

Haydon Parish Housing Needs Assessment (HNA)

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Quality information

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Table of Contents

| | | |
|----|--|----|
| 1. | Executive Summary | 7 |
| 2. | Context | 13 |
| | 2.1 Local context | 13 |
| | 2.2 Planning policy context | 16 |
| | 2.2.1 Policies in the emerging Northumberland local plan | 16 |
| | 2.2.2 Policies in the emerging NNPA local plan | 18 |
| | 2.2.3 Quantity of housing to provide | 18 |
| 3. | Approach..... | 20 |
| | 3.1 Research Questions | 20 |
| | 3.1.1 Tenure and Affordability..... | 20 |
| | 3.1.2 Type and Size..... | 20 |
| | 3.2 Relevant Data..... | 20 |
| | 3.2.1 Local authority evidence base..... | 20 |
| | 3.2.2 Other relevant data | 20 |
| 4. | RQ 1: Tenure, Affordability and the Need for Affordable Housing..... | 22 |
| | 4.1 Introduction..... | 22 |
| | 4.2 Definitions..... | 22 |
| | 4.3 Current tenure profile | 22 |
| | 4.4 Affordability..... | 23 |
| | 4.4.1 House prices..... | 23 |
| | 4.4.2 Income..... | 25 |
| | 4.4.3 Affordability Thresholds | 26 |
| | 4.5 Affordable housing- quantity needed..... | 30 |
| | 4.5.1 Affordable Housing Policies in Haydon Parish | 34 |
| | 4.6 Conclusions- Tenure and Affordability..... | 38 |
| 5. | RQ 2: Type and Size..... | 43 |
| | 5.1 Introduction..... | 43 |
| | 5.2 Existing types and sizes..... | 43 |
| | 5.2.1 Background and definitions..... | 43 |
| | 5.2.2 Dwelling type | 44 |
| | 5.2.3 Bungalows | 44 |
| | 5.2.4 Dwelling size..... | 46 |
| | 5.3 Household composition and age structure | 49 |
| | 5.3.1 Age structure | 49 |
| | 5.3.2 Household composition..... | 50 |
| | 5.4 Dwelling mix determined by life-stage modelling | 51 |
| | 5.5 SHMA findings..... | 54 |
| | 5.6 Conclusions- Type and Size | 55 |
| 6. | Conclusions | 57 |
| | 6.1 Overview | 57 |
| | 6.2 Recommendations for next steps..... | 59 |
| | Appendix A : Calculation of Affordability Thresholds | 61 |
| | A.1 Assessment geography | 61 |
| | A.2 Market housing | 61 |
| | i) Market sales | 62 |
| | ii) Private Rented Sector (PRS) | 62 |
| | A.3 Affordable Housing | 63 |

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Haydon Neighbourhood Plan Housing Needs Assessment

| | |
|--|----|
| | 5 |
| i) Social rent..... | 63 |
| ii) Affordable rent | 63 |
| iii) Intermediate tenures..... | 64 |
| Appendix B : Housing Needs Assessment Glossary | 65 |

List of acronyms used in the text:

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

1. Executive Summary

1. Haydon Parish is a Neighbourhood Area located in the South Tyne Valley in West Northumberland. The Neighbourhood Area (NA) boundary aligns with the existing boundary of Haydon Civil Parish, and was designated in June 2018. Haydon Parish falls within two Local Authority areas: Northumberland County Council (NCC) and, to a lesser extent, Northumberland National Park Authority (NNPA). Prior to 2009, when the new unitary authority for Northumberland (NCC) and the NNPA were created, Haydon Parish fell within the district of Tynedale. NCC and NNPA have agreed that NCC will be the lead authority for neighbourhood planning in Haydon Parish. Throughout this study, data for Haydon Parish is benchmarked against equivalent data for Northumberland County.
2. The statistics show that in the 2011 Census the Neighbourhood Area had a total of 2,184 residents, formed into 943 households, and occupying 1,011 dwellings. There has, however, been a relatively significant quantity of new development in the parish since this date. Data provided by NCC indicates that 120 net additional dwellings have been completed within the NA between 2011 and the time of writing (latest completions counted are in the 2019/20 reporting period, ending at the end of March 2020).
3. The additional 120 dwellings built since the 2011 Census can be estimated to house approximately 278 people. The estimated total number of people living in Haydon Parish NA as of March 2020 is therefore 2,462, with the equivalent total number of households being 1,063, and the number of dwellings being 1,132
4. In responses to the Household Survey undertaken in the NA in 2020, it has been found that at least 39 Haydon Parish households (12.7% of the total) live in homes not well suited to their future needs, 13 have family members who have moved away due to difficulties in finding a home locally, and 18 know of former residents who are employed locally and would like to move back to Haydon Parish.
5. NCC have provided Haydon Parish with an indicative housing requirement of 160 new dwellings over the submission Local Plan period to 2036. Though Haydon Parish's need for some quantity of new housing is not in dispute, this HNA does not seek to validate, challenge or otherwise comment on this requirement. It will, however, seek to reveal the characteristics of housing need in the NA in terms of size, type and tenure.
6. It should be noted that the indicative minimum housing requirement of 160 applies to the period 2016-2036. As such, it is appropriate to deduct the completions between the start of that period and the time of writing in order to determine the quantity of housing delivery that can be expected for the remainder of the period. Data from NCC suggests that 111 dwellings were built in Haydon Parish between April 2016 and March 2020 (with a further 6 delivered since then but not included in the totals here for reasons of clarity explained in the following section). Roughly 69% of Haydon Parish's housing requirement has therefore already been delivered, leaving only 49 dwellings from 2020 to 2036. This figure of 49 homes will therefore be used throughout this report when the expected quantity of future delivery is discussed. That said, the indicative housing requirement of 160 is a minimum requirement and may still be exceeded.

Conclusions – tenure and affordability

7. Haydon Parish had, at the time of the 2011 Census, a lower rate of home ownership, and correspondingly higher rate of private renting, than both Northumberland and England as a whole. The NA has a typical proportion of social renting for the area, but a higher proportion of shared ownership.
8. Data provided by NCC suggests that since 2011, only eleven units of Affordable Housing have been delivered in Haydon Parish. These are composed of three units of low-cost discounted market sale, built in 2018/19, and eight units for affordable rent delivered in 2019/20. It is not possible to determine how many of the 120 additional units delivered in the period overall are occupied by owners or rented privately. However, it is safe to assume that the tenure mix from 2011 has shifted toward greater proportions of market housing (owned or rented), with the total number of affordable homes increasing more slowly while their proportion of the total declines.
9. All dwelling types have fluctuated in their average sales price over the last decade, but the overall average for 2019 currently stands 7.9% higher than the overall average for 2010. Only semi-detached homes are more expensive now than they were in 2010, but values are still below other years in the past. Detached and terraced homes have seen recent declines in price, and there are too few flats to meaningfully interpret the trend in values over time.
10. This suggests that the affordability of home ownership is not becoming increasingly out of reach in Haydon Parish, as relatively pronounced changes in the market have recently produced a favourable environment for would-be homeowners. That said, the recent decline and the high volatility overall may have put existing owners in a position of negative equity. It is also possible that the relative glut of new homes completed since 2017 (105 units in total) may be a cause of the decline in average prices in the most recent year.

11. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the National Planning Policy Framework (NPPF). The income required to afford the different tenures is benchmarked against three measurements of household income in Haydon Parish and its environs. These are the average total household income at £40,900 (for a slightly wider area than the NA) and the lower quartile gross earnings for single-earners at £13,737 and dual-earning households at £27,474 (both for Northumberland as a whole).
12. The 2020 Household Survey also provides valuable data on household incomes, although the potentially small sample size for this question and relatively uneven age distribution (older than the overall population) and occupancy picture (more likely to own a home than the wider population) mean that it should be viewed with some caution as a representation of Haydon Parish overall. The survey data suggests a lower median income of £25-30,000 and a similar lower quartile income of £15-20,000. If indeed average incomes are lower in Haydon Parish than reported in the secondary data sources used here, more may need to be done to secure Affordable Housing and seek higher discounts or subsidies for the available tenure options.
13. An analysis of property transactions in Haydon Parish in 2019 found an average entry-level price of £114,571, thus requiring a deposit of roughly £11,500. As this is out of reach to 32% of the population (as represented by respondents to the survey), smaller more affordable market homes and more tenures offering a route to home ownership would be beneficial. Though this may appear to contradict the point above that house prices are not increasing at such a high rate as to cause acute affordability problems, it is worth highlighting that 68% of population are able to afford a deposit. While 100% would be ideal, 68% is in fact relatively high compared with other areas and slightly exceeds the 66% of households across Northumberland who owned their own homes (as of the 2011 Census).
14. It is apparent that the income required to buy an average market home for sale is just below what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is slightly above the average income of dual-earning lower quartile households. Market rents are generally affordable to average earning households. However, households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit. The Parish Council have indicated that there is very little supply of this kind of housing at present, and NCC have noted that housing benefit levels should be sufficient to support low earners in 1 bedroom properties.
15. Households with incomes between £24,000 and £29,460 are able to rent in the market but unable to buy. These households may need affordable home ownership options. Shared ownership appears to be the most attractive option in Haydon Parish, with the 50% equity share option estimated to be affordable to dual lower quartile earning households. The 25% equity share option, if deliverable in practice at estimated prices, would be more affordable still – potentially widening home ownership access to higher-earning single person households or lower earning two-earner households.
16. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. In Haydon Parish a 30% discount on either the overall average or the average new build price would be more than sufficient to extend home ownership to households on average incomes. In fact, the First Homes product would offer access to home ownership for a larger cohort of people on below-average incomes as well. Outside of the First Homes consultation, NCC have indicated that a discount level of 20% has been tested for viability and been found appropriate across Northumberland. The evidence in this HNA does not find that exceeding the current level of 20% would be necessary – only that it would be beneficial if viable.
17. When the results presented in the 2018 Northumberland Strategic Housing Market Assessment (SHMA) are pro-rated to Haydon Parish based on its fair share of the population (0.69% of Northumberland's population as of 2011), this equates to 1 home per annum (predominately for social/affordable rent) or 15 homes required in Haydon Parish over the Neighbourhood Plan period 2021-2036. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice.
18. This report therefore provides an alternative calculation that is specific to Haydon Parish as far as possible. The starting point is the number of Haydon Parish households currently applying for Affordable Housing on NCC's Homefinder register. It should be emphasised that not all providers of Affordable Housing use Homefinder to advertise their properties and not all people in housing need are necessarily on the register, so while normally accurate it remains a snapshot of the information held about Haydon Parish at this particular moment rather than a long-term average. It is also relevant to consider that not all registrants from an area necessarily want to stay there: younger people often want to move from rural to urban areas, and older people may look for easier access to amenities.

19. The Homefinder data can also be compared with results from the 2020 Household Survey, in particular the finding that 6 respondents indicated a need for affordable rented housing (with 28% of households responding to the survey).
20. There were 15 households in Haydon Parish at the time of writing in October 2020 that are considered as being in housing need on the Homefinder register. It is clear that among those in Affordable Housing need, 2 bedroom homes are in the greatest demand, followed by 1 and 3 bedroom homes at roughly equal rates.
21. It should also be noted that there is a perception among the community that there are local households in need of Affordable Housing who are not counted as being in need because their circumstances do not allow them to exceed the points threshold for eligibility on the register (which gives preference to those with dependent children, financial and other wellbeing issues and presents challenges for single-occupants and younger households). NCC concurs that some households registered at the lowest level of need could be considered to have a higher level of need if their circumstances were accurately assessed. It is therefore possible that the current gross total of 15 undercounts true need. However it is outside of the scope of this study to call into question NCC's eligibility requirements or to quantify households currently in this position.
22. The NCC Homefinder data also provides information on the number of advertised properties in Haydon Parish between August 2019 and August 2020. A total of 13 properties were advertised and let or re-let during that timeframe, some being advertised multiple times and all receiving in total 353 bids from 215 households.
23. Although the 13 resulting lettings were not necessarily let to individuals living in Haydon Parish and counted as in need on the register, it is Homefinder's method when interpreting need to deduct those lettings from the total need. Owing to particularities to do with eligibility by property size, the net result is a need of three for Haydon Parish NA at present. Although there are strong indications that this underestimates true need (including the volume of bids per available unit and the number of survey respondents self-identifying as needing affordable rented housing), NCC have advised that this figure should be used as the best overall indicator of present need captured by the system currently in place.
24. The model employed in this study estimated that rather than a need for affordable rented housing, Haydon Parish should anticipate a surplus of four units per year. This is initially surprising given the fact that there are currently at least three households in need – there is clearly no surplus of Affordable Housing for rent in Haydon Parish at present. What the model is saying is that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Haydon Parish's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy expected newly arising need each year.
25. Note that the 3% turnover figure is an assumption based on AECOM's experience in other areas. It has been indicated by the Parish Council that members with direct experience of the social housing sector locally believe that this understates the rate of turnover, which could in practice be as high as 10%. If that is indeed the case, the expected surplus per year will be closer to 15 units per year, with less need for future provision.
26. In practice, it would be better to frontload any future Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. 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. Homefinder aims to smooth this process, but this overall total of need and estimated rate of turnover masks a variety of different kinds of need and accommodation, that will not necessarily marry up so easily.
27. A similar estimate has been calculated for the potential demand for affordable home ownership tenures in Haydon Parish during the Plan period. The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. 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 result of the calculation is around 6.7 households per annum who may be interested in affordable home ownership (or 101 (rounded) for the entirety of the Plan period). It should be noted that there may be overlap between the households considered in need of affordable rented options and seeking affordable home ownership.
28. The relationship between the estimated need for affordable rented properties and the potential demand for affordable home ownership properties suggests that the latter should be prioritised in future development. It may be prudent, however, to plan for some minimal level of affordable rented provision rather than none at all.
29. The indicative housing requirement for Haydon Parish NA is 160 additional dwellings over the Local Plan period. However, because 111 units have been delivered between April 2016 and March 2020, only 49 units (at minimum) remain. This level of housing delivery can be expected to generate a maximum of 7 Affordable Housing units (49 x

15%, as per emerging Policy HOU 6). This would be a maximum because some of this delivery is likely to come forward in the form of small infill developments, which are unlikely to be all large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. 7 units would not be nearly sufficient to meet potential demand of 101 units of affordable home ownership tenures, but it would be able to satisfy a small measure of need for affordable rented accommodation and affordable home ownership dwellings suitable to Haydon Parish's newly forming households and others.

30. The 2020 Household Survey found that, of the 29 households who responded to a question on their preferred means of occupancy, 27.5% indicated a desire for affordable rented accommodation against 13.8% interested in buying on the open market with a discount. This evidence would appear to conflict with the estimated scale of need for each tenure type in this study, and suggests that local people would favour affordable renting over ownership within the Affordable Housing mix.
31. On the basis of the evidence gathered here, two alternative proposals for the tenure mix within Affordable Housing that might be sought in Haydon Parish NA are given.
32. The proposed headline split between affordable rent and affordable home ownership is the same in both scenarios, and does not deviate from the emerging Local Plan policy mix (33% rented and 67% ownership). It is considered that the NCC policy as it currently stands would serve Haydon Parish NA well by prioritising routes to ownership yet not neglecting affordable renting entirely. This is supported by the estimated need figures calculated above as well as a review of the existing tenure mix in the NA, and the broad objectives of the community as voiced by the Parish Council. It would also be a legitimate choice, supported by the evidence, to reduce the affordable rented proportion below 33% in line with that evidence.
33. However, 33% is considered a more conservative way to protect those with the most acute needs if higher demand emerges in future than is estimated here. The results of the 2020 Household Survey also suggest that more Haydon Parish households wishing to move require affordable rent than affordable home ownership. As such, it would not be advisable to further reduce the share of affordable rent. Indeed, depending on how much weight the survey evidence is given, the Parish Council may wish to increase it.
34. If this recommended mix were to be pursued, there would be no need for the Neighbourhood Plan to repeat it in a new policy. However, there may be scope for further guidance in the Neighbourhood Plan to inform the breakdown of affordable housing tenures into the various available options. It is in relation to that further breakdown that the two proposals diverge – the first emphasising shared ownership to a greater degree than discounted market housing and rent to buy, while the second increases First Homes (discounted market sale) to an expected new national policy minimum and re-distributes the remaining share among the other product types.
35. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites, community-led housing, etc.) to boost the overall provision of Affordable Housing above the maximum of 7 units expected from the remaining part of Haydon Parish's indicative housing requirement.

Conclusions – type and size

36. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
37. Compared with Northumberland, Haydon Parish has a higher proportion of detached and terraced homes, a moderately lower proportion of semi-detached homes, and a much lower proportion of flats. It appears that the prevalence of semi-detached housing in Haydon Parish has been heightened since the 2011 Census and a valuable supply of flats has helped to diversify the housing stock. The current stock of housing now more closely resembles that of Northumberland in 2011.
38. Haydon Parish's rate of bungalow provision, at 14% of all properties, is broadly similar to that of Northumberland, at 15%. This suggests that there is no significant undersupply of bungalows in Haydon Parish relative to the wider county. However, a very high preference for bungalows was expressed in the 2020 Household Survey, with greater demand for 2 bedroom bungalows than 2 bedroom houses.

