

Clifton-upon-Dunsmore

Housing Needs Assessment (HNA)

July 2023

Quality information

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List of acronyms used in the text:

CPC	Clifton-upon-Dunsmore Parish Council
CuD	Clifton-upon-Dunsmore
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
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RBC	Rugby Borough Council
RLP	Rugby Borough Local Plan
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1. Clifton-upon-Dunsmore is a Neighbourhood Area (NA) located in the local authority area of Rugby Borough Council. The NA, which was designated in February 2022, coincides with the boundary of the civil parish of Clifton-upon-Dunsmore.
2. The 2021 Census data gives a population figure of 2,993 for the parish – indicating population growth of around 1,689 individuals, representing 130% growth since 2011. Almost all of this is attributable to a major new development at Houlton, south of the parish (at the former Rugby Radio strategic site) planned for up to 6,200 homes.
3. There has been significant development in Clifton-upon-Dunsmore since 2011, with Rugby Borough Council (RBC) providing completions data from 2011 to 2021 showing the delivery of 1,269 dwellings. These include 16 dwellings in the village of Clifton-upon-Dunsmore and the rest are within the major urban extension at Houlton. According to RBC no affordable housing has been delivered in the parish recently however Houlton is expected to provide new affordable housing units with plans for 158 units currently under way¹.
4. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), 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 housing needs assessment (HNA) will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.
5. Our Executive Summary which follows details the conclusions of each chapter of the report, addressing the 3 research questions formulated at the outset of the research.

Conclusions - Tenure and Affordability

6. Clifton-upon-Dunsmore's current tenure mix shows a high degree of owner occupation compared to the wider borough and the national average with correspondingly lower proportions of private and affordable rents. Notably shared ownership is more prevalent in the parish compared to the wider geographies.
7. Home values in the parish have risen over the long term with the average entry-level home now costing around £105,938 more than it did in 2012. The overall average price grew by 58% in the period 2012 to 2021. There is a £59,935 (or 25%) price differential between the lower quartile property price (currently £244,938) and the median price (£304,873).

¹ Source: [Plans for 158 affordable homes at Houlton, Rugby | Midland Heart Group](#)

8. AECOM has estimated the annual income required to afford various tenures of housing in the parish – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Clifton-upon-Dunsmore is £50,300 and the lower quartile income (per person) for Rugby is £18,139.
9. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the parish. Home ownership through the mainstream market is not an option for the majority of local people.
10. Private renting is affordable for average earning households but households made up of two lower quartile earners cannot afford the given rental thresholds. Broadly speaking, anyone earning between £43,720 and £54,1934 can afford to rent but not to buy. These households may benefit from affordable home ownership options such as shared ownership, discounted market housing (including First Homes), and rent to buy, all of which are found to be suitable in Clifton-upon-Dunsmore.
11. The above products bring home ownership within reach of average and dual lower quartile earning households, but lower earners will still need affordable rented housing.

Quantity of Affordable Housing needed

12. This report estimates Clifton-upon-Dunsmore's Affordable Housing needs through two calculations that use locally specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable home ownership.
13. There are currently 8 Clifton-upon-Dunsmore households on Rugby Borough Council's Housing register. Despite this backlog of need, the estimate suggests Clifton-upon-Dunsmore will have a surplus of one affordable rented unit per year going forward.
14. This is initially surprising given the aforementioned register data. However, the model is effectively saying that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Clifton-upon-Dunsmore's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy expected newly arising need each year.
15. In practice, it would be better to frontload any future rented Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a clear need for Affordable Housing across the borough as a whole, and it is reasonable to expect Clifton-upon-Dunsmore to satisfy some of that need through Houlton (whether from local households or those elsewhere in the borough).
16. As such, it is recommended that the Advisory Committee seeks to secure some affordable rented housing, particularly early in the Plan period, with the understanding that if this

results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in Rugby.

17. Turning to Affordable Housing (AH) providing a route to home ownership, we estimate that around 5 households per year may be interested in such products (43 over the Plan period). 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. They do not 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.

Policy considerations

18. The strategic site allocated in the Rugby Local Plan (RLP) should deliver at least 498 units of Affordable Housing in the parish by 2031.
19. Applying the adopted RLP policy which requires 16% of AH to be affordable ownership tenures would produce around 80 dwellings in the parish with the remaining 418 defaulting to affordable rents. However, the RLP also states that the specific mix will be informed by evidence available at the time of application with the SHMA proposed mix as a starting point for negotiation. There is therefore potential for the Neighbourhood Plan to add greater specificity on this issue beyond the wider NPPF requirement for 10% of all housing to be for affordable home ownership.
20. As noted above, it is estimated that Clifton-upon-Dunsmore has limited long-term need for affordable rented housing and a high potential demand for affordable home ownership.
21. It is not recommended to strictly limit the future provision of affordable rented housing for the following reasons: there is currently a backlog of need from 8 households; the wider district continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice. Furthermore, given that expected future provision will be in Houlton as part of the strategic development there, there may be some benefit in providing additional AH within the village envelope for those wishing to remain in the existing community.
22. However, there is justification to seek a higher proportion of affordable home ownership than the 16% (of the affordable total) sought in the RLP. Furthermore, as noted above, a majority of affordable home ownership products have been found to be helpful in widening housing access to those earning at and below the average locally.
23. AECOM therefore proposes an indicative Affordable Housing tenure mix of 60% affordable home ownership and 40% affordable rent, which could be sought in the Neighbourhood Plan if it is not in conflict with other community objectives.

Conclusions - Type and size

24. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing stock

25. Clifton-upon-Dunsmore housing stock is dominated by larger detached and semi-detached homes with relatively smaller proportions of terraces and flats.
26. Recent development has doubled the parish's housing stock and has helped to bring forward some flats and terraced homes, but the overall development has tended to favour larger homes with detached and semi-detached dwellings currently forming three quarters of the total stock. This is also reflected in the size of new development which has tended to favour 3 and 4 bedroom units (77% of stock).
27. There may be capacity to usefully increase the number of homes with 2-3 bedrooms given the affordability findings above. Delivering more, small to medium, housing such 2-3 bedroom terraces may offer an appropriately affordable choice for young families and smaller flats (e.g. 1 bedrooms) would also help accommodate young people seeking more affordable options.

Demographics

28. The age structure of the population is a key indicator of the future need for housing. As of 2021 Clifton-upon-Dunsmore has a relatively well-balanced population, evenly split between those aged 0-44 and those aged 45 plus. Notably there has been a significant increase since 2011 in the number of young children (91% growth). The proportion of residents aged 65 and over grew by 31% with substantial growth (44%) in the 85 plus cohort. This pattern of growth is likely to be influenced by the large new development at Houlton.

The future dwelling mix

29. The life-stage modelling exercise which largely reflects the needs of the population of the village (excluding Houlton) and looks at the sizes of dwelling occupied by households at different life stages suggests that new development might benefit from a focus on mid-sized homes (3 bedroom) as well as smaller (1-2 bedroom) homes.
30. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating

downsizing among older households may release those larger homes for use by families who need more bedrooms.

Conclusions - Specialist housing for older people

31. Currently the NP area has no provision of specialist housing stock for older people.
32. It is projected that there will be an increase of 105 individuals in the 75+ age group by 2031 in Clifton-upon-Dunsmore village (excluding Houlton).
33. 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.
34. These two methods of estimating the future need in Clifton-upon-Dunsmore produce a range of 26 to 37 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here. The majority of need (75%) is identified for specialist market housing.
35. Given that there is no specified quantity of additional specialist housing provision in the Rugby Local Plan, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
36. Local Plan policy H6 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Advisory Committee approaching the LPA to discuss setting requirements on accessibility and adaptability at a borough level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
37. 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, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the district/borough falling into this category.

38. 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.
39. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
40. It is considered that Clifton-upon-Dunsmore's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Clifton-upon-Dunsmore entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Clifton-upon-Dunsmore, Rugby is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). Also given policy H6, the large-scale development at Houlton may form an emerging hub which could be the most suitable location for needs arising in the village. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
41. 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.

