

Mid Cherwell

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

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

1. Executive Summary

1. Mid Cherwell is a Neighbourhood Area (NA) located in the district of Cherwell. The NA boundary covers the areas administered by 12 individual parish councils; the Mid-Cherwell Neighbourhood Plan (MCNP) is the responsibility of the MCNP Forum, whose members include the twelve parish councils. The MCNP was “made” in May 2019 and is now being reviewed.
2. The 2021 Census indicates that the Mid Cherwell population is 8,224 individuals, indicating an increase of 1,585 people since the 2011 Census.
3. There has been significant development in Mid Cherwell in recent years. Cherwell District Council has provided data showing that 843 new homes have been built since 2011. The current total number of dwellings in the NA is therefore estimated to be 3,641, this equates to 2.3 people per dwelling. A considerable number of these dwellings have been delivered in the Heyford Park new settlement.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Mid Cherwell Neighbourhood Plan Forum at the outset of the research.
5. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

Tenure and Affordability

Current tenure profile

6. Mid Cherwell has a tenure profile which is dominated by people who own their own homes (68%), which is a slightly larger proportion than Cherwell (65%) and the national average (61%). The NA has a private rental sector which is broadly similar in size to the District and national average, but has a smaller socially rented sector.
7. Between 2011 and 2021, the private rental sector in Mid Cherwell only grew by 2%. However, there was significant growth in the socially rented sector and shared ownership.
8. Across the four sub areas included in the analysis, owner occupation remains the most popular tenure option. Heyford Park displays a more unique tenure profile, with a higher proportion of shared ownership and private rental homes. As such this development can be seen as helpfully diversifying the mix of existing tenures and widening options for local people.

Affordability

9. Currently, the median house price in Mid Cherwell is £412,500, having grown by 20% since 2012. Lower Quartile (lowest 25%) prices grew at a faster rate of 31%, to a current average of £325,000.
10. The average household income in Mid Cherwell is estimated to be £58,333 (in 2018). The lower quartile individual income for the District (that of the lowest earning 25% of people) was around £17,880 in 2020, so a household with two lower earners could be expected to earn around £35,760.
11. There is a clear issue regarding the affordability of housing in Mid Cherwell, with the median house price requiring an income of £106,071, which is 82% higher than the average income. Moreover, both entry level and new build homes are generally out of reach for the average earning household.
12. Affordability is seemingly better in the rental market, with average rents accessible to households on average incomes. However, rental properties still present issues of affordability to households on lower incomes.
13. Given the large gap between the affordability of renting and ownership, affordable home ownership products offer good potential to extend home ownership in the NA. First homes would need to be offered at a minimum discount of 40% to be within the income threshold of households on average incomes. Shared Ownership homes at an equity share of 25% potentially represent a more accessible route to home ownership for average income households.
14. Generally, lower earning households would struggle to access home ownership products in the NA, with shared ownership at 10% equity share being only marginally affordable to households with two lower earners.
15. Private renting in the NA only appears affordable to households on average incomes. As such, the affordable and social rented sector provides a vital role for those in the NA experiencing the most acute affordability pressures.

The need for Affordable Housing

16. A growth assessment was conducted for the wider Oxfordshire area in 2021 which considered the housing needs of the district and can be used to give an indication of the scale of social/affordable need in Mid Cherwell. When the figures presented in this assessment are pro-rated to the NA population (based on Mid Cherwell representing 1% of the population of the OGNA study area), the NA could be reasonably expected to need 32 social/affordable rental homes per annum (608 over the NP period – 2021-2040).
17. Alongside the need for social/affordable rental identified in the OGNA, AECOM's own modelling suggests there is potential demand for 24 units for affordable home ownership per year (462 over the NP period).
18. In practice, many of these households have other options in the market and may not take up affordable home ownership if it were available. This estimate is likely to

represent the upper end of potential demand for these products. Mid Cherwell has experienced significant housing development (in the Heyford Park area) over the last decade, and if this were to continue into the future this could help to address the need identified in this study.

Affordable Housing policy

19. Mid Cherwell NP Forum have not yet been provided with an indicative or definitive Housing Requirement Figure as part of the Cherwell Local Plan Review. However, given the expectation of a further 1,600 dwellings to be delivered in Heyford Park, compared with the progress on this site to date, it could be reasonably expected that Mid Cherwell will continue to see significant housing growth over the Local Plan period (2011-2031). Although it is difficult to define what may be delivered with the absence of a Housing Requirement Figure (HRF), if the Local Plan target of 35% is applied to any future development in the NA, it would be expected that a large portion of the Affordable Housing need and demand identified in this study would be met.
20. This HNA would suggest a tenure mix in Mid Cherwell of 60% affordable rented and 40% affordable ownership accommodation. This is due to the particularly acute levels of unaffordability in the NA and an increase in the supply of social/affordable rental homes would respond to the most acute affordability pressures in the NA. However, adopting the mix above would still increase the supply of affordable home ownership products while prioritising the clear need for social/affordable rental homes.
21. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

Type and Size

The current housing mix

22. Currently there are 3,283 households in Mid Cherwell (2021 Census). Completions data provided by Cherwell District Council indicate that there were 843 dwellings completed in the NA since 2011, taking the total to an estimated 3,641.
23. There is a lack of diversity in the NA housing stock: detached and semi-detached dwellings cumulatively account for 82% of the overall stock. In turn there is a lower proportion of terraced dwellings and flats.
24. In terms of size, the NA has a higher proportion of larger 4+ bedroom properties than can be typically found in Cherwell and nationally (Table 5-4 in main report). There is a correspondingly smaller proportion of smaller 1-bedroom homes.
25. In terms of the four sub areas included in the analysis, there is a general similarity in dwelling type, with a higher proportion of detached and semi-detached dwellings. The recent development in Heyford Park generally follows the pattern of development seen

across the NA. However, it does appear to have a higher proportion of semi-detached dwellings.

Population characteristics

26. Mid Cherwell has a population with a high proportion of people of family age, with those aged between 25-64 accounting for 54% of the total population. When compared to Cherwell and National trends, Mid Cherwell has a higher proportion of its population aged between 65-84 and a smaller proportion aged between 15-24.
27. Household projections suggest that Mid Cherwell's population will change over the NP period, with a potential increase of 92% in the population aged 65 and over. This is in contrast to potential decline in younger age groups.
28. It should be noted, the base figures for these calculations do not account for the significant development experienced in Heyford Park, which will have an impact of the population profile of the NA. However, it appears that the new population favours families.

Future population and size needs

29. This study provides an insight into the likely need for different sizes of home based on projected demographic change and gaps within the existing housing stock. To accommodate the future population of Mid Cherwell and to diversify its housing mix, AECOM's modelling suggests prioritising the provision of smaller 1 to 3 bed dwellings.
30. It should be noted that this model is a fairly blunt indication of future needs, which does not reflect the preferences of individuals or their potential desire to live in larger dwellings than they 'need'. For this reason, it may not be advisable to restrict future housing delivery too strictly to smaller dwelling sizes as the model suggests. An additional factor is the existing historic character and density of the built environment, which may not be well-suited to flats – which is the form that 1-2 bedroom dwellings typically tend to take. In summary, there are good reasons to depart from the results of the HNA model to allow for more balance – retaining the emphasis on smaller homes but to a lower degree – if this aligns with the objectives of the community.
31. Equally, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

Specialist Housing for Older People

32. Currently, there are 614 people aged 75+ living in Mid Cherwell, which has grown from 456 in 2011 and is projected to rise to 1,075 by the end of the current Neighbourhood Plan period (2031). These figures are indicative of a gradually aging population in the NA, and do not fully reflect the future population increase associated with Heyford Park. There is currently no provision of specialist accommodation in the parish.

33. A clear majority (86%) of Cherwell's households aged 55-75 in 2021 (therefore likely to reach 75+ bracket by 2039) are owner occupiers and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing because they are unlikely to have the funds to buy.
34. The growth in the older population, which, rather than the total, is the focus of the estimates of need here, should be converted into households because some older people will be cohabiting in old age. The projected growth in the older population points to 329 new households inhabited by persons aged 75+ over the Neighbourhood Plan period.
35. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
36. These two methods of estimating the future need in Mid Cherwell produce a range of 104 to 133 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
37. The main body of this report provides a breakdown of the likely need for housing with care facilities in comparison to adaptations. It suggests that with any housing for older persons coming forward in the NA, the focus should be on delivering adaptations and retirement living, whilst also providing some care facilities for those who may need them over the plan period.

