

Rennington Parish

Housing Needs Assessment (HNA)

March 2023

Quality information

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Executive Summary

1. Rennington is a Neighbourhood Area located in the local authority area of Northumberland. The Neighbourhood Area boundary overlaps with the same area administered by Rennington Parish.
2. The Office for National Statistics mid-2020 population estimate for Rennington Parish is 347 individuals, showing an increase of 11 individuals since the 2011 Census.
3. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available. As such, neighbourhood level Housing Needs Assessments will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and Office for National Statistics parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices and rents from other sources (including the Valuation Office Agency and Land Registry). Therefore, most of the data the Housing Needs Assessment draws on is not reliant on the Census.
4. There has been a relatively large amount of development in Rennington Parish since 2011; Northumberland County Council's completions data from 2011 to 2022 showed the development of 56 dwellings, with a further 17 dwellings listed as outstanding commitments (construction has begun on all of these sites). It is understood that none of the 56 new completed dwellings were delivered as Affordable Housing. The 2011 Census recorded 161 dwellings in the Parish – this figure, combined with the completions data and outstanding commitments for the period 2011-2022 gives a total estimate for the quantity of dwellings in the Neighbourhood Area of 234.
5. This Executive Summary details the conclusions of each chapter of the report, addressing the four research questions formulated at the outset of the research.

Tenure, Affordability and the Need for Affordable Housing

6. The majority of Rennington Parish's stock is in private rented and private ownership tenures, at 48% and 42% of the total stock, respectively. Affordable rent and Shared Ownership only accounted for 2% and 1% of the total mix, respectively. The remaining 7% of tenures in the Parish are classed as 'living rent free'.
7. Rennington Parish has clear affordability issues and a limited stock of dwellings; consequently, the Parish has become an extremely challenging area to get onto the market ownership property ladder. This is exemplified by calculations which suggest that households earning an average income in the area are unable to access any form of market ownership tenures.
8. A 60% rent to 40% ownership split is suggested for new Affordable Housing in Rennington Parish to strike a balance between providing housing for those with the most acute needs (households seeking affordable rented tenures) whilst also addressing the affordability issues and larger scale of demand associated with market ownership.
9. Rennington Parish has not been provided with a housing delivery allocation in the current Local Plan, however, a moderate amount of development which includes

affordable/social rent tenures would likely satisfy the affordable renting need in the Parish.

10. Overall, our calculations suggest that 11 additional dwellings in social/affordable rent tenures are needed in Rennington Parish by the end of the Neighbourhood Plan period. It is also estimated that 43 households are expected to be in potential demand of Affordable Housing ownership dwellings over the Neighbourhood Plan period. However, it should be noted that the affordable ownership figure should not be considered a delivery target for Rennington Parish, given its size and the constraints within the Parish limiting the land available for development.

Type and Size

11. The 2011 Census data presents that Rennington Parish's housing stock is dominated by detached and terraced dwellings, which account for 43% and 36% of all dwellings, respectively. A moderate proportion of the Parish's stock are semi-detached (at 20%). Finally, there are no flats in the Parish. The available completions data for the period 2011-2022 suggests that new builds in the area have been delivered in similar proportions as the current mix.
12. The high proportion of detached and terraced housing is not consistent with the district and nation's housing type mixes, which have more balanced housing type profiles. Based on this data, it may be appropriate for new dwellings in the Parish to focus on the provision of flats and other denser dwelling types to offer a wider range of choice in the Parish. If, however, flats are not considered suitable in the context of the Parish's historic character and existing densities, one option that could be brought forward is an allocation of 'in-character' maisonettes.
13. Rennington Parish's size mix is relatively well balanced for bedroom sizes of two-or-more bedrooms but has a relatively low number of one-bedroom units (only 3%) when compared to the District and Nation's equivalent mixes.
14. The current stock of four- and five-or-more-bedroom dwellings would appear to meet Rennington Parish's future needs based on modelling that analyses population change and the existing dwelling stock. To achieve Rennington Parish's 'ideal' dwelling mix by 2038, future housing development might focus its delivery towards small- to mid-sized units (especially two-bedroom units) to increase the variety of sizes available in the local housing stock.
15. The issue of an ageing population is a key concern for NPWG, who perceive that action needs to be taken to encourage younger households to remain in (or move to) the area. Targeting future housing delivery towards three-or-fewer bedroom dwellings will be the best approach from a housing perspective to benefit younger households, many of whom are perceived to be forced out of the Parish due to concerns over affordability and availability of appropriate housing stock. In addition to appropriately sized dwellings, the Parish should also consider the necessary improvements to local infrastructure that supports younger households (such as education services) in their Neighbourhood Plan to encourage a sustainable, well-balanced community.

Specialist housing for older people

16. There are currently no units of specialist housing units for older people in Rennington Parish (the closest are in Alnwick, approximately three miles south of the NA).
17. Future provision of specialist units for older people will be needed to serve arising future demand, with population growth in Rennington Parish expected to be driven by

the older population age bands. Specifically, the number of 75+ individuals in the Parish is expected to double by 2038, and account for around eight more percentage points of the total population compared to current levels. Without development of specialist units in Rennington Parish, it is likely that those in need will be forced to move out of the area.

18. Our calculations suggest that there will be a demand for 11 to 13 additional specialist accommodation units in Rennington Parish over the Neighbourhood 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. The 11 to 13 range can be considered as an aspirational target range, should NPWG want to focus on this particular need group.
19. Local Plan policy HOU 11 provides explicit encouragement for development to accommodate specific groups such as older people, suggesting that (unless exempt) '20% of new open market dwellings and 50% of affordable dwellings will be required to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations (or any equivalent successor standards)'.
20. It is considered that Rennington Parish's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide for the specialist accommodation need arising from Rennington Parish, it is recommended that need for specialist units for older people is targeted using a 'hub and spoke' model. In the case of Rennington Parish, Alnwick and other higher order settlements in this part of the country may be considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.

Second Homes and Holiday Lets

21. Based on 2021 Census data and Northumberland County Council data, there are an estimated 45 dwellings with no usual residents in Rennington Parish (22% of the Parish's total dwelling stock). This figure is estimated to be comprised of 14 holiday lets, and 31 second homes.
22. The rate of dwellings with no usual residents identified in this chapter would appear to exceed the 20% minimum threshold outlined in Northumberland's Policy HOU 10 and may justify NPWG having discussions with Northumberland County Council about whether this policy does indeed apply to the Parish.
23. As the Parish is not currently recognised as one where Policy HOU 10 applies, NPWG may also consider including their own policy relating to second homes and holiday lets in the emerging Neighbourhood Plan.

1. Introduction

Purpose of this Housing Needs Assessment

24. This Housing Needs Assessment (HNA) provides a comprehensive study of relevant demographic data, housing completions data, Local Authority policies, and local housing studies to investigate Rennington Parish's future housing needs.
25. There are four main chapters within this report, with each one addressing a key housing topic relevant to Rennington Parish: the need for dwellings on affordable tenures, appropriate types and sizes of new dwellings, the need for specialist housing for older people, and the need for a First Homes policy.
26. Each main chapter concludes with a set of recommendations for Rennington Parish Neighbourhood Plan Working Group (NPWG) to consider when writing their forthcoming Neighbourhood Plan.
27. In the appendix of this HNA, one can find a list of acronyms used, a glossary of key terms, and supplementary information from the main chapters.

Research Questions

28. The following research questions were formulated at the outset of the research through discussion with NPWG. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

29. NPWG 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. NPWG have highlighted that the lack of affordable housing in the Parish may be a key constraint that is limiting younger people's ability to stay in the area.
30. This evidence will allow Rennington Parish to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 1: What Affordable Housing (e.g. 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

31. NPWG is seeking to determine what size and type of housing would be best suited to the local community. Specifically, as mentioned in the Tenure and Affordability a section, NPWG have raised concerns about the lack of suitable housing available for younger households and for older households looking to downsize from larger dwellings.
32. 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.

33. 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.
34. 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

35. 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?

Second Homes and Holiday Lets

36. NPWG have expressed concern towards the number of second homes and holiday lets within the Neighbourhood Area. It may be that a rising number of second homes and holiday lets in the area is having an impact on housing affordability as well as the vitality and economic resilience of the local community.
37. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in Rennington Parish and draw out any relevant connections to the affordability conclusions made in the preceding chapter and other considerations.

RQ 4: What is the scale and potential impact of the second homes and holiday lets sector on the Rennington Parish housing market, and how might this be addressed through policy?

Relevant Data

38. 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 a range of other data sources, including:
 - Census 2011 and Census 2021 (the latter only available at the local authority level at present)
 - ONS population and household projections for future years;
 - Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
 - 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
 - Northumberland County Council (2018) Partial SHMA Update.
39. Data from the Census 2021 is being released at the local authority level throughout 2022 and 2023. At the time of writing, only population and household data is available. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices, and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