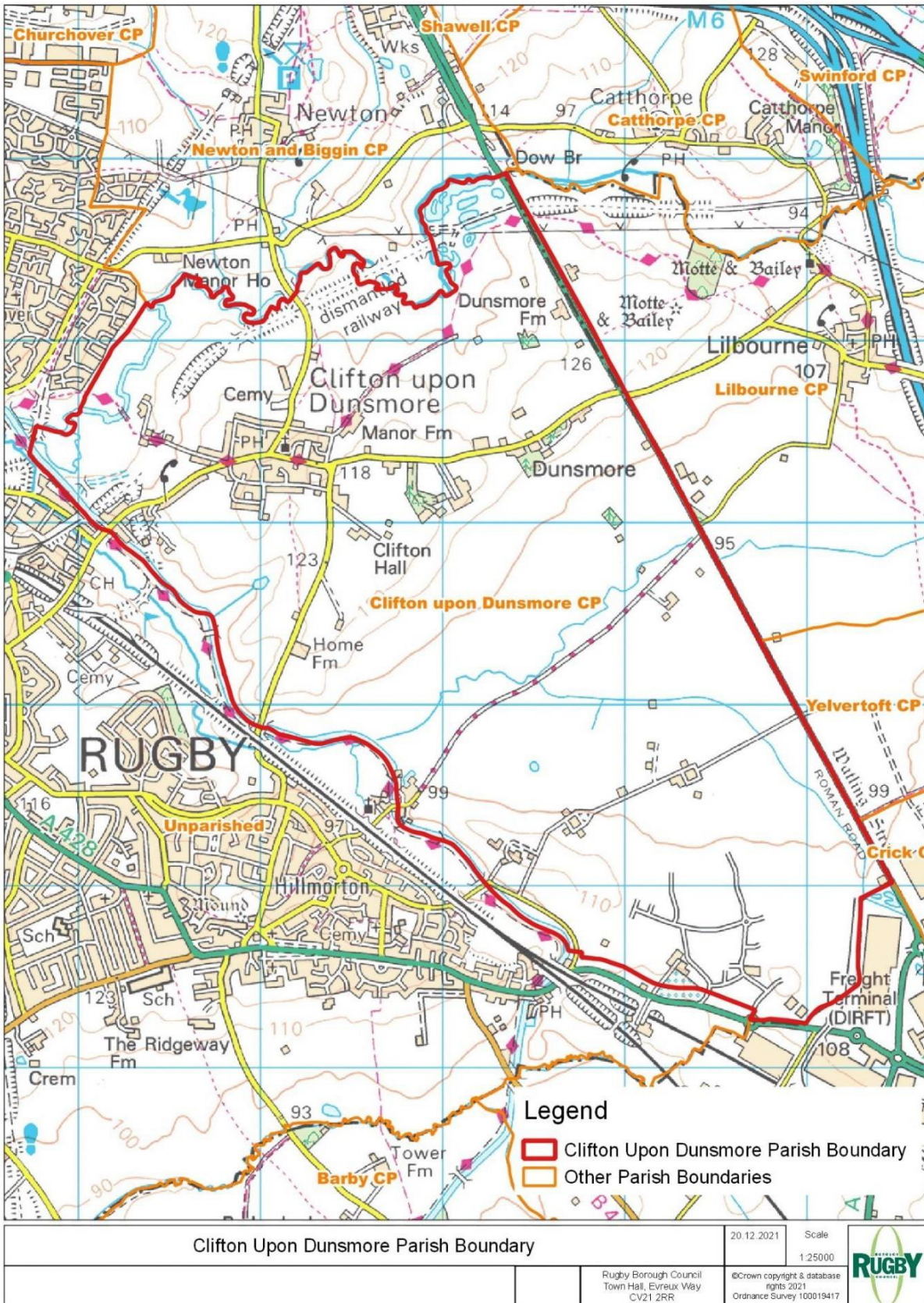
2. Context

Local context

42. Clifton-upon-Dunsmore is a Neighbourhood Area located in the north-east of Rugby borough, in Warwickshire. The Neighbourhood Area (NA), which was designated in February 2022, coincides with the boundary of the civil parish of Clifton-upon-Dunsmore.
43. The proposed Neighbourhood Plan period starts in 2022 and extends to 2031, therefore comprising a planning period of 9 years. The evidence supplied in this report will look forward to the Plan end date of 2031, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
44. Clifton-upon-Dunsmore (Figure 2-1) is located east of Rugby within the county of Warwickshire in the West Midlands. The village of Clifton-upon-Dunsmore is less than 3 miles from Rugby town centre, 16 miles east of Coventry and 85 miles north-west of London. The Oxford Canal runs along the western boundary of the parish and the River Avon flows along its northern boundary. The A5 forms the eastern boundary of the Neighbourhood Area (NA) linking it to the M1 and M6 motorways. The A428, which runs along the south east of the parish, links the NA to Coventry and Northampton. Rugby railway station is the nearest train station; less than 2 miles away, providing train services to London, Birmingham, Glasgow, Manchester, Chester, Liverpool, Blackpool, Preston, Carlisle, Wolverhampton, Crewe and Lancaster.
45. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from the 2001, 2011 and 2021 Censuses:
- 2021 Census data: E00158668, E00158670, E00158671, EE0158672, E00186849, E00186851, E00186859, E00186861 and E00187023 Output Areas (OA).
 - 2011 Census data: E01031129 Lower Layer Super Output Area (LSOA) and E00158669 Output Area (OA).
 - 2001 Census data: E01031129 LOSA and 44UDGA0003 OA
46. The statistics show that at time of the 2011 Census Clifton-upon-Dunsmore had a total of 1,304 residents, formed into 560 households and occupying 586 dwellings. The 2021 Census data gives a figure of 2,993 for the parish – indicating population growth of around 1,689 individuals, representing 130% growth since 2011. Almost all of this is attributable to a major new development at Houlton, south of the parish (at the former Rugby Radio site) for up to 6,200 homes. There have been 1,269 completions since 2011 according to Rugby Borough Council’s housing data².

² Source: Email of 27th Jan 2023 from Rugby Borough Council

Figure 2-1 Map of the Clifton-upon-Dunsmore Neighbourhood Area



Source: www.rugby.gov.uk

The Housing Market Area Context

47. Whilst this HNA focuses on Clifton-upon-Dunsmore 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 Clifton-upon-Dunsmore, the parish sits within a housing market area which covers Coventry, Rugby, North Warwickshire, Nuneaton and Bedworth, Stratford-on-Avon and Warwick³. This means that when households who live in these authorities move home, the vast majority move within this geography.
48. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Clifton-upon-Dunsmore, are closely linked to other areas. In the case of Clifton-upon-Dunsmore the substantial development at Houlton is likely to meet some of the housing needs from neighbouring settlements.
49. In summary, Clifton-upon-Dunsmore functions within a wider strategic area. As well as fostering good working relationships with the local planning authority Rugby Borough Council, it is therefore useful to think about the role of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

50. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies⁴. In the case of Clifton-upon-Dunsmore, the relevant adopted Local Plan is the Rugby Borough Council Local Plan 2011-2031 (RLP) was adopted in 2019 and sets out the Council's policies and proposals to support the development of the Borough through to 2031. The Council has recently started a review of RLP but this is in the early stages (at time of writing).

Policies in the adopted local plan

51. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Clifton-upon-Dunsmore.

³ [Strategic Housing Market Assessment \(SHMA\) Joint Update Rugby Borough Council](#)

⁴ 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>

Table 2-1: Summary of relevant adopted policies in the Rugby Borough Local Plan

Policy	Provisions
GP2 Settlement Hierarchy	Identifies Clifton-upon-Dunsmore as a 'Main Rural Settlement' where development will be permitted within the existing boundaries and on allocated sites.
DS3 Residential Allocations	Allocates a large strategic site, Rugby Radio Station Urban Extension (Houlton), as the location for an urban extension of up to 6,200 homes and employment land (16 ha).
H1 Informing Housing Mix	Seeks the delivery of wide choice of homes comprising a mix of market housing, house types and sizes consistent with the latest Strategic Housing Market Assessment (SHMA). New residential development must take into account local housing need particularly for older people and first time buyers.
H2 Affordable Housing Provision	Affordable housing is to be provided on developments of at least 0.36 ha or capable of accommodating 11 dwellings or more. 20% AH sought on previously developed land 30% AH on green field sites The AH mix is to be in compliance with the latest SHMA guidance.
H6 Specialist Housing	Supports provision of housing to maximise the independence and choice of older people and those with specific housing needs. Development on Sustainable Urban Extensions (SUE) will be expected to provide opportunities for the provision of housing that meets the needs of older persons including provision of residential care homes.

Source: Rugby Borough Council Local Plan 2011-2031

3. Approach

Research Questions

52. The following research questions were formulated at the outset of the research through discussion with the Clifton-upon-Dunsmore Neighbourhood Plan Advisory Committee. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

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

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

Type and Size

55. The Advisory Committee is seeking to determine what size and type of housing would be best suited to the local community. The Parish has seen significant housing development recently within the strategic BLP allocated site (DS3.3 Rugby Radio Station) in Houlton. In total up to 6,200 new homes are expected to be delivered on this site. This is an SUE development which, once built out, will be within half a mile of the village of Clifton-upon-Dunsmore. The Advisory Committee consider that there are currently lots of larger 4-5 bedroom homes which may not be suitable for the needs of first time buyers and the large proportion of older residents who may wish to downsize.
56. The aim of this research question is to provide evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
57. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.
58. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Specialist Housing for Older People

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

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

Relevant Data

60. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and the 2021 Census in addition to a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- The Strategic Housing Market Assessment (SHMA) Joint Update, provides an updated housing need assessment for the Coventry-Warwickshire HMA⁵ which dates from 2015.

61. More recent data sources for the population and existing housing stock will be used wherever possible in this report. Census 2021 datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings are used where this is available, otherwise patterns observed from the earlier Census (2011) are generally assumed to persist to the present day.

⁵ [SHMA Joint Update](#) (September 2015)

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ1: What Affordable Housing (e.g. social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

62. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
63. 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). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
64. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as *'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'*⁶. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

⁶ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Affordable Rent	Rent	<p>This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market.</p> <p>Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.</p>
Rent to Buy	Combination	<p>Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.</p>
Shared Ownership	Ownership	<p>An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little as 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority.</p> <p>This Generally applies to new build properties, but re-sales occasionally become available.</p>
First Homes	Ownership	<p>First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%.</p> <p>New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.</p>

65. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁷ Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- 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.