2. Context

Local context

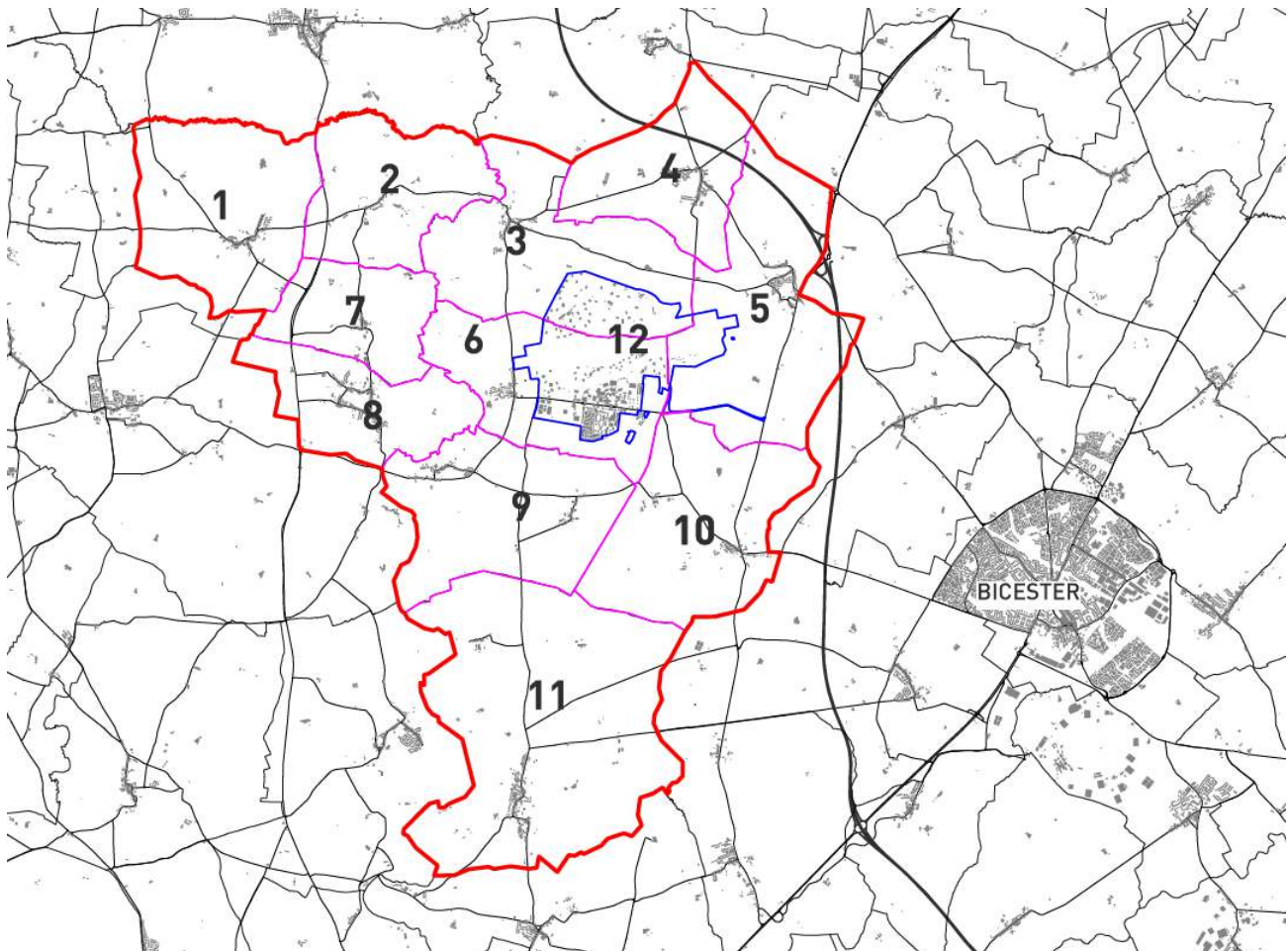
38. Mid Cherwell is a Neighbourhood Area (NA) located in the district authority of Cherwell in the South East of England. The NA is a combined Neighbourhood Plan area consisting of 12 parishes, which are as follows (numbers refer to Fig 2-1):
- Duns Tew (1)
 - North Aston (2)
 - Somerton (3)
 - Fritwell (4)
 - Ardley (5)
 - Upper Heyford (6)
 - Middle Aston (7)
 - Steeple Aston (8)
 - Lower Heyford (9)
 - Middleton Stoney (10)
 - Kirtlington (11)
 - Heyford Park (12)
39. The NA boundary covers the extent of the 12 parish areas and was designated in 2014 and “made” in May 2019. AECOM produced an initial HNA report for the Mid-Cherwell Neighbourhood Plan Forum in 2016 to help inform the initial policies. The current report will highlight significant changes over the seven-year period since the first report, where they could impact on revised NP policies.
40. The reviewed Neighbourhood Plan is envisaged to start in 2023 and extend to 2040, therefore covering a period of 17 years. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
41. The NA sits in the middle area of the district, with Bicester to the east and Banbury to the north. In terms of development in the area, Heyford Park is a recently created parish and development site on a former RAF base, which has been designated through Policy Villages 5 of the Cherwell Local Plan (2011-2031, adopted July 2015) to deliver approximately 1,600 dwellings (in addition to the 761 (net) already permitted). Since its allocation, considerable development has been undertaken in the area and approximately 800 dwellings have been delivered.
42. Considering the size of the NA, there is a desire from the NP Forum to understand the variation in housing provision between Heyford Park and the rest of the area, and across a number of key settlements in the NA. This will be done where possible in this

HNA.

The NA boundary and key statistics

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

Figure 2-1: Map of the Mid Cherwell Neighbourhood Area¹



44. The 2021 Census suggests there were 8,224 residents in the NA, formed into 3,283 households. Census 2021 figures on the total number of dwellings has not yet been released, however at the time of the 2011 Census there were a total of 2,798. Completions data provided by Cherwell District Council indicates that between 2011 and 2021 there were 843 dwellings completed in the NA, taking the total to an estimated 3,641.

45. Parish-level data from the 2021 Census is expected to be released in 2023, and will provide a more accurate picture of housing numbers.

¹ Available at <https://www.cherwell.gov.uk/downloads/download/523/mid-cherwell-neighbourhood-plan>

The housing market area context

46. Whilst this HNA focuses on Mid Cherwell NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
47. In the case of Mid Cherwell, the NA sits within the Oxfordshire housing market area which covers Cherwell, alongside Oxford, South Oxfordshire, West Oxfordshire and Vale of White Horse². This means that when households who live in these authorities move home, the vast majority move within this geography.
48. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Mid Cherwell, are closely linked to other areas. In the case of Mid Cherwell, changes in need or demand in settlements nearby, notably Bicester, is likely to impact on the neighbourhood.
49. In summary, Mid Cherwell functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Cherwell), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

50. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of Cherwell, the relevant adopted Local Plan consists of:
 - The Cherwell Local Plan 2011-2031 (adopted 2015)
51. Cherwell District Council have published a Community Involvement Paper, which outlines options for their emerging Local Plan Review. However, the council have not yet reached a position in their plan review to incorporate these options within this HNA. As such, the adopted plan remains the most up to date policy context for this study.
52. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the adopted Local Plan:
 - Of the twelve parishes that make up Mid Cherwell, three are categorised as category A (service villages), two are category B (satellite villages) and the other seven are category C (all other villages);

²<http://modgov.cherwell.gov.uk/documents/s51927/Appendix%203%20%20Housing%20and%20Economic%20Needs%20Assessment%20Dec%202022.pdf>

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

- Local Plan Policy BSC 1 identifies an overall housing target of 22,840 homes between 1 April 2011 and 31 March 2031 for the district;
- Policy BSC3 states that 35% of all new dwellings are expected to be delivered as Affordable Housing on sites larger than 11 homes. The suggested tenure mix within Affordable Housing is 70% affordable rent to 30% affordable home ownership.
- Policy Villages 5: Former RAF Upper Heyford outlines provisions for the Upper Heyford site within the NA, which will accommodate approximately 1,600 new dwellings, at least 30% of which will be Affordable Housing.

Quantity of housing to provide

53. The NPPF 2021 (paragraphs 66 and 67) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
54. Because of the status of its emerging Local Plan, Cherwell has not yet fulfilled its requirement of providing Mid Cherwell with either a definitive or indicative Housing Requirement Figure (HRF). For the purpose of this study this figure is unknown, but once a figure has been arrived at the calculations presented in the following chapters can be applied to the HRF to understand the expected delivery of, for example, Affordable Housing.

3. Objectives and approach

Objectives

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

Affordability and Affordable Housing

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

Type and Size

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

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

Specialist Housing for Older People

62. It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.
63. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:
- To review the **current provision** of specialist housing in the NA;
 - To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
 - To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.
64. This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

Approach

65. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from [Home.co.uk](https://www.home.co.uk);
 - Local Authority housing waiting list data; and
 - Oxfordshire Growth Needs Assessment 2021
66. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure,

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

67. As Mid Cherwell is made up of 12 different parish areas, a sub area analysis will be included to compare the differing housing profiles across the benchmark areas. For the sub area analysis, the three Category A villages defined in the adopted Local Plan were chosen (Fritwell, Kirtlington and Steeple Aston), alongside a new parish which has experienced a considerable level of housing delivery over the last decade (Heyford Park). These four areas will be analysed in terms of Household Tenure, Household Type, Household Size and age profile. These areas were chosen because of the likelihood that they would experience the most significant level of growth, and were agreed with the Mid Cherwell Neighbourhood Plan Forum at the beginning of the study.

4. Affordability and Affordable Housing

Introduction

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

Definitions

71. This section uses a range of technical terms which are useful to define at the outset:
- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
 - **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
 - The definition of **Affordable Housing** is set out in the NPPF 2021 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
 - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁴

⁴ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

Current tenure profile

72. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
73. Table 4-1 presents data on tenure in Mid Cherwell compared with Cherwell and England from the 2021 Census. It shows that home ownership is the dominant tenure option in the NA (68%), which is broadly reflective of the District and national averages, albeit with a slightly higher proportion of owner occupiers. Of the remaining households there is a high proportion of private renters (20%), in comparison those living in socially rented accommodation (9%). The proportion of private renters is similar to the trend across Cherwell, however, the District has a higher proportion of households occupying socially rented homes (13%) than in the NA.

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

Tenure	Mid Cherwell	Cherwell	England
Owned	68.0%	65.0%	61.3%
Shared ownership	3.0%	1.9%	1.0%
Social rented	8.6%	13.3%	17.1%
Private rented	20.3%	19.8%	20.6%

Sources: Census 2021, AECOM Calculations

74. It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). The most striking statistic from the table below is the significant increase in shared ownership in the NA, which grew by 400 percentage points over the 10-year period between the 2011 and 2021 Census. Despite this noticeable rate of growth, the underlying numbers still suggest the availability of this option is relatively low in relation to other tenure options. This growth rate equates to an absolute increase of 80 new shared ownership dwellings over the 10-year period, and moreover, it is likely this increase is linked to the considerable development of Heyford Park. Nevertheless, these figures suggest a strong take-up of subsidised routes to ownership in the context of severe affordability pressures (explored below).
75. The proportion of households occupying socially rented housing grew by 38% over the same time period, and there was also growth of 23% in the number of people who owned their own homes. In reality the growth in all categories primarily reflects the level of development in the NA over this period and the delivery of different tenure options rather than organic changes in the ways people are choosing or needing to occupy housing.

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

Tenure	2011	2021	% change
Owned	67.0%	68.0%	23.4%
Shared ownership	0.7%	3.0%	400.0%
Social rented	7.7%	8.6%	37.9%
Private rented	24.6%	20.3%	2.0%

Sources: Census 2021 and 2011, AECOM Calculations

76. Given that Mid Cherwell is a NA made up of 12 different parishes, it is worthwhile to provide a breakdown of tenure across the three Category A parishes, which is included below. The table suggests that Fritwell, Kirtlington and Steeple Aston generally have a similar tenure profile, albeit with a higher proportion of social renters in Fritwell (16%) than in Kirtlington (9%). As referenced early, Heyford Park is a large new settlement in Mid Cherwell. From table 4-3 below, it appears this area is quite unique when considered alongside the other benchmark parishes: it has a much smaller proportion of owner occupiers and social renters, and in turn, a larger proportion of private renters and people in shared ownership.

