

# Barrowby

Housing Needs Assessment (HNA)

February 2024

## Quality information

<b>Prepared by</b>	<b>Checked by</b>	<b>Approved by</b>
Paul Avery Principal Consultant	Kerry Parr Associate Director	Kerry Parr Associate Director

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Prepared for: Barrowby Neighbourhood Plan Steering Group

Prepared by:

AECOM Infrastructure & Environment UK Limited  
Aldgate Tower  
2 Lemn Street  
London E1 8FA  
United Kingdom  
aecom.com

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## Table of Contents

1. Executive Summary.....	6
Conclusions- Tenure and Affordability .....	6
Conclusions- Type and Size .....	9
Conclusions- Specialist Housing for Older People .....	11
Characteristics of the current older population .....	11
Projected demographic change and need for specialist housing .....	11
Accessibility and adaptability.....	12
2. Context .....	13
Local context .....	13
The NA boundary and key statistics .....	13
The housing market area context.....	15
Planning policy context.....	15
3. Objectives and approach.....	17
Objectives .....	17
Quantity.....	17
Affordability and Affordable Housing .....	17
Type and Size .....	18
Specialist Housing for Older People.....	18
Approach.....	19
4. Quantity .....	20
Introduction .....	20
Policy background .....	21
Approach.....	22
Standard method (Step 1).....	23
LPA planning strategy (Step 2).....	24
Past completions and future commitments (Step 3).....	25
Final Housing Need Figure.....	26
5. Affordability and Affordable Housing.....	27
Introduction .....	27
Definitions .....	27
Current tenure profile .....	28
Affordability .....	29
House prices .....	29
Income .....	30
Affordability Thresholds .....	31
Estimates of the need for Affordable Housing .....	36
AECOM Estimates .....	36
Additional evidence of Affordable Housing needs .....	37
Affordable Housing policies in Neighbourhood Plans.....	38
Application of Local Plan policies .....	38
Affordable Housing at Neighbourhood level .....	39
Conclusions- Tenure and Affordability .....	41
6. Type and Size.....	45
Introduction .....	45
Definitions .....	45

The current housing mix .....	46
Dwelling type .....	46
Dwelling size .....	47
Population characteristics .....	48
Age .....	48
Household composition and occupancy .....	49
Future population and size needs .....	51
Age .....	51
Tenure .....	54
Type .....	55
Conclusions- Type and Size .....	55
7. Specialist housing for older people .....	58
Introduction .....	58
Definitions .....	59
Specialist housing for older people .....	59
Demographic characteristics .....	60
Future needs for specialist accommodation and adaptations .....	61
Further considerations .....	62
Care homes .....	63
The Role of Mainstream Housing .....	64
Conclusions- Specialist Housing for Older People .....	65
Characteristics of the current older population .....	65
Projected demographic change and need for specialist housing .....	66
Accessibility and adaptability .....	66
8. Next Steps .....	68
Recommendations for next steps .....	68
Appendix A : Assessment geography .....	69
Appendix B : Local Plan context .....	70
Policies in the adopted local plan .....	70
Appendix C : Affordability calculations .....	71
C.1 Market housing .....	71
i) Market sales .....	71
ii) Private Rented Sector (PRS) .....	72
C.2 Affordable Housing .....	73
i) Social rent .....	73
ii) Affordable rent .....	74
iii) Affordable home ownership .....	74
Appendix D : Affordable Housing need and policy .....	79
Affordable Housing estimates .....	79
Affordable housing policy .....	82
Appendix E : Specialist housing for older people .....	86
Background data .....	86
HLIN calculations .....	86
Appendix F : Housing Needs Assessment Glossary .....	88

## 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
SKDC	South Kesteven District Council
VOA	Valuation Office Agency

# 1. Executive Summary

1. Barrowby is a Neighbourhood Area (NA) located to the northwest of Grantham in the South Kesteven District. The NA boundary covers the areas administered by Barrowby Parish Council.
2. The 2021 Census recorded 2,043 individuals in Barrowby, indicating an increase of around 91 people since the 2011 Census due to moderate housing growth counterbalanced by ageing and mortality.
3. There has been modest development in Barrowby over the past decade, but this is changing with a number of new schemes at various stages of the development pipeline, some of which are large in size. 84 homes have been built since 2011, but 49 of these were built in the last year (all Affordable Housing). The South Kesteven Local Plan includes an allocation for 270 new homes in Barrowby, as well as around 1,500 on a site on the edge of Grantham which overlaps with the parish boundary. A number of further applications contribute further to a sense of development pressure in the parish, although the total number of new homes expected is not precisely known at present.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Steering Group at the outset of the research. Detailed findings and data sources for each chapter summary are provided in the main body of the report.
5. Data from the 2021 Census continues to be released throughout 2023. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data comparing numerous variables at parish scale is yet to be released. 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.

## Conclusions- Tenure and Affordability

### Current tenure profile

6. Home ownership is the dominant tenure in Barrowby, representing a notably higher share of the total (81%) than the wider District (68%) and national average (61%). The prevalence of home ownership comes at the expense of social renting and, especially, private renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes to remain in the Parish.
7. Though the 2011 rates of social renting and shared ownership are slightly below the District average, they are likely to have increased substantially by the time of writing in October 2023 due to a significant injection of new supply amounting to 49 units, completed in 2022/23. This has brought the total number of affordable homes up by more than 50% to 145 units. The precise breakdown of social rent to shared ownership in the new supply is unknown.

## Housing costs

8. Home values in the NA have followed a clear upward trajectory despite some year-on-year fluctuations. The current median house price (middle number when arranged from lowest to highest) is £290,000, which is 86% higher than the 2013 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £250,000. This is relatively close to the median, indicating that the range of price points in Barrowby is narrow and consequently people may struggle to find truly affordable entry-level properties.
9. It is also worth noting that the current median house price in Barrowby is 16% higher than the current median for South Kesteven as a whole. However, the lower quartile average is a full 39% higher for the reason noted above. Although Barrowby is dominated by detached and larger (4+ bedroom) homes and, correspondingly, District averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in its more urban locations, it remains clear that Barrowby is a high-value housing market for the local area. This presents a barrier to entry for households with lower incomes or wealth.
10. AECOM has estimated the annual income required to afford various tenures of housing in Barrowby – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £46,500 in 2018, and the lower quartile household income for South Kesteven was £21,845 in 2022.
11. It was found that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income around 60% above the current average. Private renting is more affordable, but generally only accessible to average earning households. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are available to make this a reliable option for lower income households. At the time of search in August 2023 there were no rental listings in Barrowby.
12. Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Barrowby there is a relatively large gap between the income needed to afford to rent (£26,000) and to buy (£60,000-£65,000), who may benefit from these products.
13. The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Barrowby the minimum 30% discount appears broadly affordable to the average earning household. Although higher discounts would expand access to ownership more widely, it may not be realistic to expect lower quartile earning households to afford to buy.
14. Affordable rented housing appears generally affordable to households on lower quartile incomes. The evidence in this chapter indicates a clear divide in housing affordability in Barrowby, with higher earners and those already on the housing ladder able to buy their own homes, average earners able to afford most alternative options (such as private renting and affordable routes to ownership),

and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Barrowby as the only option for a large segment of those in the greatest need.

### **The need for Affordable Housing**

15. AECOM estimate that there will be a long-term surplus of affordable rented housing in Barrowby rather than an unmet need. This amounts to an annual surplus of 0.5 affordable rented homes – effectively an equilibrium. Details of the calculations discussed here are provided in the main body of the report and in Appendix D.
16. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 30 households) and plenty of households bidding on new vacancies from elsewhere in the District. The reason for the affordable rented housing need being met over the long-term is the rate of turnover in the existing stock of social housing, which suggests that vacancies will be able to satisfy the projected newly arising need as well as some of the backlog – particularly given the large recent injection of supply.
17. AECOM estimate potential demand for 2.4 affordable home ownership dwellings per annum in Barrowby, equating to a total of 41 over the Neighbourhood Plan period. The households eligible for such homes 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. It is important to note that there is no obligation to meet these potential need in their entirety, and there are valid further reasons that could prevent it such as the availability of land and the need for market housing.
18. The breakdown between affordable rented and ownership tenures within the recent supply of Affordable Housing (49 units) is not precisely known. If this site includes affordable home ownership homes (such as Shared Ownership), this may be considered to have already meet some of the need identified here.

### **Affordable Housing policy**

19. Affordable Housing is typically provided and made financially viable by District-wide planning policies that require it to be included at a set proportion of market housing developments. South Kesteven's adopted policy on this subject require 30% of all new housing be affordable. This is a policy area within the remit of the Local Planning Authority, but it is worth considering what the most appropriate mix of Affordable Housing products might be in the NA specifically.
20. AECOM recommends that the tenure mix of Affordable Housing secured in future years gives broadly even priority to affordable home ownership options (50%) and affordable rented provision (50%). There is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is very unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need. In this case, AECOM estimates that the existing stock



of affordable rented housing may be sufficient for the community's evolving needs. However, it may be prudent to future-proof the stock through some additional supply in case this situation changes and to contribute to the unmet needs of the wider area.

21. There is no obligation to follow this recommendation or to depart from the any emerging Local Plan default mix if that is more in line with the community's objectives. Further discussion with South Kesteven District Council about the options and their advice as further District-level evidence emerges would be beneficial, and could cover issues beyond the scope of this report, such as development viability.

## **Conclusions- Type and Size**

### **The current housing mix**

22. The current dwelling mix in Barrowby is weighted in favour of larger and less dense home types. Specifically, nearly three-quarters of all homes are detached houses (compared to under half across South Kesteven and under a quarter across England). The proportion of bungalows, at 15%, is slightly higher than the District and national average, and is likely to be linked to the Parish's older age profile.
23. The proportion of 4+ bedroom homes in Barrowby is also far higher than that of the District and there is a relative lack of 1-2 bedroom properties. The majority of new homes built since 2011 have been detached homes with 4 or more bedrooms, thereby exaggerating the parish's existing imbalances.
24. In summary, Barrowby is characterised by detached and larger homes, which tend to be more expensive and not well-suited to key segments of the population – notably younger families and downsizing older people.

### **Population characteristics**

25. The NA population, which is older than that of the District and England, has experienced significant ageing in the decade since 2011. The 65-84 and 85+ age groups have expanded by 24% and 11% respectively, while all other age groups have contracted with the exception of a small uptick in the number of 15-24 year olds. The loss of the young population, particularly in the linked groups of young children and those aged 25-44 (childbearing age) would appear to support the Steering Group's desire to attract and retain young people and families through Barrowby's housing offer. That said, the robust growth in older households may also require a housing mix that has the potential to accommodate changing mobility and support needs.
26. Applying ONS household projections for South Kesteven to the Barrowby population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group nearly doubling to become the largest single group (at just over 50% of the total) while all other age bands grow at more modest rates or contract. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. The potential scale of development in Barrowby in future years

will likely produce a very different result in practice, particularly if the Neighbourhood Plan sets requirements for new homes are designed to attract specific age groups and households types.

27. Barrowby has a similar proportion of single-person households to wider averages, although a larger share of single-person households are aged over 65. Of the Parish's family households, slightly more have children than do not – though to a lesser extent than South Kesteven and England. Barrowby also has fewer 'other' households, where more than one family unit shares a dwelling.
28. As of the 2011 Census, around 90% of households in the NA had at least one more bedroom than they would be expected to need, and 60% had at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among the three distinct groups: couples with no children, older households and single people. While not uncommon, this might suggest that Barrowby's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

### **Future population and size needs**

29. It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (2-3 bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably the ageing of older people and counteracting the decline in younger families), and diversification away from the high proportion of 4+ bedroom homes in the current stock.
30. However, the model recommends a particularly high proportion of 2 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages. That may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the parish. It may therefore be considered inappropriate to focus so heavily on a presently unusual home size that also tends to come forward as flats (which again may not be preferred). If so, the Neighbourhood Plan might blend the proportion for 2 and 3 bedroom homes into a combined 2-3 bedroom category, allowing for greater flexibility.
31. 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.

## Conclusions- Specialist Housing for Older People

### Characteristics of the current older population

32. There are currently estimated to be around 284 individuals aged 75 or over in Barrowby, representing 14% of the population. There is only one scheme specialist accommodation in Barrowby at present, according to the Elderly Accommodation Counsel search tool: Rectory Close, which provides 16 age-exclusive 1 bedroom flats offered for social rent.
33. A clear majority (80%) of South Kesteven households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2041) 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. Rates of disability in Barrowby are also higher among social tenants than owner-occupiers.

### Projected demographic change and need for specialist housing

34. The 75+ population of the NA is projected to increase to 505 people over the Plan period, to become 23% of the population in 2041. As established in the previous chapter, Barrowby has an older population than the wider District and is likely to age faster in the coming years unless largescale new development attracts a replacement population of younger families.
35. The growth in the existing 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 household growth to 2041 among those aged 75+ in Barrowby is 158.
36. 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.
37. The two Barrowby specific estimates suggest a range of 54 to 79 specialist accommodation units might be required during the Plan period. These estimates are also broken down by tenure and level of support required. Broadly, 65-70% of the need is for accommodation offered for market purchase. This chimes with the higher propensity of older households to be homeowners. Around 55-70% of the need is found to be for sheltered housing with limited support rather than additional care arrangements. The potential need for care and nursing home beds in Barrowby to 2041 can be roughly estimated at 13 bedspaces.
38. These estimates are large relative to the known housing allocation in the Local Plan, but less so when compared to the total scale of commitments in the broader pipeline. It may not be considered prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable

Housing, young families, and others important to maintaining a balanced and vibrant community.

