

Chippenham Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

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

1. Executive Summary

1.1 Introduction

1. Chippenham Town Council commissioned through Locality a Housing Needs Assessment (HNA) to inform their Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed two research questions (RQs) for the HNA to answer. The RQs serve to direct out research into the key neighbourhood-level issues and provide the structure for the study.

1.2 Research Questions

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

2. The Town Council 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.
3. This evidence will allow Chippenham to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

4. The Town Council is seeking to determine what size and type of housing would be best suited to the local community.
5. 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.

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

7. The Town Council wishes to ensure that future housing provision takes into account the needs of older people. In terms of housing, the group is particularly interested in how those needs might be met through a variety of solutions – including mainstream housing which meets the needs of households at all life stages and specialist accommodation which promotes independent living and access to care and support. This question will specifically address the need for specialised housing for older people through the Plan period.

1.3 Findings of RQ1: Tenure and Affordability

8. The vast majority of households in Chippenham are owner-occupiers (70%). This is followed by the social rented sector (15.5%) and private rented sector (12.8%).
9. Between 2001 and 2011, the largest change in the NA was seen in shared ownership (221.1%). Private rented homes also increased by 146.5%. Meanwhile, there was a small but notable increase of 18.7% in social rented homes and a minor decline of -0.6% in home ownership.
10. House prices have grown by 38.1% overall between 2001 and 2011. Semi-detached and terraced house prices both increased by 44%, compared to 32.9% growth for detached homes and just 26.4% for flats.
11. The approximate median and lower quartile incomes in the NA are £46,475 and £21,536 respectively. It is clear from this that the most affordable forms of tenure are social rent and affordable rent, but only social rent is affordable to those earning lower quartile incomes. Home ownership is out of reach for those on average incomes, but renting is relatively affordable and there is a market gap that could be filled by affordable home ownership tenures serving those who can afford to rent but aspire to buy.
12. The total estimated Affordable Housing need over the Plan period 2016-2036 is 1107 (rounded) affordable rented homes and 1536 affordable home ownership dwellings, or 2643 affordable homes in total. Despite the absence of an HRF for Chippenham over the neighbourhood plan period, it is unlikely that 40% of the final HRF will enable the delivery of 2643 affordable homes.
13. in accordance with Core Policy 43, 40% of all housing should be affordable. In Chippenham, with a housing requirement figure of at least 4,510 dwellings, this would equate to 1,804 dwellings that should be delivered as affordable. To ensure that the 1107 affordable houses for rent is delivered as a priority, 70% of the affordable housing

allocation should be for affordable housing for rent. The remaining 30% should be for affordable home ownership. This will enable Chippenham to meet the current NPPF policy requirement of 10% of all homes to be delivered for affordable home ownership (in Chippenham, in line with Core Policy 43, this equates to 25% of the affordable housing requirement). A higher proportion of affordable homes for sale should be shared ownership as this can be significantly more affordable if sold with a lower equity (as shown in Figure 4 2). Therefore, 20% of affordable homes should be for shared ownership and 10% for discounted market sale.

Findings of RQ2: Type and Size

14. Chippenham has large proportions of detached, semi-detached and terraced homes (28.8%, 30.8% and 2% respectively) with similar proportions in the wider county (albeit with a significantly greater share of detached homes than terraced homes in Wiltshire as a whole). There is a significant proportion of flats in Chippenham (12.3%) compared to just 8.7% in the wider and more rural county.
15. The housing stock in Chippenham comprises medium to large dwellings, with almost all properties consisting of 3 or more rooms. This theme is broadly reflected at the LA level, though Wiltshire has a slightly higher proportion of the largest homes. The most common size of dwelling in the NA and LPA is 3 bedroom properties, followed by 2 bedroom properties. Wiltshire has slightly more 5 or more bedroom homes.
16. The 2011 Census data reveals that Chippenham has a slightly lower percentage of people over 65 when compared with county and national figures. (15% versus 18% in Wiltshire). Meanwhile, there is a slightly higher proportion of those aged 44 and under in Chippenham compared to Wiltshire (59% against 54%). It is evident that there is a slightly younger demographic in Chippenham than the wider county.
17. However, despite the proportions of young people in Chippenham being higher than Wiltshire, there has been a decline in those aged below 15 years (-3.5%) and also a notable decline of young adults (-11.2%) in those aged 25-44 between 2001 and 2011. Meanwhile, the rest of the population has grown markedly, especially for the 16-24 and 45-64 age groups.
18. The final recommended dwelling size mix suggested in new development in Chippenham might involve the following share of dwelling sizes: 10% as one bedroom, 30% of as two bedroom, 40% as three bedrooms, 5% as four bedrooms and 15% as five or more bedrooms.
19. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. However, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
20. As such, the recommended dwelling mix should be interpreted as a guideline only and applied with a high degree of flexibility going forward.
21. In terms of the types of housing needed, it may be beneficial to diversify the housing stock to include more terraced homes and flats – an effort that would dovetail with the need to provide housing that is more affordable for local people, as these house types tend to be smaller and hence more affordable.

Findings of RQ3: Specialist Housing for Older People

22. The 2011 Census highlights the number of residents living in different types of communal establishments. Within Chippenham, it identified 96 residents living in care homes with nursing and 232 in care homes without nursing.
23. There are projected to be 5,333 households in Chippenham over the age of 75 by the end of the Plan period in 2036.
24. The proportion of elderly people in Chippenham is expected to grow to a total of 13% by 2036, from 7.1% in 2011. This is a slightly lower proportion than Wiltshire as a whole, which is expected to have 15.6% of residents aged 75 and over by 2036. This trend indicates a future increase in demand for homes that meet the needs of older people in the area, but still a relatively low overall need.
25. At least 628 specialist dwellings are required to service the needs of older people over the Plan period, and the projection of 697 dwellings should function as an upper, more aspirational target, to be provided if other constraints allow.

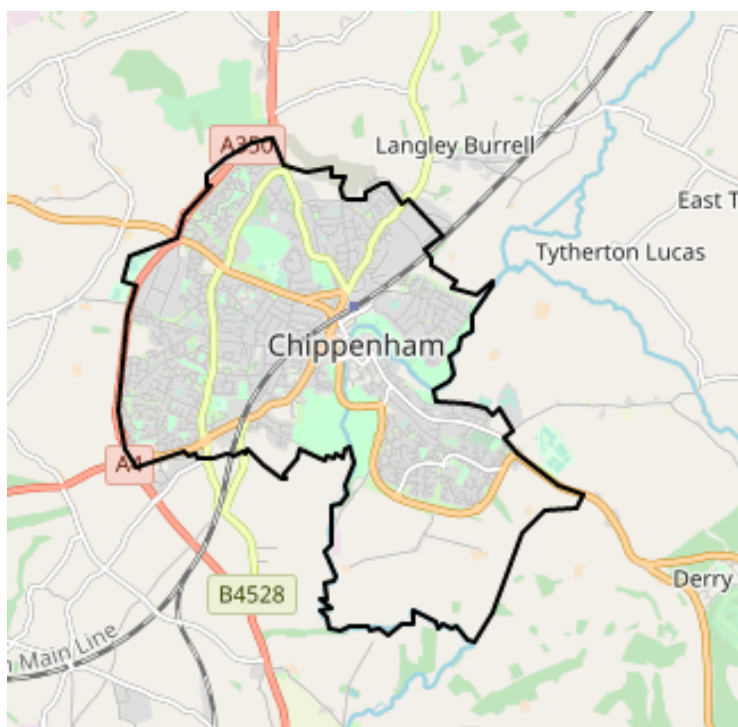
26. There are approximately 343 existing units of specialist housing for older people in Chippenham, for a 2011 population of 2,557 people aged 75+. This suggests the actual rate of provision in Chippenham is approximately 134 dwellings per 1000 population aged 75+. Referring to the minimum target, this means there are a net additional 285 specialist units (628 minus 343) that need to be provided over the Plan period.
27. Moreover, it is important to acknowledge that bungalows, especially 2-3 bedroom bungalows, may be in high demand, particularly given that the analysis of housing for older people suggests that a relatively high proportion of households can be expected to experience some form of mobility limitation by the end of the Plan period. To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible.

2. Context

2.1 Local context

28. Chippenham is a Neighbourhood Plan area located in Wiltshire. The Neighbourhood Area (NA) boundary comprises the whole of the civil parish of Chippenham and was designated in August 2018.
29. The proposed Neighbourhood Plan period starts in 2016 and extends to 2036, therefore comprising a planning period of 20 years.
30. The market town of Chippenham is located in the northern part of the county. Chippenham is located within a rural setting and acts as an important service centre for surrounding towns and villages within north Wiltshire.
31. Chippenham has a local bus network that connects the town to surrounding settlements. It is also located on the Great Western main line with trains to London, Bath, Bristol and beyond. Moreover, the NA is located near the M4 motorway which provides further connections to London, the west of England and South Wales.
32. While the Chippenham NA covers Chippenham Civil Parish, the boundaries for the parish are different to the parish boundaries used by the ONS Censuses 2001 and 2011. For the purpose of this exercise, this HNA will use the Chippenham Parish Boundaries used in the ONS Census as a proxy area, unless otherwise stated, due to the lack of data available for the current Parish boundary. The difference in data and/or outcome is likely to be negligible.

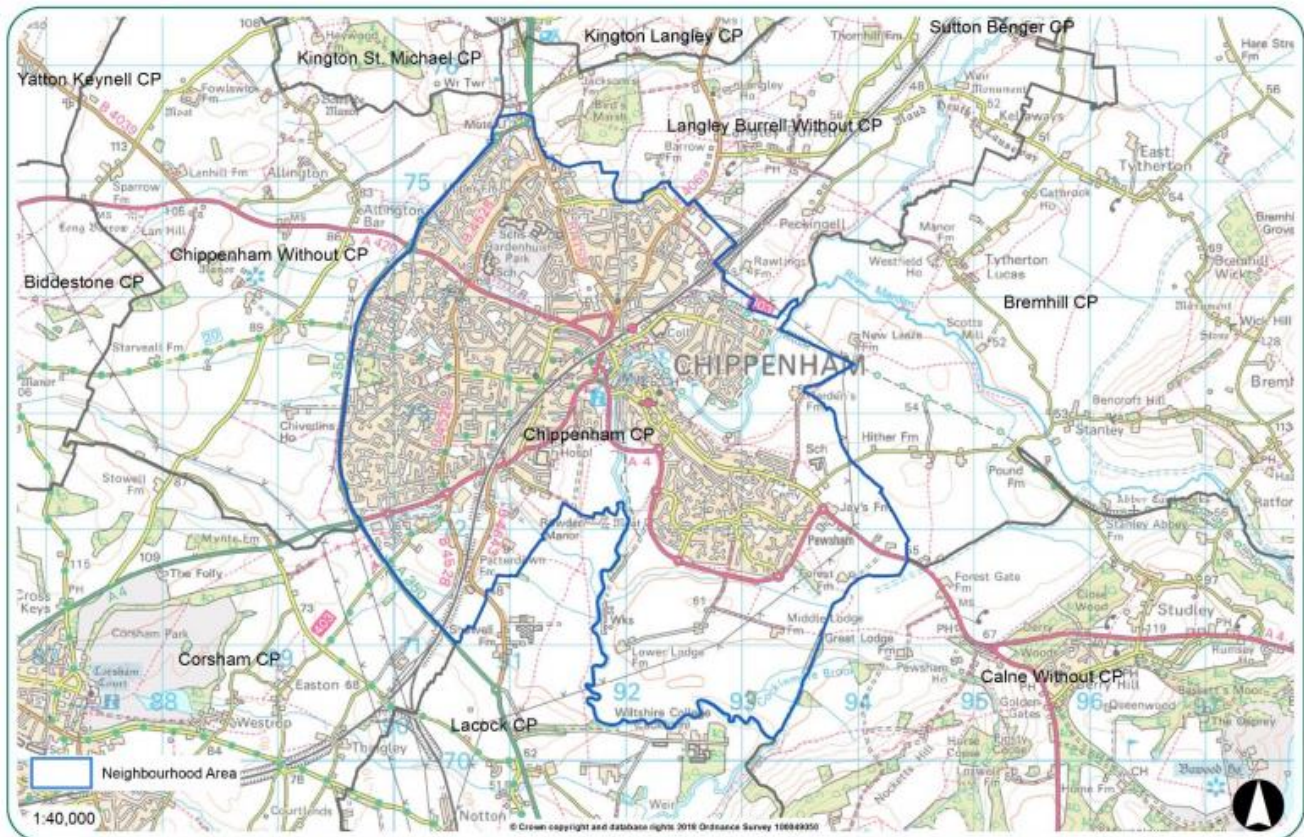
Figure 2-1 : 2011 Chippenham Parish ONS Census boundary



Source: ONS

33. A map of the Plan area appears below in Figure 2-2.

Figure 2-2: Map of the Chippenham Neighbourhood Plan area¹



Source: Wiltshire Council

34. 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.

