

# Stow on the Wold and the Swells Neighbourhood Plan

Housing Needs Assessment (HNA)

March 2022

[NA Name] Neighbourhood Plan Housing Needs Assessment

Quality information

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

CDC	Cotswold District Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
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
LHN	Local Housing Need
LPA	Local Planning Authority
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

# 1. Executive Summary

## Conclusions- Tenure and Affordability

The Neighbourhood Area (NA), which is comprised of Stow on the Wold and the Swells parishes, has a higher proportion of social rented and lower proportion of private rented occupancy than both local and national averages. The proportion of owned households is very close to the local and national average. Overall, this is an interesting tenure mix for the NA's geography and particularly demonstrates a healthier supply of social housing than would be expected, albeit a supply of social housing that needs to be substantially increased to meet local housing needs. An additional key factor to consider in the NA is the proportion of second homes, which accounts for a substantial 17% of housing stock. This is having a significant impact on the availability of tenures in the area and consequently housing affordability.

The data on house prices shows an overall trend of high price growth, with mean prices having increased 35% between 2011 and 2020 and the more useful metric of median prices having increased 15% between 2011 and 2020. The high divergence between mean and median growth can be explained by the increase of exceptionally expensive property sales over time which skews the mean above the median. There is also a large gap between the lower quartile and the median, demonstrating that a notable proportion of properties in the NA remain considerably cheaper than average. In 2020, lower quartile property prices were £295,000 in comparison with a median of £375,000, a difference of £80,000.

Prices have tended to follow a trend line except for a considerable drop in 2018 which was more than recovered in 2019. Upon inspecting the land registry entries for 2018, it appears that the sales of many homes in the Hawkesbury Place development had the effect of reducing average prices in that year.

Detached houses had much more rapid price growth than other types at 58%, adding to the data signal that the largest and most expensive properties are leading price growth. Semi-detached properties also had considerable growth at 31%. Terraced properties had the lowest price growth of just 5%. Flats were closer to the overall average at 12%.

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, and an entry-level house price would require an annual income 43% higher. This demonstrates that the NA has severe issues with housing affordability.

Private renting is generally only affordable to higher than 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.

There is a relatively large group of households in Stow on the Wold and the Swells who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £50,949 per year (at which point entry-level rents become affordable) and £75,857 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even the 50% discount level would only marginally bring average earner households within reach of being able to afford a home, and is unfortunately not in reach of dual lower quartile earner households. There is certainly evidence to require the maximum 50% discount level in the case of the NA, but owing to the extent of affordability issues, this will only just bring average earners within reach of home ownership.

Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.

The evidence in this chapter suggests that the affordable rented sector, and especially social rent, performs a vital function in Stow on the Wold and the Swells as the only option for a large segment of those in the greatest need.

A key issue the Neighbourhood Plan group feel needs addressing, which is supported by CDC, is the need to ensure there is a mixed demographic to maintain the sustainability of the community. Given recent trends show an increase in older people, it will be essential for social rented dwellings to be delivered in the NA to allow younger people and families to move to or stay in the local area.

Turning to the quantity of affordable homes needed, the first source of analysis is the most recent LHNA, produced for the six Gloucestershire local authorities in 2020. The LHNA identifies the need for 125 additional affordable homes each year in Cotswold District as a whole, for the period 2021 - 2041. The report breaks this down to a need for 56 social rent homes a year, 18 affordable rent homes a year and 51 affordable home ownership product homes a year.



When the LHNA figures are pro-rated to Stow on the Wold and the Swells based on its fair share of the population (2.93% of the LPA's population), this equates to 4 homes per annum (rounded) or 37 homes over the Neighbourhood Plan period (2021-2031). Following the LHNA distribution of need by affordable sub-tenure, this would indicate 17 homes for social rent, 5 homes for affordable rent, therefore 22 rented homes in total, and 15 affordable owned homes over the plan period. This can be summarised as a tenure split of 59% affordable rent (of which 45% social and 14% other affordable rent) and 41% affordable home ownership.

When testing our own models of the need for affordable homes by rent and as home ownership products, it appeared that the need was skewed towards home ownership products. It is observed that the strong rate of re-lets in the affordable rent stock is concealing the level of affordable rented need, and the very small amount of affordable home ownership homes in the NA currently is inflating affordable home ownership need. Whilst this imbalance should be redressed, it should not be done so by restricting the supply of affordable rented properties.

Affordable rented homes also require much lower income thresholds and reach those on dual lower quartile incomes. As discussed, even First Homes at 50% discount level only just reach average earner households. In cases such as these, it is generally best practice to prioritise reaching the most households, and affordable rented homes extend affordability to many lower income households. The greatest priority for the NA going forward is greater supply of social rent homes, as these will meet the needs of the greatest number of people living locally, as well as ensure that a mixed demographic is retained in the area, a key aim of the Neighbourhood Planning group.

Therefore, having run independent models of affordable housing need, it is concluded that reverting to the LHNA mix is the best solution for the Neighbourhood Plan. This approach of 59% affordable rent, of which 45% social rent, and 41% affordable home ownership will help foster a more balanced tenure mix whilst also ensuring that the needs of those households in greatest need are prioritised.

In terms of our recommendations for the detailed breakdown of tenure mix, we recommend a 30% share of First Homes, offered at the maximum 50% discount rate. First Homes will help to attract young first time buyers and address the aims of the Town Council to ensure a sustainable mixed demographic in the community. In the interests of diversity and maximizing choice, a further 11% is then allocated to shared ownership rather than more First Homes. Shared ownership has the advantage of requiring a smaller deposit and may therefore be useful to some households. Rent to buy does not feature in the recommended mix as market rents are not affordable to average income households locally. The breakdown of affordable housing for rent follows the LHNA recommended split, with 45% as social rent and 14% affordable rent.

## Conclusions- Type and Size

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.

There are some very positive aspects to the housing mix in the NA, and some concerning demographic indicators which reflect the heightened affordability issues in the NA. At first glance, the figures indicate that the NA has a well-balanced mix of dwelling types, unusually for a rural area. This includes a substantial number of flats. In terms of size, the NA has a very well-balanced distribution of sizes, offering a great deal of choice, and seems to have avoided the overrepresentation of very large homes which can occur in rural areas.

In terms of changes, it does appear the population is ageing quite quickly, from an already much older population profile than would be expected nationally or at the district level, it is particularly worth noting the increase of 65-84 year olds over the last decade. Concurrently, there has been a fall in the 0-15 and 25-44 age categories as a proportion of population, and also in raw numbers. The fall of 25-44 year olds from 458 to 329 between 2011 and 2020 is concerning because this comprises the bulk of families with children, indicating further future demographic imbalances.

The data indicates that young families are leaving the area and are being priced out by the lack of affordable homes. The proportion of population aged 65 and over is very high, and this has significant implications. The NA will need to attract more young couples and families to ensure more of a balanced age structure.

Under-occupancy is very high in the NA, especially among over 65 households and under 65 households without children. The level of under-occupancy is extremely high for families over 65, with 71% having two surplus bedrooms. This suggests the housing stock is being very inefficiently occupied. 61% of families without children have two surplus bedrooms. Meanwhile, rates of occupancy remain slightly lower among single households over 65, and much lower for families with children, although actually the majority have at least one spare bedroom.

The Census 2011 suggests that there is a high level of second homes in the NA a total of 236, accounting for 17% of the housing stock. This rate may have also increased since 2011 and the forthcoming census data will provide a clearer picture on this.

An increase in second home ownership can often be associated with increasing affordability challenges, which are apparent in the NA as outlined in Chapter 4. It is possible to apply

principle residence restrictions to development in the parishes (or neighbourhood area as a whole) if, in the 2021 or 'latest' Census, a certain proportion of housing that is not usually occupied is exceeded, or if a certain rate of increase is observed on the 2011 figures. What those thresholds might be should be determined with reference to the evidence underpinning adopted policies in nearby or similar neighbourhood plans.

Our life-stage modelling suggests that a split of 17% 2-bed, 33% 3-bed, 34% 4-bed and 16% 5-bed homes would be suitable to help best meet needs of the plan period. This will provide more homes suitable for families with children, which are a key demographic to ensure that the population of the NA does not age as rapidly as it has in recent years.

## **Conclusions- Specialist Housing for the Older People**

The NA has a relatively high amount of existing specialist housing, with 251 units, of which 187 have on-site care provision. However, the NA is also forecast to have significant growth in the population aged over 75, with 203 additional individuals over the plan period, meaning a total population aged over 75 of 643. At present, there are 570 units per 1,000 population aged 75+ but without any additional provision, this would fall significantly to 390 units per 1,000 population.

The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

These two methods of estimating the future need in Stow on the Wold and the Swells produce a range of 51 to 70 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.

This can be broken down to a recommendation for between 14 and 28 housing with care units, and 36 to 42 units of retirement housing.

There is a key consideration to take into account, which is the Neighbourhood Plan's goal for a sustainable mixed demographic in the community as a wider goal. We suggest that provision of specialist housing for older people will help to reduce demand on the conventional housing stock and thereby improve the availability of homes for younger buyers.