Table 4-3: Tenure (households) in Mid Cherwell Sub Areas, 2021

Tenure	Fritwell	Kirtlington	Steeple Aston	Heyford Park
Owned	70.0%	74.4%	75.3%	56.6%
Shared ownership	0.7%	0.5%	1.3%	6.5%
Social rented	15.7%	9.2%	13.2%	8.8%
Private rented	13.6%	15.9%	10.2%	28.2%

Affordability

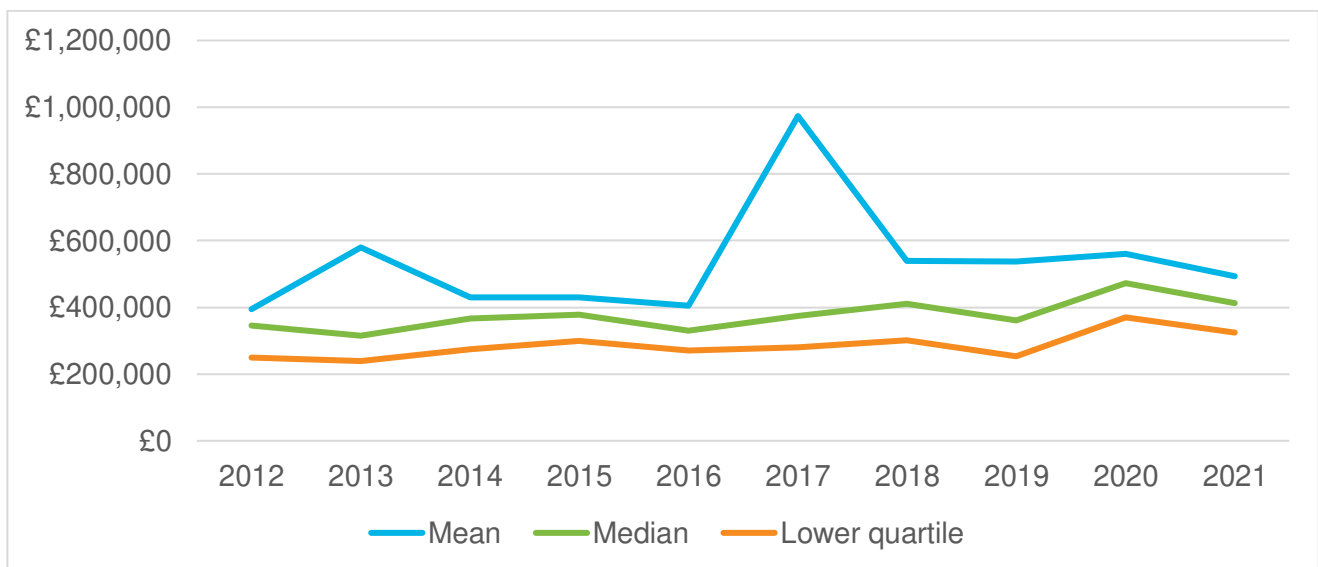
House prices

77. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
78. Figure 4-1 looks at the average and lower quartile house prices in Mid Cherwell based on sales price data published by the Land Registry. When looking at price changes in median house prices, which represent the middle number when the data is sorted from smallest to largest, it shows that house prices showed a relatively steady upward growth, despite some year-on-year fluctuations.
79. The current median house price in Mid Cherwell is £412,500, which is 20% higher than the median price in 2012. The current mean, which represents the average of all house prices, is slightly higher than the median at £493,500, which is 25% higher than the

same category in 2012. Because the mean reflects the overall average there are some outlying data points of high value sales which have the potential to skew the results. This is reflected in Figure 4-1, which shows a mean house price of close to £1,000,000 in 2017. It is unlikely this figure represents the typical house sale in the NA.

80. The current lower quartile price, which is the middle figure of the lowest 50% of sales and acts as a good representation of entry-level housing, is £325,000 - which is 31% higher than the 2012 figures. Although not a significant divergence from the mean and median figures, this change does suggest that entry-level homes are appreciating at a faster rate than the wider market. This growth suggests that first-time buyers may have increased difficulty to access the most affordable properties on the market.

Figure 4-1: House prices by quartile in Mid Cherwell, 2012-2021



Source: Land Registry PPD

81. Table 4-4 breaks down house prices by type, presenting the median within each type. It shows that there is a clear distinction between the values of detached housing and all other types. Detached dwellings are £165,000 more expensive than semi-detached dwellings and close to £200,000 more expensive than terraced dwellings. However, when considering the price growth in each category, terraced dwellings appear to be appreciating at a faster rate than all other housing types (41%).
82. That said, the annual average by type is derived from a smaller sample size within each category that can mean that variation in the homes that happen to be sold in a given year (and their characteristics in terms of size, location and condition) can have a large impact on the average.

Table 4-4: Median house prices by type in Mid Cherwell, 2012-2021

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£385K	£440K	£434K	£450K	£472K	£478K	£471K	£460K	£523K	£523K	35.7%
Semi-detached	£310K	£265k	£300K	£300k	£288K	£326K	£336K	£318K	£320K	£358K	15.3%
Terraced	£230K	£250K	£277K	£325K	£270K	£306K	£294K	£192K	£387K	£325K	41.3%
Flats	£179K	£218K	£375K	£201K	£150K	£231K	£122K	-	£350K	£185K	3.5%
All Types	£345K	£315K	£368K	£377K	£330K	£375K	£410K	£360K	£472K	£412K	19.6%

Source: Land Registry PPD

Income

83. 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.
84. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £58,333 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A, but it should be noted here that due to the size of the NA, this figure is derived of an average of the three MSOA areas which cover the NA
85. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Cherwell's gross individual lower quartile annual earnings were £17,880 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £35,760.
86. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

87. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
88. AECOM has determined thresholds for the income required in Mid Cherwell to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.

89. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.
90. Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

Table 4-5: Affordability thresholds in Mid Cherwell (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £58,333	Affordable on LQ earnings (single earner)? £17,880	Affordable on LQ earnings (2 earners)? £35,720
Market Housing						
Median House Price	£371,248	-	£106,071	No	No	No
Estimated NA New Build House Price	£328,500	-	£93,857	No	No	No
LQ/Entry-level House Price	£292,500	-	£83,571	No	No	No
LA New Build Median House Price	£328,500	-	£93,857	No	No	No
Average Market Rent	-	£17,244	£57,480	Yes	No	No
Entry-level Market Rent	-	£12,420	£41,400	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£229,950	-	£65,700	No	No	No
First Homes (-40%)	£197,100	-	£56,314	Yes	No	No
First Homes (-50%)	£164,250	-	£46,929	Yes	No	No
Shared Ownership (50%)	£164,250	£4,563	£62,137	No	No	No
Shared Ownership (25%)	£82,125	£6,844	£46,277	Yes	No	No
Shared Ownership (10%)	£32,850	£8,213	£36,761	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£8,085	£26,925	Yes	No	Yes
Social Rent	-	£5,535	£18,433	Yes	No	Yes

Source: AECOM Calculations

91. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give an indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation.

The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being ‘affordable’ or ‘not affordable’ for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

92. Generally, the table shows particularly acute levels of unaffordability across all income groups, and that buying a house on the open market would be difficult for households on average incomes.

Market housing for purchase and rent

93. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 82% higher than the current average.
94. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals’ circumstances.

Affordable home ownership

95. There is a relatively large group of households in Mid Cherwell who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £41,400 per year (at which point entry-level rents become affordable) and £83,570 (at which point entry-level market sale homes become affordable). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
96. First Homes offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties), would require an income of at least £65,000. As such, this discount level would still present affordability challenges to average earners. Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
97. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Given the affordability challenges presented in table 4-5, it is likely that First Homes would require a minimum discount of at least 40% to be widely affordable to average earners.
98. It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased.

This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Mid Cherwell Neighbourhood Plan Forum intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.

99. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁵ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
100. Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would remain affordable to the same groups who may be able to access First Homes and Shared Ownership. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.
101. These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:
 - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower

⁵ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>.

accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

102. Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Mid Cherwell, where affordable rents are closer to 60% of market rents
103. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through Housing Benefit to access housing.
104. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Mid Cherwell as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Estimates of the need for Affordable Housing

105. This section seeks to quantify the long-term potential need for Affordable Housing, which should be considered separately for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.
106. A Growth Needs Assessment (OGNA) was undertaken for the Oxfordshire area in 2021. This study estimates housing needs of Cherwell, alongside Oxford, South Oxfordshire, West Oxfordshire and Vale of White Horse based on analysis of the Council's housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
107. Given the recency of the relevant OGNA (2021), pro-rating the figures presented in this document represents the most appropriate basis for estimating the likely need for affordable/social rental housing in the NA.
108. The OGNA identifies the need for 3,200 additional affordable homes per annum in Oxfordshire as a whole. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
109. When the OGNA figures are pro-rated to Mid Cherwell based on its fair share of the population (1% of the growth study area's cumulative population (Census 2021)), this equates to 32 homes per annum or 608 homes over the Neighbourhood Plan period (2021-2040).

AECOM Estimates

110. Considering the OGNA recommendations are not broken down between tenure options and are considered as an overall need figure, it can be assumed this relates primarily to social/affordable rental. As such, it is worthwhile to provide an indication of the demand for affordable home ownership products in the NA. This is established using AECOM's own modelling (Appendix D), which estimates a demand for 24 affordable ownership dwellings per annum in Mid Cherwell, equating to a total of 462 over the Neighbourhood Plan period.
111. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-6: Estimate of need for Affordable Housing for rent in Mid Cherwell

Component of need or supply in the AECOM estimate	Per annum
Current need	23
Newly arising need	7
Supply	5
Net shortfall	24

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

Affordable Housing policies in Neighbourhood Plans

Application of Local Plan policies

112. Cherwell's adopted policy on this subject BSC3 requires 35% of all new housing to be affordable (the target is reduced to 30% for Heyford Park). It is now known how much of the housing that has been delivered is affordable. However, given the scale of development in the NA, there is potential to deliver some of the housing need identified above.
113. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.
114. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence.