Current tenure profile

66. 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.
67. Table 4-2 presents data on tenure in Clifton-upon-Dunsmore compared with Rugby borough and England from the 2021 Census, which is the most recent available source of this information.
68. The data shows a significantly higher proportion of owner occupiers (79%) in the NA compared to the wider borough (68%) and the national average (61%). Conversely,

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

there is a substantially smaller social rented sector in the parish (9%) compared to the wider geographies (13% and 17% respectively). Private rents also form a smaller proportion of the tenure profile in the parish (8%) than in the borough (18%) and England (21%). The relatively low proportions of social and private rents are likely to limit the ability of lower income households to reside in the parish. Notably shared ownership is much more prevalent in the parish at around 5% of total compared to 1%-2% in the wider geographies. This is likely a result of new construction at Houlton.

Table 4-2: Tenure (households) in Clifton-upon-Dunsmore, 2021

Tenure	Clifton upon Dunsmore	Rugby	England
Owned	79.0%	67.5%	61.3%
Shared ownership	4.7%	1.5%	1.0%
Social rented	8.6%	12.9%	17.1%
Private rented	7.7%	18.2%	20.6%

Sources: Census 2021, AECOM Calculations

69. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-3). The data shows a 111% jump in owner occupation with shared ownership growing exponentially, albeit from a very small starting base in 2011. In the same period, the social and private rented sectors expanded considerably by 60% and 84% (respectively), representing much higher rates of growth than those observed for the wider borough (1.4% social rents and 45% private rents) and England as a whole (3% social and 20% private rents). The growth in shared ownership and rented sectors, particularly social rents, are positive with respect to improving affordability.

Table 4-3: Tenure change (households) in Clifton-upon-Dunsmore, 2011-2021

Tenure	2011	2021	% change
Owned	439	925	110.7%
Shared ownership	2	55	2650.0%
Social rented	63	101	60.3%
Private rented	49	90	83.7%

Sources: Census 2021 and 2011, AECOM Calculations

Affordability

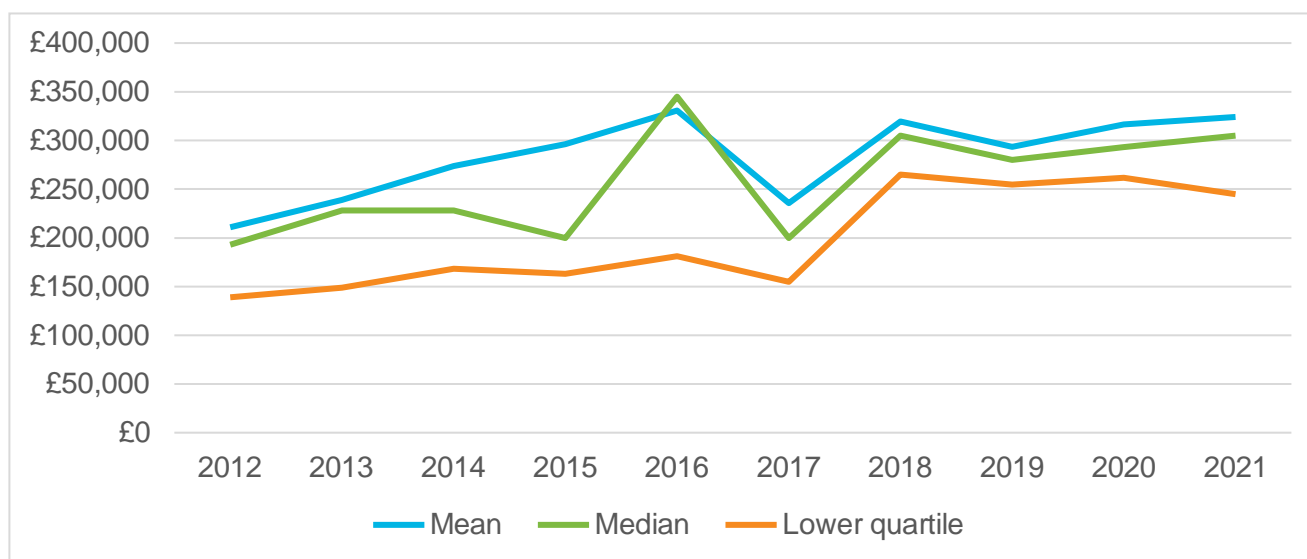
House prices

70. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the

housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

71. Figure 4-1 looks at selected measures of house prices in Clifton-upon-Dunsmore. It shows that prices have generally risen over the long term with some year-on-year fluctuations. The mean, median and lower quartile priced properties have followed a similar trend line, ending 54%, 58% and 76% higher in 2021 than 2012. There is a £59,935 (or 25%) price differential between the lower quartile property price (currently £244,938) and the median⁸ price (£304,873).

Figure 4-1: House prices by quartile in Clifton-upon-Dunsmore, 2012-2021



Source: Land Registry PPD

72. Table 4-4 breaks down house prices by type, presenting the median within each type. It shows terraced properties have seen the greatest price growth at around 77% though this due to the majority of newer transactions (since 2019) being new build properties which attract a premium over exiting stock. Detached homes, semis and flats also saw substantial increases of around 44%-49% over the past decade.

Table 4-4: Median house prices by type in Clifton-upon-Dunsmore, 2012-2021 (£)

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	290,000	273,750	342,500	430,000	465,000	315,000	364,950	340,000	365,750	404,750	40%
Semi-detached	193,000	226,500	202,500	202,500	280,000	207,500	274,950	259,750	279,995	287,875	49%
Terraced	135,000	140,000	153,500	156,000	160,000	186,000	209,950	259,995	214,000	238,375	77%
Flats	-	-	-	105,000	-	45,849	112,000	114,000	82,000	151,050	44%
All Types	193,000	228,000	228,250	200,000	345,000	200,000	304,995	279,995	293,250	304,873	58%

Source: Land Registry PPD

⁸ The median is the middle number when the data is sorted from smallest to largest. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.

Income

73. 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.
74. 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 £50,300 in 2018. A map of the area to which this data applies is provided in Appendix A.
75. 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. Rugby's gross individual lower quartile annual earnings were £18,139 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £36,278.
76. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

77. 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.
78. AECOM has determined thresholds for the income required in Clifton-upon-Dunsmore to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
79. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
80. The mortgage multiplier is particularly variable, with 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.

81. The percentage of income to be spent on rent also 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.
82. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason to interpret the findings with a degree of flexibility.
83. Table 4-5 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.
84. The same information is presented as a graph in Figure 4-1 on a subsequent page, with selected measures from the table presented for clarity.

Table 4-5: Affordability thresholds in Clifton-upon-Dunsmore (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £50,300	Affordable on LQ earnings (single earner)? £18,139	Affordable on LQ earnings (2 earners)? £36,278
Market Housing						
Median House Price	£274,385	-	£78,396	No	No	No
NA New Build Entry-Level House Price	£192,269		£54,934	No	No	No
LQ/Entry-level House Price	£220,444	-	£62,984	No	No	No
LA New Build Median House Price	£278,996	-	£79,713	No	No	No
Average Market Rent	-	£15,024	£50,080	Yes	No	No
Entry-level Market Rent	-	£13,116	£43,720	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£134,588	-	£38,454	Yes	No	No
First Homes (-40%)	£115,361	-	£32,960	Yes	No	Yes
First Homes (-50%)	£96,134	-	£27,467	Yes	No	Yes
Shared Ownership (50%)	£96,134	£2,670	£36,368	Yes	No	Yes
Shared Ownership (25%)	£48,067	£4,006	£27,085	Yes	No	Yes
Shared Ownership (10%)	£19,227	£4,807	£21,516	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,908	£19,674	Yes	No	Yes
Social Rent	-	£5,114	£17,029	Yes	Yes	Yes

Source: AECOM Calculations

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

Market housing for purchase and rent

86. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 56% higher than the current average.
87. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford 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.

Affordable home ownership

88. There is a relatively large group of households in Clifton-upon-Dunsmore who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £43,720 per year (at which point entry-level rents become affordable) and £54,934 (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.
89. 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.
90. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It appears that whilst a 30% discount would bring First Homes within reach of average income households, a 40% discount would extend the First Homes option to double earning LQ households as well. On this basis a 40% discount would extend affordable ownership options to the widest number of households (average and double LQ earners) and may be a suitable option for the Parish but there are other considerations, such as the financial impact of higher discounts on the development overall, which creates the risk that fewer affordable rented homes might be provided. This is a matter for discussion with RBC if relevant.

91. Table 4-6 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using the average price of new build flats and terraced homes sold in the Parish in 2021, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the average NA new build entry-level house price based on average prices paid for flats and terraced properties sold in 2021 in the NA as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing. 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 4-6: 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	36%	77%	54%
NA New Build Entry-Level House Price	8%	67%	34%
NA Entry-Level House Price	20%	71%	42%
LA Median New Build House Price	37%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

92. Shared ownership appears to be less affordable than First Homes 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.⁹ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
93. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
94. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. On that basis, First Homes and shared ownership are more affordable options.