2. Rennington Parish

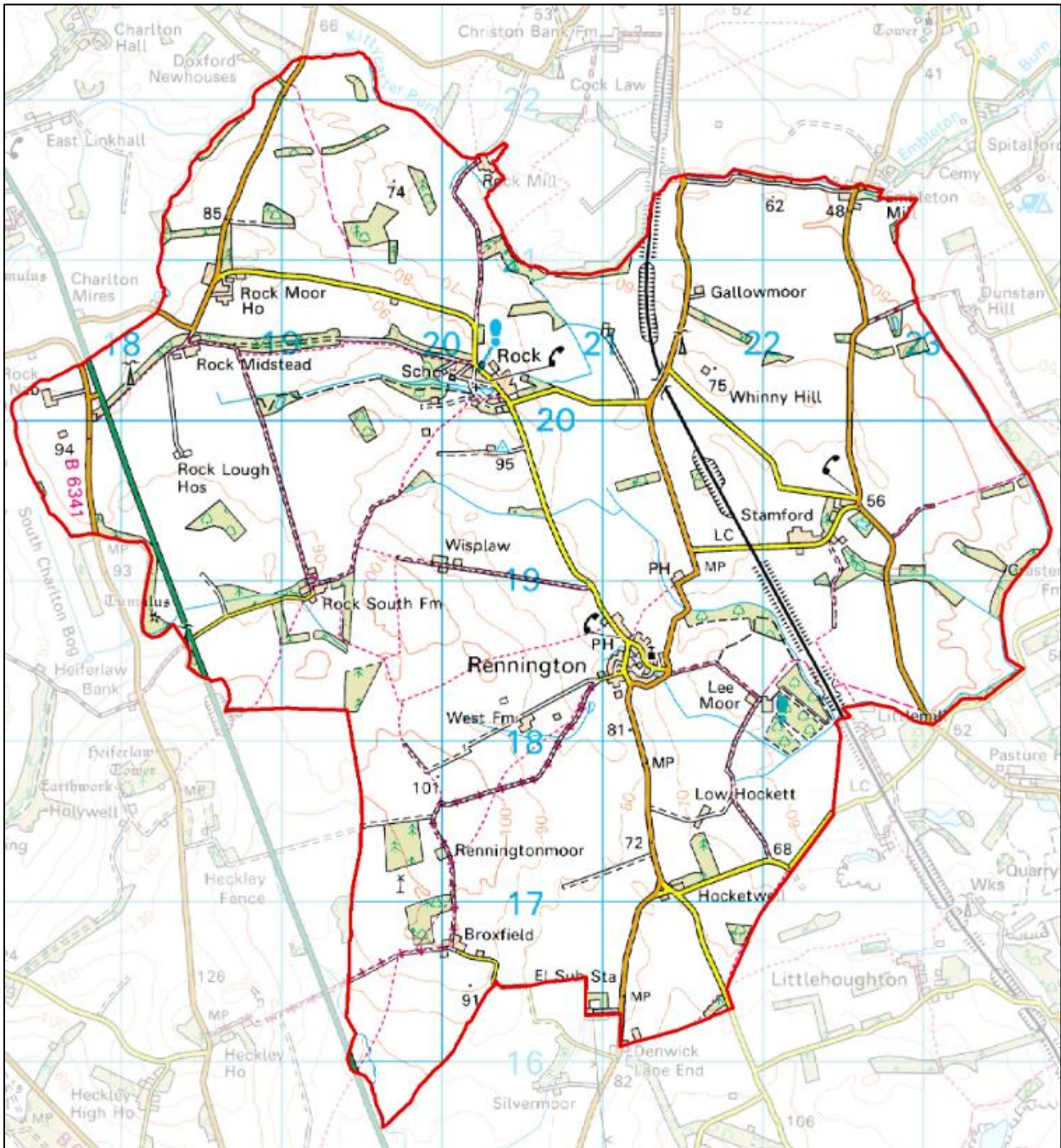
Local context

40. Rennington is a Neighbourhood Area (NA) located in the local authority area of Northumberland. The Neighbourhood Area boundary overlaps with the same area administered by Rennington Parish.
41. The proposed Neighbourhood Plan (NP) 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 Neighbourhood Plan period changes.
42. Rennington Parish is a rural parish near the north-east coast of England, comprised of the villages of Rennington and Rock, and the farmsteads of Broxfield and Stamford. Land use outside of the settlements is mostly agricultural, accompanied by pockets of woodland. Rennington Parish is bordered by the Northumberland Coast Area of Outstanding Natural Beauty to the south-east.
43. Although amenities are limited in Rennington Parish, it is home to the Church of Saint Phillip and James, All Saints Church, Rennington Village Hall, Rock Cricket Club, and a small selection of pubs / cafes. Whilst the Parish does not have a post office, it is served by a mobile post service, which stops in Rennington village and Rock once a week. Rennington Parish does not have a supermarket or convenience store - the closest can be found in Embleton and Alnwick (approximately 3.6 miles and 4.3 miles away, respectively). Similarly, the Parish does not have its own primary school or secondary school, however, within a three-mile radius there are several schools in nearby areas such as Alnwick, Embleton, and Longhoughton.
44. Finally, modes of travel within Rennington Parish are generally limited to private vehicles or active modes of transport. The Parish does not have a railway station and the single bus service that runs through the Parish only has stops on the A1 - a road on the edge of the neighbourhood area, away from the Parish's settlements.
45. For Census purposes, the Neighbourhood Area is made up, like the rest of England, of statistical units called Output Areas. The Neighbourhood Area overlaps exactly with the E00139254 Output Area, which has been used throughout as a statistical proxy for the Neighbourhood Area boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses.
46. The statistics show that in the 2011 Census the Neighbourhood Area had a total of 336 residents, formed into 135 households and occupying 161 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 Rennington Parish is 347 – indicating population growth of around 11 individuals since 2011.
47. Northumberland County Council have provided data on the new homes that have been registered in the Parish between 2011-2022. The net number of new homes built in that time is 56, with a further 17 dwellings listed as outstanding commitments (construction has begun on all of these sites). This rate of house building is greater than the estimated population growth of the Parish over the same period of time (11 individuals). Adding the net completions figure to the 2011 Census starting point produces an updated estimate for total number of dwellings in the Parish of 217 in 2022.

48. It is worth noting that the ONS mid-2020 population 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 or completions data from 2021/2022. This fact may explain why there is a large imbalance between the rates of growth for dwellings and population in Rennington Parish.

49. A map of the Neighbourhood Area appears below in Figure 2-1.

Figure 2-1: Map of the Rennington Parish Neighbourhood Area¹



Source: Northumberland County Council

¹ Available at <https://northumberlandparishes.uk/rennington/map>

The Housing Market Area Context

50. Whilst this report focuses on Rennington Parish Neighbourhood Area it is important to keep in mind that neighbourhoods are not self-contained housing market areas (HMA). HMAs are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because HMAs are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Rennington Parish, it sits within the Alnwick and the Tourist Coast² housing HMA which covers Alnwick and the Tourist Coast, Berwick-upon-Tweed and the Borders, and Wooler and the North Cheviots. This means that when households who live in these authorities move home, the vast majority move within this geography.
51. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Rennington Parish, are closely linked to other areas. In the case of Rennington Parish, changes in need or demand in settlements nearby, such as Alnwick, is likely to impact on the neighbourhood.
52. In summary, Rennington Parish functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Northumberland County 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. NPs can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider HMA, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

53. NPs are required to be in general conformity with adopted strategic local policies.³ In the case of Rennington Parish, the relevant adopted Local Plan is the Northumberland Local Plan 2016 to 2036 (adopted on 31 March 2022). The Local Plan sets out the vision, objectives, and planning framework for development in the area until 2036.
54. Northumberland County Council are also preparing a series of Supplementary Planning Documents to accompany the Local Plan, including one on affordable housing.⁴
55. A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of these policies:
 - The villages of Rennington and Rock are recognised as ‘Small Villages’ in Policy STP 1 ‘Spatial Strategy’, where a proportionate level of development is acceptable. The remaining area within the Neighbourhood Area is considered as ‘open countryside’, where development will be restricted. No specific housing delivery target for Rennington Parish has been provided, but may be expected to contribute towards the ‘Rest of the North’ indicative target of 1,100 dwellings between 2016 and 2036;

² Northumberland County Council SHMA Update (2018). Available here: <https://www.northumberland.gov.uk/Planning/Reports.aspx>

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

⁴Northumberland Local Plan (no date). Accessed 21.10.2022. Available here: <https://www.northumberland.gov.uk/Planning/Planning-policy/Plan.aspx?nccredirect=1>

- Policy HOU6 states that at least 25% of all new dwellings in Rennington Parish are expected to be delivered as Affordable Housing on sites larger than 10 units or 0.5 hectares, as the Parish is shown on the Policies Map to be a high value area; and
- Policy HOU11 states that 20% of new open market dwellings and 50% of affordable dwellings will be required to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations.

Quantity of housing to provide

56. 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. However, Rennington Parish has not been provided with an allocation figure in the adopted Local Plan as the Neighbourhood Plan area was not designated at the time of writing the Local Plan. Northumberland County Council have advised Rennington Parish Neighbourhood Plan Working Group (NPWG) that Rennington Parish has a minimum requirement of zero, however, this does not mean that development is prohibited or capped at any specific level. Any development would contribute to the Rest of North Delivery Area's indicative target (set out in HOU 2 of the Local Plan – see Table B-1).

3. Approach

Research Questions

57. The following research questions were formulated at the outset of the research through discussion with the NPWG. They serve to direct the research and provide the structure for the HNA.

Tenure and Affordability

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

RQ 1: What Affordable Housing (e.g. 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

60. NPWG is seeking to determine what size and type of housing would be best suited to the local community. Specifically, NPWG have raised concerns about the lack of suitable housing available for younger households and for older households looking to downsize from larger dwellings.
61. 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.
62. 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.
63. 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

64. 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?

Second Homes and Holiday Lets

65. NPWG have expressed concern towards the number of second homes and holiday lets within the Neighbourhood Area. It may be that a rising number of second homes and holiday lets in the area is having an impact on housing affordability as well as the vitality and economic resilience of the local community.
66. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in Rennington Parish and draw out any relevant connections to the affordability conclusions made in the preceding chapter and other considerations.

RQ 4: What is the scale and potential impact of the second homes and holiday lets sector on the Rennington Parish housing market, and how might this be addressed through policy?

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 a range of other data sources, including:
 - Census 2011 and Census 2021 (the latter only available at the local authority level at present)
 - ONS population and household projections for future years;
 - Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
 - 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
 - Northumberland County Council (2018) Partial SHMA Update.
68. Data from the Census 2021 is being released at the local authority level throughout 2022. At present, only population and household data is available, with data on the dwelling stock expected soon. Data from the Census 2021 at the localised level, including parishes, will not be available until 2023 at the earliest. As such, neighbourhood level HNAs will draw on the latest available data at the local authority level and continue to use other data sets, including Census 2011 and ONS parish projections to build up evidence of demographics at the neighbourhood level. Up to date data is available at the neighbourhood level on the dwelling stock, prices, and rents from other sources (including the Valuation Office Agency and Land Registry). As such, most of the data the HNA draws on is not reliant on the Census.

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

RQ 1: What Affordable Housing (e.g. 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. Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.
70. This chapter has three aims, each given its own sub-section:
- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
 - To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
 - To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
71. The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

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

product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁵

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

Current tenure profile

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 4-1 presents data on tenure in Rennington Parish compared with Northumberland and England from the 2011 Census, which is the most recent available source of this information.
75. Firstly, Table 4-1 shows that the most common tenure type in Rennington Parish is private rent tenures, accounting for just under half of the tenure mix – this is significantly higher than the proportion of private rent in Northumberland and England’s mixes (13% and 17%, respectively). The majority of Rennington Parish’s remaining tenure mix is weighted towards ownership tenures (42%), with a very small proportion in Social Rent (2%) and Shared Ownership tenures (1%). The remaining 7% of tenures in the Parish are classed as ‘living rent free’. Due to Rennington Parish’s relatively high proportion of private rent tenures, all other tenure types account for a lower or equal proportion of the overall tenure mix when compared to the Northumberland and England. The proportion of dwellings in Social Rent tenures is noticeably lower than the wider geographies, and may, therefore, be a tenure type to prioritise for future housing delivery.
76. Northumberland County Council’s completions data (October 2022) did not provide a complete tenure breakdown of the housing completions in Rennington Parish since 2011, however, it is likely that most (and possibly all) of the new dwellings are on market ownership or rent tenures. Therefore, it is highly unlikely that the proportion of dwellings on affordable tenures (rent or ownership) in Rennington Parish has increased since 2011.
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 Rennington Parish the private rented sector expanded by 2% in that period, a rate of growth that was much slower than the growth of ownership tenures (which grew 54%), but higher than Shared Ownership and Social Rent (which both saw no growth).

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>.

Table 4-1: Tenure (households) in Rennington Parish, Northumberland and England 2011

Tenure	Rennington Parish	Northumberland	England
Owned	42.2%	65.8%	63.3%
Shared Ownership	0.7%	0.4%	0.8%
Social rented	2.2%	18.7%	17.7%
Private rented	48.1%	13.3%	16.8%

Sources: Census 2011, AECOM Calculations

Alternative Forms of Rent – Rock Estates and Stamford Farms

78. Within Rennington Parish there are two private landowners who rent out properties within their portfolio. These are Rock Estates and Stamford Farms.
79. Representatives from the two landowners were contacted to provide information on their rental portfolio; the information below was gathered over email correspondence in November 2022.

Rock Estates

80. Rock Estates are a private, family-owned estate who manage a portfolio of rental properties. Some of their properties are offered on discounted ('affordable') rates, whereas others are offered at closer to market rates:
 - 'Affordable' three-bedroom: £400-£475 pcm
 - 'Market' three-bedroom: £600-900 pcm
81. Like properties offered on the open market, Rock Estate's properties usually have a six-month minimum tenancy, and usually no limits on maximum length. There are also no special requirements to rent properties from Rock Estates, however, many of their tenants have a connection with the village.
82. Rock Estates were offered the chance to provide anecdotal reflections on any perceived changes in demand for their properties in recent years. They stated that they have '*...noticed an increased demand for rental properties over the last few years compared with previously*'. Rock Estates also noted that in recent years, their ability to maintain their portfolio has suffered due to financial challenges, including '*...costs and regulations including energy efficiency, electrical inspections...*', potentially leading them to re-evaluate the number of properties they offer on the rental market in the near future.