Affordable Housing at Neighbourhood level

115. The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Cherwell on the basis of identified housing need and a range of other considerations detailed in Appendix D.
116. The key factors are follows:
- AECOM estimates a need for 32 new social/affordable dwellings per annum (based on the OGNA), and potential demand for 24 units for affordable home ownership.
 - Given the scale of development the NA has experienced over the last 10 years and will continue to do so, particularly in the Heyford Park area,

there is an opportunity to respond to the need identified in this study. This area has been designated for 1,600 new dwellings (2361 in total), of which approximately 800 have been delivered. Whilst this would not cover the full need and potential demand for Affordable Housing, the delivery of a further 800 dwellings on this site would have a significant impact on meeting the most acute need in the NA.

- The affordability analysis earlier in this chapter established that social rented housing is marginally affordable for households with a single lower earner. Moreover, whilst affordable home ownership may still present affordability challenges to lower earners in practice, an increase in provision would still meaningfully widen access to home ownership for local people. This suggests both should feature in the tenure mix.
117. AECOM suggests that there is an opportunity here to increase the provision of both social/affordable rented and affordable home ownership products, which would respond to housing pressures felt by households at different income levels in the NA. AECOM recommends that any tenure mix carried forward in the Neighbourhood Plan should be focused on responding to the more acute need in the NA, as such it is recommended that social/affordable rental accommodation dominate the proposed tenure mix. However, given the high cost of housing in the NA a provision of affordable ownership products would allow average earners to access home ownership.
118. In turn, this HNA would recommend an amendment to the tenure mix in the current adopted Local Plan of 70% social/affordable rental and 30% affordable home ownership. Table 4-7 below recommends a split of 60% in favour of social/affordable rental and 40% for affordable home ownership. This would allow for a 25% provision for First Homes, whilst also allowing a further 15% for other ownership products such as Shared Ownerships and Rent to Buy.
119. Where the Mid Cherwell NP Forum wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Cherwell to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Table 4-7: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	40%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown.

		RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	60%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current tenure profile

120. Mid Cherwell has a tenure profile which is dominated by people who own their own homes (68%), which is a slightly larger proportion than Cherwell (65%) and the national average (61%). The NA has a private rental sector which is broadly similar in size to the District and national average, but has a smaller socially rented sector.
121. Between 2011 and 2021, the private rental sector in Mid Cherwell only grew by 2%. However, there was significant growth in the socially rented sector and shared ownership.
122. Across the four sub areas included in the analysis, owner occupation remains the most popular tenure option. Heyford Park displays a more unique tenure profile, with a higher proportion of shared ownership and private rental homes. As such this development can be seen as helpfully diversifying the mix of existing tenures and widening options for local people.

Affordability

123. Currently, the median house price in Mid Cherwell is £412,500, having grown by 20% since 2012. Lower Quartile (lowest 25%) prices grew at a faster rate of 31%, to a current average of £325,000.
124. The average household income in Mid Cherwell is estimated to be £58,333 (2018). The lower quartile individual income for the District (that of the lowest earning 25% of people) was around £17,880 in 2020, so a household with two lower earners could be expected to earn around £35,760.

125. There is a clear issue regarding the affordability of housing in Mid Cherwell, with the median house price requiring an income of £106,071, which is 82% higher than the average income. Moreover, both entry level and new build homes are generally out of reach for the average earning household.
126. Affordability is seemingly better in the rental market, with average rents accessible to households on average incomes. However, rental properties still present issues of affordability to households on lower incomes.
127. Given the large gap between the affordability of renting and ownership, affordable home ownership products offer good potential to extend home ownership in the NA. First homes would need to be offered at a minimum discount of 40% to be within the income threshold of households on average incomes. Shared Ownership homes at an equity share of 25% potentially represent a more accessible route to home ownership for average income households.
128. Generally, lower earning households would struggle to access home ownership products in the NA, with shared ownership at 10% equity share being only marginally affordable to households with two lower earners.
129. Private renting in the NA only appears affordable to households on average incomes. As such, the affordable and social rented sector provides a vital role for those in the NA experiencing the most acute affordability pressures.

The need for Affordable Housing

130. A growth assessment was conducted for the wider Oxfordshire area in 2021 which considered the housing needs of the district and can be used to give an indication of the scale of social/affordable need in Mid Cherwell. When the figures presented in this assessment are pro-rated to the NA population (based on Mid Cherwell representing 1% of the population of the OGNA study area), the NA could be reasonably expected to need 32 social/affordable rental homes per annum (608 over the NP period of 2021-2040).
131. Alongside the need for social/affordable rental identified in the OGNA, AECOM's own modelling suggests there is potential demand for 24 units for affordable home ownership per year (462 over the NP period).
132. In practice, many of these households have other options in the market and may not take up affordable home ownership if it were available. This estimate is likely to represent the upper end of potential demand for these products. Mid Cherwell has experienced significant housing development (in the Heyford Park area) over the last decade, and if this were to continue into the future the NA could help to address the need identified in this study.

Affordable Housing policy

133. Mid Cherwell NP Forum have not yet been provided with an indicative or definitive Housing Requirement Figure as part of the Cherwell Local Plan

Review. However, given the expectation of a further 1,600 dwellings to be delivered in Heyford Park, compared with the progress on this site to date, it could be reasonably expected that Mid Cherwell will continue to see significant housing growth into the future. Although it is difficult to define what may be delivered with the absence of a HRF, if the Local Plan target of 35% is applied to any future development in the NA, it would be expected that a large portion of the Affordable Housing need and demand identified in this study would be met.

134. This HNA would suggest a tenure mix in Mid Cherwell of 60% affordable rented and 40% affordable ownership accommodation. This is due to the particularly acute levels of unaffordability in the NA and an increase in the supply of social/affordable rental homes would respond to the most acute affordability pressures. However, adopting the mix above would still increase the supply of affordable home ownership products while prioritising the clear need for social/affordable rental homes.
135. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

5. Type and Size

Introduction

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

Definitions

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

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

The current housing mix

141. This section establishes the current housing mix of Mid Cherwell, highlighting recent changes to it and comparing the mix to wider averages.
142. Currently there are 3,283 households in the NA. 2021 Census data on the number of dwellings has not yet been released. As such, the 2011 Census figure of 2,798 dwellings remains the most accurate starting point for this topic. Completions data provided by Cherwell District Council indicates that between 2011 and 2021 there were 843 dwellings completed in the NA, taking the total to an estimated 3,641.

Dwelling type

143. Table 5-1 below shows the breakdown of the different types of housing available in the NA. It shows that Mid Cherwell has a bias toward detached and semi-detached dwellings, which cumulatively account for 82% of the housing stock. Given that detached homes tend to be the most expensive, as evidenced in the previous chapter, their dominance is an important factor in the serious affordability issues demonstrated. In contrast, it appears that there is a scarcity of flats in Mid Cherwell. These dwellings tend to be the smallest and least expensive, so a limited offer of flats may present a further challenge to first time buyers.
144. The table below also presents figures from 2011, to give an understanding of how the housing stock may have changed over the last 10 years. However, no category shows a differential greater than 1 percentage point, suggesting that recent development has generally followed the existing pattern of development in the NA.

Table 5-1: Accommodation type, Mid Cherwell, 2011-2021

Dwelling type	2011	%	2021	%
Detached	1,207	43.1%	1,437	43.8%
Semi-detached	1,090	39.3%	1,246	38.0%
Terrace	335	12.1%	421	12.8%
Flat	111	4.0%	117	3.6%
Total	2,798	100%	3,283	100%

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

145. Table 5-1 compares the NA mix to wider benchmarks. It shows that Mid Cherwell has significantly higher proportion of detached and semi-detached dwellings (82%) than are typically found in the district (66%) and nationally (54%), suggesting a lack of diversity in the housing type mix.

Table 5-2: Accommodation type, Various Geographies, 2021 Census

Dwelling type	Mid Cherwell	Cherwell	England
Detached	43.8%	30.4%	22.9%
Semi-detached	38.0%	35.2%	31.5%
Terrace	12.8%	21.7%	23.0%
Flat	3.6%	12.3%	22.2%

Source: Census 2021, AECOM Calculations

146. Considering Mid Cherwell is a NA made up of 12 different parishes, it is worthwhile to consider whether there is any variation between the three Category A villages (Steeple Aston, Kirtlington and Fritwell) in terms of housing type. This data is presented in Table 5-3 below, it shows that Fritwell, Kirtlington and Steeple Aston are generally similar in their housing typology. In terms of how Heyford Park compares to the other parishes included in the analysis, the area has a smaller proportion of detached dwellings and a higher proportion of semi-detached homes.

Table 5-3: Accommodation type, Sub Areas, 2021 Census

Dwelling type	Fritwell	Kirtlington	Steeple Aston	Heyford Park
Detached	43.7%	48.8%	49.7%	32.8%
Semi-detached	34.3%	31.4%	36.2%	47.1%
Terrace	17.5%	16.9%	11.0%	12.4%
Flat	4.5%	2.9%	2.8%	3.7%

Source: Census 2021, AECOM Calculations

Dwelling size

147. Table 5-4 below presents the current housing mix in terms of bedroom numbers. It shows the NA has a generally large housing stock, with 75% of dwellings in Mid Cherwell having more than 3 bedrooms. In particular, the proportion of homes with 4 or more bedrooms accounts for close to two fifths of the housing stock. This bias toward larger homes again helps to explain the affordability issues presented in the previous chapter.

Table 5-4: Dwelling size (bedrooms), Mid Cherwell, 2011-2021

Number of bedrooms	2011	%	2021	%
1	93	3.5%	124	3.8%
2	641	24.0%	693	21.0%
3	1,009	37.8%	1,189	36.1%
4+	924	34.6%	1,291	39.2%
Total	2,667	100%	3,297	100%

Source: ONS 2021 and 2011, AECOM Calculations

148. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 5-5 shows Mid Cherwell has a much higher proportion of larger 4+ bedrooms than in the district and nationally, which Table 5-4 above indicates have grown by five percentage points over the last decade. In contrast, the NA also has a smaller proportion of 1-bedroom homes than the other two benchmark areas.

Table 5-5: Dwelling size (bedrooms), Various Geographies, 2021 Census

Number of bedrooms	Mid Cherwell	Cherwell	England
1	3.8%	9.5%	11.6%
2	21.0%	23.1%	27.3%
3	36.1%	41.1%	40.0%
4+	39.2%	26.3%	21.1%

Source: Census 2021, AECOM Calculations

149. Similar to dwelling type, it is worthwhile to breakdown dwelling size in the key sub-areas. Table 5-6 shows that Fritwell and Kirtlington are generally similar in terms of dwelling size, albeit Kirtlington has a high proportion of larger 4+ bedroom homes than can be found in Fritwell. For Heyford Park, it appears this newly developed settlement generally follows the pattern of development found in Fritwell and Kirtlington but differs more strongly from Steeple Aston.