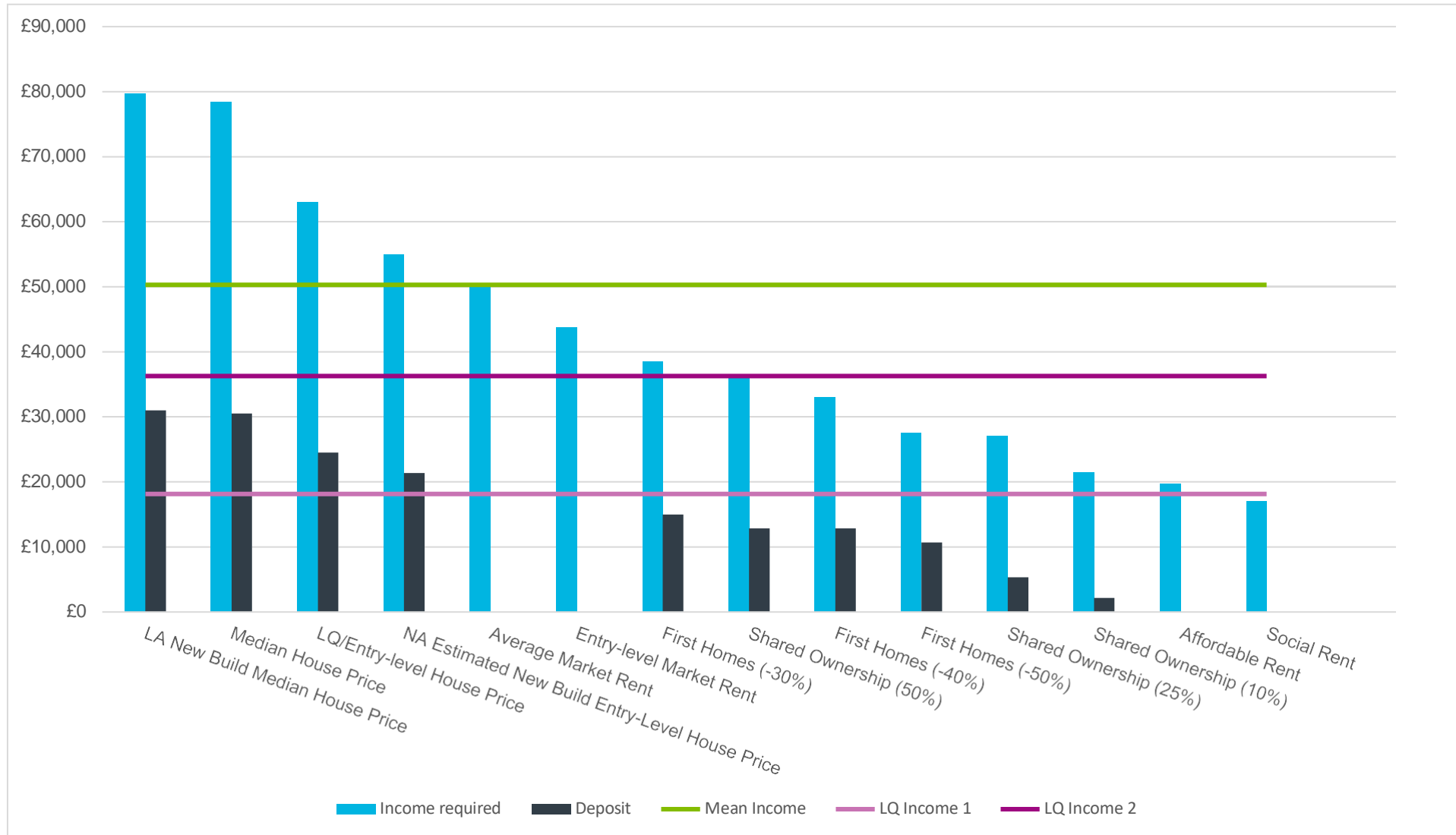
⁹ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more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

95. These three 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.
96. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 40% discount) may provide a better long-term investment to those who can afford to access it.

Affordable rented housing

97. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). Households with a single lower earner are able to afford socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
98. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Clifton-upon-Dunsmore 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.

Figure 4-2: Affordability thresholds in Clifton-upon-Dunsmore, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

99. The starting point for understanding the need for affordable housing in Clifton-upon-Dunsmore is the relevant Strategic Housing Market Assessment. A SHMA¹⁰ was undertaken for the Coventry-Warwickshire HMA in 2013 and subsequently updated in 2015. This study estimates the need for affordable housing in the Borough based on analyses other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 171 additional affordable homes each year in Rugby as a whole. The majority (84%) of estimated need is for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents and the remaining 16% is for affordable ownership tenures.
100. Prorating the SHMA figures to Clifton-upon-Dunsmore based on its share of the population (2.6% of Rugby borough's population), produces 4.4 dwellings per annum (predominately for social/affordable rent) or 40 Affordable Homes over the Neighbourhood Plan period (2022-2031). However, pro-rating borough level estimates of affordable housing need to rural areas presents problems in practice. The borough level figures are likely to represent higher needs in the urban areas of Rugby 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. The RLP classifies the NA as a Main Rural Settlement, and whilst the village retains its rural character, the large development at Houlton will be more urban in character once built out. In rural areas like Clifton-upon-Dunsmore village, the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Clifton-upon-Dunsmore. Furthermore, given its age, the SHMA (published in 2013 and updated in 2015) is of less value in estimating future need.
101. In Table 4-7 we have calculated, using PPG as a starting point,¹¹ an estimate of the total need for affordable rented housing in Clifton-upon-Dunsmore over the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
102. It should also be noted that figures in Table 4-7 are largely dependent on information provided by RBC in its capacity as manager of the local housing

¹⁰ [Updated Assessment of Housing Need: Coventry-Warwickshire HMA](#)

¹¹ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

- waiting list. The Council's housing waiting list currently has 8 households seeking housing within Clifton-upon-Dunsmore.
103. The table shows that there are currently about 8 households in Clifton-upon-Dunsmore unable to access affordable rented homes suitable for their needs. The table also suggests that, a surplus of 1.1 AH for rent is expected per annum or 10 over the Plan period once supply through turnover (affordable re-lets/transfers) is deducted.
 104. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 8 households). The reason for the affordable rented housing need being met over the long-term with the presumed existing stock, is that model uses an estimated rate of turnover of stock of 3%. Therefore, of the 101 units of affordable rented accommodation existing currently, it can be expected that around 3 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the 10-year period to produce an annualized figure. However, a shortfall can result should there be a small uptick in need or lower than expected turnover in affordable rented stock.
 105. An important caveat to this finding is that the NA may be meeting wider needs within the borough. As such, whilst it may be possible to address localised needs through the existing stock, new affordable rented housing may be required to continue to provide homes for households in acute need living elsewhere in the Borough.
 106. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable. Furthermore, to 'spread out' the current need for AH rented housing over the Plan period suggests that some of them can be accommodated in ten years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
 107. As such, it may be appropriate for Clifton-upon-Dunsmore to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in the district. The NA's wider strategic role in the delivery of Affordable Housing should be discussed with RBC.

Table 4-7: Estimate of need for Affordable Housing for rent in Clifton-upon-Dunsmore

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	8.0	Waiting list data for the NA provided by RBC
1.2 Per annum	0.9	Step 1.1 divided by the plan period (2022-2031) to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	47.5	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	19.0%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	101.0	2021 Census
2.2.2 Number of private renters on housing benefits	8.6	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	9.0	Step 2.1 x Step 2.2.
2.4 Per annum	1.0	Step 2.3 divided by plan period 2022-2031
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	3.0	Step 3.1 x NA social rented stock (2.2.1).
NET SHORTFALL OF RENTED UNITS PER ANNUM		
Overall surplus per annum	-1.1	Step 1.2 + Step 2.4 - Step 3.2
Overall surplus over the Plan period	-10.3	(Step 1.1 + Step 2.3) - (Step 3.2 x Plan period)

Source: AECOM model, using Census 2011, 2021 Census, 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. Figures may not sum due to rounding.

108. Turning now to Affordable Housing providing a route to home ownership, Table 4-8 estimates the potential demand in Clifton-upon-Dunsmore. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. 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.
109. 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.¹² However, the substantial

¹² <http://www.ipsos-mori-generations.com/housing.html>

increase in shared ownership tenures in the parish over the last decade, largely driven by substantial new development in Houlton, suggests aspirations may be higher in the NA.

110. The result of the calculation is 4.7 households per annum who may be interested in affordable home ownership (or 43 for the entirety of the Plan period).
111. Again, this assumes that a rate of turnover in the existing stock will satisfy some need, though in the case of Clifton-upon-Dunsmore shared ownership tenures are limited, amounting to around 55 units (4.7% of stock) in 2021.
112. 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 4-8: Estimate of the potential demand for affordable housing for sale in Clifton-upon-Dunsmore

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	90.0	Census 2021
1.2 Percentage renters on housing benefit in LA	9.5%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	8.6	Step 1.1 x Step 1.2.
1.4 Current need (households)	61.1	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹³
1.5 Per annum	6.8	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	47.5	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	18.7%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	8.9	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.7	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	55.0	Census 2021
3.2 Supply - intermediate resales	2.8	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	4.7	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall (or surplus) over the plan period	42.5	(Step 1.4 + Step 2.3) – (Step 3.2 x NP period)

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.

113. 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 Advisory Committee 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).
114. 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.

¹³ 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 e.g. <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.

