

Bretherton

Housing Needs Assessment (HNA)

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Quality information

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Table of Contents

1.	Executive Summary.....	6
	Conclusions – Tenure, Affordability and the Need for Affordable Housing.....	6
	Conclusions – Type & Size.....	7
	Conclusions – Specialist housing for older people	8
2.	Context	11
	Local context	11
	The Housing Market Area Context	12
	Planning policy context.....	13
	Policies in the adopted local plan	13
	Policies in the Central Lancashire Core Strategy	15
	Quantity of housing to provide.....	16
3.	Approach	18
	Research Questions.....	18
	Tenure and Affordability	18
	Type and Size	18
	Specialist Housing for Older People.....	19
	Relevant Data	19
4.	RQ 1: Tenure, Affordability and the Need for Affordable Housing	20
	Introduction	20
	Current tenure profile	22
	Affordability	23
	House prices	23
	Income	24
	Affordability Thresholds	25
	Affordable housing- quantity needed.....	31
	Affordable Housing policy guidance	33
	Conclusions- Tenure and Affordability	37
5.	RQ 2: Type and Size	39
	Introduction	39
	Existing types and sizes	39
	Background and definitions	39
	Dwelling type.....	40
	Dwelling size	41
	Age and household composition	42
	Age structure	42
	Household composition	44
	Occupancy ratings.....	44
	Dwelling mix determined by life-stage modelling.....	45
	Suggested future dwelling size mix	45
	Conclusions- Type and Size	49
6.	RQ 3: Specialist housing for older people	51
	Introduction	51
	Tenure-led projections	52
	Conclusions- Specialist Housing for Older People	54
7.	Next Steps.....	57

Recommendations for next steps	57
Appendix A : Calculation of Affordability Thresholds.....	58
A.1 Assessment geography	58
A.2 Market housing	58
i) Market sales	59
ii) Private Rented Sector (PRS).....	60
A.3 Affordable Housing	61
i) Social rent.....	61
ii) Affordable rent	61
iii) Affordable home ownership	62
Appendix B : Housing Needs Assessment Glossary	65

List of acronyms used in the text:

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

1. Executive Summary

1. Bretherton is a Neighbourhood Area located in the local authority area of Chorley. The Neighbourhood Area boundary covers the areas administered by Bretherton Parish Council.
2. The Office for National Statistics mid-2020 population estimate for Bretherton is 687 individuals, showing an increase of 18 individuals since the 2011 Census.
3. There has been some development in Bretherton since 2011, with Chorley Council providing completions data from 2011 to 2022 which showed the development of 23 dwellings. Of these, 0 were delivered as Affordable Housing.
4. This Executive Summary details the conclusions of each chapter of the report, addressing the 3 research questions formulated at the outset of the research.

Conclusions – Tenure, Affordability and the Need for Affordable Housing

5. Bretherton has a higher proportion of owned properties (84.1%) compared to both Chorley (75.2%) and England (63.3%). Bretherton does not currently have any shared ownership properties in the plan area, in comparison with 0.6% in Chorley and 0.8% in England. Bretherton also has a much lower proportion of social rented properties compared to regional and national levels. Whilst similar to Chorley, the amount of private rented properties in the plan area is lower than England's average.
6. Between the 2001 and 2011 Census, in Bretherton the private rented sector expanded by 87.5% in that period, a rate of growth that relatively similar, yet slightly higher than the national average of 82.4%. However, this is significantly lower than the regional average of 172.2% in Chorley.
7. The mean house price in Bretherton has increased from £248,8000 to £407,000. This is an increase of 63.6%.
8. The median, which is the middle number when you sort the data from smallest to largest is £405,000 as of 2021. This is a 69.5% increase on 2012, when the median was £239,000.
9. The lower quartile price, which is the average price of the lowest 25% data points when all figures are organised in increasing order, is £310,000. This is a 77.1% increase on 2012, where the lower quartile price was £175,000.
10. The average total household income locally was £39,300 in 2018. Chorley's gross individual lower quartile annual earnings were £15,104 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,208.
11. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the

benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 62% higher than the current average.

12. Private renting is generally only affordable to higher earners. Households made up of two lower quartile earners can afford entry-level market rent but not average market rent.
13. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. None of these discounts would provide a mortgage value affordable for the average income in Bretherton. The highest discount of 50% is therefore justified from the perspective of affordability, although this will be to the benefit of slightly above average earners. Shared ownership appears to be no more affordable than First Homes in the plan area.
14. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford affordable rented properties but are able to afford social rented properties.
15. When the Housing Study figure for affordable rented housing is pro-rated to Bretherton based on its fair share of the population (0.58% of the LPA's population), this equates to 0.8 homes for affordable rent per annum or 12 homes over the Neighbourhood Plan period 2023-2038.
16. The indicative tenure split for Bretherton is 25% affordable ownership (First Homes) and 75% affordable rented.

Conclusions – Type & Size

17. Bretherton has a large proportion of semi-detached and detached properties, and the 2021 VOA data shows a relatively large proportion of properties in the Neighbourhood are bungalows. It can be seen that between 2011 and 2021, there has been no change in the amount of flats and a small increase in the amount of terraced properties in the plan area.
18. Bretherton has a lower proportion of flats and terraces compared to Chorley and England. Both Bretherton and Chorley have a higher proportion of bungalows compared to England. It should be noted that whilst Chorley has a higher share of detached properties compared to England, the amount of detached properties in Bretherton is even higher at almost 37%, approximately 13 percentage points higher than Chorley and over double the average for England.
19. Over half of the properties in Bretherton (54.6%) are detached. This is significantly higher than the figure shown for Chorley and England. It can also be seen that Bretherton has a lower amount of all other property types compared to Chorley and England.
20. In 2011, a significant proportion of dwellings in the plan area were 3 and 4-bedroom dwellings, with 93 and 90 of each size respectively. This is followed by 56 2-bedroom properties. 1 bedroom and 5+ bedroom properties make up the smaller proportion of dwellings, with 12 and 19 of these categories respectively.

21. The data presented for age structure shows that there is estimated to have been a decrease in the 0-15 and 25-44 age groups between 2011 and 2020 and no change in the 85 and over age group. All other age groups have seen an increase between 2011 and 2020, the largest being in those aged 45-64.
22. Bretherton generally follows the same age structure and trend as Chorley and England. It can be seen, however, that Bretherton has a lower proportion of 16-24 and 25-44 year olds compared to Chorley and England, with a larger proportion of 45-64 and 65-84 year olds. The NA population is generally older.
23. Bretherton has a lower proportion of one person households compared to Chorley and England, with a higher proportion of one family only households. This is due to a lower proportion of younger one person households compared to Chorley and England. Further, Bretherton has a higher proportion of one family only households who are aged 65 and over, with no children and with dependent children.
24. In Bretherton, 29% of households have an occupancy rating of +1 and 53% have an occupancy rating of +2. This means that 82% of households in Bretherton are theoretically under-occupying their homes. An occupancy rating of +1 is particularly prevalent in single persons under 65- and single-persons 65+. An occupancy rating of +2 is extremely prevalent in families under 5 with no children and families 65+.
25. Across Chorley and the wider country, the youngest households generally occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then gradually downsizing to smaller homes again as they age.
26. Population growth can be expected to be driven by the oldest households, with an 84% increase expected in those aged 65 and over in Bretherton to 2038. This is significantly higher than the next largest category (those aged 55 to 64), which is expected to increase by 22% during the plan period. Those aged 24 and under are expected to decrease by 2% by 2038.
27. The model suggests that in order to meet the target mix by 2038, around 57.7% of new homes should have 3 bedrooms, 29.1% should have 2 bedrooms and 13.1% should have 1 bedroom. There is no need for 4 or 5+ bedroom properties in the plan area during the plan period, although these findings should be interpreted with a degree of flexibility. Providing choice in the new housing that comes forward is still a valuable aim.
28. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

Conclusions – Specialist housing for older people

29. Whilst 7.0% of the population in Bretherton were aged 75+ in 2011, it is expected that this will rise to 12.4% of the population by 2038.

30. The potential need for housing with enhanced accessibility features and the potential to be further adapted in future can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA.
31. This method of estimating the future need in Bretherton produce a figure of 8 accessible housing units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
32. This estimate does not include people in younger age brackets with similar needs, nor older people requiring more extensive support (such as the help of a carer). It would be wise to maximise the provision of this type of housing as a way of future proofing the parish for further ageing, and to help accommodate other people who could potentially benefit but were not incorporated into the estimate.
33. A key avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district/borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
34. Central Lancashire Core Strategy Policy 7 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Working Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
35. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the district/borough falling into this category.
36. Finally, there is the question of homes that meet an even higher standard of accessibility, namely Category M4(3) Building Regulations meeting the requirements of wheelchair users. There is no robust data on the number of wheelchair users at parish level, and this assessment has focussed on the group of people whose day-to-day activities are limited 'a little'. This is because it is hard to separate out within the people whose activities are limited 'a lot', those who use a wheelchair and those who require a carer for medical or other reasons.

37. If the stock of housing in the parish is poorly equipped for wheelchair users and/or there are more residents who currently need such housing (which is likely given the age and difficulty in adapting many existing homes), there may well be justification for an additional target for the number of new homes that should be M4(3) compliant. This is usually lower than targets set for M4(2) standards – typically around 3-10%.
38. Without a firmer understanding of the quantity of development expected in Bretherton during the Plan period overall, it is difficult to specify what targets would be appropriate. But it is clear that there is an ageing population and that a notable proportion of such people would need or benefit from highly accessible homes, so this should be secured in the NA to the greatest extent possible through planning policy and with support of Chorley Council.