39. Haydon Parish's current stock of bungalows is strongly skewed to the smaller end of the size spectrum. This is logical, since bungalows are understood to be occupied predominantly by older households who are less likely to have large families and therefore require fewer bedrooms. While more diversity in the size options of bungalows in future development may be beneficial, the Household Survey suggests that 2 bedroom units will still be required by the majority of those seeking bungalows, with slightly less but still significant demand for 3 bedroom bungalows as well.
40. The relatively significant existing stock of 1 bedroom bungalows in Haydon Parish (around one third of the total) is understood to be due to delivery trends within social rented housing in the past that are not well-aligned with present needs, with housing associations operating in Haydon Parish finding these harder to let. 2 bedroom units are likely to be the most popular size going forward, and may also be considered the minimum size. There may also be the possibility of repurposing smaller bungalows, particularly those managed by housing associations, as housing for newly forming households and single individuals, or adapting and extending them to provide an additional bedroom.
41. When comparing the dwelling stock by type of the sub-areas within Haydon Parish NA, it is clear that there is wide variation – particularly between rural areas and more urban parts of Haydon Bridge. This is not unexpected, and to the limited extent that it may be desirable to provide greater diversity within sub-areas in future, the data presented here is a helpful indication of the present context.
42. The housing stock by size in Haydon Parish is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider Northumberland. Perhaps the most significant departure from the county trend is Haydon Parish's higher rate of homes with 9 rooms or more.
43. Recent housing delivery has focused on 3 bedroom homes despite their predominance in the existing stock, and provided a greater share of 4+ bedroom homes than the share of homes in this size category in the existing stock. As a result, the total size breakdown in 2020 shows a marginal increase in the proportion of 3 and 4 bedroom homes, with all other size categories declining (particularly among 5+ bedroom homes). The impact of recent delivery has therefore generally been to entrench existing size imbalances rather than to meaningfully diversify the stock, with a particular lack of smaller homes being apparent and potentially problematic in the context of local needs.
44. Again there is a clear distinction in terms of the sizes of dwellings available between the rural and urban sub-areas within Haydon Parish, although there are larger options within a number of urban sub-areas. Diversifying the stock in each area would help to widen choice, but should not necessarily be pursued at the expense of disrupting the coherence of the existing built environment.
45. The 2011 Census data reveals that Haydon Parish has a particularly large segment of the population aged 45-64, with correspondingly lower proportions of the population falling into younger age bands, when compared with Northumberland and England. This cohort is likely to reach retirement age over the Plan period and could become the largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. Wishing to downsize was found to be the most common reason for wanting to move among respondents to the Household Survey (26% of responses), and this trend can be expected to become more important in future.
46. In assessing Census data on household composition, Haydon Parish closely resembles wider Northumberland in its proportion of families and one-person households, and in the broad age balance within these categories. There are slightly fewer 65 and over households in Haydon Parish, but there is also a slightly lower share of under-65 family households without dependent children. This data aligns with the findings of Haydon Parish's 2020 Household Survey, which indicated that 25.6% of respondents currently live alone (extremely close to the 26.5% of people living alone in the 2011 Census). The survey gives further granularity to the 70.1% of households living as a family unit: it found that the vast majority (48.5% of all respondents) live in households with two people, with at or below 10% of all households living in families of three, four or five or more people.
47. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, suggests that, in terms of expected demographic trends, new development might benefit from a focus on medium and small sized dwellings. This result, particularly a strong emphasis on 3 bedroom homes, is relatively surprising considering the preponderance of 3 bedroom dwellings in the existing stock, and would appear to suggest that 2011-2020 delivery is generally inappropriate in its moderate focus on 4 bedroom homes rather than its heavier focus on 3 bedroom homes.
48. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by

natural churn within the market), but to the extent that the Neighbourhood Plan might influence the size mix of housing coming forward, smaller homes should be the priority.

49. it is also appropriate to view the result of this exercise in the context of other factors that have a role in evidencing Neighbourhood Plan policy. Foremost among these are the responses to the 2020 Household Survey. The clear preference from the survey was for 2 bedroom houses and bungalows, with 3 bedroom homes a close second and 4 bedroom homes a distant third. As noted above, downsizing is also a very common reason residents wish to move. This primary evidence would justify a significant departure from the result of the model presented above, in the direction of more 2 bedroom homes. That said, downsizing does not necessarily involve a lower number of rooms – it may simply involve a smaller quantity of outside space to manage or similar numbers of smaller rooms that are easier to heat and maintain.
50. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is unaffordable to most local people and that those on the lowest incomes are unable to afford to live outside of the social rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to downsize and younger ones seeking to form their own independent households are to be able to afford to live in Haydon Parish, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from generally larger housing, could be valuable.

2. Context

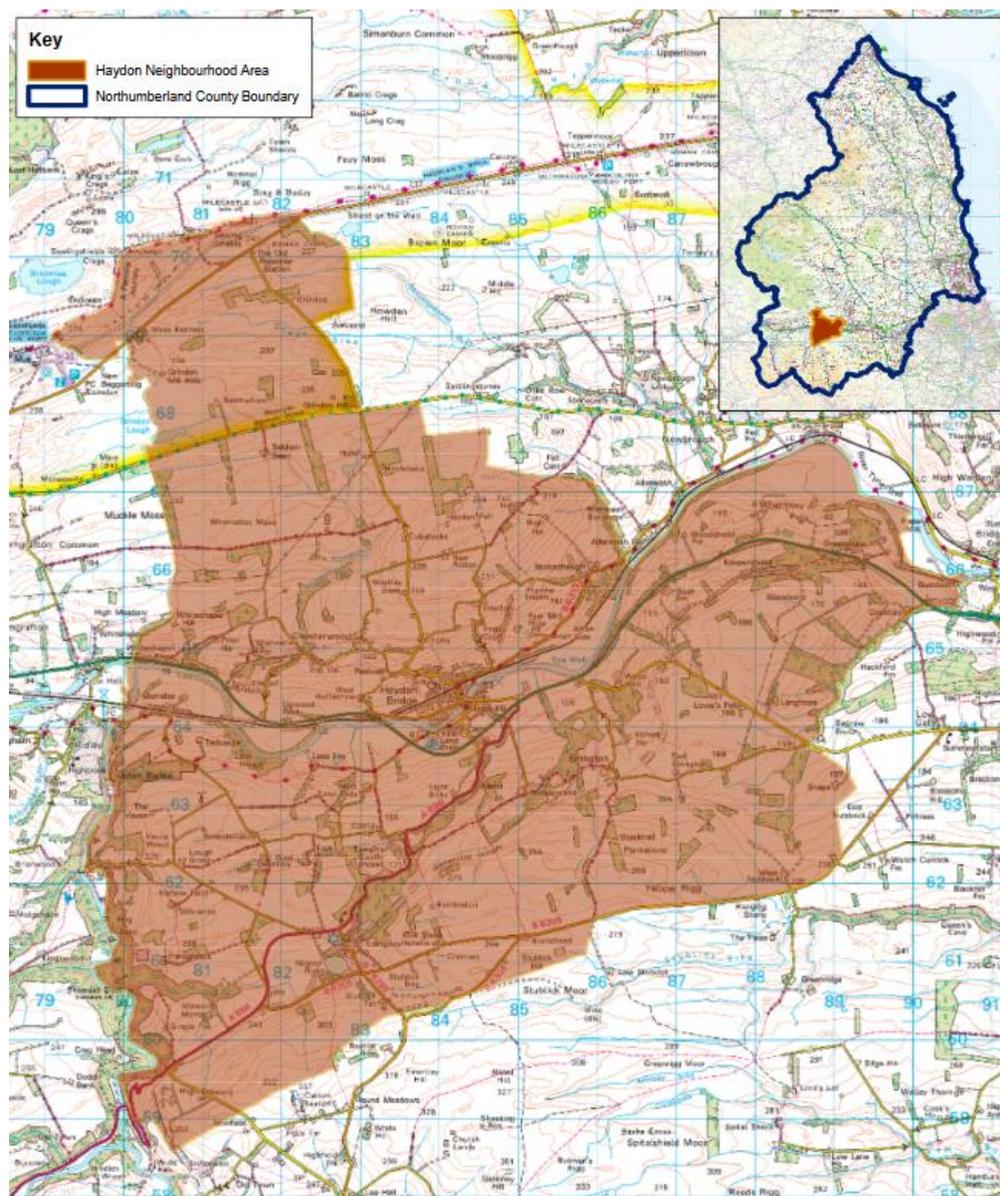
2.1 Local context

51. Haydon Parish is a Neighbourhood Area located in the South Tyne Valley in West Northumberland. The Neighbourhood Area (NA) boundary aligns with the existing boundary of Haydon Civil Parish, and was designated in June 2018. Haydon Parish falls within two Local Authority areas: Northumberland County Council (NCC) and, to a lesser extent, Northumberland National Park Authority (NNPA).
52. Prior to 2009, when the new unitary authority for Northumberland (NCC) and the NNPA were created, Haydon Parish fell within the district of Tynedale. NCC and NNPA have agreed that NCC will be the lead authority for neighbourhood planning in Haydon Parish. Throughout this study, data for Haydon Parish is benchmarked against equivalent data for Northumberland County.
53. The proposed Neighbourhood Plan period extends to 2036 and is expected to begin in 2021, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2036. When tallying totals for the entire period, it will assume a period of 15 years but also provide annualised figures which can be extrapolated for a different term length if the Plan start date changes.
54. The parish is a predominantly rural area surrounding the village of Haydon Bridge, which is situated at the historic crossing of the River South Tyne. The Old Bridge forms the centre point of the village, with the settlement extending to both sides of the river. There are a number of facilities including a railway station, community centre, shops, churches, schools, pubs, small businesses, Langley Village Hall, a medical practice and a community library within Haydon Parish.
55. The valley sides surrounding Haydon Bridge are composed of mainly pasture or uplands, interspersed with woodland. Several hamlets are found here including; Chesterwood, Elrington, Lipwood, Grindon and Langley, as well as a number of other isolated properties and farmsteads. The northern reaches of the Neighbourhood Area lie within Northumberland National Park and include part of the Hadrian's Wall World Heritage Site. The North Pennines Area of Outstanding Natural Beauty (AONB) designation also lies within the boundary to the south west. Haydon Parish is located approximately 7 miles west of Hexham, 28 miles west of Newcastle-upon-Tyne and 31 miles east of Carlisle.
56. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the Lower Super Output Area (LSOA) E01027488, which in turn contains seven OAs, two of which cover large rural areas, with the remaining five clustered in the settlement centre.¹ This LSOA has been used throughout as a statistical proxy for the NA boundary and can be interrogated for data from both the 2001 and the 2011 Censuses.
57. A map of the Plan area appears below in Figure 2-1, with a further map in Figure 2-2 showing the seven OAs that make up the NA. The seven OAs are labelled with reference to their relative position on the compass. These labels are used in charts and tables later in this document where the various sub-areas are compared.
58. The statistics show that in the 2011 Census the Neighbourhood Area had a total of 2,184 residents, formed into 943 households, and occupying 1,011 dwellings. There has, however, been a relatively significant quantity of new development in the parish since this date, which is understood to have been driven in part by the completion of the A69 bypass in 2009 (with much of that development filling the land between the bypass and existing settlement), and Haydon Parish's increasingly viable status as a commuter settlement for Carlisle and Newcastle.
59. Data provided by NCC indicates that 120 net additional dwellings have been completed within the NA between 2011 and the time of writing (latest completions counted are in the 2019/20 reporting period, ending at the end of March 2020). While there were also 12 new dwellings completed in the 2010/2011 reporting period, these were all completed in the 2010 calendar year. Note also that the net figure of 120 represents 121 new completions minus one demolition in 2011/12.

¹ The OA code for eastern rural area is E00139895, for the western rural area E0013899. Moving from north to south, the OAs covering the settlement of Haydon Bridge are E00139900, E00139897, E00139896, E00139894, and E00139898.

- 60. On the basis that the number of people per household in Haydon Parish in 2011 was 2.32, the additional 120 dwellings delivered since the 2011 Census can be estimated to house approximately 278 people.² The estimated total number of people living in Haydon Parish NA as of March 2020 is therefore 2,462, with the equivalent total number of households being 1,063, and the number of dwellings being 1,132. This latter figure is validated by Valuation Office Agency (VOA) data that counts the stock of properties according to council tax banding and other measures (but which rounds its sub-totals to the nearest 10). VOA 2019 data counted 1,070 dwellings in Haydon Parish.
- 61. These updated estimates will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of the population by age or the tenure of each household cannot be accurately be brought up to date and such patterns are instead assumed to persist to the present day.

Figure 2-1: Map of the Haydon Parish Neighbourhood Area³

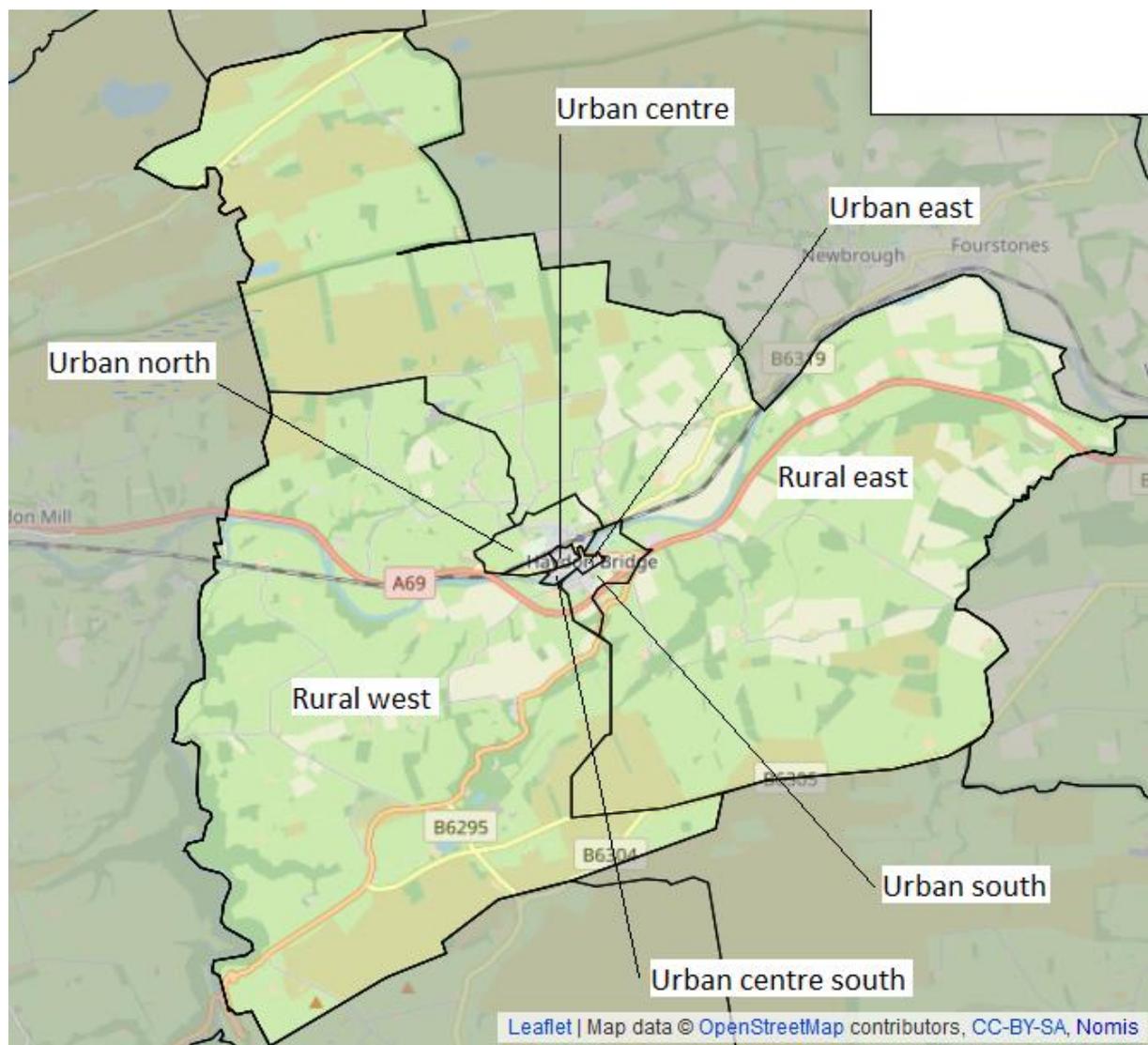


Source: Northumberland County Council

² The 2020 Household Survey gives an average household size of 2.22. While this figure is more recent, the over-representation of older households among respondents to the survey (and the overall 28% response rate) makes the Census figure a more reliable input to this calculation.

³ Available at <https://www.northumberland.gov.uk/Planning/Neighbourhood.aspx>.

Figure 2-2: Map of the OAs constituting the Haydon Parish Neighbourhood Area



Source: Nomis. AECOM annotations

62. The Parish Council is interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

2.2 Planning policy context

64. In line with the Basic Conditions⁴ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁵ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
65. In the case of Haydon Parish, the relevant local planning context is as follows:
66. The current Northumberland Development Plan for the Neighbourhood Area consists of the saved policies of the former districts abolished in 2009 when Northumberland became a unitary authority.⁶ For Haydon Parish, the relevant adopted policies are contained in the Tynedale Local Plan (2000) and Tynedale Core Strategy (2007).⁷ The latter designated Haydon Bridge as a local centre, which may accommodate new build housing.
67. The emerging Northumberland Local Plan is currently undergoing examination, having been submitted to the Secretary of State in May 2019.⁸ Phase 1 of the hearings have been completed and Phase 2 hearings commenced in October 2020. The emerging Local Plan will replace the former district Local Plans and set out the vision for all of the Northumberland Unitary Authority up to the year 2036.
68. The advanced stage that the Northumberland Local Plan has now reached, renders it the most relevant and up-to-date policy context for the Haydon Parish Neighbourhood Plan. As such, only the policies within the emerging Northumberland Local Plan are summarised here.
69. The emerging Local Plan identifies Haydon Bridge as one of the 'Service Centres' within the West Northumberland Delivery Area. Service Centres are below the 'Main Town' of Haltwhistle but above the 'small settlements' in the settlement of hierarchy (in terms of sustainability for new development). Allendale and Bellingham are the other listed Service Centres in this area.
70. The emerging Local Plan states of Haydon Bridge that "While it is within the commuting influence of Tyneside, its main role is as a local housing and service centre for its immediate surroundings".⁹ It also explains that development in the West of the County generally serves local markets and development pressure is relatively low.
71. Parts of Haydon Parish fall outside of the administrative area of NCC and within that of the Northumberland National Park Authority. The NNPA Local Plan was adopted in July 2020 and is reviewed subsequently. Note that the parts of the NA falling within the NNPA area would not generally be considered suitable for any development except for the replacement of existing dwellings, so these policies are less likely to govern the housing supply within Haydon Parish.

2.2.1 Policies in the emerging Northumberland local plan¹⁰

Table 2-3: Summary of Northumberland adopted policies having relevance to Haydon Parish Neighbourhood Plan Housing Needs Assessment

| Policy | Provisions |
|--------------------------|--|
| STP 1 – Spatial Strategy | Identifies Haydon Bridge as a Service Centre. Service Centres are below Main Towns in the hierarchy of settlements, but above Service Villages and other areas outside of settlement boundaries. Sustainable development elsewhere in the NA will be supported within or immediately adjacent to the Haydon Bridge settlement boundary, and only in the open countryside where various place-based criteria can be met. |

⁴ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁵ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁶ Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Consolidated%20Planning%20Policy%20Framework/Northumberland-Consolidated-Planning-Policy-Framework-v28.pdf>

⁷ Available at <http://tynedale.devplan.org.uk/document.aspx?document=8&display=contents>.

⁸ Publication draft available at <https://northumberland-consult.objective.co.uk/portal/planning/localplan/reg19>.

⁹ Paragraph 2.84.