Stamford Farms

83. Stamford Farms manage a working mixed-farm and 14 cottages (which were formerly used to house farm workers). Two of the 14 cottages remain designated for farm workers, however, the remaining 12 dwellings are available on typical market rent leases.
84. The majority of Stamford Farms' portfolio of cottages are three-bedroom dwellings.
85. The rent charges are set at market rate, however, Stamford Farms have noted that if a tenant remains in the property over a long period of time, their renewal rates are usually below market rates.
86. The initial period for renting is one year; tenants are then offered longer duration leases at a fixed rent.

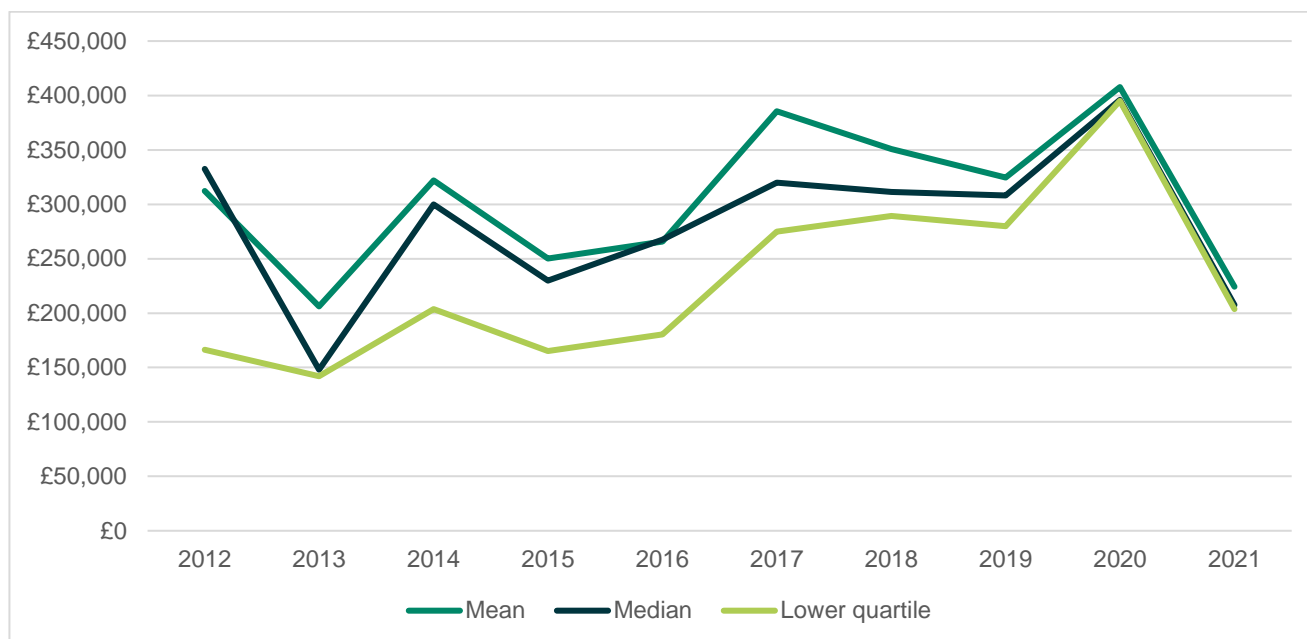
87. Stamford Farms attract applicants from a range of geographies - '*...local, national and sometimes from abroad*'. Stamford Farms primarily seek tenants with a local connection, however, where there were no appropriate local tenants, dwellings have been offered to households from a wider area.
88. According to a representative of Stamford Estates, letability has increased over the last 25 years, however, this is perceived to be due to physical improvements to the quality of the cottages (e.g. central heating, showers, fitted kitchens and parking). However, they also note that the COVID-19 pandemic also had a positive impact on demand, leading to a '*surge of applicants*', whereby one property had '*over 20 applicants in one day with 4 applicants wishing to take it within the week*'.
89. Finally, in recent years they have noticed that 'the numbers of families have reduced over the last 5 years'.

Affordability

House prices

90. 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.
91. Figure 4-1 looks at the change in mean (the average), median (the middle value), and lower quartile (the value below which the lowest 25% of values fall) for house prices in Rennington Parish. During the period of 2012-2020, house prices experienced a fairly high degree of fluctuation across the recorded measures, however, the general trend was positive. Between 2020 and 2021, however, there was a significant drop in house prices, to the extent that the measures of mean and median were lower in 2021 than in 2012. Upon closer examination of the data, only three dwellings were recorded as sold in the Neighbourhood Area according to the Land Registry (one terraced and two semi-detached) – it is likely that this small sample size, made up of denser housing types, is the reason for the 2021 drop in house prices.
92. It should be noted that the same warnings associated with a low sample size are applicable to the wider graph too, with fluctuations likely to be explained by the low number of sales in Rennington Parish in each year; the housing market's figures are, therefore, heavily influenced by dwelling size, condition, location and other characteristics, alongside general market conditions.

Figure 4-1: House prices by quartile in Rennington Parish, 2012-2021



Source: Land Registry PPD

93. The 2021 mean house price in Rennington Parish was £224,181, the median to £207,543, and the lower quartile to £203,772. However, due to the small sample size of 2021, it may be more useful to consider the mean, median and lower quartile for sales data from both 2020 and 2021 combined. These are presented in Table 4-2, and will be used as the basis for affordability calculations within this report.
94. It should, however, also be noted that the 2020 data is slightly misleading too – out of the 10 sales during that year, six were marked as new dwellings (these are usually sold at a premium when compared to dwellings that are not coming onto the market for the first time).

Table 4-2: Mean, Median and Lower Quartile for Sales Data in Rennington Parish From 2020 and 2021 (combined)

2020/2021 Combined Mean	£365,349
2020/2021 Combined Median	£395,000
2020/2021 Combined Lower Quartile	£265,000

Sources: Land Registry PPD, AECOM Calculations

Income

95. 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 Neighbourhood Area.
96. 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 £40,400 in 2018. A map of the area to which this data applies is provided in Appendix C.

97. 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. Northumberland's gross individual lower quartile annual earnings were £15,005 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £30,010.
98. 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

99. 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.
100. AECOM has determined thresholds for the income required in Rennington Parish 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. A scenario has also been included to reflect the prices charged by a local (private) affordable rent scheme from local landowner, Rock Estates. These calculations are detailed and discussed in more detail in Appendix C.
101. 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 gross 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. It should be noted that the latest Strategic Housing Market Assessment for Northumberland (SHMA Update 2018) uses the same affordability ratio of 3.5 times joint income for house purchase, but 25% of gross household income for rent.
102. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the Neighbourhood Area, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

Table 4-3: Affordability thresholds in Rennington Parish (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? (£40,400)	Affordable on LQ earnings (single earner)? (£15,005)	Affordable on LQ earnings (2 earners)? (£30,010)
Market Housing						
Median House Price	£355,500	-	£101,571	No	No	No
Neighbourhood Area New Build Entry-Level House Price (2020)	£355,500		£101,571	No	No	No
LQ/Entry-level House Price	£238,500	-	£68,143	No	No	No
Local Authority New Build Median House Price	£215,955	-	£61,701	No	No	No
Average Market Rent	-	£9,936	£33,120	Yes	No	No
Entry-level Market Rent	-	£7,176	£23,920	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£248,850	-	£71,100	No	No	No
First Homes (-40%)	£213,300	-	£60,943	No	No	No
First Homes (-50%)	£177,750	-	£50,786	No	No	No
Shared Ownership (50%)	£129,428	£3,595	£48,963	No	No	No
Shared Ownership (25%)	£64,714	£5,393	£36,466	Yes	No	No
Shared Ownership (10%)	£25,886	£6,471	£28,967	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,007	£16,672	Yes	Marginal	Yes
Social Rent	-	£3,879	£12,918	Yes	Yes	Yes
Rock Estate Affordable Three Bed Rent	-	£5,280	£17,582	Yes	No	Yes

Source: AECOM Calculations

103. 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

104. 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 251% higher than the current average.

105. Private renting is generally only affordable to average earners. Households made up of two lower quartile earners can only afford entry-level 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

106. There is a relatively large group of households in Rennington Parish who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £23,920 per year (at which point entry-level rents become affordable) and £61,701 (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.
107. 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.
108. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Based on our calculations, none of the First Homes tenures are accessible to households on average income. These dwellings may still be a viable solution in Rennington Parish for average income households, however, smaller or lower value properties would need to be delivered than our assumed benchmark.
109. Table 4-4 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 the Neighbourhood Area 2020 new build entry-level housing data. It is also worth considering the discounts required for some additional price benchmarks. The table above uses the calculated Neighbourhood Area 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.
110. Table 4-4 reveals that the likely cost of entry-level new build housing is high relative to the cost of new build housing across wider Northumberland and the average cost of existing homes in the Neighbourhood Area.
111. It is worth noting that many of the most recent developments in the Parish have been premium cottages. As this is the case, it is possible that future new build housing aimed at first time buyers may be considered more affordable than the thresholds presented in Table 4-4 – perhaps falling between the new build estimate and the existing entry-level market house price. This, however, would still place ownership out of reach for households earning an average income in the Parish.

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
Neighbourhood Area Median House Price	60%	85%	70%
Neighbourhood Area 2020 New Build Entry-Level House Price	60%	85%	70%
Neighbourhood Area Entry-Level House Price	41%	78%	56%
Local Authority Median New Build House Price	35%	76%	51%

Source: Land Registry PPD; ONS MSOA total household income

112. Shared Ownership appears to be more affordable than First Homes, especially at the lower equities, which provide affordable routes to ownership for average earning households and households with two lower quartile earners. Government has recently announced that the minimum equity share for Shared Ownership will fall to 10% of the property value.⁶ 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.
113. 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.
114. 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. On that basis, First Homes and Shared Ownership are less affordable options.
115. 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.

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>.