Affordable Housing policy guidance

115. RBC's adopted policy on this subject (H2) requires 20%-30% AH provision on sites with an area 0.36 ha and over / or capable of accommodating 11 or more dwellings. The Policy requires 20% AH contribution on previously developed land and 30% on greenfield sites. It is understood that this target is not usually met on sites in the NA as RBC advised that they could not find evidence of AH completions since 2011 in Clifton-upon-Dunsmore. However, the strategic site at Houlton will include some AH¹⁴ provision.
116. 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.
117. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is to be informed by the latest SHMA according to RLP policy H1. This policy also states that the Council will consider an alternative mix in certain circumstances, including where *'a mix of housing would compromise the ability of the development to meet a specifically identified affordable or specialist housing need'*. The RLP (paragraph 5.17) adds that the specific mix will be informed by evidence available at the time of application with the SHMA proposed mix as a starting point for negotiation. The SHMA proposed an 84% rented to 16% affordable ownership split for Rugby. This HNA can supply more localized 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 Clifton-upon-Dunsmore specifically.
118. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Clifton-upon-Dunsmore has limited long-term need for affordable rented housing and quite a high potential demand for affordable home ownership.
- It is not recommended to strictly limit the future provision of affordable rented housing for the following reasons: there is currently a backlog of need from 8 households; the wider borough continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice.
- However, there is justification in seeking a higher proportion of affordable home ownership than the 16% proposed in the SHMA. Furthermore, a majority of affordable home ownership products have been found to be helpful in widening housing access to those earning at and below the

¹⁴ Source: www.midlandheartgroup.org.uk & <https://houltonrugby.co.uk/>

average locally. This is also borne out by the rapid growth in shared ownership tenures in the NA since 2011.

- B. Can Affordable Housing needs be met in full?** The Local Plan allocates a site for a major urban extension within the parish, at the former Rugby Radio site, for up to 6,200 dwellings. Of this around 2,490 units are expected to be delivered by the end of the Plan period (2031). If the Local Plan target of 20% (the percentage applicable on previously developed land) was achieved on this site, up to around 498 affordable homes might be expected in the NA by 2031. This would considerably exceed the total potential demand for Affordable Housing identified here. As such, there is no need to prioritise more urgent needs, as might be the case in a context of limited expected delivery. However as all of this provision will be in Houlton, there may be some benefit in providing additional AH within the village envelope for those wishing to remain in the existing community.
- C. Government policy (e.g. NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Rugby borough, where 20% (on previously developed land), of all housing should be affordable, 50% of Affordable Housing should be for affordable ownership.
- There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Given the potential AH provision and the findings of this HNA there is no evidence that this is the case in Clifton-upon-Dunsmore.
- D. Local Plan policy:** As noted above, the adopted Local Plan requires the AH tenure split to be informed by the SHMA which seeks 86% affordable rents to 16% affordable ownership homes.
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes. First Homes appear to be an appropriate product in the parish, so the introduction of this requirement would not be expected to have any adverse effects.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This would be the case in this instance as the SHMA proposes 86% AH for rent.

National policy dictates that 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 relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

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. If this was done in Rugby borough, the remaining 75% of the affordable housing provision would then be apportioned 86% to affordable rent and 16% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. 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.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Clifton-upon-Dunsmore:** The 2021 Census data shows that the parish has a smaller proportion of social rented accommodation (9%) compared to the wider borough (13%) and the national average (17%). This suggests that further provision of affordable rented homes 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.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Clifton-upon-Dunsmore and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

119. On the basis of the considerations above, Table 4-9 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
120. This indicative mix is chiefly a response to the fact that Clifton-upon-Dunsmore is expecting a significant volume of development in the Plan period, combined with the understanding that there is limited long-term need for affordable rents and potentially high demand for affordable home ownership products. It is not advisable to limit affordable rented provision entirely in case circumstances change and because there are currently households on the waiting list. But there is scope to boost the provision of tenures providing an affordable route to ownership, which this analysis has found to be broadly affordable to local people on average and below-average incomes.
121. Since First Homes appear the most affordable and helpful option locally, assuming it can be offered at the appropriate discount level, national policy that First Homes should represent 25% of the affordable mix is suitable here. The evidence gathered here suggests that this proposal would not impact on the ability of the parish to accommodate those with the most acute needs. In the interests of diversity and maximizing choice, a further 25% is allocated to shared ownership rather than more First Homes and 10% is allocated to Rent to Buy. The latter is less affordable than the other ownership tenures considered but has the advantage not requiring a deposit.
122. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
123. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with RBC to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
124. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-9: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	60%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	25%	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	10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	40%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Affordability issues and tenure options

125. Clifton-upon-Dunsmore's current tenure mix shows a high degree of owner occupation compared to the wider borough and the national average with correspondingly lower proportions of private and affordable rents. Notably shared ownership is more prevalent in the parish compared to the wider geographies.
126. Home values have risen over the long term with some year-on-year fluctuations. The average entry-level home now costs around £105,938 more than it did in 2012. The average price growth rate for all housing in Clifton-upon-Dunsmore between 2012 and 2021 was 58%. There is a £59,935 (or 25%) price

differential between the lower quartile property price (currently £244,938) and the median¹⁵ price (£304,873).

127. AECOM has estimated the annual income required to afford various tenures of housing in the parish – each of which is explained in detail in Appendix A. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward. The average household income in Clifton-upon-Dunsmore is £50,300 and the lower quartile income (per person) for Rugby is £18,139.
128. It was found that a household would need an income comfortably above the average (or a very large deposit) to qualify for a mortgage even for an entry-level home in the parish. Home ownership through the mainstream market is not an option for the majority of local people.
129. Private renting is affordable for average earning households. Households made up of two lower quartile earners cannot afford the given rental thresholds. Broadly speaking, anyone earning between £43,720 and £54,1934 can afford to rent but not to buy. These households may benefit from affordable home ownership options such as shared ownership, discounted market housing (including First Homes), and rent to buy, all of which are found to be suitable in Clifton-upon-Dunsmore.
130. The above products bring home ownership within reach of average and dual lower quartile earning households, but lower earners will still need affordable rented housing.

Quantity of Affordable Housing needed

131. This report estimates Clifton-upon-Dunsmore's Affordable Housing needs through two calculations that use locally specific data as far as possible. The first estimates the need for affordable rented housing and the second considers the potential demand for affordable home ownership.
132. There are currently 8 Clifton-upon-Dunsmore households¹⁶ on Rugby Borough Council's Housing register. Despite this backlog of need, the estimate suggests Clifton-upon-Dunsmore will have a surplus of one affordable rented unit per year going forward.
133. This is initially surprising given the aforementioned register data. However, the model is effectively saying that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Clifton-upon-Dunsmore's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy expected newly arising need each year.

¹⁵ The median is the middle number obtained when the data is sorted from smallest to largest. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.

¹⁶ According to RBC's waiting list data: one of these households currently based the NA and 7 further applicants seeking housing within Clifton-upon-Dunsmore.

134. In practice, it would be better to frontload any future rented Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. Furthermore, there is a clear need for Affordable Housing across the borough as a whole, and it is reasonable to expect Clifton-upon-Dunsmore to satisfy some of that need through Houlton (whether from local households or those elsewhere in the borough).
135. As such, it is recommended that the Advisory Committee seeks to secure some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in Rugby.
136. Turning to Affordable Housing (AH) providing a route to home ownership, we estimate that around 5 households per year may be interested in such products (43 over the Plan period). 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. They do not 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.

Policy considerations

137. The strategic site allocated in the RLP should deliver at least 498 units of Affordable Housing in the parish by 2031.
138. Applying the adopted RLP policy which requires 16% of AH to be affordable ownership tenures would produce around 80 dwellings in the parish with the remaining 418 defaulting to affordable rents. However, the RLP also states that the specific mix will be informed by evidence available at the time of application with the SHMA proposed mix as a starting point for negotiation. There is therefore potential for the Neighbourhood Plan to add greater specificity on this issue beyond the wider NPPF requirement for 10% of all housing to be for affordable home ownership.
139. As noted above, it is estimated that Clifton-upon-Dunsmore has limited long-term need for affordable rented housing and a high potential demand for affordable home ownership.
140. It is not recommended to strictly limit the future provision of affordable rented housing for the following reasons: there is currently a backlog of need from 8 households; the wider district continues to have need; and economic circumstances could change or the assumptions for turnover in the stock used here may not be borne out in practice. Furthermore, given that expected future provision will be in Houlton as part of the strategic development there, there may be some benefit in providing additional AH within the village envelope for those wishing to remain in the existing community.

141. However, there is justification to seek a higher proportion of affordable home ownership than the 16% (of the affordable total) sought in the RLP. Furthermore, as noted above, a majority of affordable home ownership products have been found to be helpful in widening housing access to those earning at and below the average locally.
142. AECOM therefore proposes an indicative Affordable Housing tenure mix of 60% affordable home ownership and 40% affordable rent, which could be sought in the Neighbourhood Plan if it is not in conflict with other community objectives.

Delivery expectations

143. Table 4-10 summarises Clifton-upon-Dunsmore’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly 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 Advisory Committee plans for more housing and therefore more affordable housing than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-10: Estimated delivery of Affordable Housing in Clifton-upon-Dunsmore

	Step in Estimation	Expected delivery
A	Provisional capacity figure ¹⁷	2,490
B	Affordable housing quota (%) in LPA’s Local Plan	20%
C	Potential total Affordable Housing in NA (A x B)	498
D	Rented % (e.g. social/ affordable rented)	40%
E	Rented number (C x D)	199
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	60%
G	Affordable home ownership number (C x F)	299

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

¹⁷ The projected amount of housing growth on the strategic allocation at former Rugby Radio/ Houlton development by 2031 as outlined in [RBC’s Housing Background Paper \(2016\)](#)

144. This expected level of delivery substantially exceeds the quantity of demand identified in estimates of the need for affordable housing.