¹⁰ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

| Policy | Provisions |
|---|---|
| HOU 1 – Provision of new residential development | Defines Northumberland’s housing requirement over the period 2016-2036, for at least 17,700 net additional dwellings (equating to an annual average of 885). |
| HOU 3 – Housing requirements for Neighbourhood Areas | Provides Haydon Parish Neighbourhood Area with an indicative minimum housing requirement over the period 2016-2036 of 160 net additional dwellings. |
| HOU 4 – Housing development site allocations | <p>Allocates two development sites within Haydon Parish NA:</p> <ul style="list-style-type: none"> - Land west of Langley Gardens and north of Ratcliffe Road, for 35-50 dwellings; and - Land at Station Road, for 15-20 dwellings. <p>Proposals for development on the above sites should reflect the identified housing needs and market considerations identified in the most recent SHMA or local housing needs assessment.</p> |
| HOU 5 – Housing types and mix | States that “a range of good quality, energy-efficient homes, including affordable homes, will be provided to deliver a more balanced mix of tenures and housing types and sizes, alongside supported specialist housing for older and vulnerable people.” Also supports community-led and custom- and self-build housing. |
| HOU 6 – Affordable housing provision | <p>Requires that all major development proposals (delivering 10 or more units, or covering 0.5 hectares or more) are expected to provide Affordable Housing at various rates of all new homes, depending on which ‘value area’ the site falls within.</p> <p>Haydon Parish NA, along with the majority of the West Northumberland Delivery Area, is designated as medium value. As such, the required proportion of new development that must meet the definition of Affordable Housing is 15%.</p> <p>Within medium value areas, the target tenure mix within Affordable Housing is 33% affordable homes to rent and 67% affordable home ownership. This tenure mix is negotiable on a site-by-site basis, having regard to the latest SHMA or local housing needs assessment, market conditions and interest from Registered Providers. The mix will be expected to ensure at least 10% of all homes on any site are for affordable home ownership products unless NPPF exceptions apply.</p> |
| HOU 7 – Exception sites | Allows for the development of rural and entry-level exception sites for first-time buyers or renters where evidence justifies this and subject to various other conditions. |
| HOU 8 – Residential development in the open countryside | Only supports residential development in such locations in cases where the development consists of a conversion or change of use of existing buildings, demolition and redevelopment of existing buildings, or provides housing for rural workers, with various criteria needing to be met in each case. |
| HOU 11 – Homes for older and vulnerable people | Promotes the delivery of accommodation to meet the changing needs of older people and other vulnerable groups, and the adaptation of existing homes to the same end. |
| ENV 6 – North Pennines Area of Outstanding Natural Beauty | Supports small-scale development where it does not impact the AONB’s special qualities, with favourable consideration given where schemes address local Affordable Housing needs. Major development is not supported except in exceptional circumstances. |

Source: Northumberland County Council

2.2.2 Policies in the emerging NNPA local plan¹¹

Table 2-4: Summary of NNPA adopted policies having relevance to Haydon Parish Neighbourhood Plan Housing Needs Assessment

| Policy | Provisions |
|--------------------------|--|
| ST3 – Major development | Major development will only take place in exceptional circumstances. |
| ST4 – Spatial strategy | All parts of Haydon Parish falling within the NNPA area, not being listed as named settlements, are classified as open countryside (including farmsteads and hamlets). In such locations, development is only permitted where buildings are reused in support of economic or housing needs, and for other specific reasons. |
| ST5 – New housing | All new residential development on sites of more than 5 dwellings should provide a mix of dwelling types, sizes and tenures and meet local needs. |
| DM3 – Affordable Housing | The policy deals only with development on sites within or adjoining named settlements, none of which fall within the Haydon Parish NA. Because development in the open countryside will extremely rarely exceed the Affordable Housing threshold, it is unlikely that Affordable Housing will be brought forward in these locations. |

Source: Northumberland National Park Authority

2.2.3 Quantity of housing to provide

72. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
73. Northumberland has fulfilled that requirement by providing Haydon Parish with an indicative figure of 160 dwellings to be accommodated within the Neighbourhood Area by the end of the Local Plan period (2036).
74. Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
75. It should be noted that the indicative housing requirement of 160 provided by NCC applies to the period 2016-2036. As such, it is appropriate to deduct the completions between the start of that period and the time of writing in order to determine the quantity of housing delivery that can be expected for the remainder of the period. Data from NCC suggests that 111 dwellings were built in Haydon Parish between April 2016 and March 2020.
76. Roughly 69% of Haydon Parish's housing requirement has therefore already been delivered, leaving only 49 dwellings from 2020 to 2036. This figure of 49 homes will therefore be used throughout this report when the expected quantity of future delivery is discussed. That said, the indicative housing requirement of 160 is a minimum requirement and may still be exceeded. It is understood that at least a further 6 homes have been completed within the current annual monitoring period (which runs from April 2020 to April 2021). However, for clarity this HNA will only refer to the housing captured within full years of monitoring data.
77. Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.¹² The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
78. The housing requirement for Haydon Parish is sufficiently high that even during the period in which this temporary change applies, sufficiently large sites may still be required to deliver Affordable Housing contributions. However,

¹¹ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

¹² Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

turning to the known housing allocations for Haydon Parish as summarised above, it is possible that neither currently known allocation will meet this threshold.

79. When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 10 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the Haydon Parish Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The Parish Council is advised to take note of this proposal as it evolves through the consultation process.

3. Approach

3.1 Research Questions

80. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the Haydon Parish Council (HPC). They serve to direct the research and provide the structure for the HNA.
81. The RQs relevant to this study, as discussed and agreed with HPC, are set out below.

3.1.1 Tenure and Affordability

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

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

3.1.2 Type and Size

84. The aim of this research question is to provide the Parish Council with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
85. It is understood that recent development has been targeted primarily at the commuting market, with a predominance of three-bedroom homes that aren't suited to the requirements and financial capability of young families and newly forming households. These homes are also perceived to be poorly suited to potential downsizers in the community because the rooms are too small or unappealing to those with equity and specific preferences.
86. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

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

3.2 Relevant Data

3.2.1 Local authority evidence base

87. It is appropriate for Parish Council to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As the majority of Haydon Parish Neighbourhood Area is located within Northumberland's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is the Northumberland County Council Partial SHMA Update 2018. That update document brings up to date some but not all of the conclusions contained in the Northumberland 2015 SHMA.
88. For the purpose of this HNA, data from NCC's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Area and has been referenced as appropriate.

3.2.2 Other relevant data

89. In addition to the Northumberland evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Land Registry data on prices paid for housing within the local market;

- Population and household projections produced by the Office of National Statistics (ONS);
- Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.home.co.uk); and
- Neighbourhood-level survey and consultation work giving further detail. In the case of Haydon Parish, this comprises the Haydon Parish Housing Needs Survey (published in May 2020), an older housing needs survey/assessment from 2008, and other supporting material helpfully provided by HPC.

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

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

4.1 Introduction

90. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.¹³

4.2 Definitions

91. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
92. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.¹⁴
93. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). As part of this effort, the Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.¹⁵ However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

94. The current tenure pattern is a key feature of the local neighbourhood area. Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Haydon Parish, compared to the rest of Northumberland and England.
95. Haydon Parish has a lower rate of home ownership, and correspondingly higher rate of private renting, than both Northumberland and England as a whole. The NA has a typical proportion of social renting for the area, but a higher proportion of shared ownership.

¹³ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁴ NPPF 2019.

¹⁵ The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

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

| Tenure | Haydon Parish | Northumberland | England |
|-----------------------|---------------|----------------|---------|
| Owned; total | 57.8% | 65.8% | 63.3% |
| Shared ownership | 2.8% | 0.4% | 0.8% |
| Social rented; total | 17.0% | 18.7% | 17.7% |
| Private rented; total | 19.2% | 13.3% | 16.8% |

Sources: Census 2011, AECOM Calculations

96. In Table 4-2, the changes in tenure during the intercensal period are presented. Note that all of the tenure categories experienced growth in Haydon Parish due to the overall increase in occupied dwellings from 830 to 943 between 2001 and 2011 – a trend that has continued since. Unfortunately no more recent reliable data on tenure occupancy is available.
97. Private renting saw a relatively high increase to reach its current level (which is higher than across Northumberland or England). This trend tends to be a product of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. However, this shift was less notable in Haydon Parish than it was across the country as a whole.
98. Shared ownership experienced a dramatic percentage increase in Haydon Parish during the period, however this represents an increase of just 18 dwellings on the low starting figure of 8 in 2001. Nevertheless, this is a rapid rate of increase and a high current rate of provision compared with other areas.

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

| Tenure | Haydon Parish | Northumberland | England |
|-----------------------|---------------|----------------|---------|
| Owned; total | 13.3% | 4.6% | -0.6% |
| Shared ownership | 225.0% | -0.2% | 30.0% |
| Social rented; total | 8.1% | -8.2% | -0.9% |
| Private rented; total | 34.1% | 93.0% | 82.4% |

Sources: Censuses 2001 and 2011, AECOM Calculations

99. Data provided by NCC suggests that since 2011, only eleven units of Affordable Housing have been delivered in Haydon Parish. These are composed of three units of low-cost discounted market sale, built in 2018/19, and eight units for affordable rent delivered in 2019/20. It is not possible to determine how many of the 120 additional units delivered in the period overall are occupied by owners or rented privately. However, it is safe to assume that the tenure mix from 2011 has shifted toward greater proportions of market housing (owned or rented), with the total number of affordable homes increasing while their proportion of the total declines.

4.4 Affordability

100. Having reviewed the tenure of the existing housing stock in Haydon Parish, the following analysis considers house prices and rents in the neighbourhood area and whether these are affordable to local households on the basis of their incomes or earnings.

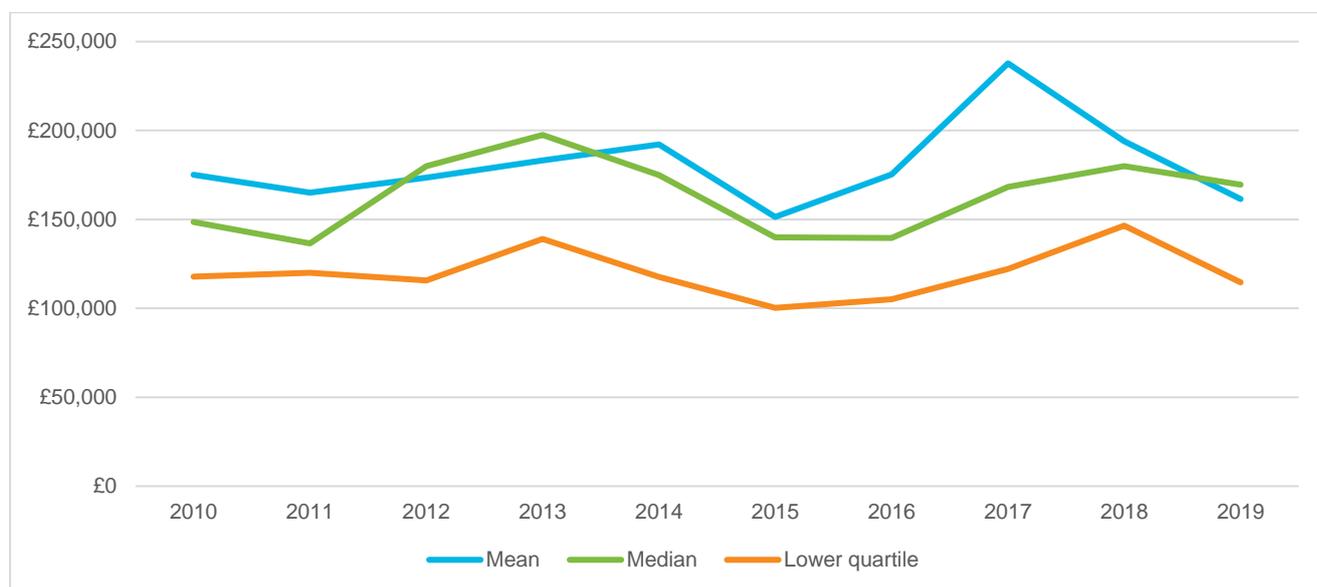
4.4.1 House prices

101. 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.
102. Figure 4-1 on the following page looks at selected measures of house prices in Haydon Parish. It shows a relatively high degree of volatility in pricing over time, with a slight dip at the start of the decade followed by a few years of growth, preceding a deeper decline in 2015. Since then prices have risen before dipping again in 2019. Other than an anomaly in mean prices in 2017 (due to two sales of large homes or landed farm homes at £1.66m and £950k which, if removed, smooths out the 2017 peak), mean and median prices track one another closely. Lower quartile prices (i.e. the 25%

cheapest properties) follow a similar trend line to the other metrics but are consistently more affordable.

103. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁶ Entry-level properties are typically those with one or two bedrooms – either flats or houses.

Figure 4-1: House prices by quartile in Haydon Parish, 2010-2019



Source: Land Registry PPD

104. Table 4-3 below breaks down house prices by type, as recorded by Land Registry Price Paid Data (PPD). It shows that all house types have fluctuated in their average sales price, and the overall average for 2019 is 7.9% higher than the overall average for 2010. Only semi-detached homes are more expensive now than they were in 2010, but values are still below other years in the past. Detached and terraced homes have seen recent declines in price, and there are too few flats to meaningfully interpret the trend in values over time.

105. This suggests that the affordability of home ownership is not becoming increasingly out of reach in Haydon Parish, as relatively pronounced changes in the market have recently produced a favourable environment for would-be homeowners. That said, the recent decline and the high volatility overall may have put existing owners in a position of negative equity. It is also possible that the relative glut of new homes completed since 2017 (105 units in total) may be a cause of the decline in average prices in the most recent year.

Table 4-3: House prices by type in Haydon Parish, 2010-2019, 000's

| Type | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Growth |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Detached | £298,750 | £234,583 | £211,000 | £233,167 | £241,688 | | £296,583 | £254,050 | £252,909 | £238,610 | -20.1% |
| Semi-detached | £129,000 | £157,300 | £188,113 | £148,833 | £177,520 | £148,250 | £153,556 | £195,203 | £175,589 | £161,709 | 25.4% |
| Terraced | £142,818 | £101,833 | £127,500 | £151,500 | £182,555 | £178,056 | £135,233 | £128,950 | £148,332 | £122,198 | -14.4% |
| Flats | | | £112,500 | | £107,000 | £44,000 | £68,000 | £131,900 | | | N/A |
| All Types | £175,167 | £165,000 | £173,568 | £183,100 | £192,124 | £151,395 | £175,356 | £237,774 | £193,944 | £161,395 | -7.9% |

Source: Land Registry PPD

¹⁶ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

4.4.2 Income

106. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
107. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS¹⁷ at the level of the Middle-layer Super Output Area (MSOA)¹⁸. In the case of Haydon Parish the MSOA most suitable for use as a proxy for the Neighbourhood Area boundary is Northumberland 040. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Area, are set out in Appendix A.
108. The average total household income before housing costs (equalised) across the relevant MSOA in 2018 (the latest year revised estimates are available) was £40,900. The total (gross) income figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.¹⁹
109. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the Local Authority level.
110. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2020 provisional data has been published, the revised 2019 data is considered more robust and is therefore used here.
111. Northumberland's gross LQ annual earnings for 2019 was £13,737. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £27,474.
112. The 2020 Household Survey also provides valuable data on household incomes, although the potentially small sample size for this question and relatively uneven age distribution (older than the overall population) and occupancy picture (more likely to own a home than the wider population) mean that it should be viewed with some caution as a representation of Haydon Parish overall. A chart representing the income distribution of respondents is reproduced in Figure 4-2 below.
113. Compared to the secondary data sources above, the chart suggests a lower median income of £25-30,000 and a similar lower quartile income of £15-20,000. If indeed average incomes are lower in Haydon Parish than reported by ONS for the wider MSOA, more may need to be done to secure Affordable Housing – particularly affordable rented accommodation, but also to seek higher discounts or subsidies for the available home ownership options.

¹⁷Available at

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

¹⁸ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

¹⁹ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

Figure 4-2: Income distribution of respondents to Haydon Parish NA Household Survey (2020)



Source: 2020 Haydon Parish Neighbourhood Area Household Survey

4.4.3 Affordability Thresholds

- 114. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
- 115. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
- 116. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Haydon Parish. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.
- 117. The 2020 Household Survey found that a combined 31.8% of the population could not afford a deposit of more than £10,000, although 40.9% reported as being able to afford a deposit in excess of £50,000 (possibly overlapping to a high degree with the proportion of survey respondents who already own their own home or are in larger income categories). An analysis of property transactions in Haydon Parish in 2019 found an average price £114,571, thus requiring a deposit of roughly £11,500. As this is out of reach to 32% of the population (as represented by respondents to the survey), smaller more affordable market homes and more tenures offering a route to home ownership would be beneficial.

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

| Tenure | Mortgage Value | Rent | Income required | Affordable on average incomes? £40,900 | Affordable on LQ earnings (single earner)? £13,737 | Affordable on LQ earnings (2 earners)? £27,474 |
|----------------------------------|----------------|---------|-----------------|---|---|---|
| Market Housing | | | | | | |
| Median House Price | £152,546 | - | £43,584 | No | No | No |
| New Build Mean House Price | £134,285 | - | £38,367 | Yes | No | No |
| LQ/Entry-level House Price | £103,114 | - | £29,461 | Yes | No | No |
| Average Market Rent | - | £8,340 | £27,800 | Yes | No | Marginal |
| Entry-level Market Rent | - | £7,200 | £24,000 | Yes | No | Yes |
| Affordable Home Ownership | | | | | | |
| Discounted Market Sale (-20%) | £135,596 | - | £34,868 | Yes | No | No |
| Discounted Market Sale (-30%) | £118,647 | - | £30,509 | Yes | No | No |
| Discounted Market Sale (-40%) | £101,697 | - | £26,151 | Yes | No | Yes |
| Discounted Market Sale (-50%) | £84,748 | - | £21,792 | Yes | No | Yes |
| Shared Ownership (50%) | £21,792 | £7,062 | £28,855 | Yes | No | No |
| Shared Ownership (25%) | £10,896 | £10,593 | £21,490 | Yes | No | Yes |
| Affordable Rented Housing | | | | | | |
| Affordable Rent | - | £5,002 | £20,010 | Yes | No | Yes |
| Social Rent | - | £3,962 | £15,850 | Yes | No | Yes |

Source: AECOM Calculations

118. The income required to afford the different tenures is then benchmarked, in Figure 4-3 against the three measurements of household income set out above. These are the average total household income at £40,900 and the lower quartile gross earnings for single-earners at £13,737 and dual-earning households at £27,474.
119. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is just below what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is slightly above the average income of dual-earning lower quartile households. Market rents are generally affordable to average earning households. However, households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit, though it is understood that very few – if any – such options are currently available in Haydon Parish.
120. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.²⁰
121. Table 5-4 shows that households with incomes between £24,000 and £29,460 are able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. With regard to these products and the discounts required, the following observations can be made:
- The discount on the average market sale price required to enable households on average incomes to afford to buy is 6%.
 - Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more

²⁰ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

expensive than properties for sale in the second-hand stock. However, the average new build price in 2019 in Haydon Parish (from a sample of 36 transactions) was £149,205, which is slightly below the median within the second hand stock. A lesser discount (or none at all) would be required if discounted market sales prices are benchmarked against new build prices rather than average market prices. This is shown in Table 4-5 below.

- Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.²¹ This cost excludes any land value or developer profit.
- The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. In Haydon Parish a 30% discount on either the overall average or the average new build price would be more than sufficient to extend home ownership to households on average incomes. In fact, the First Homes product would offer access to home ownership for a larger cohort of people on below-average incomes as well.
- Shared ownership also appears to be an attractive option in Haydon Parish, with the 50% equity share option estimated to be affordable to dual lower quartile earning households. The 25% equity share option, if deliverable in practice at estimated prices, would be more affordable still – potentially widening home ownership access to higher-earning single person households or lower earning two-earner households.
- The income required to access Rent to buy is assumed to be the same as that required to afford market rents. At just under £28,000, this is affordable for dual lower quartile earning households, and is a relatively affordable route to home ownership.
- It should be emphasised that the Neighbourhood Plan is limited in its ability to control or influence level of discount achieved on market sale properties but the LPA should have a role here.

122. The latest Government consultation proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. It is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at Local Authority wide level. Although that would be beneficial to the ownership aspirations of lower earning households in Haydon Parish, the relatively low house prices in this part of Northumberland are not likely to justify this, and it may not be viable when build costs are taken into account.

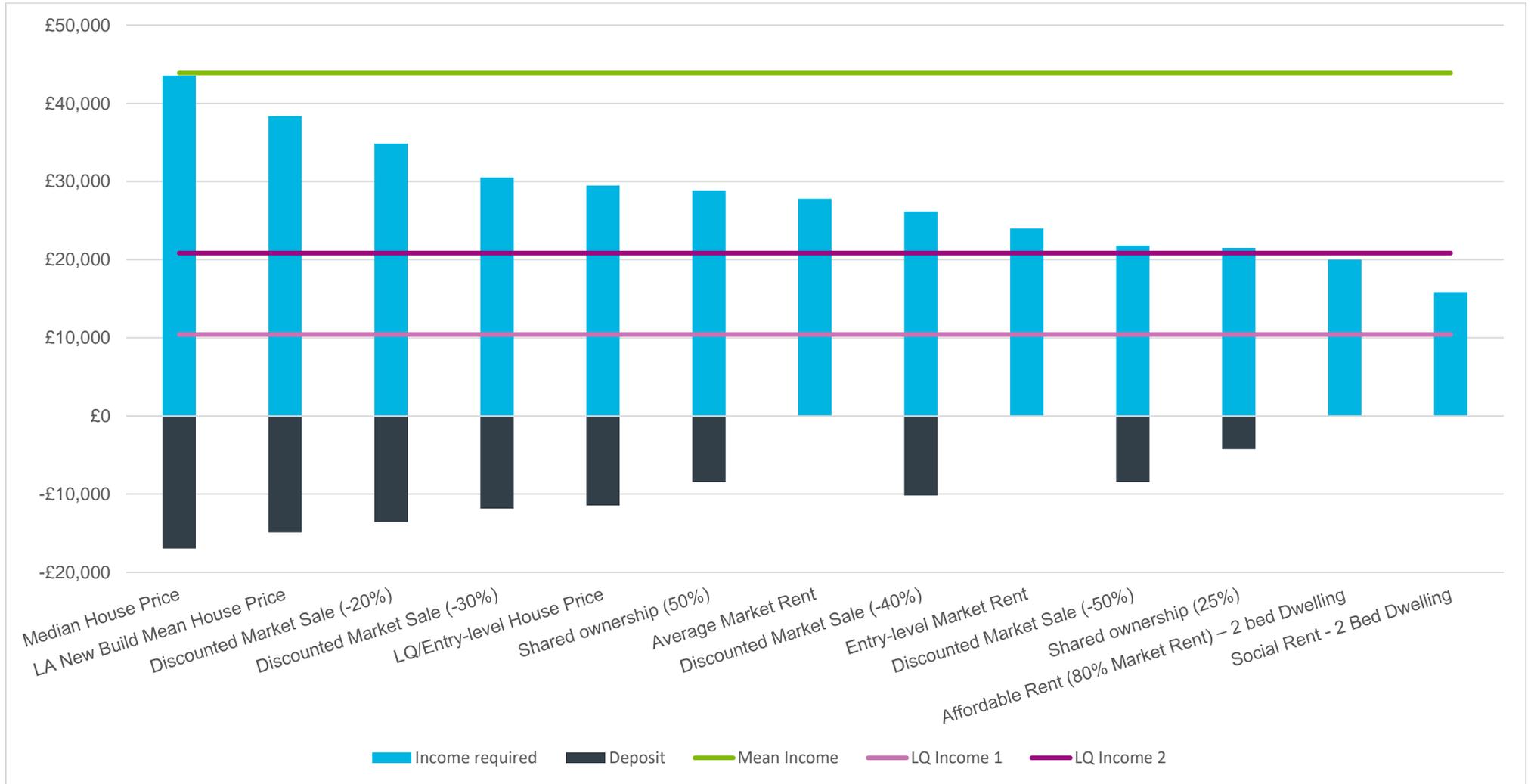
Table 4-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford

| | |
|--|----------------------------------|
| Mean household income in NA: | £40,900 |
| Tenure/ product: | Discount on sale price required: |
| - <i>Market sale (Average)</i> | 6% |
| - <i>New build market sale (Average)</i> | Discount not required |
| - <i>Entry level sale (LQ)</i> | Discount not required |

Source: Land Registry PPD; ONS MSOA total household income

²¹ This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

Figure 4-3: Affordability thresholds in Haydon Parish (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

123. The starting point for understanding the need for affordable housing in Haydon Parish is the relevant Strategic Housing Market Assessment/ Local Housing Need Assessment (SHMA). A SHMA update was undertaken for Northumberland in 2018. It estimates the need for affordable housing in the County based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 151 net additional affordable homes each year in Northumberland as a whole. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
124. When the SHMA figures are pro-rated to Haydon Parish based on its fair share of the population (0.69% of Northumberland's population as of 2011), this equates to 1 home per annum (predominately for social/affordable rent) or 15 homes over the Neighbourhood Plan period 2021-2036. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice. The Local Authority level figures are likely to smooth over differences in need between urban and rural areas, where the size of the housing stock and numbers of households living in the private rented sector on housing benefit differ greatly. Northumberland is a particularly large Local Authority area, further detracting from the likely accuracy of this estimate in Haydon Parish's case.
125. This report therefore provides an alternative calculation that is specific to Haydon Parish as far as possible. The starting point is the number of Haydon Parish households currently applying for Affordable Housing on NCC's Homefinder register. Before embarking on the estimate of need it is worth exploring this data further.
126. It should be emphasised that not all providers of Affordable Housing use Homefinder to advertise their properties and not all people in housing need are necessarily on the register, so while normally accurate it is a snapshot of the information held for a particular area at a particular time.
127. There were 15 households in Haydon Parish at the time of writing in October 2020 that are considered as being in housing need. The breakdown in terms of banding (priority or urgency of need, determined with reference to various metrics and conditions set by NCC) is presented in Table 4-6 below. Only households falling into bands 1, 2 and 2R are formally considered as being in housing need. There are a further 40 applicant households who fall into band 3 (currently considered as adequately housed, but remaining as applicants usually because they would prefer a different size, form or location of accommodation).²² For comparison, the MHCLG Local Authority housing statistics data return figure for Northumberland prorated to Haydon Parish NA is 11 – which validates the current need figure of 15 as being broadly in line with the wider trend.
128. It is clear that among those in Affordable Housing need (bands 1 to 2R), 2 bedroom homes are in the greatest demand, followed by 1 and 3 bedroom homes at roughly equal rates, with only 1 4 bedroom home required. Among the wider cohort of applicants who may not necessarily count as being in need, 1 and 2 bedroom properties are in equally high demand, distantly followed by 3 bedroom homes.
129. It should also be noted that there is a perception among the community that there are local households in need of Affordable Housing who are not counted as being in need because their circumstances do not allow them to exceed the points threshold for eligibility (which gives preference to those with dependent children, financial and other wellbeing issues, and can present difficulties for younger and single-person households leaving the family home or who have left the Parish in recent years). It is therefore possible that the current total of 15 undercounts true need. However it is outside of the scope of this study to call into question NCC's eligibility requirements or to quantify households currently in this position.

²² Detail on the banding definitions and criteria can be found at:
<https://www.northumberlandhomefinder.org.uk/content/Information/Prioritisingapplications>.

Table 4-6: Affordable Housing applicants living in Haydon Parish NA, October 2020

| Band | Bedroom eligibility | | | | Total | Number of Applicants |
|--------------|---------------------|-----------|-----------|----------|-----------|----------------------|
| | 1 | 2 | 3 | 4 | | |
| Band 1 | 1 | 4 | 0 | 0 | 5 | 1 |
| Band 2 | 2 | 3 | 4 | 0 | 9 | 1 |
| Band 2R | 0 | 1 | 0 | 0 | 1 | 0 |
| Band 3 | 20 | 13 | 6 | 1 | 40 | 11 |
| Band P | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 23 | 21 | 10 | 1 | 55 | 13 |

Source: NCC Homefinder

130. The NCC Homefinder data also provides information on the number of advertised properties in Haydon Parish between August 2019 and August 2020. A total of 13 properties were advertised and let or re-let during that timeframe (some advertised multiple times), presumably including the 8 affordable rented dwellings noted in the 2019/20 completions data provided by NCC. It is also notable that there were a total of 353 bids from 215 applicant households for those 23 properties – an average of 15 bids per property that indicates a high level of demand beyond that captured by the waiting list.
131. Anecdotal evidence from the Parish Council suggests that residents living in the Parish or having a local connection are not always successful in being allocated Affordable Housing. It may therefore be advisable for the Neighbourhood Plan to consider exploring a local lettings policy or other means to building and allocating Affordable Housing locally, such as a community land trust or community-led housing scheme.
132. There were eight 1 bedroom dwellings, eight 2 bedroom, eight 3 bedroom, and one 4+ bedroom dwellings advertised during the period (including duplicate advertisements). Although the 13 resulting lettings were not necessarily let to individuals living in Haydon Parish and counted as in need on the register, it is Homefinder's method when interpreting need to deduct those lettings from the total need. Thus three 1 bedroom lettings cancel out the three applicants in need of 1 bedroom homes, five 2 bedroom homes are deducted from eight households in need of 2 bedroom homes, four 3 bedroom lettings cancel out four 3 bedroom applicants, and one letting of a 4 bedroom dwelling took place but is not deducted as no applicants needed that size of property. The remainder is three applicant households, and a net housing need for Haydon Parish of three households.
133. Although there are strong indications that this underestimates true need (including the volume of bids per available unit and the number of survey respondents self-identifying as needing affordable rented housing), NCC have advised that this figure should be used as the best overall indicator of need captured by the system currently in place.
134. Table 4-6 estimates the need for Affordable Housing for rent in Haydon Parish per year of the Plan period. It should be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, the Homefinder data is only a snapshot in time, and Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out below are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
135. The result of this calculation is a surplus of four units per year. This is initially surprising given the fact that there are currently at least 3 households in need – there is clearly no surplus of Affordable Housing for rent in Haydon Parish at present. Note that this calculation was repeated using the gross need figure of 15 households on the waiting list and still generated an overall surplus.
136. What this model is saying is that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Haydon Parish's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. 3% of the existing stock is approximately five units of Affordable Housing. We estimate that just less than one household will fall into need each year, in addition to a fraction of one unit required to satisfy current need (which is spread across the Plan period in order to give an annualized figure). So just over one (annualized) household needs housing per year, while five units might be expected to come vacant in the same year, leaving a surplus of four per year.

137. Note that the 3% turnover figure is an assumption based on AECOM's experience in other areas. It has been indicated by the Parish Council that members with direct experience of the social housing sector locally believe that this understates the rate of turnover, which could in practice be as high as 10%. If that is indeed the case, the expected surplus per year will be closer to 15 units per year, with less need for future provision (the result of the model below would be -15.2 if the turnover assumption were changed to 10%).
138. An important caveat to this finding is that there are 15 households currently in need, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in five years' time once a sufficient surplus has been built up. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future Affordable Housing provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
139. 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. Homefinder aims to smooth this process, but this overall total of need and estimated rate of turnover masks a variety of different kinds of need and accommodation, that will not necessarily marry up so easily.

Table 4-7: Estimate of need for Affordable Housing for rent in Haydon Parish NA

| Stage and Step in Calculation | Total | Description |
|---|------------|---|
| STAGE 1: CURRENT NEED | | |
| 1.1 Current households in need | 3.0 | Applicant households in bands 1 to 2R on the NCC Homefinder register, net of lets and re-lets. |
| 1.2 Per annum | 0.2 | 1.1 divided by the plan period 2021-2036 |
| STAGE 2: NEWLY ARISING NEED | | |
| 2.1 New household formation | 62.5 | MHCLG 2014-based household projections for the LA between start and end of plan period. % increase applied to NA population in 2011 |
| 2.2 Proportion of new households unable to rent in the market | 19.3% | (1.1 + 2.2.1 + 2.2.2) divided by number of households in NA |
| 2.2.1 Current number of social renters in NA | 162 | 160 as of 2011 Census, plus 8 units tallied in NCC data (all delivered in 2019/20) |
| 2.2.2 Number of private renters on housing benefits | 22 | Housing benefit caseload May 2018. Pro rata for NA. |
| 2.3 New households unable to rent | 12 | 2.1 * 2.2 |
| 2.4 Per annum | 0.8 | 2.3 divided by plan period 2021-2036 |
| STAGE 3: SUPPLY OF AFFORDABLE HOUSING | | |
| 3.1 Supply of social/affordable re-lets (including transfers) % | 3% | Assumed proportion of stock re-let each year |
| 3.2 Supply of social/affordable re-lets (including transfers) | 4.9 | 3.1 x NA social rented stock (2.2.1) |
| NET SHORTFALL (OR SURPLUS) OF RENTED UNITS PER ANNUM | | |
| Overall shortfall (or surplus) per annum | -3.9 | 1.2 + 2.4 - 3.2 |

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock, NCC data. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

140. Turning now to Affordable Housing providing a route to home ownership, Table 4-7 below estimates potential demand for affordable home ownership products within Haydon Parish NA. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit).
141. The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. 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 discounts 25% of these households, assuming a proportion will be renting out of choice. The result of the calculation is around 6.7 households per annum who may be interested in affordable home ownership (or 101 (rounded) for the entirety of the Plan period).

142. Again this assumes a rate of turnover in the existing stock will satisfy some need (roughly 1.5 units per year). However, the current and future estimated demand, determined in relation to the number and increase of private renters, is so large as to far exceed supply through turnover, meaning that additional provision is required.
143. However, it is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-8: Estimate of the potential demand for affordable housing for sale in Haydon Parish

| Stage and Step in Calculation | Total | Description |
|--|------------|--|
| STAGE 1: CURRENT NEED | | |
| 1.1 Current number of private renters in NA | 220.6 | Census 2011 number of renters in Haydon Parish x national % increase to 2018 |
| 1.2 Percentage renters on housing benefit in LA | 31.6% | % of renters in 2018 on housing benefit (based on LA proportion) |
| 1.3 Number of renters on housing benefits in NA | 69.7 | 1.1 x 1.2 |
| 1.4 Current need (households) | 113.2 | Current renters minus those on housing benefits and minus 25% assumed to rent by choice |
| 1.5 Per annum | 7.5 | 1.4/ Plan period 2021-2036 |
| STAGE 2: NEWLY ARISING NEED | | |
| 2.1 New household formation | 62.5 | LA household projections for plan period (2014 based) pro-rated to NA |
| 2.2 % of households unable to buy but able to rent | 14.6% | Current % of households in PRS |
| 2.3 Total newly arising need | 9.1 | 2.1 x 2.2 |
| 2.4 Total newly arising need per annum | 0.6 | 2.3/ plan period |
| STAGE 3: SUPPLY OF AFFORDABLE HOUSING | | |
| 3.1 Supply of affordable housing | 29.0 | 26 units of shared ownership in 2011 Census, plus 3 units of discounted market housing delivered in 2018/19 (NCC data) |
| 3.2 Supply - intermediate resales | 1.5 | 3.1 x 5% (assumed rate of re-sale) |
| NET SHORTFALL (OR SURPLUS) PER ANNUM | | |
| Shortfall (per annum) | 6.7 | Shortfall = (Step 1.5 + Step 2.4) – 3.2 |

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock, NCC data. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

144. There is no policy or legal obligation on the part either of the Local Authority or Parish Council to meet affordable housing needs in full, either within or outside the Neighbourhood area, though there are tools available to the Parish Council that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
145. It is also important to remember that even after the Haydon Parish, or indeed any other, 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 Parish Council.
146. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

4.5.1 Affordable Housing Policies in Haydon Parish

147. The Parish Council may wish to develop policies in relation to the delivery of Affordable Housing within Haydon Parish. Northumberland's emerging Local Plan policy in relation to Affordable Housing delivery (HOU 6) expects 15% of all new homes on sites of 10 or more dwellings in Haydon Parish to be delivered as Affordable Housing. This policy would apply in Haydon Parish, subject to sites coming forward for development with 10 or more dwellings.
148. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the emerging Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
149. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the Parish Council as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
150. Table 4-10 at the end of this chapter estimates the number of affordable homes likely to come forward based on the overall housing requirement for the NA and the application of affordable housing policies.
151. On small scale developments, such as those which may come forward over the plan period, only small numbers of affordable homes are likely to be delivered through the application of this policy. For this reason, the Parish Council may wish to consider identifying sites specifically for the provision of affordable housing. This would enable more substantial provision of Affordable Housing, and could also act as a suitable way forward if the Government's proposal to temporarily lift the small sites Affordable Housing threshold is likely to have a significant impact on provision in the NA.
152. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the Parish Council. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Haydon Parish in Table 4-9 below.
- A. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Haydon Parish to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 101 (rounded) homes over the plan period.
- Prorating the affordable rented housing need identified for Northumberland in the SHMA (with reference to the proportion of the Northumberland population living in Haydon Parish), suggests need of 15 homes in the NA over the Plan period. However, an alternative calculation that makes use of NCC Homefinder data and is more locally specific to the NA indicates that the turnover in the existing stock in Haydon Parish will be sufficient to meet newly arising need going forward. Although this finding should be viewed with caution because of its reliance on a current snapshot of Homefinder data, and may be subject to change if economic or other circumstances change in future, it is seen as a more reliable picture of need and is taken forward here.
- The relationship between the estimated need for affordable rented properties and the potential demand for affordable home ownership properties suggests that the latter should be prioritised in future development. It may be prudent, however, to plan for some minimal level of affordable rented provision rather than none at all.
- B. **Can Affordable Housing needs be met in full?** The indicative housing requirement for Haydon Parish NA is 160 additional dwellings over the Local Plan period. However, because 111 units have been delivered between April 2016 and March 2020, only 49 units (at minimum) remain. This level of housing delivery can be expected to generate a maximum of 7 Affordable Housing units (49 x 15%, as per emerging Policy HOU 6). This would be a maximum because some of this delivery is likely to come forward in the form of small infill developments, which are unlikely to be all large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. 7 units would not be nearly sufficient to meet potential demand of 101 units of

affordable home ownership tenures, but it would be able to satisfy a small measure of need for affordable rented accommodation and affordable home ownership dwellings suitable to Haydon Parish's newly forming households and others.