2.2 Planning policy context

35. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, the relevant elements of the Local Plan have been reviewed as part of this Housing Needs Assessment (HNA).
36. Though Wiltshire is one of England's historic counties, it was only in 2009 that Wiltshire became a unitary authority, i.e. a single council preparing a single Local Plan for the whole of Wiltshire. Before that point, Chippenham NA lay in North Wiltshire District Council's area.
37. The Wiltshire Local Plan currently comprises a number of documents, which in combination plan for the future development of the local area. They are the Wiltshire Core Strategy, the Chippenham Site Allocations Plan and various mineral and waste plans.
38. The Wiltshire Core Strategy Development Plan Document (DPD) was formally adopted on 20 January 2015. The Wiltshire Core Strategy is the most important part of the Local Development Framework (LDF), a suite of planning policy documents that will eventually replace the four local plans covering Wiltshire.

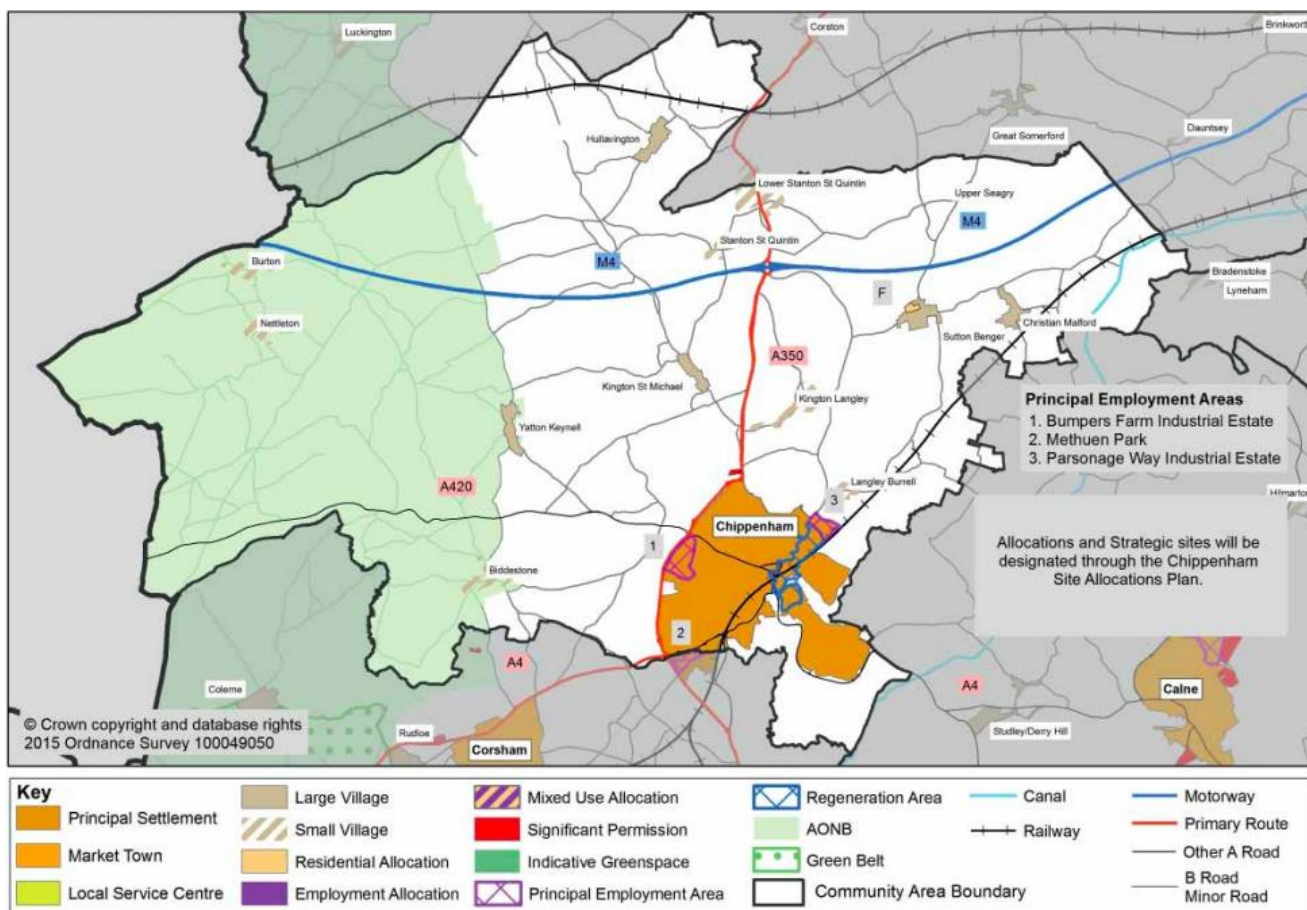
¹ Available at <http://www.wiltshire.gov.uk/sppnp-chippenham-area-designation.pdf>

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

³ However, the evidence base underpinning the emerging local plan may still inform or form part of the evidence base for the neighbourhood plan.

39. Wiltshire Council is reviewing the Wiltshire Core Strategy adopted in January 2015 (to be recast as the Wiltshire Local Plan) which identifies land for development for the period to 2026. The reviewed Wiltshire Core Strategy is currently in the initial consultation stages and will not be adopted until 2023.. It is therefore necessary to base the policy review on the adopted Wiltshire Core Strategy.
40. Chippenham Town is designated a principal settlement within the Chippenham community area identified in the Wiltshire Core Strategy. The Core Strategy definition of Chippenham Town covers a large proportion of the Chippenham NA, with the remaining NA undesignated in the Local Plan. This is shown in Figure 2-3 with the orange shaded area being Chippenham Town for Core Strategy purposes.

Figure 2-3: Chippenham Community Area



Source: Wiltshire Core Strategy

41. Within the policies of the 2015 Wiltshire Core Strategy⁴, those considered most relevant for the purposes of HNA are as follows:
 - **Core Policy 10: Spatial Strategy: Chippenham Community Area** which identifies Chippenham Town as a Principal Settlement. It also designates the other settlements in the wider Chippenham community area that are not within the Chippenham NA. This policy outlines the need for a further 5,909 new homes to be built in the Chippenham Community Area within at least 4,510 of these homes to be delivered in Chippenham Town between 2006 and 2026.
 - **Core Policy 43: Providing affordable homes** states that on sites of five or more dwellings, affordable housing provision of at least 30% (net) will be provided within the 30% affordable housing zone and at least 40% (net) will be provided on sites within the 40% affordable housing zone. Chippenham is defined as being within the 40% affordable housing zone. Only in exceptional circumstances, where it can be proven that on-site delivery is not possible, will a commuted sum be considered. The provision of affordable housing may vary on a site-by-site basis, taking into account evidence of local need, mix of affordable housing proposed and, where appropriate, the viability

⁴ Wiltshire Core Strategy 2015 can be accessed at: <http://www.wiltshire.gov.uk/adopted-local-plan-jan16-low-res.pdf>

of the development. Tenure will be negotiated on a site-by-site basis to reflect the nature of the development and local needs as set out in Core Policy 45 (Meeting Wiltshire's housing needs).

- **Core Policy 45: Meeting Wiltshire's housing needs - Type, mix and size** clarifies that the type, mix and size of developments must reflect local needs and contribute to the creation of mixed and balanced communities. The Wiltshire Strategic Housing Market Assessment identifies the housing needs of Wiltshire. Any variation to this must be justified through sound evidence which includes the Strategic Housing Market Assessment, the council's housing register, local needs surveys and other credible sources.
42. We have also reviewed the Chippenham Site Allocations Plan, but it does not include any policies directly relevant for the purposes of this HNA.

3. Approach

3.1 Research Questions

43. Research questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research for and provide the structure of the HNA.
44. The RQs relevant to this study, as discussed and agreed with Chippenham Town Council, are set out below.

3.1.1 Tenure and Affordability

45. 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.
46. This evidence will allow Chippenham to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

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

3.1.2 Type and Size

47. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. It is necessary to identify which type and size is best for the area, especially for a town that is expected to deliver a large number of dwellings throughout the plan period.
48. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

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

3.1.3 Specialist Housing for Older People

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

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

3.2 Relevant Data

3.2.1 Local authority evidence base

50. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. For Wiltshire's planning area, the relevant Strategic Housing Market Assessment (SHMA) is the Swindon & Wiltshire Strategic Housing Market Assessment 2017.
51. For the purpose of this HNA, data from Wiltshire's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

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

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

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

4.1 Introduction

53. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area for local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.⁵

4.2 Definitions

54. Tenure refers to the legal arrangements in place that enable a household to live in its home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
55. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: these comprise social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.⁶
56. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening the definition of AH, which had previously referred only to social and intermediate housing, to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

57. The current tenure pattern is a key characteristic of any local neighbourhood area. 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. Table 4-1 below presents Census data from 2011; it shows the distribution of how households occupy their homes within Chippenham, compared to the rest of Wiltshire and England.
58. The vast majority of households in Chippenham are owner-occupiers (70%). This is followed by the social rented sector (15.5%) and the private rented sector (12.8%). The distribution of homes in the wider county is almost identical to that of Chippenham. The main difference is that a slightly higher proportion of homes are privately rented (15.4%) and a lower level of home ownership in the county (67.5%).

⁵ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁶ NPPF 2019.

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

Tenure	Chippenham	Wiltshire	England
Owned; total	70.0%	67.5%	63.3%
Shared ownership	0.8%	0.8%	0.8%
Social rented; total	15.5%	14.7%	17.7%
Private rented; total	12.8%	15.4%	16.8%

Sources: Census 2011, AECOM calculations

59. In Table 4-2, we note the changes in tenure between 2001 and 2011. The largest change in the NA was seen in shared ownership, a substantial increase of 221.1% (while noting that absolute numbers are still relatively low). This is mirrored by a substantial but lesser increase of 77.8% in shared ownership homes across Wiltshire. Privately rented homes also increased by 146.5%, again greater than the 115.5% increase in the county. Meanwhile, there was a small yet notable increase of 18.7% in social rented homes and a minor decline of -0.6% in home ownership in Chippenham.
60. The strong growth in private renting is likely connected to the increasing cost of home ownership driving households into more affordable alternative tenures, hence also the slight decline in home ownership. Given Chippenham's low incidence of social renting, the rise in private renting may also be a result of households who would otherwise qualify for social rented homes instead entering private rented housing, for example using housing benefits to cover the cost.

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

Tenure	Chippenham	Wiltshire	England
Owned; total	-0.6%	3.7%	-0.6%
Shared ownership	221.1%	77.8%	30.0%
Social rented; total	18.7%	12.9%	-0.9%
Private rented; total	146.5%	115.5%	82.4%

Sources: Censuses 2001 and 2011, AECOM calculations

4.4 Affordability

61. Having reviewed the tenure of the existing housing stock in Chippenham, this report now assesses the affordability of homes to those living in the Neighbourhood Plan area.
62. The following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability or homes to rent or buy can indicate a need to increase the provision of Affordable Housing.

4.4.1 House prices

63. In line with PPG⁷, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio⁸ (LQAR) and the Median Affordability Ratio⁹ (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time and between different geographies. Further, PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁰
64. Entry-level properties are typically those with one or two bedrooms – either flats or houses.
65. Figure 4-1 on the following page looks at selected measures of house prices in Chippenham. It shows that there has

⁷ See Paragraph: 021 Reference ID: 2a-021-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

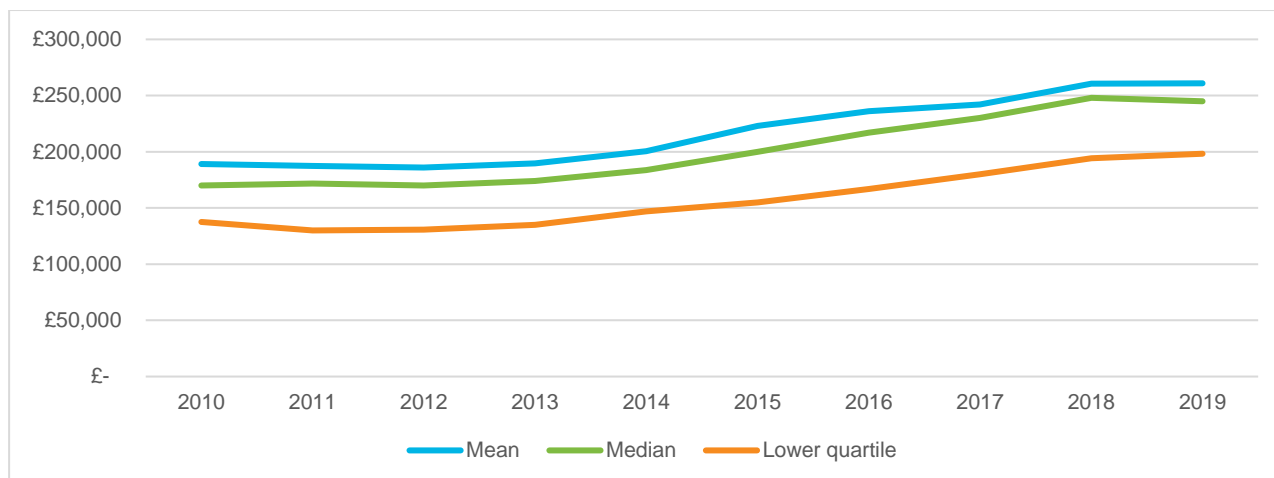
⁸ See Glossary in Appendix.

⁹ See Glossary in Appendix.

¹⁰ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

been a slow but steady growth in house prices since 2010 with little fluctuation.