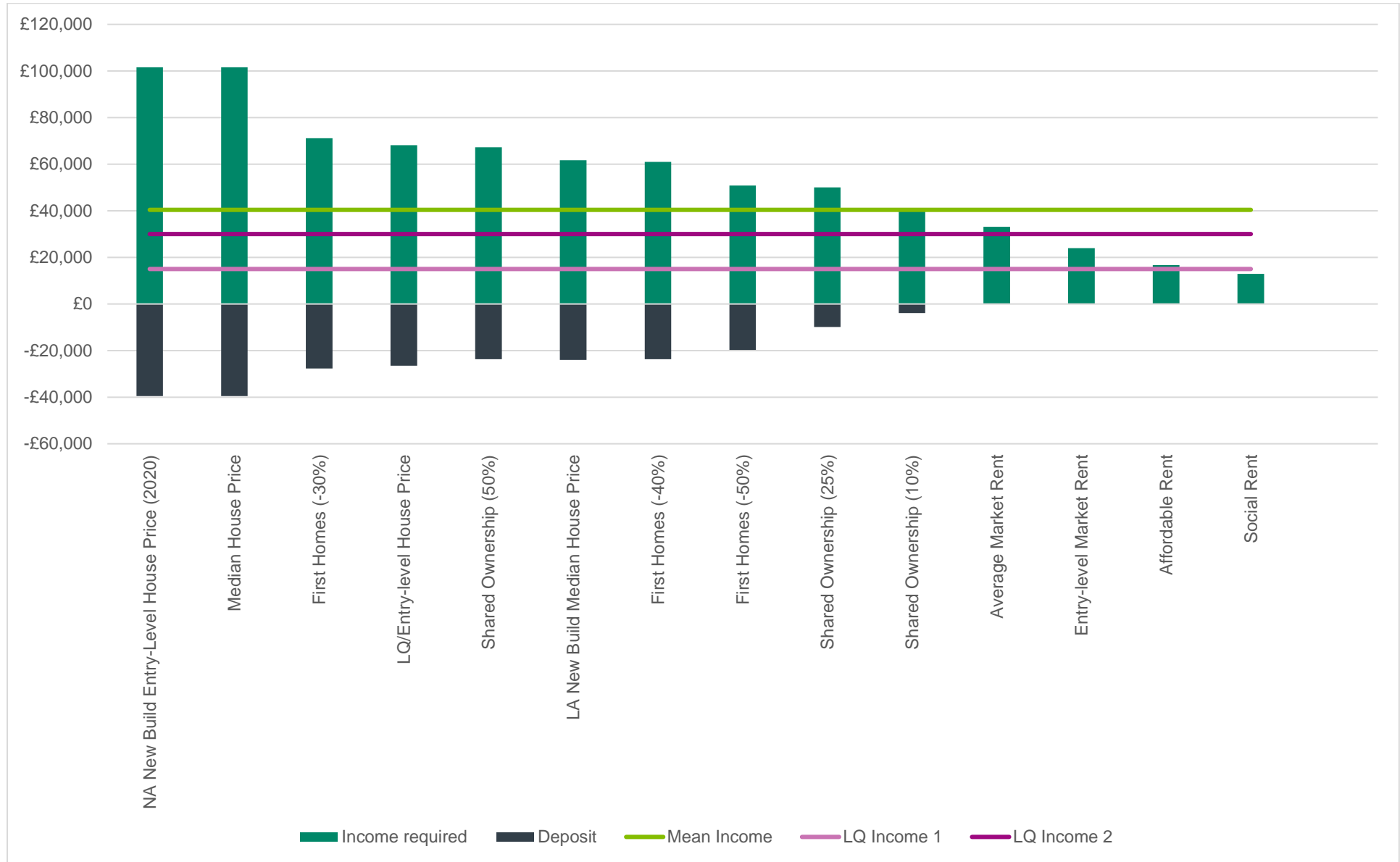
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

116. In conclusion, all of these products would provide value to different segments of the local population, with Shared Ownership at 25% or lower 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.

Affordable rented housing

117. 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). Households with a single lower earner may also be able to afford affordable rented housing, however, would likely need to sacrifice slightly more of their salary outside of our affordability thresholds. However, if individuals are unable to secure a social rented dwelling, they will require additional subsidy through Housing Benefit to access housing.
118. The affordable rents (separate from any Local Authority schemes) offered by Rock Estates (estimated to be around £440 for a three-bedroom dwelling) have similar affordability thresholds as other, council run affordable housing schemes. Rental properties offered at similar prices would certainly open up opportunities to rent for a large proportion of the local population (the jump up to average market rent is around £6,000 additional annual income).
119. The evidence in this chapter suggests that the affordable rented sector could perform a vital function in Rennington Parish as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Figure 4-2: Affordability thresholds in Rennington Parish, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing - quantity needed

120. The starting point for understanding the need for affordable housing in Rennington Parish is the relevant Strategic Housing Market Assessment (SHMA). A SHMA was undertaken for Northumberland in 2015 and then updated in 2018. It identifies the need for 151 additional affordable homes each year in Northumberland as a whole.
121. When the SHMA figures are pro-rated to Rennington Parish based on its fair share of the population (0.001% of the Local Planning Authority’s population), this equates to 0.16 homes per annum (predominately for social/affordable rent) or two homes (rounded) over the Neighbourhood Plan period (2023-2038). As Rennington Parish accounts for such a small percentage of the District’s population, this figure should be considered as a high-level estimate of need in the area. Consequently, to provide a more accurate estimate, AECOM have calculated their own affordable housing need figure for Rennington Parish using Parish-specific data.
122. AECOM estimates the need for 0.7 affordable rented homes per annum in Rennington Parish, equating to a total of 11 dwellings (rounded) over the plan period. The estimate and assumptions used are detailed in Appendix D and summarised in Table 4-5 below. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents.

Table 4-5: Estimate of need for Affordable Housing for rent in Rennington Parish

Component of need or supply in the AECOM estimate	Per annum
Current estimated need	0.6
Newly arising need	0.2
Supply	0.1
Net shortfall	0.7

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

123. AECOM also estimate the need for 2.8 affordable home ownership dwellings per annum in Rennington Parish, equating to a total of 43 over the Neighbourhood Plan period. The estimate and assumptions used is detailed in Appendix D and summarised in Table 4-6 below.
124. It is important to keep in mind that the households identified in need of affordable ownership tenures 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.
125. Given Rennington Parish’s small size and constrains on available land to develop on (either from statutory designations or due to the context around landowners in the Parish) this figure is unlikely to be achievable. Instead, this figure demonstrates that where there are opportunities to deliver any amount of Affordable Housing in the Parish, it should be taken.

Table 4-6: Estimate of need for Affordable Housing for ownership in Rennington Parish

Component of need or supply in the AECOM estimate	Per annum
Current need	2.7
Newly arising need	0.3
Supply	0.1
Net shortfall	2.8

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

126. It is worth noting that some households on the housing register may opt for affordable home ownership options instead of social rent options if they can afford it. As this is the case, there may be a degree of overlap between the need for affordable ownership and affordable rent tenures.

Additional SHMA findings

127. The SHMA Update (2018) recommends ‘that the Council consider a 50% affordable rented and 50% affordable ownership tenure split across Northumberland’. This has since been taken forward through the Local Plan’s value areas approach in Policy HOU6, whereby lower value areas are required to provide greater levels of affordable home ownership products while higher value areas are required to provide greater proportions of affordable rented homes due to better viability. As Rennington parish is a high value area, the Local Plan’s policy guideline (for major developments of 10 or more dwellings or 0.5ha or more in size) is for 60% affordable rented and 40% affordable home ownership.

Rennington Parish Residents Survey (2022)

128. In the 2022 Rennington Parish Residents Survey, there was a mixed, but positive-leaning, reception towards the potential delivery of new affordable dwellings in the Parish. Table 4-7 highlights a selection of Survey responses that relate to this topic.

129. In summary, a common theme from respondents in favour of additional affordable dwellings (marked as green in the Table) is that they perceive there to be serious affordability issues in the Parish, especially for younger households who are seemingly priced out of the area.

130. Generally, the comments provided that were against additional affordable dwellings (marked as red in the Table) formed part of a wider sentiment that no additional development of any kind was welcome in the Parish (although there was also one comment that was inherently against affordable dwellings – see Table 4-7).

Table 4-7: Rennington Parish Residents Survey (2022) Selected Responses – Affordable Housing

Question	Responses
<p>Q1 – Our vision is to embrace the need for change and to meet the expanding needs of a growing population whilst protecting those important things that have attracted generations of people to choose Rennington Parish as a place to live and raise their families. Do you agree with this draft vision?</p>	<p><i>‘It would be nice to think of it as a parish to raise their families, not enough in the parish. There are very few houses to rent and certainly no houses that are affordable. Young people that have grown up in the villages have been forced out to live elsewhere’</i></p>
<p>Q5 - What is the single most thing that needs to be better to improve the quality of life in Rennington Parish?</p>	<p><i>‘Restriction of too much development of the wrong type of properties. We need to enable younger families to remain in the community if they wish or need to for work or family reasons’</i></p>
	<p><i>‘Provision of good affordable housing for local people’</i></p>
<p>Q7 - Housing development that meets the need of a growing population must be sensitive to the distinct communities of Rennington Parish. This objective will seek to consider housing for retired people, young families and others wishing to live in the area. Do you agree with this objective?</p>	<p>Around three quarters of respondents replied ‘Yes’. The remaining quarter replied ‘No’. Additional comments included:</p>
	<p><i>‘Do not want anymore housing developments in Rennington.’</i></p>
	<p><i>‘We have lived in other parts of the UK where low cost / affordable housing has been constructed and the inhabitants have not looked after the properties which has resulted in them resembling a shanty town.’</i></p>
	<p><i>‘Properties for young starters in life and those nearer to the end are equally important.’</i></p>
	<p><i>‘I agree wholeheartedly and feel strongly that, in future, all development needs to be in-keeping and sensitive, affordable and an opportunity for young and old to enjoy our community.’</i></p>
<p><i>‘We have enough housing for older people; we need affordable homes for young people especially young families. No more second homes!’</i></p>	
<p>Q8 - Whose housing needs should we be seeking to promote in the</p>	<p>Of the 77 respondents who completed the survey, 46% replied ‘Affordable/social housing’ and 80% replied ‘young families/starter homes’.</p>

Neighbourhood Plan? (multiple-choice)	
<p>Q17 - Is there anything else you would like to comment on?</p>	<p><i>'As a family that have lived and worked in this parish for generations, one side farming in Rennington and one in Rock Village we very much understand how special this place is. However, when those who have been born and raised here cannot afford to buy and stay here - what is the 'identity' of this area you are trying to protect?'</i></p>

Source: Rennington Parish Residents Survey (2022). Responses are colour coded: green indicates support for additional affordable dwellings, whereas red indicates support against additional affordable dwellings.

Application of Local Plan policies

131. Northumberland's adopted policy on this subject HOU6 requires 25% of all new housing in 'high value areas' (all of Rennington Parish falls under this category) to be affordable. Given that none of the new housing in Rennington Parish was offered on Affordable Housing tenures, it is understood that this target is not usually met on sites in the Neighbourhood Area.
132. 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 Neighbourhood Area, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the Local Planning Authority to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.
133. 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 recommended to be 40% affordable ownership tenures and 60% affordable rented tenures based on the Local Plan's value areas approach in Policy HOU6.

Affordable Housing at Neighbourhood level

134. The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section suggests an Affordable Housing tenure mix that might be suitable for Rennington Parish on the basis of identified housing need and a range of other considerations detailed in Appendix D.
135. On the basis of the considerations above, Table 4-8 proposes an indicative Affordable Housing tenure mix of 60% rent to 40% ownership (as per the Local Plan guideline split for high value areas), that might be sought through Neighbourhood Plan policy. This recommended split represents a compromise between prioritising units to those most in need in Rennington Parish (renting), whilst also attempting to offer at least one route to ownership that can be attainable to average income households.
136. Firstly, the 60% renting allocation has been recommended so that Rennington Parish prioritises delivering affordable units to those with the most acute needs. It is estimated that there are currently around nine households in need of affordable rented housing Rennington Parish, who without a turnover of (the

very few existing) affordable renting units or the delivery of new affordable renting units, may not be able to live in the area. Rather than hope that these households in need are accommodated through re-lets (which may take many years), priority has been given to the delivery of affordable rents in the area. This is especially important given that Rennington Parish is a small area and has limited land available for development. It is, therefore, unlikely that a large volume of housing will be delivered in the Neighbourhood Area.