39. Currently, specialist older people's housing in the vicinity of Barrowby is concentrated in Grantham. This may be a sustainable situation going forward. However, if largescale development in the parish is expected in future years, there may be an opportunity to attract specialist housing development in Barrowby itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Steering Group and wider community.

### **Accessibility and adaptability**

40. Depending on whether there is likely to be a large volume of additional specialist supply during the Plan period, an alternative or additional avenue to the provision of additional specialist homes is to discuss the standards of accessibility and adaptability required of new development with South Kesteven District Council. There is a particularly high degree of overlap between the groups served by sheltered specialist housing and adapted mainstream housing, so the unmet need for such homes identified here can be reduced through this avenue.
41. The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people and requires 10% of new homes (over a minimum site size threshold) to meet Category M4(2) accessibility standards. The evidence gathered here would further justify this existing requirement, and would also generally support a higher accessibility target or even an additional target for wheelchair user housing. 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 existing requirements in the Local Plan are robust, so discussions with the LPA are advised exceeding or departing from them is a key priority.

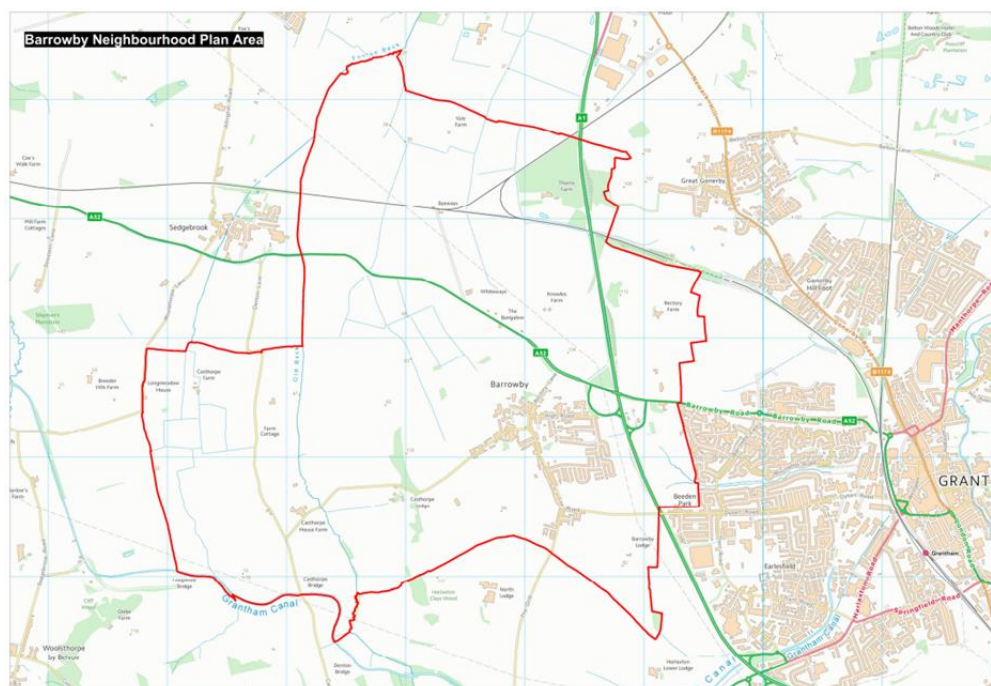
## 2. Context

### Local context

42. Barrowby is a civil parish and designated Neighbourhood Area (NA) located in the District of South Kesteven in Lincolnshire.
43. The parish is located around 2 miles directly west of South Kesteven's main settlement of Grantham. The A1 Road runs through the parish and provides access to Newark-on-Trent in the north and Stamford in the south. The A52 runs along the northern edge of the parish, and reaches the City of Nottingham to the west.
44. Barrowby parish is centred on the village of the same name and includes its surrounding predominantly agricultural land. The village has a range of amenities including a primary school, church, reading room, memorial hall, pub, shop, cafe, sports facilities and a variety of local clubs and societies. These services are, however, under a degree of pressure: the school is oversubscribed, the post office has closed, and public transport links are considered to be insufficient for local needs. The Steering Group have emphasised the community's view that any further residential development should be accompanied by proportionate upgrades and funding for local infrastructure, facilities and services, and would ideally incorporate renewable energy sources and high levels of energy efficiency.
45. The Barrowby Neighbourhood Plan is currently envisaged to look ahead to 2041 in line with the end date of the emerging South Kesteven Local Plan. If adopted in 2024 as currently anticipated, the Neighbourhood Plan will cover a period of 17 years. The evidence supplied in this report will likewise look ahead to 2041, but will provide annualised results where possible that can be applied to a different term if the Plan period changes.

### The NA boundary and key statistics

46. For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). The Barrowby parish and NA boundary aligns exactly with a single Lower Super Output Area (LSOA). Detail on this and the flexibilities relating to data sources beyond the Census is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

**Figure 2-1: Map of the Barrowby Neighbourhood Area**

Source: South Kesteven District Council

47. At the time of the 2021 Census the NA was home to 2,043 residents, formed into 895 households. This represents a slight increase on the 2011 Census, when there were recorded to be 1,952 people and 840 households. It is interesting to observe that the number of households has increased faster (by 6.5%) than the number of people (4.7%). This is likely to be because additional households have formed to occupy the new dwellings built in that period at the same time as the total number of people living in the parish's existing homes has declined slightly due to mortality, ageing and adult children leaving home.
48. The 2021 Census records a total of 927 dwellings in the parish. This represents an increase of 32 new homes since the 2011 Census, when the total was recorded as 895. To sense-check and update this dwelling count, South Kesteven District Council were asked for data on the number of homes built since 2011. Their records indicate that 84 net new homes have been built since the 2011-12 monitoring year. However, 49 of these were built in 2022-23 near to the village Co-op, after the Census was conducted. Subtracting these most recent completions leaves 35 new homes, which aligns closely with the growth between Censuses.
49. This data also shows a significant uptick in new housing completions in the most recent year. This is understood to be linked to the Rectory Farm development. This active site has permission for 220 dwellings in its first phase. Further phases, for over 1,500 homes will also either fall within the NA boundary or have a notable effect on the area. A number of other developments are also known to be in the pipeline, including continued development of the site near the village Co-op, which will comprise a minimum of 270 dwellings following the first phase (for 49 affordable units, referenced above). These sites are not yet recorded as committed sites in SKDC's monitoring data.

## The housing market area context

50. Whilst this HNA focuses on Barrowby 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.
51. The 2023 Local Housing Needs Assessment (LHNA) for South Kesteven notes that the District has relationships with a number of wider market areas, notably that focused on Peterborough to the south and that covering Lincolnshire to the north. To some extent, the District has multiple overlapping spheres of influence, with towns in the north like Grantham attracting employment migration from Lincolnshire while residents in the south of the District may be more likely to commute south to the Peterborough and its environs. This means that when households who live in South Kesteven move home, most stay within the District but there is some in- and out-migration to the surrounding local authority areas depending on work and other links.
52. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods are closely linked to other areas. In the case of Barrowby, changes in need or demand in settlements nearby, most notably Grantham, are likely to impact on the neighbourhood.
53. In summary, Barrowby functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (South Kesteven), 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

54. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.<sup>1</sup> In the case of South Kesteven, the current statutory development plan is the SKDC Local Plan 2011-2036 (adopted in 2020).
55. A new Local Plan, looking ahead to 2041, is currently at Issues and Options stage. An Issues and Options document was published in October 2020 for public consultation (Regulation 18 stage). Among the issues being explored are the District's strategic housing growth and its distribution across South Kesteven's various settlements. No draft policies are yet in the public domain.
56. A detailed breakdown of the adopted Local Plan policies relevant to housing need

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<sup>1</sup> A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

and delivery in Barrowby is provided in Appendix B. Here, it is worth summarising the most important points of the adopted Local Plan:

- The housing target for the District is 16,125 new homes – 2011-2036.
- Barrowby is classified as a Larger Village, which is the third tier of the settlement hierarchy, following the Grantham urban area and three market towns. The 15 Larger Villages in total are to deliver approximately 1,872 new homes, primarily but not exclusively through Local Plan allocations.
- A site for 270 dwellings is allocated in Barrowby, but parts of the Rectory Farm development (more closely associated with Grantham in the Local Plan) also fall within the parish boundary.
- On developments larger than 11 new dwellings (outside of Grantham), 30% should be delivered as Affordable Housing. The suggested tenure mix within Affordable Housing should be appropriate to the latest evidence of need.
- The delivery of accessible and adaptable homes for older and vulnerable people is supported, with at least 10% of new homes on sites larger than 10 homes being required to meet M4(2) building regulations accessibility standards.



## 3. Objectives and approach

### Objectives

57. 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 Barrowby Neighbourhood Plan Steering Group. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

### Quantity

58. The objective of this chapter is to understand what quantity of housing overall might be needed in the NA over the Plan period.
59. This question properly falls within the remit of the LPA, to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing need or requirement for any designated NA.
60. Barrowby is not currently in receipt of a specific housing requirement figure from South Kesteven District Council because the element of the emerging Local Plan concerning the distribution of housing is still evolving.
61. In its absence, and with SKDC's support, AECOM have agreed to supply an indicative estimate to help the Steering Group understand the potential scale of need in future years. This can be helpful context for the Neighbourhood Plan, particularly when considering the allocation of housing sites.
62. However, the indicative figure provided here will be automatically superseded if and when an LPA-provided figure emerges in future.

### Affordability and Affordable Housing

63. 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.
64. 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.
65. 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

66. 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.
67. 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.
68. 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

69. It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people.
70. 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**.
71. 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

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

- ONS population and household projections for future years;
- 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 Rightmove; and
- Local Authority housing waiting list data.
- Note that a 2023 Local Housing Needs Assessment (LHNA) for South Kesteven is being produced but not yet available to reflect here.

73. Data from the 2021 Census continues to be released. Some data at parish scale and covering multiple variables will not be available until later in 2024.

## 4. Quantity

### Introduction

74. The objective of this chapter is to understand what quantity of housing overall might be needed in the Neighbourhood Area (NA) over the Neighbourhood Plan period.
75. This question properly falls within the remit of the Local Planning Authority (LPA), to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing need or requirement for any designated NA. More background on this point is provided in the Policy Background section below.
76. In the absence of a housing figure provided by the LPA, AECOM can supply an indicative estimate to help neighbourhood planning groups understand the potential scale of need in future years. This can be helpful context for the Neighbourhood Plan, particularly when considering the allocation of housing sites.
77. However, the indicative figure provided by AECOM has a lower status to one provided by an LPA and would be automatically superseded if an LPA-provided figure emerges in future. As well as having a different status to an LPA-provided housing figure, AECOM's indicative figure is more limited in how it can be calculated.
78. It is important to highlight that there is no established method for calculating the overall housing need of small areas. While the NPPF requires LPA's to provide figures for NA's upon request, neither the NPPF nor Planning Policy Guidance (PPG) set out exactly how this should be done. As a result, LPAs take a variety of different approaches.
79. Generally, the methods used are top-down in nature, meaning that they try to determine what share of the Local Authority area's need is attributable to the NA. It is possible to use a bottom-up approach, likely drawing on household survey evidence, but this tends to be less consistent in terms of the data used and risks distorting the wider picture when multiple such estimates are aggregated.
80. AECOM's approach in HNAs is quite limited and simplistic for reasons of consistency and because certain judgements would require a wider scope and/or remain in the remit of the LPA. For example, LPAs can make their own determinations about the suitability of the NA for housing growth, noting for example its infrastructure and environmental constraints, or the role it plays in the local area relative to other locations.
81. For this reason, the number provided here is termed a Housing Need Figure (HNF) rather than sharing the terminology generally used by LPAs, which would speak of a Housing Requirement Figure (HRF). A need figure is a simpler expression of what might be needed, irrespective of the additional objectives, constraints and wider targets that might go into a more formal requirement or

housing target. In short, a HRF can reflect the wider planning strategy in addition to local need.

## Policy background

82. The 2023 NPPF (paragraph 67) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
83. NPPF paragraph 68 states that “Where it is not possible to provide a requirement figure for a neighbourhood area the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This indicative figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”<sup>2</sup>
84. In calculating this HNF, it should be noted that paragraphs 66 and 67 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 66 and 67). That said, AECOM’s calculation will be of most use as a starting point if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken
85. The PPG<sup>3</sup> states that “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
86. A HNF is a ‘policy-off’ figure. This means that, while it takes account of the factors set out in paragraph 68 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a ‘policy-on’ HRF.
87. This, again, is the difference between the Housing Need Figure (HNF) calculated here and the Housing Requirement Figure (HRF) that the Neighbourhood Plan may take forward based upon it, or which may be provided by the LPA. The HNA figure represents a blunt expression of need rather than a requirement.

<sup>2</sup> NPPF 2023, paragraph 68, available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

<sup>3</sup> Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

## Approach

88. The number of new dwellings that might be planned for in the NA over the Plan period (the Housing Need Figure or HNF) is estimated using a three-step approach that seeks to reflect to the maximum extent the National Planning Policy Framework (NPPF) 2023, Planning Practice Guidance (PPG) advice, and the April 2021 Government response to its consultation on 'Changes to the current planning system'.<sup>4</sup> This is summarised in the box below:

### Step 1: Standard method

The HNF for the Neighbourhood Area should take as its starting point the housing target for the Local Authority area in which it sits. The baseline for our calculation for the NA is therefore a share of the current LPA Local Housing Need (LHN) figure that reflects the share of the district population living in the Plan area.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the 'standard method' for calculating the minimum number of homes that a local authority should plan for in an area. The standard method is a simple and transparent way of calculating a baseline of need that can be applied consistently across the country using publicly available datasets. It produces a starting point for planning and not the final housing requirement.