Figure 4-1: House prices by quartile in Chippenham between 2010 and 2019



Source: Land Registry PPD

66. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that house prices have grown by 38.1% overall. Semi-detached and terraced house prices both increased by 44%, compared to 32.9% growth for detached homes and just 26.4% for flats. It is evident that there is a degree of volatility in pricing over time, especially amongst the smaller terraced homes and flats. All house types experienced a slight drop in prices in 2011, as was common across the country. However, whilst semi-detached homes experienced steady house price growth since 2011, another price drop was seen for other house types in 2018. Moreover, the prices of flats have been declining since 2016, which may signal declining demand for this house type.

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

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£265K	£262K	£262K	£265K	£283K	£330K	£343K	£339K	£364K	£353K	32.9%
Semi-detached	£182K	£180K	£183K	£187K	£200K	£207K	£235K	£247K	£251K	£262K	44.0%
Terraced	£148K	£141K	£144K	£157K	£161K	£181K	£201K	£210K	£217K	£213K	44.0%
Flats	£115K	£107K	£103K	£106K	£107K	£127K	£179K	£170K	£156K	£145K	26.4%
All Types	£188K	£187K	£185K	£189K	£200K	£222K	£236K	£242K	£260K	£260K	38.1%

Source: Land Registry Price Paid Data (PPD)

4.4.2 Income

67. 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.
68. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS¹¹ at the level of the Middle-layer Super Output Area (MSOA)¹². In the case of Chippenham the MSOAs most suitable for use as a proxy for the Neighbourhood Plan area boundary are MSOAs called E02006652, E02006653, E02006654 and E02006656. Further details on the extent of these MSOAs, including a map, and why they were selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.

¹¹ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

¹² An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see <https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

69. The average annual household income across all MSOAs (E02006652, E02006653, E02006654 and E02006656) in 2015/16 was £46,475. This is the figure commonly used by mortgage lenders to assess how much a household can borrow in order to buy a home.
70. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data is only available at the County level. It is derived from ONS Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2018 dataset. It relates to individual earnings and, whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. We therefore take the approach of doubling this figure to understand the income available to a household that contains two LQ earners.
71. Wiltshire's gross LQ gross annual residence-based earnings is £21,536 per year. This is doubled to £43,072 for dual-earning LQ households.

4.4.3 Affordability Thresholds

72. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
73. AECOM has determined thresholds for the income required 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 NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 25% and that mortgage financing will be offered up to a maximum of 3.5 times household income. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Chippenham. The 'income required' column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

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

Tenure	Cost of purchase	Annual rent	Annual Income required ¹³
Average market sale (median)			
Entry-level Market Sale	£178,425	N/A	£50,979
Shared ownership (75%)	£133,819	£4,956	£43,190
Discounted Market Sale (-20%)	£142,740	N/A	£40,783
Shared ownership (50%)	£89,213	£9,913	£35,402
Entry-level Market Rent	N/A	£8,772	£35,088
Affordable Rent	N/A	£7,018	£28,070
Shared ownership (25%)	£44,606	£14,869	£27,613
Social Rent - 3 Bed Dwelling	N/A	£5,675	£22,699
Social Rent - 2 Bed Dwelling	N/A	£5,029	£20,118

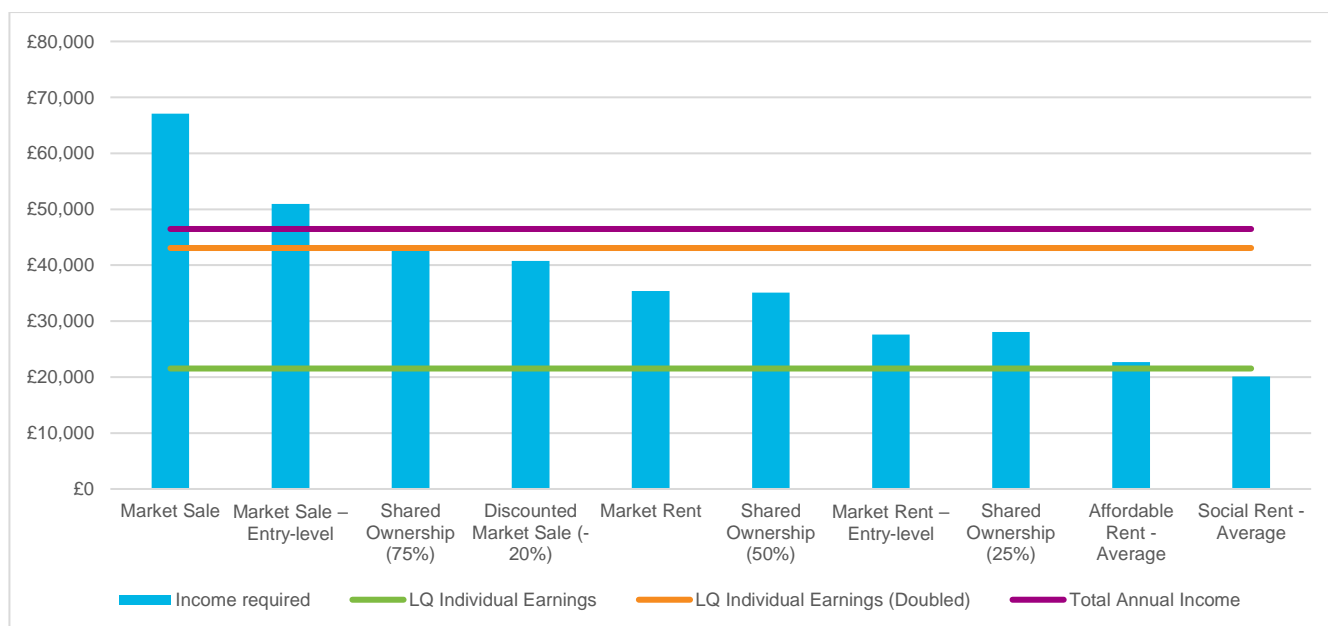
Sources: ONS, AECOM calculations

74. The income required to afford the different tenures is then benchmarked in Figure 4-2 against the two measurements of household income set out above. These are the average total household income for MSOAs E02006652, E02006653, E02006654 and E02006656 at £46,475 and the lower quartile gross earnings for Wiltshire at £21,536 which has been doubled to £43,072 for dual-earning LQ households.

¹³ On top of deposit assumed at 10% (see Appendix A).

75. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is less than that provided by median household incomes. The income required to buy an average entry-level home for sale is less than that provided by lower quartile household incomes.
76. Government policy aimed at tackling the housing crisis continues to attach a high priority to helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.¹⁴.
77. Turning to properties for purchase through affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market, the purchase threshold is enough to meet their needs. Shared ownership (up to 50% equity) and Discounted market sale (-20%) both provide routes to affordable home ownership for residents in Chippenham. Discounted market sale (-20%) may be out of reach for those on total average incomes in the less affluent MSOA E02006654 which has a total average income of £38,600, which is less than the income needed for a Discounted market sale (-20%).
78. The Government’s proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, new homes tend to sell at average prices compared to the market as a whole, so median average prices provide a reasonable proxy for the price of new homes. In Chippenham a 30% discount on average prices would be sufficient to extend home ownership to households on median incomes. However, it is important to note that there is a significant disparity in total average income between different areas of Chippenham. In MSOAs E02006652 and E02006656, a 30% discount would indeed be sufficient as the total average income in 2015/16 for these areas was £50,400 and £52,100 respectively. However, in MSOA E02006653 where the total average income is £44,800, a larger discount of 40% would be required. Moreover, in MSOA E02006654 an even larger discount of 45% would be necessary to enable those earning the total average income of £38,600 to afford a First Home.
79. Finally, the inability of those on lower quartile earnings to afford entry-level market rents and affordable rent suggests that these tenures remain unaffordable to those on the lowest household incomes, unless they sacrifice a higher proportion of their incomes towards housing costs. However, social rent remains affordable to those earning the lower quartile household income, although this data does not show whether homes on the absolute lowest incomes can still afford this housing tenure.

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



Source: AECOM calculations

¹⁴ See the White Paper ‘Fixing Our Broken Housing Market’, at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

4.5 Affordable housing- quantity needed

80. The Swindon & Wiltshire Strategic Housing Market Assessment 2017 provides evidence on the need for affordable housing across Swindon and Wiltshire. The SHMA identified the need for 14,376 affordable homes in Wiltshire across the plan period 2016-2036. The SHMA acknowledges the need to increase this figure by 1.3% to reflect data from MHCLG Local Authority housing statistics and Homes England Statistical Data Return, which identify a vacancy rate of 1.3% for affordable housing in both Swindon and Wiltshire. Therefore, the figure of 14,376 with a 1.3% uplift is 14,563 affordable homes. This figure can be applied to Chippenham (at a rate of 7.6%, which is the percentage of the Wiltshire population who live in Chippenham parish) and equates to a total of 1,107 net additional affordable homes or 55 affordable homes per annum (rounded).
81. AECOM's review of the SHMA suggests that the affordable housing need identified is focused on households living in unsuitable housing and unable to afford to rent in the market. While there is some additional analysis on the role of intermediate housing, the SHMA does not quantify the need (or rather, potential demand) for Affordable Housing from households who can afford to rent but cannot afford to buy and would prefer to do so. The needs and aspirations of this group have become a government priority in recent years and are now reflected in revisions to the NPPF which include affordable home ownership products within the definition of affordable housing.
82. In order to provide an estimate of the proportion of households who cannot afford to buy in the market in Chippenham, to complement the SHMA's calculation for those who require affordable rented products, AECOM has produced an additional estimate.
83. Table 4-5 estimates the number of households who might need affordable home ownership. This is a simplified assessment of the needs of these households but is considered reasonable and proportionate for the purposes of neighbourhood planning. These are households who can afford to rent in the market but cannot afford to buy, even though they may prefer to do so. These households are additional to the 55 households per annum identified in the SHMA (although there may be some overlap at the margins). This estimate suggests there may be potential demand for around 76.8 affordable home ownership dwellings per annum over the plan period.
84. The total estimated Affordable Housing need over the Plan period 2016-2036 is therefore 1107 (rounded) affordable rented homes and 1536 (rounded) affordable home ownership dwellings.

Table 4-5 : Estimate of the need for affordable home ownership housing, Chippenham

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of rented households in NA	2,319.7	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	11.8%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	274.0	Step 1.1 x Step 1.2
1.4 Current need (households)	1,534.3	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	76.7	Step 1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	1,997.2	LA household projections for plan period (2014 based) applied pro-rata to NA
2.2 % of households unable to buy but able to rent	10.9%	Current % of households in PRS
2.3 Total newly arising need	217.1	Step 2.1 x Step 2.2
2.4 Total newly arising need per annum	10.9	Step 2.3/ plan period in years
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	215.2	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	10.8	Step 3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	76.8	Shortfall = (Step 1.5 + Step 2.4) – 3.2

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

85. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy, and implemented by the Local Planning Authority. It should be noted, however, that it is unlikely that the housing requirement figure will be high enough to enable Chippenham to deliver 2643 affordable dwellings (1107 affordable rented homes and 1536 affordable home ownership dwellings) over the plan period.
86. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
87. It is important to state there is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners for affordable housing need to be met in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners, as outlined above, that can help ensure that it is met to a greater extent if resources permit.
88. It is also important to remember that even after the Chippenham, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.
89. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

4.5.1 Affordable Housing Policies in Chippenham

90. With a significant need having been demonstrated, the Neighbourhood Plan may therefore wish to develop policies in relation to the delivery of affordable housing within Chippenham. Wiltshire Local Plan policy, in relation to affordable housing delivery, requires 40% of all new homes on sites of 10 dwellings or more to be delivered as affordable housing if they are within the 40% affordable housing zone. This policy would apply in Chippenham, subject to sites coming forward for development with 10 or more dwellings.
91. The neighbourhood group may wish to develop policies on the mix of affordable housing delivered in Chippenham. However, as an evidence base document, it is not the direct role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. Nevertheless, the following evidence and considerations may be used as a starting point in policy development. On the balance of the evidence in this HNA, AECOM can set out a judgement on the starting point for an appropriate tenure mix in Chippenham.
 - A. The Housing Requirement Figure for Chippenham has not yet been finalised by Wiltshire Council. Despite this, it is expected that the level of housing delivery would not allow affordable housing needs to be met in full. This suggests some form of prioritisation will be required. In most cases, councils will wish to prioritise the delivery of social/affordable rented homes to meet acute needs. However, considerations can differ in rural areas and subject to other considerations.
 - B. Government policy (i.e. NPPF) requirements: current policy requires at least 10% of all homes to be delivered for affordable home ownership. In line with Core Policy 43 from the Wiltshire Core Strategy, this would equate to 25% of all affordable housing (as 40% of all housing should be affordable according to Core Policy 43). There can be exceptions to this requirement if it would prevent the delivery of other forms of affordable housing. However, based on the findings of this HNA, the delivery of 10% of homes as affordable properties would not impact on the ability to deliver social/affordable rented homes.
 - C. However, the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). Proposals include the requirement to provide 40, 60 or 80% of affordable housing provision as First Homes.¹⁵ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, prioritising the

¹⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf

provision of discounted market sale homes. The neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