## 2. Context

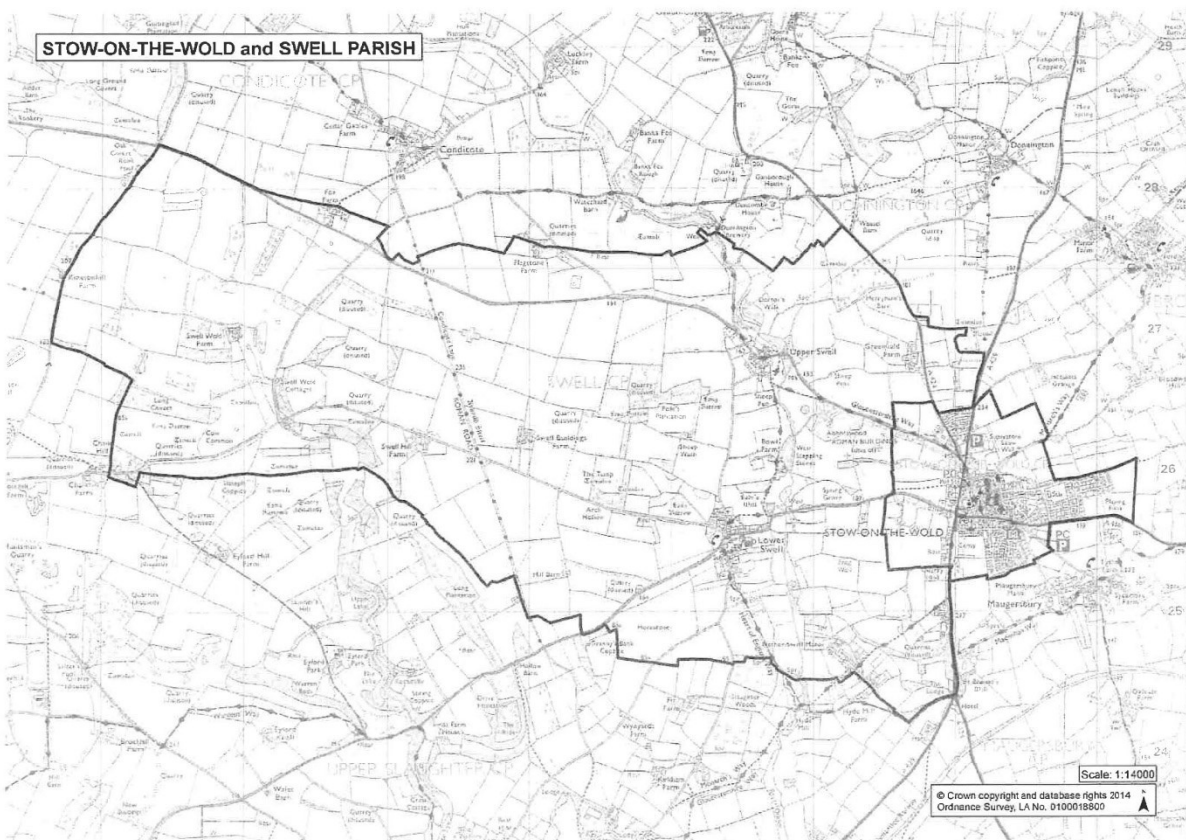
### Local context

1. Stow on the Wold and the Swells is a Neighbourhood Area located in the Cotswold District, Gloucestershire. The Neighbourhood Area (NA) boundary covers two parishes, Stow on the Wold and the Swells, and was designated on 9 April 2015. The NA previously just covered Stow on the Wold parish and this was designated on 6 September 2012, before later being expanded to cover the Swell parish.
2. The proposed Neighbourhood Plan period starts in 2021 and extends to 2031, therefore comprising a planning period of 10 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.
3. The Neighbourhood Area covers the town of Stow on the Wold and a large rural hinterland to its west, including the villages of Upper Swell and Lower Swell and a scattering of farmsteads and isolated dwellings. Stow on the Wold is a very historic town and lies on the Roman Fosse Way (A429). It plays a role as a key service centre for the surrounding rural part of the Cotswolds. In terms of transport links, Stow on the Wold is connected to Moreton-in-Marsh to the north and Cirencester and A40 to the south by the A429, Evesham by the A424 and A44 to the north-west and Burford and A40 by the A424 to the south-east, and by A436 to Chipping Norton. The Swells parish is rural and has two small villages, Upper Swell and Lower Swell alongside a large area of agricultural countryside.
4. Stow on the Wold once had its own railway station, but since the line was closed, the nearest stations are at Moreton-in-Marsh or Kingham, providing links to Oxford, Worcester and onto the Midlands and South-East. A regular bus service provides links to Cheltenham and Moreton-in-Marsh. There are also semi-regular services to Cirencester and surrounding villages. Geographically, Moreton-in-Marsh is located 4 miles north, Chipping Norton 9 miles east, Burford 13 miles south and Cirencester 20 miles south-west.
5. The data source for the NA is the two parishes of Stow on the Wold and the Swell parish which correspond to the NA exactly.
6. The statistics show that in the 2011 Census the NA had a total of 2,431 residents, formed into 1,151 households and occupying 1,387 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Stow on the Wold and the Swells is 2,278 – indicating population decline of around 153 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

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7. According to completions data gathered by Cotswold District Council 167 dwellings were added between 2011 and 2020 in the NA. This means that we can now estimate that there are approximately 1,554 dwelling. There are 96 commitments in the pipeline, which when completed will mean a forecast total of 1,650 dwellings. The population of the NA has fallen according to ONS estimates despite the concurrent increase in the number of dwellings. This is atypical, but can be explained by changing household structures, e.g. more individual and fewer family households, increasing second home-ownership, or both. It may also be a consequence of the method used in the ONS estimates, which draws more on Local Authority than truly localised data. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the Stow on the Wold and the Swells Neighbourhood Area<sup>1</sup>**



Source: Cotswold District Council

<sup>1</sup> Available at <https://www.cotswold.gov.uk/planning-and-building/planning-policy/neighbourhood-planning/neighbourhood-plans-in-development/>

## Planning policy context

8. Neighbourhood Plans are required to be in general conformity with strategic policies of the adopted local plan.<sup>2</sup> In the case of Stow on the Wold and the Swells, the relevant adopted Local Plan for the Cotswold District consists of:
- Cotswold District Local Plan (2011 to 2031)<sup>3</sup>, adopted 3 August 2018.
9. Note the Council are partially updating the Local Plan. Informal engagement is anticipated shortly with publication of a pre-submission draft in the latter part of 2022.

## Policies in the adopted local plan

10. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Stow on the Wold and the Swells.

**Table 2-1: Summary of relevant adopted policies in the Cotswold District Local Plan (2011 to 2031)**

Policy	Provisions
Policy DS1: Development Strategy	Sufficient land will be allocated to deliver at least 8,400 dwellings, together with completions and commitments, and 24 hectares of B class employment use over the plan period 2011 – 2031, including in the Principal Settlement of Stow on the Wold. As of 1 April 2017, the district had 7.6 years' supply available expressed as number of years against the residual requirement.
Policy DS2: Development within Development Boundaries	Within the Development Boundaries indicated on the Policies Maps, applications will be permissible in principle.
Policy DS3: Small-Scale Residential Development in Non-Principal Settlements	<p>1. In non-Principal Settlements, small-scale residential development will be permitted provided it:</p> <ol style="list-style-type: none"> <li>demonstrably supports or enhances the vitality of the local community and the continued availability of services and facilities locally;</li> <li>is of a proportionate scale and maintains and enhances sustainable patterns of development;</li> <li>complements the form and character of the settlement; and</li> <li>does not have an adverse cumulative impact on the settlement having regard to other developments permitted during the Local Plan period.</li> </ol> <p>2. Applicants proposing two or more residential units on sites in non-Principal Settlements should complete a rural housing pro-forma and submit this with the planning application.</p>

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

<sup>3</sup> Available at <https://www.cotswold.gov.uk/planning-and-building/planning-policy/local-plan-2011-to-2031/>



Policy	Provisions
Policy DS4: Open Market Housing Outside Principal and Non-Principal Settlements	New-build open market housing will not be permitted outside Principal and Non-Principal Settlements unless it is in accordance with other policies that expressly deal with residential development in such locations.
Policy S13: Stow on the Wold	The development of a town museum to support the tourism economy is supported in principle. The provision of a new community facility is proposed.
Policy H1: Housing Mix and Tenure to Meet Local Needs	<ol style="list-style-type: none"> <li>1. All housing developments will be expected to provide a suitable mix and range of housing in terms of size, type and tenure to reflect local housing need and demand in both the market and affordable housing sectors, subject to viability. Developers will be required to comply with the Nationally Described Space Standard.</li> <li>2. Any affordable accommodation with two or more bedrooms will be expected to be houses or bungalows unless there is a need for flats or specialist accommodation.</li> <li>3. Proposals of more than 20 dwellings will be expected to provide 5% of dwelling plots for sale as serviced self or custom build plots unless demand identified on the Local Planning Authority's Self-Build and Custom Register, or other relevant evidence, demonstrates that there is a higher or lower level of demand for plots.</li> <li>4. Starter Homes will be provided by developers in accordance with Regulations and National Policy and Guidance.</li> <li>5. Exception sites on land that has been in commercial or industrial use, and which has not currently been identified for residential development, will be considered for Starter Homes.</li> </ol>
Policy H2: Affordable Housing	<ol style="list-style-type: none"> <li>1. All housing developments that provide 11 or more new dwellings (net) or have a combined gross floorspace of over 1,000sqm will be expected to contribute towards affordable housing provision to meet the identified need in the District and address the Council's strategic objectives on affordable housing.</li> <li>2. In rural areas, as defined under s157 of the Housing Act 1985, all housing developments that provide 6 to 10 new dwellings (net) will make a financial contribution by way of a commuted sum towards the District's affordable housing need subject to viability. Where financial contributions are required payment will be made upon completion of development.</li> <li>3. The affordable housing requirement on all sites requiring a contribution, subject to viability is:               <ol style="list-style-type: none"> <li>i. Up to 30% of new dwellings gross on brownfield sites; and</li> <li>ii. Up to 40% of new dwellings gross on all other sites.</li> </ol> </li> <li>4. In exceptional circumstances, consideration may be given to accepting a financial contribution from the developer where it is justified that affordable housing cannot be delivered on-site, or that the District's need for affordable housing can be better satisfied</li> </ol>

## Policy

## Provisions

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	<p>through this route. A financial contribution will also be required for each partial number of affordable units calculated to be provided on site.</p> <p>5. The type, size and mix, including the tenure split, of affordable housing will be expected to address the identified and prioritised housing needs of the District and designed to be tenure blind and distributed in clusters across the development to be agreed with the Council. It will be expected that affordable housing will be provided on site as completed dwellings by the developer, unless an alternative contribution is agreed, such as serviced plots.</p> <p>6. Where viability is questioned or a commuted sum is considered, an “open book” assessment will be required. The local planning authority will arrange for an external assessment which will be paid for by the developer.</p>
Policy H4: Specialist Accommodation for Older People	<p>Proposals for specialist accommodation for older people, including sheltered and extra care housing, care homes and other appropriate models of accommodation for the elderly and those with particular needs, will be permitted provided that the development:</p> <ol style="list-style-type: none"><li>meets a proven need for that type of accommodation;</li><li>is designed to meet the particular requirements of residents with social, physical, mental and/or health care needs;</li><li>is easily accessible to public transport, shops, local services, community facilities and social networks for residents, carers and their visitors; and</li><li>where accommodation is provided on a freehold or leasehold basis, it should provide affordable housing in accordance with Policy H2. This includes proposals for self-contained units of accommodation within a residential institution (use class C2). In the case of sheltered accommodation and extra care accommodation a mix of tenures will be encouraged. Where a development site has been divided into parts, or is being delivered in phases, the site will be considered as a whole for the purpose of determining the appropriate affordable housing requirement.</li></ol>

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*Source: Cotswold District Council*

## Quantity of housing to provide

11. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
12. Cotswold District Council has fulfilled that requirement by providing Stow on the Wold and the Swells with a definitive figure of no dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.<sup>4</sup> This is because the Local Plan has already identified how to meet the district’s housing needs through completions, commitments, allocations and other supply including windfall development. However, the

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<sup>4</sup> As confirmed by the adopted Local Plan.



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Council has indicated that it supports the Stow on the Wold and the Swells Neighbourhood Plan bringing forward housing based on the level of local affordable housing need, which this assessment will determine.

## 3. Approach

### Research Questions

13. The following research questions were formulated at the outset of the research through discussion with the Stow on the Wold and the Swells Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.

### Tenure and Affordability

14. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
15. This evidence will allow Stow on the Wold and the Swells 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.
16. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

### Type and Size

17. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
18. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
19. 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.
20. 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

21. 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

22. 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 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;
- Cotswold SHMA, Further Update, Affordable Housing (2016);<sup>5</sup>
- Gloucestershire Local Housing Needs Assessment (2020).<sup>6</sup>

23. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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<sup>5</sup> <https://www.cotswold.gov.uk/media/sevngyf5/3108-gloucestershire-shma-affordable-housing-update-april-2016.pdf>

<sup>6</sup> <https://www.cotswold.gov.uk/media/b43lc01k/3110-gloucestershire-local-housing-needs-assessment-sept-2020.pdf>

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

***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?***

### Introduction

24. 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.
25. 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.
26. 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. As part of this effort, the Government has recently introduced a new product called First Homes.<sup>7</sup>
27. 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;

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

- 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

28. 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.
29. Table 4-1 presents data on tenure in Stow on the Wold and the Swells compared with Cotswold and England from the 2011 Census, which is the most recent available source of this information.
30. The NA has a higher proportion of social rented and lower proportion of private rented than both local or national averages. The proportion of owned households is very close to the local and national average. Overall, this is an interesting tenure mix for the NA's geography and particularly demonstrates a healthier supply of social housing than would be expected.
31. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Stow on the Wold and the Swells the private rented sector expanded by 61.9% in that period, a rate of growth that was moderately above the district average of 56.2% and below the national average of 82.4%. In contrast to the national picture of near stasis, both the NA and Cotswold had around 9% growth in social rented housing stock between 2001 and 2011.

32. It is important to note that a rate of shared ownership likely to be above the 17% of dwellings not occupied at the time of the last Census, is not reflected in this data, not captured in the upcoming Census. The dwellings used as second homes and holiday lets are not associated with a permanent household, and only households report on tenure in the Census. These second homes and those added since are most likely to have formerly been in the owner-occupied tenure, although it is reasonable to assume that landlords renting their properties out to long term tenants may increasingly be turning to shorter-term holiday lets. These trends impact on the ability of local people to access tenures suitable to their needs, as well as creating upward pressure on housing costs generally.