The standard method was set out in PPG in February 2019 and has been updated to reflect changes since.<sup>5</sup> The result changes annually so it is important this is calculated afresh here rather than relying on any standard method results published in the Local Plan.

### Step 2: LPA planning strategy

The NPPF guidance then states that the initial needs figure for neighbourhood plans should reflect "the overall strategy for the pattern and scale of development and any relevant allocations,"<sup>6</sup> and "the most recently available planning strategy of the local planning authority."<sup>7</sup>

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to estimate a more locally appropriate proportion of the LHN that should be provided in NA. This will often result in a slightly different figure to that produced in Step 1.

The goal is to whittle down a share of the LHN that is attributable to the Neighbourhood in a way that is less blunt than using population statistics alone (as in the Step 1 baseline), and that reflects to some degree the suitability of the NA relative to other settlements in the area. The best sources for this are the LPA's settlement hierarchy, any settlement suitability scoring exercise that has been undertaken, or the distribution of allocations.

### Step 3: Dwelling completions

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide a residual HNF for the remainder of the Plan period that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed) at this point, they should not be deducted from the total until they are completed.

<sup>4</sup> Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>.

<sup>5</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>6</sup> NPPF, paragraph 67, page 18.

<sup>7</sup> Ibid.

89. Employing this methodology, the HNF for Barrowby is calculated below.

## Standard method (Step 1)

90. Firstly, the Local Housing Need (LHN) for the Local Authority area is calculated using the standard method outlined in PPG. This can then be pro-rated to the NA according to population statistics to give a baseline estimate of its needs.

91. The South Kesteven LHN figure, using the standard method, is calculated as follows:<sup>8</sup>

92. **Stage one** is to set the baseline, by calculating the projected average annual household growth in South Kesteven over a 10-year period, beginning with the current year, using the most recent ONS household projections:

- According to South Kesteven's 2014-based household projection, total household growth will be 5,459 households between 2023 and 2033. This equates to an annual average of 545.9 dwellings.

93. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,<sup>9</sup> which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:

- South Kesteven's 2022 median affordability ratio is 8.55. Using the formula outlined in PPG to calculate the adjustment factor<sup>10</sup> results in a minimum annual figure of 1.28 dwellings (rounded).
- This adjustment factor is applied to the Stage one result of 545.9, producing an adjusted minimum annual growth figure of 701.1.

94. **Stage three** is to apply a cap which may limit the magnitude of the Stage Two increase. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:

- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
- Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:

<sup>8</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>9</sup> Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

<sup>10</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

- a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
  - b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
- The relevant strategic policy in this case is SP1: Spatial Strategy in the South Kesteven Local Plan 2011-2036, adopted in 2020. As this document was adopted within the last five years, Option 1 above is applied as follows:
    - The housing requirement figure in Policy SP1 of the South Kesteven Local Plan is for 16,125 new homes over the plan period 2011-2036. It outlines a requirement of 650 dwellings per annum from 2016 (uplifted from previous 625 dwellings per annum).
    - A cap of 40% above 650 dwellings per annum is 910 dwellings per annum.
    - The cap of 910 is greater than the uncapped Stage two figure of 701.1 dwellings, and therefore does not limit the adjustment for affordability in this case. The minimum LHN for South Kesteven is therefore 701 net additional dwellings per year (rounded).
95. Having derived South Kesteven's LHN, we now calculate Barrowby's share of that target, by determining what proportion of South Kesteven's population currently reside in Barrowby and applying that percentage to South Kesteven's LHN.
96. According to the 2021 Census, there are 2,043 people living in Barrowby, or 1.4% of the 143,404 people in South Kesteven. Therefore, applying this percentage to South Kesteven's LHN of 701 gives a baseline indicative HNF for Barrowby of 9.8 dwellings per annum, or 167 dwellings (rounded) over the currently envisaged Neighbourhood Plan period 2024-2041.

## **LPA planning strategy (Step 2)**

97. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the LPA, which reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the Neighbourhood Area that takes into account the Local Authority's spatial strategy, and therefore may differ from the initial HNF calculated above.
98. In South Kesteven, this document is the Local Plan 2011-2036. The overall strategy for the pattern and scale of development is outlined in Policy SP2: Settlement Hierarchy.
99. In this policy, Barrowby is designated as a Larger Village along with 14 other settlements. Allocations are made for these villages (including Barrowby) and additional development proposals may be supported where they promote the role and function of the settlement. Larger villages are the third highest tier of the settlement hierarchy, below Grantham (where the majority of development will be focused) and the three market towns of Stamford, Bourne and the Deepings



(where development will generally be allowed if it does not compromise their nature and character, and sustainable sites in the built up area will be prioritised). Beneath larger villages in the hierarchy sit smaller villages, where development will be supported in accordance with other policies regarding infill and edge-of-settlement development.

100. The policy clearly describes where Barrowby sits relative to other settlement categories, though it does not distinguish between the relative suitability and growth expectations of each of the larger villages. This settlement hierarchy cannot be used to disaggregate a more targeted share of South Kesteven's overall housing need to Barrowby (than that produced in Step 1 above) because it is not explicitly quantified. (An example of a settlement hierarchy allowing for this would be one where a specific percentage of the district's overall needs is allocated to each tier – i.e. 30% of housing growth is expected to take place in larger villages). The absence of a quantifiable hierarchy is not uncommon, and SKDC did not need to do this because its overall housing requirement for the relevant period can be met through completions to date, outstanding consents and allocations made in the Local Plan.
101. It is possible to interpret the sum of allocations in the Local Plan, potentially also including completions and commitments, as SKDC's expression of the preferred scale and distribution of development across its various settlements. However, in practice, these sources of information reflect contingent factors like the availability of land and developer appetite as much as need. AECOM therefore does not favour using this method to determine future housing need figures.
102. In this policy context, a different share of South Kesteven's need cannot be precisely calculated. As such, the baseline HNF of 9.8 dwellings per year stands as the best available indication.

## **Past completions and future commitments (Step 3)**

103. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period. In this case, the Neighbourhood Plan period begins in the future, so no completions to date can be deducted. It is true that recent completions in Barrowby represent a significant uptick on long-term trends, which may be relevant to consider when thinking about future needs. However, the HNF calculated here expresses the needs arising from the present year onwards, which cannot necessarily be assumed to be satisfied by a recent injection of new homes.
104. However, the ongoing delivery of housing on active sites in Barrowby and from upcoming permissions in the development pipeline can be counted against the need figure calculated here.
105. Over the Neighbourhood Plan period to 2041, the indicative need figure calculated here amounts to 167 new homes. Although the precise number of new homes expected in future years is not precisely captured in current SKDC monitoring statistics, it is likely to significantly exceed this figure, possibly in the

very near-term. The known allocation in the current adopted Local Plan alone provides for 270 new homes. This means that the residual need for housing in Barrowby is likely to fall to 0 as these and other new homes are completed. On this basis, there is unlikely to be any residual or outstanding need for further new homes beyond those already in the pipeline to be planned for in the Neighbourhood Plan.

## Final Housing Need Figure

106. Based on the evidence above, this HNA recommends an overall HNF of 167 dwellings for Barrowby, which equates to 9.8 dwellings per year between 2024 and 2041. The precise number of homes on committed sites at this time is unknown but the current Local Plan allocation alone far exceeds the HNF of 167, meaning that there is little or no residual need for new housing beyond that already in the pipeline.
107. It should be noted that this conclusion applies to the needs of Barrowby's current population. There may be an expectation for the Parish to grow beyond this level to meet a share of the wider District's needs and accommodate newly arriving households who may benefit the vitality and demographic profile of the Parish.
108. The housing figure for South Kesteven is derived from the Government's standard method and is likely to change annually as ONS publishes new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in South Kesteven and any indicative housing requirement figure provided by South Kesteven for neighbourhood areas.
109. That figure has been broken down with the aim of allocating an appropriate share to Barrowby using population statistics alone. This was necessary due to the absence of a quantifiable strategy for the pattern and scale of new development across the district expressed in the latest Local Plan. Though the distribution of housing growth is clearly described, it is not quantified in such a way that it can be used to derive a share of the district's needs that more closely reflects that SKDC's strategy.
110. At the time the final Neighbourhood Plan housing requirement figure is provided by South Kesteven, it can be considered to supersede the provisional calculation within this study. Consequently, there is a need for the neighbourhood group to continue to engage with the LPA to confirm the final housing figure for the Neighbourhood Plan.

## 5. Affordability and Affordable Housing

### Introduction

111. 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.
112. 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.
113. 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

114. 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 2023 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market...' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
  - A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring to own a home. As part of this, the Government has introduced a

new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.<sup>11</sup>

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

## Current tenure profile

115. 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.
116. Table 5-1 presents data on tenure in Barrowby compared with South Kesteven and England from the 2021 Census. It shows that a far higher proportion of Barrowby households own their own homes than is the case across the District or England. This comes at the expense of social renting and, especially, private renting – which exists at a proportion less than half the size of wider averages. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes to remain in the Parish.
117. According to the Census, since 2011 the private rented sector has grown by 19%, aligning with the declining affordability of ownership evidenced in the subsequent analysis. The social rented sector has contracted by 4%, suggesting a small number of social rented homes were transferred into ownership through the Right to Buy or equivalent schemes, if not demolished in the process of new development.
118. These figures reflect the fact that 30 of the 35 new homes built between 2011 and 2022 according to SKDC completions figures were in market tenures. Even with the delivery of 5 affordable homes, all in 2017/18, the overall proportion of Affordable Housing is able to decline.
119. However, SKDC figures also show a further 49 homes completed in 2022/23, after the Census was taken. These are all in affordable tenures, built as the first phase of the Rectory Farm development, but the precise breakdown of affordable rented to shared ownership housing is unknown. This injection of affordable supply have the effect of significantly increasing the amount of Affordable Housing in Barrowby, from 96 units at the time of the Census to 145 at the time of writing in October 2023.

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<sup>11</sup> The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

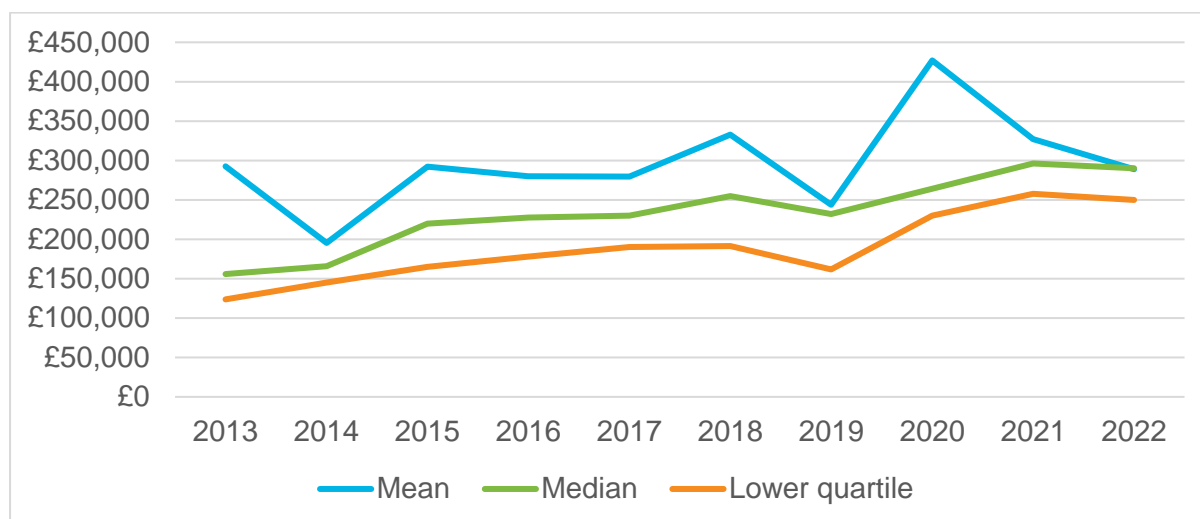
Tenure	Barrowby	South Kesteven	England
Owned	81.4%	68.3%	61.3%
Shared Ownership	0.2%	1.0%	1.0%
Social rented	10.5%	12.5%	17.1%
Private rented	7.9%	18.2%	20.6%

Sources: Census 2021, AECOM Calculations

## Affordability

### House prices

120. 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.
121. Figure 5-1 looks at the average and lower quartile house prices in Barrowby based on sales price data published by the Land Registry. It shows that prices have followed a gentle upward trajectory over the past decade, leaving the median transaction price 86% higher in 2022 than 2013. The mean has followed a much more volatile trajectory, though this is not unusual because it tends to be influenced disproportionately by outliers at the high and low end of the price spectrum, particularly in small data samples.
122. The current mean and median house price is £290,000, and the current lower quartile (the middle value of the cheapest 50% of properties sold) is £250,000. The lower quartile, which is typically taken as a good representation of 'entry-level' housing is not much cheaper than the median, meaning there is little variety at the lower end of the market and that truly entry-level properties only rarely come up for sale.
123. Average house prices in Barrowby are slightly more expensive than those of South Kesteven as a whole – by 16% for the median, translating into a price difference of around £40,000. However, in line with the point raised above about the lack of entry-level properties, the 2022 lower quartile average in Barrowby is a full 39% or £70,000 more than the wider District. This again presents a significant barrier to entry for lower earning households. Although they may struggle to find appropriate properties within the parish, they do have lower-cost alternatives if they are prepared to move elsewhere in South Kesteven.
124. Although Barrowby is dominated by detached and larger homes and, correspondingly, District averages are strongly influenced by the smaller non-detached accommodation that is more plentiful in the District's more urban locations, it remains clear that Barrowby is among its higher-value housing markets.