Table 5-6: Dwelling size (bedrooms), NA Sub Areas, 2021 Census

Number of bedrooms	Fritwell	Kirtlington	Steeple Aston	Heyford Park
1	4.9%	3.1%	3.3%	3.7%
2	20.5%	15.9%	20.8%	25.3%
3	39.2%	37.4%	35.0%	36.1%
4+	35.4%	43.6%	40.9%	34.9%

Source: Census 2021, AECOM Calculations

Population characteristics

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

Age

151. Table 5-7 shows the most recent age structure of the NA population from the 2021 Census, alongside 2011 Census figures. The table shows that Mid Cherwell has a population of 8,224, which has grown by 24% since the 2011 Census.
152. In terms of the population profile, Table 5-7 shows that Mid Cherwell has a relatively balanced population profile. The NA does, however, have a high proportion of people who may be of family age, with those aged between 25-64 cumulatively accounting for 54% of the total population.
153. The table shows that Mid Cherwell has experienced relatively even population growth across all age cohorts, albeit slightly higher growth in those aged 25-44 (28%) and 65-84 (33%).

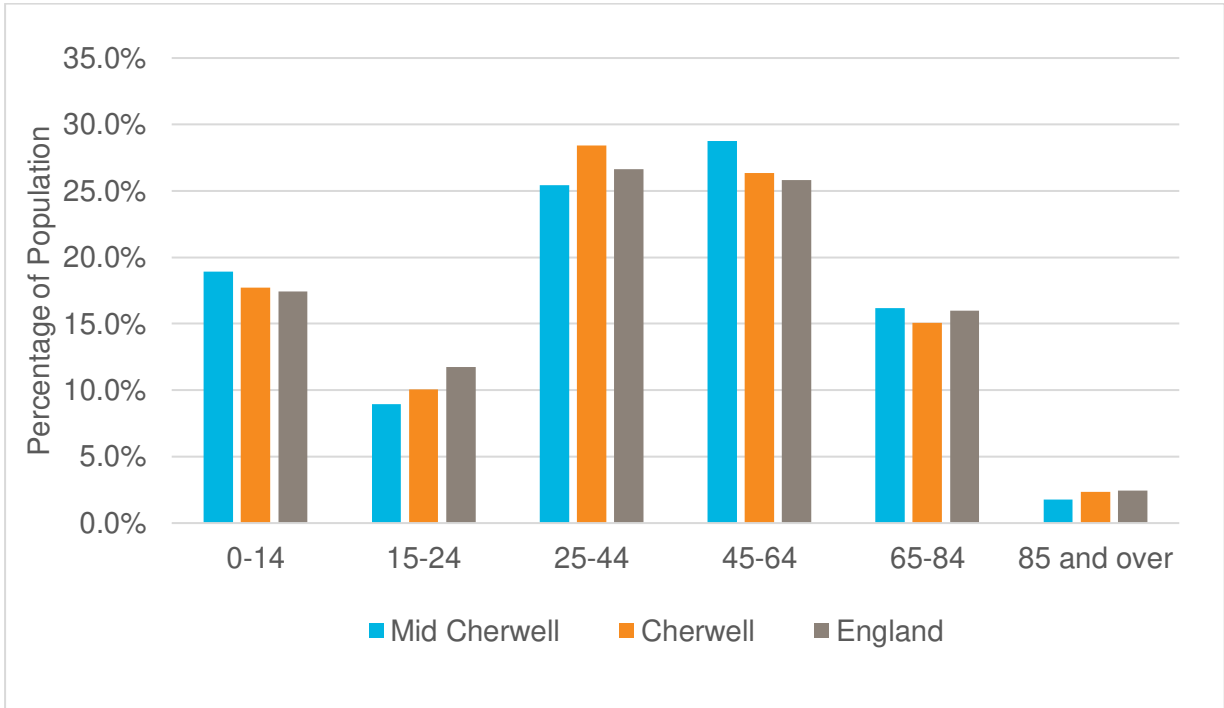
Table 5-7: Age structure of Mid Cherwell, 2011 and 2021

Age group	2011 (Census)		2021 (Census)		Change
0-15	1,352	20.4%	1,555	18.9%	21.7%
16-24	545	8.2%	737	9.0%	19.1%
25-44	1,641	24.7%	2,093	25.4%	27.5%
45-64	1,980	29.8%	2,366	28.8%	19.5%
65-84	1,002	15.1%	1,329	16.2%	32.6%
85 and over	119	1.8%	144	1.8%	21.0%
Total	6,639	100%	8,224	100%	-

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

154. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Mid Cherwell generally follows a population trend identified in both Cherwell and nationally, with a high proportion of families and smaller proportion of those aged 15-24 and 85+. The only difference of note is a slightly higher proportion of the 45-64 cohort in Mid Cherwell and slightly lower proportion of those aged between 15-24.

Figure 5-1: Age structure in Mid Cherwell, 2021

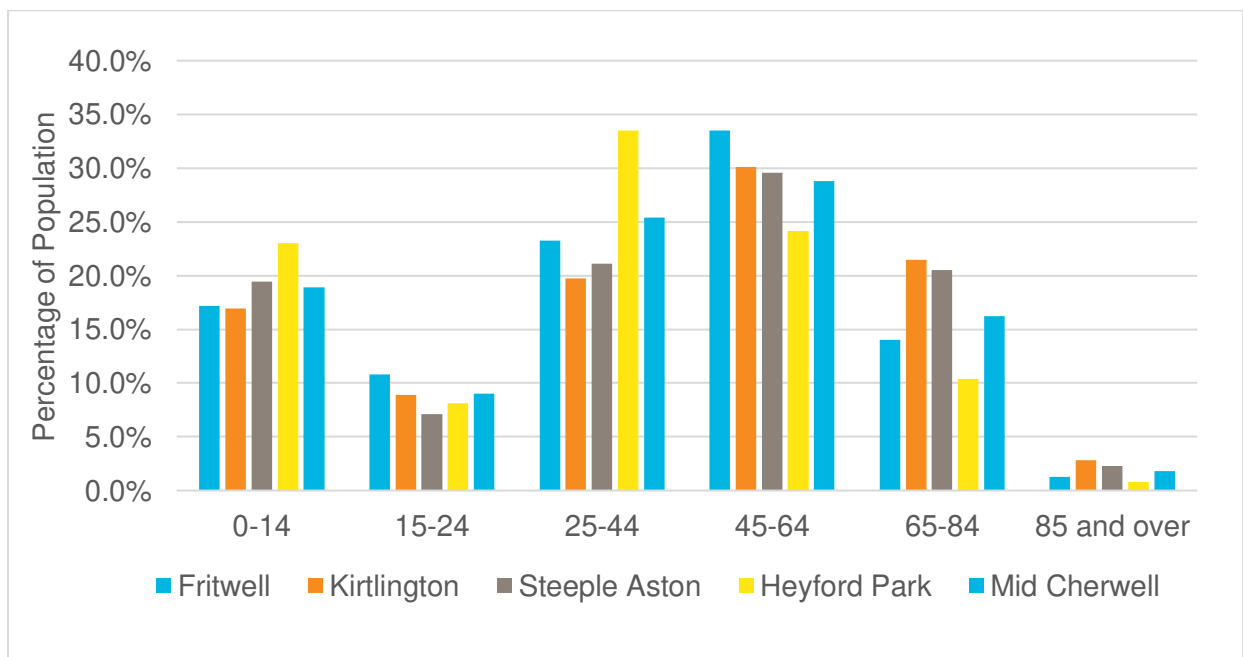


Source: Census 2021, AECOM Calculations

155. Given the size of Mid Cherwell, it is also useful to consider the age profile of each of the benchmark villages, alongside the figures for the full NA. These findings are presented in figure 5-2 below.

156. The graph shows that Heyford Park has a distinct population profile when compared to the other parishes, with a much higher proportion of people aged between 24-44 and 0-14. This would suggest a migration of a younger family aged population who have moved to the area.

Figure 5-2: Age structure in NA Sub Areas, 2021



Source: Census 2021, AECOM Calculations

Household composition and occupancy

157. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-8 shows that Mid Cherwell has a larger proportion of families (71%) than it does single person households (23%), a trend that follows the district average. The similarities between the household composition of the NA and the district are generally borne out in each category for one person households and one family households with little significant variation. However, when compared to the national average, both Mid Cherwell and Cherwell have a smaller proportion of one person households, and a larger proportion of families.

158. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category grew by 34% between 2011 and 2021 in the NA, rate of growth which is higher than the district (21%) and national (4%) averages.

Table 5-8: Household composition, Mid Cherwell, 2021

Household composition		Mid Cherwell	Cherwell	England
One person household	Total	23.0%	26.3%	30.1%
	Aged 65 and over	10.3%	11.3%	12.8%
	Other	12.7%	15.0%	17.3%
One family only	Total	70.7%	67.0%	63.1%
	All aged 65 and over	10.3%	9.2%	9.2%
	With no children	21.2%	19.8%	16.8%
	With dependent children	29.7%	27.3%	25.8%
	With non-dependent children ⁶	9.1%	10.0%	10.5%
Other household types	Total	6.2%	6.7%	6.9%

Source: ONS 2021, AECOM Calculations

159. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-

⁶ Refers to households containing children who are older than 18 e.g students or young working people living at home.

occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

160. In Mid Cherwell it appears that 83% of households live in properties with more living space than they might be expected to need. This is most common among older households and those households who do not have children. In contrast where households are over occupied, this appears to exclusively impact families with children.