**Table 4-1: Tenure (households) in the NA, 2011**

Tenure	NA	Cotswold	England
Owned; total	65.1%	65.7%	63.3%
Shared ownership	0.4%	1.2%	0.8%
Social rented; total	19.1%	14.9%	17.7%
Private rented; total	11.8%	15.2%	16.8%

Sources: Census 2011, AECOM Calculations

## Affordability

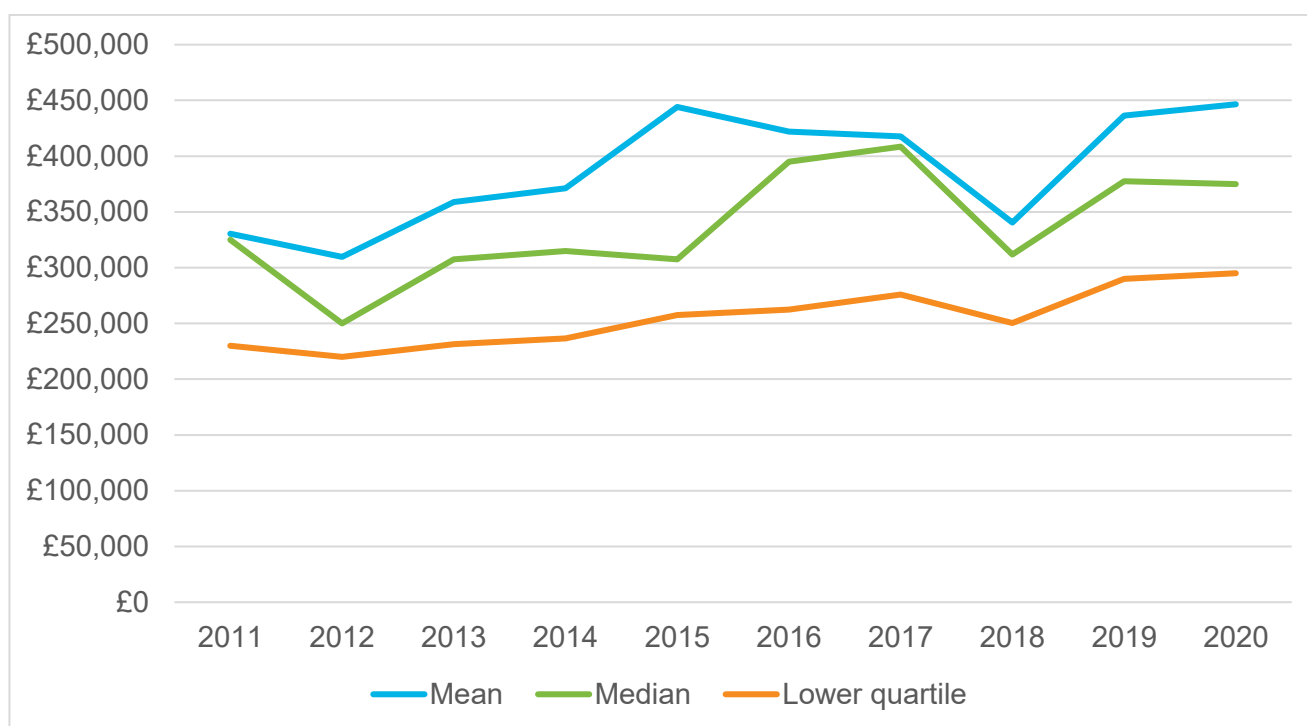
### House prices

33. 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.
34. Figure 4-1 looks at selected measures of house prices in Stow on the Wold and the Swells. It is worth quickly explaining the difference between mean and median. The mean captures the average of all the house prices, both highest and lowest, and the few outlying data points on the high end skew the mean higher, making it higher than the median. This can also be explained by the fact that lower house prices will tend to cluster around a lower price limit, whereas there are fewer economic constraints on the price of an exceptionally high house price for a particularly spacious or luxurious property. The median is more useful as a metric because it is the middle number when sorting the data from smallest to largest, therefore it is not skewed by exceptional data points and is a better representative average.
35. The data shows an overall trend of high price growth, with mean prices having increased 35% between 2011 and 2020 and the more useful metric of median prices having increased 15% between 2011 and 2020. As noted, the high divergence between mean and median growth can be explained by the increase of exceptionally expensive property sales over time which skews the mean above the median. There is also a large gap between the lower quartile and the median, demonstrating that a notable proportion of properties in the NA remain considerably cheaper than the overall average. In 2020, lower

quartile property prices were £295,000 in comparison with a median of £375,000, a difference of £80,000.

36. Home values have tended to follow a trend line except for a considerable drop in 2018 which was more than recovered in 2019. Upon inspecting the land registry entries for 2018, it appears that the sales of many homes in the Hawkesbury Place development had the effect of reducing average prices this year.

**Figure 4-1: House prices by quartile in Stow on the Wold and the Swells, 2011-2020**



Source: Land Registry PPD

37. Table 4-2 below breaks down house prices by type, presenting the median within each type. It shows that detached houses at an exceptional 58% had much more rapid price growth than other types, corroborating the possibility that the largest and most expensive properties are leading price growth. Semi-detached properties also had considerable growth at 31%. Terraced properties had the lowest price growth of just 5%. Flats were closer to the overall average at 12%. This data underlines that a process is occurring in the NA by which the larger and more desirable properties are leading price growth, with growing divergence between types such as terraced and detached over time. Detached properties were just £5,000 more expensive on average than terraced homes in 2011, but this difference increased to £203,000 by 2020.

**Table 4-2: Median house prices by type in Stow on the Wold and the Swells, 2011-2020 (£,000)**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£370	£335	£540	£400	£456	£588	£625	£445	£555	£585	58.1%
Semi-detached	£270	£249	£250	£265	£323	£302	£290	£342	£325	£353	30.6%
Terraced	£365	£306	£235	£283	£300	£412	£445	£345	£395	£382	4.7%
Flats	£283	£210	£310	£232	£195	£231	£275	£284	£296	£315	11.5%
<b>All Types</b>	<b>£325</b>	<b>£250</b>	<b>£308</b>	<b>£315</b>	<b>£308</b>	<b>£395</b>	<b>£409</b>	<b>£312</b>	<b>£378</b>	<b>£375</b>	<b>15.4%</b>

*Source: Land Registry PPD*

## **Income**

38. 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.
39. 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 before housing costs locally was £42,900 in 2018. A map of the area to which this data applies is provided in Appendix A.
40. 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. Cotswold District's gross individual lower quartile annual earnings were £14,368 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £28,736.
41. 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**

42. 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.
43. AECOM has determined thresholds for the income required in Stow on the Wold and the Swells 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.
44. 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.
45. Table 4-3 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.

46. The same information is presented as a graph in Figure 4-2 on a subsequent page, with selected measures from the table presented for clarity.

**Table 4-3: Affordability thresholds in Stow on the Wold and the Swells (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £42,900	Affordable on LQ earnings (single earner)? £14,368	Affordable on LQ earnings (2 earners)? £28,736
<b>Market Housing</b>						
Median House Price	£337,500	-	<b>£96,429</b>	No	No	No
LA New Build Mean House Price	£369,000	-	<b>£105,429</b>	No	No	No
LQ/Entry-level House Price	£265,500	-	<b>£75,857</b>	No	No	No
Average Market Rent	-	£17,508	<b>£58,361</b>	No	No	No
Entry-level Market Rent	-	£15,285	<b>£50,949</b>	No	No	No
<b>Affordable Home Ownership</b>						
First Homes (-30%)	£212,625	-	<b>£60,750</b>	No	No	No
First Homes (-40%)	£182,250	-	<b>£52,071</b>	No	No	No
First Homes (-50%)	£151,875	-	<b>£43,393</b>	Marginal	No	No
Shared Ownership (50%)	£168,750	£4,688	<b>£63,839</b>	No	No	No
Shared Ownership (25%)	£84,375	£7,031	<b>£47,545</b>	Marginal	No	No
Shared Ownership (10%)	£33,750	£8,438	<b>£37,768</b>	Yes	No	No
<b>Affordable Rented Housing</b>						
Affordable Rent	-	£7,025	<b>£23,329</b>	Yes	No	Yes
Social Rent	-	£5,445	<b>£18,132</b>	Yes	No	Yes

Source: AECOM Calculations

47. 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

48. 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, and an entry-level house price would require an annual income 43% higher. This demonstrates that the NA has severe issues with housing affordability.

49. Private renting is generally only affordable to higher than 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**

50. There is a relatively large group of households in Stow on the Wold and the Swells who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £50,949 per year (at which point entry-level rents become affordable) and £75,857 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
51. 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.
52. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even the 50% discount level would only marginally bring average earner households within reach of being able to afford a home, and is unfortunately not in reach of dual lower quartile earner households. There is certainly evidence to require the maximum 50% discount level in the case of the NA, but owing to the extent of affordability issues, this will only just bring average earners within reach of home ownership.
53. Table 4-4 on the following page shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to the small sample of new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given on the following page, but do not change the main conclusion that 50% discounts appear necessary.

**Table 4-4: Discount on sale price required for households to afford First Homes**

Tenure/product	Mean Income	LQ Income x1	LQ Income x2
NA Median house price	56%	85%	70%
LA New build mean house price	59%	86%	73%
NA Entry-level house price	43%	81%	62%

Source: Land Registry PPD; ONS MSOA total household income

54. Shared ownership appears to be slightly more affordable than First Homes, but is broadly accessible to the same groups. The Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.<sup>8</sup> 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.
55. 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.
56. The income required to access rent to buy 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.
57. 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.

<sup>8</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

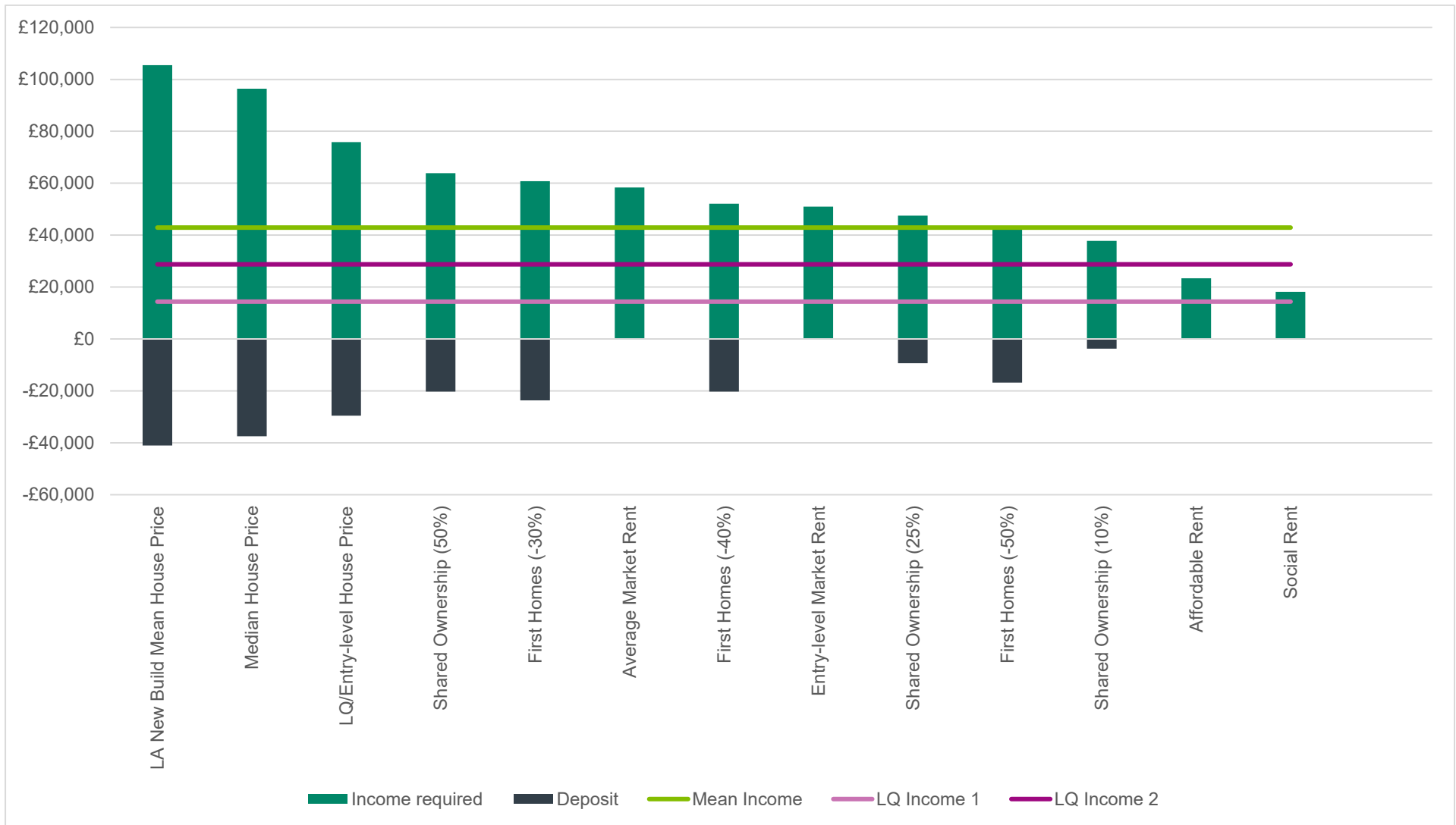
- Rent to buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