- C. Survey findings:** The 2020 Household Survey found that, of the 29 households who responded to a question on their preferred means of occupancy, 27.5% indicated a desire for affordable rented accommodation against 13.8% interested in buying on the open market with a discount. This evidence would appear to conflict with the estimated scale of need for each tenure type in this study, and suggests that local people would favour affordable renting over ownership within the Affordable Housing mix. Interestingly, the survey results indicate this preference at a rate of 67% rented to 33% ownership – precisely the reverse of the emerging Local Plan policy. It is important to note that this question has a particularly small sample size.

With regard to this survey question it is also worth considering the total preference for market housing as opposed to Affordable Housing. A combined 69% of respondents are seeking market housing against 41% requiring Affordable Housing. Given that only 15% of new development can be expected to be delivered as Affordable Housing (according to Northumberland emerging policy), this evidence may also signal a need to secure Affordable Housing through other means, such as an exception site.

- D. Government policy (NPPF) requirements:** 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. Based on the findings of this HNA there is no evidence that going beyond the 10% threshold in Haydon Parish would prejudice the provision of much needed affordable rented homes. This national policy has also informed the target tenure split outlined in the Northumberland Local Plan (see G below).
- E. Emerging policy:** the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.²³ The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the Parish Council will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

The expected 25% First Homes requirement may have the effect of displacing other products in any given tenure mix and, if so, is supposed to displace other affordable home ownership products in the first instance, starting with those providing the lowest effective discount. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing).

The August 2020 proposals also present options on how the make-up of the tenure mix of the remaining 75% of affordable housing is determined, with one option to maintain as far as possible the affordable rented proportions in the local plan, while a second option would allow greater flexibility. It is unknown at this time which option will be pursued.

- F. Local Plan policy:** Northumberland's emerging Local Plan requires a tenure mix of 33% rented and 67% affordable home ownership. If the overall Affordable Housing requirement is 15% of all housing (as applies in Haydon Parish HNA), two thirds of that supply should provide affordable home ownership. This would effectively be 10% of all housing and thus fulfill the NPPF requirement that 10% of all housing be composed of such tenures. 67% of Affordable Housing also exceeds the newer planned minimum requirement that at least 25% of Affordable Housing should be First Homes.
- G. Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.

²³The original proposals are available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>. Note that the latest proposals are not final, and could potentially be subject to further change.

- H. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- I. **Existing tenure mix in Haydon Parish:** Though Haydon Parish has a higher proportion of shared ownership in the existing stock than the wider county and country, it still has a lower proportion of home ownership overall. An Affordable Housing tenure split that prioritises affordable home ownership would help to rectify this. The proportion of social rent in Haydon Parish is roughly equal to that at wider scales. Further provision of Affordable Housing overall would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- J. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area. Some housing associations may be reluctant to take on small numbers of homes in rural areas because of the extra cost involved in managing this stock. However, there may be specialist providers who are willing to provide this housing and so the delivery of social/affordable rented homes should not be ruled out if it is an objective of the Parish Council and supported by the Local Authority. With reference to Haydon Parish in particular, it is known that two registered providers, Home Housing and Karbon Homes, have both recently taken on or delivered affordable rented homes in the NA (on the Showfield and Greenwich Gardens developments respectively). As such it is reasonable to assume that registered providers are prepared to bring forward and manage new affordable rented homes in the Parish.
- K. **Wider policy objectives:** the Parish Council may wish to take account of broader policy objectives for Haydon Parish and/or the wider county. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.
153. In Table 4-9 below, two alternative scenarios for the tenure mix of Affordable Housing in Haydon Parish NA are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the Parish Council is considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
154. The proposed headline split between affordable rent and affordable home ownership is the same in both scenarios, and does not deviate from the emerging Local Plan policy mix (33% rented and 67% ownership). It is considered that the NCC policy as it currently stands would serve Haydon Parish NA well by prioritising routes to ownership yet not neglecting affordable renting entirely. This is supported by the estimated need figures calculated above as well as a review of the existing tenure mix in the NA, and the broad objectives of the community as voiced by the Parish Council. It would also be a legitimate choice, supported by the evidence, to reduce the affordable rented proportion below 33% in line with that evidence.
155. However, 33% is considered a more conservative way to protect those with the most acute needs if higher demand emerges in future than is estimated here. The results of the 2020 Household Survey also suggest that more Haydon Parish households wishing to move require affordable rent than affordable home ownership. As such, it would not be advisable to further reduce the share of affordable rent. Indeed, depending on how much weight the survey evidence is given, the Parish Council may wish to increase it.
156. If this recommended mix were to be pursued, there would be no need for the Neighbourhood Plan to repeat it in a new policy. However, there may be scope for further guidance in the Neighbourhood Plan to inform the breakdown of affordable housing tenures into the various available options. It is in relation to that further breakdown that the two proposals presented below diverge.
157. The first scenario (Mix 1 – Indicative mix based on local needs) most closely reflects local needs in Haydon Parish as identified in the HNA evidence relating to affordability thresholds. There it was found that shared ownership appears to be the most suitable option given local incomes, but that rent to buy and discounted market housing (if attractive discounts can be provided) also have a (perhaps smaller) place in the mix.
158. The second scenario (Mix 2 – Indicative mix with 25% First Homes requirement) is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative

scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be slightly less affordable to local people in Haydon Parish, if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the Parish Council reverts to the other indicative mix as their starting point for policy development in this area.

159. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, mostly shared ownership is displaced, with a smaller reduction in rent to buy. This way all potential products are still represented but First Homes meet the minimum mandate and shared ownership is still prioritised.
160. Where the Parish Council wish to develop policy that – unlike the proposals below – requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the county-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.
161. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered Providers (e.g. housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing associations to maintain and manage small numbers of homes, although recent evidence strongly suggests that this is not an issue in Haydon Parish.
162. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA is recommended to be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

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

| Tenure | Mix 1. Indicative mix based on local needs | Mix 2. Indicative mix with 25% First Homes requirement | Considerations and uncertainties |
|---|--|--|---|
| Routes to home ownership, of which | 67% | 67% | Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised. |
| First Homes / discounted market housing ²⁴ | 12% | 25% | Product untested so uncertainties around viability, developer, lenders and buyer appetite etc |
| Shared ownership | 40% | 30% | Proposed changes to the model to allow purchases of 10% share ²⁵ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown. |
| Rent to buy | 15% | 12% | Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown |
| Affordable Housing for rent, of which | 33% | 33% | |
| Social rent | To be set by Registered Providers | To be set by Registered Providers | Uncertain how much funding available to support this tenure in local area, and which sub-tenure (social or affordable rent) is prioritised by the LPA. |
| Affordable rent | To be set by Registered Providers | To be set by Registered Providers | |

Source: AECOM calculations

163. Assuming that the Government’s proposal that 25% of all affordable Housing should be First Homes is formalised, the Parish Council will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Haydon Parish to accommodate those with the most acute needs. However, the Parish Council should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.
164. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.) to boost the overall provision of Affordable Housing above the maximum of 24 units expected from Haydon Parish’s indicative housing requirement.

4.6 Conclusions- Tenure and Affordability

165. Haydon Parish had, at the time of the 2011 Census, a lower rate of home ownership, and correspondingly higher rate of private renting, than both Northumberland and England as a whole. The NA has a typical proportion of social renting for the area, but a higher proportion of shared ownership.
166. Data provided by NCC suggests that since 2011, only eleven units of Affordable Housing have been delivered in Haydon Parish. These are composed of three units of low-cost discounted market sale, built in 2018/19, and eight units for affordable rent delivered in 2019/20. It is not possible to determine how many of the 120 additional units delivered in the period overall are occupied by owners or rented privately. However, it is safe to assume that the

²⁴ In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

²⁵ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

tenure mix from 2011 has shifted toward greater proportions of market housing (owned or rented), with the total number of affordable homes increasing more slowly while their proportion of the total declines.

167. All dwelling types have fluctuated in their average sales price over the last decade, but the overall average for 2019 currently stands 7.9% higher than the overall average for 2010. Only semi-detached homes are more expensive now than they were in 2010, but values are still below other years in the past. Detached and terraced homes have seen recent declines in price, and there are too few flats to meaningfully interpret the trend in values over time.
168. This suggests that the affordability of home ownership is not becoming increasingly out of reach in Haydon Parish, as relatively pronounced changes in the market have recently produced a favourable environment for would-be homeowners. That said, the recent decline and the high volatility overall may have put existing owners in a position of negative equity. It is also possible that the relative glut of new homes completed since 2017 (105 units in total) may be a cause of the decline in average prices in the most recent year.
169. AECOM has determined thresholds for the income required to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the National Planning Policy Framework (NPPF). The income required to afford the different tenures is benchmarked against three measurements of household income in Haydon Parish and its environs. These are the average total household income at £40,900 (for a slightly wider area than the NA) and the lower quartile gross earnings for single-earners at £13,737 and dual-earning households at £27,474 (both for Northumberland as a whole).
170. The 2020 Household Survey also provides valuable data on household incomes, although the potentially small sample size for this question and relatively uneven age distribution (older than the overall population) and occupancy picture (more likely to own a home than the wider population) mean that it should be viewed with some caution as a representation of Haydon Parish overall. The survey data suggests a lower median income of £25-30,000 and a similar lower quartile income of £15-20,000. If indeed average incomes are lower in Haydon Parish than reported in the secondary data sources used here, more may need to be done to secure Affordable Housing and seek higher discounts or subsidies for the available tenure options.
171. An analysis of property transactions in Haydon Parish in 2019 found an average entry-level price of £114,571, thus requiring a deposit of roughly £11,500. As this is out of reach to 32% of the population (as represented by respondents to the survey), smaller more affordable market homes and more tenures offering a route to home ownership would be beneficial. Though this may appear to contradict the point above that house prices are not increasing at such a high rate as to cause acute affordability problems, it is worth highlighting that 68% of population are able to afford a deposit. While 100% would be ideal, 68% is in fact relatively high compared with other areas and slightly exceeds the 66% of households across Northumberland who owned their own homes (as of the 2011 Census).
172. It is apparent that the income required to buy an average market home for sale is just below what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is slightly above the average income of dual-earning lower quartile households. Market rents are generally affordable to average earning households. However, households in which there is only one lower quartile earner appear unable to afford any tenures, including affordable and social rent, without additional subsidy. Many such individuals will, if unable to secure a small social rented dwelling, need to live in a room in a shared house using housing benefit. The Parish Council have indicated that there is very little supply of this kind of housing at present, and NCC have noted that housing benefit levels should be sufficient to support low earners in 1 bedroom properties.
173. Households with incomes between £24,000 and £29,460 are able to rent in the market but unable to buy. These households may need affordable home ownership options. Shared ownership appears to be the most attractive option in Haydon Parish, with the 50% equity share option estimated to be affordable to dual lower quartile earning households. The 25% equity share option, if deliverable in practice at estimated prices, would be more affordable still – potentially widening home ownership access to higher-earning single person households or lower earning two-earner households.
174. The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. In Haydon Parish a 30% discount on either the overall average or the average new build price would be more than sufficient to extend home ownership to households on average incomes. In fact, the First Homes product would offer access to home ownership for a larger cohort of people on below-average incomes as well. Outside of the First Homes consultation, NCC have indicated that a discount level of 20% has been tested for viability and been found appropriate across Northumberland. The evidence in this HNA does not find that exceeding the current level of 20% would be necessary – only that it would be beneficial if viable.

175. When the results presented in the 2018 Northumberland Strategic Housing Market Assessment (SHMA) are pro-rated to Haydon Parish based on its fair share of the population (0.69% of Northumberland's population as of 2011), this equates to 1 home per annum (predominately for social/affordable rent) or 15 homes required in Haydon Parish over the Neighbourhood Plan period 2021-2036. However, pro-rating Local Authority level estimates of Affordable Housing need presents problems in practice.
176. This report therefore provides an alternative calculation that is specific to Haydon Parish as far as possible. The starting point is the number of Haydon Parish households currently applying for Affordable Housing on NCC's Homefinder register. It should be emphasised that not all providers of Affordable Housing use Homefinder to advertise their properties and not all people in housing need are necessarily on the register, so while normally accurate it remains a snapshot of the information held about Haydon Parish at this particular moment rather than a long-term average. It is also relevant to consider that not all registrants from an area necessarily want to stay there: younger people often want to move from rural to urban areas, and older people may look for easier access to amenities.
177. The Homefinder data can also be compared with results from the 2020 Household Survey, in particular the finding that 6 respondents indicated a need for affordable rented housing (with 28% of households responding to the survey).
178. There were 15 households in Haydon Parish at the time of writing in October 2020 that are considered as being in housing need on the Homefinder register. It is clear that among those in Affordable Housing need, 2 bedroom homes are in the greatest demand, followed by 1 and 3 bedroom homes at roughly equal rates.
179. It should also be noted that there is a perception among the community that there are local households in need of Affordable Housing who are not counted as being in need because their circumstances do not allow them to exceed the points threshold for eligibility on the register (which gives preference to those with dependent children, financial and other wellbeing issues and presents challenges for single-occupants and younger households). NCC concurs that some households registered at the lowest level of need could be considered to have a higher level of need if their circumstances were accurately assessed. It is therefore possible that the current gross total of 15 undercounts true need. However it is outside of the scope of this study to call into question NCC's eligibility requirements or to quantify households currently in this position.
180. The NCC Homefinder data also provides information on the number of advertised properties in Haydon Parish between August 2019 and August 2020. A total of 13 properties were advertised and let or re-let during that timeframe, some being advertised multiple times and all receiving in total 353 bids from 215 households.
181. Although the 13 resulting lettings were not necessarily let to individuals living in Haydon Parish and counted as in need on the register, it is Homefinder's method when interpreting need to deduct those lettings from the total need. Owing to particularities to do with eligibility by property size, the net result is a need of three for Haydon Parish NA at present. Although there are strong indications that this underestimates true need (including the volume of bids per available unit and the number of survey respondents self-identifying as needing affordable rented housing), NCC have advised that this figure should be used as the best overall indicator of present need captured by the system currently in place.
182. The model employed in this study estimated that rather than a need for affordable rented housing, Haydon Parish should anticipate a surplus of four units per year. This is initially surprising given the fact that there are currently at least three households in need – there is clearly no surplus of Affordable Housing for rent in Haydon Parish at present. What the model is saying is that the estimated quantity of newly arising need each year is likely to be satisfied by turnover in the existing stock. We assume that roughly 3% of the occupants of Haydon Parish's social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy expected newly arising need each year.
183. Note that the 3% turnover figure is an assumption based on AECOM's experience in other areas. It has been indicated by the Parish Council that members with direct experience of the social housing sector locally believe that this understates the rate of turnover, which could in practice be as high as 10%. If that is indeed the case, the expected surplus per year will be closer to 15 units per year, with less need for future provision.
184. In practice, it would be better to frontload any future Affordable Housing provision to meet current outstanding needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock. 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. Homefinder aims to smooth this process, but this overall total of need and estimated rate of turnover masks a variety of different kinds of need and accommodation, that will not necessarily marry up so easily.

185. A similar estimate has been calculated for the potential demand for affordable home ownership tenures in Haydon Parish during the Plan period. The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. 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 result of the calculation is around 6.7 households per annum who may be interested in affordable home ownership (or 101 (rounded) for the entirety of the Plan period). It should be noted that there may be overlap between the households considered in need of affordable rented options and seeking affordable home ownership.
186. The relationship between the estimated need for affordable rented properties and the potential demand for affordable home ownership properties suggests that the latter should be prioritised in future development. It may be prudent, however, to plan for some minimal level of affordable rented provision rather than none at all.
187. The indicative housing requirement for Haydon Parish NA is 160 additional dwellings over the Local Plan period. However, because 111 units have been delivered between April 2016 and March 2020, only 49 units (at minimum) remain. This level of housing delivery can be expected to generate a maximum of 7 Affordable Housing units (49 x 15%, as per emerging Policy HOU 6). This would be a maximum because some of this delivery is likely to come forward in the form of small infill developments, which are unlikely to be all large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. 7 units would not be nearly sufficient to meet potential demand of 101 units of affordable home ownership tenures, but it would be able to satisfy a small measure of need for affordable rented accommodation and affordable home ownership dwellings suitable to Haydon Parish's newly forming households and others.
188. The 2020 Household Survey found that, of the 29 households who responded to a question on their preferred means of occupancy, 27.5% indicated a desire for affordable rented accommodation against 13.8% interested in buying on the open market with a discount. This evidence would appear to conflict with the estimated scale of need for each tenure type in this study, and suggests that local people would favour affordable renting over ownership within the Affordable Housing mix.
189. On the basis of the evidence gathered here, two alternative proposals for the tenure mix within Affordable Housing that might be sought in Haydon Parish NA are given.
190. The proposed headline split between affordable rent and affordable home ownership is the same in both scenarios, and does not deviate from the emerging Local Plan policy mix (33% rented and 67% ownership). It is considered that the NCC policy as it currently stands would serve Haydon Parish NA well by prioritising routes to ownership yet not neglecting affordable renting entirely. This is supported by the estimated need figures calculated above as well as a review of the existing tenure mix in the NA, and the broad objectives of the community as voiced by the Parish Council. It would also be a legitimate choice, supported by the evidence, to reduce the affordable rented proportion below 33% in line with that evidence.
191. However, 33% is considered a more conservative way to protect those with the most acute needs if higher demand emerges in future than is estimated here. The results of the 2020 Household Survey also suggest that more Haydon Parish households wishing to move require affordable rent than affordable home ownership. As such, it would not be advisable to further reduce the share of affordable rent. Indeed, depending on how much weight the survey evidence is given, the Parish Council may wish to increase it.
192. If this recommended mix were to be pursued, there would be no need for the Neighbourhood Plan to repeat it in a new policy. However, there may be scope for further guidance in the Neighbourhood Plan to inform the breakdown of affordable housing tenures into the various available options. It is in relation to that further breakdown that the two proposals diverge – the first emphasising shared ownership to a greater degree than discounted market housing and rent to buy, while the second increases First Homes (discounted market sale) to an expected new national policy minimum and re-distributes the remaining share among the other product types.
193. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites, community-led housing, etc.) to boost the overall provision of Affordable Housing above the maximum of 7 units expected from the remaining part of Haydon Parish's indicative housing requirement.
194. Table 4-10 below summarises Haydon Parish's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if each of the tenure mixes

proposed in this HNA were rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the Parish Council plan for more housing (and therefore more affordable housing) than the local plan, or if the Parish Council decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

195. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government’s proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

Table 4-10: Estimated delivery of Affordable Housing in Haydon Parish NA over the Plan period 2021-2036

| | Step in Estimation | Mix 1 and Mix 2 (identical overall split between rent and ownership) |
|---|---|---|
| A | Indicative housing requirement, net of completions April 2016 to March 2020 | 49 |
| B | Affordable housing quota (%) in Northumberland’s emerging Local Plan | 15% |
| C | Potential total Affordable Housing in NA (A x B) | 7 |
| D | Rented % (e.g. social/ affordable rented) | 33% |
| E | Rented number (C x D) | 2 |
| F | Affordable home ownership % (e.g. First Homes, Rent to Buy) | 67% |
| G | Affordable home ownership number (C x F) | 5 |

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

5. RQ 2: Type and Size

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

5.1 Introduction

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

5.2 Existing types and sizes

5.2.1 Background and definitions

198. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
199. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
200. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' can be translated as follows²⁶:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
201. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained.²⁷ As such, all dwellings are classified into either "shared" or "unshared" dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
202. The key measure of whether a dwelling is shared or unshared relates to the Census' definition of a household. A household is defined as "One person living alone or a group of people (not necessarily related) living at the same

²⁶ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁷ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²⁸ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

203. The 2011 Census shows that there were 1,011 dwellings in Haydon Parish, 307 of which were detached houses, 323 semi-detached houses, 327 terraced houses, and 54 flats. Compared with Northumberland, Haydon Parish has a higher proportion of detached and terraced homes, a moderately lower proportion of semi-detached homes, and a much lower proportion of flats (see Table 5-1 below).