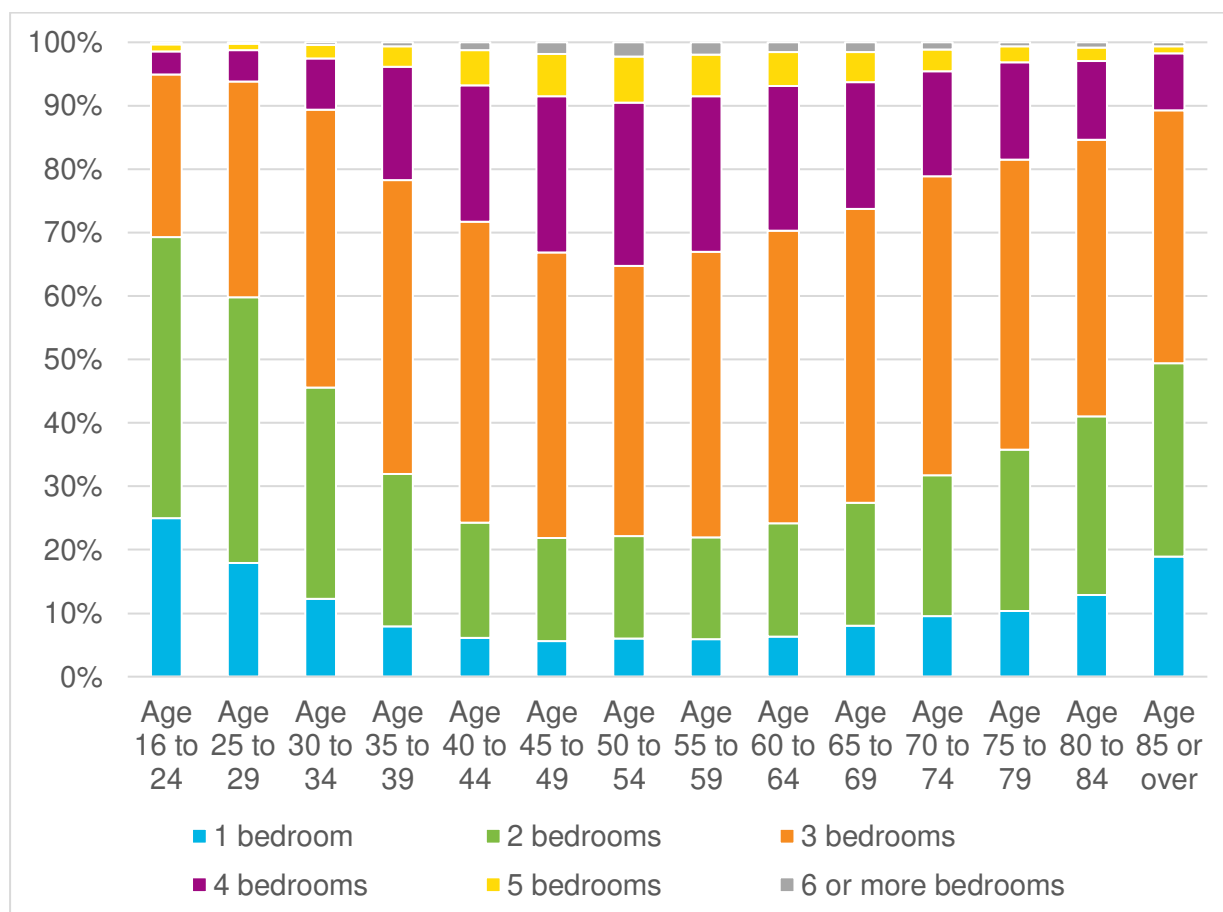
Table 5-9: Occupancy rating by age in Mid Cherwell, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	71.9%	26.3%	1.9%	0.0%
Single person 65+	59.2%	31.3%	9.5%	0.0%
Family under 65 - no children	69.6%	26.0%	4.4%	0.0%
Family under 65 - dependent children	33.9%	37.3%	26.3%	2.5%
Family under 65 - adult children	33.0%	39.3%	25.9%	1.8%
Single person under 65	51.4%	40.0%	8.6%	0.0%
All households	50%	33%	15%	2%

Source: ONS 2011, AECOM Calculations

161. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-3 sets out this relationship for Cherwell in 2011 (because this data is not available at smaller scales). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-3: Age of household reference person by dwelling size in Cherwell, 2011



Source: ONS 2011, AECOM Calculations

Future population and size needs

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

Age

163. The result of applying Local Authority level household projections to the age profile of Mid Cherwell households in 2011 is shown in Table 5-10. This makes clear that population growth can be expected to be driven by the oldest households, with the cohort aged 65 and above growing 92% over the plan period. In contrast, the table shows that the younger population 34 and under are projected to decline over the same period.

164. However, it should be noted at this point, that these figures rely heavily on the 2011 Census and as such do not take into account the significant development of Heyford Park. If this site is built out in full, the occupation of these dwellings will significantly impact the population profile of the NA. This primarily expresses the demographic change of the pre-Hayford Park population in terms of ageing, a trend that appears to be counteracted by the influx of more varied age groups to the new development. This dynamic appears to have begun to play out in the NA, as is expressed in figure 5-3 above.

Table 5-10: Projected age of households, Mid Cherwell, 2011 - 2040

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	50	233	1,163	522	699
2040	41	210	1,198	662	1,341
% change 2011-2040	-17%	-10%	3%	27%	92%

Source: AECOM Calculations

165. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2 (rainbow bar graph)) onto the projected age profile for the NA in Table 5-10 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.
166. This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.
167. The result of this exercise is presented in Table 5-11. It suggests that in order to diversify its housing mix, Mid Cherwell should primarily focus on the delivery of 3-bedroom homes, and also promote the delivery of smaller 1/2 bedroom homes. The result of this calculation is likely in response to the high proportion of families in the NA, as identified in the section directly above. However, when considering the size mix of future housing delivery, it would be worthwhile to consider this in the context of price of housing presented in the previous chapter. It is important to deliver housing of diverse types and sizes which is financially within reach of those in the population who are in more acute need.

Table 5-11: Suggested dwelling size mix to 2040, Mid Cherwell

Number of bedrooms	Current mix (2011)	Suggested mix (2040)	Balance of new housing to reach suggested mix
1	3.5%	9.0%	24.8%
2	24.0%	21.9%	13.1%
3	37.8%	44.7%	61.1%
4+	24.0%	18.8%	1.0%

Source: AECOM Calculations

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

- The model presented above suggests that Mid Cherwell should focus its future housing delivery on smaller to mid-sized homes. The OGNA does not provide a recommended size mix for the future delivery for the wider area against which to compare it.
- It should be noted that this model uses 2011 Census data, and as such does not take into account recent development in the Heyford Park area. However, when 2021 Census figures on the size mix of the Heyford park, there has been a considerable number of 4+ bedroom homes delivered, which still supports the projected size mix presented above.
- Whilst this model above recommends the delivery of 1 bed homes, it might be worthwhile to also consider a higher proportion of 2 bed homes than immediately outlined in Table 5-11. These may be a more attractive option for younger first-time buyers, who may over time be seeking to start a family.
- The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of 1-bedroom homes are suitable given the area's character and current density.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if the existing stock of larger homes is sufficiently affordable. In terms of the distribution across the sub areas included in this analysis, it might be worthwhile to consider the delivery of some smaller homes in Steeple Aston, which appears to have the least diverse housing profile, with a large proportion of 4+ bed homes.

Tenure

169. The recommendation discussed immediately above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction

may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

170. Generally speaking, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for 1 or 2 bedroom properties. In contrast, people buying their own homes tend to want more space than they technically ‘need’, such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.
171. There are three key sources of information for thinking through the size needs of different categories. These are:
- The relevant housing evidence for the Local Authority, which will (usually) set out the projected need by size within each tenure over the long-term. In this case, the OGNA is completed on a much larger spatial scale than the District, and does not present a recommendation on size and tenure of future housing delivery.
 - The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In this case, the waiting list data provided by Cherwell indicated that the highest demand was for 1 bed dwellings, but there was also interest in 2/3 bed dwellings.
 - Any relevant household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population.
172. To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

173. Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than ‘need’ in the strict sense. This stands in contrast to

the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

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

Conclusions- Type and Size

The current housing mix

177. Currently there are 3,283 households in Mid Cherwell (2021 Census). Completions data provided by Cherwell district council indicate that there were 843 dwellings completed in NA since 2011, taking the total to an estimated 3,641.
178. There is a lack of diversity in the NA housing stock, detached and semi-detached dwellings cumulatively account for 82% of the overall stock. In turn there is a lower proportion of terraced dwellings and flats.
179. In terms of size, the NA has a higher proportion of larger 4+ bedroom properties than can be typically found in Cherwell and nationally. There is a correspondingly smaller proportion of smaller 1-bedroom homes.
180. In terms of the four sub areas included in the analysis, there is a general similarity in dwelling type, with a higher proportion of detached and semi-detached dwellings. The recent development in Heyford Park generally follows the pattern of development seen across the NA. However, it does appear to have a higher proportion of Semi-Detached dwellings.

Population characteristics

181. Mid Cherwell has a population with a high proportion of people of family age, with those aged between 25-64 accounting for 54% of the total population. When compared to Cherwell and National trends, Mid Cherwell has a higher proportion of its population aged between 65-84 and a smaller proportion aged between 15-24.
182. Household projections suggest that Mid Cherwell's population will change over the NP period, with a potential increase of 92% in the population aged 65 and over. This is contrast to potential decline in younger age groups.
183. It should be noted, the base figure for these calculations do not account for the significant development experienced in Heyford Park, which will have an impact of the population profile of the NA. However, it does appear that the new population does appear to be in favour of families.

Future population and size needs

184. This study provides an insight into the likely need for different sizes of home based on projected demographic change and gaps within the existing housing stock. To accommodate the future population of Mid Cherwell and to diversify its housing mix, AECOM's modelling suggests prioritising the provision smaller 1 to 3 bed dwellings.
185. It should be noted that this model is a fairly blunt indication of future needs, which does not reflect the preferences of individuals or their potential desire to live in larger dwellings than they 'need'. For this reason, it may not be advisable to restrict future housing delivery too strictly to smaller dwelling sizes as the model suggests. An additional factor is the existing historic character and density of the built environment, which may not be well-suited to flats – which is the form that 1-2 bedroom dwellings typically tend to take. In summary, there are good reasons to depart from the results of the HNA model to allow for more balance – retaining the emphasis on smaller homes but to a lower degree – if this aligns with the objectives of the community.
186. Equally, it is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Specialist housing for older people

Introduction

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

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

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

190. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.⁷

191. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).⁸ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

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

⁷ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

⁸ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing⁹:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

193. There is currently no specialist accommodation in the NA at present. There are, however, a total of 558 units of specialist accommodation in the neighbouring area of Kidlington, as well as 3 Care homes with the capacity for 178 residents. There is a varied supply of leasehold, social rent and care home facilities. It is likely this area acts a hub for the specialist accommodation needs of the wider district.