58. In conclusion, First Homes and shared ownership products would provide valuable to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing more average earning households to get a foot on the housing ladder and First Homes (at 50% discount) may provide a better long-term investment to those who can afford to access it. Rent to buy is not recommended because market rents are unaffordable even to average earners in the NA.

### **Affordable rented housing**

59. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
60. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Stow on the Wold and the Swells 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 mean 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 Stow on the Wold and the Swells, income required (additional cost of deposit in black)**



Source: AECOM Calculations

## Affordable housing- quantity needed

61. The starting point for understanding the need for affordable housing in Stow on the Wold and the Swells is the relevant Local Housing Need Assessment (LHNA). An LHNA was undertaken for six local authorities in Gloucestershire in 2020.<sup>9</sup> This study estimates the need for affordable housing in the respective authorities based on analysis of the Councils' waiting lists and analysis of other data sets in line with Planning Practice Guidance at the time. The LHNA identifies the need for 125 additional affordable homes each year in Cotswold District as a whole, for the period 2021 - 2041. Broken down by social rent, affordable rent and affordable home ownership products, the report sets out a need for 56 social rent homes a year, 18 affordable rent homes a year and 51 affordable home ownership product homes a year.
62. When the LHNA figures are pro-rated to Stow on the Wold and the Swells based on its fair share of the population (2.93% of the LPA's population), this equates to 4 homes per annum (rounded) or 37 homes over the Neighbourhood Plan period (2021-2031). Following the LHNA distribution of need by affordable housing type, this would indicate 17 homes for social rent, 5 homes for affordable rent, therefore 22 rented homes in total, and 15 affordable owned homes over the plan period. This can be summarised as a tenure split of 59% affordable rent (of which 45% social and 14% other affordable rent) and 41% affordable home ownership.
63. In Table 4-5 on the following page we have also calculated, using PPG as a starting point,<sup>10</sup> our own estimate of the total need for affordable rented housing in Stow on the Wold and the Swells over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
64. It should also be noted that figures in Table 4-6: Estimate of the potential demand for affordable housing for sale in Stow on the Wold and the Swells

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	165.8	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	11%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	18.2	Step 1.1 x Step 1.2.

<sup>9</sup> Available at [Evidence base and monitoring - Cotswold District Council](#)

<sup>10</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

1.4 Current need (households)	110.7	Current renters minus those on housing benefit and minus 25% assumed to rent by choice.
1.5 Per annum	11.1	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	186.1	LA household projections for plan period (2018 based) pro-rated to NA.
2.2 % of households unable to buy but able to rent	8.7%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	17.5	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	1.3	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	3	Cotswold District Council data (2021)
3.2 Supply - intermediate resales	0.1	Step 3.1 x 3% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	12.2	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	126.1	((Step 1.5 + Step 2.4)) – Step 3.2) * plan period

Source: AECOM model, using Cotswold District Council data (2021) 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.

65. Reviewing the two models together, it appears that the models may be overstating the extent to which affordable home ownership products are required in comparison with affordable rented homes. This is largely down to the divergent amounts of existing stock and consequently greatly differing level of re-lets. There are also other considerations that suggest that the LHNA tenure mix may be more proportionate.
66. Firstly, affordable rented homes require much lower income thresholds and reach those on dual lower quartile incomes. As discussed, even First Homes at 50% discount level only just reach average earner households. In cases such as these, it is generally best practice to prioritise reaching the most households, and affordable rented homes extend affordability to many lower income households.
67. Secondly, there is an extent to which the existing social housing stock, whilst a positive, is acting to conceal the level of affordable rented need in the models. It would present a risk to assume that current levels of turnover will persist in future. On a related point, the current deficit of affordable home ownership homes is leading to a very high need for this tenure. This imbalance should be redressed, but not by overly restricting the supply of affordable rented homes.
68. Therefore, having run independent models of affordable housing need, it is concluded that reverting to the LHNA mix is the best solution for the Neighbourhood Plan. This relatively balanced approach of 59% affordable rent and 41% affordable home ownership will help foster a more balanced tenure mix whilst also ensuring that the needs of those households in greatest need are prioritised.

69. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
70. It is also important to remember that even after the Neighbourhood Plan is made 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.
71. are largely dependent on information provided by the Cotswold District in its capacity as manager of the local housing waiting list. The latest data shows that there are 48 households with a local connection to Stow on the Wold and the Swells parishes on the housing register.
72. In line with the data supplied by Cotswold District Council, the table shows that there are currently about 48 households in Stow on the Wold and the Swells unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 47 additional households in the Neighbourhood Area will fall into need, producing total need for affordable rented homes of 5 after turnover in the existing stock (which can accommodate arising need) is accounted for.
73. This result may initially be surprising since there is understood to be a high current backlog of need (in the region of 48 households). The reason for the apparently small need over the long-term is that model includes the rate of turnover in the relatively high existing affordable housing stock of 9 homes per annum, based on the latest data. So, it can be expected that around 9 homes 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 helps to satisfy 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. This figure of 9 homes is also backed up by an alternative calculation, assuming a stock re-let rate of 3% which is considered standard in rural areas, which arrives at a figure of 8 homes per year based on the estimated existing affordable housing stock in the NA of 261 homes.
74. An important caveat to this finding is that there are at least 48 households currently in need in the NA, and to 'spread them out' 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.
75. 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.

76. As such, it is recommended that Stow on the Wold and the Swells considers encouraging the delivery of more 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 the district.
77. The NA differs substantially from the wider District in that it has a significantly higher social housing stock than would typically be expected. The high amount of re-lets may therefore be concealing the level of affordable housing need in Table 4-5.

**Table 4-5: Estimate of need for Affordable Housing for rent in Stow on the Wold and the Swells**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	48	Cotswold District Council data (2021)
1.2 Per annum	<b>4.8</b>	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	186.1	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	25.2%	(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	261.3	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	18.2	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	46.9	Step 2.1 x Step 2.2.
2.4 Per annum	<b>4.7</b>	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers)	<b>9</b>	Cotswold District Council data (2021)
<b>NET SHORTFALL OF RENTED UNITS PER ANNUM</b>		
Overall shortfall per annum	<b>0.5</b>	(Step 1.2 + Step 2.4) - Step 3.1
Overall shortfall over the plan period	<b>4.9</b>	((Step 1.2 + Step 2.4) – Step 3.1) * plan period

Source: AECOM model, using Cotswold District Council data 2021, 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. Figures may not sum due to rounding.*

78. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 on the next page estimates the potential demand in Stow on the Wold and the Swells. This model aims to estimate the number of households 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.
79. 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 is assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>11</sup> No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
80. The result of the calculation is 12 households per annum who may be interested in affordable home ownership (or 126 for the entirety of the Plan period).
81. Again this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership properties in the NA currently, at only 3 homes.
82. 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.

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<sup>11</sup> <http://www.ipsos-mori-generations.com/housing.html>

**Table 4-6: Estimate of the potential demand for affordable housing for sale in Stow on the Wold and the Swells**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	165.8	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	11%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	18.2	Step 1.1 x Step 1.2.
1.4 Current need (households)	110.7	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>12</sup>
1.5 Per annum	<b>11.1</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	186.1	LA household projections for plan period (2018 based) pro-rated to NA.

<sup>12</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership 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.

2.2 % of households unable to buy but able to rent	8.7%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	17.5	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	1.3	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	3	Cotswold District Council data (2021)
3.2 Supply - intermediate resales	0.1	Step 3.1 x 3% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	12.2	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	126.1	((Step 1.5 + Step 2.4)) – Step 3.2) * plan period

*Source: AECOM model, using Cotswold District Council data (2021) 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.*

83. Reviewing the two models together, it appears that the models may be overstating the extent to which affordable home ownership products are required in comparison with affordable rented homes. This is largely down to the divergent amounts of existing stock and consequently greatly differing level of re-lets. There are also other considerations that suggest that the LHNA tenure mix may be more proportionate.
84. Firstly, affordable rented homes require much lower income thresholds and reach those on dual lower quartile incomes. As discussed, even First Homes at 50% discount level only just reach average earner households. In cases such as these, it is generally best practice to prioritise reaching the most households, and affordable rented homes extend affordability to many lower income households.
85. Secondly, there is an extent to which the existing social housing stock, whilst a positive, is acting to conceal the level of affordable rented need in the models. It would present a risk to assume that current levels of turnover will persist in future. On a related point, the current deficit of affordable home ownership homes is leading to a very high need for this tenure. This imbalance should be redressed, but not by overly restricting the supply of affordable rented homes.
86. Therefore, having run independent models of affordable housing need, it is concluded that reverting to the LHNA mix is the best solution for the Neighbourhood Plan. This relatively balanced approach of 59% affordable rent and 41% affordable home ownership will help foster a more balanced tenure mix whilst also ensuring that the needs of those households in greatest need are prioritised.
87. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

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

### **Affordable Housing policy guidance**

89. Cotswold District's adopted policy on this subject Policy H2 requires 30 to 40% of developments of 11 or more dwellings or over 1,000sqm to be affordable. Specifically, the affordable housing requirement on all sites requiring a contribution, subject to viability is: up to 30% of new dwellings gross on brownfield sites; and up to 40% of new dwellings gross on all other sites.
90. 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.
91. The 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 Stow on the Wold and the Swells specifically.
92. 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:** Applying conclusions from the LHNA, this study estimates that Stow on the Wold and the Swells requires roughly 22 units of affordable rented housing and 15 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 59% of Affordable Housing should be rented and 41% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

- B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.

It is not currently known how many affordable homes might be expected in the NA. If the majority of Stow on the Wold and the Swells' development is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 11 dwellings, above which the Affordable Housing policy

applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This would not be sufficient to satisfy the total potential demand for Affordable Housing identified here.

As a result, affordable rented housing should have a higher weighting in the tenure mix to ensure that the most acute needs are met as a priority. But given the expected volume of future delivery it is reasonable to assume that supply will be limited, and affordable rented accommodation should be prioritised. The 59% rented 41% ownership guideline mix in the LHNA offers an appropriate benchmark.

- 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 Cotswold District, where 30 to 40% of all housing should be affordable, 33% 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. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Stow on the Wold and the Swells would prejudice the provision of much needed affordable rented homes. There is substantial evidence of affordable home ownership need in the NA and the District.