137. The primary influences behind the 40% affordable ownership allocation are the affordability thresholds for the affordable ownership products. As demonstrated in Table 4-3, First Homes (even at the maximum discount) is not considered affordable for average income households. However, Shared Ownership at 25% and 10% equity, on the other hand, fall within affordability thresholds for average households. Shared Ownership, therefore, represents a more accessible route to home ownership than First Homes, with the added bonus that the product that is more likely to be accepted by developers.
138. Ideally, Shared Ownership would account for the majority of the affordable ownership tenures in the affordable split, however, the mandated 25% of affordable homes required to be First Homes limits what can be achieved with the split in attempts to balance the need for rent vs ownership, as well as First Homes vs Shared Ownership. Whilst renting takes overall priority, Shared Ownership offers the next most appropriate affordable tenure in the area. Therefore, First Homes has been assigned its minimum allocation of 25% and has been accompanied by a 10% allocation of Shared Ownership and 5% allocation of Rent to Buy.
139. In summary, a 60% rent to 40% ownership split would help address the most important affordability issues in Rennington Parish by placing priority on dwellings for those with the most acute needs, whilst also attempting to make ownership options as accessible as possible in the context of the small size of the Parish and mandated legislation. Discussion with the Local Planning Authority in development of any Neighbourhood Plan policy is essential in this respect. If the 25% First Homes allocation could be reduced, and its allocation is moved to additional Affordable Rent or Shared Ownership units, this would also benefit the Neighbourhood Area.
140. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of wider considerations (particularly the viability and policy context of future developments - see sections F to J in Table D-3 in Appendix D), and the views and objectives of the community.
141. Where NPWG 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 Northumberland County Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
142. 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	40%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared Ownership	10%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on Shared Ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	60%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

143. Table 4-9 summarises Rennington Parish’s position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Neighbourhood Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced.
144. Table 4-9 also offers alternative housing delivery scenarios, where a greater number of houses are delivered in the Neighbourhood Area.
145. It is important to emphasise that Rennington Parish does not have a housing delivery target; therefore, a range of allocation scenarios have been presented below. The scenarios presented in Table 4-9 are hypothetical, and the outcomes in practice may differ, either because of measures taken in the Neighbourhood Plan (e.g. if NPWG plan for other quantities of housing), or if NPWG decide to influence the tenure mix in other ways, or as a result of site-specific constraints.

Table 4-9: Estimated delivery of Affordable Housing in Rennington Parish

Step in Estimation		SHMA Pro-rata Scenario (Low)	Alternative Growth Scenario 1 (Medium)	Alternative Growth Scenario 2 (High)
A	Potential affordable housing delivery over the Neighbourhood Plan period	2	10	20
B	Rented % (e.g. social/affordable rented)	60%	60%	60%
C	Rented number (A x B)	1	6	12
D	Affordable home ownership % (e.g. First Homes, Rent to Buy)	40%	40%	40%
E	Affordable home ownership number (A x D)	1	4	8

Source: AECOM estimate based on Local Planning Authority's affordable housing policies, pro-rated SHMA figures, and AECOM's indicative tenure mix

Conclusions- Tenure and Affordability

146. Beginning with housing tenures, the majority of Rennington Parish's stock is in private rented and private ownership tenures, at 48% and 42% of the total stock, respectively. Due to the high weighting of private tenures, affordable tenures account for a much lower proportion of the total mix, with affordable rent and Shared Ownership only accounting for 2% and 1% of the total mix, respectively. The remaining 7% of tenures in the Parish are classed as 'living rent free'.
147. Rennington Parish has clear affordability issues and a limited stock of dwellings; consequently, the Parish has become an extremely challenging area to get onto the market ownership property ladder. This is exemplified by calculations which suggest that households earning an average income in the area are unable to access any form of market ownership tenures.
148. An offering of Affordable Housing tenures will be necessary in Rennington Parish to bring housing to attainable prices for many households of varying home ownership/renting aspirations:
- Whilst First Homes offers sizable discounts on home ownership, the tenure is not considered affordable for average income households in the area at any discount level. The 50% discount would be the most appropriate in the area, given that it brings the cost of ownership to the most affordable levels of the three, however, this tenure type would still require average households to sacrifice a significant proportion of their salary, to the extent that it would still be an unrealistic option for the majority of average earning households. A minimum share of 10% of all new housing is required to be for affordable home ownership tenures,

and 25% of all new affordable housing is required to be delivered as First Homes. Given the relative unaffordability of this tenure, it is recommended that the minimum number of units of First Homes tenures are offered.

- Shared Ownership at 10% and 25% equities are the cheapest and only ways that home ownership can become attainable for average earning households. Shared Ownership at 50% is considered unaffordable for average earning households and shares a similar affordability threshold with First Homes at 50% discount. Therefore, ideally the 10% and 25% equity Shared Ownership options should be sought on future developments.
- A small offering of Rent to Buy tenures will be useful for average earning households who lack sufficient deposits rather than sufficient incomes.
- Social Rent tenures are vital for households of one or two lower quartile income earners, who without these discounts would likely be priced out of the area.

149. A 60% rent to 40% ownership split is suggested for new Affordable Housing in Rennington Parish to strike a balance between providing housing for those with the most acute needs (households seeking affordable rented tenures) whilst also addressing the affordability issues and larger scale of demand associated with market ownership. In ideal conditions, a much higher proportion of ownership tenures would be recommended due to the high number of households calculated to be potentially in need; however, given their relative unaffordability, and land constraints on the number of dwellings that can be delivered in the Parish, it is recommended that a higher weighting is allocated to affordable/social rents.
150. Rennington Parish has a minimum zero housing requirement in terms of contributing to the current Local Plan's minimum housing requirement for the county, however, a moderate amount of development which includes affordable/social rent tenures would likely satisfy the affordable renting need in the Parish.
151. Overall, our calculations suggest that 11 additional dwellings in social/affordable rent tenures are needed in Rennington Parish by the end of the Neighbourhood Plan period. It is also estimated that 43 households are expected to be in potential demand of Affordable Housing ownership dwellings over the Neighbourhood Plan period. However, it should be noted that the affordable ownership figure should not be considered a delivery target for Rennington Parish, given its size and the constraints within the Parish limiting the land available for development.
152. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan Policy HOU 6 – in the case of Rennington, this is 25% of new developments of over ten dwellings or 0.5 hectares or more. However, this policy is unlikely to kick in for future developments in Rennington Parish, given the expected delivery in the Parish will be smaller, piecemeal developments. If the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing. NPSG may also discuss with Northumberland County Council about

the possibility of reducing the minimum number of dwellings or development area required for Policy HOU6 to kick in.

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

153. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Rennington Parish 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.
154. 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 evidence in this section, particularly the indicative 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

155. 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.
156. 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.
157. 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.
158. 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.

159. As noted in the Context section of this report, there is no perfect data source for the current mix of dwellings in the Neighbourhood Area. Most of the proceeding section replies on 2011 Census data, however, wherever practicable, these figures will be accompanied by more up-to-date sources of information.

Dwelling type

160. Table 5-1 presents the recorded dwelling type mix in Rennington Parish using 2011 Census data. It shows that the most common dwelling type is detached at 70 units. The second most common housing type was terraced (58 units), followed by semi-detached (33 units). In 2011 there were no flats in Rennington Parish.
161. Since 2011, there have been 56 (net) additional homes completed in Rennington Parish. Northumberland County Council have provided a partial breakdown for the dwelling type of these new units (where the information was available to them). Of the 17 new units where the dwelling type information was available, nine were terraced and eight were detached.

Table 5-1: Accommodation Type, Rennington Parish, 2011

Dwelling type	2011 (Census)	
Flat	0	0%
Terraced	58	36%
Semi-detached	33	20%
Detached	70	43%
Total	161	100%

Source: ONS 2011

162. To understand the mix further, it is useful to look at the percentage breakdown of accommodation types, and compare these to the wider district and country, provided in Table 5-2.
163. The data shows that the characteristics discussed in relation to Rennington Parish's housing type profile in Table 5-1 are not replicated across the wider geographies' type profiles. Firstly, the dominance of detached and terraced dwellings in Rennington Parish is much greater when compared to the District and Nation. The heavy weighting of detached and terraced dwellings mean that the proportions of all remaining dwelling types are lower than the two wider geographies.

Table 5-2: Accommodation Type, 2011, Various Geographies

Dwelling type		Rennington Parish	Northumberland	England
Whole house or bungalow	Detached	43.5%	25.2%	22.4%
	Semi-detached	20.5%	35.3%	31.2%
	Terraced	36.0%	28.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.0%	8.6%	16.4%
	Parts of a converted or shared house	0.0%	1.7%	3.8%
	In commercial building	0.0%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

Dwelling size

164. Table 5-3 presents the recorded dwelling bedroom size mix in Rennington Parish using 2011 Census data.
165. The most common dwelling size in Rennington Parish is three-bedroom (55 units), followed by four- and two-bedroom (33 and 31 units, respectively). The remaining dwelling sizes in Rennington Parish are found in smaller frequencies - 12 units with five-or-more bedrooms and four units with one bedroom.
166. Overall, Rennington Parish's size mix is concentrated towards the larger-sized dwellings, with two thirds of the total stock having three-or-more bedrooms. This makes the Parish's size mix significantly larger than Northumberland and England's size mixes.
167. Since 2011, there have been 56 net additional homes completed in Rennington Parish. Northumberland County Council have provided a partial breakdown for the dwelling size of these new units. Of the units where the dwelling type information was available, one was two-bedroom, 13 were three-bedroom, and eight were four-bedroom.

Table 5-3: Number of bedrooms in household spaces in Rennington Parish, 2011

Bedrooms	Rennington		Northumberland		England	
	No.	%	No.	%	No.	%
No bedrooms	0	0.0%	220	0.2%	54,938	0.2%
1 bedroom	4	3.0%	10,772	7.8%	2,593,893	11.8%
2 bedrooms	31	23.0%	40,698	29.4%	6,145,083	27.9%
3 bedrooms	55	40.7%	59,864	43.2%	9,088,213	41.2%
4 bedrooms	33	24.4%	20,701	14.9%	3,166,531	14.4%
5 or more bedrooms	12	8.9%	6,279	4.5%	1,014,710	4.6%
All categories: no. of bedrooms	135	100.0%	138,534	100.0%	22,063,368	100.0%

Source: ONS 2011, AECOM Calculations

Age and household composition

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

Age structure

169. Table 5-4 shows the most recent estimated age structure of the Neighbourhood Area population, alongside 2011 Census figures.

170. Between 2011-2020 the only age category to increase its proportion in the Parish's overall age mix was the 65-84 category, accounting for 11 more percentage points in 2020 than in 2011. Consequently, all other age categories had a reduced share of the overall age mix. This is a clear indicator that the Parish's population is ageing.

171. Table 5-4 also reveals that Rennington Parish's total population is estimated to have grown by approximately 3% between 2011 and 2020.

172. 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. Indeed, these figures do not align with more accurate information on the growth of dwellings in Rennington Parish.

173. 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.