194. The 2021 Census suggests that there are currently around 614 individuals aged 75 or over in Mid Cherwell. This suggests that current provision is in the region of 281 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

⁹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Demographic characteristics

195. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Pucklechurch is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Cherwell. The results are set out in Table 6-1.
196. If these projections are borne out in Mid Cherwell, the proportion of the population aged 75+ will rise from 8% to 16% in 2040, which is a growth of 461 people over the age of 75. Note that this estimate is based on projections for the wider District and therefore represents the natural expected population change of Mid Cherwell, without specifically taking Heyford Park into account. However, new arrivals to Heyford Park are unlikely to have unmet support needs since they will either be younger or, if having existing support needs, will take up suitable accommodation.
197. A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are also already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.

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

Age group	Mid Cherwell		Cherwell	
	2021	2040	2021	2040
All ages	8,224	161,015	8,575	167,885
75+	614	12,950	1,075	22,676
%	7.5%	6.3%	16.0%	13.5%

Source: ONS SNPP 2020, AECOM Calculations

198. The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
199. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2040. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the vast majority of the older population in Mid Cherwell own their own home, and in turn there are very few private renters.

200. The expected growth in the 75+ population in the NA is 461 additional individuals by the end of the plan period. This can be converted into 329 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Mid Cherwell households are likely to need in 2040, and is shown in the bottom row of Table 6-2.

Table 6-2: Tenure of households aged 55-75 in Cherwell (2021) and projected aged 75+ in Mid Cherwell (2040)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
Cherwell	86.4%	59.3%	27.2%	13.6%	11.7%	1.6%	0.2%
Mid Cherwell	284	195	89	45	39	5	1

Source: Census 2021

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

Future needs for specialist accommodation and adaptations

202. Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 133.
203. AECOM's modelling, summarised in Table 5-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

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

Type	Affordable	Market	Total
Housing with care	12	45	57
Adaptations, sheltered, or retirement living	13	64	77
Total	25	108	133

Source: Census 2011, AECOM Calculations

204. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table E-3 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Mid Cherwell results in a total of 104 specialist dwellings that might be required to the end of the Plan period. .

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

Type	Affordable	Market	Total
Housing with care	7	14	21
Adaptations, sheltered, or retirement living	28	55	83
Total	35	69	104

Source: Housing LIN, AECOM calculations

Further considerations

205. The above estimates suggest that potential need for specialist accommodation could be in the range of 104-133 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. Given that Mid Cherwell do not currently have an active Housing Requirement Figure and full details of Heyford Park are not available it is difficult to ascertain how much specialist accommodation might be delivered over the NP period. Nonetheless, it should be noted that within the Masterplan for the Heyford Park development there is a proposal for a care facility which will deliver 60 close care dwellings, which would meet some of the need identified above. However, it is likely that a majority of the additional need identified above would be met through the mainstream housing stock, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

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

207. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
208. Given that Mid Cherwell is an amalgamation of 12 different parish areas, it would be considered reasonable, in broad terms, to deliver some provision for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Mid Cherwell in other suitable locations near to but outside the Plan area boundaries).
209. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. Moreover, the needs of the older population may be accounted for by moving to smaller homes, such as bungalows or flats. These topics are considered in the sections below.

Care homes

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

informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, it is estimated that in 2040 there would be a need for 30 care homes beds in the NA.

214. It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

215. The majority of older people live in mainstream housing and will continue to do so all of their lives. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
216. If there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing relevant households' needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with Cherwell.
217. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings¹⁰, although changes to Building Regulations have not yet been made.
218. The current adopted Local Plan does not have a specific policy recommending the proportion of new development which should accommodate specific groups such as older people (but there is reference to specialist accommodation in policy BSC4). However, the evidence gathered here may justify the Mid Cherwell NP Forum approaching the LPA to discuss setting requirements on accessibility and adaptability at district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
219. The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.
220. Where an up to date housing requirement figure has been provided, it is possible to understand the rough proportion of wheelchair users there is likely

¹⁰ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

to be in the NA population. This is done by prorating the figures for England as a whole, who either use a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). As a crude estimate, these percentages are applied to the expected level of housing delivery for Mid Cherwell to suggest the number that might be encouraged to be wheelchair friendly or adaptable. However, given that Mid Cherwell do not currently have an active HRF this is not possible. It is worth noting that these national rates are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

Conclusions- Specialist Housing for Older People

221. Currently, there are 614 people aged 75+ living in Mid Cherwell which has grown from 456 in 2011 and is projected to rise to 1,075 by the end of the Neighbourhood Plan period (2031). These figures are indicative of a gradually aging population in the NA, and do not fully reflect the future population increase associated with Heyford Park. There is currently no provision of specialist accommodation in the parish.
222. A clear majority (86%) of Cherwell's households aged 55-75 in 2021 (therefore likely to reach 75+ bracket by 2039) are owner occupiers and the remainder predominantly rent from a social landlord. This is important because those currently owning will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing because they are unlikely to have the funds to buy.
223. The growth in the older population, which, rather than the total, is the focus of the estimates of need here, should be converted into households because some older people will be cohabiting in old age. The projected growth in the older population points to 329 new households inhabited by persons aged 75+ over the Neighbourhood Plan period.
224. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
225. These two methods of estimating the future need in Mid Cherwell produce a range of 104 to 133 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
226. The main body of this report provides a breakdown of the likely need for housing with care facilities in comparison to adaptations. It suggests that with any housing for older persons coming forward in the NA, the focus should be on

delivering adaptations and retirement living, whilst also provide some care facilities for those who may need them over the plan period.

7. Next Steps

Recommendations for next steps

227. This Neighbourhood Plan housing needs assessment aims to provide Mid Cherwell 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 Cherwell District Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

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

228. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

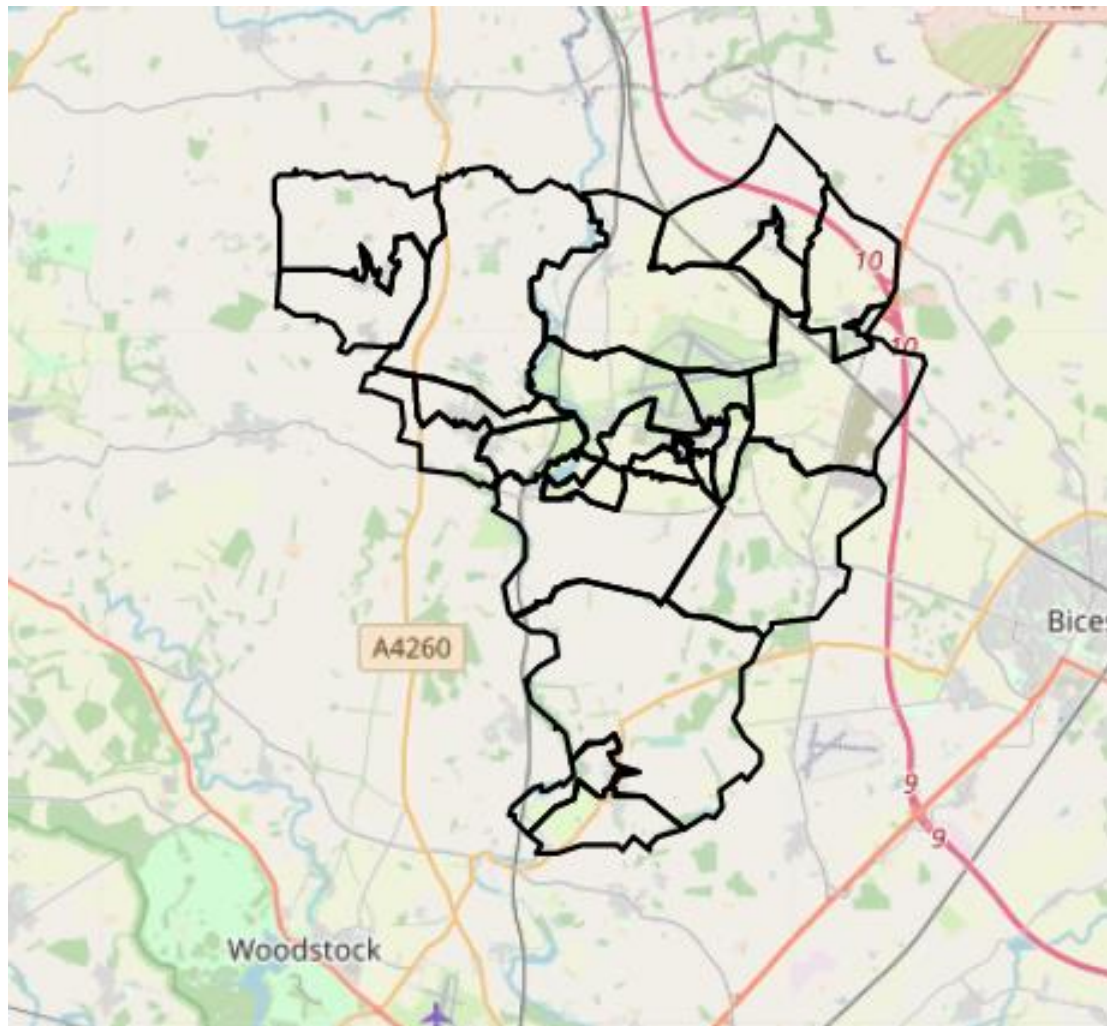
229. Bearing this in mind, it is recommended that the Mid Cherwell Neighbourhood Plan Forum should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Cherwell District Council or any other relevant party and review the Neighbourhood Plan accordingly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

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

Appendix A : Assessment geography

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

- E00144849
- E00145102
- E00145103
- E00145195
- E00145196
- E00145197
- E00145225
- E00145226
- E00145227
- E00145228
- E00145229
- E00145230
- E00145231
- E00145232
- E00145234
- E00145235
- E00145236
- E00145238
- E00145240
- E00185889
- E00185891
- E00185909
- E00185946
- E00185969
- E00185978



232. As noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant combination of MSOAs, which cover the entire NA boundary but also extend beyond it to the east and south, is:

- E02005930
- E02005931
- E02005936

Appendix B : Local Plan context

Policies in the adopted local plan

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

Table B-1: Summary of relevant adopted policies in the Cherwell Local Plan 2011- 2031 (Adopted July 2015)

Policy	Provisions
Policy Villages 1: Village Categorisation	Proposals for residential development will be considered having regard to the categorisation of A, B and C villages. Within Mid Cherwell, there are three category A Service Villages (Fritwell, Kirtlington and Steeple Aston), two category B Satellite Villages (Lower Heyford and Middle Aston) and 'other villages'.
BSC 1: District Wide Housing Distribution	Cherwell should deliver 22,800 dwellings between 2011 to 2031, or 1,140 per annum. Over the plan period 10,129 should be delivered in Bicester, 7,319 in Banbury and 5,392 in rural areas.
BSC 3: Affordable Housing	In areas outside of Banbury and Bicester there is an expectation that 35% of developments of 11 or more units are delivered as Affordable Housing. There is an expectation that 70% of Affordable Housing Delivery are for social/affordable rental and 30% for home ownership.
BSC 4: Housing Mix	New residential developments should deliver a mix of homes to meet the current and expected future requirements of the population, and aim to deliver socially mixed and inclusive communities. Elsewhere, opportunities for the provision of extra care, specialist housing for older and/or disabled people and those with mental health needs and other supported housing will be encouraged in suitable locations close to services and facilities.
Policy Villages 5: Former RAF Upper Heyford	This site will provide settlement of an estimated 1,600 dwellings (in addition to the 761 already permitted), alongside supporting infrastructure, primary and secondary education provision, and appropriate community, recreational and employment opportunities.