- D. **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.

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. However, this is not the case as the LHNA recommends 41% delivery as affordable home ownership products.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

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.

- E. **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.

- F. **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.
  - G. **Existing tenure mix in Stow on the Wold and the Swells:** There is a considerable amount of social rented housing in the NA at 19.1% of households. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
  - H. **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.
  - I. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Stow on the Wold and the Swells 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.
93. On the basis of the considerations above, Table 4-7 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
94. This indicative mix reflects the affordable housing need mix in the LHNA. This balanced mix prioritises affordable housing for rent whilst also accounting for the substantial need for affordable home ownership products. Our calculations estimated a much greater level of affordable home ownership need, however, this has been reflected upon earlier. We have considered the priority of reaching those on the lowest incomes and the extent to which a high level of stock re-lets results in an optimistic view of net need.
95. Since First Homes appears the most affordable and helpful affordable home ownership option locally, assuming it can be offered at the appropriate discount level of 50%, national policy that First Homes should represent 25% of the affordable mix should be exceeded here. We recommend a slightly higher 30% share. In the interests of diversity and maximizing choice, a further 11% is then allocated to shared ownership rather than more First Homes. Shared ownership has the advantage of requiring a smaller deposit and may therefore be useful to some households. Rent to buy does not feature in the recommended mix as market rents are not affordable to average income households locally. The

breakdown of affordable housing for rent follows the LHNA recommended split, with 45% as social rent and 14% affordable rent.

96. 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 on the previous page, and in particular the views and objectives of the community.
97. 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 Cotswold District to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
98. 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 4-7: Indicative tenure split (Affordable Housing)**

Tenure	Indicative mix	Considerations and uncertainties
<b>Routes to home ownership, of which</b>	<b>41%</b>	
First Homes (50% discount)	30%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	11%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown. Not recommended on the basis that the income required to afford average market rents is well above the average household income.
<b>Affordable Housing for rent, of which</b>	<b>59%</b>	
Social rent	45%	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	14%	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations



## Conclusions- Tenure and Affordability

99. The NA has a higher proportion of social rented and lower proportion of private rented occupancy than both local and national averages. The proportion of owned households is very close to the local and national average. Overall, this is an interesting tenure mix for the NA's geography and particularly demonstrates a healthier supply of social housing than would be expected, albeit a supply of social housing that needs to be substantially increased to meet local housing needs. An additional key factor to consider in the NA is the proportion of second homes, which accounts for a substantial 17% of housing stock. This is having a significant impact on the availability of tenures in the area and consequently housing affordability.
100. The data on house prices shows an overall trend of high price growth, with mean prices having increased 35% between 2011 and 2020 and the more useful metric of median prices having increased 15% between 2011 and 2020. The high divergence between mean and median growth can be explained by the increase of exceptionally expensive property sales over time which skews the mean above the median. There is also a large gap between the lower quartile and the median, demonstrating that a notable proportion of properties in the NA remain considerably cheaper than average. In 2020, lower quartile property prices were £295,000 in comparison with a median of £375,000, a difference of £80,000.
101. Prices have tended to follow a trend line except for a considerable drop in 2018 which was more than recovered in 2019. Upon inspecting the land registry entries for 2018, it appears that the sales of many homes in the Hawkesbury Place development had the effect of reducing average prices in that year.
102. Detached houses had much more rapid price growth than other types at 58%, adding to the data signal that the largest and most expensive properties are leading price growth. Semi-detached properties also had considerable growth at 31%. Terraced properties had the lowest price growth of just 5%. Flats were closer to the overall average at 12%.
103. 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, and an entry-level house price would require an annual income 43% higher. This demonstrates that the NA has severe issues with housing affordability.
104. Private renting is generally only affordable to higher than 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.

105. There is a relatively large group of households in Stow on the Wold and the Swells who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £50,949 per year (at which point entry-level rents become affordable) and £75,857 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
106. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even the 50% discount level would only marginally bring average earner households within reach of being able to afford a home, and is unfortunately not in reach of dual lower quartile earner households. There is certainly evidence to require the maximum 50% discount level in the case of the NA, but owing to the extent of affordability issues, this will only just bring average earners within reach of home ownership.
107. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
108. The evidence in this chapter suggests that the affordable rented sector, and especially social rent, performs a vital function in Stow on the Wold and the Swells as the only option for a large segment of those in the greatest need.
109. A key issue the Neighbourhood Plan group feel needs addressing, which is supported by CDC, is the need to ensure there is a mixed demographic to maintain the sustainability of the community. Given recent trends show an increase in older people, it will be essential for social rented dwellings to be delivered in the Parish to allow younger people and families to move to or stay in the Parish.
110. Turning to the quantity of affordable homes needed, the first source of analysis is the most recent LHNA, produced for the six Gloucestershire local authorities in 2020. The LHNA identifies the need for 125 additional affordable homes each year in Cotswold District as a whole, for the period 2021 - 2041. The report breaks this down to a need for 56 social rent homes a year, 18 affordable rent homes a year and 51 affordable home ownership product homes a year.
111. When the LHNA figures are pro-rated to Stow on the Wold and the Swells based on its fair share of the population (2.93% of the LPA's population), this equates to 4 homes per annum (rounded) or 37 homes over the Neighbourhood Plan period (2021-2031). Following the LHNA distribution of need by affordable sub-tenure, this would indicate 17 homes for social rent, 5 homes for affordable rent, therefore 22 rented homes in total, and 15 affordable owned homes over the plan period. This can be summarised as a tenure split of 59% affordable rent (of which 45% social and 14% other affordable rent) and 41% affordable home ownership.

112. When testing our own models of the need for affordable homes by rent and as home ownership products, it appeared that the need was skewed towards home ownership products. It is observed that the strong rate of re-lets in the affordable rent stock is concealing the level of affordable rented need, and the very small amount of affordable home ownership homes in the NA currently is inflating affordable home ownership need. Whilst this imbalance should be redressed, it should not be done so by restricting the supply of affordable rented properties.
113. Affordable rented homes also require much lower income thresholds and reach those on dual lower quartile incomes. As discussed, even First Homes at 50% discount level only just reach average earner households. In cases such as these, it is generally best practice to prioritise reaching the most households, and affordable rented homes extend affordability to many lower income households. The greatest priority for the NA going forward is greater supply of social rent homes as these will meet the needs of the greatest number of people living locally, as well as ensure that a mixed demographic is retained in the Parish, a key aim of the Neighbourhood Planning group.
114. Therefore, having run independent models of affordable housing need, it is concluded that reverting to the LHNA mix is the best solution for the Neighbourhood Plan. This approach of 59% affordable rent, of which 45% social rent, and 41% affordable home ownership will help foster a more balanced tenure mix whilst also ensuring that the needs of those households in greatest need are prioritised.
115. In terms of our recommendations for the detailed breakdown of tenure mix, we recommend a 30% share of First Homes, offered at the maximum 50% discount rate. In the interests of diversity and maximizing choice, a further 11% is then allocated to shared ownership rather than more First Homes. Shared ownership has the advantage of requiring a smaller deposit and may therefore be useful to some households. Rent to buy does not feature in the recommended mix as market rents are not affordable to average income households locally. The breakdown of affordable housing for rent follows the LHNA recommended split, with 45% as social rent and 14% affordable rent.

## 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 Neighbourhood Area over the Neighbourhood Plan period?***

### Introduction

116. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Stow on the Wold and the Swells 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.
117. 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

118. 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.
119. 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.
120. 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.
121. 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.

122. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the NA. For some aspects, such as the size mix of homes, adding together Census figures and completions data for the intervening period is highly accurate. For others, such as the type mix of homes, this method is not available and Valuation Office Agency (VOA) must be used. The most appropriate combination of approaches is used in this section.

## Dwelling type

123. For the NA, the most accurate data on dwelling type available dates to 2011. Unfortunately, more recent VOA data covers a larger area than the NA such that the raw figures are not reliable, however, it is useful for percentages. The figures indicate that the NA has a well-balanced mix of dwelling types, unusually for a rural area. This includes a substantial number of flats.

**Table 5-1: Accommodation type, Stow on the Wold and the Swells, 2011**

Dwelling type	2011 (Census)
Flat	195
Terrace	354
Semi-detached	465
Detached	373
Total	1,387

Source: ONS 2011, AECOM Calculations

124. This table shows more recent VOA data. The proportion of dwelling types in the NA is generally very similar to the district wide average. It differs substantially from England in having a lower proportion of flats and higher proportion of detached homes, which is to be expected in a rural area.

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

Dwelling type	NA	Cotswold	England
Bungalow	8.6%	8.3%	9.4%
Flat	11.8%	11.6%	23.2%
Terrace	22.2%	23.5%	26.3%
Semi-detached	24.4%	23.1%	23.8%
Detached	30.3%	30.9%	16.0%
Unknown/other	2.7%	2.6%	1.4%

Source: VOA 2021, AECOM Calculations

## Dwelling size

125. In terms of size, the NA has a very well-balanced distribution of sizes, offering a great deal of choice, and seems to have avoided the overrepresentation of very large homes which can occur in rural areas.

**Table 5-3: Dwelling size (bedrooms), Stow on the Wold and the Swells, 2011**

Number of bedrooms	2011 (Census)
Studio	1
1	136
2	307
3	480
4	156
5+	71
Total	1,151

Source: ONS 2011, VOA 2021, AECOM Calculations

126. Again it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. This recent VOA data demonstrates that the NA has a healthy mix, comparable to national averages, with a slightly higher proportion of 4 and 5 bed properties.

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

Number of bedrooms	NA	Cotswold	England
1	9.4%	8.3%	12.3%
2	26.4%	24.4%	28.1%
3	41.0%	41.7%	43.4%
4	15.6%	18.1%	12.2%
5+	7.6%	7.3%	3.3%
Unknown	0.0%	0.1%	0.6%

Source: VOA 2021, AECOM Calculations

## Age and household composition

127. Having established the current stock profile of Stow on the Wold and the Swells and identified recent changes to it, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

### Age structure

128. Table 5-5 on the following page shows the most recent estimated age structure of the NA population, alongside 2011 Census figures.
129. Note that 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.
130. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not

estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

131. In terms of changes, it does appear the population is ageing quite quickly, particularly regarding the increase of 65-84 year olds over the last decade. Concurrently, there has been a fall in the 0-15 and 25-44 age categories as a proportion of the population, and also in raw numbers.

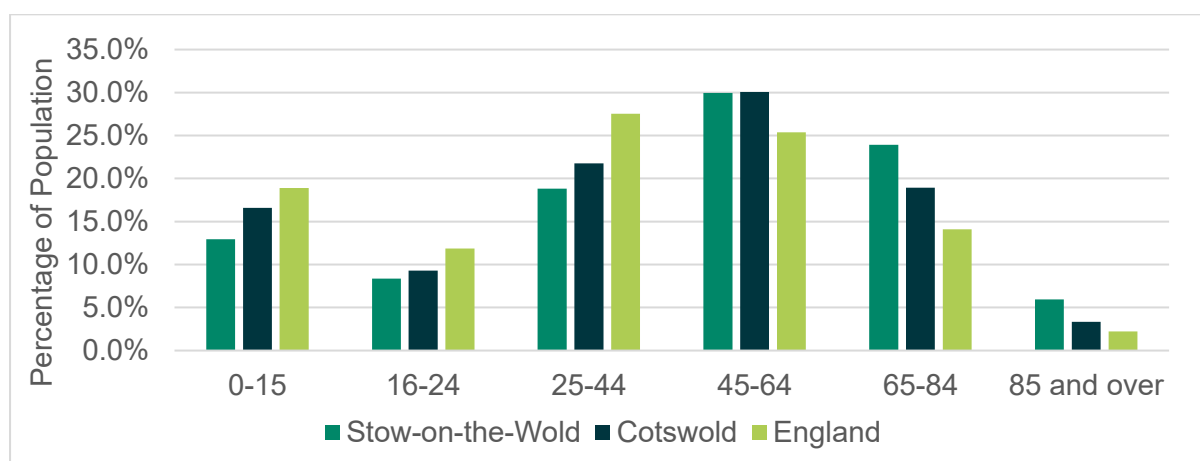
**Table 5-5: Age structure of Stow on the Wold and the Swells population, 2011 and 2020**

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	315	13.0%	241	10.6%
16-24	203	8.4%	185	8.1%
25-44	458	18.8%	329	14.4%
45-64	728	29.9%	692	30.4%
65-84	582	23.9%	676	29.7%
85 and over	145	6.0%	155	6.8%
Total	2,431	100%	2,278	100%

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

132. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the NA has a considerably older population profile than nationally, and at the district level. The proportion of population aged 65 and over is very high, and this has significant implications. The NA will need to attract more young couples and families to ensure more of a balanced age structure. This is a key aim as highlighted by the Neighbourhood Planning group to maintain the sustainability of the community.