5. RQ 2: Type and Size

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

Introduction

145. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Clifton-upon-Dunsmore in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
146. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

Existing types and sizes

Background and definitions

147. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
148. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
149. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
150. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As

such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

151. The 2021 Census data is used for the current mix of dwellings in the NA, such as the type and size mix of homes.

Dwelling type

152. The 2021 Census data shows that Clifton-upon-Dunsmore has a large proportion of detached homes (43%) followed by with semis (31%) and terraces (18%) with a relatively small proportion of flats (6%). Comparing the 2021 data with the 2011 data shows a trend favouring more detached and semi-detached dwellings and fewer terraces and flats. In terms of growth rates, semis experienced the highest growth rate (170%) in the intercensal period followed by detached dwellings (109%) with terraces and flats also growing by 36% and 60%, respectively. Largely as a result of the development of Houlton, the stock appears slightly less balanced due to the greater prevalence of detached and semi-detached units and the smaller overall proportions of terraces and flats.

Table 5-1: Accommodation type, Clifton-upon-Dunsmore, 2011 and 2021

Dwelling type	2011 Census		2021 Census		% Change
Flat	47	8.0%	75	6.4%	59.6%
Terrace	158	27.0%	211	18.0%	33.5%
Semi- detached	136	23.2%	367	31.3%	169.9%
Detached	240	41.0%	502	42.9%	109.2%
Unknown/ other	5	0.8%	16	1.4%	87.5%
Total	586	100.0%	1,171	100.0%	99.8%

Source: ONS 2011, 2021, AECOM Calculations

153. It is useful to compare the mix of dwelling types in percentage terms with wider geographies (Table 5-2 below). The data for Clifton-upon-Dunsmore village (excluding Houlton) shows that village has a greater proportion of detached housing than the wider borough and the national average with correspondingly fewer semis and flats. Notably the village has a larger proportion of terraced housing compared to the wider geographies. Looking at the NA as whole (including Houlton) shows recent development has led to more detached and semidetached housing, with these now forming three quarters of stock. The proportion of flats has also gone down. This indicates that recent development has tended to favour more detached and semidetached housing which has potentially adverse effects on affordability as smaller dwellings such as terraced homes and flats tend to be more affordable.

Dwelling type	CuD NA	CuD Village	Rugby	England
Flat	6.4%	8.1%	12.6%	22.2%
Terrace	18.0%	26.9%	22.6%	23.0%
Semi-detached	31.3%	25.0%	33.9%	31.5%
Detached	42.9%	37.3%	30.5%	22.9%
Unknown/other	1.4%	2.6%	0.4%	0.4%

Source: ONS 2021, AECOM Calculations

Dwelling size

154. Table 5-3 below sets out current the mix of housing by number of bedrooms in Clifton-upon-Dunsmore NA. It is dominated by mid-sized homes 3 bedrooms followed by larger, 4 bedroom plus, dwellings. 2011 Census data is presented alongside, which shows that development since 2011 has been focused on the most common existing size categories, with more medium and larger homes introduced and proportionally smaller increases in 1-2 bedroom dwellings, which now form a smaller percentage of the housing stock. Again, this has potentially adverse implications on affordability as smaller properties tend to be more affordable.

Table 5-3: Dwelling size (bedrooms), Clifton-upon-Dunsmore NA, 2011 and 2021

Number of bedrooms	2011	%	2021	%
1	39	7.0%	67	5.7%
2	134	23.9%	206	17.6%
3	244	43.6%	511	43.7%
4+	143	25.5%	386	33.0%

Source: ONS 2011 & 2021, AECOM Calculations

155. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider borough and country. Table 5-4 shows that Clifton-upon-Dunsmore's stock is generally larger than the wider borough's and the national average with a particularly smaller proportion of 1-2 bedroom homes. These collectively make up 23% of stock in the parish compared to 32% in the wider borough and 40% nationally. Clifton-upon-Dunsmore village has very similar levels of 3 and 4+ bedroom properties to the wider borough. Compared to the NA as a whole the village has a relatively more balanced stock with larger proportions of 1-2 bedroom homes and fewer larger homes (4+ bedrooms).

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

Number of bedrooms	CuD NA	CuD village	Rugby	England
1	5.7%	9.8%	7.9%	11.6%
2	17.6%	22.5%	24.1%	27.3%
3	43.7%	41.7%	41.8%	40.0%
4+	33.0%	26.0%	26.2%	21.1%

Source: AECOM Calculations, 2021 Census

Population characteristics

156. This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.
157. Table 5-5 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The population is almost evenly split between those aged 44 and under (51%) and those aged 45 plus (49%). Notably there has been a significant increase since 2011 in the number of young children with this group experiencing 91% growth. The next fastest growing group is the 25-44 cohort which grew by 57%. The proportion of residents aged 65 and over grew by 31% with substantial growth (44%) in the 85 plus cohort. This pattern of growth in the younger to middle aged groups is atypical for rural/ semi-rural parishes and can be largely attributed to the substantial new development at Houlton, whereas the growth in the older age groups may reflect organic growth in Clifton-upon-Dunsmore (village) population.
158. Note that the ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data (which has not yet been released for age at small scales).

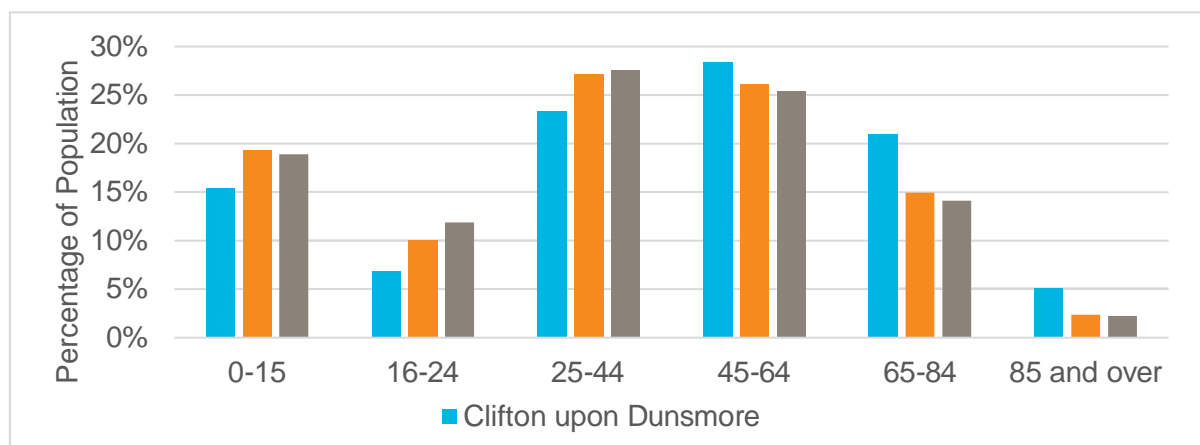
Table 5-5: Age structure of Clifton-upon-Dunsmore population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)		%
0-15	201	15%	384	20.6%	91.0%
16-24	90	7%	99	5.3%	10.0%
25-44	304	23%	478	25.6%	57.2%
45-64	370	28%	463	24.8%	25.1%
65-84	273	21%	348	18.6%	27.5%
85 and over	66	5%	95	5.1%	43.9%
Total	1,304		1,867		43.2%

Source: ONS 2011, ONS mid-2020 population estimates, AECOM Calculations

159. The 2021 Census data for Rugby shows that the borough's population increased by just over 14% to around 114,400 in 2021; the largest percentage increase in the West Midlands (which grew by 6%). The NA experienced a much higher growth (43% according to the ONS estimate), again this largely due to the urban extension at Houlton.
160. For context, it is useful to look at the parish population structure alongside that of the borough and country. Figure 5-1 (using 2011 Census data) shows that parish population was consistently older than in the wider borough and national average (more people in older age groups and fewer people in younger ones).

Figure 5-1: Age structure in Clifton-upon-Dunsmore, 2011



Source: ONS 2011, AECOM Calculations

Household composition

161. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that Clifton-upon-Dunsmore has a smaller proportion of one person households than the borough or country. Of the family households, the majority are younger than 66 and more of them have dependent children than do not. These characteristics are also shared at wider geographies.
162. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category grew by 65% between 2011 and 2021 in the parish; three times the rate observed for the wider borough (22%).

Household composition		CuD.	Rugby	England
One person household	Total	21.8%	27.2%	30.1%
	Aged 66 and over	9.1%	12.1%	12.8%
	Other	12.6%	15.1%	17.3%
One family only	Total	73.2%	66.9%	63.1%
	All aged 66 and over	9.1%	10.0%	9.2%
	With no children	25.0%	18.3%	16.8%
	With dependent children	34.4%	28.1%	25.8%
	With non-dependent children	6.5%	9.8%	10.5%
Other household types	Total	5.0%	5.9%	6.9%

Source: ONS 2021, AECOM Calculations

Occupancy ratings

163. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
164. Table 5-7 shows that in Clifton-upon-Dunsmore a combined 84% of households live in a home with at least one bedroom more than they would be expected to need and 48% have two or more extra bedrooms. Only 1% of households have too few. Over occupancy is particularly prevalent among the 65 plus family households and under 65 family households without children.
165. The previous chapter established the high property values in the area, so it would appear that the largest homes are not necessarily occupied by those with the largest families but by those with the financial capacity to do so, irrespective of their household size, or by older people who have not chosen or be able to move to smaller properties. This latter point is confirmed when considering the data for different household types. Around 97% of couples aged over 65 have more bedrooms than they would be expected to need.