**Figure 5-1: House prices by quartile in Barrowby, 2013-2022**

Source: Land Registry PPD

125. Table 5-2 breaks down house prices by type, presenting the median within each type. It shows that semi-detached homes in particular have experienced strong price growth over the period – a fact that may be driven by the large number of new semi-detached properties built in the last few years. It is difficult to understand the pricing of flats because transactions are so scarce.

**Table 5-2: Median house prices by type in Barrowby, 2013-2022**

Type	2013	2013	2014	2015	2016	2017	2018	2019	2020	2022	Growth
Detached	£162,500	£170,750	£253,500	£285,000	£242,500	£255,000	£250,000	£270,000	£315,995	£305,000	87.7%
Semi-detached	£120,000	£135,000	£166,000	£150,000	£125,000	£81,250	£156,950	£229,995	£252,495	£259,995	116.7%
Terraced	£80,000	£175,000	£212,500	£178,500	£223,000	£190,000	£159,950	£148,475	£190,000	£142,500	78.1%
Flats	-	-	-	£84,000	£99,950	-	-	-	-	£215,000	N/A
<b>All Types</b>	<b>£155,875</b>	<b>£166,000</b>	<b>£220,000</b>	<b>£227,500</b>	<b>£230,000</b>	<b>£255,000</b>	<b>£232,000</b>	<b>£263,998</b>	<b>£296,225</b>	<b>£290,000</b>	<b>86.0%</b>

Source: Land Registry PPD

## Income

126. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Three sources of data are used to examine household incomes in the NA.
127. 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) and now slightly dated. The average total household income locally was £46,500 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.
128. There is no data available on the incomes of lower-than-average earning households at small scales, but robust sources exist for South Kesteven as a whole, and can be used as a proxy for the parish. Data from CACI for 2022 suggests a lower quartile household income of £21,845.

129. 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.

## **Affordability Thresholds**

130. 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.
131. AECOM has determined thresholds for the income required in Barrowby 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.
132. 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 (with South Kesteven suggesting higher ratios may be more realistic). This is discussed in more detail at the start of Appendix C.
133. Table 5-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased, although 5% may be available for some buyers) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

**Table 5-3: Affordability thresholds in Barrowby (income required, £)**

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £46,500	Affordable on LQ incomes? £21,845
<b>Market Housing</b>					
Median House Price	£261,000	-	<b>£74,571</b>	No	No
Estimated NA New Build Entry-Level House Price	£208,350		<b>£59,529</b>	No	No
LQ/Entry-level House Price	£225,000	-	<b>£64,286</b>	No	No
New Build Median House Price	£269,996	-	<b>£77,142</b>	No	No
Average Market Rent	-	£11,076	<b>£36,920</b>	Yes	No
Entry-level Market Rent	-	£7,800	<b>£26,000</b>	Yes	No
<b>Affordable Home Ownership</b>					
First Homes (-30%)	£145,845	-	<b>£41,670</b>	Yes	No
First Homes (-40%)	£125,010	-	<b>£35,717</b>	Yes	No
First Homes (-50%)	£104,175	-	<b>£29,764</b>	Yes	No
Shared Ownership (50%)	£104,175	£2,894	<b>£39,410</b>	Yes	No
Shared Ownership (25%)	£52,088	£4,341	<b>£29,351</b>	Yes	No
Shared Ownership (10%)	£20,835	£5,209	<b>£23,315</b>	Yes	Marginal
<b>Affordable Rented Housing</b>					
Affordable Rent	-	£5,269	<b>£17,546</b>	Yes	Yes
Social Rent	-	£4,795	<b>£15,967</b>	Yes	Yes

Source: AECOM Calculations

134. 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.

### Market housing for purchase and rent

135. 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 nearly 60% (£28,000) higher than the current average.
136. Private renting is generally only affordable to average earning households, who can comfortably afford both average and entry-level rents. However, lower earning households appear unable to afford even an entry-level rented property unless they are able or willing to dedicate a larger proportion of their incomes to rental costs, although this would carry repercussions for other quality of life



aspects and cannot be assumed to suit all individuals' circumstances. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are available to make this a reliable option for lower income households. At the time of search in August 2023 there were no rental listings in Barrowby.

### **Affordable home ownership**

137. There is a relatively large group of households in Barrowby who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £26,000 per year (at which point entry-level rents become affordable) and £60,000-65,000 (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.
138. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
139. As such, this report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. All potential discount levels appear affordable to average earning households, but none are affordable to lower earning households. First-time buyers in the former group are the more realistic target market for First Homes, so this analysis suggests that there is no specific need to exceed the minimum default discount level of 30% in Barrowby (though of course higher discounts would expand access to ownership for a bigger group of below-average earning households).
140. 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 (or, indeed, that other changes such as more executive-style housing are needed). 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. Though this does not appear to be justified in Barrowby, if the Steering Group intend to set a higher First Homes discount level than that set at District level, further discussions with the LPA are advised.
141. Shared Ownership appears to be slightly 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.<sup>12</sup> If this is delivered in the NA, it will make Shared Ownership easier to access for more people – including potentially to the benchmark used here for lower earning households. 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.

142. 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 expand this route to home ownership quite significantly to below-average earners. Discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable to First Homes and Shared Ownership at 50% discount and 25% equity. 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.
143. These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:
  - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
  - Shared Ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
  - Shared Ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
  - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

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<sup>12</sup> The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

### **Affordable rented housing**

144. 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 Barrowby.
145. Affordable rented housing is generally affordable to lower earning households. In fact, lower earning households appear reliant exclusively on this tenure option due to the severe affordability challenges in the mainstream non-subsidised market. Such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
146. The evidence in this chapter indicates a clear divide in housing affordability in Barrowby, with higher earners and those already on the housing ladder able to buy their own homes, average earners able to afford most alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Barrowby as the only option for a large segment of those in the greatest need.
147. Social rents are cheaper than affordable rents 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

148. 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.

### AECOM Estimates

149. AECOM estimates there to be limited long-term need for affordable rented homes in Barrowby. Our model estimates an annual surplus of 0.5 units – effectively an equilibrium where newly arising need and supply through turnover (vacancies) in the existing stock are broadly in balance.
150. The estimate and assumptions used are detailed in Appendix D and summarised in Table 5-4 below. This estimate is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.
151. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 30 households – see subsequent section) and plenty of households wishing to live in Barrowby. The reason for the affordable rented housing need being met over the long-term is that model reflects the recent rate of turnover in the existing stock: of the affordable rented accommodation existing currently, it can be expected that some will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This is able to satisfy the projected newly arising need as well as some of the backlog, which is effectively spread out over the 10-year period to produce an annualized figure.
152. An important caveat to this finding is that the NA may be meeting wider needs within the District or the Parish's rural hinterland where the services and facilities required are more limited. As such, whilst it may be possible to address localised needs through the existing stock, new affordable rented housing may still need to be provided for households in acute need living elsewhere in the wider area.
153. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
154. As such, it may be appropriate for Barrowby to encourage the delivery of some affordable rented housing, with the understanding even if this would meet all of the localised need, it may also help to meet needs from elsewhere in the district. The NA's wider strategic role in the delivery of Affordable Housing should be discussed with South Kesteven District Council.
155. This result reflects the need of future households from the present year forward. That means that the 49 new affordable homes (not all of which are necessarily in rented tenures, though the exact breakdown is unknown) have not been deducted from the overall need. Rather, they are assumed to form part of the current stock,

which will both generate some need in future but also help to satisfy it through turnover (vacancies). Note that the figure for annual turnover used here is based on historic figures in Barrowby, which does not yet reflect these new affordable homes (because they would only have been let for the first time rather than re-let since they were built). In practice, the estimate of annual supply through turnover may be higher still in practice, reducing the long-term need.

**Table 5-4: Estimate of need for Affordable Housing for rent in Barrowby**

Component of need or supply in the AECOM estimate	Per annum
Current need	1.8
Newly arising need	1.3
Supply	3.5
<b>Net surplus</b>	<b>0.5</b>

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

156. Turning to affordable home ownership tenures, AECOM estimates potential demand for 2.4 affordable home ownership dwellings per annum in Barrowby, equating to a total of 41 (rounded) over the Neighbourhood Plan period. The estimate and assumptions used are detailed in Appendix D and summarised in Table 5-5 below. One of the reasons the result is proportionally quite high in relation to the overall HRF calculated in the Quantity chapter of the HNA is that there is so little Shared Ownership housing in the Parish at present that turnover in the existing stock has a much lesser impact on the final estimate.
157. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

**Table 5-5: Estimate of need for Affordable Housing for rent in Barrowby**

Component of need or supply in the AECOM estimate	Per annum
Current need	2.1
Newly arising need	0.3
Supply	0.1
<b>Net shortfall</b>	<b>2.4</b>

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

## Additional evidence of Affordable Housing needs

158. South Kesteven District Council provided key statistics from the affordable rented housing register, which has been drawn upon to some extent in AECOM's calculations. It is worth also setting out this evidence explicitly here.

159. As of August 2023 there were 392 households who either live in Barrowby or with a preference to live there (but currently resident elsewhere) on the waiting list for affordable rented housing. This means that it is not possible to disaggregate the need arising from current Barrowby households and the need of those living anywhere else in the District with a preference for Barrowby. Splitting those figures is not necessary from SKDC's perspective because allocations are made based on the urgency of need rather than the location of the applicant (although the latter is taken into account). However, it is understood that the allocation system used by SKDC is due to be replaced or updated, allowing for disaggregated figures to become available in future. This could be a useful source for the Steering Group if it is available prior to the publication of the Neighbourhood Plan.
160. In the current absence of sufficiently specific data, the model summarised above pro-rates the average annual need for affordable rented housing for the whole of South Kesteven to Barrowby based on its share of the District population. This produces a much more conservative result of 30 households, which is more in line with the proportions AECOM has observed in other similar locations.
161. SKDC's data on applicants who live or want to live in Barrowby does, however, provide a breakdown of the need by the size of home applicants are eligible for. 45% of the need is for 1 bedroom properties, 28% for 2 bedroom properties, 20% for 3 bedroom properties, 6% for 4 bedroom properties and 1% for 5 bedroom properties.
162. There have been 7 re-lets in the existing social rented housing stock in the past two whole years – i.e. vacancies that were filled by other households on the list. The annual average is thus 3.5 per year.

## **Affordable Housing policies in Neighbourhood Plans**

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

### **Application of Local Plan policies**

164. South Kesteven's adopted policy on this subject requires 30% of all new housing on sites of 11+ homes to be affordable in locations outside of Grantham. Given that all of Barrowby's housing growth in recent years has been on sites smaller than this threshold except for the most recent year in which an initial phase of a major development was built, it is difficult to establish whether this 30% target tends to be met or negotiated down on viability grounds. Anecdotal evidence from the Steering Group suggests that some of the pipeline developments have been negotiated down to 10% affordable housing. The community also has concerns about the concentration and visual distinctiveness of Affordable Housing among these current and upcoming developments.

165. 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.
166. How the Affordable Housing that comes forward through mainstream development sites (i.e. the 30% of all housing cited above) is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left to be guided by the most recent evidence.

## **Affordable Housing at Neighbourhood level**

167. 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 Barrowby on the basis of identified housing need and a range of other considerations detailed in Appendix D.
168. The key factors here can be summarised as follows:
  - AECOM's estimates suggest a robust potential demand for affordable home ownership in Barrowby and limited need for further affordable rented homes because turnover in the current stock appears able to satisfy newly arising need. This points toward a strong emphasis on ownership options;
  - There is nevertheless a not insignificant current backlog of need for affordable rented housing (estimated at 30 households) as well as persistent outstanding need across South Kesteven as a whole, to which the NA might reasonably be expected to contribute.
  - Based on the housing need figure estimated in this report of 167 new homes overall, and assuming South Kesteven's target for 30% Affordable Housing, around 50 new affordable homes could be built over the Neighbourhood Plan period. However, if housing delivery over the Plan period is dominated, as is expected, by the 270-home allocation in the Local Plan and other sites in the pipeline that fall entirely or partly within the Parish boundary, a much larger number of affordable homes could be built. This would deliver a proportionally large increase in provision that would comfortably exceed the needs identified here, allowing needs from the wider area to be met in addition.
  - In this context of abundant future supply, there is less need to prioritise specific forms of Affordable Housing. Although within the Parish itself there appears to be higher potential demand for routes to ownership than rented options, there is a need for greater balance if development in Barrowby is expected to satisfy the needs of others in the District.
  - The affordability analysis earlier in this chapter established that affordable rented housing is the only option for single lower earners and that, while still expensive in some forms, affordable home ownership products would meaningfully widen access to home ownership to local people. This suggests both should feature in the tenure mix.