- D. Local Plan policy: Wiltshire's adopted Local Plan does not state an affordable housing tenure mix. It does however state that any variation to this will need to be justified through the production of new, sound evidence from either an updated Strategic Housing Market Assessment or other credible evidence source.
 - E. Viability: HNAs cannot take into consideration the factors which affect viability (i.e. the deliverability of development in financial terms) in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
 - 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 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 Chippenham: There is currently a significant supply of homes for social rent (15.5% of homes) and this supply has grown between 2001 and 2011 by 18.7%. Shared ownership only accounts for 0.8% of homes in the NA, which is identical to the county and national rates, yet this housing tenure has grown considerably (by 221.1%) which suggest there is a growing demand for this relatively new affordable housing product. 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 this area.
 - I. Wider policy objectives: the neighbourhood group may wish to take account of broader policy objectives for Chippenham and/or the wider county. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.
92. Table 4-4 provides an indicative tenure split which could be delivered within Chippenham NA based on the considerations above. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the Wiltshire-level policy context have the LPA's support. Another option is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.
93. Evidence on the affordability of different affordable home ownership products suggests that discounted market homes (including proposed First Homes at a 30% discount) would extend home ownership in this area. Shared ownership and Discounted market sale homes may provide a route to affordable home ownership for households where there is more than one individual with a salary that is at least as high as the lower quartile income shown in Figure 4-2. However, all discounted home ownership options remain inaccessible to households whose entire income is below £28,070, which is the case for individuals who earn the lower quartile income shown in Figure 4-2. The extent to which different products are prioritised will depend on the wider considerations (e.g. viability) and emerging Government requirements.
94. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (e.g. housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing associations to maintain and manage small numbers of homes.
95. However, in line with the guidance above, the broad split displayed in Table 4-4 shows an allocation of 30% of homes to be dedicated towards affordable home ownership and the remaining 70% affordable housing for rent. This tenure mix is based on the evidence shown in the Swindon & Wiltshire Strategic Housing Market Assessment 2017 that 1107 affordable homes for rent are required over the plan period to meet the priority need for affordable housing. In the absence of a housing requirement figure for Chippenham for the plan period 2016-2036, it can be expected that the housing requirement figure will be at the minimum of 4,510 homes as it currently stands in the Chippenham site allocations document 2017. Discussions between Chippenham Town Council and Wiltshire Council have revealed that a housing requirement figure for Chippenham may be as high as 7,500 homes for the neighbourhood plan period.

However, as this higher figure is yet to be confirmed and adopted in the emerging local plan, this tenure split will reflect the figures in the currently adopted documents and HRF of 4,510 dwellings for Chippenham. It is also important that when the housing requirement figure for Chippenham is produced, the affordable housing tenure split is adjusted to ensure that the delivery of affordable housing for rent is prioritised.

96. Nevertheless, in accordance with Core policy 43, 40% of all housing should be affordable. In Chippenham, with a housing requirement figure of at least 4,510 dwellings, this would equate to 1,804 dwellings that should be delivered as affordable. To ensure that affordable houses for rent is delivered as a priority, 70% of the affordable housing allocation should be for affordable housing for rent. The remaining 30% should be for affordable home ownership. This will enable Chippenham to meet the current NPPF policy requirement of 10% of all homes to be delivered for affordable home ownership (in Chippenham, in line with Core Policy 43, this equates to 25% of the affordable housing requirement). A higher proportion of affordable homes for sale should be shared ownership as this can be significantly more affordable if sold with a lower equity (as shown in Figure 4-2). Therefore, 20% of affordable homes should be for shared ownership and 10% for discounted market sale.

Table 4-6: Indicative tenure split (affordable housing)

Routes to home ownership, of which	30%
Discounted market sale	10%
Shared ownership	20%
Affordable Housing for rent, of which	70%
Social rent	To be confirmed by RPs
Affordable rent	To be confirmed by RPs

Source: AECOM calculations

97. Note that the Government is also consulting on First Homes and may require that a substantial proportion of affordable homes are provided as First Homes. The consultation document is consulting on a range of 40, 60 or 80%. The neighbourhood group will need to take account of this emerging policy and how it could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The indicative tenure split above suggests that in order to appropriately meet local need, discounted market sale housing including First Homes could form a part of the tenure mix, helping serve those earning median incomes.
98. If Government requires 40-80% of all affordable housing delivered through new market led developments as First Homes this would impact on the ability of Chippenham to accommodate those with acute needs within the area (including those in need of affordable housing for rent, if such need arises in future or turnover in the existing stock is lower than what is estimated here). Therefore, it is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.). However, the group should note that the First Homes product has not been formally implemented and should monitor the outcomes of the Government consultation closely.

4.6 Conclusions- Tenure and Affordability

99. The vast majority of households in Chippenham are owner-occupiers (70%). This is followed by the social rented sector (15.5%) and the private rented sector (12.8%). There is a low but notable amount of shared ownership homes in Chippenham (0.8%). The distribution of homes in Wiltshire is almost identical to that of Chippenham. The main difference is that a slightly higher proportion of homes are private rented (15.4%) with fewer in home ownership in the county (67.5%). The dominance of the owner-occupied sector is common to other rural areas across the country and is also a feature of places with relatively older populations.
100. Between 2001 and 2011, the largest change in the NA was seen in shared ownership, a substantial increase of 221.1%. This is mirrored by a substantial but lesser increase of 77.8% in shared ownership homes across Wiltshire. Private rented homes also increased by 146.5%, again greater than the 115.5% increase in the county. Meanwhile, there was a small yet notable increase of 18.7% in social rented homes and a minor decline of -0.6% in home ownership.
101. House prices have grown by 38.1% overall between 2001 and 2011. Semi-detached and terraced house prices both increased by 44%, compared to 32.9% growth for detached homes and just 26.4% for flats. It is evident that there is a degree of volatility in pricing over time, especially amongst the smaller terraced homes and flats. All house types experienced a slight drop in prices in 2011, as was common across the country. However, whilst semi-detached homes

experienced steady house price growth since 2011, another price drop was seen for other house types in 2018. Moreover, the prices of flats have been declining since 2016, which may signal a declining demand for this house type.

102. The approximate median and lower quartile incomes in the NA are £46,475 and £21,536 respectively. Comparing these affordability thresholds with the costs of each tenure, it is clear that the most affordable forms of tenure are social rent and affordable rent, but only social rent is affordable to those earning lower quartile incomes. Home ownership is out of reach even for those on average incomes, but renting is relatively affordable and there is a market gap that could usefully be filled by affordable home ownership products serving those who can afford to rent but aspire to buy.
103. The total estimated affordable housing need over the Plan period 2016-2036 is 1,107 (rounded) affordable rented homes and 1,536 affordable home ownership dwellings, or 2,643 affordable homes in total. Despite the absence of an HRF for Chippenham over the neighbourhood plan period, it is unlikely that 40% of the final HRF will enable the delivery of 2,643 affordable homes.
104. The suggested affordable housing tenure split is for 30% of homes to be aimed at affordable home ownership and the remaining 70% affordable housing for rent. This tenure mix is based on the evidence shown in the Swindon & Wiltshire Strategic Housing Market Assessment 2017 that 1,107 affordable homes for rent are required over the plan period to meet the priority need for affordable housing. In the absence of a housing requirement figure for Chippenham for the plan period 2016-2036, it can be expected that the housing requirement figure will be at the minimum 4,510 homes as it currently stands in the Chippenham site allocations document 2017. Discussions between Chippenham Town Council and Wiltshire Council have, however, revealed that a housing requirement figure for Chippenham may be as high as 7,500 homes for the neighbourhood plan period. However, as this higher figure is yet to be confirmed and adopted in the emerging local plan, this tenure split will reflect the figures in the currently adopted documents and HRF of 4,510 dwellings for Chippenham. It is also important that when the housing requirement figure for Chippenham is produced, that the affordable housing tenure split is adjusted to ensure that the delivery of affordable housing for rent is prioritised.
105. Nevertheless, in accordance with Core Policy 43, 40% of all housing should be affordable. In Chippenham, with a housing requirement figure of at least 4,510 dwellings, this would equate to 1,804 dwellings that should be delivered as affordable. To ensure that the 1,107 affordable houses for rent are delivered as a priority, 70% of the affordable housing allocation should be for affordable housing for rent. The remaining 30% should be for affordable home ownership. This will enable Chippenham to meet the current NPPF policy requirement of 10% of all homes to be delivered for affordable home ownership (in Chippenham, in line with Core Policy 43, this equates to 25% of the affordable housing requirement). A higher proportion of affordable homes for sale should be shared ownership as this can be significantly more affordable if sold with a lower equity (as shown in Figure 4-2). Therefore, 20% of affordable homes should be for shared ownership and 10% for discounted market sale.
106. Table 4-7 below summarises Chippenham's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the precise quantities of affordable housing for rent and sale that would be delivered if the tenure split proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 4-7: Estimated delivery of Affordable Housing in Chippenham

A	Housing requirement figure	4510
B	Affordable housing quota (%) in LPA's Local Plan	40%
C	Potential total Affordable Housing in NA (A x B)	1,804
D	Rented % (eg social/ affordable rented)	70%
E	Rented number (C x D)	1,263
F	Discounted market homes % (eg First Homes)	10%
G	Discounted market homes number (C x F)	180

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

5. RQ 2: Type and Size

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

5.1 Introduction

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

5.2 Existing types and sizes

5.2.1 Background and definitions

109. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
110. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
111. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows¹⁶:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
112. It is also useful to clarify the Census terminology around dwellings and household spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.¹⁷ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
113. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same

¹⁶ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

¹⁷ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

*address who share cooking facilities and share a living room or sitting room or dining area.*¹⁸ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

114. The 2011 Census shows that there were 15,265 households in Chippenham, living in 4,404 detached houses, 4,964 semi-detached, 3,971 terraced houses, and 2,197 flats. Compared with the LPA, Chippenham is characterised by large proportions of detached, semi-detached and terraced homes (28.8%, 30.8% and 26% respectively). By contrast, there is a significantly greater share of detached homes than terraced homes across Wiltshire as a whole). There is a significant proportion of flats in Chippenham (12.3%) compared to just 8.7% in the wider and more rural county (see Table 5-1 below).

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

Dwelling type		Chippenham	Wiltshire	England
Whole house or bungalow	Detached	28.9%	35.1%	22.4%
	Semi-detached	30.8%	31.0%	31.2%
	Terraced	26.0%	21.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	12.3%	8.7%	16.4%
	Parts of a converted or shared house	1.6%	1.8%	3.8%
	In commercial building	0.5%	0.9%	1.0%

Source: ONS 2011, AECOM calculations

5.2.3 Specific housing types

115. The neighbourhood group considers that bungalows can play an important role in meeting the current and future needs of older people and people with accessibility needs.

116. As the ONS Census data does not capture bungalows as a distinct type, we have used Valuation Office Agency data to investigate their prevalence in Chippenham. The results are presented in Table 5-2 below. The data shows that in Chippenham, 40% of bungalows are 3-bedroom, followed by 34% 2-bedroom and 20% 1-bedroom. In Wiltshire, the distribution of bungalow sizes is slightly different in that smaller 2-bedroom properties are most common at 44%, followed by 3-bedrooms at 38% and 4 or more bedrooms at 11%. Bungalows in Chippenham tend to be slightly smaller compared to the wider county. Bungalows are also less common in Chippenham, at 7% of all properties, compared to 12% in the wider county. This reflects the more rural setting of Wiltshire compared to Chippenham.

¹⁸ Ibid.

Table 5-2: Number of bungalows by property size, 2018

	Chippenham (numbers)	Chippenham (%)	Wiltshire (numbers)	Wiltshire (%)
1 bedroom	210	20%	1,990	8%
2 bedrooms	350	34%	11,410	44%
3 bedrooms	420	40%	9,990	38%
4 bedrooms +	60	6%	2,760	11%
Unknown	0	0%	10	0%
Total	1,040		26,160	

Source: Valuation Office Agency, Council tax: stock of properties, 2018, Table CTSOP3.1

5.2.4 Dwelling size

117. Table 5-3 below sets out the distribution of the number of rooms by household space. The housing stock in Chippenham is characterised by primarily medium to large dwellings, with almost all properties consisting of 3 or more rooms. This theme is broadly reflected at the LPA level, though Wiltshire has a slightly higher proportion of the largest homes that consist of 7 or more rooms.

Table 5-3: Number of rooms per household in Chippenham, 2011

Number of Rooms	2011	2011
	Chippenham	Wiltshire
1 Room	0.3%	0.3%
2 Rooms	2.0%	1.7%
3 Rooms	8.4%	6.2%
4 Rooms	18.9%	16.9%
5 Rooms	21.2%	21.8%
6 Rooms	19.8%	19.7%
7 Rooms	12.1%	12.5%
8 Rooms or more	8.7%	9.3%
9 Rooms or more	8.6%	11.6%

Source: ONS 2011, AECOM calculations

118. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that there has been a notable increase in homes of all sizes, with the exception of homes of one and five rooms. This was mirrored in both Wiltshire and nationally. In Chippenham the largest increase was in homes of 2-3 rooms (30.4% and 24% respectively) and also homes of 8 rooms or more (30.1%). Again, this trend was mirrored across the wider county although lower growth was experienced in homes of 2-3 rooms (20.9% and 21.2%) respectively.