2. Context

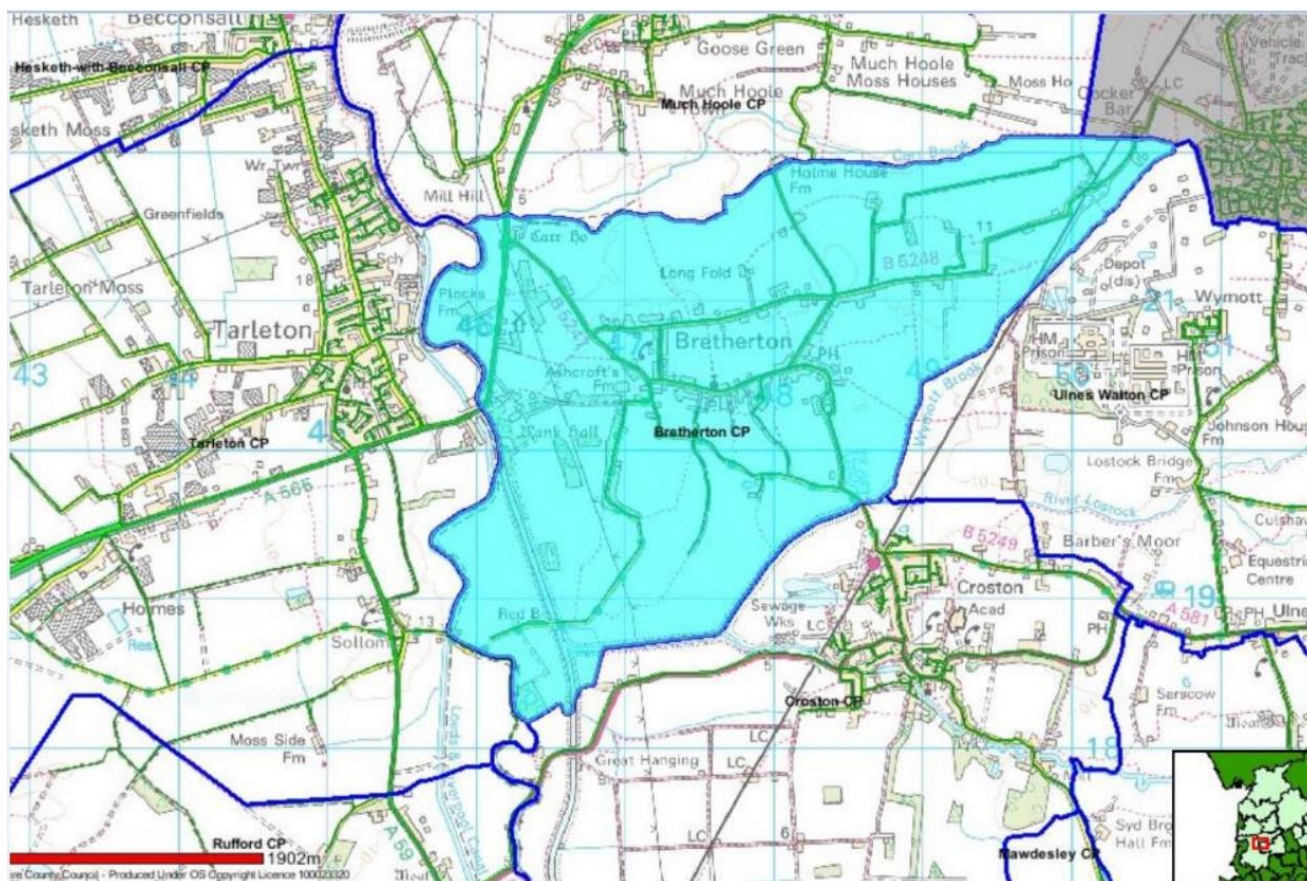
Local context

39. Bretherton is a Neighbourhood Area located in Chorley, Lancashire. The Neighbourhood Area (NA) boundary is the same as the parish and was designated in April 2021.
40. The proposed Neighbourhood Plan period starts in 2023 and extends to 2038, therefore comprising a planning period of 15 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
41. Bretherton is a rural village in Chorley. The B5248 'North Road' and B5247 'South Road' pass through the village from west to east. Both of these roads connect to Carr House Lane which itself connects to the A59. The A59 connects the neighbourhood area to places in the wider region such as Preston and Southport. Residential development is primarily located on cul-de-sacs on the B5248 and B5247 roads. The nearest railway station to Bretherton is Croston Train Station located approximately 1.7km (from the centre of the parish) south of Bretherton. The majority of Bretherton is located within the Green Belt, with the exception of land surrounding the B5247 South Road and Pompian Brow. Land to the south of Bretherton surrounding the B5247 forms the Bretherton Conservation Area.
42. The data used for this Housing Needs Assessment has been sourced from the 2011 Census and the Office for National Statistics. Where possible, data for the parish of Bretherton has been used. Where this is not available, Output Area (OA) data has been used for the Neighbourhood Plan area.
43. 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 following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
- 30UEGS0001
 - 30UEGS0002
 - 30UEGS0003
44. The statistics show that in the 2011 Census the NA had a total of 669 residents, formed into 270 households and occupying 284 dwellings. The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Bretherton is 687 – indicating population growth of around 18 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

45. Completions data provided by Chorley Council shows that 28 properties have been completed since 2011. This increase broadly aligns with the population change outlined above.

46. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Bretherton Neighbourhood Area¹



Source: Chorley Council website

The Housing Market Area Context

47. Whilst this HNA focuses on Bretherton neighbourhood area it is important to keep in mind that neighbourhoods are not self contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Bretherton, the parish sits within a housing market area which covers Chorley, Preston and South Ribble.^[1] This means that when households who live in these authorities move home, the vast majority move within this geography.

48. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Bretherton, are closely linked to other

¹ Available at [Central Lancashire Housing Study 2020 \(preston.gov.uk\)](https://www.preston.gov.uk)

^[1] Central Lancashire Housing Study 2020

areas. In the case of Bretherton, changes in need or demand in settlements nearby are likely to impact on the neighbourhood.

49. In summary, Bretherton functions within a wider strategic area. As well as fostering good working relationships with the local planning authority Chorley Council, it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

50. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.² In the case of Bretherton, the relevant adopted Local Plan for Chorley consists of:
51. Chorley Local Plan 2012-2026 (adopted 2015) sets out how planning applications should be decided and identifies areas for development and areas which should be protected from development.
52. Central Lancashire Core Strategy (adopted 2012) sets out the vision, objective and spatial strategy for Central Lancashire to 2026.
53. Joint Lancashire Minerals and Waste Local Plan prepared by Lancashire County Council consists of an adopted Minerals and Waste Core Strategy and an adopted Minerals and Waste Site Allocations Development Plan Document. A Review Plan is being prepared and can be viewed on the Lancashire County Council website.
54. A new Local Plan for the three authorities of Chorley, Preston and South Ribble is being prepared to cover the period to 2038. It will provide a robust strategy to attract new investment whilst continuing to protect the unique characteristics of the area, to deliver sustainable development. The emerging Local Plan is currently at the Issues and Options stage of the plan making process. Therefore no policies have yet been outlined in relation to housing.

Policies in the adopted local plan

55. Table 2-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Bretherton.

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

Table 2-1: Summary of relevant adopted policies in the Chorley adopted Local Plan 2012-2026

Policy	Provisions
HS7 Rural Fillings	<p>Within smaller villages limited infilling for housing will be permitted providing the applicant can demonstrate that the following criteria can be met:</p> <ul style="list-style-type: none"> - The existing buildings form a clearly identifiable built-up frontage; - The site lies within the frontage, with the buildings on either side, and its development does not extend the frontage; - The proposal would complement the character and setting of existing buildings. <p>Infill means the filling of a small gap in an otherwise built-up street frontage, e.g. typically a gap which could be filled by one or possibly two houses of a type in keeping with the character of the street frontage.</p> <p>When assessing application for rural infill sites, the Council will also have regard to site sustainability, including access to public transport, schools, businesses and local services and facilities.</p>
HS8 Rural Affordable Housing – Rural Exception Sites	<p>A limited number of dwellings exclusively to meet a local need for affordable housing may be allowed adjoining the settlements of Abbey Village, Bretherton, Brindle, Brinscall, Charnock Richard, Croston, Eccleston, Gib Lane, Gregson Lane, Higher Wheelton, Hoghton, Mawdesley, Wheelton or Withnell providing all of the following criteria are met:</p> <ul style="list-style-type: none"> - There is no suitable site available within the village; - The scale and nature of the development would be in character with the settlement; - The development would significantly contribute to the solution of a local housing problem that cannot be solved in any other way; - The occupancy of the dwellings would be limited to people with a close local connection and who are unable to afford market housing; - The development is managed by a Registered Provider or similar body.