**Figure 5-1: Age structure in Stow on the Wold and the Swells, 2011**



Source: ONS 2011, AECOM Calculations

## Household composition

133. 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 there are notably more one person households in the NA, particularly those aged 65 and over. There are fewer family households, particularly the dependent children category. This suggests that the NA may not be attracting as many incoming young families and there may be barriers to entry for these groups.

134. Between 2001 and 2011, there was a trend by which the NA saw a significant reduction of around 5% of households with dependent children, and a mirrored increase of 5% in the households with no children.
135. 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. While the data is quite old at this point, it is interesting to observe that this category fell 1% between 2001 and 2011 in the NA – opposite the district average. Our perspective is that this potentially indicates worse issues, that young people are leaving the area entirely, as shown by the sharp fall in population aged 25-44 between 2011 and 2020.

**Table 5-6: Household composition, Stow on the Wold and the Swells, 2011**

Household composition		NA	Cotswold	England
<b>One person household</b>	<b>Total</b>	37.1%	30.2%	30.2%
	Aged 65 and over	21.8%	15.5%	12.4%
	Other	15.3%	14.8%	17.9%
<b>One family only</b>	<b>Total</b>	57.7%	65.0%	61.8%
	All aged 65 and over	13.3%	11.9%	8.1%
	With no children	18.8%	21.7%	17.6%
	With dependent children	17.6%	23.2%	26.5%
	All children Non-Dependent <sup>13</sup>	8.0%	8.1%	9.6%
<b>Other household types</b>	<b>Total</b>	5.2%	4.8%	8.0%

Source: ONS 2011, AECOM Calculations

### Occupancy ratings

136. 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

<sup>13</sup> Refers to households containing children who are older than 18 e.g. students or young working people living at home.



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.

137. Under-occupancy is very high in the NA, especially among over 65 households and under 65 households without children. The level of under-occupancy is extremely high for families over 65, with 71% having two surplus bedrooms. This suggests the housing stock is being very inefficiently occupied. 61% of families without children have two or more surplus bedrooms. Meanwhile, rates of occupancy remain slightly lower among single households over 65, and much lower for families with children, although actually the majority have at least one spare bedroom.

**Table 5-7: Occupancy rating by age in Stow on the Wold and the Swells, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	70.6%	26.1%	3.3%	0.0%
Single person 65+	45.0%	31.5%	23.5%	0.0%
Family under 65 - no children	60.6%	28.7%	10.6%	0.0%
Family under 65 - dependent children	21.7%	39.4%	35.5%	3.4%
Family under 65 - adult children	29.3%	53.3%	17.4%	0.0%
Single person under 65	35.8%	36.9%	27.3%	0.0%
All households	43.35%	34.40%	21.03%	1.22%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

138. The Neighbourhood Plan Steering Group have identified a specific problem of second homes driving some of the affordability challenges as discussed in the previous chapter. It is therefore relevant to look at the percentage of dwellings in the area which might constitute second homes/holiday lets.
139. The best data to assess this is it look at the rate of non-occupied dwellings in the Parish. At the 2011 Census there were 236 non-occupied dwellings, when compared with the total number of households (1,387) this indicates 17% of the housing in the NA are second homes. Consideration must also be given to how this may have increased since 2011. The forthcoming Census data will will provide a clearer picture on this.
140. For comparison, the rate across Cotswolds as a whole was 9.3%. For England, the rate was 4.3%.

## Dwelling mix determined by life-stage modelling

### Suggested future dwelling size mix

141. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

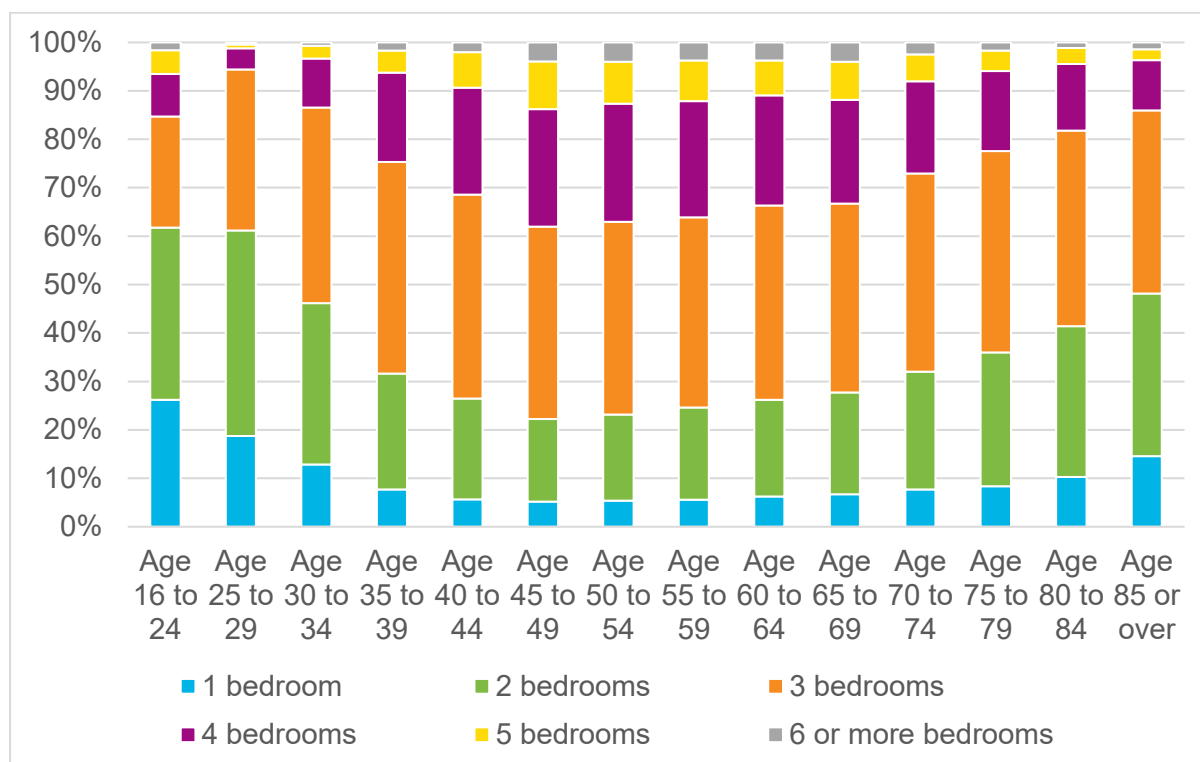
## Stow on the Wold and the Swells[NA Name]

- The starting point is the age distribution of Stow on the Wold and the Swells households in 2011.
    - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
    - As noted above, household life stages are not estimated annually, so the older Census data must be used.
  - This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
    - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
  - Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
    - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
    - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
  - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
    - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
142. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
143. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model 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 considered entirely appropriate for the purpose of drafting neighbourhood plan policy.

- 144. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
- 145. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Cotswold District in 2011. This shows how the youngest households 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 the Cotswold District, 2011**



Source: ONS 2011, AECOM Calculations

- 146. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Stow on the Wold and the Swells households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with 65% growth between 2011 and the end of the plan period.

**Table 5-8: Projected distribution of households by age of HRP, Stow on the Wold and the Swells**

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	11	75	351	234	480

Stow on the Wold and the Swells[NA Name]

2031	12	84	360	263	790
% change 2011-2031	14%	11%	3%	12%	65%

Source: AECOM Calculations

147. The final result of this exercise is presented in Table 5-9 below. The model suggests that a split of 17% 2 bed, 33% 3 bed, 34% 4 bed and 16% 5 bed homes would be suitable.

**Table 5-9: Suggested dwelling size mix to 2031, Stow on the Wold and the Swells**

Number of bedrooms	Current mix (2011)	Target mix (2031)	Balance of new housing to reach target mix
1 bedroom	136	125	0.0%
2 bedrooms	307	369	16.8%
3 bedrooms	480	602	33.1%
4 bedrooms	156	283	34.4%
5 or more bedrooms	71	129	15.8%

Source: AECOM Calculations

148. It is never advisable to restrict future housing delivery to selected size categories only. The result of this model is 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.
149. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
150. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
151. 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 of 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.

152. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the NA. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.
153. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. 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 smaller/larger/mid-sized 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.

## **Conclusions- Type and Size**

154. 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.
155. There are some very positive aspects to the housing mix in the NA, and some concerning demographic indicators which reflect the heightened affordability issues in the NA. At first glance, the figures indicate that the NA has a well-balanced mix of dwelling types, unusually for a rural area. This includes a substantial number of flats. In terms of size, the NA has a very well-balanced distribution of sizes, offering a great deal of choice, and seems to have avoided the overrepresentation of very large homes which can occur in rural areas.
156. In terms of changes, it does appear the population is ageing quite quickly, from an already much older population profile than would be expected nationally or at the district level, it is particularly worth noting the increase of 65-84 year olds over the last decade. Concurrently, there has been a fall in the 0-15 and 25-44 age categories as a proportion of population, and also in raw numbers. The fall of 25-44 year olds from 458 to 329 between 2011 and 2020 is concerning because this comprises the bulk of families with children, indicating further future demographic imbalances.
157. The data indicates that young families are leaving the area and are being priced out by the lack of affordable homes. The proportion of population aged 65 and

over is very high, and this has significant implications. The NA will need to attract more young couples and families to ensure more of a balanced age structure.

158. Under-occupancy is very high in the NA, especially among over 65 households and under 65 households without children. The level of under-occupancy is extremely high for families over 65, with 71% having two surplus bedrooms. This suggests the housing stock is being very inefficiently occupied. 61% of families without children have two surplus bedrooms. Meanwhile, rates of occupancy remain slightly lower among single households over 65, and much lower for families with children, although actually the majority have at least one spare bedroom.
159. The Census 2011 suggests that there is a high level of second homes in the Parish, a total of 236, accounting for 17% of the housing stock. This rate may have also increased since 2011 and the forthcoming census data will provide a clearer picture on this.
160. An increase in second home ownership can often be associated with increasing affordability challenges, which are apparent in the NA as outlined in Chapter 4. It is possible to apply principle residence restrictions to development in the parishes (or neighbourhood area as a whole) if, in the 2021 or 'latest' Census, a certain proportion of housing that is not usually occupied is exceeded, or if a certain rate of increase is observed on the 2011 figures. What those thresholds might be should be determined with reference to the evidence underpinning adopted policies in nearby or similar neighbourhood plans.
161. Our life-stage modelling suggests that a split of 17% 2 bed, 33% 3 bed, 34% 4 bed and 16% 5 bed homes would be suitable to help best meet needs of the plan period. This will provide more homes suitable for families with children, which are a key demographic to ensure that the population of the NA does not age as rapidly as it has in recent years.