Table 5-4: Rates of change in number of rooms per household in Chippenham, 2001-2011

Number of Rooms	Chippenham	Wiltshire	England
1 Room	-25.5%	-30.6%	-5.2%
2 Rooms	30.4%	20.9%	24.2%
3 Rooms	24.0%	21.2%	20.4%
4 Rooms	7.6%	2.5%	3.5%
5 Rooms	-1.7%	-1.3%	-1.8%
6 Rooms	1.1%	5.2%	2.1%
7 Rooms	18.3%	17.3%	17.9%
8 Rooms or more	30.1%	30.0%	29.8%

Source: ONS 2001-2011, AECOM calculations

119. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-5 below summarises the proportion of households occupying each size of home in terms of its number of bedrooms. This data shows that the most common size of dwelling in the NA and LPA is three bedroom properties, followed by two bedroom properties. This is broadly similar to the wider county, though Wiltshire has slightly more 5 or more bedroom homes.

Table 5-5: Number of bedrooms in household spaces in Chippenham, 2011

Bedrooms	Chippenham		Wiltshire		England	
All categories: no. of bedrooms	14,850	100.0%	194,194	100.0%	22,063,368	100.0%
No. bedrooms	33	0.2%	330	0.2%	54,938	0.2%
1 bedroom	1,398	9.4%	14,181	7.3%	2,593,893	11.8%
2 bedrooms	3,757	25.3%	47,905	24.7%	6,145,083	27.9%
3 bedrooms	6,003	40.4%	79,963	41.2%	9,088,213	41.2%
4 bedrooms	3,088	20.8%	39,187	20.2%	3,166,531	14.4%
5 or more bedrooms	571	3.8%	12,628	6.5%	1,014,710	4.6%

Source: ONS 2011, AECOM calculations

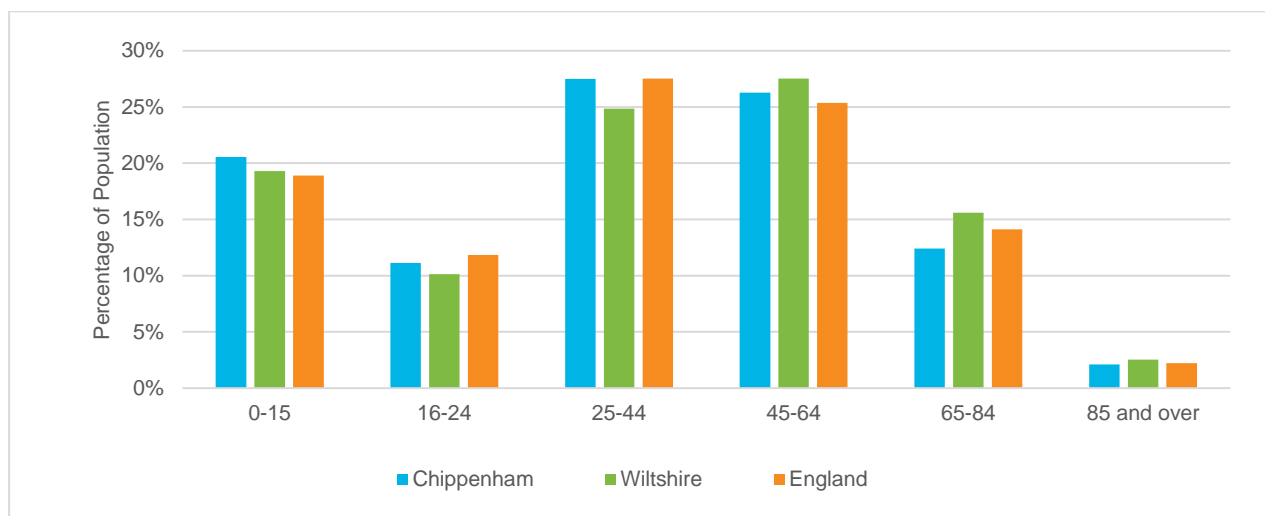
5.3 Household composition and age structure

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

5.3.1 Age structure

121. The 2011 Census data reveals that Chippenham has a slightly lower percentage of people over 65 when compared with Wiltshire and national figures. Only 15% of the population in Chippenham is aged 65 and over compared to 18% in the wider county. Meanwhile, there is a slightly higher proportion of those aged 44 and under in Chippenham compared to Wiltshire (59% against 54%) (see Figure 5-1 below). It is evident that there is a slightly younger demographic in Chippenham than the wider county.

Figure 5-1: Age structure in Chippenham, 2011



Source: ONS 2011, AECOM calculations

122. In terms of the changing age structure of Chippenham’s population, Census data shows that between 2001 and 2011, the population has grown markedly, especially for the 16-24 and 45- 64 age groups. The 85 and over age group has also grown by 16.7%. Meanwhile, despite the proportions of young people in Chippenham being higher than Wiltshire as a whole, there has been a decline in those aged below 15 years (-3.5%) and also a notable decline of young adults -11.2% in those aged 25-44. This growth is mirrored in the wider county, although with lower rates of growth of 16-24 year olds and a significantly higher rate of growth for both 65-84 and 85 and over age groups. It is evident that the more rural county is experiencing a faster growth in the elderly population than Chippenham (see Table 5-6 below).

Table 5-6: Rate of change in the age structure of Chippenham population, 2001-2011

Age group	Chippenham	Wiltshire	England
0-15	-3.5%	2.6%	1.2%
16-24	35.3%	18.4%	17.2%
25-44	-11.2%	-6.4%	1.4%
45-64	35.4%	20.4%	15.2%
65-84	13.0%	18.2%	9.1%
85 and over	16.7%	32.4%	23.7%

Source: ONS 2001-2011, AECOM calculations

5.3.2 Household composition

123. Household composition (i.e. the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

124. In assessing Census data on household composition, we see that Chippenham is similar to the LPA overall. However, it is evident that due to the slightly younger population in Chippenham, both one person households under 64 and one family household with dependent children categories are higher in Chippenham than Wiltshire. The lower proportion of one family households all aged over 65 in Chippenham compared to the county further reflects the slightly younger age profile of Chippenham compared to Wiltshire (Table 5-7).

125. Note that ‘non-dependent children’ refers to households in which adult children are living at home, or the home that students still call their primary residence despite living for most of the year near to university. This category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-7: Household composition (by household), Chippenham, 2011

Household composition		Chippenham	Wiltshire	England
One person household	Total	27.9%	26.7%	30.2%
	Aged 65 and over	11.0%	12.7%	12.4%
	Other	16.9%	14.0%	17.9%
One family only	Total	67.1%	68.1%	61.8%
	All aged 65 and over	7.6%	10.1%	8.1%
	With no children	19.4%	21.3%	17.6%
	With dependent children	31.3%	28.0%	26.5%
	All children Non-Dependent ¹⁹	8.7%	8.7%	9.6%
Other household types	Total	5.1%	5.2%	8.0%

Source: ONS 2011, AECOM calculations

126. Again, it is relevant to consider rates of change in this indicator during the period between Censuses (see Table 5-8). Between 2001 and 2011, the main changes in Chippenham household composition were one family households with non-dependent children (25.6%) and one person households under age 64 (growing by 22.1%). Similar rates of change were experienced in Wiltshire, with the exception of categories in relation to those aged 65 where it is evident that Wiltshire has an older age profile than Chippenham.
127. 'Other' households are typically groups of single people sharing a dwelling, such as students or houses in multiple occupation (HMOs). This category has experienced the greatest growth between 2001-2011, at 39.6%. This is aligned with the strong trend towards single-occupancy and is typical of an area with a younger demographic.

Table 5-8: Rates of change in household composition, Chippenham, 2001-2011

Household type		Percentage change, 2001-2011		
		Chippenham	Wiltshire	England
One person household	Total	13.7%	9.4%	8.4%
	Aged 65 and over	2.8%	0.6%	-7.3%
	Other	22.1%	18.7%	22.7%
One family only	Total	6.8%	9.3%	5.4%
	All aged 65 and over	-4.4%	6.3%	-2.0%
	With no children	3.9%	10.9%	7.1%
	With dependent children	7.2%	8.4%	5.0%
	All children non-dependent	25.6%	11.8%	10.6%
Other household types	Total	39.6%	22.9%	28.9%

Source: ONS 2001-2011, AECOM calculations

5.4 Dwelling mix determined by life-stage modelling

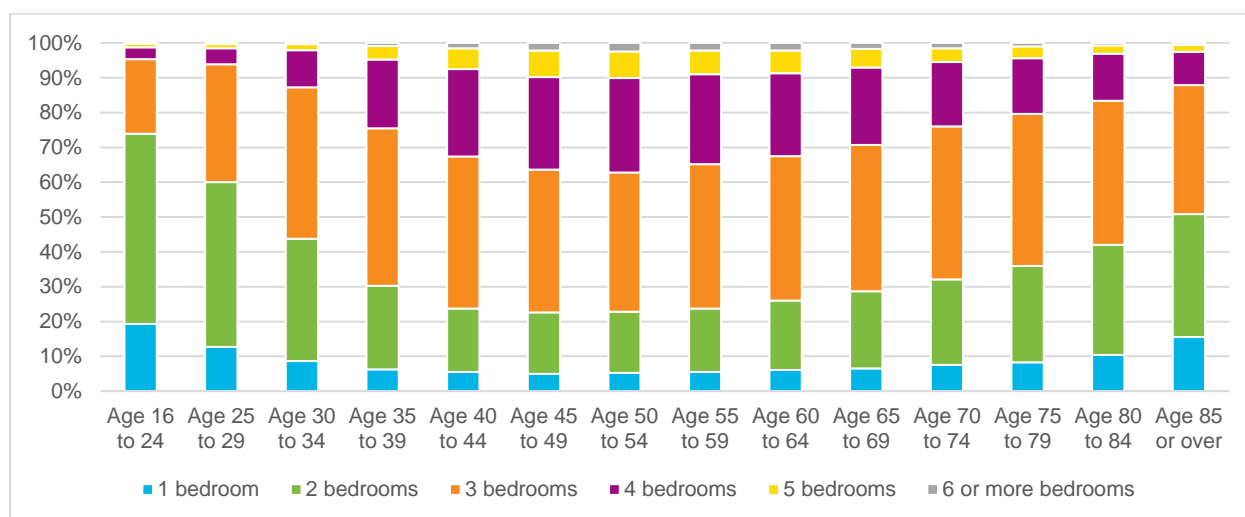
128. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated using an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need

¹⁹ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

for the type of housing currently occupied by households of that age. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.

129. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LPA-level data needs to be used as the closest proxy.
130. Figure 5-2 below sets out the relationship in the 2011 Census at LPA (Wiltshire) level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that two bedroom properties are the most common dwelling size for those ages 29 and under. Three bedroom properties remain the most common dwelling size for all other demographic groups. Four bedroom homes are also common for households headed by those aged 40-69, and is the second most popular dwelling size for this age group.

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



Source: ONS 2011, AECOM calculations

131. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP in 2036 is estimated, i.e. the end of the Neighbourhood Plan period (red in the table). The data is presented in Table 5-9 below.

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

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	4,885	21,376	76,828	35,773	55,332
2014	5,296	23,639	74,533	34,598	63,738
2036	5,992	23,409	67,382	35,369	103,237
2039	6,087	23,378	66,407	35,475	108,623

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

132. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Chippenham. To do so, the percentage increase expected for each group across Wiltshire, derived from the data presented above, was mapped to the population of Chippenham. The results of this calculation are detailed in Table 5-10 below:

Table 5-10: Projected distribution of households by age of HRP, Chippenham

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	509	2,032	6,492	2,404	3,413
2014	552	2,247	6,298	2,325	3,932
2036	624	2,225	5,694	2,377	6,368
% change 2011-2036	23%	10%	-12%	-1%	87%

Source: AECOM calculations

133. To complement the previous two stages Table 5-11 below sets out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across Wiltshire by the end of the plan period.

Table 5-11: Age of household reference person to size, grouped, Wiltshire, Census 2011

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	19.3%	10.4%	5.5%	5.8%	9.2%
2 bedrooms	54.5%	40.5%	19.0%	19.1%	27.3%
3 bedrooms	21.4%	39.2%	42.3%	41.4%	41.9%
4 bedrooms	3.4%	8.0%	24.9%	24.8%	16.8%
5+ bedrooms	1.2%	1.8%	8.2%	8.9%	4.8%

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

134. Finally, having established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in Wiltshire and Chippenham falling into each of these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-12 below).
135. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-12: Likely dwelling size distribution in Chippenham by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Households 2036	624	2,225	5,694	2,377	6,368	-
1 bedroom	121	232	312	137	583	1,385
2 bedrooms	341	901	1,083	455	1,741	4,520
3 bedrooms	134	872	2,410	985	2,669	7,070
4 bedrooms	21	179	1,419	590	1,068	3,277
5+ bedrooms	8	41	469	210	308	1,036

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

136. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-12 above modelling the change in the age structure of the population in Chippenham.
137. Table 5-13 below indicates that, by 2036, the size distribution of dwellings should be fairly similar to what currently exists. However, there should be slightly more 5+ bedroom homes, and a slightly lower proportion of 1 and 4 bedroom homes.