Source: Chorley Council website

Policies in the Central Lancashire Core Strategy

56. Table 2-2 below summarises the Central Lancashire Core Strategy (adopted 2012) policies that are relevant to housing need and delivery in Bretherton

Table 2-2: Summary of relevant emerging policies in the Central Lancashire Core Strategy

Policy	Provisions
Policy 5 Housing Density	The authorities will secure densities of development which are in keeping with local areas and which will have no detrimental impact on the amenity, character, appearance, distinctiveness and environmental quality of an area. Consideration will also be given to making efficient use of land.
Policy 6 Housing Quality	<p>Improve the quality of housing by:</p> <ul style="list-style-type: none"> - Targeting housing improvements in areas of greatest need i.e. Inner East Preston, and combining this intervention with wider regeneration initiatives such as in Leyland town centre; - Encouraging the re-use of empty housing for residential purposes through either their re-occupation or conversion including sub-division and amalgamation into other types of housing or to allow a change to other uses complementary to the residential area; - Facilitating the greater provision of accessible housing and neighbourhoods and use of higher standards of construction

Policy	Provisions
Policy 7 Affordable and Special Needs Housing	<p data-bbox="408 264 1394 342">Enable sufficient provision of affordable and special housing to meet needs in the following ways:</p> <ul style="list-style-type: none"> <li data-bbox="456 353 1394 678">- Subject to such site and development considerations as financial viability and contributions to community services, to achieve a target from market housing schemes of 30% in the urban parts of Preston, South Ribble and Chorley, and of 35% in rural areas on sites in or adjoining villages which have, or will have, a suitable range of services; on any rural exception sites including those in the Green Belt there will be a requirement of 100%. <li data-bbox="456 696 1394 857">- Aside from rural exception sites the minimum site size threshold will be 15 dwellings (0.5 hectares or part thereof) but a lower threshold of 5 dwellings (0.15 hectares or part thereof) is required in rural areas. <li data-bbox="456 875 1394 1037">- Where robustly justified, off-site provision or financial contributions of a broadly equivalent value instead of on-site provision will be acceptable where the site or location is unsustainable for affordable or special housing. <li data-bbox="456 1055 1394 1294">- Special needs housing including extra care accommodation will be required to be well located in communities in terms of reducing the need to travel to care and other service provision and a proportion of these properties will be sought to be affordable subject to such site and development considerations as financial viability and contributions to community services. <li data-bbox="456 1312 1394 1780">- An accompanying Supplementary Planning Document will establish the following: <ul style="list-style-type: none"> <li data-bbox="552 1395 1394 1473">○ The cost at and below which housing is considered to be affordable. <li data-bbox="552 1491 1394 1608">○ The proportions of socially rented and shared ownership housing that will typically be sought across Central Lancashire. <li data-bbox="552 1626 1394 1697">○ Specific spatial variations in the level and types of affordable housing need in particular localities. <li data-bbox="552 1715 1394 1780">○ How the prevailing market conditions will affect what and how much affordable housing will be sought

Quantity of housing to provide

57. The NPPF 2021 (paragraphs 66 and 67) requires Local Authorities to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

58. Chorley Council has not fulfilled that requirement by providing Bretherton with a figure of dwellings to be accommodated within the Neighbourhood Area by the end of the Plan period.³

³ As confirmed in an e-mail from the NA and LPA, October 2022.

3. Approach

Research Questions

59. The following research questions were formulated at the outset of the research through discussion with the Bretherton Neighbourhood Plan Working Group. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

60. The Working Group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
61. This evidence will allow Bretherton 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 Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Type and Size

62. The Working Group is seeking to determine what size and type of housing would be best suited to the local community.
63. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.
64. 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.
65. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

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

Specialist Housing for Older People

66. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

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

Relevant Data

67. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- Central Lancashire Housing Study (2020)

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

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

RQ1: What Affordable Housing (eg social housing, affordable rented, shared ownership, discounted market sale, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

Introduction

69. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
70. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
71. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. The NPPF defines Affordable Housing as *'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'*⁴. The full document further outlines the tenures included in this definition. Those outlined in Table 4-1 would fall under this NPPF definition of Affordable Housing.

Table 4-1: Breakdown of Affordable Housing tenures

Tenure	Rent/Ownership	Brief Description
Social Rent	Rent	<p>This tenure is owned by local authorities (what used to be called Council housing) and private registered providers (also known as housing associations).</p> <p>Guideline target rents are determined through the national rent regime and are typically the lowest-cost form of housing available.</p>

⁴ Available here -

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf

		Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.
Affordable Rent	Rent	This is similar to Social Rent (above). Affordable Rent is not subject to the national rent regime but must have a rent of no more than 80% of the local market. Households must be eligible on the basis of incomes and other circumstances, and there are usually waiting lists.
Rent to Buy	Combination	Rent to Buy is a relatively uncommon tenure. Subsidy allows the occupant to save a portion of their rent to be used to build up a deposit to eventually purchase the home.
Shared Ownership	Ownership	An affordable home ownership product where a purchaser buys part (generally between 25% and 75%, but can be as little as 10%) of the value of the property. The remaining (un-owned part) is rented from a housing association or local authority. This Generally applies to new build properties, but re-sales occasionally become available.
First Homes	Ownership	First Homes are an affordable home ownership product introduced in 2021. Discounts on the market price can be set at 30%, 40%, or 50%. New developments will be required to provide 25% of the Affordable Housing as First Homes. This product is discussed in more detail in the commentary following this table.

72. As part of the effort to expand home ownership, the Government introduced the First Homes product in 2021.⁵ Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:

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

⁵ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

Current tenure profile

73. The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
74. Table 4-2 presents data on tenure in Bretherton compared with Chorley and England from the 2011 Census, which is the most recent available source of this information.
75. Table 4-2 shows that Bretherton has a higher proportion of owned properties (84.1%) compared to both Chorley (75.2%) and England (63.3%). Bretherton does not currently have any shared ownership properties in the plan area, compared with 0.6% in Chorley and 0.8% in England. Bretherton also has a much lower proportion of social rented properties compared to regional and national levels. Whilst similar to Chorley, the amount of private rented properties in the plan area is lower than England's average.
76. Between 2011 and 2022, no affordable housing completions have been made in the plan area, increasing the proportion of market housing further.
77. There is no current data on the proportion of housing that is rented because the choice to let out a property does not require planning permission or other changes that would be recorded centrally. The 2021 Census will provide the most robust and up-to-date picture of this when the results are released in the coming months. However, it is interesting to observe the change recorded between the 2001 and 2011 Census: in Bretherton the private rented sector expanded by 87.5% in that period, a rate of growth that relatively similar, yet slightly higher than the national average of 82.4%. However, this is significantly lower than the regional average of 172.2% in Chorley.

Table 4-2: Tenure (households) in Bretherton, 2011

Tenure	Bretherton	Chorley	England
Owned	84.1%	75.2%	63.3%
Shared ownership	0.0%	0.6%	0.8%
Social rented	4.4%	13.0%	17.7%
Private rented	11.1%	10.2%	16.8%

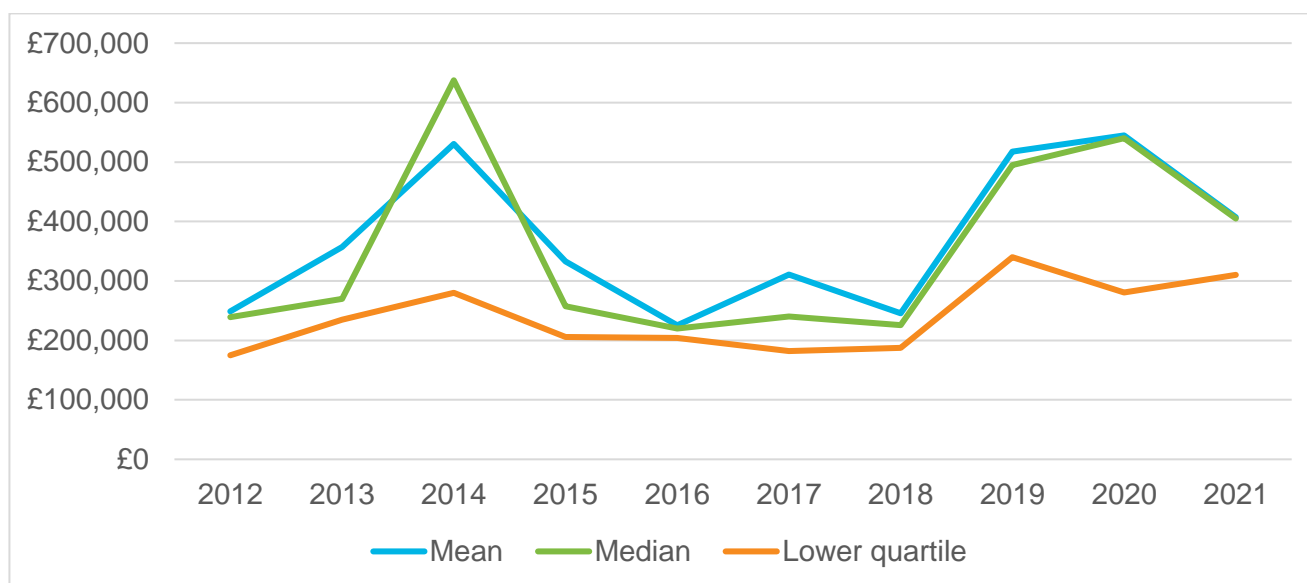
Sources: Census 2011, AECOM Calculations

Affordability

House prices

78. 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.
79. Figure 4-3 looks at the average and lower quartile house prices in Bretherton based on sales price data published by the Land Registry. It shows that whilst the mean has fluctuated over the period, there has been an overall increase between 2012 and 2021. The large increase in 2014 can be seen as a result of three high value properties being sold in 2014 ranging from £637,000 to £775,000. The mean house price in Bretherton has increased from £248,8000 to £407,000. This is an increase of 63.6%.
80. The median, which is the middle number when you sort the data from smallest to largest is £405,000 as of 2021. This is a 69.5% increase on 2012, where the median was £239,000.
81. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.
82. The lower quartile price, which is the average price of the lowest 25% data points when all figures are organised in increasing order, is £310,000. This is a 77.1% increase on 2012, when the lower quartile price was £175,000.
83. The average house price in Chorley for 2021 is £234,741, whilst the median is £185,000. This means that the mean house price in Bretherton, as of 2021, is 42.3% higher than Chorley – reflecting the price premium of a Bretherton address observed locally. The median house price in Bretherton is 54.3% higher than Chorley.