169. On balance, AECOM suggests that there is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is very unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need. In this case, AECOM estimates that the existing stock of affordable rented housing may be sufficient for the community's evolving needs. However, it may be prudent to future-proof the stock through some additional supply in case this situation changes and to contribute to the unmet needs of the wider area.
170. As such, both affordable rent and affordable home ownership should feature in the Affordable Housing tenure mix. AECOM's interpretation of the evidence suggests that a balanced mix is appropriate. Table 5-6 sets out one proposed option, and breaks down the headline split between rented and ownership tenures with reference to the affordability analysis earlier in the chapter. This suggested that First Homes at a higher discount level is beneficial, Shared Ownership is also potentially valuable at lower equity shares, and that rent to buy might be particularly useful if offered at suitable rental levels and if this less common tenure is feasible locally.
171. Where the Steering Group wish to develop policy that deviates from that outlined in the Local Plan, it is important that they liaise with South Kesteven District Council to understand if any more detailed viability information is needed, and to ensure that departures from the local policy context have their support.



**Table 5-6: Indicative tenure split (Affordable Housing)**

<b>Tenure</b>	<b>Indicative mix</b>	<b>Considerations and uncertainties</b>
<b>Routes to home ownership, of which</b>	<b>50%</b>	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared Ownership	15%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on Shared Ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	10%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
<b>Affordable Housing for rent, of which</b>	<b>50%</b>	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

*Source: AECOM calculations*

## Conclusions- Tenure and Affordability

### Current tenure profile

172. Home ownership is the dominant tenure in Barrowby, representing a notably higher share of the total (81%) than the wider District (68%) and national average (61%). The prevalence of home ownership comes at the expense of social renting and, especially, private renting. The lack of alternatives to ownership are likely to present a challenge for those on the lowest incomes to remain in the Parish.
173. Though the 2011 rates of social renting and shared ownership are slightly below the District average, they are likely to have increased substantially by the time of writing in October 2023 due to a significant injection of new supply amounting to 49 units, completed in 2022/23. This has brought the total number of affordable homes up by more than 50% to 145 units. The precise breakdown of social rent to shared ownership in the new supply is unknown.

### Housing costs

174. Home values in the NA have followed a clear upward trajectory despite some year-on-year fluctuations. The current median house price (middle number when

arranged from lowest to highest) is £290,000, which is 86% higher than the 2013 average. The lower quartile price (the lowest 25% of prices, used as a good proxy for entry-level housing) stands at £250,000. This is relatively close to the median, indicating that the range of price points in Barrowby is narrow and consequently people may struggle to find truly affordable entry-level properties.

175. It is also worth noting that the current median house price in Barrowby is 16% higher than the current median for South Kesteven as a whole. However, the lower quartile average is a full 39% higher for the reason noted above. Although Barrowby is dominated by detached and larger (4+ bedroom) homes and, correspondingly, District averages are strongly influenced by the smaller and flatted accommodation that is more plentiful in its more urban locations, it remains clear that Barrowby is a high-value housing market for the local area. This presents a barrier to entry for households with lower incomes or wealth.
176. AECOM has estimated the annual income required to afford various tenures of housing in Barrowby – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £46,500 in 2018, and the lower quartile household income for South Kesteven was £21,845 in 2022.
177. It was found that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income around 60% above the current average. Private renting is more affordable, but generally only accessible to average earning households. A broader challenge in relation to private renting is that, though potentially cheaper, too few properties are available to make this a reliable option for lower income households. At the time of search in August 2023 there were no rental listings in Barrowby.
178. Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Barrowby there is a relatively large gap between the income needed to afford to rent (£26,000) and to buy (£60,000-£65,000), who may benefit from these products.
179. The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Barrowby the minimum 30% discount appears broadly affordable to the average earning household. Although higher discounts would expand access to ownership more widely, it may not be realistic to expect lower quartile earning households to afford to buy.
180. Affordable rented housing appears generally affordable to households on lower quartile incomes. The evidence in this chapter indicates a clear divide in housing affordability in Barrowby, with higher earners and those already on the housing ladder able to buy their own homes, average earners able to afford most alternative options (such as private renting and affordable routes to ownership), and lower earners able to access nothing but affordable rented housing. This suggests that the affordable rented sector performs a vital function in Barrowby as the only option for a large segment of those in the greatest need.

## **The need for Affordable Housing**

181. AECOM estimate that there will be a long-term surplus of affordable rented housing in Barrowby rather than an unmet need. This amounts to an annual surplus of 0.5 affordable rented homes – effectively an equilibrium. Details of the calculations discussed here are provided in the main body of the report and in Appendix D.
182. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 30 households) and plenty of households bidding on new vacancies from elsewhere in the District. The reason for the affordable rented housing need being met over the long-term is the rate of turnover in the existing stock of social housing, which suggests that vacancies will be able to satisfy the projected newly arising need as well as some of the backlog – particularly given the large recent injection of supply.
183. AECOM estimate potential demand for 2.4 affordable home ownership dwellings per annum in Barrowby, equating to a total of 41 over the Neighbourhood Plan period. The households eligible for such homes 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. It is important to note that there is no obligation to meet these potential need in their entirety, and there are valid further reasons that could prevent it such as the availability of land and the need for market housing.
184. The breakdown between affordable rented and ownership tenures within the recent supply of Affordable Housing (49 units) is not precisely known. If this site includes affordable home ownership homes (such as Shared Ownership), this may be considered to have already meet some of the need identified here.

## **Affordable Housing policy**

185. Affordable Housing is typically provided and made financially viable by District-wide planning policies that require it to be included at a set proportion of market housing developments. South Kesteven's adopted policy on this subject require 30% of all new housing be affordable. This is a policy area within the remit of the Local Planning Authority, but it is worth considering what the most appropriate mix of Affordable Housing products might be in the NA specifically.
186. AECOM recommends that the tenure mix of Affordable Housing secured in future years gives broadly even priority to affordable home ownership options (50%) and affordable rented provision (50%). There is an opportunity here to boost levels of affordable home ownership to meet high levels of potential demand in a context where home ownership through the open market is very unaffordable. The trade-off is that this would lower delivery of affordable rented housing, which serves those in the greatest need. In this case, AECOM estimates that the existing stock of affordable rented housing may be sufficient for the community's evolving needs. However, it may be prudent to future-proof the stock through some additional supply in case this situation changes and to contribute to the unmet needs of the wider area.

187. There is no obligation to follow this recommendation or to depart from the any emerging Local Plan default mix if that is more in line with the community's objectives. Further discussion with South Kesteven District Council about the options and their advice as further District-level evidence emerges would be beneficial, and could cover issues beyond the scope of this report, such as development viability.
188. Table 5-7 summarises Barrowby's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the percentages recommended above to the HRF of 167 new homes calculated in the Quantity chapter of this report, and shows the quantities of affordable housing for rent and sale that would be delivered.
189. In this sense it is hypothetical, and the outcomes in practice are likely to differ, particularly given the fact that the existing Local Plan allocation and other sites in the development pipeline far exceed the overall need figure estimated here.

**Table 5-7: Estimated delivery of Affordable Housing in Barrowby**

	Step in Estimation	Expected delivery
A	Housing need figure	167
B	Affordable housing quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	50
D	Rented % (e.g. social/ affordable rented)	50%
E	Rented number (C x D)	25
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	50%
G	Affordable home ownership number (C x F)	25

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

## 6. Type and Size

### Introduction

190. 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.
191. 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.
192. 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.
193. 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.
194. 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

195. This section establishes the current housing mix of Barrowby, highlighting recent changes to it and comparing the mix to wider averages.

### Dwelling type

196. Table 6-1 below shows that Barrowby's dwelling mix is much more strongly weighted in favour of detached housing than the wider comparator geographies – although this characteristic is not unusual for rural areas. There are correspondingly smaller proportions of other type categories. In particular, there is a comparative lack of terraced and flatted accommodation, which tends to be the smallest and most affordable, and therefore most suitable to newly forming younger households in particular.

197. The Census divides dwellings into a standard set of categories that does not include bungalows: a detached bungalow will be counted only as a detached house, and so forth. It is therefore useful to refer to Valuation Office Agency (VOA) data, which is based on council tax reporting and is in other respects less precise, but which does separate out bungalows as a separate category. VOA counts 150 bungalows in Barrowby in 2022, which is 15% of all homes. This is a slightly higher proportion than wider South Kesteven (14%) and England (9%). Bungalows tend to appeal to older households and those with mobility limitations, so this element of Barrowby's housing stock may be linked to the age profile of the population, considered later in this chapter.

**Table 6-1: Accommodation type, various geographies, 2021**

Type	Barrowby	South Kesteven	England
Detached	74.1%	41.8%	22.9%
Semi-detached	17.1%	30.9%	31.5%
Terrace	5.6%	17.5%	23.0%
Flat	3.1%	8.7%	22.2%

Source: Census 2021, AECOM Calculations

198. Looking at how the housing stock by type has changed in recent years, Table 6-2 below suggests that almost all the new homes built since 2011 were detached or (to a lesser extent) semi-detached. This has had the effect of further exaggerating the parish's existing skew toward less dense (and often more expensive) dwelling types, as described above.
199. The data also shows a small decline in the number of terraces and flats. Though this may reflect actual demolitions or other building works, it may also be a function of a quirk in the data. There has been a change in how dwelling type data is captured in the latest Census: in 2011 the total aligned with the number of dwellings; in 2021 it aligns with the number of households. Because some dwellings are not occupied by a household, the 2021 data tends to slightly undercount the number of dwellings. For this reason the overall totals for each year are not given in the table. (Note that the data on the new housing built since 2011 provided by SKDC is not broken down by type or size.)

**Table 6-2: Accommodation type, Barrowby, 2011-2021**

Type	2011	2021	% change
Detached	630	662	4.8%
Semi-detached	139	153	9.2%
Terrace	54	50	-8.0%
Flat	30	28	-7.1%

Source: Census 2021, AECOM Calculations

## Dwelling size

200. Table 6-3 shows the mix of dwelling sizes by number of bedrooms in the NA compared to the wider District and country. Barrowby has a generally larger housing stock than the comparator areas. In particular, the proportion of 4+ bedroom homes in the parish is more than 10 percentage points higher than South Kesteven and nearly double the national average. The share of homes with 3 bedrooms is in line with wider averages but there are relatively few 1 and 2 bedroom properties. This is consistent with the absence of flats.

**Table 6-3: Dwelling size (bedrooms), various geographies, 2021**

Number of bedrooms	Barrowby	South Kesteven	England
1	4.2%	5.6%	11.6%
2	15.1%	23.9%	27.3%
3	42.7%	42.9%	40.0%
4+	38.0%	27.5%	21.1%

Source: Census 2021, AECOM Calculations

201. In terms of recent changes to the dwelling size profile, Table 6-4 shows that the majority of new homes built since 2011 have had 4 or more bedrooms (approximately 41 out of 70). This has again had the effect of exaggerating the bias toward larger homes in Barrowby. There were also increases in the number of 3 and 1 bedroom homes, although the latter is difficult to square with the decline in the number of flats observed above. It is apparent that a number of 2

bedroom homes have been lost to demolition or conversion. It should be emphasised that this data shows changes to the existing stock of housing rather than simply the addition of newly built properties. (Again it was not possible to isolate new construction and changes to existing homes because SKDC completions data cannot be broken down by size.)

**Table 6-4: Dwelling size (bedrooms), Barrowby, 2011-2021**

Number of bedrooms	2011	2021	% change
1	28	38	35.7%
2	151	135	-10.6%
3	362	382	5.5%
4+	299	340	13.7%

Source: Census 2021, AECOM Calculations

## Population characteristics

202. Having This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years.

### Age

203. Table 6-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. This shows the moderate speed at which the population is ageing in Barrowby, with the oldest two age groups expanding notably over the last decade while all other age groups contract (except for a small increase in young adults). The slight loss of the young population, particularly in the linked groups of young children and those aged 25-44 (childbearing age), may present a future challenge to the balance and vibrancy of the community. As such, this evidence would appear to support the Steering Group's desire to attract and retain young people and families through any planned changes to Barrowby's housing offer, alongside other non-housing efforts.

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

Age group	2011 (Census)		2021 (Census)		Change
0-14	320	16.4%	313	15.3%	-2.2%
15-24	139	7.1%	153	7.5%	10.1%
25-44	376	19.3%	370	18.1%	-1.6%
45-64	615	31.5%	594	29.1%	-3.4%
65-84	445	22.8%	550	26.9%	23.6%
85 and over	57	2.9%	63	3.1%	10.5%
Total	1,952		2,043		-2.2%

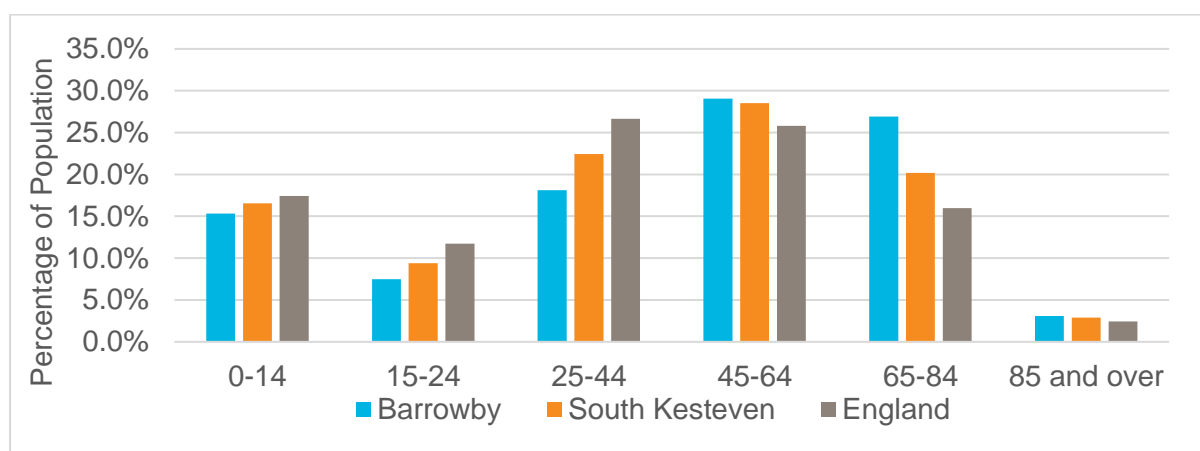
Source: ONS 2011, ONS 2021, AECOM Calculations

204. For context, it is useful to look at the NA population structure alongside that of the District and country. Figure 6-1 (using 2021 Census data) shows that Barrowby's population is significantly older than that of South Kesteven, which is in turn older than the national average. As observed above, the 65-84 age group is unusually large in Barrowby. As the population continues to evolve to



2041 it is likely that many in this age group will be entering the 85+ group, at which point people's housing needs tend to change – for example, requiring accessibility adaptations or additional support.