Table 5-13: 2011 housing sizes compared to likely distribution at end of Plan period, Chippenham

Number of bedrooms	2011		2036	
1 bedroom	1,398	9.4%	1,385	8.0%
2 bedrooms	3,757	25.3%	4,520	26.1%
3 bedrooms	6,003	40.4%	7,070	40.9%
4 bedrooms	3,088	20.8%	3,277	19.0%
5 or more bedrooms	571	3.8%	1,036	6.0%
Total households	14,850	100.0%	17,288	100.0%

Source: Census 2011, AECOM calculations

138. Table 5-14 below sets out the estimated misalignment between future supply of and demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area.

Table 5-14: Future potential misalignments of supply and demand for housing, Chippenham

Number bedrooms	of 2011	2036	Change to housing mix	Recommended % split for new dwellings
1 bedroom	1,398	1,385	-13	0.0%
2 bedrooms	3,757	4,520	763	30.7%
3 bedrooms	6,003	7,070	1,067	42.9%
4 bedrooms	3,088	3,277	189	7.6%
5 or more bedrooms	571	1,036	465	18.7%

Source: AECOM calculations

139. The interim result of the life-stage modelling exercise show that, in terms of demographic change, new development might involve the following share of dwelling sizes: 30.7% of as two bedroom, 42.9% as three bedrooms, 7.6% as four bedrooms and 18.7% as five bedrooms.
140. Note that the changes to the housing mix given above for 1-bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with one bedroom, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further 1-bedroom dwellings over the Neighbourhood Plan period. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
141. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.4.1 Adjustment of model results

142. However, it is important to caveat the result of this model, because it is based on past trends and existing supply. Future supply, not just demographic profile, can influence occupancy patterns. For instance, it may be that the construction of attractive options for older households e.g. bungalows could enable some older people to downsize whilst remaining in their existing community, but in the absence of such accommodation, these older households will remain in their larger family sized homes. For this reason, it is useful to verify the results with respect to occupancy trends at the national level (England and Wales) which evens out any particular local bias. This would give the following split (Table 5-15):

Table 5-15: Nationally-adjusted future potential misalignments of supply and demand for housing, Chippenham

Number of bedrooms	2018	2036	Change to housing mix	Recommended split
1 bedroom	1,398	2,091	693	21.8%
2 bedrooms	3,757	4,871	1,114	35.1%
3 bedrooms	6,003	7,196	1,193	37.6%
4 bedrooms	3,088	2,386	-702	0.0%
5 or more bedrooms	571	744	173	5.5%

Source: AECOM calculations

143. A direct comparison between the two recommended splits above (based first on county occupation patterns and second on national occupation patterns) is given in Table 5-16 below.

Table 5-16: County-based and nationally-adjusted recommended housing size mixes compared, Chippenham

Number of bedrooms	Wiltshire-based mix	Nationally-adjusted figure
1 bedroom	0.0%	21.8%
2 bedrooms	30.7%	35.1%
3 bedrooms	42.9%	37.6%
4 bedrooms	7.6%	0.0%
5 or more bedrooms	18.7%	5.5%

Source: AECOM calculations

144. This nationally-adjusted split implies that significantly more one-bedroom homes should be delivered, at the expense of larger homes above 4 bedrooms as seen in the table above. This is explained by the occupation of one-bedroom properties which is much higher in larger cities captured in the national data, than in the occupation patterns of smaller towns such as Chippenham, and Wiltshire as a whole, where homes tend to be slightly larger. Therefore, the substantial demand for one-bedroom properties identified earlier may be artificially inflated by a lack of two- and three-bedroom dwellings. Providing more of these will supply smaller family homes for younger households and also enable older households to downsize.
145. To reflect this, the HNA advises taking the average of the recommendations set out in Table 5-14 and Table 5-15 above. A mid-way point between the two dwelling mixes has been sought for the delivery of one-bedroom homes, which should therefore comprise 10% of all new housing development. This has come at the slight expense of larger homes of four or more bedrooms to enable smaller and more affordable homes to be built in the NA.

Table 5-17: Final Recommended mix

Number of bedrooms	Final Recommended mix
1 bedroom	10%
2 bedrooms	30%
3 bedrooms	40%
4 bedrooms	5%
5 or more bedrooms	15%

Source: AECOM calculations

5.5 Conclusions- Type and Size

146. Chippenham is characterised by high proportions of detached, semi-detached and terraced homes (28.8%, 30.8% and 2% respectively) with similar proportions in the wider county (albeit with a significantly greater share of detached homes than terraced homes in Wiltshire). There is a significant proportion of flats in Chippenham (12.3%) compared to just 8.7% in the wider and more rural county.
147. The housing stock in Chippenham is characterised by primarily medium to large dwellings, with almost all properties consisting of 3 or more rooms. This theme is broadly reflected at the LA level, though Wiltshire has a slightly higher proportion of the largest homes that consist of 7 or more rooms. In regard to bedrooms, the most common size of dwelling in the NA and LPA is three bedroom properties, followed by two bedroom properties. This is broadly similar to the wider county, though Wiltshire has slightly more five or more bedroom homes.
148. The 2011 Census data reveals that Chippenham has a slightly lower percentage of people over 65, when compared with county and national figures. Around 15% of the population in Chippenham is aged 65 and over compared to 18% in the wider county. Meanwhile, there is a slightly higher proportion of those aged 44 and under in Chippenham compared to Wiltshire (59% against 54%). It is evident that there is a slightly younger demographic in Chippenham than the wider county.

149. However, despite the proportions of young people in Chippenham being higher than the county, there has been a decline in those aged below 15 years (-3.5%) and also a notable decline of young adults: an 11.2% decline in those aged 25-44 between 2001 and 2011. Meanwhile, the rest of the population has grown markedly, especially for the 16-24 and 45- 64 age groups.
150. The final recommended dwelling size mix suggested in new development in Chippenham, based on merging local and national data (with the latter added as a balancing factor) might involve the following share of dwelling sizes in new development: 10% as one bedroom, 30% as two bedroom, 40% as three bedrooms, 5% as four bedrooms and 15% as five or more bedrooms.
151. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. However, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or the site within the wider housing market area (linked to any relevant LPA strategies or plans) and site specific factors which may justify a particular dwelling mix.
152. As such, the recommended dwelling mix should be interpreted only as a guideline and applied with a high degree of flexibility going forward. In terms of the types of housing needed, it may be beneficial to diversify the housing stock to include more terraced homes and flats – an effort that would dovetail with the need to provide housing that is more affordable for local people, as these types of dwellings tend to be smaller and hence more affordable.

6. RQ 3: Specialist housing for older people

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

6.1 Introduction

153. This chapter considers in detail the specialist housing needs for older and disabled people in Chippenham. It considers the quantity, tenure and size of dwellings that might be required. It is important to keep in mind that there is no formal definition of 'old age'. People experience ageing differently and much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age whilst others may need support and care much earlier in their lives. It is useful to think of two main stages in later life: the 'third age' – where people are healthy and active and may or may not continue to work and the 'fourth age' – where older people need care and support to meet their health needs.²⁰ These two stages are not necessarily related to age though most people in advanced old age (85+) will need care or support at some point in their lives. The housing needs of these two groups can be markedly different.
154. In the Planning Practice Guidance (PPG), the Government states that plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate.²¹
155. It is important to note that, as stated in the PPG, the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall (i.e. the total) housing need figure. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.²²
156. In considering the need or demand for specialist housing for older people it is appropriate to consider the population aged 75+ since this group is more likely to access this type of housing. The needs of this sector of the population have been assessed through two methods. The first is a tenure-led projection, based on the tenure of dwellings typically occupied by people in this age group. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP) tool²³, which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.
157. Housing needs assessment covers the need for houses that fall for the purposes of the planning system into Use Class C3 (private dwellings)²⁴. Any assessment of need for residences that fall into Use Class C2 (residential institutions, which include prisons, boarding schools and some care homes for the elderly) would be a separate exercise outside the scope of a standard HNA. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. In some cases, extra care schemes, particularly those where independent living is emphasised and care provision is more limited, will be counted as C3. However, in other cases, particularly where care provision is higher, they will be counted as C2. There is no hard and fast rule- clear differentiation between the two has not been set in government policy.
158. As such, existing and future specialist housing for older people may be either C2 or C3, but the important point is that it is not possible to state definitively at the time of assessment whether any new provision forecast to be needed on the basis of current evidence will fall into use class C2 or C3. The distinction is important because accommodation in C2 buildings does not count towards the overall housing target for the neighbourhood plan areas whereas C3 accommodation units do. Therefore, it is not possible to state at this point the extent of overlap, if any, between the overall quantity of specialist housing forecast to be required and the overall housing quantity figure for the plan area.

²⁰ University of Sheffield & DWELL (2016) Designing with Downsizers

²¹ See Paragraph: 012 Reference ID: 63-012-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

²² See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²³ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

²⁴ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

6.2 Housing for older people - context

159. MHCLG's guidance on housing for older and disabled people states that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million.
160. Almost a third of UK homes are occupied by the 55+ age group, yet only 7% of UK stock is currently recognised as meeting minimum accessibility standards, which means few older people can find options that will improve their quality of life. This is reflected in evidence that just 3.4% of 50+ households move home each year, which is half as many as the rest of the population. Perhaps surprisingly, just under half of moves result in fewer habitable rooms because many older people need or want to retain space for activities, to retain a lifetime of possessions, accommodating visitors or caring for grandchildren. For some, social status can be a factor in determining whether or not to move to a home with significantly fewer rooms.²⁵
161. The concept of 'rightsizing' (formally referred to as downsizing) recognizes that the situations, desires and needs of the older population are no less diverse than their family circumstances. The actual choices available to older people, however, are limited to the housing provisions that are both available and accessible to them. Not surprisingly, the vast majority of older people currently tend to age in place until circumstances mean their home environment becomes a decisive barrier to their well-being. Research indicates that very few properties are designed to support ageing in place (see below). Thus, whilst many people do not wish to move home, there is also evidence that there is large scale unmet demand to move²⁶ with many older people stuck in a 'rightsizing gap'.²⁷
162. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.²⁸
163. Indeed, 76% of those in homes of three or more bedrooms wished to 'rightsize', and this increased to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.²⁹ However, in spite of evidence of high demand, currently only 5% of older people's housing is made up of specialist homes,³⁰ with Demos suggesting that, "the chronic under-supply of appropriate housing for older people is the UK's next housing crisis",³¹ and local authorities are often "accused of reluctance to approve development plans for specialist housing...out of fear of increased care costs".³² Indeed, whilst many of those surveyed may consider moving, the percentage that ultimately do so is likely to be relatively low, and many who downsize may in fact move into mainstream housing.
164. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population in Chippenham affects housing needs is something to be considered from the early stages of plan-making through to decision-taking.³³
165. The need to access housing with support or care is often driven by health considerations, particularly disabilities. Disabilities can include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs, which may generate a range of housing requirements which can change over time. Unsuitable housing or housing which is not capable of adaptation can have a negative impact on occupants and their carers. Disability is strongly linked to age and an ageing population will see the numbers of disabled people continuing to increase. It is important to plan early to meet their needs throughout their lifetime.

²⁵ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

²⁶ Pannell et al., 2012

²⁷ Rightsizing: Reframing the housing offer for older people, 2018, Phase and Manchester School of Architecture

²⁸ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

²⁹ Ibid.

³⁰ https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

³¹ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

³² <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

³³ Available at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

166. Older people typically occupy a broad range of accommodation types and tenures depending on their individual needs, including both market housing and more specialist accommodation. The latest PPG³⁴ adopts the following planning approach:
- a. Where an identified need exists, plans are expected to make use of the optional technical housing standards (footnote 46 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
 - i. M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)
 - ii. M4(2) Category 2: Accessible and adaptable dwellings
 - iii. M4(3) Category 3: Wheelchair user dwellings
 - b. Planning policies for accessible housing need to be based on evidence of need, viability and a consideration of site specific factors.
167. In the case of Chippenham, this HNA, together with any local housing survey conducted, can form the evidence required to justify policies proposing the Category 2 or 3 standards above for both market and affordable housing and the two main types of specialist housing for older people - sheltered housing and extra care (see Appendix B for definitions).
168. In 2014, there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in the private sector and the rest provided at social rent levels.³⁵ This situation reflects historic patterns of development, significant constraints on the delivery of such housing in the market sector, and changing aspirations and expectations amongst older people today in comparison with previous generations.
169. Local planning authorities can plan for older co-housing communities through their implementation of recent self-build and custom-build legislation (2015)³⁶, as some communities will be looking to build the development themselves. Local authorities can also identify sites suitable for older co-housing communities as part of their overall assessment of land available for housing over the plan period.³⁷
170. Given that the vast majority of people over 75 live in their own homes, but that the current stock is primarily for social rent, AECOM has developed a 'tenure-led' approach to calculating the need for specialist housing, which also takes into account the health and mobility of the population of the Neighbourhood Plan area so as to develop projections for future need for specialist housing provided with some level of care or other services.

6.3 Approach

- In accordance with NPPF guidance, this chapter applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the Neighbourhood Plan area, and Census data relating to mobility limitations and overall health.³⁸ These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Wiltshire.
- Clearly, this calculation represents an assumption, with the actual decision for an older or disabled person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of older people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of older people currently choose to continue to live in their homes for their entire lives.