Figure 4-3: House prices by quartile in Bretherton, 2012-2021



Source: Land Registry PPD

84. Table 4-4 breaks down house prices by type, presenting the median within each type. It shows that overall there has been a 69,5% increase in house prices across all types or properties between 2012 and 2021.

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

Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Growth
Detached	£390,000	£337,500	£673,250	£315,000	£265,000	£496,350	£385,000	£639,000	£580,000	£470,000	20.5%
Semi-detached	£199,500	£235,500	-	£205,000	£245,000	£235,000	£268,000	-	£129,000	-	-35.3%
Terraced	£227,500	£166,500	£280,000	£260,000	£208,000	£172,000	£186,500	£288,750	£200,000	£305,000	34.1%
Flats	-	£249,950	-	£255,000	-	-	£140,000	-	-	-	-44.0%
All Types	£239,000	£270,000	£637,500	£257,500	£220,000	£240,000	£225,750	£495,000	£540,000	£405,000	69.5%

Source: Land Registry PPD

Income

85. 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.

86. The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £39,300 in 2018. A map of the area to which this data applies is provided in Appendix A.

87. The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning.

Chorley's gross individual lower quartile annual earnings were £15,104 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,208.

88. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

89. To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
90. AECOM has determined thresholds for the income required in Bretherton to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
91. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives.
92. The mortgage multiplier is particularly variable, with multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants. The percentage of income to be spent on rent also varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
93. While larger mortgages and higher rents may be feasible for individuals, this creates vulnerability to changing economic circumstances and may not be a possibility for many people with the most acute housing needs. Different assumptions would, however, alter the picture of affordability that emerges here. This is another reason interpret the findings with a degree of flexibility.
94. Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors

may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

95. The same information is presented as a graph in Figure 4-5 on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £39,300	Affordable on LQ earnings (single earner)? £15,104	Affordable on LQ earnings (2 earners)? £30,208
Market Housing						
Median House Price	£364,500	-	£104,143	No	No	No
Estimated NA New Build Entry-Level House Price	£381,544	-	£109,013	No	No	No
LQ/Entry-level House Price	£279,000	-	£79,714	No	No	No
LA New Build Median House Price	£227,696	-	£65,056	No	No	No
Average Market Rent	-	£12,900	£43,000	No	No	No
Entry-level Market Rent	-	£8,700	£29,000	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£267,081	-	£76,309	No	No	No
First Homes (-40%)	£228,926	-	£65,408	No	No	No
First Homes (-50%)	£190,772	-	£54,506	No	No	No
Shared Ownership (50%)	£190,772	£5,299	£72,170	No	No	No
Shared Ownership (25%)	£95,386	£7,949	£53,749	No	No	No
Shared Ownership (10%)	£38,154	£9,539	£42,697	No	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,245	£17,467	Yes	No	Yes
Social Rent	-	£4,397	£14,642	Yes	Yes	Yes

Source: AECOM Calculations

96. Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give a sufficiently robust indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below speaks in terms of tenure products being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted flexibly.

Market housing for purchase and rent

97. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 62% higher than the current average.
98. Private renting is generally only affordable to higher earners. Households made up of two lower quartile earners can afford entry-level market rent but not average market rent. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

99. There is a relatively large group of households in Bretherton who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £29,000 per year (at which point entry-level rents become affordable) and £79,714 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.
100. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.
101. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. None of these discounts would provide a mortgage value affordable for the average income in Bretherton.
102. Table 4-6 shows the discount required for First Homes to be affordable to the four income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA, as outlined in the Appendix. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated NA new build entry-level house price as the best estimate for the cost of a newly built entry-level home in the area, because this reflects the local market and accounts for the price premium usually associated with newly built housing. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table 4-6: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single earner	LQ	Dual earning household	LQ
NA Median House Price	62%	85%		71%	

NA Estimated New Build Entry-Level House Price	64%	86%	72%
NA Entry-Level House Price	51%	81%	62%
LA Median New Build House Price	40%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

103. Shared ownership appears to be no more affordable than First Homes in the plan area. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁶ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
104. The transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised, meaning that monthly costs for occupants will remain relatively high and the build-up of equity will be relatively slow. This product would therefore only be a realistic route to full ownership for households prepared to take a long-term view.
105. The income required to access Rent to Buy, a product designed to allow residents to transition from renting to ownership by allowing a discount on the market rent to be used to save a deposit, is assumed to be the same as that required to afford market rents. If new rent to buy homes could be delivered at lower prices they could be a good option. On that basis, First Homes and shared ownership are less affordable options.
106. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower

⁶ The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>.

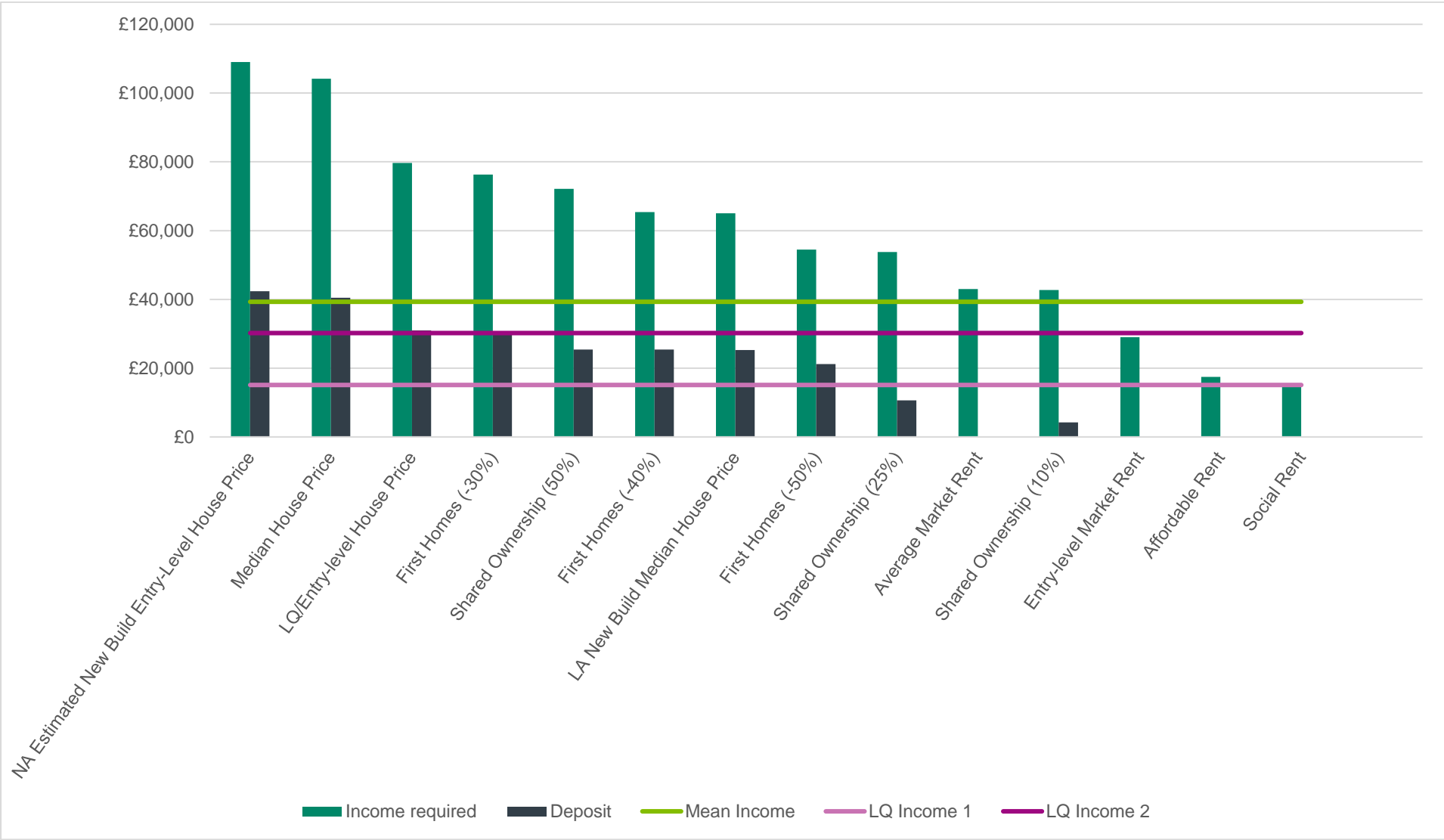
accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

107. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership at a lower than 25% equity share potentially allowing lower earning households to get a foot on the housing ladder, while Rent to Buy is helpful to those with little or no savings for a deposit, and First Homes (especially at 50% discount) may provide a better long-term investment to those who can afford to access it. These products outlined above are generally accessible to above-average earners in this scenario so will be useful to some extent. However, to prioritise the needs of average earners, it may be better to promote affordable rented options.