**Figure 6-1: Age structure in Barrowby, 2021**



Source: ONS 2021, AECOM Calculations

## Household composition and occupancy

205. Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 6-6 shows that Barrowby has a similar proportion of single-person households to the wider District and country, although a higher share of single-person households are aged over 66. Of the Parish's family households, slightly more have children than do not – though to a lesser extent than wider averages (in line with the contrast in the age profiles discussed above). Barrowby also has fewer 'other' households, where more than one family unit shares a dwelling.

**Table 6-6 Household composition, Barrowby, 2021**

Household composition		Barrowby	South Kesteven	England
<b>One person household</b>	<b>Total</b>	28.6%	29.0%	30.1%
	Aged 66 and over	19.0%	14.1%	12.8%
	Other	9.5%	14.9%	17.3%
<b>One family only</b>	<b>Total</b>	69.4%	67.0%	63.1%
	All aged 66 and over	19.0%	12.6%	9.2%
	With no children	20.2%	19.8%	16.8%
	With dependent children	22.1%	24.9%	25.8%
	With non-dependent children <sup>13</sup>	9.1%	9.3%	10.5%
<b>Other household types</b>	<b>Total</b>	2.0%	4.0%	6.9%

Source: ONS 2021, AECOM Calculations

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

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

207. 2011 Census data (because this has not yet been released for 2021) in Table 6-7 shows that around 90% of households have at least one more bedroom than they would be expected to need, and 60% have two more. This is particularly the case for couples over 65 and families without children. While not uncommon, this suggests that the Parish's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

208. There are very few households with too few bedrooms, but these are exclusively those with dependent or adult children – suggesting that affordability difficulties are causing a small number of family households to live in unsuitable accommodation.

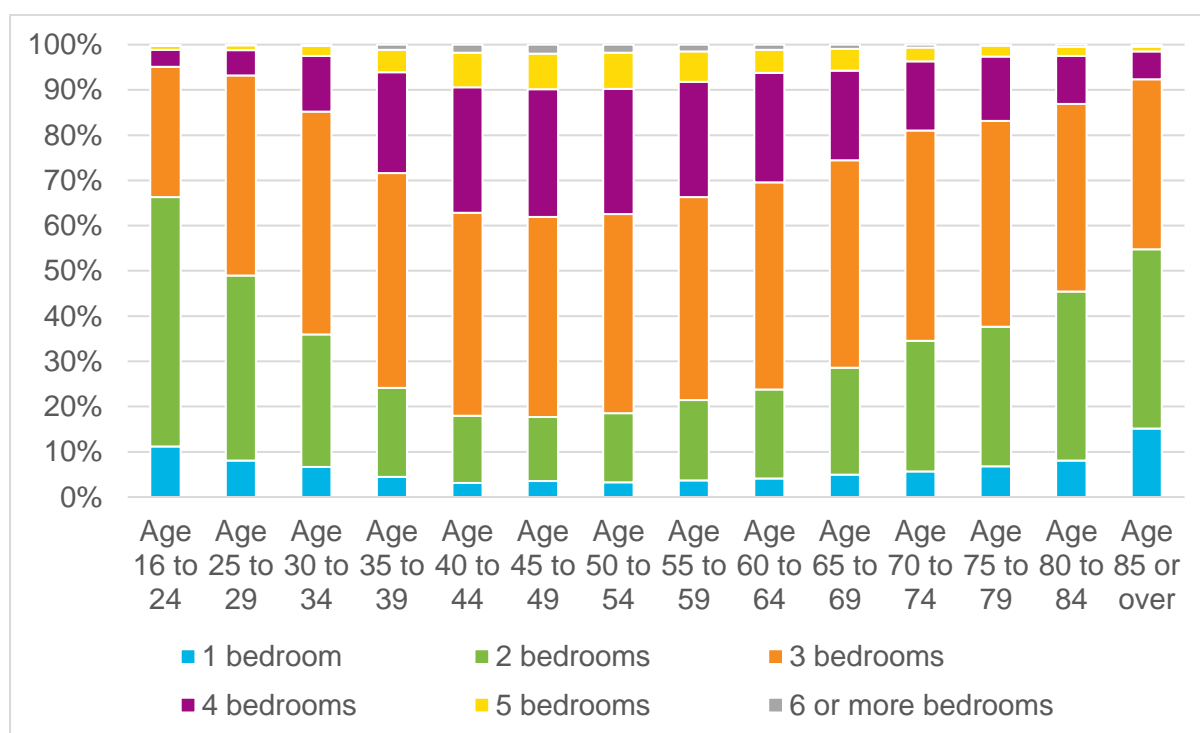
**Table 6-7: Occupancy rating by age in Barrowby, 2011**

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	79.0%	18.2%	2.8%	0.0%
Single person 65+	51.2%	35.0%	13.8%	0.0%
Family under 65 - no children	85.2%	13.8%	1.0%	0.0%
Family under 65 - dependent children	43.5%	36.3%	19.2%	1.0%
Family under 65 - adult children	37.3%	56.7%	6.0%	0.0%
Single person under 65	60.0%	35.0%	5.0%	0.0%
<b>All households</b>	<b>60.0%</b>	<b>29.8%</b>	<b>9.6%</b>	<b>0.6%</b>

Source: ONS 2011, AECOM Calculations

209. As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 6-2 sets out this relationship for South Kesteven in 2011 (because this data is not available at smaller scales or for the latest Census). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

**Figure 6-2: Age of household reference person by dwelling size, South Kesteven, 2011**



Source: ONS 2011, AECOM Calculations

## Future population and size needs

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

### Age

211. The result of applying Local Authority level household projections to the age profile of Barrowby households in 2011 (because household age data is not yet available for 2021) is shown in Table 6-8. This makes clear that population change can be expected to be driven by further growth in the oldest households, with the 65+ age group expected to nearly double to become just over 50% of the total, while the younger age groups remain largely the same size or even slightly decline.

212. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. The potential scale of development in Barrowby in future years will likely produce a very different result in practice, particularly if the Neighbourhood Plan sets requirements for new homes are designed to attract specific age groups and households types.

**Table 6-8: Projected age of households, Barrowby, 2011 - 2041**

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	5	51	274	193	317
2041	4	50	256	212	597
% change 2011-2041	-12%	-2%	-7%	10%	88%

Source: AECOM Calculations

213. The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 6-2) onto the projected age profile for the NA in Table 6-8 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.
214. 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.
215. The result of this exercise is presented in Table 6-9. It suggests that the ideal mix of dwelling sizes in 2041 to accommodate demographic change would have higher proportions of smaller and mid-sized homes and lower proportions of larger ones than the current dwelling mix.
216. Consequently, the model recommends that future housing delivery focuses predominantly on 2-3 bedroom homes. These size categories tend to appeal to young people, starter families and some downsizing older households, and offer greater affordability than larger homes.
217. However, the model recommends a particularly high proportion of 2 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages. That may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the parish. It may therefore be considered inappropriate to focus so heavily on a presently unusual home size that also tends to come forward as flats (which again may not be considered appropriate given the existing local character). If so, the Neighbourhood Plan might blend the proportion for 2 and 3 bedroom homes into a combined 2-3 bedroom category, allowing for greater flexibility.
218. The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and specialist housing for older people – see subsequent chapter) are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for

growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount.

219. In essence the goal is diversification away from a relatively skewed current mix, with a need for mid-sized and smaller options, and limited need for the largest properties.

**Table 6-9: Suggested dwelling size mix to 2041, Barrowby**

<b>Number of bedrooms</b>	<b>Current mix (2021)</b>	<b>Suggested mix (2041)</b>	<b>Balance of new housing to reach suggested mix</b>
1	4.5%	5.9%	9.7%
2	16.1%	25.4%	50.7%
3	45.5%	44.5%	39.6%
4+	40.5%	24.2%	0.0%

Source: AECOM Calculations

220. Expanding on the commentary above, 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 preceding chapter found that affordability is a serious and worsening challenge in the parish. 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 (even if their prices rise through demand), although it should be considered whether large numbers of 1-2 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. That said, people also have sentimental attachments to existing homes or see them as nest eggs for children, meaning that downsizing is not a preference for everyone.
- It is relevant to look at the mix proposed for South Kesteven as a whole in any emerging District-level housing needs evidence. When this becomes

available, it may help to identify wider size needs or imbalances which new homes in Barrowby might address. If aligned with the community's objectives, this could also be used to justify changes to the mix proposed here in any Neighbourhood Plan policy on this subject.

- More broadly it is important that the mix of new housing is balanced in and of itself (in addition to creating greater balance in the housing stock overall). As such, it may reasonably be considered that the complete absence of 4+ bedroom homes in the recommended size mix is inappropriately constricting. Allowing for a limited proportion of larger homes may be appropriate if this is in line with the objectives of the community.

## Tenure

221. 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.
222. 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.
223. There are three key sources of information for thinking through the size needs of different categories. These are:
- Any housing needs evidence for wider South Kesteven. This will set out the projected need by size within each tenure over the long-term, helping to show the differences between different tenure groups.
  - 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, 73% of the need in Barrowby is for 1-2 bedroom homes, with only 7% of households eligible for 4+ bedroom accommodation.
  - 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.
224. 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

225. 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.
226. 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.
227. The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Barrowby, 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.
228. 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 Steering Group and community to consider.

## Conclusions- Type and Size

### The current housing mix

229. The current dwelling mix in Barrowby is weighted in favour of larger and less dense home types. Specifically, nearly three-quarters of all homes are detached houses (compared to under half across South Kesteven and under a quarter across England). The proportion of bungalows, at 15%, is slightly higher than

the District and national average, and is likely to be linked to the Parish's older age profile.

230. The proportion of 4+ bedroom homes in Barrowby is also far higher than that of the District and there is a relative lack of 1-2 bedroom properties. The majority of new homes built since 2011 have been detached homes with 4 or more bedrooms, thereby exaggerating the parish's existing imbalances.
231. In summary, Barrowby is characterised by detached and larger homes, which tend to be more expensive and not well-suited to key segments of the population – notably younger families and downsizing older people.

### **Population characteristics**

232. The NA population, which is older than that of the District and England, has experienced significant ageing in the decade since 2011. The 65-84 and 85+ age groups have expanded by 24% and 11% respectively, while all other age groups have contracted with the exception of a small uptick in the number of 15-24 year olds. The loss of the young population, particularly in the linked groups of young children and those aged 25-44 (childbearing age) would appear to support the Steering Group's desire to attract and retain young people and families through Barrowby's housing offer. That said, the robust growth in older households may also require a housing mix that has the potential to accommodate changing mobility and support needs.
233. Applying ONS household projections for South Kesteven to the Barrowby population in 2011 suggests that population growth can be expected to be driven by the oldest households, with the 65+ age group nearly doubling to become the largest single group (at just over 50% of the total) while all other age bands grow at more modest rates or contract. It should be emphasised that this is the default scenario for organic population change if projections at the wider scale apply equally to the NA. The potential scale of development in Barrowby in future years will likely produce a very different result in practice, particularly if the Neighbourhood Plan sets requirements for new homes are designed to attract specific age groups and households types.
234. Barrowby has a similar proportion of single-person households to wider averages, although a larger share of single-person households are aged over 65. Of the Parish's family households, slightly more have children than do not – though to a lesser extent than South Kesteven and England. Barrowby also has fewer 'other' households, where more than one family unit shares a dwelling.
235. As of the 2011 Census, around 90% of households in the NA had at least one more bedroom than they would be expected to need, and 60% had at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among the three distinct groups: couples with no children, older households and single people. While not uncommon, this might suggest that Barrowby's larger housing is not necessarily being occupied by households with the most family members, but



by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

### **Future population and size needs**

236. It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (2-3 bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably the ageing of older people and counteracting the decline in younger families), and diversification away from the high proportion of 4+ bedroom homes in the current stock.
237. However, the model recommends a particularly high proportion of 2 bedroom dwellings because they are so underrepresented in the current stock compared to wider averages. That may be the case for good reasons, such as the existing patterns of housing density that reflect the character of the parish. It may therefore be considered inappropriate to focus so heavily on a presently unusual home size that also tends to come forward as flats (which again may not be preferred). If so, the Neighbourhood Plan might blend the proportion for 2 and 3 bedroom homes into a combined 2-3 bedroom category, allowing for greater flexibility.
238. 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.

## 7. Specialist housing for older people

### Introduction

239. 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 Barrowby. 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**.