Policies in the made Neighbourhood Development Plan

234. Cherwell have begun a process of reviewing their current Local Plan and associated supplementary guidance. Once this process has been completed the plan will run for a period up to 2040.

Policies in the current Mid-Cherwell Neighbourhood Plan

Table B-1: Summary of relevant adopted policies in the Mid-Cherwell Neighbourhood Plan 2018- 2031 (Made May, 2019)

Policy	Provisions
Policy Development Category Villages	PD1: The indicative total number of additional dwellings permitted at during the Plan Period in each of the Category A villages in Mid Cherwell is as follows: approx. 25 for Fritwell, 17 for Kirtlington and 20 for Steeple Aston.
Policy Development Category Villages	PD2: The indicative total number of additional dwellings permitted at during the Plan Period in each of the Category A villages in Mid Cherwell will be 5 per village.
Policy Open Market Housing Schemes	PH1: On the basis of the 2014 Oxfordshire SHMA in developments of 10 dwellings or more the indicative mix should be: 30% 1/2 bed, 46% 3 bed and 24% 4 bed. Smaller schemes should aim for a similar mix where possible.
Policy Adaptable Housing	PH3: Support will be given to new houses being constructed to Building regulations Part M (4). In addition, where possible, dwellings that are on one level should be included, to meet the need for such accommodation in particular for older people and those will disabilities.

Appendix C : Affordability calculations

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

C.1 Market housing

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

i) Market sales

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

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

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

- Value of a median NA house price (2021) = £412,498;
- Purchase deposit at 10% of value = £41,250;
- Value of dwelling for mortgage purposes = £371,248;
- Divided by loan to income ratio of 3.5 = purchase threshold of £106,071.

240. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £325,000, and the purchase threshold is therefore £83,571.

241. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 57 sales of new build properties in the NA in

2021, which had an average cost of £365,000 and required an income of £93,900.

242. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Cherwell in 2021. The median cost of new build dwellings in Cherwell was the same as the figure presented above, costing £365,000, with a purchase threshold of £93,860.

ii) Private Rented Sector (PRS)

243. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.

244. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

245. The property website Rightmove.co.uk shows rental values for property in the Neighbourhood Area. The NA area was recreated using Rightmove's mapping tool and can be used to provide an indication of the number of properties available to rent in the NA at this time.

246. According to Rightmove.com, there were 11 properties for rent at the time of search in January, 2023, with an average monthly rent of £1,437. There were 2 two-bed properties listed, with an average price of £1,035 per calendar month.

247. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

- Annual rent = £1,035 x 12 = £12,420;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £41,400.

248. The calculation is repeated for the overall average to give an income threshold of £57,480.

C.2 Affordable Housing

249. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales

housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

250. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
251. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Mid Cherwell. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Cherwell in Table C-1.
252. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£93.46	£103.48	£110.17	£126.28	£106.45
Annual average	£4,860	£5,381	£5,729	£6,567	£5,535
Income needed	£16,184	£17,919	£19,077	£21,867	£18,433

Source: Homes England, AECOM Calculations

ii) Affordable rent

253. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).
254. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
255. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Cherwell. Again, it is assumed that no more than

30% of income should be spent on rent, and the overall average is taken forward.

256. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 60% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£119.14	£151.05	£170.01	£215.18	£155.49
Annual average	£6,195	£7,855	£8,841	£11,189	£8,085
Income needed	£20,630	£26,156	£29,439	£37,261	£26,925

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

257. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

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

First Homes

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

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
 - They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
 - In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
 - 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.
260. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £325,000.
261. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (NA new build entry-level) = £365,000;
 - Discounted by 30% = £255,500;
 - Purchase deposit at 10% of value = £25,550;
 - Value of dwelling for mortgage purposes = £229,950;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £65,700.
262. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £56,315 and £46,000 respectively.
263. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
264. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹¹) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Mid Cherwell.

¹¹ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

265. Table C-3 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	46%	83%	66%
NA estimated new build entry-level house price	39%	81%	62%
NA entry-level house price	32%	79%	57%
LA median new build house price	39%	81%	62%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

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

267. 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.

268. To determine the affordability of shared ownership, calculations are again based on the costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

269. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £365,000 is £91,250;
- A 10% deposit of £9,125 is deducted, leaving a mortgage value of £82,125;

- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £23,464;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £273,750;
- The estimated annual rent at 2.5% of the unsold value is £6,844;
- This requires an income of £22,813 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £46,277 (£23,464 plus £22,813).

270. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £36,761 and £62,137 respectively.

Rent to Buy

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

Help to Buy (Equity Loan)

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

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

Appendix D : Affordable Housing estimates

274. In Table D-1 AECOM has calculated the potential demand for affordable home ownership products in Mid Cherwell. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

275. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.¹² No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

Table D-2: Estimate of the potential demand for affordable housing for sale in Mid Cherwell

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	668.0	Census 2021 private rented occupancy.
1.2 Percentage renters on housing benefit in LA	14.1%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in NA	93.9	Step 1.1 x Step 1.2.
1.4 Current need (households)	430.6	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹³
1.5 Per annum	22.7	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	535.7	LA household projections for plan period (2018 based) pro rated to NA.

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

¹³ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

2.2 % of households unable to buy but able to rent	14.9%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	79.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	6.1	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	100	Number of shared ownership homes in NA (Census 2021).
3.2 Supply - intermediate resales	2.9	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	24.3	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	461.7	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

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

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

Table D-3: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
<p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the NA requires around 32 units of affordable rented housing and 24 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that there is more acute need for subsidised rental housing than there is a demand for affordable home ownership products.</p>
<p>B. Can Affordable Housing needs be met in full?</p>	<p>Given that Mid Cherwell have not yet been given an indicative Housing Requirement Figure by Cherwell District Council, it is not</p>

<p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>possible to fully understand the expected scale of Affordable Housing delivery in the NA.</p> <p>However, if the recent scale of housing development in the NA were to continue it would have the capacity to meet some, if not all, of its identified need and demand for Affordable Housing.</p> <p>Given that the Heyford Park site has permission for 1,600 homes, and has since 2011 delivered approximately half of these homes, the NA could expect to see a further 280 affordable homes, which would not fully meet the need identified in this study, but would significantly improve access to Affordable Housing in the NA.</p>
<p>C. Government policy (eg NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>For 10% of all housing to be affordable ownership in Mid Cherwell, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership. This complies with the guideline tenure split sought in the Local Plan.</p>
<p>D. Local Plan policy:</p>	<p>The adopted Local Plan seeks a tenure split of 70% affordable rent and 35% affordable home ownership.</p>
<p>E. First Homes policy:</p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in</p>	<p>This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing.</p> <p>The provision of 30% for Affordable Home ownership in the current Local Plan means that the minimum of 25% First Homes will not automatically displace the delivery of affordable rental homes, but it may restrict the delivery of other affordable ownership tenures (e.g. shared ownership).</p>

<p>the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.</p>	
<p>F. Viability:</p>	<p>HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.</p>
<p>G. Funding:</p> <p>The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.</p>	<p>The Mid Cherwell NP Forum may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p>H. Existing tenure mix in Mid Cherwell:</p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>The present tenure mix in Mid Cherwell has a higher proportion of shared ownership than the district average and a lower proportion of socially rented stock. This mix would support the increased delivery of social/affordable rent homes in the NA.</p>
<p>I. Views of registered providers:</p>	<p>It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented</p>

	<p>homes in the NA. The funding arrangements available to housing associations will determine rent levels.</p>
<p>J. Wider policy objectives:</p>	<p>The Mid Cherwell NP Forum may wish to take account of broader policy objectives for Cherwell and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.</p>

Appendix E : Specialist housing for older people

Background data tables

Table E-2: Tenure and mobility limitations of those aged 65+ in Mid Cherwell, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	201	18.2%	264	23.9%	639	57.9%
Owned Total	134	15.8%	190	22.4%	526	61.9%
Owned outright	117	15.7%	163	21.8%	466	62.5%
Owned (mortgage) or shared ownership	17	16.3%	27	26.0%	60	57.7%
Rented Total	67	26.4%	74	29.1%	113	44.5%
Social rented	28	31.8%	33	37.5%	27	30.7%
Private rented or living rent free	39	23.5%	41	24.7%	86	51.8%

Source: DC3408EW Health status

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

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) 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

278. As Table 6-4 in the main report shows, is forecast to see an increase of 461 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.461 = 28$
- Leasehold sheltered housing = $120 \times 0.461 = 55$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.461 = 9$
- Extra care housing for rent = $15 \times 0.461 = 7$
- Extra care housing for sale = $30 \times 0.614 = 14$
- Housing based provision for dementia = $6 \times 0.461 = 3$

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹⁴.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁵

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.

¹⁴ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁵ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order¹⁶

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)¹⁷

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

Equity Loans/Shared Equity

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

¹⁶ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁷ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹⁸, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

¹⁸ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing¹⁹

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

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

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.²⁰

²⁰ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