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	74.3%	22.9%	2.9%	0.0%
Single person 65+	50.6%	39.5%	9.9%	0.0%
Family under 65 - no children	74.4%	19.7%	6.0%	0.0%
Family under 65 - dependent children	30.0%	44.2%	23.3%	2.5%
Family under 65 - adult children	28.3%	47.8%	23.9%	0.0%
Single person under 65	37.2%	41.5%	21.3%	0.0%
All households	48%	36%	16%	1%

Source: ONS 2011, AECOM Calculations

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

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



Source: AECOM Calculations, 2011 Census

Future population and size needs

167. This section projects the future age profile of the population in Clifton-upon-Dunsmore at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need. It is important to note that this largely reflects the needs of the population of the village, excluding Houlton, for two reasons;

- Firstly: the dwelling mix for Houlton has already been determined, is unlikely to be meaningfully influenced by the NP, and will contain a broad range of dwelling typologies because of its sheer scale. In addition, the

current population of Houlton have fairly recently arrived and are unlikely to have developed unmet needs for different forms of accommodation – in other words they are likely to already be living in a dwelling appropriate to their needs and financial capability. They are also likely to be able to find a suitable alternative in the coming years as Houlton’s development proceeds.

- Secondly, this model relies on data on the age profile of households that currently only exists for 2011 – and therefore represents the parish prior to the development of Houlton. For consistency, data on the ‘current’ mix of dwelling sizes is also taken from the 2011 Census. This means that the results of the exercise, which predict what mix of sizes would best accommodate the evolving population in the future, show where the unmet needs of village households lie, independent of Houlton. In other words, the results show how the village itself may need to change to meet its own needs and correct any imbalances in its existing stock, as though it were self-contained. Houlton will have a significant impact on enabling local people to move to suitable housing, but for those wishing to remain in the village, this model shows what changes might be most beneficial.

168. The result of applying Local Authority level household projections to the age profile of Clifton-upon-Dunsmore households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with the 65 and over category growing by 42% by the end of the Plan period to form 38% of the projected total population.

Table 5-8: Projected distribution of households by age of HRP, Clifton-upon-Dunsmore 2011-2031

Year	Age of HRP				
	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	8	46	199	122	185
2031	7	48	221	147	262
% change 2011-2031	-14%	3%	11%	20%	42%

Source: AECOM Calculations

169. 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 (Figure 5-2) onto the projected age profile for the NA in Table 5-8 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.

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

171. The result of this exercise is presented in Table 5-9. The model suggests that any new residential development would best address the changing needs of the local population by focusing on mid-sized homes (3 bedroom) as well as smaller (1-2 bedroom) homes. There will remain a need for some larger 4 and 5 bedroom homes but to a lesser extent than small to mid-sized homes.

Table 5-9: Suggested dwelling size mix to 2031, Clifton-upon-Dunsmore

Number of bedrooms	Current mix (2011)	Target mix (2031)	Balance of new housing to reach target mix
1 bedroom	7.0%	8.5%	15.4%
2 bedrooms	23.9%	24.0%	24.4%
3 bedrooms	43.6%	44.9%	50.8%
4 bedrooms	19.8%	17.5%	7.1%
5 or more bedrooms	5.7%	5.1%	2.3%

Source: AECOM Calculations

172. Recent housing delivery in Houlton has tended to favour larger homes which would be less suitable for the village's future needs. Therefore, the community may wish to counteract this through the development of smaller homes going forward. The neighbourhood plan may be used to influence the size mix of housing coming forward with medium and smaller homes being the priority.
173. Providing smaller and mid-sized homes would both improve Clifton-upon-Dunsmore's offering for younger households who have few options for their next step on the property ladder and enable older households currently under-occupying larger homes to downsize and in so doing potentially create churn in the market (although it is acknowledged that many of the larger historic properties may be too expensive to be taken up by younger local families).
174. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. The provision smaller and mid-sized homes would help to address this situation.
175. The result of this model is therefore a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to 2-3 bedroom homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.
176. The SHMA estimated the sizes of affordable housing required for the Housing Market Area based on demographic trends at the time (2013). For Rugby as a

whole, the SHMA modelling indicated a marginally higher need for three-bed properties relative to the HMA and recommended the following mix of affordable housing by 2031:

- 1-bed properties: 30-35%
- 2-bed properties: 30-35%
- 3-bed properties: 20-25%
- 4+ bed properties: 5-10%

Conclusions- Type and Size

177. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

The existing stock

178. Clifton-upon-Dunsmore's village (excluding Houlton) stock has a greater proportion of detached housing than the wider borough and the national average with correspondingly fewer semis and flats. Notably the village has a larger proportion of terraced housing compared to the wider geographies. Looking at the NA as whole (including Houlton) shows recent development has led to more detached and semidetached housing, with these categories now forming three quarters of stock. The proportion of flats has also gone down. This has potentially adverse effects on affordability as smaller dwellings such as terraced homes and flats tend to be more affordable.

179. This is also reflected in the size of new homes; which has tended to favour 3 and 4 bedroom units (77% of stock). Compared to the NA as a whole; the village has a relatively more balanced stock with larger proportions of 1-2 bedroom homes and fewer larger homes (4+ bedrooms).

180. There may be capacity to usefully increase the number of homes with 2-3 bedrooms given the affordability findings above. Delivering more, small to medium, housing such 2-3 bedroom terraces may offer an appropriately affordable choice for young families and smaller flats (e.g. 1 bedrooms) would also help accommodate young people seeking more affordable options.

Demographics

181. The age structure of the population is a key indicator of the future need for housing. As of 2021 Clifton-upon-Dunsmore has a relatively well-balanced population, evenly split between those aged 0-44 and those aged 45 plus. Notably there has been a significant increase since 2011 in the number of young children (91% growth). The proportion of residents aged 65 and over grew by 31% with substantial growth (44%) in the 85 plus cohort. This pattern

of growth is likely to be influenced by the large new development at Houlton.

The future dwelling mix

182. The life-stage modelling exercise which largely reflects the needs of the population of the village, excluding Houlton and looks at the sizes of dwelling occupied by households at different life stages suggests that new development might benefit from a focus on mid-sized homes (3 bedroom) as well as smaller (1-2 bedroom) homes.
183. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.

6. RQ 3: Specialist housing for older people

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

Introduction

184. This chapter considers in detail the specialist housing needs of older and disabled people in Clifton-upon-Dunsmore. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows
- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
 - Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
 - Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.
185. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
186. 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.
187. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹⁹ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
188. 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

¹⁹ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall¹.

189. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings)². Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

190. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>. There are currently no entries for Clifton-upon-Dunsmore. Two charities provide safe housing in the parish: Clifton Parish Houses (separate from the Paris Council) owns and lets 16 dwellings and Marriot's Almshouses provide two further properties. However, these are not limited to the elderly but also serve to provide housing for the disadvantaged and/ or vulnerable people who have a connection to the village.
191. ONS 2020 population estimates suggest that there are currently around 240 individuals aged 75 or over in Clifton-upon-Dunsmore. Provision of specialist housing supply is usually expressed in units per 1000 of 75+ population; which in this instance equates to 0 units per 1000.

Tenure-led projections

192. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Rugby Borough, as this is the most recent and smallest geography for which tenure by age bracket data is available.
193. The 2011 55-75 age bracket, is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2031. 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.

¹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

² For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

194. According to Table 6-1, the vast majority of 55-75 year olds in Rugby owned their own homes (81% of households) in 2011. The remaining 19% rented their home, mostly through social renting (13%) followed by private rents (5%). As stated above there is currently no stock in the parish and it may be surmised that the existing stock of specialist older persons housing in the wider district does not cater enough for the owner occupied sector based on Table 6-1. However, this is before taking into consideration mobility limitations specific to the NA and the fact that home adaptations may be more suitable for households that own their own home than those living in the social rented or private rented sector.

Table 6-1: Tenure of households aged 55-75 in Rugby Borough Council, 2011

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
81.3%	58.5%	22.8%	18.7%	12.6%	5.1%	1.0%

Source: Census 2011

195. The next step is to project how the overall number of older people in Clifton-upon-Dunsmore is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Rugby at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. It is important to note that this data precedes development at Houlton and therefore the focus here is on Clifton-upon-Dunsmore village. The results (Table 6-2) show that Clifton-upon-Dunsmore has a larger proportion of people aged 75 and over than the wider district, both in 2011 and in 2031. In this period the proportion of the parish's residents aged 75 plus is projected to grow from 8% of the population in 2011 to 18% in 2031.

Table 6-2: Modelled projection of elderly population in Clifton-upon-Dunsmore by end of Plan period

Age group	2011		2031	
	Clifton upon Dunsmore	Rugby	Clifton upon Dunsmore	Rugby
All ages	1,304	100,075	1,537	117,947
75+	175	7,930	280	12,694
%	13.4%	7.9%	18.2%	10.8%

Source: ONS SNPP 2020, AECOM Calculations

196. A key assumption for the next stages of the calculation 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

197. The people whose needs are the focus of the subsequent analysis are therefore the additional 105 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Rugby in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 7,930 individuals aged 75+ and 5,639 households headed by a person in that age group. The average household size is therefore 1.4, and the projected growth of 105 people in Clifton-upon-Dunsmore can be estimated to be formed into around 75 households. Whilst this represents an underestimate based on the latest estimates for the whole parish it remains an accurate representation of growth in the village population.
198. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-3. This provides a breakdown of which tenures those households are likely to need.