240. 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.

241. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.<sup>14</sup>

242. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>15</sup> Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

243. The distinction between the need for 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.

<sup>14</sup> See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

<sup>15</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

## Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing<sup>16</sup>:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

## Specialist housing for older people

244. According to the search function on the Elderly Accommodation Counsel website, there are 16 units of specialist accommodation in the NA at present. These are all 1 bedroom flats in the Rectory Close age-exclusive development from the 1960s, all of which are offered for rent through a social landlord. There are, however, large numbers of specialist housing options within a short distance from the parish in Grantham.
245. 2021 Census data suggests that there are currently around 284 individuals aged 75 or over in Barrowby. This means that within the parish itself, there are around 56 units of specialist accommodation per 1,000 people aged over 75, a common measure of specialist housing supply.

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<sup>16</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

## Demographic characteristics

246. The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Barrowby is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for South Kesteven. The results are set out in Table 7-1. Currently, around 14% of the population of Barrowby are aged 75+, which is a higher proportion than that of wider South Kesteven (11%). Over the Neighbourhood Plan period this is projected to rise still further to nearly a quarter of the population.
247. As established in the previous chapter, Barrowby has an older population than the wider District and is likely to age faster in the coming years if the population evolves naturally. Although the number of older residents is likely to be at or above the level indicated in the table, there remains potential for their proportion of the overall population to be lower than projected, for instance if new housing continues to be built on a large scale and succeeds in attracting younger families.
248. A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population – of 221 – rather than the total at the end of the Plan period (505) is the key output of this calculation.

**Table 7-1: Modelled projection of older population in Barrowby to 2041**

Age group	2021		2041	
	Barrowby	South Kesteven	Barrowby	South Kesteven
All ages	2,043	143,404	2,206	154,833
75+	284	15,422	505	27,396
%	13.9%	10.8%	22.9%	17.7%

*Source: ONS SNPP 2020, AECOM Calculations*

249. 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.
250. 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 2041. The top row in Table 7-2 outlines the tenure mix among households aged 55-75 at Local Authority scale, which indicates that the vast majority of older households

are home owners and that, of the remainder, most are in social rather than private rented accommodation.

251. The expected growth in the 75+ population in the NA is 221 additional individuals by the end of the plan period. This can be converted into 158 households based on the average number of people per household aged 75+ at Local Authority scale (1.40). Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Barrowby households are likely to need in 2041, and is shown in the bottom row of Table 6-2.

**Table 7-2: Tenure of households aged 55-75 in South Kesteven (2011) and projected new households aged 75+ in Barrowby in 2041**

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
<b>South Kesteven (2011 mix)</b>	<b>79.8%</b>	56.4%	23.4%	<b>20.2%</b>	11.7%	7.2%	1.3%
<b>Barrowby (additional households to 2041)</b>	<b>126</b>	89	37	<b>32</b>	18	11	2

Source: Census 2011

252. 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-1 in Appendix E presents this data for Barrowby from the 2011 Census.

## **Future needs for specialist accommodation and adaptations**

253. 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 79.
254. AECOM's modelling, summarised in Table 7-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This

is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

255. These estimates suggest that the greatest need is for market specialist housing, which is unsurprising given that most older households are already homeowners and would not qualify for subsidised housing. The need is relatively balanced between options with additional care and less specialised options – for which adaptations to market housing represent a viable alternative.

**Table 7-3: AECOM estimate of specialist housing need in Barrowby to 2041**

Type	Affordable	Market	Total
Housing with care	12	25	37
Adaptations, sheltered, or retirement living	11	31	42
<b>Total</b>	<b>23</b>	<b>56</b>	<b>79</b>

Source: Census 2011, AECOM Calculations

**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. HLIN calculations**

256. Table E-2 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 Barrowby results in a total of 54 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 7-4. Again the majority of need is for market options, but the HLIN estimates suggest there is more limited need for extra care accommodation compared to sheltered housing or adaptations to mainstream homes.

**Table 7-4: HLIN estimate of specialist housing need in Barrowby by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care	7	8	15
Adaptations, sheltered, or retirement living	13	26	39
<b>Total</b>	<b>20</b>	<b>34</b>	<b>54</b>

Source: Housing LIN, AECOM calculations

## Further considerations

258. The above estimates suggest that potential need for specialist accommodation could be in the range of 54-79 units over the Neighbourhood Plan period. However, depending on the future supply of housing overall it may not be

possible or appropriate to deliver this scale of new accommodation. Despite Barrowby's proportionally large older population, it would not be prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families, and others important to maintaining a balanced and vibrant community. There may be an opportunity to deliver fully on the needs of older households if large scale development continues in future, but this depends on the objectives of the local community and the degree of willingness among older people to relocate to nearby Grantham.

259. Generally speaking, 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.
260. 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).
261. It is considered that Barrowby is, in broad terms, not a particularly suitable location for specialist accommodation on the basis of the accessibility criteria above, particularly the availability of public transport and safe walking routes between the existing settlement and potential new development sites.
262. Clearly the hub and spoke model is operational in the area around Barrowby at present, with Grantham providing a significant clusters of specialist housing and care home accommodation that is likely to serve the wider rural area. This may be a sustainable situation into the future, but there may also be value in attracting specialist housing development in Barrowby itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Steering Group and wider community, in discussion with South Kesteven District Council.
263. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

## Care homes

264. 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.
265. 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.

266. 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.
267. 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, applied to the growth in the older population for consistency with the calculations above, it is estimated that by 2041 there would be a need for 13 care homes beds arising from the additional older people expected to be living in the NA.
268. It is important to note that as this estimate relates to care homes (or the population in institutions) rather than independent housing, this figures is theoretically in addition to the overall need for housing in the NA. However, as discussed in this section, some or all of the potential need for care home beds might be met by independent housing accommodation and vice versa, or in more suitable locations elsewhere.

## **The Role of Mainstream Housing**

269. The majority of older people live in mainstream housing and will continue to do so all of their lives. This is particularly the case in Barrowby where there currently are no specialist housing schemes or care homes.
270. 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.
271. However, given the uncertainty about what volume of additional specialist supply might be likely or appropriate during the Plan period, another key avenue to accommodating those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with South Kesteven.



272. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings<sup>17</sup>, although changes to Building Regulations have not yet been made.
273. The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people. Policy DE1 takes this further to specify that 10% of new homes (over a minimum site size threshold) should meet Category M4(2) accessibility standards. The evidence gathered here further justifies this requirement, and may even support a higher target for Barrowby given its population profile, or even a target for Category M4(3) wheelchair accessible standards. 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 existing requirements in the Local Plan are robust, so discussions with the LPA are advised exceeding or departing from them is a key priority.
274. 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. Across England as a whole, 0.6% of the population use a wheelchair all of the time, and 3% do so part of the time. It is worth noting that these national figures 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. These percentages might form the basis of a formal or informal target for Category M4(3) dwellings.

## Conclusions- Specialist Housing for Older People

### Characteristics of the current older population

275. There are currently estimated to be around 284 individuals aged 75 or over in Barrowby, representing 14% of the population. There is only one scheme specialist accommodation in Barrowby at present, according to the Elderly Accommodation Counsel search tool: Rectory Close, which provides 16 age-exclusive 1 bedroom flats offered for social rent.
276. A clear majority (80%) of South Kesteven households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2041) 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

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<sup>17</sup> See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

unlikely to have the funds to buy. Rates of disability in Barrowby are also higher among social tenants than owner-occupiers.

### **Projected demographic change and need for specialist housing**

277. The 75+ population of the NA is projected to increase to 505 people over the Plan period, to become 23% of the population in 2041. As established in the previous chapter, Barrowby has an older population than the wider District and is likely to age faster in the coming years unless largescale new development attracts a replacement population of younger families.
278. The growth in the existing 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 household growth to 2041 among those aged 75+ in Barrowby is 158.
279. 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.
280. The two Barrowby specific estimates suggest a range of 54 to 79 specialist accommodation units might be required during the Plan period. These estimates are also broken down by tenure and level of support required. Broadly, 65-70% of the need is for accommodation offered for market purchase. This chimes with the higher propensity of older households to be homeowners. Around 55-70% of the need is found to be for sheltered housing with limited support rather than additional care arrangements. The potential need for care and nursing home beds in Barrowby to 2041 can be roughly estimated at 13 bedspaces.
281. These estimates are large relative to the known housing allocation in the Local Plan, but less so when compared to the total scale of commitments in the broader pipeline. It may not be considered prudent to prioritise the potential demand from older people to the exclusion of other groups, such as those in need of Affordable Housing, young families, and others important to maintaining a balanced and vibrant community.
282. Currently, specialist older people's housing in the vicinity of Barrowby is concentrated in Grantham. This may be a sustainable situation going forward. However, if largescale development in the parish is expected in future years, there may be an opportunity to attract specialist housing development in Barrowby itself for people who do not want to leave their immediate surroundings and social networks when their housing needs change in old age. The HNA evidence can be used to support specialist housing development but does not make that obligatory. How far to promote this is a choice for the Steering Group and wider community.

### **Accessibility and adaptability**

283. Depending on whether there is likely to be a large volume of additional specialist supply during the Plan period, an alternative or additional avenue to the provision of additional specialist homes is to discuss the standards of accessibility and adaptability required of new development with South Kesteven District Council. There is a particularly high degree of overlap between the groups served by sheltered specialist housing and adapted mainstream housing, so the unmet need for such homes identified here can be reduced through this avenue.
284. The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people and requires 10% of new homes (over a minimum site size threshold) to meet Category M4(2) accessibility standards. The evidence gathered here would further justify this existing requirement, and would also generally support a higher accessibility target or even an additional target for wheelchair user housing. 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 existing requirements in the Local Plan are robust, so discussions with the LPA are advised exceeding or departing from them is a key priority.

## 8. Next Steps

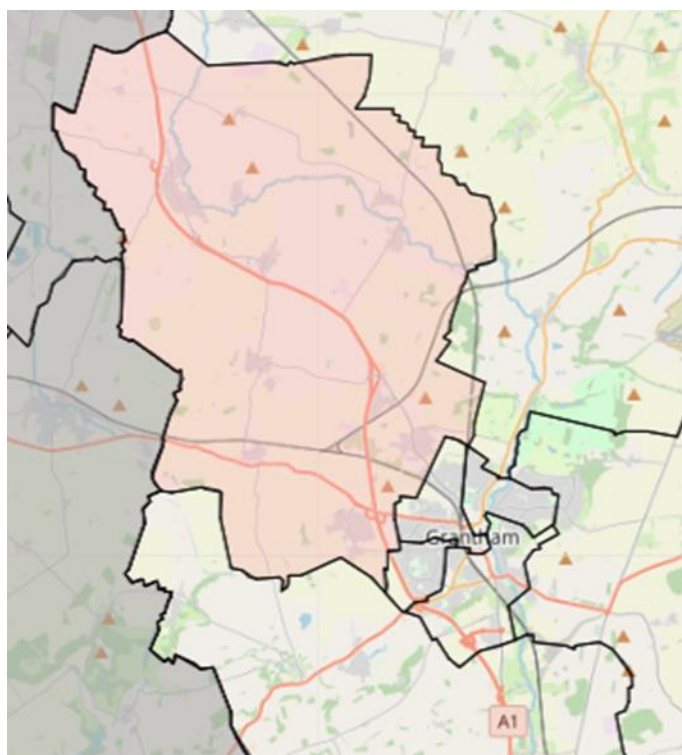
### Recommendations for next steps

285. This Neighbourhood Plan housing needs assessment aims to provide the Steering Group 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 South Kesteven 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 South Kesteven 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 South Kesteven District Council.
286. 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.
287. Bearing this in mind, it is recommended that the Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, South Kesteven District Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
288. 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

289. 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).
290. In this case, the NA equates to the single LSOA with the code number E01026291 (South Kesteven 002A).
291. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. Because Barrowby comprises a single LSOA, this data can be used precisely.
292. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, has the code number E02005477. This MSOA covers a large predominantly rural area of which Barrowby is the south-eastern most corner. A map of this geography is given below:

**Figure A-1: Map of MSOA E02005477**



Source: Nomis

# Appendix B : Local Plan context

## Policies in the adopted local plan

293. Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Barrowby. The emerging Local Plan has not yet reached the stage of having published draft policies that can be reviewed here.

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

Policy	Provisions
SP1: Spatial Strategy	Objectively Assessed Need for the District 2011-2036 is 16,125 dwellings; 650 dwellings per annum (dpa) from 2016 (uplifted from 625 2011-2016).
SP2: Settlement Hierarchy	<p>The majority of development in the District is to be focused on Grantham, followed by the three market towns of Stamford, Bourne, and the Deepings. The remaining growth prioritises 15 large villages, of which Barrowby is one, followed by 60 smaller villages.</p> <p>In Larger Villages, development proposals beyond any Local Plan allocations will be supported where they promote the role and function of the settlement and will not compromise its nature and character. The total housing growth earmarked for Larger Villages is 1,872, comprising 1,036 Local Plan allocations in addition to completions between 2011 and 2019 (465), consents (220) and commitments (151).</p>
H1: Housing Allocations	A site at Low Road in Barrowby is allocated for development, with capacity for 270 new homes. The linked allocations at Rectory Farm (phase2 for 1,150 homes and phase 3 for 404) also partly fall within the NA boundary.
H2: Affordable Housing	<p>All developments comprising 11 or more dwellings (or greater than 1000m<sup>2</sup> gross floorspace) should make provision for 30% of the scheme's total capacity as affordable housing. In the Grantham urban area the target is 20%. The Grantham urban area borders Barrowby parish to the east.</p> <p>All affordable housing expected to include mix of social rented, affordable rented, intermediate rented and intermediate market housing, appropriate to current evidence of local need and local incomes as advised by Council.</p>
H3: Self and Custom Build Housing	On sites of 400 or more units, at least 2% of plots will be provided for self and custom build housing
H4: Meeting All Housing Needs	All major residential proposals should provide appropriate type and size dwellings to meet needs of current and future households in District. This includes enabling older and vulnerable people to sustain their independence in an appropriate home (including specialist housing options).
DE1: Promoting Good Quality Design	Planning permission for new residential development above the threshold of 10+ dwellings will be granted subject to target of at least 10% of new dwellings being developed as 'Accessible and Adaptable' in line with the optional standards set out in Part M4(2) of the Building Regulations.