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

| Dwelling type | | Haydon Parish | Northumberland | England |
|-------------------------------|--|---------------|----------------|---------|
| Whole house or bungalow | Detached | 30.4% | 25.2% | 22.4% |
| | Semi-detached | 31.9% | 35.3% | 31.2% |
| | Terraced | 32.3% | 28.1% | 24.5% |
| Flat, maisonette or apartment | Purpose-built block of flats or tenement | 2.6% | 8.6% | 16.4% |
| | Parts of a converted or shared house | 1.5% | 1.7% | 3.8% |
| | In commercial building | 1.3% | 0.8% | 1.0% |

Source: ONS 2011, AECOM Calculations

204. These figures can be brought up to date using completions data provided by NCC. Completions in each year since the 2011 Census are tallied in below, along with the totals for that period, and the grand total (combining 2011 data and new completions). It is apparent that the prevalence of semi-detached housing in Haydon Parish has been heightened since the 2011 Census and a valuable supply of flats has helped to diversify the housing stock. The current stock of housing now more closely resembles that of Northumberland in 2011.

Table 5-2: Accommodation type, Haydon Parish 2020

| Dwelling type | '11/12 | '12/13 | '13/14 | '14/15 | '15/16 | '16/17 | '17/18 | '18/19 | '19/20 | Total '11-20 | Total '11-20 (%) | Grand total | Grand total (%) |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|------------------|-------------|-----------------|
| Detached | | | 1 | | 1 | 5 | 14 | 4 | 25 | 20.7% | 332 | 29.3% | |
| Semi-detached | | | | 1 | 4 | 6 | 27 | 11 | 49 | 40.5% | 372 | 32.9% | |
| Terraced | | | | 4 | 1 | 6 | 10 | 6 | 27 | 22.3% | 354 | 31.3% | |
| Flat | | | | | | 7 | | 9 | 16 | 13.2% | 70 | 6.2% | |
| Unknown | | | 4 | | | | | | 4 | 3.3% | 4 | 0.4% | |

Source: ONS 2011, NCC completions data, AECOM Calculations

5.2.3 Bungalows

205. As the ONS Census data does not capture bungalows as a distinct type, and this typology is generally considered a valuable way of meeting the needs of an ageing population, Valuation Office Agency data is drawn upon to reveal their relative prevalence in the NA. The result is presented in Table 5-3 below.

206. The data shows that Haydon Parish's rate of bungalow provision, at 14% of all properties, is broadly similar to that of Northumberland, at 15%. This does, however, contrast with the 7.6% of respondents to the Household Survey who currently live in bungalows (and is particularly surprising given the high response rate of older households). That said,

²⁸ Ibid.

among the cohort of respondents self-selecting as being in housing need, a very high preference for bungalows was evident. 11 preferences for 2 bed bungalows were tallied, compared with only 9 preferences for 2 bed houses over multiple stories.

207. The VOA data suggests that there is no significant undersupply of bungalows in Haydon Parish relative to the wider county. Comparing the size distribution of Haydon Parish's bungalows with the size distribution of all housing (see Table 5-6 below) reveals that the bungalows are strongly skewed to the smaller end of the size spectrum. This is logical, since bungalows are understood to be occupied predominantly by older households who are less likely to have large families and therefore require fewer bedrooms. However, more diversity in the size options of bungalows in future development may be beneficial. (Note that because VOA data is rounded to the nearest 10, Haydon Parish's small sample size means that the size distribution may not be entirely accurate.)
208. The survey results cited above suggest that 2 bedroom bungalows will still be required by the majority, but there remains demand for 3 bedroom bungalows as well (6 preferences compared to 11 for 2 bedroom bungalows). The relatively significant existing stock of 1 bedroom bungalows is understood to be due to delivery trends in the past that are not well-aligned with present needs, with housing associations operating in Haydon Parish finding these harder to let. 2 bedroom units are likely to be the most popular size going forward, and may also be considered the minimum size. There may also be the possibility of repurposing smaller bungalows, particularly those managed by housing associations, as housing for newly forming households and single individuals, or adapting and extending them to provide an additional bedroom.

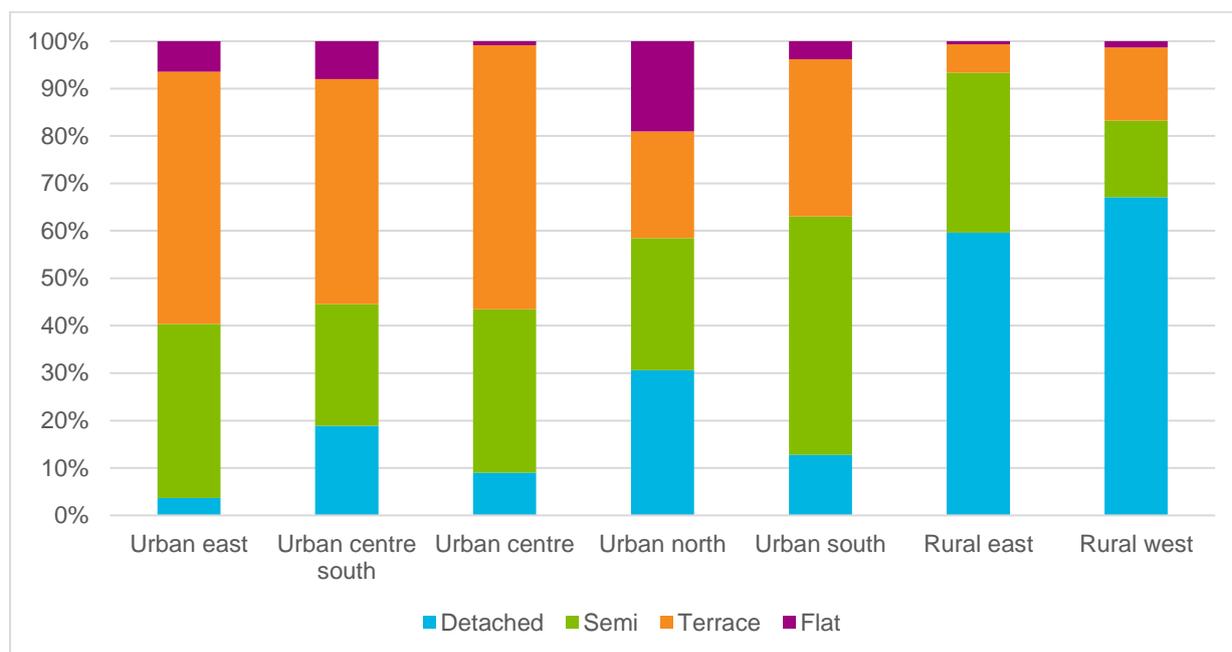
Table 5-3: Number of bungalows by property size, 2019

| | Haydon Parish (number) | Haydon Parish (%) | Northumberland (number) | Northumberland (%) |
|------------------|------------------------|-------------------|-------------------------|--------------------|
| 1 bedroom | 50 | 33.3% | 4,170 | 17.6% |
| 2 bedrooms | 60 | 40% | 10,730 | 45.3% |
| 3 bedrooms | 30 | 20% | 6,720 | 28.4% |
| 4 bedrooms + | 10 | 6.7% | 2,060 | 8.7% |
| Unknown | 0 | 0% | 20 | 0% |
| Total bungalows | 150 | 14% | 23,700 | 15.4% |
| Total properties | 1,070 | 100% | 154,140 | 100% |

Source: Valuation Office Agency, Council tax: stock of properties, 2019, Table CTSOP3.1

209. Finally, it is worth considering the distribution of dwelling typologies within the Haydon Parish NA. This is done with regard to the seven constituent Output Areas (OAs) that make up the NA – two of which are large and rural, with the remaining five comprising the Haydon Bridge settlement. A map and the specific OA code numbers are provided in the Local Context chapter of this report. For the purpose of comparing the dwelling stock, they have been re-named according to their relative position using the points of the compass: the two rural areas are labelled rural east and rural west, while those covering the settlement of Haydon Bridge are labelled urban centre, urban north, etc.
210. Figure 5-1 below compares the dwelling stock by type between the OAs in Haydon Parish NA, arranged loosely in descending order of density. The sub-areas have been labelled according to their relative position on the compass. These labels are shown on the map in Figure 2-2 in the Context section of this report.
211. It is clear that the choice of housing types varies widely between these sub-areas, with as little as 4% of properties in the urban east area being detached, compared with 67% in the rural west area. This is not unexpected, and it is also not a characteristic that the Neighbourhood Plan should necessarily seek to counteract through greater diversity of dwelling types within each sub-area. It is natural that rural areas will accommodate a greater share of detached homes, and it may not be possible to vary the type mix in the urban centre, which is dominated by terraces. These distinctions also reflect aspects of Haydon Parish's distinct character. However, to the extent that it may be desirable to provide greater diversity within sub-areas in future, this data is a helpful indication of the present (2011) context.

Figure 5-1: Distribution of dwelling types across the NA, 2011



Source: ONS 2011, AECOM Calculations

5.2.4 Dwelling size

212. Table 5-4 below sets out the distribution of the number of rooms by household space. The housing stock in Haydon Parish is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider Northumberland. Perhaps the most significant departure is the higher rate of homes with 9 rooms or more in Haydon Parish.

Table 5-4: Number of rooms per household in Haydon Parish, 2011

| Number of Rooms | 2011 Haydon Parish | 2011 Northumberland |
|-----------------|-----------------------|------------------------|
| 1 Room | 0.1% | 0.2% |
| 2 Rooms | 1.1% | 1.2% |
| 3 Rooms | 7.7% | 7.3% |
| 4 Rooms | 18.1% | 20.6% |
| 5 Rooms | 27.5% | 25.2% |
| 6 Rooms | 17.4% | 19.6% |
| 7 Rooms | 7.3% | 10.9% |
| 8 Rooms | 7.8% | 7.3% |
| 9 Rooms or more | 12.9% | 7.8% |

Source: ONS 2011, AECOM Calculations

213. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is a contraction in homes with 2 rooms (though from a low base of 18 in 2001 to 10 in 2011, possibly due to demolition and replacement, or extension of such homes), moderate growth among mid-sized homes, and a particularly high increase in homes with 8 rooms or more (from 148 in 2001 to 196 in 2011). This trend is broadly consistent with that seen across Northumberland and, to a lesser degree, England. (Note that the 2001 Census data counted '8 rooms or more' as the largest dwelling size, which was changed to '9 rooms or more' – hence the use of '8 rooms or more' only in this comparison table.)

Table 5-5: Rates of change in number of rooms per household in Haydon Parish, 2001-2011

| Number of Rooms | Haydon Parish | Northumberland | England |
|-----------------|----------------------|----------------|---------|
| 1 Room | N/A (growth from 0%) | -38.6% | -5.2% |
| 2 Rooms | -44.4% | -18.7% | 24.2% |
| 3 Rooms | 9.0% | 7.2% | 20.4% |
| 4 Rooms | 1.2% | -2.4% | 3.5% |
| 5 Rooms | 16.1% | -1.6% | -1.8% |
| 6 Rooms | 13.9% | 3.2% | 2.1% |
| 7 Rooms | 13.1% | 20.6% | 17.9% |
| 8 Rooms or more | 32.4% | 35.6% | 29.8% |

Source: ONS 2001-2011, AECOM Calculations

214. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-6 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that Haydon Parish's stock of dwellings by size is similar to that of Northumberland, with a majority having 3 bedrooms, and similar proportions of most other sizes except for the largest category – which exist at a rate of 8% in Haydon Parish compared with 4.5% across Northumberland.

Table 5-6: Number of bedrooms in household spaces in Haydon Parish, 2011

| Bedrooms | Haydon Parish | | Northumberland | | England | |
|--|---------------|---------------|----------------|---------------|-------------------|---------------|
| All categories: no. of bedrooms | 943 | 100.0% | 138,534 | 100.0% | 22,063,368 | 100.0% |
| No bedrooms | 1 | 0.1% | 220 | 0.2% | 54,938 | 0.2% |
| 1 bedroom | 83 | 8.8% | 10,772 | 7.8% | 2,593,893 | 11.8% |
| 2 bedrooms | 276 | 29.3% | 40,698 | 29.4% | 6,145,083 | 27.9% |
| 3 bedrooms | 366 | 38.8% | 59,864 | 43.2% | 9,088,213 | 41.2% |
| 4 bedrooms | 142 | 15.1% | 20,701 | 14.9% | 3,166,531 | 14.4% |
| 5 or more bedrooms | 75 | 8.0% | 6,279 | 4.5% | 1,014,710 | 4.6% |

Source: ONS 2011, AECOM Calculations

215. Again, it is possible to bring these statistics up to date by including completions data provided by NCC for recent years. Recent housing delivery has focused on 3 bedroom homes despite their predominance in the existing stock, and provided a greater share of 4+ bedroom homes than the share of this size in the existing stock. As a result, the total breakdown in 2020 has marginally increased the proportion of 3 and 4 bedroom homes, with all other size categories declining (particularly among 5+ bedroom homes). The impact of recent delivery has therefore generally been to entrench existing size imbalances rather than to meaningfully diversify the stock. Whether this should be considered detrimental or advantageous in the context of the evolution of the local population will be considered further at the end of this chapter.
216. Note also that the Household Survey found that 37.2% of respondents lived in a 3 bedroom home. This is very close to the finding below. However, the survey found that 16.8% live in 2 bedroom properties and 34.5% in 4+ bedroom homes – a mix that is skewed towards larger homes. This is assumed to be a result of the demographic makeup of the respondents. 28% of residents responded, and nearly half of those were aged above 65, which is greater than that age group's prevalence in the overall population (roughly 45%). The higher response rate of older households is not at all unusual, but it does influence some of the findings (such as the large proportion of people who have lived in Haydon Parish for more than 10 years, and who are living without a mortgage, both of which are generally more common among older people).

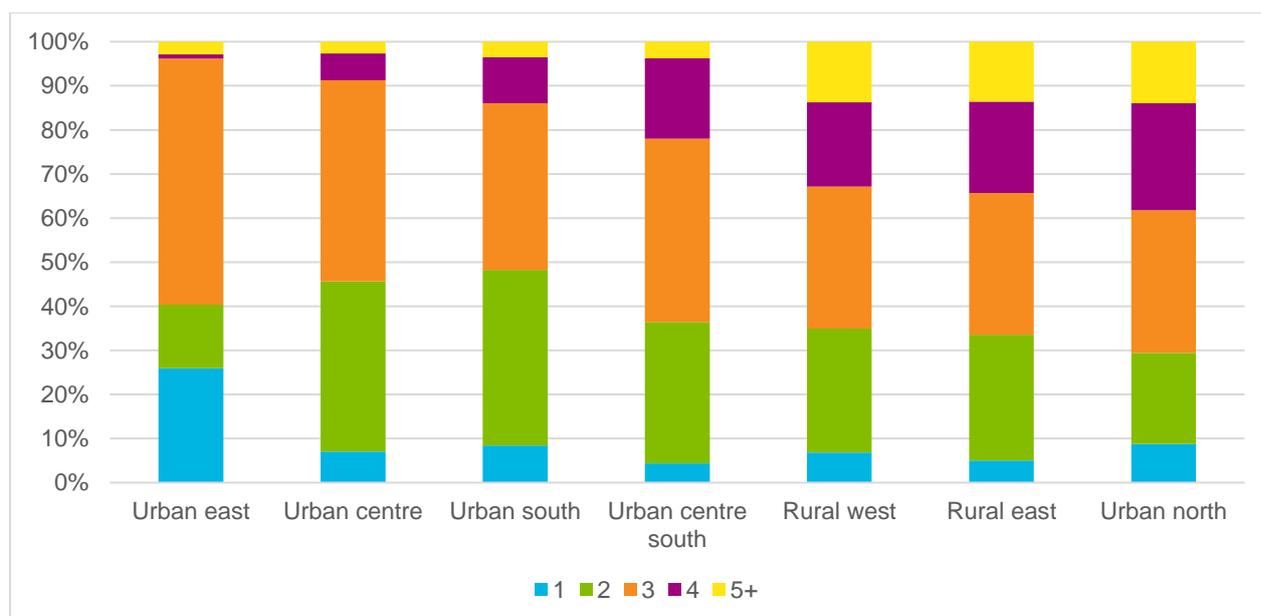
Table 5-7: Accommodation size (number of bedrooms), Haydon Parish 2020

| Dwelling type | '11/ 12 | '12/ 13 | '13/ 14 | '14/ 15 | '15/ 16 | '16/ 17 | '17/ 18 | '18/ 19 | '19/ 20 | Total '11-20 | Total '11-20 (%) | Grand total | Grand total (%) |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------------|------------------------|----------------|-----------------------|
| 1 bedroom | | | | | | | | 1 | 9 | 10 | 8.3% | 93 | 8.7% |
| 2 bedrooms | | | | | | | 12 | 9 | 8 | 29 | 24.0% | 305 | 28.7% |
| 3 bedrooms | | | | 3 | 4 | 1 | 7 | 29 | 7 | 51 | 42.1% | 417 | 39.2% |
| 4 bedrooms | | | | | 1 | 5 | 5 | 11 | 6 | 28 | 23.1% | 170 | 16.0% |
| 5 or more bedrooms | | | | | | | | 1 | | 1 | 0.8% | 76 | 7.1% |
| Unknown / no bedrooms | | | | 2 | | | | | | 2 | 1.7% | 3 | 0.3% |

Source: ONS 2011, NCC completions data, AECOM Calculations

217. Again, it is worth considering the distribution of dwelling sizes within the Haydon Parish NA, as was done for dwelling types above.
218. Figure 5-2 below compares the dwelling stock by number of bedrooms between the OAs in Haydon Parish NA, arranged loosely in ascending size order. Again there is a clear distinction in terms of the sizes of dwellings available between the rural and urban areas, although there are larger options within a number of urban sub-areas. This is a function of available space and historic characteristics, with less severe distinctions than for dwelling type due to the extension and subdivision of homes over time (which is much more likely to impact the number of bedrooms in a dwelling than its type classification).
219. Throughout this report, the unit of analysis for housing need is the NA as a whole rather than the sub-areas compared here. This is because it is assumed that community and social connections are not severed if a household were to move from one sub-area to another, and therefore there is no 'need' in the strict sense to correct the deficit of 5 bedroom homes in the urban centre if such options are already available nearby. (That said, there may be a need for older households to move closer to amenities in later life or because hillside locations present in the NA may pose mobility challenges, a reason cited by 22% of survey respondents self-identifying as in need of housing.) Diversifying the stock in each area would help to widen choice, but should not necessarily be pursued at the expense of disrupting the coherence of the existing built environment. However, this comparison provides some context which may be acted upon in accordance with other community priorities.