Affordable rented housing

108. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford affordable rented properties but are able to afford social rented properties.
109. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Bretherton as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This mean that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-1: Affordability thresholds in Bretherton, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

110. The starting point for understanding the need for affordable housing in Bretherton is the relevant district level Housing Study. The Central Lancashire Housing Study was undertaken for Chorley, Preston and South Ribble in 2020. This study estimates the need for affordable housing in the District 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 Housing Study identifies the need for 132 additional affordable rented homes and a surplus of 179 affordable ownership homes each year in Chorley as a whole.
111. When the Housing Study figure for affordable rented housing is pro-rated to Bretherton based on its fair share of the population (0.58% of the LPA's population), this equates to 0.8home for affordable rent per annum or 12 homes over the Neighbourhood Plan period 2023-2038. Given that the housing study was completed in 2020, this figure can be considered up to date.
112. For context, Chorley Council were contacted requesting affordable housing waiting list data. As of October 2022, there are current 3 applicants on the waiting list for Bretherton. There are 1 applicant who lives out of the area and has chosen Bretherton as first choice, 1 who lives in Bretherton and has chosen Bretherton as first choice and 1 who lives in Bretherton and has chosen Chorley as first choice.
113. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Bretherton the lack of social housing means there is little need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Bretherton.
114. Turning now to Affordable Housing providing a route to home ownership, the Central Lancashire Housing Study estimates an annual surplus of 179 in Chorley. The Housing Study arrives at this figure by suggesting that 50% of sales at the lower end of the mainstream housing market would satisfy the need of this category. When prorated to Bretherton, this would suggest there would be a surplus of 1 affordable home ownership property per annum.
115. This approach is not followed by AECOM, and is particularly inappropriate to Bretherton because of the fact that the lower end of the mainstream market is demonstrated above to not be remotely affordable to lower earners.
116. As an alternative to this figure, using AECOM's own modelling, Table 4-7 estimates the potential demand for affordable home ownership in Bretherton. This model aims to estimate the number of households might wish to own their

own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

117. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.⁷ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
118. The result of the calculation is 1.5 households per annum who may be interested in affordable home ownership (or 22.4 for the entirety of the Plan period).
119. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Table 4-7: Estimate of the potential demand for affordable housing for sale in Bretherton

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	36.6	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	29.1%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	10.7	Step 1.1 x Step 1.2.
1.4 Current need (households)	19.4	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ⁸

⁷ <http://www.ipsos-mori-generations.com/housing.html>

⁸ The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg <http://www.ipsos-mori-generations.com/housing.html> and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

1.5 Per annum	1.3	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	41.8	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	6.1%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	2.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.2	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	-	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	-	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	1.5	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	22.4	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

120. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
121. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable Housing policy guidance

122. The Central Lancashire Core Strategy adopted policy on this subject [Policy 7] requires 35% of all new housing in rural areas and 100% on sites in the Green Belt to be affordable. Given that Affordable Housing made up 0% of new housing in Bretherton over the last decade according to Chorley completions figures, it is understood that this target is not usually met on sites in the NA.
123. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
124. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left as a matter to be informed by the latest evidence. The HNA can supply more localized

evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Bretherton specifically.

125. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

- A. **Evidence of need for Affordable Housing:** This study estimates that Bretherton requires roughly 12 units of affordable rented housing and 23 units of affordable home ownership over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 34.3% of Affordable Housing should be rented and 65.7% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 35% to 65% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

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

As a housing requirement figure has not been provided for Bretherton by Chorley Council, it cannot be estimated how many affordable rented and ownership properties may be developed during the plan period using the split identified in paragraph 89A. Therefore, this figure cannot be compared with the need identified in this HNA. However, if Bretherton are provided with a housing requirement figure as the Chorley Local Plan progresses, the likely delivery of affordable housing can be compared with the need identified here to determine whether affordable rented options should be prioritized to a different degree. tenure split above can help to assess whether the affordable housing needs can be met.

- C. **Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Chorley, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership.

There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA there is no evidence that meeting the 10% threshold in Bretherton would prejudice the provision of much needed affordable rented homes.

- D. **Local Plan policy:** As noted above, the adopted Local Plan does not outline a tenure split and this should be determined by the most up to date evidence.
- E. **First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. This is not the case in Chorley.

National policy dictates that after the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the relevant Local Plan, with any remaining units allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. If this was done in Chorley Council, the remaining 75% of the affordable housing provision would then be apportioned 70% to affordable rent and 30% to affordable home ownership. If this approach is taken, all other things being equal, it would reduce the provision of rented forms of affordable housing since it would effectively protect the provision of other forms of affordable home ownership alongside First Homes. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

This guidance generally applies to district-level policy, and there may still be potential for a neighbourhood plan tenure mix to deviate from how the other tenures are rebalanced if appropriate.

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

- H. **Existing tenure mix in Bretherton:** evidence shows that there is limited Affordable Housing (either to rent or for sale) within the NA at present. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Bretherton and/or the wider district. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.
126. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
127. This indicative mix is chiefly a response to the severe affordability issues in the plan area, outlined in Table 4-5. As a result of this, priority should be given to affordable rented dwellings in the plan area.
128. National policy states that First Homes should represent 25% of the affordable mix has been met here. Whilst it is understood that this option will not be affordable to the average income, this option will still be useful to those earning over the average income. Therefore, the percentage of First Homes to be delivered in the plan area has been kept to the national minimum requirement.
129. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
130. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Chorley to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
131. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-8: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	25%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	75%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

132. Bretherton has a higher proportion of owned properties (84.1%) compared to both Chorley (75.2%) and England (63.3%). Bretherton does not currently have any shared ownership properties in the plan area, in comparison with 0.6% in Chorley and 0.8% in England. Bretherton also has a much lower proportion of social rented properties compared to regional and national levels. Whilst similar to Chorley, the amount of private rented properties in the plan area is lower than England's average.
133. Between the 2001 and 2011 Census, in Bretherton the private rented sector expanded by 87.5% in that period, a rate of growth that relatively similar, yet slightly higher than the national average of 82.4%. However, this is significantly lower than the regional average of 172.2% in Chorley.
134. The mean house price in Bretherton has increased from £248,8000 to £407,000. This is an increase of 63.6%.

135. The median, which is the middle number when you sort the data from smallest to largest is £405,000 as of 2021. This is a 69.5% increase on 2012, when the median was £239,000.
136. The lower quartile price, which is the average price of the lowest 25% data points when all figures are organised in increasing order, is £310,000. This is a 77.1% increase on 2012, where the lower quartile price was £175,000.
137. The average total household income locally was £39,300 in 2018. Chorley's gross individual lower quartile annual earnings were £15,104 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,208.
138. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. The median house price would require an annual income 62% higher than the current average.
139. Private renting is generally only affordable to higher earners. Households made up of two lower quartile earners can afford entry-level market rent but not average market rent.
140. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. None of these discounts would provide a mortgage value affordable for the average income in Bretherton. The highest discount of 50% is therefore justified from the perspective of affordability, although this will be to the benefit of slightly above average earners. Shared ownership appears to be no more affordable than First Homes in the plan area.
141. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford affordable rented properties but are able to afford social rented properties.
142. When the Housing Study figure for affordable rented housing is pro-rated to Bretherton based on its fair share of the population (0.58% of the LPA's population), this equates to 0.8 homes for affordable rent per annum or 12 homes over the Neighbourhood Plan period 2023-2038.
143. The indicative tenure split for Bretherton is 25% affordable ownership (First Homes) and 75% affordable rented.

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?

Introduction

144. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Bretherton in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.
145. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

Existing types and sizes

Background and definitions

146. Before beginning to explore issues of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.
147. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no ‘need’ for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.
148. The best proxy for the number of people in a household is age or ‘life stage’, with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.
149. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained. As such,

all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

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

Dwelling type

151. The table below considers the mix of housing type in 2021 for a slightly larger proxy area. Census 2011 data for the parish is also presented, but this unfortunately cannot be used to fully understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently (hence the apparent decline in the number of detached and semi-detached properties). Note also that VOA data is rounded to the nearest 10 in each dwelling category.
152. Table 5-1 shows that Bretherton has a large proportion of semi-detached and detached properties, and the 2021 VOA data shows a relatively large proportion of properties in the Neighbourhood are bungalows. It can be seen that between 2011 and 2021, there has been little change in the amount of flats and a small increase in the amount of terraced properties in the plan area.

Table 5-1: Accommodation type, Bretherton, 2011 and 2021

Dwelling type	2011 (Census)	2021 (VOA)
Bungalow	-	13.2%
Flat	1.5%	1.5%
Terrace	17.6%	22.1%
Semi-detached	25.7%	22.1%
Detached	54.6%	36.8%
Unknown/other	0.6%	4.4%
Total	100.0%	100.0%

Source: ONS 2011, VOA 2021, AECOM Calculations

153. Table 5-2 below shows that Bretherton has a lower proportion of flats and terraces compared to Chorley and England. Both Bretherton and Chorley have a higher amount of bungalows compared to England. It should be noted that whilst Chorley has a higher proportion of detached properties compared to England, the amount of detached properties in Bretherton is even higher at almost 37%, approximately 13 percentage points higher than Chorley and over double the average for England.

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

Dwelling type	Bretherton	Chorley	England
Bungalow	13.2%	12.6%	9.2%
Flat	1.5%	9.6%	23.7%
Terrace	22.1%	27.9%	26.1%
Semi-detached	22.1%	24.6%	23.7%
Detached	36.8%	23.6%	15.8%
Unknown/other	4.4%	1.6%	1.4%

Source: VOA 2021, AECOM Calculations

154. The 2011 census data shown in Table 5-3 below, provided for full accuracy to the NA (despite its age), shows that over half of the properties in Bretherton (54.6%) were detached. This is significantly higher than the figure shown for Chorley and England. It can be seen that Bretherton has a lower amount of all other property types compared to Chorley and England. It should be noted that the 2011 census data does not show the proportion of bungalows in the area and this is encompassed within the categories shown below.