## 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

162. This chapter considers in detail the specialist housing needs of older and disabled people in Stow on the Wold and the Swells. 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.
163. 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.
164. 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.
165. 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,<sup>14</sup> which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
166. 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

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<sup>14</sup> Available at

[https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/S\\_HOP/SHOPv2/](https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/S_HOP/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 overall.<sup>15</sup>

167. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>16</sup> 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

168. 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>.
169. Table 6-1 on the following page counts a total of 251 units of specialist accommodation in the NA at present, of which 64 units, or 25%, are offered for social rent, the rest a mixture of leasehold, freehold, market rent and shared ownership. Of the 251 units, 187 units, or 75%, have on-site care provision.
170. It must be noted that the units on each site differ in size, the Neighbourhood Plan group have highlighted that much of the existing provision include larger accommodation of 2 and 3 bedrooms. In addition, they have noted the lack of affordability in the existing provision for local people, with many of the units being rented or purchased by elderly people moving into the area.
171. ONS 2020 population estimates suggest that there are currently around 440 individuals aged 75 or over in Stow on the Wold and the Swells. This suggests that current provision is in the region of 570 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

**Table 6-1: Existing specialist housing for the elderly in Stow on the Wold and the Swells**

Name	Description	Units	Tenure	Type
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<sup>15</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>16</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)



1	Newlands of Stow	Retirement housing / housing-with-care / close care housing	37	Leasehold and freehold	Housing with care
2	Brio Beechwood Park	Extra care housing	106	Leasehold, market rent and shared ownership	Housing with care
3	Abbeyfield House	Retirement housing	8	Rent (social landlord)	Retirement housing
4	Bartletts Park	Age exclusive housing	9	Rent (social landlord)	Retirement housing
5	Chamberlayne House	Retirement housing	15	Rent (social landlord)	Retirement housing
6	Fisher House	Retirement housing	32	Rent (social landlord)	Retirement housing
7	Hawkesbury Place	Extra care housing	44	Leasehold, market rent and shared ownership	Housing with care

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

## Tenure-led projections

172. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across the Cotswold District, as this is the most recent and smallest geography for which tenure by age bracket data is available.
173. 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.
174. According to Table 6-2 on the following page, roughly three quarters of households are owner occupied and one quarter are rented, of which 12% social rent.

**Table 6-2: Tenure of households aged 55-75 in the Cotswold District, 2011**

All owned	Owned outright	Owned with a mortgage or loan or	All Rented	Social rented	Private rented	Living rent free
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Shared Ownership						
75.8%	54.3%	21.5%	24.2%	12.4%	9.1%	2.7%

Source: Census 2011

175. The next step is to project how the overall number of older people in Stow on the Wold and the Swells is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for the Cotswold District 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. The results are set out in Table 6-3 below. This shows growth of 203 in the population aged over 75 over the plan period.

**Table 6-3: Modelled projection of elderly population in Stow on the Wold and the Swells by end of Plan period**

Age group	2020		2031	
	NA (ONS 2020)	Cotswold (ONS 2020)	NA (AECOM)	Cotswold (ONS SNPP 2018)
All ages	2,278	90,264	2,635	104,399
75+	440	11,194	643	16,346
%	19.3%	12.4%	24.4%	15.7%

Source: ONS SNPP 2018, AECOM Calculations

176. 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 picture).
177. The people whose needs are the focus of the subsequent analysis are therefore the additional 203 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 Cotswold District in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 9,063 individuals aged 75+ and 6,502 households headed by a person in that age group. The average household size is therefore 1.39, and the projected growth of 203 75+ people in Stow on the Wold and the Swells can be estimated to be formed into around 146 households.
178. 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 6-4 below. This provides a breakdown of which tenures those households are likely to need.

**Table 6-4: Projected tenure of households aged 75+ in Stow on the Wold and the Swells to the end of the Plan period**

<b>Owned</b>	<b>Owned outright</b>	<b>Owned with a mortgage or loan or shared ownership</b>	<b>All rented</b>	<b>Social rented</b>	<b>Private rented</b>	<b>Living rent free</b>
<b>110</b>	79	31	<b>35</b>	18	13	4

Source: Census 2011, ONS SNPP 2018, AECOM Calculations

179. 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 6-5 below presents this data for Stow on the Wold and the Swells from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

**Table 6-5: Tenure and mobility limitations of those aged 65+ in Stow on the Wold and the Swells, 2011**

<b>Tenure</b>	<b>All categories: Long-term health problem or disability</b>	<b>Day-to-day activities limited a lot</b>		<b>Day-to-day activities limited a little</b>		<b>Day-to-day activities not limited</b>	
<b>All categories: Tenure</b>	<b>674</b>	<b>132</b>	<b>19.6%</b>	<b>192</b>	<b>28.5%</b>	<b>350</b>	<b>51.9%</b>
<b>Owned or shared ownership: Total</b>	<b>498</b>	<b>76</b>	<b>15.3%</b>	<b>148</b>	<b>29.7%</b>	<b>274</b>	<b>55.0%</b>
Owned: Owned outright	448	71	15.8%	134	29.9%	243	54.2%
Owned: Owned with a mortgage or loan or shared ownership	50	5	10.0%	14	28.0%	31	62.0%
<b>Rented or living rent free: Total</b>	<b>176</b>	<b>56</b>	<b>31.8%</b>	<b>44</b>	<b>25.0%</b>	<b>76</b>	<b>43.2%</b>
Rented: Social rented	124	42	33.9%	29	23.4%	53	42.7%
Rented: Private rented or living rent free	52	14	26.9%	15	28.8%	23	44.2%

Source: DC3408EW Health status

180. 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 70.

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

**Table 6-6: AECOM estimate of specialist housing need in Stow on the Wold and the Swells 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	28
	11	17	
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	42
	9	33	
<b>Total</b>	<b>20</b>	<b>50</b>	<b>70</b>

Source: Census 2011, AECOM Calculations

### Housing LIN-recommended provision

182. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 below 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

## Stow on the Wold and the Swells[NA Name]

numbers over the Plan period, and how these should be split into the different tenures.

183. 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) <sup>36</sup>	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: *Housing LIN SHOP Toolkit*

184. As Table 6-3 shows, Stow on the Wold and the Swells is forecast to see an increase of 203 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 =  $60 \times 0.203 = 12$
  - Leasehold sheltered housing =  $120 \times 0.203 = 24$
  - Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 0.203 = 4$
  - Extra care housing for rent =  $15 \times 0.203 = 3$
  - Extra care housing for sale =  $30 \times 0.203 = 6$
  - Housing based provision for dementia =  $6 \times 0.203 = 1$
185. This produces an overall total of 51 specialist dwellings which might be required by the end of the plan period.
186. Table 6-8 on the following page sets out the HLIN recommendations in the same format as Table 6-6 on the previous page. 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 Stow on the Wold and the Swells by the end of the Plan period**

Type	Affordable	Market	Total
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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	14
	6	8	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	36
	12	24	
<b>Total</b>	<b>18</b>	<b>32</b>	<b>51</b>

Source: Housing LIN, AECOM calculations

## Conclusions- Specialist Housing for the Older People

187. The NA has a relatively high amount of existing specialist housing, with 251 units, of which 187 have on-site care provision. However, the NA is also forecast to have significant growth in the population aged over 75, with 203 additional individuals over the plan period, meaning a total population aged over 75 of 643. At present, there are 570 units per 1,000 population aged 75+ but without any additional provision, this would fall significantly to 390 units per 1,000 population.
188. 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.
189. These two methods of estimating the future need in Stow on the Wold and the Swells produce a range of 51 to 70 specialist accommodation units that might be required during the Plan period, of which 18 to 20 affordable. 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.
190. This can be broken down to a recommendation for between 14 and 28 housing with care units, and 36 to 42 units of retirement housing.
191. Additionally, the affordability of such additional housing needs to be considered to ensure that it is accessible to the local community. 18 to 20 of the units should be affordable to meet identified local needs.
192. Local Plan policy H4 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.

193. It is relatively common for Local and Neighbourhood 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 falling into this category and/or evidence from a household survey.
194. 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.
195. 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).
196. It is considered that Stow on the Wold and the Swells is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Stow on the Wold and the Swells in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.
197. 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. Conclusions

### Overview

198. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

**Table 7-1: Summary of study findings specific to Stow on the Wold and the Swells with a potential impact on Neighbourhood Plan housing policies**

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of affordable housing to plan for	The first source of analysis is the most recent LHNA, produced for the six Gloucestershire local authorities in 2020. The LHNA identifies the need for 125 additional affordable homes each year in Cotswold District as a whole, for the period 2021 - 2041. The report breaks this down to a need for 56 social rent homes a year, 18 affordable rent homes a year and 51 affordable home ownership product homes a year.	When the LHNA figures are pro-rated to Stow on the Wold and the Swells based on its fair share of the population (2.93% of the LPA's population), this equates to 4 homes per annum (rounded) or 37 homes over the Neighbourhood Plan period (2021-2031). Following the LHNA distribution of need by affordable sub-tenure, this would indicate 17 homes for social rent, 5 homes for affordable rent, therefore 22 rented homes in total, and 15 affordable owned homes over the plan period.



## Stow on the Wold and the Swells[NA Name]

<p>Housing tenure and affordability</p>	<p>Stow -on-the-Wold has a higher proportion of social rented and lower proportion of private rented occupancy than both local and national averages.</p> <p>Data on house prices shows an overall trend of high price growth, with mean prices having increased 35% between 2011 and 2020 and median prices having increased 15%. The high divergence between mean and median growth can be explained by the increase of exceptionally expensive property sales over time which skews the mean above the median. There is also a large gap between the lower quartile and the median, demonstrating that a notable proportion of properties in the NA remain considerably cheaper than average.</p> <p>Detached houses had much more rapid price growth than other types at 58%, adding to the data signal that the largest and most expensive properties are leading price growth. Terraced properties had the lowest price growth of just 5%.</p> <p>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. The median house price would require an annual income 56% higher than the current average, and an entry-level house price would require an annual income 43% higher. This demonstrates that the NA has severe issues with housing affordability. Private renting is generally only affordable to higher than average earners.</p> <p>There is a relatively large group of households in Stow on the Wold and the Swells who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £50,949 per year (at which point entry-level rents become affordable) and £75,857 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.</p> <p>Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.</p>	<p>This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Even the 50% discount level would only marginally bring average earner households within reach of being able to afford a home, and is unfortunately not in reach of dual lower quartile earner households. There is certainly evidence to require the maximum 50% discount level in the case of the NA, but owing to the extent of affordability issues, this will only just bring average earners within reach of home ownership.</p> <p>When testing our own models of the need for affordable homes by rent and as home ownership products, it appeared that the need was skewed towards home ownership products. It is observed that the strong rate of re-lets in the affordable rent stock is concealing the level of affordable rented need, and the very small amount of affordable home ownership homes in the NA currently is inflating affordable home ownership need. Whilst this imbalance should be redressed, it should not be done so by restricting the supply of affordable rented properties.</p> <p>Affordable rented homes also require much lower income thresholds and reach those on dual lower quartile incomes. As discussed, even First Homes at 50% discount level only just reach average earner households. In cases such as these, it is generally best practice to prioritise reaching the most households, and affordable rented homes extend affordability to many lower income households.</p> <p>Therefore, having run independent models of affordable housing need, it is concluded that reverting to the LHNA mix is the best solution for the Neighbourhood Plan. This approach of 59% affordable rent and 41% affordable home ownership will help foster a more balanced tenure mix whilst also ensuring that the needs of those households in greatest need are prioritised.</p> <p>In terms of our recommendations for the detailed breakdown of tenure mix, we recommend a 30% share of First Homes, offered at the maximum 50% discount rate. In the interests of diversity and maximizing choice, a further 11% is then allocated to shared ownership rather than more First Homes. Shared ownership has the advantage of requiring a smaller deposit and may therefore be useful to some households. Rent to buy does not feature in the recommended mix as market rents are not affordable to average income households locally. The breakdown of affordable housing for rent</p>
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Issue	Summary of evidence and data assessed	Conclusions and recommendations
		follows the LHNA recommended split, with 45% as social rent and 14% affordable rent.
Housing type and size	<p>The NA has a well balanced mix of dwelling types, unusually for a rural area. This includes a substantial number of flats. In terms of size, The NA has a very well balanced distribution of sizes, offering a great deal of choice, and seems to have avoided the overrepresentation of very large homes which can occur in rural areas.</p> <p>In terms of changes, it does appear the population is ageing quite quickly, from an already much older population profile than would be expected nationally or at the district level, it is particularly worth noting the increase of 65-84 year olds over the last decade. Concurrently, there has been a fall in the 0-15 and 25-44 age categories as a proportion of population, and also in raw numbers. The fall of 25-44 year olds from 458 to 329 between 2011 and 2020 is concerning because this comprises the bulk of families with children, indicating further future demographic imbalances.</p> <p>Under-occupancy is very high in the NA, especially among over 65 households and under 65 households without children.</p> <p>The Census 2011 suggests that there is a high level of second homes in the Parish, a total of 236, accounting for 17% of the housing stock. This rate may have also increased since 2011 and the forthcoming census data will provide a clearer picture on this.</p>	<p>There are some very positive aspects to the housing mix in the NA, and some concerning demographic indicators which reflect the heightened affordability issues in the NA.</p> <p>The data indicates that young families are leaving the area and are being priced out by the lack of affordable homes. The proportion of population aged 65 and over is very high, and this has significant implications. The NA will need to attract more young couples and families to ensure more of a balanced age structure.</p> <p>Our life-stage modelling suggests that a split of 17% 2 bed, 33% 3 bed, 34% 4 bed and 16% 5 bed homes would be suitable to help best meet needs of the plan period. This will provide more homes suitable for families with children, which are a key demographic to ensure that the population of the NA does not age as rapidly as it has in recent years.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>The NA has a relatively high amount of existing specialist housing, with 251 units, of which 187 have on-site care provision. However, the NA is also forecast to have significant growth in the population aged over 75, with 203 additional individuals over the plan period, meaning a total population aged over 75 of 643. At present, there are 570 units per 1,000 population aged 75+ but without any additional provision, this would fall significantly to 390 units per 1,000 population.</p>	<p>Two methods of estimating the future need in Stow on the Wold and the Swells produce a range of 51 to 70 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.</p> <p>This can be broken down to a recommendation for between 14 and 28 housing with care units, and 36 to 42 units of retirement housing.</p> <p>Local Plan policy H4 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify applying such a target in the Neighbourhood Plan if this avenue has the support of the LPA.</p>