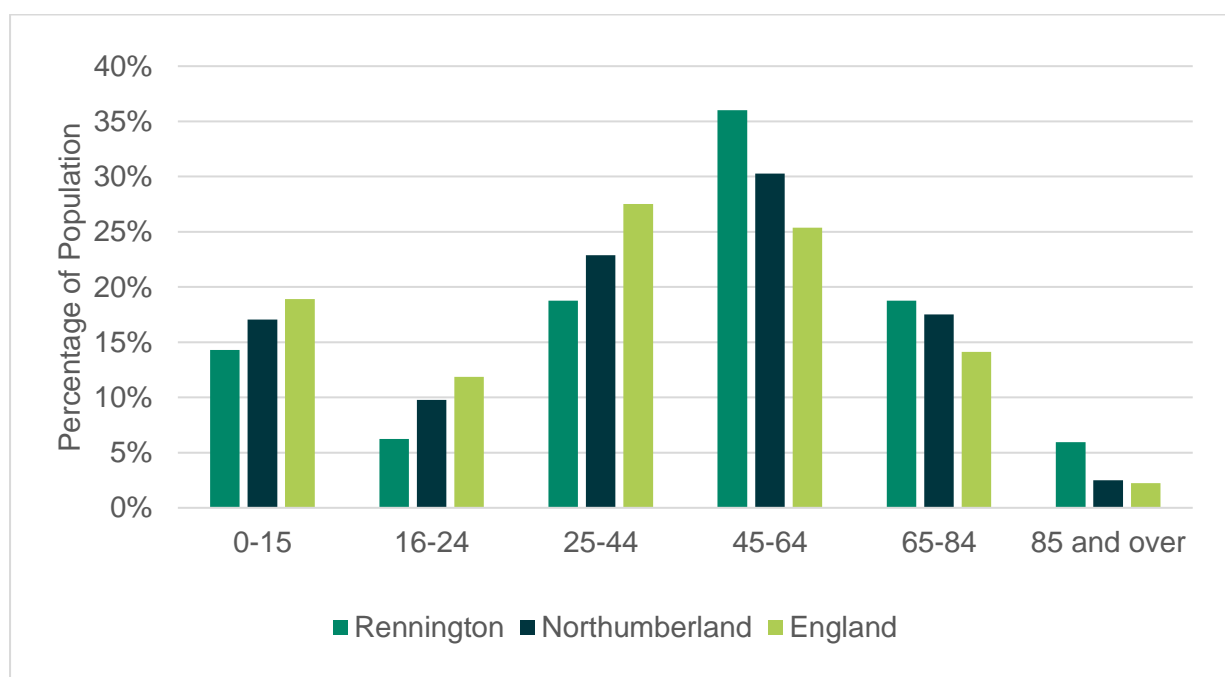
Table 5-4: Age structure of Rennington Parish population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	48	14%	33	9.5%
16-24	21	6%	13	3.7%
25-44	63	19%	56	16.1%
45-64	121	36%	123	35.4%
65-84	63	19%	104	30.0%
85 and over	20	6%	18	5.2%
Total	336		347	

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

174. 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 Rennington Parish’s population is older than both Northumberland and England. The Parish has a lower proportion of its population in all of the age bands between 0-15 and 25-44, and higher proportions of all age bands at 45-64 and older when compared to both wider geographies.

Figure 5-1: Age structure in Rennington Parish, Northumberland, and England 2011



Source: ONS 2011, AECOM Calculations

Household composition

175. 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.
176. Beginning with the 2011 Census data, Table 5-5 reveals that the majority of households within all three geographies fall into the ‘one family only’ category, accounting for at least 60% of the total mix. The second most common household category in all three geographies was ‘one person household’. Finally, ‘other household types’ was the smallest category for all geographies. Whilst these results offer an insight to the general trend across all three areas,

further detail can be gained from further interrogating the household sub-categories.

177. Whilst Rennington Parish has a similar overall proportion of 'one person households' to Northumberland and England in 2011, the sub-categories reveal that the proportion of 'aged 65 and over' households is notably lower in the Parish when compared to the wider geographies. This is surprising, given the earlier data which suggests Rennington Parish has an older population than the wider geographies. One explanation may be that a lack of smaller and/or specialist dwellings for older individuals in the Parish is forcing them to move to other areas where they can be accommodated.
178. Within the 'one family only' category, Rennington Parish has a higher proportion of the 'all aged 65 and over' and 'with no children' sub-categories in 2011, with the latter being notably higher than the wider geographies (the inverse is true for the two other subcategories).
179. At the time of writing, certain 2021 Census datasets have been released at a neighbourhood level – household composition is one of these.
180. Interrogating the 2021 Census data for household composition reveals two notable changes in the household composition mix in Rennington Parish. Firstly, the proportion of 'one family only – all aged 65 and over' sub-category has almost doubled (increasing nine percentage points, from 11% to 20%). The second notable change is the reduction of 'one family only – with dependent children' (decreasing eight percentage points, from 20% to 12%). This swing of around eight percentage points between the two sub-categories confirms earlier suggestions that the Parish's population is ageing.
181. It is worth noting that whilst the trends of these two sub-categories are also replicated across all three geographies (showing that the population is ageing throughout many areas of the country), the degree to which this has occurred in the wider geographies is significantly lower than that which has been experienced in Rennington Parish.

Table 5-5: Household composition, Rennington Parish, Northumberland, and England 2011

Household composition		Rennington Parish		Northumberland		England	
		2011	2021	2011	2021	2011	2021
One person household	Total	26.7%	24.4%	29.9%	32.8%	30.2%	30.1%
	Aged 65 and over	8.1%	6.7%	14.0%	15.6%	12.4%	12.8%
	Other	18.5%	17.7%	15.9%	17.2%	17.9%	17.3%
One family only	Total	65.9%	70.1	66.3%	64.5%	61.8%	63.0%
	All aged 65 and over	11.1%	19.5%	10.3%	12.7%	8.1%	9.2%
	With no children	28.1%	29.8%	21.0%	19.0%	17.6%	16.7%
	With dependent children	20.0%	12.2%	24.9%	22.2%	26.5%	25.8%
	With non-dependent children ⁷	6.7%	7.9%	10.1%	10.1%	9.6%	10.5%
Other household types	Total	7.4%	5.5%	3.8%	2.7%	8.0%	6.9%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

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

183. The occupancy rating data, presented in Table 5-6, reveals an overall trend of underoccupancy in Rennington Parish, with around 87% of households having at least one unused bedroom. The 'Family 65+', 'Single person 65+', and 'Family under 65 – no children' households are most likely to have a +2-occupancy rating.

⁷ Refers to households containing children who are older than 18 e.g. students or young working people living at home.

Table 5-6: Occupancy rating by age in Rennington Parish, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	80.0%	20.0%	0.0%	0.0%
Single person 65+	81.8%	0.0%	18.2%	0.0%
Family under 65 - no children	76.3%	21.1%	2.6%	0.0%
Family under 65 - dependent children	22.2%	55.6%	22.2%	0.0%
Family under 65 - adult children	11.1%	55.6%	33.3%	0.0%
Single person under 65	40.0%	56.0%	4.0%	0.0%
All households	51%	36%	11%	1%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

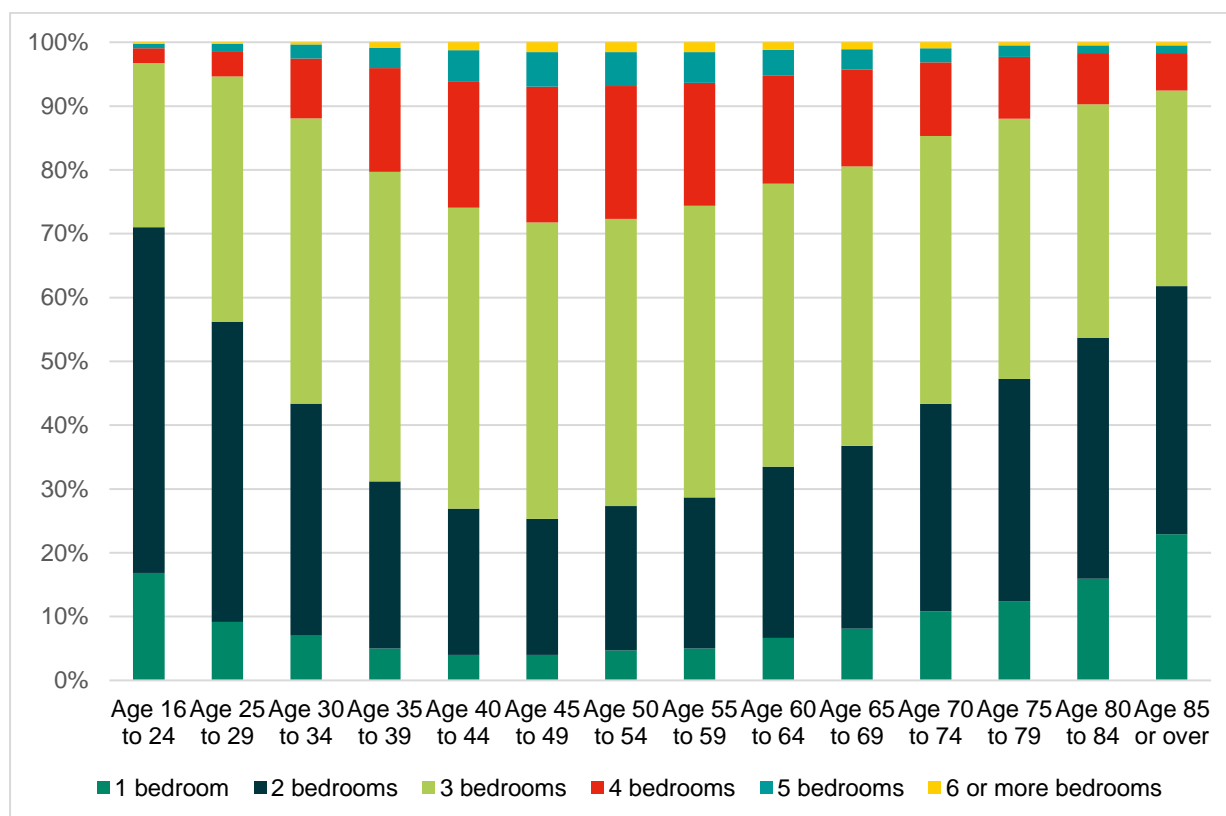
Indicative future dwelling size mix

184. 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 Rennington Parish 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 Neighbourhood Area.
- 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 one-bedroom homes as opposed to two-, three- or four-bedroom homes). This data is mapped to the distribution of the projected Neighbourhood Area 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 Neighbourhood Area. 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.
185. 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 consider 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.
186. 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.
187. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
188. The first, given as Figure 5-2, sets out the relationship between household life stage and dwelling size for Northumberland in 2011. This shows how the youngest households occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

189. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Rennington Parish households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-7 makes clear that all of the population growth can be expected to be driven by the oldest households, with the '65 and over' household age bracket expected to increase 66% by 2038.
190. All other age brackets are expected to remain around the same levels or decline.
191. Overall, it is expected that if current trends persist, and the goal is to accommodate these demographic shifts, then future housing delivery in Rennington Parish should prioritise the provision of dwellings that would be appropriate to accommodate the area's growing elderly population. Based on these projections alone, it may, for example, be appropriate to focus on delivery of smaller-sized dwellings for older households who may be looking to downsize.
192. The provision of smaller or medium-sized dwellings may also be appropriate if the ambition of the community is to seek a more balanced demographic, for example, by trying to attract more young families. Smaller or medium-sized dwellings (one to three-bedrooms) may help the area rebalance its population because: firstly, these units are likely to be cheaper than larger dwellings and, therefore, more accessible for young families; secondly, successful downsizing of older households theoretically frees up larger family housing for those who can afford it.

Table 5-7: Projected distribution of households by age of HRP, Rennington Parish

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	0	14	51	38	32
2038	0	13	45	38	53
% change 2011-2038	0%	-6%	-11%	0%	66%

Source: AECOM Calculations

193. The final result of this exercise is presented in Table 5-8. The model, which analyses population change and the existing dwelling stock, suggests that Rennington Parish’s ‘ideal’ dwelling size mix by 2038 might be achieved by attaching a high level of priority to the delivery of small- to mid-sized dwellings (three-or-fewer-bedrooms). Specifically, Table 5-8 recommends that most new dwellings should have two bedrooms (40%), followed by three bedrooms (32%) and one bedroom (27%). The model expects that Rennington Parish’s current stock of four- and five-or-bedroom dwellings will exceed future need for those dwelling sizes, and therefore recommends that no new dwellings of those sizes are built.
194. However, whilst those projections represent the ‘ideal’ scenario, the results are not necessarily practical. 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.
195. That said, an emphasis on smaller- to mid-sized housing is still recommended in Rennington Parish. One reason for this is that preceding chapter found affordability to be a serious and worsening challenge in the Neighbourhood Area. 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. Providing smaller homes with fewer bedrooms would help to address this situation.
196. In addition, to best meet the needs of the large cohort of older households expected to be present by the end of the Neighbourhood 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. However, caution is advised again as 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.