Figure 5-2: Distribution of dwelling sizes (number of bedrooms) across the NA, 2011



Source: ONS 2011, AECOM Calculations

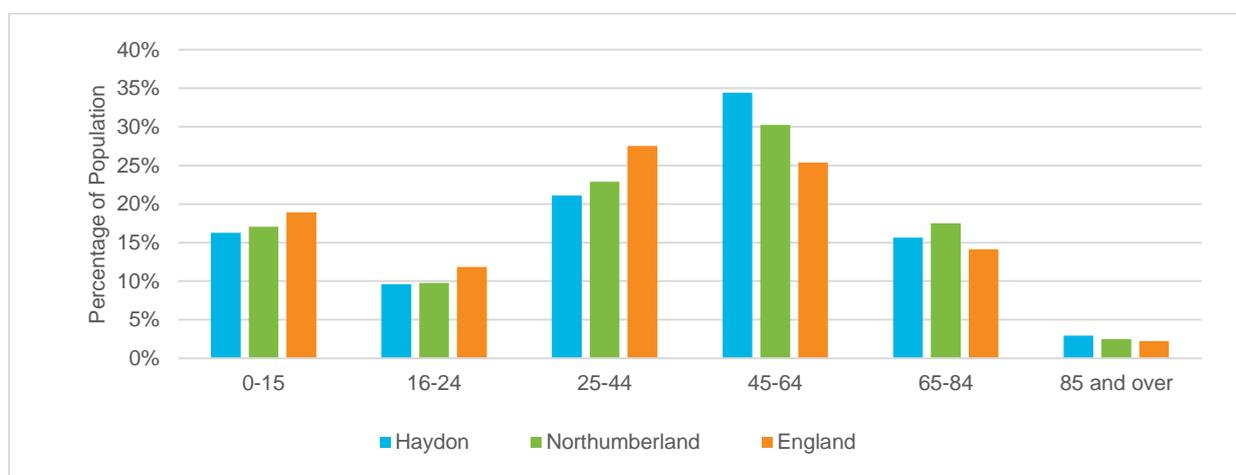
5.3 Household composition and age structure

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

5.3.1 Age structure

221. The 2011 Census data reveals that Haydon Parish has a particularly large segment of the population aged 45-64, with correspondingly lower proportions of the population falling into younger age bands in particular, when compared with Northumberland and England. This cohort can be expected to fall into older age bands during the Neighbourhood Plan period. The 85 and over segment of the population in 2011 was proportionally larger than at both wider geographies, but not significantly so (see Figure 5-3 below).

Figure 5-3: Age structure in Haydon Parish, 2011



Source: ONS 2011, AECOM Calculations

222. In terms of the changing age structure of the Neighbourhood Area population, Census data shows that since 2001 the NA population has increased from 1,641 to 1,829, with stability in most age groups except for a contraction in 25-44 year olds and young children, and a significant increase in the 45-64 age group. The former could possibly be a result of such households being less likely to be prioritised for Affordable Housing, or less likely to be housed based on the availability of properties by size. The latter trend may be driven by the ageing of the 25-44 age group in combination with incoming individuals.

223. This is not dissimilar to the trend at Northumberland level, though it is clearly evident that Haydon Parish has experienced less ageing during this period compared to wider geographies (see Table 5-8 below). (Note that the total 2011 population of 1,892 in this dataset does not align with the total of 2,184 quoted elsewhere in this report. This is probably due to lower reporting for this question in the Census.)

Table 5-8: Rate of change in the age structure of Haydon Parish population, 2001-2011

| Age group | Haydon Parish | Northumberland | England |
|-------------|---------------|----------------|---------|
| 0-15 | -8.0% | -7.0% | 1.2% |
| 16-24 | 9.9% | 7.1% | 17.2% |
| 25-44 | -12.9% | -12.1% | 1.4% |
| 45-64 | 43.2% | 13.7% | 15.2% |
| 65-84 | 3.3% | 15.0% | 9.1% |
| 85 and over | -1.5% | 34.6% | 23.7% |

Source: ONS 2001-2011, AECOM Calculations

5.3.2 Household composition

224. Household composition (i.e the mix of adults and children in a dwelling) is an important factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
225. In assessing Census data on household composition, presented in Table 5-9 below, it is apparent that Haydon Parish closely resembles wider Northumberland in its proportion of families and one-person households, and the broad age balance within these categories. As shown in the data above, there are slightly fewer 65 and over households in Haydon Parish, but there is also a slightly lower share of under-65 family households without dependent children.
226. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.
227. This data aligns with the findings of Haydon Parish's 2020 Household Survey, which indicated that 25.6% of respondents currently live alone (extremely close to the 26.5% of people living alone in 2011). The survey gives further granularity to the 70.1% of households living as a family unit: the survey found that the vast majority (48.5% of all respondents) live in households with two people, with at or below 10% of all households living in families of three, four or five or more people.

Table 5-9: Household composition (by household), Haydon Parish, 2011

| Household composition | | Haydon Parish | Northumberland | England |
|------------------------------|--|---------------|----------------|---------|
| One person household | Total | 26.5% | 29.9% | 30.2% |
| | Aged 65 and over | 12.1% | 14.0% | 12.4% |
| | Other | 14.4% | 15.9% | 17.9% |
| One family only | Total | 70.1% | 66.3% | 61.8% |
| | All aged 65 and over | 9.1% | 10.3% | 8.1% |
| | With no children | 25.1% | 21.0% | 17.6% |
| | With dependent children | 24.3% | 24.9% | 26.5% |
| | All children Non-Dependent ²⁹ | 11.6% | 10.1% | 9.6% |
| Other household types | Total | 3.4% | 3.8% | 8.0% |

Source: ONS 2011, AECOM Calculations

228. Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the two main changes in household composition that depart from wider trends both indicate a growing incidence of smaller households. These are the relatively dramatic growth in single-person households aged under 65 and in single family households without dependent children (see Table 5-10 below). It is possible that these shifts are partly in response to the available new dwellings in Haydon Parish, which, if the post-2011 trend is similar to the previous decade, consist largely of 3 bedroom homes suitable to smaller family groups.

²⁹ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 5-10: Rates of change in household composition, Haydon Parish, 2001-2011

| Household type | | Percentage change, 2001-2011 | | |
|------------------------------|----------------------------|------------------------------|----------------|---------|
| | | Haydon Parish | Northumberland | England |
| One person household | Total | 14.2% | 9.4% | 8.4% |
| | Aged 65 and over | -12.3% | -4.3% | -7.3% |
| | Other | 52.8% | 25.3% | 22.7% |
| One family only | Total | 15.4% | 4.1% | 5.4% |
| | All aged 65 and over | -1.1% | 7.4% | -2.0% |
| | With no children | 49.1% | 11.4% | 7.1% |
| | With dependent children | 1.3% | -3.2% | 5.0% |
| | All children non-dependent | 7.9% | 6.2% | 10.6% |
| Other household types | Total | -13.5% | 12.0% | 28.9% |

Source: ONS 2001-2011, AECOM Calculations

5.4 Dwelling mix determined by life-stage modelling

229. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.
230. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.
231. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, Local Authority-level data needs to be used as the closest proxy.
232. Figure 5-4 below sets out the relationship in the 2011 Census at Northumberland level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that while the majority of Northumberland residents live in 1 and 2 bedroom properties until the age of 30, the preference turns to dwellings of 3 bedrooms or more right up until the age of 75, when the preference for smaller homes again reaches more than 50% of older households. The preference for 4 bedroom dwellings follows the trend of 3 bedroom dwellings, with a concentration between the ages of 40 and 60, while the preference for 1 bedroom homes is minimal other than in the youngest and oldest age groups. Unusually, compared to data for other Local Authority areas across the country, there is a greater preference for 1 bedroom homes among those aged 85 and over than among those aged under 24.

Figure 5-4: Age of household reference person by dwelling size in Northumberland, 2011



Source: ONS 2011, AECOM Calculations

233. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the Local Authority level, and only for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2036 (i.e. the end of the Neighbourhood Plan period) is estimated and shown in red in the table. The data is presented in Table 5-11 below.

Table 5-11: Projected distribution of households by age of HRP, Northumberland

| Year | Age of HRP 24 and under | Age of HRP 25 to 34 | Age of HRP 35 to 54 | Age of HRP 55 to 64 | Age of HRP 65 and over |
|------|-------------------------|---------------------|---------------------|---------------------|------------------------|
| 2011 | 3,595 | 14,614 | 51,006 | 27,449 | 41,870 |
| 2014 | 4,033 | 14,276 | 47,718 | 26,801 | 47,408 |
| 2036 | 4,163 | 12,430 | 42,763 | 23,308 | 68,518 |
| 2039 | 4,181 | 12,178 | 42,088 | 22,832 | 71,396 |

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

234. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in Haydon Parish. To do so, the percentage increase expected for each group across Northumberland, derived from the data presented above, is mapped to the population of Haydon Parish. The results of this calculation are detailed in Table 5-12 below. It is clear from this data that almost all age groups are expected to remain stable or decline other than those aged over 65, who are expected to drive population growth going forward.

Table 5-12: Projected distribution of households by age of HRP, Haydon Parish

| Year | Age of HRP 24 and under | Age of HRP 25 to 34 | Age of HRP 35 to 54 | Age of HRP 55 to 64 | Age of HRP 65 and over |
|--------------------|-------------------------|---------------------|---------------------|---------------------|------------------------|
| 2011 | 14 | 95 | 355 | 213 | 266 |
| 2014 | 16 | 93 | 332 | 208 | 301 |
| 2036 | 16 | 81 | 298 | 181 | 435 |
| % change 2011-2036 | 14% | -18% | -19% | -18% | 39% |

Source: AECOM Calculations

235. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-4, and the approximate number of households in Northumberland and Haydon Parish falling into each

of these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might best evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-13 below).

236. First, an additional step is taken to 'add in' the new households resulting from the new dwellings delivered between 2011 and 2020. This is done by distributing those 120 households among each of the 2036 age groups according to their prevalence in the 2011 population (so with 43% of the population projected to be aged 65 and over, 43% of 120 new households are estimated to be in this age group and added to the projected total). It would be preferable to add in these households 'at' 2020 and project how they are likely to age by 2036 along with the 2011 population, but the limitations of the population projections make this impossible.
237. The table takes in turn each projected age group in 2036, estimating how many of the households in that age bracket will want or need to occupy each size of dwelling according to the preferences captured in Northumberland data presented above. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-13: Likely dwelling size distribution in Haydon Parish by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

| Size | Age of HRP 16 to 24 | Age of HRP under 35 | Age of HRP 35 to 54 | Age of HRP 55 to 64 | Age of HRP 65 and over | Total households requiring dwelling sizes |
|--------------------|------------------------|------------------------|------------------------|------------------------|---------------------------|--|
| Households 2036 | 18 | 90 | 333 | 202 | 487 | - |
| 1 bedroom | 3 | 7 | 15 | 12 | 63 | 99 |
| 2 bedrooms | 10 | 37 | 77 | 51 | 164 | 338 |
| 3 bedrooms | 5 | 38 | 155 | 91 | 194 | 483 |
| 4 bedrooms | 0 | 6 | 66 | 37 | 53 | 162 |
| 5+ bedrooms | 0 | 2 | 21 | 12 | 14 | 48 |

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

238. It is now possible to compare the 2020 housing mix in terms of size with the projected requirement based on the estimates set out in Table 5-13 above modelling the change in the age structure of the population in Haydon Parish.
239. Table 5-14 below indicates that, by 2036, the size distribution of dwellings should be broadly as follows:

Table 5-14: 2011 housing sizes compared to ideal distribution at end of Plan period, Haydon Parish

| Number of bedrooms | 2011 | | 2036 | |
|--------------------|--------------|---------------|--------------|---------------|
| 1 bedroom | 93 | 8.8% | 99 | 8.8% |
| 2 bedrooms | 305 | 28.7% | 338 | 29.9% |
| 3 bedrooms | 417 | 39.3% | 483 | 42.7% |
| 4 bedrooms | 170 | 16.0% | 162 | 14.3% |
| 5 or more bedrooms | 76 | 7.2% | 48 | 4.3% |
| Total households | 1,061 | 100.0% | 1,131 | 100.0% |

Source: Census 2011, AECOM Calculations

240. Table 5-15 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the 2011 stock in the Neighbourhood Area.

Table 5-15: Future potential misalignments of supply and demand for housing, Haydon Parish

| Number bedrooms | of 2011 | 2036 | Change to housing mix | Recommended split |
|--------------------|---------|------|-----------------------|-------------------|
| 1 bedroom | 93 | 99 | 6 | 6.0% |
| 2 bedrooms | 305 | 338 | 33 | 31.7% |
| 3 bedrooms | 417 | 483 | 66 | 62.3% |
| 4 bedrooms | 170 | 162 | -8 | 0.0% |
| 5 or more bedrooms | 76 | 48 | -28 | 0.0% |

Source: AECOM Calculations

241. Note that the changes to the housing mix given above for 4 and 5 bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further 4 and 5 bedroom dwellings over the Neighbourhood Plan period. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
242. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.
243. The result of this life-stage modelling exercise is to suggest that, in terms of expected demographic trends, new development might benefit from a focus on medium and small sized dwellings. This result, particularly the strong emphasis on 3 bedroom homes, is relatively surprising considering the preponderance of 3 bedroom dwellings in the existing stock, and would appear to suggest that 2011-2020 delivery is primarily inappropriate in its moderate focus on 4 bedroom homes rather than its heavier focus on 3 bedroom homes.
244. However, it should be emphasised that this model depends on a number of assumptions, including the use of Northumberland data on dwelling preferences. Given that Northumberland has a higher proportion of 3 bedroom homes than Haydon Parish (as of 2011), the model has the effect of bringing Haydon Parish's stock closer into line with Northumberland. It also assumes a highly efficient market in which occupants are able to move freely around the available homes, which is never the case in practice.
245. It is therefore appropriate to view the result of this exercise in the context of other factors that have a role in evidencing Neighbourhood Plan policy. Foremost among these are the responses to the 2020 Household Survey. The clear preference from the survey was for 2 bedroom houses and bungalows, with 3 bedroom homes a close second and 4 bedroom homes a distant third. Because respondents were able to select more than one preference, it is likely that a number of the nine preferences for 2 bedroom homes and eleven preferences for 2 bedroom bungalows were from the same respondents. Taking the higher figure for each size of dwellings suggests the following mix: 50% 2 bedroom, 32% 3 bedroom, 18% 4 bedroom. This would justify a significant departure from the result of the model presented above, in the direction of more 2 bedroom homes. With a response rate of 28%, the survey does not represent the views of all residents. However, it can be assumed that those with an acute housing need would be incentivised to complete the survey and, as such, the results (including those cited above) representing the 39 households in self-assessed housing need, can be accorded a high degree of weight.

5.5 SHMA findings

246. The SHMA breaks down its findings to sub-areas within Northumberland. Haydon Parish NA is located within the A68 and A69 Tyne Corridor Outer West sub-area. The dwelling size mix proposed for this area is 35.5% 1-2 bedroom, 42% 2 bedroom, and 22.1% 4+ bedrooms. While the combined 35% 1-2 bedroom homes aligns closely with the findings of the model above, the wider housing market area is found to require a higher weighting to larger property sizes than was found for Haydon Parish.

247. In terms of dwelling types, the SHMA only distinguishes between houses, bungalows and flats. The need for each for the relevant sub-area is 75.8% houses, 17.3% bungalows and 5.1% flats (do not sum due to rounding). While this HNA does not provide a type mix because this is considered less a function of need than preference, and does not benefit from detailed data, the SHMA affirms the finding of the household survey in demonstrating a continued need for bungalows.