## Recommendations for next steps

199. This Neighbourhood Plan housing needs assessment aims to provide Stow on the Wold and the Swells 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 the Cotswold District 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 the Cotswold District Council;
  - The views of local residents;
  - The views of other relevant local stakeholders, including housing developers and estate agents; and
  - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Cotswold District.
200. 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.

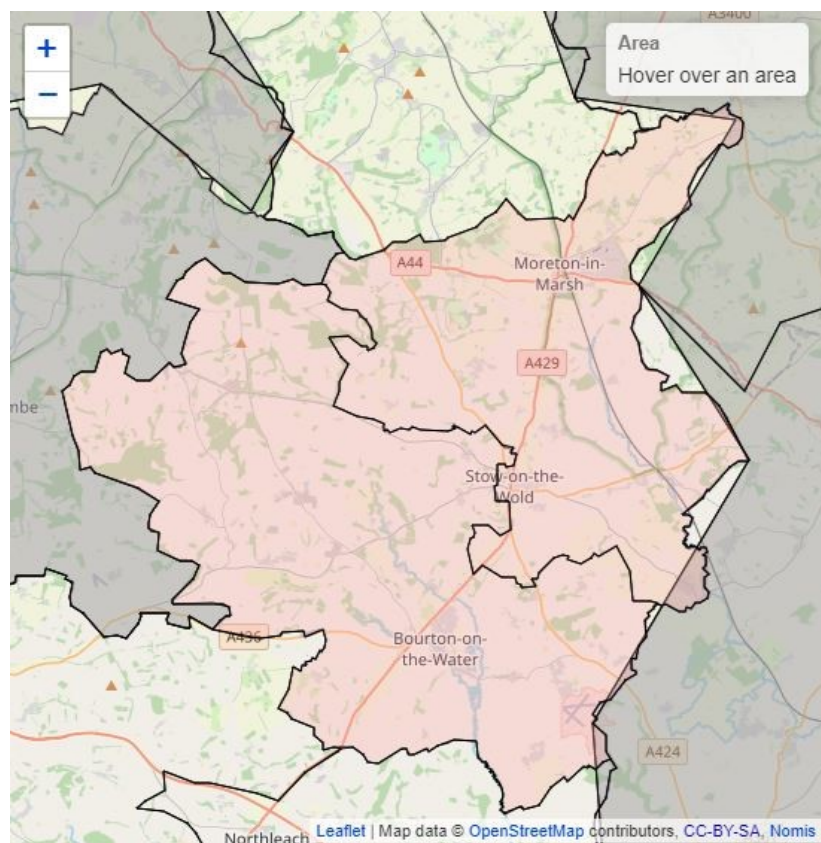
201. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, the Cotswold District or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
202. 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

203. 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.
204. 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 Stow on the Wold and the Swells, it is considered that MSOAs E02004616 Cotswold 002 and E02004617 Cotswold 003 are the closest realistic proxy for the Neighbourhood Area boundary, and as such, this is the assessment geography that has been selected. A map of both E02004616 and E02004617 appears below in Figure A-1. The NA straddles the two MSOAs and it is therefore the best-fit geography available. It is important to reflect that the assessment geography for average income includes settlements with different characteristics to Stow on the Wold and the Swells, as Moreton-in-Marsh and Bourton-on-the-Water have seen more growth than the NA in recent years.

**Figure A-1: MSOAs E02004616 and E02004617 used as a best-fit geographical proxy for the Neighbourhood Area**



Source: ONS

## A.2 Market housing

205. Market housing is not subsidised, and tends to be primarily accessible to people on higher incomes.
206. 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

207. 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.
208. 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 Stow on the Wold and the Swells, 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.
209. The calculation for the purchase threshold for market housing is as follows:
  - Value of a median NA house price (2020) = £375,000;
  - Purchase deposit at 10% of value = £37,500;
  - Value of dwelling for mortgage purposes = £337,500;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £96,429.
210. 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 2020 was £295,000, and the purchase threshold is therefore £75,857.
211. Finally, it is 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 88 sales of new build properties across Cotswold District in 2020. The NA sample was too small and unreliable at 2 properties only. The median new build house price in the district was £410,000, and the purchase threshold is therefore £105,429.

### ii) Private Rented Sector (PRS)

212. 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.
213. 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.
214. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the area. The minimum reliable data is derived from properties available for rent within the GL7, GL54, GL55 and GL56 postcode areas, which covers a considerably larger area than the Plan area itself but can be used as a reasonable proxy for its geographical context. 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. There was an insufficient number of properties in the NA to provide reliable figures.
215. According to [home.co.uk](https://www.home.co.uk), there were 66 properties for rent at the time of search in November 2021 with an average monthly rent of £1,459. There were 26 two-bed properties listed, with an average price of £1,274 per calendar month.
216. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £1,274 x 12 = £15,285;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £50,949.
217. The calculation is repeated for the overall average to give an income threshold of £58,361.

### **A.3 Affordable Housing**

218. 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**

219. 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.
220. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the Local Authority level so must act as a proxy for Stow on the Wold and the Swells. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for the Cotswold District in the table below.
221. 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 might 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	£86.33	£102.19	£114.44	£131.55	£104.71
Annual average	£4,489	£5,314	£5,951	£6,841	£5,445
Income needed	<b>£14,949</b>	<b>£17,695</b>	<b>£19,816</b>	<b>£22,779</b>	<b>£18,132</b>

Source: Homes England, AECOM Calculations

## ii) Affordable rent

222. 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).
223. 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%.
224. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Cotswold District. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
225. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 45% of market rates, well below 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	£108.40	£133.53	£154.80	£192.62	£135.09
Annual average	£5,637	£6,944	£8,050	£10,016	£7,025
Income needed	<b>£18,771</b>	<b>£23,122</b>	<b>£26,805</b>	<b>£33,354</b>	<b>£23,392</b>

Source: Homes England, AECOM Calculations

### iii) Affordable home ownership

226. 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.
227. 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

228. 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.
229. The starting point for these calculations is the estimated cost of new build entry-level homes in the NA, based on the cost of median house prices in the NA noted above of £375,000, and the assumption that the new build premium on an entry-level home would bring it close to the cost of an existing (not new) median property. This is within range of the median new build price across Cotswold district of £410,000.
230. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Median value of a home (NA average) = £375,000;
  - Discounted by 30% = £236,250;
  - Purchase deposit at 10% of value = £23,625;
  - Value of dwelling for mortgage purposes = £212,625;
  - Divided by loan to income ratio of 3.5 = purchase threshold of £60,750.
231. 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 £52,071 and £43,393 respectively.

232. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
233. 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 £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Stow on the Wold and the Swells.

### **Shared ownership**

234. 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'.
235. 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.
236. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build entry-level 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).
237. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £375,000 is £93,750;
  - A 10% deposit of £9,375 is deducted, leaving a mortgage value of £84,375;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £24,107;
  - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £281,250;

## Stow on the Wold and the Swells[NA Name]

- The estimated annual rent at 2.5% of the unsold value is £7,031;
- This requires an income of £23,438 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £47,545 (£24,107 plus £23,438).

238. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £37,768 and £63,839 respectively.

239. The thresholds for 10%, 25% and 50% shared ownership are all below the £80,000 income threshold. Although, 75% shared ownership is slightly above, however, it is therefore not recommended anywhere as a product in this report.

### **Rent to buy**

240. 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)**

241. 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.

242. 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 = £200,000/£25,000 = 8, (the house price is 8 times income).

## **Affordable Housing (NPPF Definition)**

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

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

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

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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>17</sup>.

### **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 Standard<sup>18</sup>**

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

### **Co-living**

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

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<sup>17</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>18</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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

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

## **Community Right to Build Order<sup>19</sup>**

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

## **Concealed Families (Census definition)<sup>20</sup>**

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one 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.

## **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.

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<sup>19</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>20</sup> See

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

## **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**

The Government has recently confirmed the introduction of First Homes as a new form of discounted market housing which will provide a discount of at least 30% on the price of new homes. 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**

92. 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



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LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

### **Life-time Homes**

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

### **Life-time Neighbourhoods**

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

### **Local Development Order**

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

### **Local Enterprise Partnership**

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

### **Local housing need (NPPF definition)**

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

### **Local Planning Authority**

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

### **Local Plan**

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

### **Lower Quartile**

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

### **Lower Quartile Affordability Ratio**

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

### **Market Housing**

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

### **Mean (Average)**

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

### **Median**

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

### **Median Affordability Ratio**

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

### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years<sup>21</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

### **Neighbourhood Development Order (NDO)**

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

### **Neighbourhood plan**

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

### **Older People**

People over retirement age, including the active, newly-retired through to 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.

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<sup>21</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

## **Output Area/Lower Super Output Area/Middle Super Output Area**

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

## **Overcrowding**

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

## **Planning Condition**

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

## **Planning Obligation**

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

## **Purchase Threshold**

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

## **Proportionate and Robust Evidence**

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

## **Private Rented**

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

as living in the private rented sector because of confusion about what a housing association is.

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

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

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

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

### **Rightsizing**

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

### **Rural Exception Sites**

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

### **Shared Ownership**

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

### **Sheltered Housing<sup>22</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3

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<sup>22</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

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

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

### **Strategic Housing Market Assessment (NPPF Definition)**

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

### **Specialist Housing for the Elderly**

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

### **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>23</sup>

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<sup>23</sup> See

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

