-site workers.</p>
<p>AB12 Land East of Diglake Street, Bignall End Rural Centre (Audley)</p>	<p>Around 150 dwellings The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt.</p>
<p>AB15 Land North of Vernon Avenue, Audley Rural Centre (Audley)</p>	<p>Around 40 dwellings The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt, particularly on its western boundary.</p>
<p>AB32 Land Nursery Gardens, Audley Rural Centre (Audley)</p>	<p>Around 20 dwellings The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt.</p>
<p>Land off Nantwich Road / Park Lane Audley Rural Centre (Audley)</p>	<p>Around 60 dwellings The proposed allocation will need to provide for compensatory measures and provide defensible boundaries with the Green Belt.</p>

## Appendix C : Affordability calculations

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

### C.1 Market housing

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

#### i) Market sales

3. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
4. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Audley Rural, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
5. The calculation for the purchase threshold for market housing is as follows:
  - Value of a median NA house price (2022) = £176,000;
  - Purchase deposit at 10% of value = £17,600;
  - Value of dwelling for mortgage purposes = £158,400;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £45,257.
6. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022 was £142,000, and the purchase threshold is therefore £36,514.
7. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. There were too few recent sales in the NA specifically to determine an accurate average for the cost of new build housing in Audley Rural. It is, however,

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

8. Therefore an estimate has been presented, using the new build prices in 2022 across Newcastle-under-Lyme. The average new build house price in the borough was £276,737 and purchase threshold of £71,161.

## ii) Private Rented Sector (PRS)

9. 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.
10. 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.
11. 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 ST7 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.
12. According to [home.co.uk](https://www.home.co.uk), there were 30 properties for rent at the time of search in May, 2023, with an average monthly rent of £770. There were 11 two-bed properties listed, with an average price of £715 per calendar month.
13. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
  - Annual rent = £715 x 12 = £8,580;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £28,600.
14. The calculation is repeated for the overall average to give an income threshold of £30,800.

## C.2 Affordable Housing

15. 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

16. 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.

17. 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 Audley Rural. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Newcastle-under-Lyme in Table C-1.

18. 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	£74.36	£82.66	£89.35	£96.61	£82.38
Annual average	£3,867	£4,298	£4,646	£5,024	£4,284
Income needed	£15,467	£17,193	£18,585	£20,095	£17,135

Source: Homes England, AECOM Calculations

### ii) Affordable rent

19. 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).

20. 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%.

21. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Newcastle-under-Lyme. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
22. 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	£74.36	£82.66	£89.35	£96.61	£82.38
Annual average	£3,867	£4,298	£4,646	£5,024	£4,284
Income needed	£15,467	£17,193	£18,585	£20,095	£17,135

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

23. 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.
24. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

#### First Homes

25. 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.
26. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA. This HNA assumes that the average new build entry level home is priced at similar levels to median average homes as a whole in the NA.
27. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated using median price) = £176,000;
  - Discounted by 30% = £123,320;
  - Purchase deposit at 10% of value = £12,320;
  - Value of dwelling for mortgage purposes = £110,880;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £31,680.
28. 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 £27,154 and £22,629 respectively.
29. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
30. 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. m<sup>22</sup>) would be around £122,500. This cost

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<sup>22</sup> 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/>

excludes any land value or developer profit. This could be an issue in Audley Rural given the estimated price of new homes.

31. Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA (using median prices as a proxy). 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	12%	62%	25%
NA entry-level house price	-9%	53%	7%
LA median new build house price	44%	76%	52%

Source: Land Registry PPD; ONS MSOA total household income

### Shared ownership

32. 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'.
33. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
34. 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).
35. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £176,600 is £44,000;
  - A 10% deposit of £4,400 is deducted, leaving a mortgage value of £39,600;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £11,314;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £132,000;
  - The estimated annual rent at 2.5% of the unsold value is £3,300
  - This requires an income of £11,000 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £22,314 (£11,314 plus £11,000).
36. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £17,726 and £29,962 respectively.

### **Rent to Buy**

37. 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)**

38. 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.
39. 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 need and policy

## Affordable Housing estimates

1. Table D-1 estimates the potential demand in Audley Rural. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

**Table D-1: Estimate of the potential demand for affordable home ownership in Audley Rural**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in NA	423.0	Census 2021 private rented occupancy.
1.2 Percentage renters on housing benefit in LA	26.6%	% of renters in 2021 on housing benefit or Universal Credit with a housing element
1.3 Number of renters on housing benefits in parish	112.5	Step 1.1 x Step 1.2.
1.4 Current need (households)	232.9	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>23</sup>
1.5 Per annum	10.6	Step 1.4 divided by plan period (22 years).
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	467.2	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	6.9%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	32.3	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	2.5	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	23.0	Number of shared ownership homes in parish (Census 2021).
3.2 Supply - intermediate resales	1.2	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	<b>11.9</b>	(Step 1.5 + Step 2.4) - Step 3.2.

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

<sup>23</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

2. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>24</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
3. 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).
4. 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.