Table 6-3: Projected tenure of households aged 75+ in Clifton-upon-Dunsmore to the end of the Plan period

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
61	44	17	14	9	4	1

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

199. Next, rates of disability by tenure are considered. 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 6-4 presents this data for Clifton-upon-Dunsmore from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-4: Tenure and mobility limitations of those aged 65+ in Clifton-upon-Dunsmore, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	45	16.0%	90	32.0%	146	52.0%
<i>Owned Total</i>	36	14.3%	81	32.1%	135	53.6%
Owned outright	32	14.0%	72	31.4%	125	54.6%
Owned (mortgage) or shared ownership	4	17.4%	9	39.1%	10	43.5%
<i>Rented Total</i>	9	31.0%	9	31.0%	11	37.9%
Social rented	7	38.9%	4	22.2%	7	38.9%
Private rented or living rent free	2	18.2%	5	45.5%	4	36.4%

Source: DC3408EW Health status

200. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 37.
201. These findings set out in Table 6-5 are based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

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

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	13
	4	9	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	24
	4	20	
Total	9	28	37

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

202. 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. Ta reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.
203. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

204. As Table 6-3 shows, Clifton-upon-Dunsmore is forecast to see an increase of 105 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.105 = 6.3$
- Leasehold sheltered housing = $120 \times 0.105 = 12.6$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.105 = 2.1$
- Extra care housing for rent = $15 \times 0.105 = 1.6$
- Extra care housing for sale = $30 \times 0.105 = 3.2$
- Housing based provision for dementia = $6 \times 0.105 = 0.6$

205. This produces an overall total of 26 specialist dwellings which might be required by the end of the plan period.

206. Table 6-8 sets out the HLIN recommendations in the same format as Table 6-5. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-8: HLIN estimate of specialist housing need in Clifton-upon-Dunsmore by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	7
	3.3	4.2	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	19
	6.3	12.6	
Total	10	17	26

Source: Housing LIN, AECOM calculations

SHMA findings

207. The SHMA noted the ageing population profile of the HMA predicting that this would lead to an increased requirement for specialist housing options. It considered that the majority of need will be for extra-care housing. The SHMA estimated a net need for 1,873 extra care housing units in Rugby by 2031. This would translate to 24 units if prorated to Clifton-upon-Dunsmore based on its share of the borough's population, which is broadly in line with the estimates above.

Conclusions- Specialist Housing for Older People

208. Currently the NP area has no provision of specialist housing stock for older people.
209. It is projected that there will be an increase of 105 individuals in the 75+ age group by 2031 in Clifton-upon-Dunsmore village (excluding Houlton).
210. 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.
211. These two methods of estimating the future need in Clifton-upon-Dunsmore produce a range of 26 to 37 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households

- are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
212. It is important to take into consideration the breakdown of levels of care and tenure within the need for specialist housing for older persons. When considering the AECOM calculations outlined in Table 6-5, the majority of the need, at 75%, is identified for specialist market housing. More need is identified for sheltered housing at 65% of total. The greatest sub-category of need was identified for market sheltered housing at 54% of the total need. However, this need is for individuals with less severe limitations and market housing is considered the most appropriate for adaptations, so at least some of this need could be met through adaptations or through ensuring that all new housing is accessible and adaptable for people with lower support needs.
 213. Rugby's adopted policy H6 (Specialist housing) supports the provision of housing aimed at maximising independence and choice of housing suitable for older people. It expects development proposals on Sustainable Urban Extensions (such as at Houlton) to provide opportunities for the provision of specialist housing. However, the policy does not include a specific quantity or percentage requirement.
 214. Given that there is not specified quantity of additional specialist housing provision in the RLP, another avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
 215. Local Plan policy H6 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Advisory Committee approaching the LPA to discuss setting requirements on accessibility and adaptability at a borough level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
 216. 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, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the district/borough falling into this category.

217. 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.
218. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
219. It is considered that Clifton-upon-Dunsmore's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Clifton-upon-Dunsmore entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Clifton-upon-Dunsmore, Rugby is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). Also given policy H6, the large-scale development at Houlton may form an emerging hub which could be the most suitable location for needs arising in the village. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
220. 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.

7. Next Steps

Recommendations for next steps

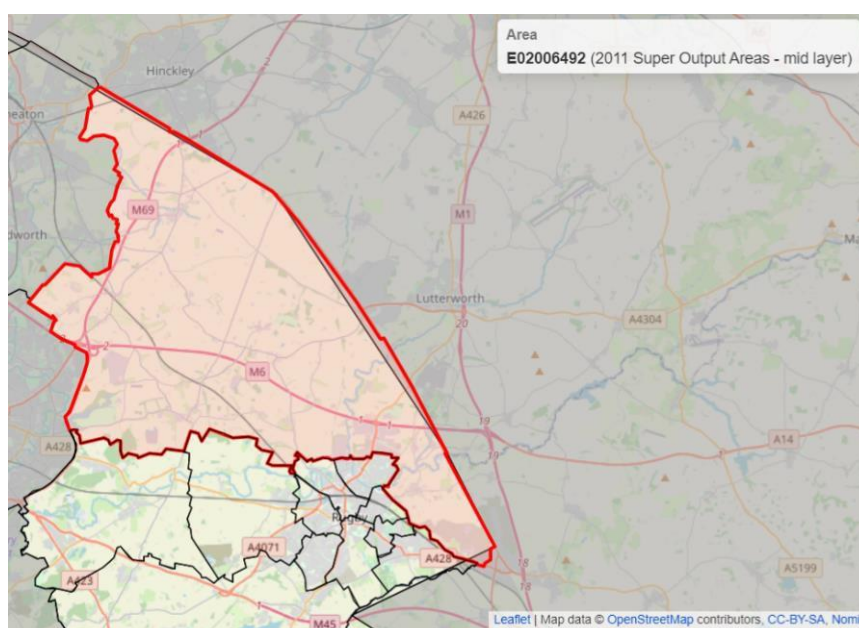
221. This Neighbourhood Plan housing needs assessment aims to provide Clifton-upon-Dunsmore with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Rugby Borough Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Rugby 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 Rugby Borough Council.
222. 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.
223. Bearing this in mind, it is recommended that the Neighbourhood Plan Advisory Committee should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Rugby Borough Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
224. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

225. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.
226. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Clifton-upon-Dunsmore, it is considered that MSOA E02006492 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02006492 appears in Figure A-1.

Figure A-1: MSOA E02006492 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

227. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
228. To determine affordability in market housing, this assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

229. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
230. 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 Clifton-upon-Dunsmore, 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.
231. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2021) = £304,873;
 - Purchase deposit at 10% of value = £30,487;
 - Value of dwelling for mortgage purposes = £274,385;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £78,396.
232. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £244,938, and the purchase threshold is therefore £62,984.
233. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 56 sales of new build properties in the NA (all in Houlton) in 2021 with an average price of £321,743. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA based on sales of new build terraced homes and flats in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix). This gives an estimated NA new build entry-level house price of £213,632 and purchase threshold of £54,934.
234. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Rugby in 2021. The median cost of new build dwellings in Rugby was £309,995, with a purchase threshold of £79,713. Therefore, the average NA new build house price represents a 4% uplift on the borough's.

ii) Private Rented Sector (PRS)

235. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
236. 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.
237. 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 CV23 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.
238. According to [home.co.uk](https://www.home.co.uk), there were 19 properties for rent at the time of search in December, 2022, with an average monthly rent of £1,252. There were 6 two-bed properties listed, with an average price of £1,093 per calendar month.
239. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,093 x 12 = £13,116;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £43,720.
240. The calculation is repeated for the overall average to give an income threshold of £50,080.

A.3 Affordable Housing

241. 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

242. 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.

243. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Clifton-upon-Dunsmore. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Rugby Borough Council in the Table A-1.
244. 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 A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£80.46	£96.42	£105.34	£121.95	£98.34
Annual average	£4,184	£5,014	£5,478	£6,341	£5,114
Income needed	£13,932	£16,696	£18,241	£21,117	£17,029

Source: Homes England, AECOM Calculations

ii) Affordable rent

245. 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).
246. 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%.
247. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Rugby. Again, it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
248. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 40% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£90.90	£110.43	£125.53	No data	£113.62
Annual average	£4,727	£5,742	£6,528	-	£5,908
Income needed	£15,740	£19,122	£21,737	-	£19,674

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

249. 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.
250. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

251. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing.
252. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £213,632.
253. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (NA new build entry-level) = £213,632;
 - Discounted by 30% = £149,542
 - Purchase deposit at 10% of value = £14,954;
 - Value of dwelling for mortgage purposes = £134,588;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £38,454.
254. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £32,960 and £27,467 respectively.

255. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
256. 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. m²²) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue for 30% discounted First Homes in Clifton-upon-Dunsmore. However, First Homes discounted at the highest rate (50%) would be around £107,000 which is below the estimated cost and therefore unlikely to be viable.

Shared ownership

257. 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'.
258. 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.
259. 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).
260. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £213,632 is £53,408;
 - A 10% deposit of £53,408 is deducted, leaving a mortgage value of £48,067;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £13,733;

²² 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/>

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £160,224;
 - The estimated annual rent at 2.5% of the unsold value is £4,006;
 - This requires an income of £13,352 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £27,085 (£13,733 plus £13,352).
261. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £21,516 and £36,368 respectively.
262. Again, all of these thresholds are below the £80,000 cap for eligible households.

Rent to Buy

263. 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)

264. 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.
265. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = $\frac{£200,000}{£25,000} = 8$, (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 methods²³.

Age-Restricted General Market Housing

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

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 Standard²⁴

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

²³ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²⁴ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁵

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)²⁶

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

Equity Loans/Shared Equity

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

²⁵ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁶ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁷, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

²⁷ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to 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 Housing²⁸

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 bedrooomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also

²⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁹

²⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