Table 5-3: Accommodation type, Bretherton, 2011

Dwelling type		Bretherton	Chorley	England
Whole house or bungalow	Detached	54.6%	29.5%	22.4%
	Semi-detached	25.7%	33.5%	31.2%
	Terraced	17.6%	26.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	1.1%	8.3%	16.4%
	Parts of a converted or shared house	0.0%	0.7%	3.8%
	In commercial building	0.4%	0.7%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling size

155. Table 5-4 shows that in 2011, a significant proportion of dwellings in the plan area were 3 and 4-bedroom dwellings, with 93 and 90 of each size respectively. This is followed by 56 2-bedroom properties. 1 bedroom and 5+ bedroom properties make up the smaller proportion of dwellings, with 12 and 19 of these categories respectively.

156. Chorley Council provided AECOM with the number of completions between 2011 and 2021 by dwelling size and this has been added to the 2011 census data to give a 2021 total, as outlined in table 5-4. However, it must be noted that the data provided by dwelling size relates to gross completions. Therefore, the number of completions here is inflated by roughly 5 dwellings as demolitions were not recorded by dwelling size.

Table 5-4: Dwelling size (bedrooms), Bretherton, 2011 and 2021

Number of bedrooms	2011 (Census)	Completions 2011-2021 (Bretherton)	2021 (Census completions) total +
Studio	X	X	X
1	12	3	15
2	56	11	67
3	93	6	99
4	90	8	98
5+	19	X	19
Unknown	X	X	X
Total	270	28	298

Source: ONS 2011, VOA 2021, AECOM Calculations

157. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country.

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

Number bedrooms	of Bretherton (Census + completions)	Chorley (VOA)	England (VOA)
1	5.0%	5.6%	12.6%
2	22.5%	27.6%	28.4%
3	33.2%	46.9%	43.0%
4	32.9%	16.4%	12.1%
5+	6.4%	2.73%	3.3%

Source: VOA 2021, AECOM Calculations

Source: ONS 2011, AECOM Calculations

Age and household composition

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

Age structure

159. Table 5-7 shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data presented below shows that there is estimated to have been a decrease in the 0-15 and 25-44 age groups between 2011 and 2020 and no change in the 85 and over age group. All other age groups have seen an increase between 2011 and 2020, the largest being in those aged 45-64.

160. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2020 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.
161. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.
162. 2021 Census data has been released for Local Authorities and shows that Chorley has a population of 117,800. This is an increase of approximately 9%. Comparatively, Bretherton has seen an approximate 2.6% increase in population between 2011 and 2020, according to ONS estimates.

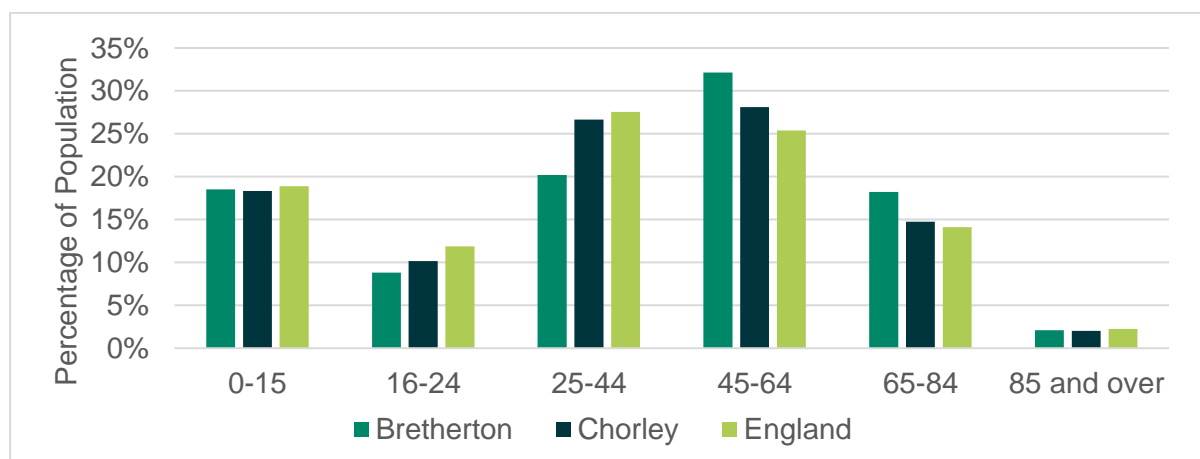
Table 5-7: Age structure of Bretherton population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	124	19%	101	14.7%
16-24	59	9%	75	10.9%
25-44	135	20%	108	15.7%
45-64	215	32%	256	37.3%
65-84	122	18%	133	19.4%
85 and over	14	2%	14	2.0%
Total	669	100.0%	687	100.0%

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

163. For context, it is useful to look at the parish population structure alongside that of the district and country. Figure 5-1 (using 2011 Census data) shows that Bretherton generally follows the same age structure and trend as Chorley and England. It can be seen, however, that Bretherton has a lower proportion of 16-24 and 25-44 year olds compared to Chorley and England, with a larger proportion of 45-64 and 65-84 year olds. Its population is generally older than the wider area.

Figure 5-1: Age structure in Bretherton, 2011



Source: ONS 2011, AECOM Calculations

Household composition

164. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-8 shows that Bretherton has a lower proportion of one person households compared to Chorley and England, with a higher proportion of one family only households. This is due to a lower proportion of younger one person households compared to Chorley and England. Further, Bretherton has a higher proportion of one family only households who are aged 65 and over, with no children and with dependent children.
165. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 12% between 2001 and 2011 in the parish – a faster rate than the district average.

Table 5-8: Household composition, Bretherton, 2011

Household composition		Bretherton	Chorley	England
One person household	Total	20.7%	28.3%	30.2%
	Aged 65 and over	11.9%	11.8%	12.4%
	Other	8.9%	16.5%	17.9%
One family only	Total	75.2%	67.3%	61.8%
	All aged 65 and over	12.6%	8.6%	8.1%
	With no children	21.9%	20.6%	17.6%
	With dependent children	30.4%	27.7%	26.5%
	With non-dependent children ⁹	10.4%	10.3%	9.6%
Other household types	Total	4.1%	4.4%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

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

⁹ Refers to households containing children who are older than 18 e.g students or young working people living at home.

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

167. Table 5-9 shows that in Bretherton, 29% of households have an occupancy rating of +1 and 53% have an occupancy rating of +2. This means that 82% of households in Bretherton are theoretically under-occupying their homes. An occupancy rating of +1 is particularly prevalent in single persons under 65- and single-persons 65+. An occupancy rating of +2 is extremely prevalent in families under 5 with no children and families 65+. This might suggest that the larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

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

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	76.5%	17.6%	5.9%	0.0%
Single person 65+	40.6%	37.5%	21.9%	0.0%
Family under 65 - no children	81.4%	18.6%	0.0%	0.0%
Family under 65 - dependent children	35.4%	34.1%	25.6%	4.9%
Family under 65 - adult children	57.1%	21.4%	21.4%	0.0%
Single person under 65	45.8%	41.7%	12.5%	0.0%
All households	53%	29%	17%	1%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

Suggested future dwelling size mix

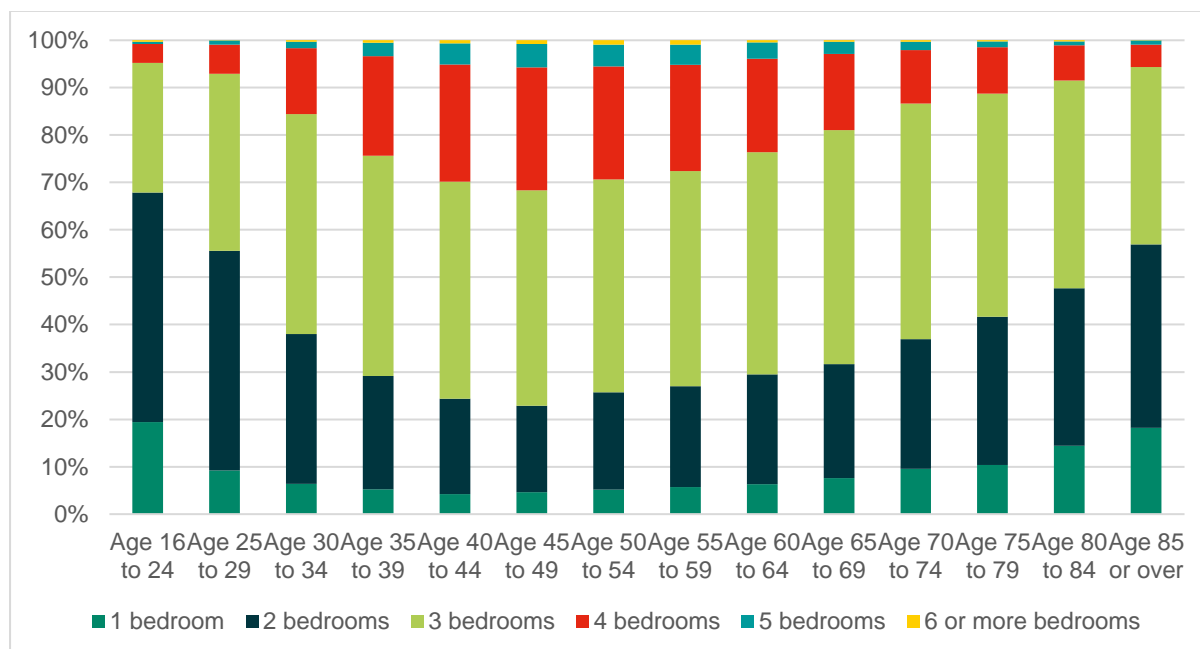
168. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs of the parish at the end of the Neighbourhood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

- The starting point is the age distribution of Bretherton households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.

- ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
 - Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
 - The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
169. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
170. The approach therefore embeds existing patterns of occupancy which may or may not be desirable. As such, it is appropriate for the result of this model to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is considered entirely appropriate for the purpose of drafting neighbourhood plan policy.
171. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
172. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Chorley in 2011. This shows how the youngest

households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

173. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Bretherton households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-10 makes clear that population growth can be expected to be driven by the oldest households, with an 84% increase expected in those aged 65 and over. This is significantly higher than the next largest category (those aged 55 to 64), which is expected to increase by 22% during the plan period. Those aged 24 and under are expected to decrease by 2% by 2038.

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

Year	Age of HRP and under 24	Age of HRP 24 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	4	10	115	52	89
2038	4	11	126	64	164
% change 2011-2038	-2%	15%	10%	22%	84%

Source: AECOM Calculations

174. The final result of this exercise is presented in Table 5-11. The model suggests that in order to meet the target mix by 2038, around 57.7% of new homes should be 3-bedroom dwellings, 29.1% 2 bedroom dwellings and 13.1% 1 bedroom dwellings. Table 5-11 shows that there is no need for 4 or 5+ bedroom properties in the plan area during the plan period.

Table 5-11: Suggested dwelling size mix to 2038, Bretherton

Number of bedrooms	Current mix (2011)	Target mix (2038)	Balance of new housing to reach target mix
1 bedroom	4.4%	8.0%	13.1%
2 bedrooms	20.7%	25.6%	29.1%
3 bedrooms	34.4%	45.9%	57.7%
4 bedrooms	33.3%	17.1%	0.0%
5 or more bedrooms	7.0%	3.4%	0.0%

Source: AECOM Calculations

175. However, it is never advisable to restrict future housing delivery to selected size categories only. The result of this model is a relatively blunt measure of what could be beneficial given population change and existing imbalances in housing options. It is a starting point for thinking about how best to address the more nuanced needs of the future population.
176. For example, the young starter families and downsizing older households mentioned above may both need ‘mid-sized’ homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.
177. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents’ budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
178. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people’s requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the mid-sized homes that come forward in future to attract both newly forming households on lower budgets and older households with substantial equity from their existing larger homes. Facilitating downsizing among older households may release those larger homes for use by families who need more bedrooms.
179. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too

speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.

180. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

Conclusions- Type and Size

181. Bretherton has a large proportion of semi-detached and detached properties, and the 2021 VOA data shows a relatively large proportion of properties in the Neighbourhood are bungalows. It can be seen that between 2011 and 2021, there has been no change in the amount of flats and a small increase in the amount of terraced properties in the plan area.
182. Bretherton has a lower proportion of flats and terraces compared to Chorley and England. Both Bretherton and Chorley have a higher proportion of bungalows compared to England. It should be noted that whilst Chorley has a higher share of detached properties compared to England, the amount of detached properties in Bretherton is even higher at almost 37%, approximately 13 percentage points higher than Chorley and over double the average for England.
183. Over half of the properties in Bretherton (54.6%) are detached. This is significantly higher than the figure shown for Chorley and England. It can also be seen that Bretherton has a lower amount of all other property types compared to Chorley and England.
184. In 2011, a significant proportion of dwellings in the plan area were 3 and 4-bedroom dwellings, with 93 and 90 of each size respectively. This is followed by 56 2-bedroom properties. 1 bedroom and 5+ bedroom properties make up the smaller proportion of dwellings, with 12 and 19 of these categories respectively.
185. The data presented for age structure shows that there is estimated to have been a decrease in the 0-15 and 25-44 age groups between 2011 and 2020 and no change in the 85 and over age group. All other age groups have seen an increase between 2011 and 2020, the largest being in those aged 45-64.
186. Bretherton generally follows the same age structure and trend as Chorley and England. It can be seen, however, that Bretherton has a lower proportion of 16-24 and 25-44 year olds compared to Chorley and England, with a larger proportion of 45-64 and 65-84 year olds. The NA population is generally older.
187. Bretherton has a lower proportion of one person households compared to Chorley and England, with a higher proportion of one family only households.

This is due to a lower proportion of younger one person households compared to Chorley and England. Further, Bretherton has a higher proportion of one family only households who are aged 65 and over, with no children and with dependent children.

188. In Bretherton, 29% of households have an occupancy rating of +1 and 53% have an occupancy rating of +2. This means that 82% of households in Bretherton are theoretically under-occupying their homes. An occupancy rating of +1 is particularly prevalent in single persons under 65- and single-persons 65+. An occupancy rating of +2 is extremely prevalent in families under 5 with no children and families 65+.
189. Across Chorley and the wider country, the youngest households generally occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then gradually downsizing to smaller homes again as they age.
190. Population growth can be expected to be driven by the oldest households, with an 84% increase expected in those aged 65 and over in Bretherton to 2038. This is significantly higher than the next largest category (those aged 55 to 64), which is expected to increase by 22% during the plan period. Those aged 24 and under are expected to decrease by 2% by 2038.
191. The model suggests that in order to meet the target mix by 2038, around 57.7% of new homes should have 3 bedrooms, 29.1% should have 2 bedrooms and 13.1% should have 1 bedroom. There is no need for 4 or 5+ bedroom properties in the plan area during the plan period, although these findings should be interpreted with a degree of flexibility. Providing choice in the new housing that comes forward is still a valuable aim.
192. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

6. RQ 3: Specialist housing for older people

RQ 3: What justification can be made for higher standards for accessible and adaptable housing for older people and those with support needs over the Neighbourhood Plan period?

Introduction

193. This chapter considers in detail the specialist housing needs of older and disabled people in Bretherton. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

194. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

195. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹⁰ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

196. The result is not necessarily a target for how many suitable new homes should be built, but an indication of the potential demand that could be satisfied by enforcing high standards of accessibility and adaptability in all new housing in the parish.

197. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹¹ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care

¹⁰ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

¹¹ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Tenure-led projections

198. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Chorley Council, as this is the most recent and smallest geography for which tenure by age bracket data is available.
199. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2038. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
200. According to Table 6-2, a significant proportion of those aged 55-75 in Bretherton own their property. Of the 87.3% who do so, 64.1% own it outright, with 23.2% owning the property with a mortgage or shared ownership. This is a similar tenure split to the existing stock in the plan area, where 84.1% own their property, and 15.9% rent.

Table 6-1: Tenure of households aged 55-75 in Chorley Council, 2011

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
87.3%	64.1%	23.2%	12.7%	11.7%	0.8%	0.2%

Source: Census 2011

201. The next step is to project how the overall number of older people in Bretherton is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Chorley Council at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3. It can be seen that the amount of people in Bretherton aged 75+ is expected to more than double between 2011 and 2038, from 47 residents to 104. This will account for 12.5% of the overall population in Chorley, compared to 7.1% in 2011.

Table 6-2: Modelled projection of elderly population in Bretherton by end of Plan period

Age group	2011	2038
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	Bretherton (Census)	Chorley (Census)	Bretherton (AECOM Calculations)	Chorley (ONS SNPP 2018)
All ages	669	107,155	840	134,505
75+	47	7,581	104	16,747
%	7.0%	7.1%	12.4%	12.5%

Source: ONS SNPP 2020, AECOM Calculations

202. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

203. The people whose needs are the focus of the subsequent analysis are therefore the additional 57 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Chorley in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 7,401 individuals aged 75+ and 5,397 households headed by a person in that age group. The average household size is therefore 1.37, and the projected growth of 57 people in Bretherton can be estimated to be formed into around 42 households.

204. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4. This provides a breakdown of which tenures those households are likely to need.

Table 6-3: Projected tenure of households aged 75+ in Bretherton to the end of the Plan period

Owned	Owned outright	Owned (mortgage) or shared ownership	All rented	Social rented	Private rented	Living rent free
36	27	10	5	5	0	0

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

205. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 presents this data for Bretherton from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-4: Tenure and mobility limitations of those aged 65+ in Bretherton, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	18	13.2%	26	19.1%	92	67.6%
<i>Owned Total</i>	13	11.0%	22	18.6%	83	70.3%
Owned outright	10	9.6%	20	19.2%	74	71.2%
Owned (mortgage) or shared ownership	3	21.4%	2	14.3%	9	64.3%
<i>Rented Total</i>	5	27.8%	4	22.2%	9	50.0%
Social rented	3	33.3%	3	33.3%	3	33.3%
Private rented or living rent free	2	22.2%	1	11.1%	6	66.7%

Source: DC3408EW Health status

206. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for those having need of accessible or adaptable housing. People experiencing no mobility limitation are unlikely to need specially designed housing; those whose activities are limited are likely to benefit the most (and are they key group considered here); while those with severe limitations on their mobility are more likely to be better served by extra-care specialist accommodation.

207. The result of the calculation is as follows. For owner occupiers, the projected number of those who will own their home (36) multiplied by the rate of those whose daily activity is limited a little (18.6%) equals 6.7. The projected number of those who will rent their home (5) multiplied by the rate of those whose daily activity is limited a little (22.2%) equals 1.11. Therefore, the total is 8 additional older households who are likely to require accessible or adaptable housing between today and 2038. This estimate should function as the minimum end of a range which could in practice be far higher if some of the 47 or so older people living in the NA at present do not feel their homes to be suitably accessible, or if other members of the population (in lower age brackets) could also benefit from more accessible homes.

Conclusions- Specialist Housing for Older People

208. Whilst 7.0% of the population in Bretherton were aged 75+ in 2011, it is expected that this will rise to 12.4% of the population by 2038.

209. The potential need for housing with enhanced accessibility features and the potential to be further adapted in future can be estimated by bringing together

data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA.