## Affordable housing policy

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

**Table D-2: Wider considerations in developing Affordable Housing mix policy**

Consideration	Local Evidence
<p><b>A. Evidence of need for Affordable Housing:</b></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 19 units of affordable rented housing and 12 units of affordable home ownership homes per annum over the Neighbourhood Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>These figures are 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 transition to ownership.</p>

<sup>24</sup> <http://www.ipsos-mori-generations.com/housing.html>

	Furthermore, in this area, affordable home ownership products may not be cheaper in cost than existing properties in the stock.
<p><b>B. Can Affordable Housing needs be met in full?</b></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>If the Local Plan target of 30% were achieved on every site, assuming the delivery of the NA's proposed housing requirement figure of 250 homes per annum overall, up to 75 affordable homes might be expected in the NA over the Neighbourhood plan period.</p> <p>This level of potential affordable housing delivery would not be sufficient to meet all of the need identified but it would be sufficient to meet the more urgent and acute need for rented housing.</p>
<p><b>C. Government policy (eg NPPF) requirements:</b></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 Audley Rural, where 30% of all housing should be affordable, 33% of Affordable Housing would need to be for affordable ownership. This is consistent with the emerging policy in the Draft Local Plan.
<p><b>D. Local Plan policy:</b></p>	The Draft Local Plan proposes a tenure split within the borough's affordable housing policy of 65% rented and 35% affordable home ownership. The latest HENA (2023) for Newcastle- Under-Lyme identifies the need for predominately affordable rented housing. Affordable home ownership products do not extend affordability to those currently priced out of home ownership in the borough as a whole. At the borough level, there is limited role for affordable home ownership products though they may widen choice and improve the quality of housing available.
<p><b>E. First Homes policy:</b> 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</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

<p>enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.</p>	<p>Housing. As there is no required tenure split in the current emerging Local Plan, there is scope for the Borough Council to establish an appropriate quantity of First Homes and discount levels.</p> <p>Neighbourhood Plans may also set discount levels to ensure First Homes are affordable to local residents. This HNA suggests discounted products such as First Homes would not extend home ownership substantially as average income households can already afford to buy. But First Homes may improve the choice and quality of properties available to households on average and lower quartile incomes.</p>
<p><b>F. Viability:</b></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><b>G. Funding:</b></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>Audley Rural Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>

<p><b>H. Existing tenure mix in Audley Rural:</b></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>The stock of social/affordable rented housing within the parish is smaller than the proportion at the borough and England level and appears to have fallen in size over the last 10 years. There is limited availability of shared ownership or affordable home ownership properties. This suggests that provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.</p>
<p><b>I. Views of registered providers:</b></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><b>J. Wider policy objectives:</b></p>	<p>The Audley Rural Parish Council may wish to take account of broader policy objectives for Audley Rural and/or the wider borough. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.</p>

# Appendix E : Specialist housing for older people

## Background data tables

Table E-1: Existing specialist housing supply, Audley Rural

	Name	Description	Dwellings	Tenure	Type
1	Durbar Close	30 x age exclusive bungalows (1 and 2 beds)	30	Social Rent	Age Exclusive

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

Table E-2: Tenure and mobility limitations of those aged 65+ in Audley Rural, 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	
<b>All categories</b>	489	30.9%	464	29.3%	629	39.8%
<b>Owned Total</b>	377	28.8%	373	28.5%	558	42.7%
Owned outright	343	28.7%	343	28.7%	510	42.6%
Owned (mortgage) or shared ownership	34	30.4%	30	26.8%	48	42.9%
<b>Rented Total</b>	112	40.9%	91	33.2%	71	25.9%
Social rented	85	40.3%	74	35.1%	52	24.6%
Private rented or living rent free	27	42.9%	17	27.0%	19	30.2%

Source: DC3408EW Health status

## HLIN calculations

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

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

Source: *Housing LIN SHOP Toolkit*

6. As Tab shows, Audley is forecast to see an increase of 458 individuals aged 75+ by the end of the Neighbourhood Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 0.458 = 28$
- Leasehold sheltered housing =  $120 \times 0.458 = 55$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.458 = 9$
- Extra care housing for rent =  $15 \times 0.458 = 7$
- Extra care housing for sale =  $30 \times 0.458 = 14$
- Housing based provision for dementia =  $6 \times 0.458 = 3$

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



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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>25</sup>.

### **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 Standard<sup>26</sup>**

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

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<sup>25</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>26</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

### **Co-living**

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

### **Community Led Housing/Community Land Trusts**

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The 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 Order<sup>27</sup>**

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)<sup>28</sup>**

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%

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<sup>27</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>28</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

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

### **Extra Care Housing or Housing-With-Care**

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

### **Fair Share**

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

### **First Homes**

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

### **Habitable Rooms**

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

### **Household Reference Person (HRP)**

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

### **Housing Market Area**

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

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

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

## **Housing Needs**

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

## **Housing Needs Assessment**

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

## **Housing Products**

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

## **Housing Size (Census Definition)**

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

## **Housing Type (Census Definition)**

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

## **Housing Tenure (Census Definition)**

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

## **Income Threshold**

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

## **Intercensal Period**

This means the period between the last two Censuses, i.e. between years 2011 and 2021.

### **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 Neighbourhood 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 years<sup>29</sup>, 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**

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<sup>29</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

### **Planning Condition**

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

### **Planning Obligation**

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

### **Purchase Threshold**

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

### **Proportionate and Robust Evidence**

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

### **Private Rented**

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

### **Retirement Living or Sheltered Housing**

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

### **Residential Care Homes and Nursing Homes**



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

## **Rightsizing**

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

## **Rural Exception Sites**

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

## **Shared Ownership**

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

## **Sheltered Housing<sup>30</sup>**

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

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<sup>30</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

### **Strategic Housing Land Availability Assessment**

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Local 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 Local 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.<sup>31</sup>

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<sup>31</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