197. 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- to 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.

Table 5-8: Indicative dwelling size mix to 2038, Rennington Parish

Number of bedrooms	Current mix (2011)	Indicative mix (2038)	Balance of new housing to reach indicative mix
1 bedroom	3.0%	8.1%	26.9%
2 bedrooms	23.0%	28.9%	40.7%
3 bedrooms	40.7%	43.4%	32.4%
4 bedrooms	24.4%	15.0%	0.0%
5 or more bedrooms	8.9%	4.5%	0.0%

Source: AECOM Calculations

The SHMA findings

198. The SHMA Update (2018) recommends the following type and size mix for new dwellings across Northumberland:

Summary dwelling type/size	% new dwelling stock
House 1-2 Bed	8.1
House 3	26.6
House 4+	3.5
Flat 1-2 Bed	21.7
Flat 3+	0.7
Bungalow 1-2 Bed	29
Bungalow 3+ Bed	9.1
Other	1.3

Source: SHMA Update (2018). Excerpt from Table 4.6.

199. The SHMA's recommended type and size mix focuses on the delivery of smaller units (the majority of need is for two-or-fewer-bedroom units) and a range of dwelling types (with higher weighting assigned to bungalows, followed by houses, and then flats).

Rennington Parish Residents Survey (2022)

200. In addition to responses explicitly calling for additional smaller properties in the Parish, the 2022 Rennington Parish Residents Survey also returned a relatively high level of support for housing aimed at young families. Although not always the case, smaller and denser properties are generally considered to be more appropriate for younger families.

201. Support for provision of dwellings for older people was also mentioned on several occasions, however this topic was more divisive than dwellings for younger households, with many responses also against housing for older people.

202. Table 5-9 highlights a selection of Survey responses that relate to this topic.

Table 5-9: Rennington Parish Residents Survey (2022) Selected Responses – Type and Size

Question	Responses
<p>Q5 - What is the single most thing that needs to be better to improve the quality of life in Rennington Parish?</p>	<p><i>'Restriction of too much development of the wrong type of properties. We need to enable younger families to remain in the community if they wish or need to for work or family reasons.'</i></p>
<p>Q7 - Housing development that meets the need of a growing population must be sensitive to the distinct communities of Rennington Parish. This objective will seek to consider housing for retired people, young families and others wishing to live in the area. Do you agree with this objective?</p>	<p>Around three quarters of respondents replied 'Yes'</p> <p>Additional comments included:</p> <p><i>'Smaller properties should e encouraged in order to address inbalance of housing stock'</i></p>
<p>Q17 - Is there anything else you would like to comment on?</p>	<p><i>'...I think a few more smaller houses would be acceptable.'</i></p>

Source: Rennington Parish Residents Survey (2022).

Conclusions- Type and Size

203. This study provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the 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 Neighbourhood Area 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.

204. The 2011 Census data presents that Rennington Parish's housing stock is dominated by detached and terraced dwellings, which account for 43% and 36% of all dwellings, respectively. A moderate proportion of the Parish's stock are semi-detached (at 20%). Finally, there are no flats in the Parish. The available completions data for the period 2011-2022 suggests that new builds in the area have been delivered in similar proportions as the current mix.

205. The high proportion of detached and terraced housing is not consistent with the district and nation's housing type mixes, which have more balanced housing type profiles. Based on this data, it may be appropriate for new

dwellings in the Parish to focus on the provision of flats other denser dwelling types to offer a wider range of choice in the Parish. If, however, flats are not considered suitable in the context of the Parish's historic character and existing densities, one option that could be brought forward is an allocation of 'in-character' maisonettes.

206. Rennington Parish's size mix is relatively well balanced for bedroom sizes of two-or-more bedrooms, but has a relatively low number of one-bedroom units (only 3%) when compared to the District and Nation's equivalent mixes.
207. The current stock of four- and five-or-more-bedroom dwellings would appear to meet Rennington Parish's future needs based on modelling that analyses population change and the existing dwelling stock. To achieve Rennington Parish's 'ideal' dwelling mix by 2038, future housing development might focus its delivery towards small- to mid-sized units (especially two-bedroom units) to increase the variety of sizes available in the local housing stock.
208. As with most areas in the UK, Rennington Parish's population is ageing. Rennington Parish's household age bands at 65-and-over are expected to grow around 66% by 2038 - this would mean that the 65-and-over age band will surpass the 35-54 household age band as the most common in the Parish. The 55-64 household age band is expected to see no change over the same period, however, the distribution of age bands of 35-54 and younger are all projected to experience decline by 2043. The issue of an ageing population is a key concern for NPWG, who perceive that action needs to be taken to encourage younger households to remain in (or move to) the area. Targeting future housing delivery towards three-or-fewer bedroom dwellings will be the best approach from a housing perspective to benefit younger households, many of whom are perceived to be forced out of the Parish due to concerns over affordability and availability of appropriate housing stock. In addition to appropriately sized dwellings, the Parish should also consider the necessary improvements to local infrastructure that supports younger households (such as education services) in their Neighbourhood Plan to encourage a sustainable, well-balanced community.

6. RQ 3: Specialist housing for older people

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

Introduction

210. This chapter considers in detail the specialist housing needs of older people in Rennington Parish. 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.

211. 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.

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

213. 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,⁸ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

214. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall.⁹

⁸ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

⁹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

215. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹⁰ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people – such as The Grange in Rennington Parish) 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.

Current supply of specialist housing for older people

216. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
217. There are no units of specialist accommodation in the Neighbourhood Area at present. The closest are in Alnwick, approximately three miles south of the Neighbourhood Area.
218. ONS 2020 population estimates suggest that there are currently around 48 individuals aged 75 or over in Rennington Parish. As there are no units of specialist accommodation in the Parish, it can be assumed that all 48 individuals are housed privately (with or without tailored adaptations) and would need to move out of the Parish if they needed specialist accommodation in the future (if there remains to be no specialist units).

Tenure-led projections

219. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across Northumberland, as this is the most recent and smallest geography for which tenure by age bracket data is available.
220. 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.
221. According to Table 6-1, most households within the 55-75 age bracket outright own their homes, at a proportion of 53%. A further 22% of households own their home through mortgages / Shared Ownership schemes. This leaves 25% of households in the 55-75 age bracket having a renting tenure, of whom the majority rent from a social landlord.

¹⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

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

All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
75.1%	53.2%	21.9%	24.9%	15.8%	7.6%	1.5%

Source: Census 2011

222. The next step is to project how the overall number of older people in Rennington Parish is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Northumberland at the end of the Neighbourhood Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level.

223. The data in Table 6-2 reinforces a common theme throughout this report, suggesting that the future population of Rennington will grow older towards the end of the Neighbourhood Plan period. The number of individuals aged 75+ is expected to double in size between 2011 and 2038 and take up a larger share of the population mix, increasing by eight percentage points.

Table 6-2: Modelled projection of older population in Rennington Parish by end of Plan period

Age group	2011		2038	
	Rennington (Census)	Northumberland (Census)	Rennington (AECOM Calculation)	Northumberland (ONS SNPP 2018)
All ages	336	316,028	358	337,126
75+	42	28,938	85	58,890
%	12.5%	9.2%	23.8%	17.5%

Source: ONS SNPP 2020, AECOM Calculations

224. A key assumption for the next stages of the calculation is that the older people living in the Neighbourhood Area 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).

225. The people whose needs are the focus of the subsequent analysis are therefore the additional 43 individuals expected to join the 75+ age group by the end of the Neighbourhood 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 Northumberland in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 28,938 individuals aged 75+ and 20,921 households headed by a person in that age group. The average household size is therefore 1.4, and the projected growth of 43 people in Rennington Parish can be estimated to be formed into around 31 households.

226. The next step is to multiply this figure by the percentages of 55–75-year-olds occupying each tenure (shown in Table 6-1). This is set out in Table 6-3, which provides a breakdown of which tenures those households are likely to need.

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

Owned	Owned outright	Owned (mortgage) or Shared Ownership	All rented	Social rented	Private rented	Living rent free
23	16	7	8	5	2	1

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

227. 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 6-4 presents this data for Rennington Parish 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 Rennington Parish, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	6	10.5%	19	33.3%	32	56.1%
Owned Total	3	8.8%	12	35.3%	19	55.9%
Owned outright	2	8.0%	9	36.0%	14	56.0%
Owned (mortgage) or Shared Ownership	1	11.1%	3	33.3%	5	55.6%
Rented Total	3	13.0%	7	30.4%	13	56.5%
Social rented	0	0%	0	0%	0	0%
Private rented or living rent free	3	13.0%	7	30.4%	13	56.5%

Source: DC3408EW Health status

228. 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 specialist housing needs. The number of households falling into potential need for specialist accommodation over the Neighbourhood Plan period is 13.

229. These findings are set out in the table, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially

medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-5: AECOM estimate of specialist housing need for older people in Rennington Parish by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	3
	1	2	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	10
	2	8	
Total	3	10	13

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

230. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table 6-6 reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Neighbourhood Plan period, and how these should be split into the different tenures.

231. It is worth highlighting that the HLIN model suggests that the level of unmet demand for specialist housing for older people of all kinds is approximately 251 units per 1,000 of the population aged 75+.

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

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

Source: Housing LIN SHOP Toolkit

232. As Table 6-2 shows, Rennington Parish is forecast to see an increase of 43 individuals aged 75+ by the end of the Neighbourhood Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times 0.043 = 3$
- Leasehold sheltered housing = $120 \times 0.043 = 5$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times 0.043 = 1$
- Extra care housing for rent = $15 \times 0.043 = 1$
- Extra care housing for sale = $30 \times 0.043 = 1$
- Housing based provision for dementia = $6 \times 0.043 = <1$

233. This produces an overall total of 11 specialist dwellings which might be required by the end of the plan period.

234. Table 6-7 sets out the HLIN recommendations in the same format as Table 6-5. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-7: HLIN estimate of specialist housing need for older people in Rennington Parish by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	3
	1	2	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	8
	3	5	
Total	4	7	11

Source: Housing LIN, AECOM calculations

Rennington Parish Residents Survey (2022)

235. As alluded to in the 'Type and Size' chapter's analysis of the 2022 Rennington Parish Residents Survey, there was a mixed reaction towards the need for additional dwellings in the Parish for older people. Whilst some respondents explicitly called for additional dwellings targeted at older households, there were also respondents who suggested that other household groups (namely, younger households) should be prioritised.

236. Table 6-8 highlights a selection of Survey responses that relate to this topic.

Table 6-8: Rennington Parish Residents Survey (2022) Selected Responses – Specialist Housing for Older People

Question	Responses
Q7 - Housing development that meets the need of a growing population must be sensitive to the distinct communities of Rennington Parish. This objective will seek to consider housing for retired people, young families and others wishing to live in the area. Do you agree with this objective?	Around three quarters of respondents replied 'Yes'. The remaining quarter replied 'No'. Additional comments included:
	<i>'We have enough housing for older people; we need affordable homes for young people especially young families. No more second homes!'</i>
	<i>'Not sure we need more housing for retired people. I would substitute 'working people' for the retired'</i>
	<i>'I agree wholeheartedly and feel strongly that, in future, all development needs to be in-keeping and sensitive, affordable and an opportunity for young and old to enjoy our community'</i>
Q8 - Whose housing needs should we be seeking to promote in the Neighbourhood Plan? (multiple-choice)	Of the 77 respondents who completed the survey, 62% replied 'Retired People'.