³⁴ Housing for Older and disabled people, Guidance June 2019, MHCLG

³⁵ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

³⁶ <https://www.gov.uk/guidance/self-build-and-custom-housebuilding>

³⁷ See Paragraph: 011 Reference ID: 63-011-20190626 at <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

³⁸ <https://www.gov.uk/guidance/housing-for-older-and-disabled-people#identifying-the-housing-requirements-of-older-and-disabled-people>

- The charity Age UK suggests that “inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.”³⁹ By understanding the tenure breakdown of specialist housing need, it is possible to better understand the extent to which demand will be a factor in this market segment.

6.3.1 Current supply of specialist housing for older people

171. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. There are a number of ways to do this. Data may be available within Wiltshire’s housing evidence base. Alternatively, data may be collated manually on the amount of specialist housing within a given area using the search function on the Elderly Accommodation Counsel’s Website: <http://www.housingcare.org>.
172. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below.⁴⁰ This is because for the purposes of the UK planning system, such institutions occupy a different land-use class from other housing (use class C2, which comprises residential institutions, versus C3, which comprises private dwellings)⁴¹. However, all other types of specialist housing for older people fall within use class C3 and, as such, are within the scope of this Housing Needs Assessment. Having said this, we have noted the existing provision of such institutional accommodation where it exists in Chippenham.
173. The 2011 Census highlights the number of residents living in different types of communal establishments. Within Chippenham, it identified 96 residents living in care homes with nursing and 232 in care homes without nursing.⁴²
174. Given that communal establishments (care homes) are generally outside the scope of housing needs assessments for the reasons described above, these are discounted from this analysis, and the remaining specialist housing for the older, which should be within use class C3 and thus within the scope of this assessment, is presented in Table 6-1 below. This gives a total of 343 specialist dwellings (or bed spaces), for a 2011 population aged 75+ of 2,557. This suggests the actual rate of provision in Chippenham is approximately 134 dwellings per 1000 population aged 75+.

³⁹ See <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

⁴⁰ Further details on the definition of different types of housing within the English planning system are available at <https://www.gov.uk/guidance/definitions-of-general-housing-terms>

⁴¹ See Paragraph: 009 Reference ID: 13-009-20140306 at <https://www.gov.uk/guidance/when-is-permission-required>

⁴² ONS, 2011 (KS405EW)

Table 6-1: Existing specialist housing for the elderly (excluding care homes) in Chippenham

	Name	Description	Bed Spaces	Tenure	Type
1	St Clement Court	Sheltered Housing. 44 1-bedroom and studio homes.	44	Social Landlord	Retirement Housing
2	Marlborough Court	28 1-bedroom flats.	28	Social Landlord	Retirement Housing
3	Croft Court	28 flats. Twenty six 1-bedroom and two 2-bedroom flats.	30	Social Landlord	Retirement Housing
4	Elizabeth Utterson's Alms houses	Age exclusive housing in 5 cottages.	5*	License	Age Exclusive housing
5	Ivyfield Court	34 flats. Sizes twenty four 1-bedroom flats and 10 2-bedroom flats	44	Leasehold	Retirement Housing
6	Waterford Place	40 flats. Sizes 1 bedroom, 2 bedroom	60*	Leasehold	Retirement Housing
7	Castle Lodge	46 flats. Sizes 1 bedroom, 2 bedroom	69*	Leasehold	Retirement Housing
8	Leonora Home	8 flats. Sizes studio, 1 bedroom	8	Social Landlord	Retirement Housing
9	River House	20 flats. Sizes studio, 1 bedroom. Includes wheelchair standard properties	20	Social Landlord	Retirement Housing
10	The Gardens	14 cottages. Sizes 2 bedroom, 3 bedroom	35*	Leasehold	Age Exclusive housing

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

6.3.2 Tenure-led projections

175. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Wiltshire, as this is the smallest geography for which tenure by age bracket data is available. The age cohort-based approach is taken because it is these households which, over the next 20 years, will be reaching the age of 75+, where the need for specialist housing provision is more likely. The existing tenure split within this cohort is used to project forward the need for specialist housing according to different tenure.
176. The projection is based on the premise 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 accommodation of some kind.
177. According to Table 6-2 below, 56.2% of households where the HRP is aged between 55 and 75 in Wiltshire are owned outright and 24.1% are owned with a mortgage or loan or shared ownership. 19.8% of dwellings are rented in Wiltshire - the majority of these (11.7% of all dwellings) being socially rented.

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

All owned	Owned outright	Owned with a mortgage or loan or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
80.2%	56.2%	24.1%	19.8%	11.7%	6.6%	1.4%

Source: Census 2011

178. The next step is to project how the overall number of older people in Chippenham is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Wiltshire at the end of the Plan period. The figure must be extrapolated from the LPA data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below.
179. This calculation indicates that the proportion of elderly people in Chippenham is expected to grow to a total of 13% by 2036, from 7.1% in 2011. This is a slightly lower proportion than Wiltshire as a whole, which is expected to have 15.6% of residents aged 75 and over by 2036. This trend nevertheless indicates a future increase in demand for homes that meet the needs of older people in the area, but still a relatively low overall need.

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

Age group	2011		2036	
	Chippenham (2011 Census)	Chippenham (2011 Census)	Chippenham (AECOM Calculation)	Wiltshire (ONS SNPP 2014)
All ages	35,800	470,981	41,102	540,737
75+	2,557	40,418	5,333	84,296
%	7.1%	8.6%	13.0%	15.6%

Source: ONS SNPP 2016, AECOM calculations

180. The results of this exercise provide us with a projection of the number of people in Chippenham living in each tenure in the 55-75 cohort by 2011, as shown in the table below. This projection is calculated by subtracting the current number of people aged 75 and over (2,557) from the projected number expected to be present at the end of the Plan period (5,333) and then multiplying the result (2,776) by the tenure percentages for the 55-75 age group in Chippenham presented in Table 6-2 above, and is set out in Table 6-4 below.
181. A key assumption made here is that, for the purposes of determining the proportion of households aged 75+ falling into different tenures in 2036, and consequently the number of specialist units they might need, the growth in the overall population of those aged 75 is used.

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

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
2228	1559	669	548	326	184	38

Source: Census 2011, ONS SNPP 2013, AECOM calculations

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

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

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
1579	1105	474	389	231	131	27

Source: Census 2011, ONS SNPP 2013, AECOM calculations

183. Next, the incidence of mobility limitations is considered, as defined by the Census, within each tenure group for those aged 65+ in Chippenham. This allows us to link the levels of need (as defined by extent of mobility limitations within the population) to tenure (based on the premise that such needs can be used as a proxy for the need for specialist housing in this age group).
184. The tendency for people in rented housing to have higher dependency levels is well established. It arises partly because people with higher dependency levels tend to have lower incomes; they are therefore less able to afford to buy, even at earlier stages in their lives. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option available to them is in the social rented sector.

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

Tenure	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
All categories: Tenure	9.5%	23.0%	67.6%
Owned or shared ownership: Total	12.5%	18.8%	68.8%
Owned: Owned outright	10.5%	21.1%	68.4%
Owned: Owned with a mortgage or loan or shared ownership	20.0%	10.0%	70.0%
Rented or living rent free: Total	3.8%	30.8%	65.4%
Rented: Social rented	0.0%	16.7%	83.3%
Rented: Private rented or living rent free	5.0%	35.0%	60.0%

Source: DC3408EW Health status

185. Focusing on those whose activities are limited a lot, the calculations suggest that of the 389 renters and 1579 owners in Chippenham in this age group, there could be a need for 197 specialist homes for owner-occupiers (12.5% x 1579) and 15 for renters of all kinds (3.8% x 389), or 212 new specialist homes in total.
186. 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 (i.e. extra care housing, with significant on-site services, potentially including 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 when living in their own homes. This is often reflected in the policy of local authorities, with an explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-7: AECOM estimate of specialist housing need in Chippenham 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 ⁴³ housing by the percent in that tenure who have day to day activity 'limited a lot.'	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity 'limited a lot.'	212
	15	197	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent who have day to day activity 'limited a little.'	Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity 'limited a little.'	416
	120	296	
Total	135	494	628

Source: Census 2011, AECOM calculations

⁴³ Not just social rented housing, as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing.

187. The number of households falling into potential need for specialist accommodation is therefore 628, which is 32% of the 1,968 households in total aged 75 and above projected to live in Chippenham by the end of the Plan period.

6.3.3 Housing LIN-recommended provision

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

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

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

Source: Housing LIN SHOP Toolkit

189. As Table 6-3 shows, Chippenham is forecast to have an over-75 population of 5,333 by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times (2,776/1000) = 167$
- Leasehold sheltered housing = $120 \times (2,776/1000) = 333$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times (2,776/1000) = 56$
- Extra care housing for rent = $15 \times (2,776/1000) = 42$
- Extra care housing for sale = $30 \times (2,776/1000) = 83$
- Housing based provision for dementia = $6 \times (2,776/1000) = 17$

190. This produces an overall total of 697 specialist dwellings which might be required by the end of the plan period. This can be compared to the current stock of specialist housing in Table 7-1 to indicate the likely shortfall of different types of accommodation (see conclusions below).

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

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

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	197
	86	111	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	500
	167	333	
Total	253	444	697

Source: Housing LIN, AECOM calculations

6.4 Conclusions- Specialist Housing for Older People

192. In comparing the outcomes of the tenure-led projections and the Housing LIN recommendations, it is important not to assume direct equivalence of the type of housing deemed suitable for those whose lives are limited 'a little' in Table 6-7 (628) with 'sheltered housing' in Table 6-9 (697), even though both types of housing address the needs of those with relatively limited support needs. This is because there is a range of housing suitable for this group of the population including mainstream housing, whereas the HLIN identifies only sheltered housing specifically.
193. A more accurate result, therefore, can be achieved by comparing the 628 dwellings identified in the tenure-led approach for those who require housing with care with the 697 specialist dwellings that emerge from the HLIN calculations. The 628 figure in the tenure-led projections is based on those whose day-to-day needs are limited only a little, and whose housing needs therefore have the potential to be provided through adaptations to a conventional home.
194. For this reason, our recommendation would be to treat the outcome of these approaches as a range, with at least 628 specialist dwellings being required to service the needs of older people over the Plan period, and the projection of 697 dwellings functioning as an upper, more aspirational target, to be provided if other constraints allow.
195. As this range relates to the total number of specialist dwellings likely to be required by the end of the Plan period, the final step is to ensure both the upper and the lower estimates are net rather than gross figures by deducting the current supply of specialist housing for older people in Chippenham and thus to determine a net minimum requirement for provision over the Plan period, broken down by tenure.
196. Recall that there are approximately 343 existing units of specialist housing for older people in Chippenham, for a 2011 population of 2,557 people aged 75+. This suggests the actual rate of provision in Chippenham is approximately 134 dwellings per 1000 population aged 75+. Referring to the minimum target, this means there are an additional (i.e. net) 285 specialist units (628 – 343) that need to be provided over the Plan period.
197. In addition, given that specialist housing for older people costs more to build, it is considered that to assume 29% of all specialist housing for older people should comprise AH tenures is reasonable and realistic, midway between the tenure-led and Housing LIN projections. This midpoint target should be monitored for viability as it is implemented, with neighbourhood planners seeking a higher proportion where appropriate.
198. Moreover, it is important to acknowledge that bungalows, especially 2-3 bedroom bungalows, may be in high demand, particularly given that the analysis of housing for older people suggests that a relatively high proportion of households can be expected to experience some form of mobility limitation by the end of the Plan period. To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible. Therefore, a heavier emphasis on bungalows should be sought in the delivery of specialist housing.
199. 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.

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

201. It is considered that Chippenham is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Plan area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Chippenham in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Plan area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided in that location and the overall dwellings target for the Neighbourhood Plan area itself.