5.6 Conclusions- Type and Size

248. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.
249. Compared with Northumberland, Haydon Parish has a higher proportion of detached and terraced homes, a moderately lower proportion of semi-detached homes, and a much lower proportion of flats. It appears that the prevalence of semi-detached housing in Haydon Parish has been heightened since the 2011 Census and a valuable supply of flats has helped to diversify the housing stock. The current stock of housing now more closely resembles that of Northumberland in 2011.
250. Haydon Parish's rate of bungalow provision, at 14% of all properties, is broadly similar to that of Northumberland, at 15%. This suggests that there is no significant undersupply of bungalows in Haydon Parish relative to the wider county. However, a very high preference for bungalows was expressed in the 2020 Household Survey, with greater demand for 2 bedroom bungalows than 2 bedroom houses.
251. Haydon Parish's current stock of bungalows is strongly skewed to the smaller end of the size spectrum. This is logical, since bungalows are understood to be occupied predominantly by older households who are less likely to have large families and therefore require fewer bedrooms. While more diversity in the size options of bungalows in future development may be beneficial, the Household Survey suggests that 2 bedroom units will still be required by the majority of those seeking bungalows, with slightly less but still significant demand for 3 bedroom bungalows as well.
252. The relatively significant existing stock of 1 bedroom bungalows in Haydon Parish (around one third of the total) is understood to be due to delivery trends within social rented housing in the past that are not well-aligned with present needs, with housing associations operating in Haydon Parish finding these harder to let. 2 bedroom units are likely to be the most popular size going forward, and may also be considered the minimum size. There may also be the possibility of repurposing smaller bungalows, particularly those managed by housing associations, as housing for newly forming households and single individuals, or adapting and extending them to provide an additional bedroom.
253. When comparing the dwelling stock by type of the sub-areas within Haydon Parish NA, it is clear that there is wide variation – particularly between rural areas and more urban parts of Haydon Bridge. This is not unexpected, and to the limited extent that it may be desirable to provide greater diversity within sub-areas in future, the data presented here is a helpful indication of the present context.
254. The housing stock by size in Haydon Parish is dominated by mid-sized homes with 4-6 rooms, and closely resembles the pattern of wider Northumberland. Perhaps the most significant departure from the county trend is Haydon Parish's higher rate of homes with 9 rooms or more.
255. Recent housing delivery has focused on 3 bedroom homes despite their predominance in the existing stock, and provided a greater share of 4+ bedroom homes than the share of homes in this size category in the existing stock. As a result, the total size breakdown in 2020 shows a marginal increase in the proportion of 3 and 4 bedroom homes, with all other size categories declining (particularly among 5+ bedroom homes). The impact of recent delivery has therefore generally been to entrench existing size imbalances rather than to meaningfully diversify the stock, with a particular lack of smaller homes being apparent and potentially problematic in the context of local needs..
256. Again there is a clear distinction in terms of the sizes of dwellings available between the rural and urban sub-areas within Haydon Parish, although there are larger options within a number of urban sub-areas. Diversifying the stock in each area would help to widen choice, but should not necessarily be pursued at the expense of disrupting the coherence of the existing built environment.
257. The 2011 Census data reveals that Haydon Parish has a particularly large segment of the population aged 45-64, with correspondingly lower proportions of the population falling into younger age bands, when compared with Northumberland and England. This cohort is likely to reach retirement age over the Plan period and could become the

largest source of demand for housing, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. Wishing to downsize was found to be the most common reason for wanting to move among respondents to the Household Survey (26% of responses), and this trend can be expected to become more important in future.

258. In assessing Census data on household composition, Haydon Parish closely resembles wider Northumberland in its proportion of families and one-person households, and in the broad age balance within these categories. There are slightly fewer 65 and over households in Haydon Parish, but there is also a slightly lower share of under-65 family households without dependent children. This data aligns with the findings of Haydon Parish's 2020 Household Survey, which indicated that 25.6% of respondents currently live alone (extremely close to the 26.5% of people living alone in the 2011 Census). The survey gives further granularity to the 70.1% of households living as a family unit: it found that the vast majority (48.5% of all respondents) live in households with two people, with at or below 10% of all households living in families of three, four or five or more people.
259. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, suggests that, in terms of expected demographic trends, new development might benefit from a focus on medium and small sized dwellings. This result, particularly a strong emphasis on 3 bedroom homes, is relatively surprising considering the preponderance of 3 bedroom dwellings in the existing stock, and would appear to suggest that 2011-2020 delivery is generally inappropriate in its moderate focus on 4 bedroom homes rather than its heavier focus on 3 bedroom homes.
260. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the Neighbourhood Plan might influence the size mix of housing coming forward, smaller homes should be the priority.
261. It is also appropriate to view the result of this exercise in the context of other factors that have a role in evidencing Neighbourhood Plan policy. Foremost among these are the responses to the 2020 Household Survey. The clear preference from the survey was for 2 bedroom houses and bungalows, with 3 bedroom homes a close second and 4 bedroom homes a distant third. As noted above, downsizing is also a very common reason residents wish to move. This primary evidence would justify a significant departure from the result of the model presented above, in the direction of more 2 bedroom homes. That said, downsizing does not necessarily involve a lower number of rooms – it may simply involve a smaller quantity of outside space to manage or similar numbers of smaller rooms that are easier to heat and maintain.
262. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is unaffordable to most local people and that those on the lowest incomes are unable to afford to live outside of the social rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller homes for sale and rent, as advised here, should make an important contribution to improving affordability more widely. If older households wishing to downsize and younger ones seeking to form their own independent households are to be able to afford to live in Haydon Parish, increasing the provision of small and mid-size homes and, in so doing, rebalancing the housing stock away from generally larger housing, could be valuable.

6. Conclusions

6.1 Overview

263. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of study findings specific to Haydon Parish with a potential impact on Neighbourhood Plan housing policies

| Issue | Summary of evidence and data assessed | Conclusions and recommendations |
|---|---|---|
| <p>Housing tenure and affordability</p> | <p>Haydon Parish had, at the time of the 2011 Census, a lower rate of home ownership, and correspondingly higher rate of private renting, than both Northumberland and England as a whole. The NA has a typical proportion of social renting for the area, but a higher proportion of shared ownership.</p> <p>All dwelling types have fluctuated in their average sales price over the last decade, but the overall average for 2019 currently stands 7.9% higher than the overall average for 2010. This suggests that the affordability of home ownership is not becoming increasingly out of reach in Haydon Parish, as relatively pronounced changes in the market have recently produced a favourable environment for would-be homeowners.</p> <p>An analysis of property transactions in Haydon Parish in 2019 found an average entry-level price £114,571, thus requiring a deposit of roughly £11,500. As this is out of reach to 32% of the population (as represented by respondents to the survey), smaller more affordable market homes and more tenures offering a route to home ownership would be beneficial.</p> <p>The average total household income is £40,900 (for a slightly wider area than the NA) and the lower quartile gross earnings for single-earners is £13,737, which can be doubled to £27,474 for dual-earning households at (both for Northumberland as a whole).</p> <p>Households with incomes between £24,000 and £29,460 are able to rent in the market but unable to buy. These households may need affordable home ownership options.</p> <p>There were 15 households in Haydon Parish at the time of writing in October 2020 that are considered as being in housing need on the Homefinder register, which can be netted to 3 households after recent lettings are deducted. It is clear that among those in Affordable Housing need, 2 bedroom homes are in the greatest demand, followed by 1 and 3 bedroom homes at roughly equal rates. It is likely that the current gross total of 15 undercounts true need.</p> <p>The indicative housing requirement for Haydon Parish NA is 160 additional dwellings over the submission Local Plan period, of which 111 have already been delivered since 2016. The remainder of 49 can be expected to generate a maximum of 7 Affordable Housing units (49 x 15%, as per emerging Policy HOU 6). However it should be noted that the 160 figure is a minimum and thus it is possible that more than 49 homes will be built by 2036.</p> | <p>If average incomes are lower in Haydon Parish than reported in the secondary data sources used here, as the Household Survey indicates, more may need to be done to secure Affordable Housing and seek higher discounts or subsidies for the available tenure options.</p> <p>Shared ownership appears to be the most attractive affordable home ownership product for Haydon Parish.</p> <p>The model employed in this study estimated that rather than a need for affordable rented housing, Haydon Parish should anticipate a surplus of four units per year. We assume that roughly 3% of the occupants of Haydon Parish’s social rented stock will vacate their property in any given year, as they move to a new location, pass away, or cease to become eligible as their income rises. This is theoretically enough to satisfy expected newly arising need each year. If a higher assumption – for example that 10% of the stock will turn over each year – were to be used, the surplus would be higher still.</p> <p>A similar estimate aims to estimate the number of households who can rent but can’t buy on the basis of their incomes. The result of the calculation is around 6.7 households per annum who may be interested in affordable home ownership (or 101 (rounded) for the entirety of the Plan period).</p> <p>The relationship between the estimated need for affordable rented properties and the potential demand for affordable home ownership properties suggests that the latter should be prioritised in future development. It may be prudent, however, to plan for some minimal level of affordable rented provision rather than none at all, in line with the current backlog on the waiting list and the findings of the Household Survey.</p> <p>Estimated delivery would not be sufficient to meet potential demand of 101 units of affordable home ownership tenures, but it would be enough to satisfy a small measure of need for affordable rented accommodation and affordable home ownership suitable to Haydon Parish’s newly forming households and others.</p> <p>The proposed headline split between affordable rent and affordable home ownership does not deviate from the emerging Local Plan policy mix (33% rented and 67% ownership). It is considered that the NCC policy as it currently stands would serve Haydon Parish NA well by prioritising routes to ownership yet not neglecting affordable renting entirely.</p> <p>If this recommended mix were to be pursued, there would be no need for the Neighbourhood Plan to repeat it in a new policy. However, there may be scope for further guidance in the Neighbourhood Plan to inform the breakdown of affordable housing tenures into the various available options.</p> |

| Issue | Summary of evidence and data assessed | Conclusions and recommendations |
|------------------------------|--|---|
| <p>Housing type and size</p> | <p>Compared with Northumberland, Haydon Parish has a higher proportion of detached and terraced homes, a moderately lower proportion of semi-detached homes, and a much lower proportion of flats. It appears that the prevalence of semi-detached housing in Haydon Parish has been heightened since the 2011 Census and a valuable supply of flats has helped to diversify the housing stock.</p> <p>Haydon Parish’s rate of bungalow provision, at 14% of all properties, is broadly similar to that of Northumberland, at 15%. This suggests that there is no significant undersupply of bungalows in Haydon Parish relative to the wider county. However, a very high preference for bungalows was expressed in the 2020 Household Survey, with greater demand for 2 bedroom bungalows than 2 bedroom houses.</p> <p>Recent housing delivery has focused on 3 bedroom homes despite their predominance in the existing stock, and provided a greater share of 4+ bedroom homes than the share of homes in this size category in the existing stock. As a result, the total size breakdown in 2020 shows a marginal increase in the proportion of 3 and 4 bedroom homes, with all other size categories declining (particularly among 5+ bedroom homes). The impact of recent delivery has therefore generally been to entrench existing size imbalances rather than to meaningfully diversify the stock.</p> <p>The 2011 Census data reveals that Haydon Parish has a particularly large segment of the population aged 45-64, with correspondingly lower proportions of the population falling into younger age bands, when compared with Northumberland and England. This cohort is likely to reach retirement age over the Plan period and could become the largest source of demand for housing</p> | <p>The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, suggests that, in terms of expected demographic trends, new development might benefit from a focus on medium and small sized dwellings. This result, particularly a strong emphasis on 3 bedroom homes, is relatively surprising considering the preponderance of 3 bedroom dwellings in the existing stock, and would appear to suggest that 2011-2020 delivery is generally inappropriate in its moderate focus on 4 bedroom homes rather than its heavier focus on 3 bedroom homes.</p> <p>This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some larger dwellings. The provision of larger homes should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the Neighbourhood Plan might to influence the size mix of housing coming forward, smaller homes should be the priority.</p> <p>It is also appropriate to view the result of this exercise in the context of other factors that have a role in evidencing Neighbourhood Plan policy. Foremost among these are the responses to the 2020 Household Survey. The clear preference from the survey was for 2 bedroom houses and bungalows, with 3 bedroom homes a close second and 4 bedroom homes a distant third. As noted above, downsizing is also a very common reason residents wish to move. This primary evidence would justify a significant departure from the result of the model presented above, in the direction of more 2 bedroom homes. That said, downsizing does not necessarily involve a lower number of rooms – it may simply involve a smaller quantity of outside space to manage or similar numbers of smaller rooms that are easier to heat and maintain.</p> <p>It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any LA strategies or plans) and site-specific factors which may justify a particular dwelling mix.</p> |

6.2 Recommendations for next steps

264. This Neighbourhood Plan housing needs assessment aims to provide Haydon Parish with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with NCC with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;

- The views of NCC – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by NCC, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for Northumberland and the Neighbourhood Areas within it.

265. 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.

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

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

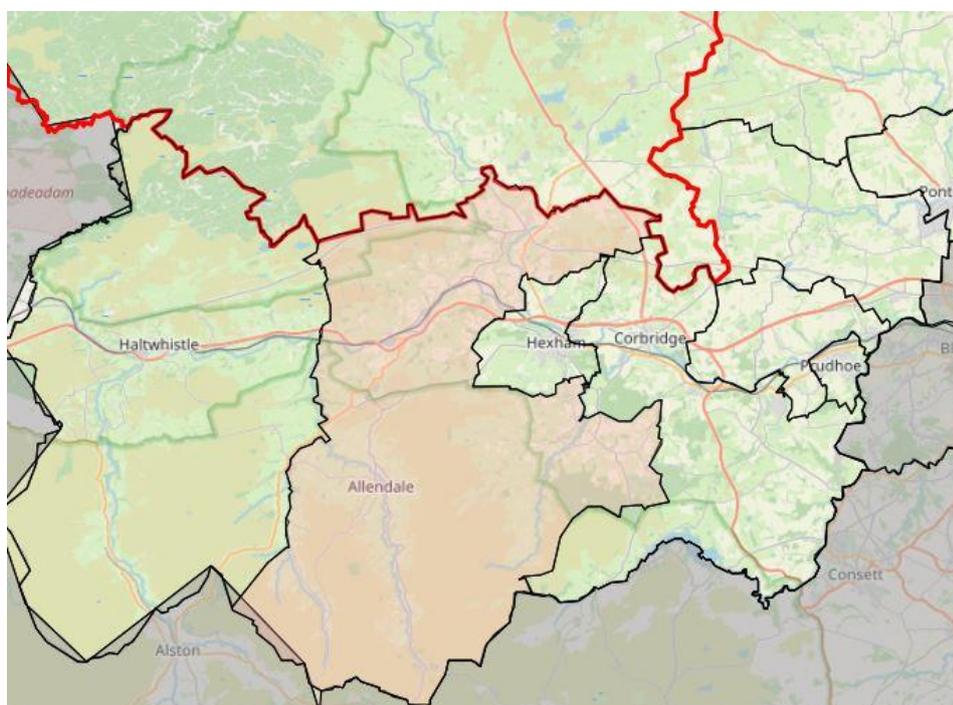
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

268. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Area. Such data is available at MSOA level but not at the level of Neighbourhood Areas.

269. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Area. In the case of Haydon Parish, it is considered that MSOA Tynedale 007 (code E02005733) is the closest realistic proxy for the Neighbourhood Area boundary, and as such, this is the assessment geography that has been selected. This area is unfortunately much wider than the NA itself, but as it is the smallest unit of analysis available and the NA is contained entirely within it, the MSOA is the best available proxy. A map of Tynedale 007 appears below in Figure 6-1.

Figure 6-1: MSOA Tynedale 007 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

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

272. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

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

i) Market sales

274. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.
275. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Haydon Parish. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
276. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.³⁰ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2019.
277. The calculation is therefore:
- Value of an 'entry level dwelling' = £114,571;
 - Purchase deposit = £11,457 @10% of value;
 - Value of dwelling for mortgage purposes = £103,114;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £29,461.**

ii) Private Rented Sector (PRS)

278. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.
279. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,³¹ such a home would require three habitable rooms (a flat or house with two bedrooms).
280. The property website Home.co.uk shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the NE47 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Because, at 5 properties in total, the sample size for NE47 was relatively small, the data was cross-checked against that for NE46 (with a larger sample size of 17 properties). The median 2-bedroom property monthly rent was the same, and the median among all sizes was £30 higher in NE46 than NE47. As the data is consistent, the figures for the closest proxy – i.e. the NE47 postcode area – are used below.
281. According to home.co.uk, there are 2 two-bed properties currently listed for rent across NE47, with an average price of £600 per calendar month. As noted above, the median monthly rent across NE46 (6 properties currently listed) was also £600.
282. It is possible to derive from this data the estimated income threshold for entry-level private rental sector dwellings in the Neighbourhood Area; the calculation is therefore:
- Annual rent = £600 x 12 = £7,200;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = **income threshold of £24,000.**
283. The NPPF 2019 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.

³⁰ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

³¹ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

A.3 Affordable Housing

284. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.
285. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
286. We consider each of the affordable housing tenures in turn.

i) Social rent

287. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
288. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Haydon Parish. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Northumberland in the table below.
289. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

Table A-1: Social rent levels (£)

| Size | 1 bed | 2 beds | 3 beds | 4 beds | All |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Average social rent per week | £68.49 | £75.24 | £81.87 | £91.27 | £76.20 |
| Annual average | £3,561 | £3,912 | £4,257 | £4,746 | £3,962 |
| Income needed | £14,246 | £15,650 | £17,029 | £18,984 | £15,850 |

Source: Homes England, AECOM Calculations

ii) Affordable rent

290. 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). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, particularly when they are dependent on benefits. 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%.
291. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Northumberland (above). Again it is assumed that no more than 30% of income should be spent on rent.

Table A-2: Affordable rent levels (£)

| Size | 1 bed | 2 beds | 3 beds | 4 beds | All |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Average affordable rent per week | £85.37 | £95.29 | £104.30 | £115.03 | £96.20 |
| Annual average | £4,439 | £4,955 | £5,424 | £5,982 | £5,002 |
| Income needed | £17,757 | £19,820 | £21,694 | £23,926 | £20,010 |

Source: Homes England, AECOM Calculations

iii) Intermediate tenures

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

Discounted Market Homes

293. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”. The most recent proposals for ‘Changes to the current planning system’ suggest 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% requirement referenced above may be replaced by the First Homes requirement.

294. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.

295. Applying a discount of 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £118,647 (30% discount on the median average price of £169,495). Allowing for a 10% deposit further reduces the value of the property to £106,782. The income threshold at a loan to income ratio of 3.5 is £30,509.

296. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices in Northumberland are discounted by 30% the required income threshold is £42,220.

297. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home (with the discount benchmarked on the median house price as above). This would require an income threshold of £34,868, £26,151 and £21,792 respectively.

Shared ownership

298. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.

299. 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.

300. To determine the affordability of shared ownership, calculations are based on the median house price of £169,495.³² The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

301. A 25% equity share of £169,495 is £42,374, from which a 10% deposit of £4,237 is deducted. The mortgage value of £38,136 is then divided by 3.5. To secure a mortgage of £38,136, an annual income of £10,896 is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £127,121. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £3,178 and requires an income of £10,593 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£21,490** (£10,896 + £10,593) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of **£28,855** and **£36,219** respectively.

³² It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods³³.

Age-Restricted General Market Housing

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

³³ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard³⁴

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³⁵

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)³⁶

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

Equity Loans/Shared Equity

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

³⁴ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁵ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

³⁶ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will provide a discount of at least 30% on the price of new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments are likely to be required to provide 25% of Affordable Housing as First Homes.

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 years³⁷, 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

³⁷ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁸

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

Strategic Housing Land Availability Assessment

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

³⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³⁹

³⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