210. This method of estimating the future need in Bretherton produce a figure of 8 accessible housing units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
211. This estimate does not include people in younger age brackets with similar needs, nor older people requiring more extensive support (such as the help of a carer). It would be wise to maximise the provision of this type of housing as a way of future proofing the parish for further ageing, and to help accommodate other people who could potentially benefit but were not incorporated into the estimate.
212. A key avenue open to the Neighbourhood Planning groups is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with the LPA. The local level evidence supplied in this report could be used to influence district/borough level policies. Groups may also be able to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged that Neighbourhood Plans may have limited influence over changes to the existing stock).
213. Central Lancashire Core Strategy Policy 7 provides explicit encouragement for development to accommodate specific groups such as older people. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify the Working Group approaching the LPA to discuss setting requirements on accessibility and adaptability at a district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
214. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants in the district/borough falling into this category.
215. Finally, there is the question of homes that meet an even higher standard of accessibility, namely Category M4(3) Building Regulations meeting the requirements of wheelchair users. There is no robust data on the number of wheelchair users at parish level, and this assessment has focussed on the group of people whose day-to-day activities are limited 'a little'. This is because it is hard to separate out within the people whose activities are limited 'a lot',

those who use a wheelchair and those who require a carer for medical or other reasons.

216. If the stock of housing in the parish is poorly equipped for wheelchair users and/or there are more residents who currently need such housing (which is likely given the age and difficulty in adapting many existing homes), there may well be justification for an additional target for the number of new homes that should be M4(3) compliant. This is usually lower than targets set for M4(2) standards – typically around 3-10%.
217. Without a firmer understanding of the quantity of development expected in Bretherton during the Plan period overall, it is difficult to specify what targets would be appropriate. But it is clear that there is an ageing population and that a notable proportion of such people would need or benefit from highly accessible homes, so this should be secured in the NA to the greatest extent possible through planning policy and with support of Chorley Council.

7. Next Steps

Recommendations for next steps

218. This Neighbourhood Plan housing needs assessment aims to provide Bretherton with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Chorley Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views of Chorley Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Chorley Council.
219. 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.
220. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Chorley Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
221. 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.

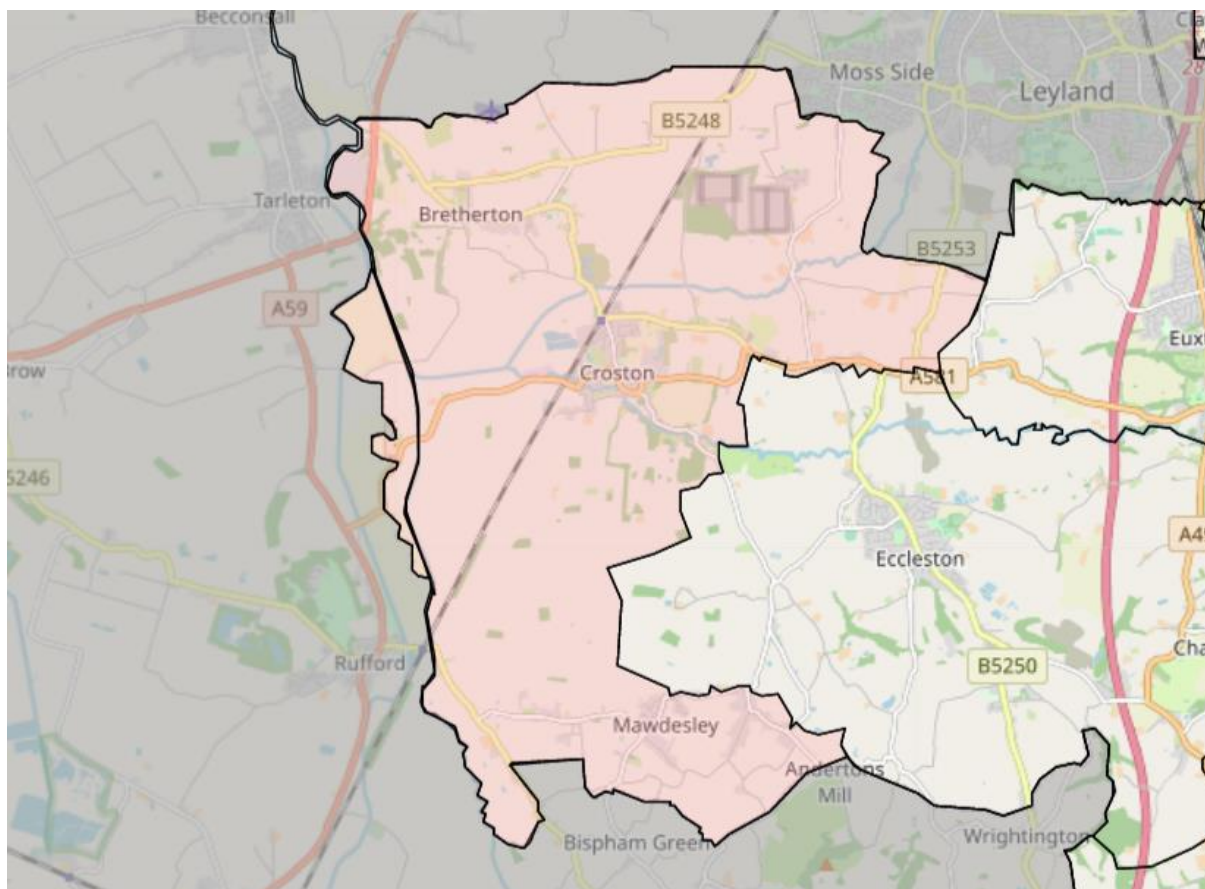
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

222. 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.

223. 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 Bretherton, it is considered that MSOA E02005195 is the closest realistic proxy for the Neighbourhood Area boundary when looking at income data, and as such, this is the assessment geography that has been selected. A map of E02005195 appears in Figure A-1.

Figure A-1: MSOA E02005195 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

A.2 Market housing

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

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

i) Market sales

226. 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.

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

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

- Value of a median NA house price (2021) = £405,000;
- Purchase deposit at 10% of value = £40,500;
- Value of dwelling for mortgage purposes = £364,500;
- Divided by loan to income ratio of 3.5 = purchase threshold of £104,143.

229. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £310,000, and the purchase threshold is therefore £79,714.

230. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 0 sales of new build properties in the NA in 2021. There were too few sales in the NA specifically to determine an accurate average for the cost of new build housing in Bretherton. AECOM has calculated an estimate for the cost of new build entry-level housing in the NA in 2021. This is important as it is the expected lower end of the market for new housing in the near future, and it is also the benchmark used for the likely cost of affordable home ownership products (calculated later in the Appendix).

231. The estimated NA new build entry-level house price is calculated by determining the uplift between all house prices in 2021 across Chorley Council and new

build house prices in 2021 in the same area. This percentage uplift is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £423,938 and purchase threshold of £109,013.

232. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Chorley Council in 2021. The median cost of new build dwellings in Chorley Council was £252,995, with a purchase threshold of £65,056. This is considerably lower than the estimate for the NA, yet still above the average income.

ii) Private Rented Sector (PRS)

233. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income.
234. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
235. The property website [Home.co.uk](https://www.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 PR26 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
236. According to [home.co.uk](https://www.home.co.uk), there were 6 properties for rent at the time of search in September 2022, with an average monthly rent of £1,075. There was 1 two-bed property listed, with a price of £725 per calendar month.
237. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £725 x 12 = £8,700;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £29,000.
238. The calculation is repeated for the overall average to give an income threshold of £43,000.

A.3 Affordable Housing

239. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

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

241. 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 Bretherton. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Chorley Council in the Table A-1.

242. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£75.55	£83.72	£91.93	£100.22	£84.56
Annual average	£3,929	£4,535	£4,780	£5,211	£4,397
Income needed	£13,082	£14,497	£15,919	£17,354	£14,642

Source: Homes England, AECOM Calculations

ii) Affordable rent

243. 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).

244. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families

under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

245. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Chorley. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

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

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£80.07	£100.22	£110.76	£117.25	£100.87
Annual average	£4,164	£5,211	£5,760	£6,097	£5,245
Income needed	£13,865	£17,354	£19,179	£20,303	£17,467

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

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

First Homes

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

250. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the NA noted above of £423,938.

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

- Value of a new home = £423,938;
- Discounted by 30% = £296,756;
- Purchase deposit at 10% of value = £29,676;
- Value of dwelling for mortgage purposes = £267,081;
- Divided by loan to income ratio of 3.5 = purchase threshold of £76,309.

252. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £65,408 and £54,506 respectively.

253. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. If any of the discounted prices are above £250,000 they would fail to meet the criteria, so either a greater discount is justified, developers would need to bring the price down, or smaller or lower value properties would need to be delivered than our assumed benchmark. This is the case for First Homes with a 30% or 40% discount in the plan area.

254. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m¹²) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Bretherton.

Shared ownership

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

256. 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.

257. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the

¹² It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

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

- A 25% equity share of £423,938 is £105,984;
- A 10% deposit of £10,598 is deducted, leaving a mortgage value of £95,386;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £27,253;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £317,953;
- The estimated annual rent at 2.5% of the unsold value is £7,949;
- This requires an income of £26,496 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £53,749 (£27,253 plus £26,496).

259. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £42,697 and £72,170 respectively.

260. These income thresholds are below the £80,000 cap for eligible households.

Rent to Buy

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

Help to Buy (Equity Loan)

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

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

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods¹³.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard¹⁴

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.

¹³ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁴ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order¹⁵

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)¹⁶

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

Equity Loans/Shared Equity

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

¹⁵ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁶ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years¹⁷, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

¹⁷ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing¹⁸

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

¹⁸ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for 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.¹⁹

¹⁹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