202. 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

7.1 Overview

203. 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 Chippenham with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>The vast majority of households in Chippenham are owner-occupiers (70%). This is followed by the social rented sector (15.5%) and private rented sector (12.8%).</p> <p>Between 2001 and 2011, the largest change in the NA was seen in shared ownership (221.1%). Private rented homes also increased by 146.5%. Meanwhile, there was a small but notable increase of 18.7% in social rented homes and a minor decline of -0.6% in home ownership.</p> <p>House prices have grown by 38.1% overall between 2001 and 2011. Semi-detached and terraced house prices both increased by 44%, compared to 32.9% growth for detached homes and just 26.4% for flats.</p> <p>The approximate median and lower quartile incomes in the NA are £46,475 and £21,536 respectively. It is clear from this that the most affordable forms of tenure are social rent and affordable rent, but only social rent is affordable to those earning lower quartile incomes. Home ownership is out of reach for those on average incomes, but renting is relatively affordable and there is a market gap that could be filled by affordable home ownership tenures serving those who can afford to rent but aspire to buy.</p>	<p>The total estimated Affordable Housing need over the Plan period 2016-2036 is 1107 (rounded) affordable rented homes and 1536 affordable home ownership dwellings, or 2643 affordable homes in total. Despite the absence of an HRF for Chippenham over the neighbourhood plan period, it is unlikely that 40% of the final HRF will enable the delivery of 2643 affordable homes.</p> <p>in accordance with Core Policy 43, 40% of all housing should be affordable. In Chippenham, with a housing requirement figure of at least 4,510 dwellings, this would equate to 1,804 dwellings that should be delivered as affordable. To ensure that the 1107 affordable houses for rent is delivered as a priority, 70% of the affordable housing allocation should be for affordable housing for rent. The remaining 30% should be for affordable home ownership. This will enable Chippenham to meet the current NPPF policy requirement of 10% of all homes to be delivered for affordable home ownership (in Chippenham, in line with Core Policy 43, this equates to 25% of the affordable housing requirement). A higher proportion of affordable homes for sale should be shared ownership as this can be significantly more affordable if sold with a lower equity (as shown in Figure 4-2). Therefore, 20% of affordable homes should be for shared ownership and 10% for discounted market sale.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
<p>Housing type and size</p>	<p>Chippenham has large proportions of detached, semi-detached and terraced homes (28.8%, 30.8% and 2% respectively) with similar proportions in the wider county (albeit with a significantly greater share of detached homes than terraced homes in Wiltshire as a whole). There is a significant proportion of flats in Chippenham (12.3%) compared to just 8.7% in the wider and more rural county.</p> <p>The housing stock in Chippenham comprises medium to large dwellings, with almost all properties consisting of 3 or more rooms. This theme is broadly reflected at the LA level, though Wiltshire has a slightly higher proportion of the largest homes. The most common size of dwelling in the NA and LPA is 3 bedroom properties, followed by 2 bedroom properties. Wiltshire has slightly more 5 or more bedroom homes.</p> <p>The 2011 Census data reveals that Chippenham has a slightly lower percentage of people over 65 when compared with county and national figures. (15% versus 18% in Wiltshire). Meanwhile, there is a slightly higher proportion of those aged 44 and under in Chippenham compared to Wiltshire (59% against 54%). It is evident that there is a slightly younger demographic in Chippenham than the wider county.</p> <p>However, despite the proportions of young people in Chippenham being higher than Wiltshire, there has been a decline in those aged below 15 years (-3.5%) and also a notable decline of young adults (-11.2%) in those aged 25-44 between 2001 and 2011. Meanwhile, the rest of the population has grown markedly, especially for the 16-24 and 45- 64 age groups.</p>	<p>The final recommended dwelling size mix suggested in new development in Chippenham might involve the following share of dwelling sizes: 10% as one bedroom, 30% of as two bedroom, 40% as three bedrooms, 5% as four bedrooms and 15% as five or more bedrooms.</p> <p>This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. However, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site specific factors which may justify a particular dwelling mix.</p> <p>As such, the recommended dwelling mix should be interpreted as a guideline only and applied with a high degree of flexibility going forward.</p> <p>In terms of the types of housing needed, it may be beneficial to diversify the housing stock to include more terraced homes and flats – an effort that would dovetail with the need to provide housing that is more affordable for local people, as these house types tend to be smaller and hence more affordable.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>The 2011 Census highlights the number of residents living in different types of communal establishments. Within Chippenham, it identified 96 residents living in care homes with nursing and 232 in care homes without nursing.</p> <p>There are projected to be 5,333 households in Chippenham over the age of 75 by the end of the Plan period in 2036.</p> <p>The proportion of elderly people in Chippenham is expected to grow to a total of 13% by 2036, from 7.1% in 2011. This is a slightly lower proportion than Wiltshire as a whole, which is expected to have 15.6% of residents aged 75 and over by 2036. This trend indicates a future increase in demand for homes that meet the needs of older people in the area, but still a relatively low overall need.</p>	<p>At least 628 specialist dwellings are required to service the needs of older people over the Plan period, and the projection of 697 dwellings should function as an upper, more aspirational target, to be provided if other constraints allow.</p> <p>There are approximately 343 existing units of specialist housing for older people in Chippenham, for a 2011 population of 2,557 people aged 75+. This suggests the actual rate of provision in Chippenham is approximately 134 dwellings per 1000 population aged 75+. Referring to the minimum target, this means there are a net additional 285 specialist units (628 minus 343) that need to be provided over the Plan period.</p> <p>Moreover, it is important to acknowledge that bungalows, especially 2-3 bedroom bungalows, may be in high demand, particularly given that the analysis of housing for older people suggests that a relatively high proportion of households can be expected to experience some form of mobility limitation by the end of the Plan period. To the extent that bungalows hold wide appeal among the existing population and can also be expected to meet the needs of many individuals whose mobility is limited a lot, they should be promoted in new housing where possible.</p>

7.2 Recommendations for next steps

204. This Neighbourhood Plan housing needs assessment aims to provide Chippenham 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 Wiltshire Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Wiltshire Council– in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Wiltshire, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA); and
- The impact of the Government's Standard Methodology on calculating housing need for Wiltshire and the

neighbourhood plan areas within it.

205. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and reasonably available information current at the time of writing.
206. 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, Wiltshire Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
207. 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.

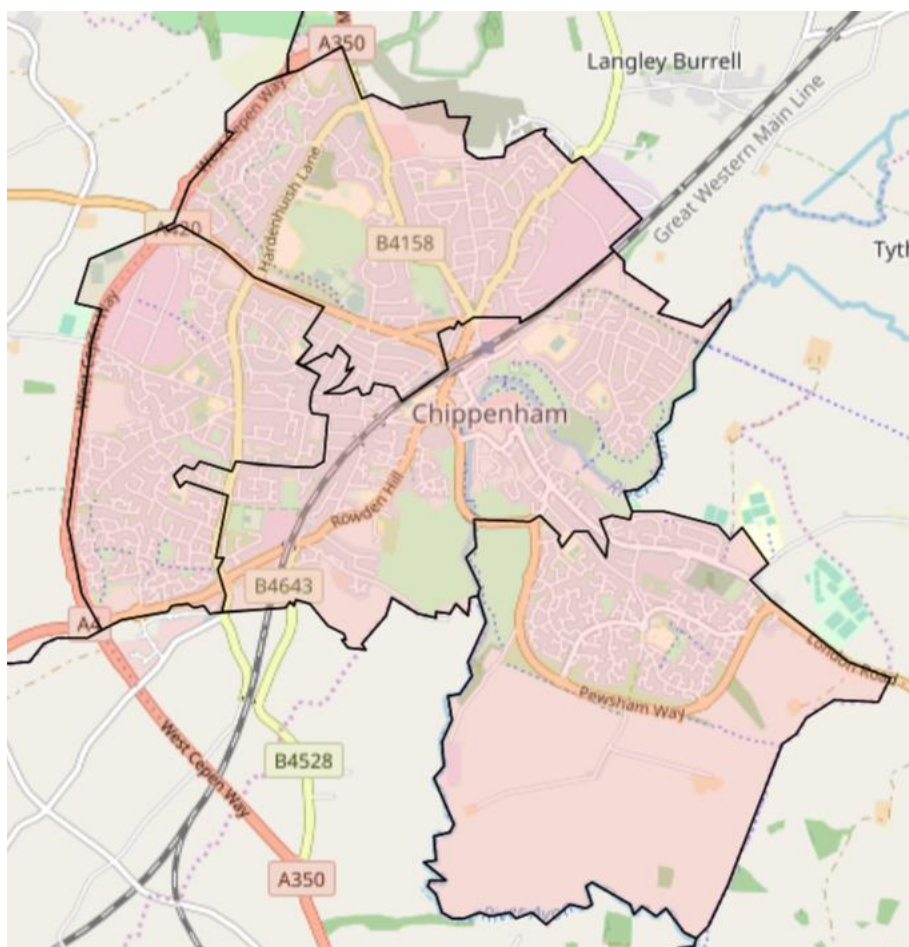
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

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

209. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Chippenham, it is considered that MSOAs E02006652, E02006653, E02006654 and E02006656 are the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of the MSOA's appears below in Figure 7-1.

Figure 7-1: MSOA's E02006652, E02006653, E02006654 and E02006656 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

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

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

212. In this sense, the notion of development viability is essential. It is important not to deter development in the context of

clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

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

i) Market sales

214. 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.

215. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Chippenham. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

216. The value of an entry-level dwelling is considered the best signpost for the segment of market housing most likely to be accessible to those on lower incomes.⁴⁴ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.

217. The calculation is therefore:

- Value of an 'entry level dwelling' = £198,250;
- Purchase deposit = £19,825 @10% of value;
- Value of dwelling for mortgage purposes = £178,425;
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £50,979.**

ii) Private Rented Sector (PRS)

218. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 25% of gross household income for households with incomes of less than £40,000 per annum, or 30% of gross household income for households with incomes of more than £40,000 per annum.

219. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,⁴⁵ such a home would require three habitable rooms (i.e. a flat or house with two bedrooms).

220. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the SN15 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

221. According to home.co.uk, there are 28 two-bed properties currently listed for rent across SN15, with an average price of £731 per calendar month.

222. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:

- Annual rent = £731 x 12 = £8,772;

⁴⁴ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

⁴⁵ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

- Multiplied by 4 (so that no more than 25% of income is spent on rent) = £35,088;
- **Income threshold (private rental sector) = £35,088.**

223. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

A.3 Affordable Housing

224. There are a range of tenures that constitute the definition of Affordable Housing within the 2018 NPPF: social rent and affordable rent, starter homes, discounted market sales housing, and other affordable routes to home ownership.

225. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bringing rents closer in line with people’s ability to pay.

226. We consider each of the affordable housing tenures in turn.

i) Social rent

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

228. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Chippenham. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Wiltshire in the table below.

229. To determine the income needed, it is assumed that no more than 25% of income should be spent on rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£83	£97	£109	£121	£100
Annual average	£4,319	£5,029	£5,675	£6,285	£5,209
Income needed	£17,274	£20,118	£22,699	£25,139	£20,835

Source: Homes England, AECOM calculations

ii) Affordable rent

230. Affordable rent is controlled at no more than 80% of the local market rent. As demonstrated in this report, the annual entry-level rent in Chippenham is £8,772. In the event of a 20% reduction in rent to £7,018, the income threshold would reduce to an estimated **£28,070**. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. RPs in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

iii) Intermediate tenures

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

Starter homes

232. In paragraph 64 of the NPPF 2019, 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*”.
233. The Housing and Planning Act 2016 introduced a duty on planning authorities in England to promote the supply of ‘starter homes’, and to require a minimum number or proportion of ‘starter homes’ on certain residential development sites.
234. A starter home is a new build home with a discounted value not exceeding £250,000 (or £450,000 in London); they are eligible for first time buyers aged 40 or younger.
235. Whether to treat discounted market sale homes as affordable housing or not depends on whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access market housing for purchase.
236. To provide a conservative assessment of the suitability of discounted market sale homes, it is appropriate to apply the value we have estimated for an entry-level dwelling, namely £198,250.
237. Applying a discount of 20% to this figure provides an approximate selling price of £158,600. Allowing for a 10% deposit further reduces the value of the property to £142,740. The income threshold at a loan to income ratio of 3.5 is £40,783.
238. In practice, developers are likely to price starter homes in relation to new build prices. When these are discounted by 20% they may not offer any discount on entry level prices in the existing dwelling stock.

Shared ownership

239. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, namely in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by a process known as ‘staircasing’. Generally, staircasing will be upward, thereby increasing the share owned over time.
240. 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.
241. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £198,250.⁴⁶ The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of the income on rent (in line with the income threshold for the private rental sector).
242. A 25% equity share of £198,250 is £49,563, from which a 10% deposit of £4,956 is deducted. The mortgage value of £44,606 (£49,563 - £4,956) is then divided by 3.5. To secure a mortgage of £44,606, an annual income of £12,745 (£44,606/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £148,688. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,717 and requires an income of £14,869 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an income of around **£27,613** (£12,745 + £14,869) is required to afford a 25% shared equity purchase of an entry-level home.
243. A 50% equity share of £198,250 is £99,125, from which a 10% deposit of £9,913 may be deducted. The mortgage cost of £89,213 (£99,125 - £9,913) is then divided by 3.5. To secure a mortgage of £89,213, an annual income of £25,489 (£89,213 / 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, comprising the unsold value of £99,125. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £2,478, requiring an income of £9,913 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an annual income of around **£35,402** (£25,489 + £9,913) is required to afford a 50% shared equity purchase of an entry-level home.
244. A 75% equity share of £198,250 is £148,688, from which a 10% deposit of £14,869 can be deducted. The mortgage cost of £133,819 (£148,688 - £14,869) is then divided by 3.5. To secure a mortgage of £133,819, an annual income of

⁴⁶ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also includes property re-sale.

£38,234 ($£133,819 / 3.5$) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, comprising the unsold value of £49,563. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,239, requiring an income of £4,956 (multiplied by 4 so that no more than 25% of income is spent on rent). Therefore, an annual income of around £43,190 (£38,234 + £4,956) is required to afford a 75% shared equity purchase of an entry-level home.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) 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.

d) 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 methods⁴⁷.

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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard⁴⁸

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order⁴⁹

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)⁵⁰

⁴⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

⁴⁸ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

⁴⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁵⁰ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

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.

Fair Share

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years⁵¹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

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.

⁵¹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing⁵²

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate 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.⁵³

⁵² See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

⁵³ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