Source: South Kesteven District Council Local Plan 2011-2036

## Appendix C : Affordability calculations

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

### C.1 Market housing

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

#### i) Market sales

296. 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.

297. 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 Barrowby, 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.

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

- Value of a median NA house price (2022) = £290,000;
- Purchase deposit at 10% of value = £29,000;
- Value of dwelling for mortgage purposes = £261,000;
- Divided by loan to income ratio of 3.5 = purchase threshold of £74,571.

299. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022 was £250,000, and the purchase threshold is therefore £64,286.

300. 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 25 sales of new build properties in the NA in

2022 alone (out of a total of 37 in that year). The average price of these homes was £299,995, which is slightly above the overall average – reflecting the premium typically associated with new homes. This would require an income of £77,142.

301. It is also important to understand the likely cost of entry-level new housing in order to estimate the likely costs of affordable home ownership tenures (considered below). However, of the 25 new sales in Barrowby in 2022, 5 were semi-detached (average price £261,900) and 20 were detached (average price £316,495). Affordable home ownership products, designed for first-time buyers and others who cannot otherwise afford to purchase a home on the open market, tend to take the form of less expensive home types, such as terraces and flats.
302. To estimate the cost of a newly built terraced home (likely the most appropriate in the NA), it is helpful to look at new build prices across South Kesteven. Since average new build prices across the District are similar to Barrowby for other types (semi-detached: £262,000; detached: £325,000) it is reasonable to infer that if terraced homes were built in future in Barrowby they might broadly track the average cost of a terrace newly built home across South Kesteven. The average for this type in 2022 was £231,500, requiring an income of £59,529. This figure will be used as the starting point for the expected cost of newly built entry-level housing in Barrowby.

## **ii) Private Rented Sector (PRS)**

303. 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.
304. 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.
305. The property website Rightmove shows rental values for property in the Neighbourhood Area. The sample of rental price data within Barrowby itself was very limited at the time of search in August 2023, with no listings available at that time. A wider custom radius covering a number of other parishes to the



west of Grantham was used to produce a robust sample of 15 listings, which must be used as a proxy for likely rents in for Barrowby specifically.

306. According to Rightmove, the overall median monthly rent in this area is £923. The lower quartile monthly rent, used to represent entry-level rents (i.e. a 1-2 bedroom property) is £650.
307. The calculation for the private rent income threshold for entry-level dwellings is as follows:
  - Annual rent = £650 x 12 = £7,800;
  - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £26,000.
308. The calculation is repeated for larger property average to give an income threshold of £36,920.

## C.2 Affordable Housing

309. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: 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

310. 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.
311. 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 Barrowby. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Kesteven in Table C-1.
312. 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	£82.84	£91.30	£95.48	£108.75	£92.21
Annual average	£4,308	£4,748	£4,965	£5,655	£4,795
Income needed	£14,345	£15,810	£16,533	£18,831	£15,967

Source: Homes England, AECOM Calculations

## ii) Affordable rent

313. 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).
314. 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%.
315. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for South Kesteven. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
316. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 65-70% 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	£78.48	£100.37	£112.15	£140.86	£101.33
Annual average	£4,081	£5,219	£5,832	£7,325	£5,269
Income needed	£13,590	£17,380	£19,420	£24,391	£17,546

Source: Homes England, AECOM Calculations

## iii) Affordable home ownership

317. 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.

318. In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

### **First Homes**

319. 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.

320. 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 £231,500.

321. For the minimum discount of 30% the purchase threshold can be calculated as follows:

- Value of a new home (estimated NA new build entry-level) = £231,500;
- Discounted by 30% = £162,050;
- Purchase deposit at 10% of value = £16,205;
- Value of dwelling for mortgage purposes = £145,845;
- Divided by loan to income ratio of 3.5 = purchase threshold of £41,670.

322. 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 £35,717 and £29,764 respectively.

323. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.

324. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m<sup>18</sup>) would be around £122,500. This cost excludes any land value or developer profit. This could be an issue in Barrowby at higher discount levels.

325. 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, suggesting that there is a big difference in affordability depending on the form that First Homes take. For example, they would be less affordable if delivered in the form of semi-detached and detached homes as supplied by recent new build developments.

**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	38%	78%	55%
NA estimated new build entry-level house price	22%	72%	44%
NA entry-level house price	28%	74%	48%
NA median new build house price	40%	78%	57%

Source: Land Registry PPD; ONS MSOA total household income

<sup>18</sup> It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

## Shared Ownership

326. 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'.
327. 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.
328. To determine the affordability of Shared Ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
329. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £231,500 is £57,875;
  - A 10% deposit of £5,788 is deducted, leaving a mortgage value of £52,088;
  - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £14,882;
  - Rent is charged on the remaining 75% Shared Ownership equity, i.e. the unsold value of £173,625;
  - The estimated annual rent at 2.5% of the unsold value is £4,341;
  - This requires an income of £14,469 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
  - The total income required is £37,435 (£14,882 plus £14,469).
330. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £23,315 and £39,410 respectively. These results are again below the £80,000 eligibility cap.

## Rent to Buy

331. 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)**

332. 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.
333. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

# Appendix D : Affordable Housing need and policy

## Affordable Housing estimates

334. In Table D-1 AECOM has calculated, using PPG as a starting point,<sup>19</sup> an estimate of the total need for affordable rented housing in Barrowby over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence available. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
335. It should also be noted that while information was provided by South Kesteven in its capacity as manager of the local housing waiting list, this has not been used because the number of households in need does not differentiate between those living in Barrowby and those who wish to. Instead, a mid-term average figure for South Kesteven has been prorated to Barrowby. For comparison, if the waiting list figure for those interested in living in Barrowby (392) were used in Stage 1.1 of the table, the final result would be an annual need of 23.1 rather than a surplus.

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<sup>19</sup> Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

**Table D-1: Estimate of need for Affordable Housing for rent in Barrowby**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	30.0	Average number of South Kesteven households on the waiting list for the years 2016/17 to 2020/21 (2,123), pro-rated to Barrowby at 1.4% of the South Kesteven population.
1.2 Per annum	1.8	Step 1.1 divided by the plan period to produce an annualised figure.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	102.8	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	20.8%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA.
2.2.1 Current number of social renters in parish	145.0	Current social rented occupancy (2021 Census + affordable housing completions in 2022 – noting that some of these completions may be Shared Ownership).
2.2.2 Number of private renters on housing benefits	21.3	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	21.3	Step 2.1 x Step 2.2.
2.4 Per annum	1.3	Step 2.3 divided by plan period.
<b>STAGE 3: TURNOVER OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets (including transfers) %	3.5	Average number of homes in the existing stock relet in the years 2021/22 (4) and 2022/23 (3).
<b>NET SHORTFALL OF RENTED UNITS PER ANNUM</b>		
Overall surplus per annum	0.5	Step 1.2 + Step 2.4 - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, DLUHC 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

336. Turning to Affordable Housing providing a route to home ownership, Table D-2 estimates the potential demand in Barrowby. 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.

337. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for



surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.<sup>20</sup> 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 Barrowby**

Stage and Step in Calculation	Total	Description
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of renters in parish	70.0	Census 2021 private rented occupancy.
1.2 Percentage renters on housing benefit in LA	30.4%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	21.3	Step 1.1 x Step 1.2.
1.4 Current need (households)	36.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. <sup>21</sup>
1.5 Per annum	<b>2.1</b>	Step 1.4 divided by plan period.
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	102.8	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	4.1%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	4.2	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	<b>0.3</b>	Step 2.3 divided by plan period.
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	2.0	Number of Shared Ownership homes in parish (Census 2021).
3.2 Supply - intermediate resales	<b>0.1</b>	Step 3.1 x 5% (assumed rate of re-sale).
<b>NET SHORTFALL PER ANNUM</b>		
Overall shortfall per annum	<b>2.4</b>	(Step 1.5 + Step 2.4) - Step 3.2.

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

338. It should be noted that 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

<sup>20</sup> <http://www.ipsos-mori-generations.com/housing.html>

<sup>21</sup> The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

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

## Affordable housing policy

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

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

Consideration	Local Evidence
<p><b>A. Evidence of need for Affordable Housing:</b></p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the NA requires limited further affordable rented housing over the long-term but may see potential demand for 2.4 units of affordable home ownership homes per annum. 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 most or all new affordable housing should provide a route to ownership. However, it would be prudent to secure the delivery of more affordable rented housing because of the relatively modest proportion in the existing mix, the backlog of current need for it, and the potential expectation for Barrowby to meet the needs of the surrounding area.</p>
<p><b>B. Can Affordable Housing needs be met in full?</b></p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>If the Local Plan target of 30% were achieved on all of the 167 new homes identified in the Quantity chapter of this report, around 50 new affordable homes could be delivered.</p> <p>This level of potential affordable housing delivery would just be sufficient to meet all of the potential demand identified for affordable home ownership properties.</p>

	<p>There is also potential within this level of delivery to secure a nominal amount of affordable rented housing to future-proof supply, and to meet a broader opportunity to service demand for affordable renting.</p> <p>However, it is likely that the need figure of 167 identified here will be exceeded by the new developments currently in the pipeline, meaning that Affordable Housing is likely to be supplied a higher levels than the current community are envisaged to need. The remainder is likely to service needs from elsewhere in the District.</p>
<p><b>C. Government policy (eg NPPF) requirements:</b></p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>For 10% of all housing to be affordable ownership in Barrowby, where 30% of all housing should be affordable, 33% of Affordable Housing should be for affordable ownership. This is possible within the guidelines of the Local Plan, which does not require specific proportions for each tenure category.</p>
<p><b>D. Local Plan policy:</b></p>	<p>The adopted Local Plan seeks a tenure split in line with the latest evidence.</p>
<p><b>E. First Homes policy:</b></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 the relative proportions set out in the Local Plan.</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. The mix in the adopted Local Plan is left open, meaning that this requirement can be met but would be decided on a site-by-site basis.</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><b>F. Viability:</b></p>	<p>HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.</p>
<p><b>G. Funding:</b></p> <p>The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.</p>	<p>The Steering Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p><b>H. Existing tenure mix in Barrowby:</b></p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>The tenure mix in Barrowby at present has a slightly lower proportion of both social renting and Shared Ownership to South Kesteven. This suggests there is a potential modest gap in the market for affordable tenures. However, it should be noted that the reject injection of 49 affordable homes is likely to have brought Barrowby proportions in line with wider averages.</p>
<p><b>I. Views of registered providers:</b></p>	<p>It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding</p>

	arrangements available to housing associations will determine rent levels.
<b>J. Wider policy objectives:</b>	The Steering Group may wish to take account of broader policy objectives for Barrowby 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.

# Appendix E : Specialist housing for older people

## Background data

Table E-1: Tenure and mobility limitations of those aged 65+ in Barrowby, 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	499	114	22.8%	131	26.3%	254
<b><i>Owned Total</i></b>	<b>414</b>	<b>82</b>	<b>19.8%</b>	<b>101</b>	<b>24.4%</b>	<b>231</b>
Owned outright	363	70	19.3%	93	25.6%	200
Owned (mortgage) or Shared Ownership	51	12	23.5%	8	15.7%	31
<b><i>Rented Total</i></b>	<b>85</b>	<b>32</b>	<b>37.6%</b>	<b>30</b>	<b>35.3%</b>	<b>23</b>
Social rented	65	24	36.9%	23	35.4%	18
Private rented or living rent free	20	8	40.0%	7	35.0%	5

Source: DC3408EW Health status

## HLIN calculations

Table E-2: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

341. As Table 6-1 in the main report shows, Barrowby is forecast to see an increase of 221 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 =  $60 \times .221 = 13$
- Leasehold sheltered housing =  $120 \times .221 = 27$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times .221 = 4$
- Extra care housing for rent =  $15 \times .221 = 3$
- Extra care housing for sale =  $30 \times .221 = 7$
- Housing based provision for dementia =  $6 \times .221 = 1$

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

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

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

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

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

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



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

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>22</sup>.

### **Age-Restricted General Market Housing**

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

### **Annual Monitoring Report**

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

### **Basic Conditions**

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

### **Backlog need**

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

### **Bedroom Standard<sup>23</sup>**

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

<sup>22</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>23</sup> 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 Order<sup>24</sup>

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

## Concealed Families (Census definition)<sup>25</sup>

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

## Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% 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.

<sup>24</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>25</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

## **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 years<sup>26</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

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

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

## **Neighbourhood plan**

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

## **Older People**

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

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

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

## **Overcrowding**

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

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<sup>26</sup> 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 Housing<sup>27</sup>**

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

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<sup>27</sup> 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.<sup>28</sup>

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<sup>28</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