Source: Rennington Parish Residents Survey (2022). Responses are colour coded: green indicates support for dwellings for older people, whereas red indicates support against dwellings for older people.

Conclusions - Specialist Housing for Older People

237. There are currently no units of specialist housing units for older people in Rennington Parish (the closest are located in Alnwick, approximately three miles south of the NA).
238. This chapter determines that future provision of specialist units for older people will be needed to serve arising future demand, with population growth in Rennington Parish expected to be driven by the older population age bands (a theme that was also identified in the 'Type and Size' chapter). Specifically, the number of 75+ individuals in the Parish is expected to double by 2038, and account for around eight more percentage points of the total population compared to current levels. Without development of specialist units in Rennington Parish, it is likely that those in need will be forced to move out of the area.
239. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the Neighbourhood Area. This can be sense-checked using a toolkit based on national research and assumptions.
240. Our calculations suggest that there will be a demand for 11 to 13 additional specialist accommodation units in Rennington Parish over the Neighbourhood 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. The 11 to 13 range can be considered as an aspirational target range, should NPWG want to focus on this particular need group.
241. Regarding the tenure of new specialist housing units, the Neighbourhood Plan may not be able set the proportion that should be affordable, and therefore the tenure split should align with the relevant Local Plan (see 'Planning policy context' section).
242. In addition to seeking specialist supply through Rennington Parish's Neighbourhood Plan housing delivery targets, another avenue open to NPWG is to discuss the standards of accessibility and adaptability in new development to be met in the Neighbourhood Plan with the Local Planning Authority.
243. Local Plan policy HOU 11 provides explicit encouragement for development to accommodate specific groups such as older people, suggesting that (unless exempt) *'20% of new open market dwellings and 50% of affordable dwellings will be required to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations (or any equivalent successor standards)'*.
244. Other avenues to meet need demands include 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).
245. While it is important to maximise the accessibility of all new housing, it is particularly important for specialist housing for older people to be provided in sustainable, accessible locations, for a number of reasons, as follows:

- so that residents, who often lack cars of their own, are able to access local services and facilities, such as shops and doctor's surgeries, on foot;
 - so that any staff working there have the choice to access their workplace by more sustainable transport modes; and
 - so that family members and other visitors have the choice to access relatives and friends living in specialist accommodation by more sustainable transport modes.
246. Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist elderly housing needs arising from a number of different locations and/or NAs from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
247. It is considered that Rennington Parish's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide for the specialist accommodation need arising from Rennington Parish, it is recommended that need for specialist units for older people is targeted using a 'hub and spoke' model. In the case of Rennington Parish, Alwick and other higher order settlements in this part of the county may be considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model). If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself would not overlap.
248. Wherever specialist housing is to be accommodated, partnership working with specialist developers is recommended, so as to introduce a greater degree of choice into the housing options for older people who wish to move in later life.

7. RQ4: Second Homes and Holiday Lets

RQ 4: What is the scale and potential impact of the second home and holiday lets sector on the Rennington Parish housing market, and how might this be addressed through policy?

Introduction

249. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home and holiday lets ownership within a context of acute affordability challenges and/or serious constraints on the availability of housing overall.
250. For the purposes of this report, 'second homes' refers to dwellings used as a second residence for personal use, whereas 'holiday lets' refers to dwellings that are specifically let out and may be classified as businesses for tax purposes depending on the number of days let out. Both have no usual residents and, therefore, are collectively referred to as 'Dwellings with no usual household residents'.
251. The existence of second homes and holiday lets is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
252. Rennington Parish clearly exhibits these wider challenges, with severe affordability issues as demonstrated in earlier chapters, a limited number of suitable sites, high land values, and an attractive second home / tourism offering. NPWG have raised concerns about the number of second homes and holiday lets throughout the Parish.
253. This chapter of the HNA gathers the limited available data on the rate of second home and holiday let ownership in Rennington Parish that may be used to support policy decisions in this area.

Existing Local Plan Policy

254. The Local Plan acknowledges that Northumberland is a popular area for people looking to '*establish second and holiday homes due to its attractive rural environment and beautiful coastline*'. The Local Plan highlights that an increase in the number of second and holiday homes has become particularly prominent in specific locations, '*...such as along the north Northumberland coast, and to a lesser degree accessible upland areas*'.
255. The Local Plan notes that whilst there may be some economic benefits to the increase in second and holiday homes, there are significant negative social effects on the local communities of the areas where these types of residencies are common – including a diminished demand for local services outside of the peak holiday season, negative impacts on local school rolls, and local dwelling price rises above affordability levels of locals.
256. Policy HOU 10 addresses the growing issue of second and holiday homes in Northumberland, stating that new dwellings in parishes with 20% or more non-

permanent residents will only be supported with a 'principal residence' in place. In full, the Policy states that:

'Within Parishes identified in the most up-to-date Census as having 20% or more household spaces with no usual (i.e. permanent) residents, new market dwellings will only be supported where first and future occupation is restricted in perpetuity to ensure that each new dwelling is occupied only as a 'principal residence'. This restriction will be secured through a planning condition or Section 106 agreement.'

Second Homes and Holiday Lets Data

257. At the time of writing, a limited number of datasets from the 2021 Census have been released. One of these datasets reveals that Rennington Parish contained 164 households in 2021. Whilst the 2021 Census does not reveal the number of dwellings recorded in the Parish in 2021, this figure can be generated by combining the 2011 Census dwellings figure with completions data provided by Northumberland County Council. In doing so, it can be estimated that there are 217 dwellings in Rennington Parish in 2021 (161 + 56).
258. The relationship between the dwelling and household figures implies that there were 53 dwellings (or 'household spaces') with no usual resident household in the Parish. Therefore, 24% of dwellings in 2021 had no usual residents – a broad estimate for the proportion of second homes and holiday lets in the area.
259. Based on the same methodology, the calculated proportion of dwellings with no usual residents in 2011 in Rennington Parish was 14%. For comparison, in 2011 the rate across Northumberland was 6%, and for England the rate was 4%.
260. Using other datasets (including the proportion of properties paying business rates instead of council tax), the number of dwellings that had no usual resident household can be split into second homes and holiday lets. This data is correct to the time of writing but has several limitations:
- Most importantly, it only gives an indication of the number of commercially rented units. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second / holiday homes below would be captured:
 - Second homes that are never rented and only used by the owner.
 - Second homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally.
 - Holiday lets with a stronger commercial purpose, available to rent more than 140 days per year.
 - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes including those rented out for holiday lets are obliged to fill out a census return.¹¹ This indicator is

¹¹ See current guidance for the 2011 Census at <https://census.gov.uk/help/types-of-household-or-accommodation/second-homes-holiday-lets-and-empty-properties/i-have-a-second-property>.

therefore only useful for context and for any indication it may give of growth over time.

- This data is only provided for medium and lower super output areas (MSOAs and LSOAs); however, as noted in the Context chapter, Rennington Parish is made up of one 'output area' (OA) - E00139254. Rennington Parish Neighbourhood Area falls within the wider LSOA E01027366 (known as 'Northumberland 004C'), which also includes neighbouring settlements such as Dunstan, Embleton, and High Newton by the Sea. This section, therefore, must rely on pro-rated data to generate an estimate for Rennington Parish alone.

261. In 'Northumberland 004C', there were 1,033 dwellings in 2011. Rennington Parish had 161 dwellings in 2011. Therefore, it can be estimated that around 16% of dwellings in the 'Northumberland 004C' fall within Rennington Parish.
262. In 2020 there were 230 premises with an 'other' business use (any premises not used as retail, office, or industry) in 'Northumberland 004C'. Pro-rating this to Rennington Parish, based on its fair share of dwellings in 'Northumberland 004C', generates an estimate of 37 premises in Rennington Parish that have an 'other' business purpose (16% of 230).
263. The 'other' sector covers a variety of business uses (see Figure 6-1) and its makeup will vary according to the nature of the location. Across Northumberland in 2020, there were 5,960 rateable premises in the 'other' sector, of which 2,250 were category '131 holiday homes (self-catering)'. That is 38% of 'other' premises.
264. It can be estimated that 38% of the 37 'other' units in Rennington Parish are holiday lets, equating to 14 properties.
265. Census data (2011) combined with Council completions data, suggests that there were around 217 dwellings in Rennington Parish in 2021. Based on this figure, 14 dwellings used as holiday lets represent 6% of all dwellings in Rennington Parish in 2021.

Figure 6-1: ONS definitions of 'other' business use categories

Sector	Sub-sector
Retail	Financial and Professional Services
	Shops
Office	Offices
Industry	General Industrial
	Storage & Distribution
	Other
Other	Assembly and Leisure
	Education
	Health
	Hotels, Guest & Boarding, Self-Catering etc.
	Non Residential Institutions
	Offices*
	Other
	Retail
	Residential Institutions
	Storage & Distribution
	Transport
	Utilities

* These are offices that are part of a specialist property, and so have been attributed to "Other" sector rather than the "Office" sector.

Source: ONS

266. Table 6-9 summarises the data above and records the estimated number of second homes and holiday lets in Rennington Parish.
267. Overall, it is estimated that there were 53 dwellings in Rennington Parish in 2021 that do not have a usual resident household. Our calculations suggest that 14 of these 53 dwellings were used as holiday lets. An estimate for the number of second homes in the area can be gained from subtracting the 14 holiday lets figure from the 53 figure, revealing a total of 39 dwellings used as second homes.

Table 6-9: Estimated number of second homes and holiday lets in Rennington Parish in 2021

	Estimated number of dwellings	Percentage of Total Dwellings
Dwellings with no usual household residents	53	24%
Holiday lets	14	6%
Second homes	39	18%

Source: AECOM calculations using 2011 Census, NCC figures, Council Tax Data

268. It is worth noting that the estimate for second homes in Table 6-9 may incorporate a number of dwellings that are let out for a number of days below business rates threshold (and therefore, are not considered holiday lets for tax purposes).

Policy Considerations

269. The affordability evidence establishes a clear context of poor and worsening affordability in Rennington Parish that prevents local people from moving to homes better suited to their needs within the Neighbourhood Area.
270. This chapter has identified that second home/ holiday let ownership is likely to be a significant issue in the Parish. It is estimated that in 2021 the rate of dwellings with no usual household residents was 24% (based on 2021 Census household data and 2011 Census dwellings data, updated with completions provided by Northumberland County Council). This rate would appear to exceed the 20% minimum threshold outlined in Northumberland’s Policy HOU 10 and may justify NPWG having discussions with Northumberland County Council about whether this policy does indeed apply to the Parish.
271. As the Parish is not currently recognised as one where Policy HOU 10 applies, NPWG may also consider including their own policy relating to second homes and holiday lets in the emerging Neighbourhood Plan.

Rennington Parish Residents Survey (2022)

272. The clearest theme that emerged from the responses to the 2022 Rennington Parish Residents Survey in relation to the topic of housing was the overwhelming support for policies that inhibit the additional number of second homes/ holiday homes in the Parish.
273. Table 6-9 highlights a selection of Survey responses that relate to this topic.

Table 6-10: Rennington Parish Residents Survey (2022) Selected Responses – Second Homes and Holiday Homes

Question	Responses
Q5 - What is the single most thing that needs to be better to improve the quality of life in Rennington Parish?	<div style="background-color: red; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'The percentage of holiday homes i.e. 2nd homes, holiday lets Airbnb, should not increase above the present levels.'</i>
Q7 - Housing development that meets the need of a growing population must be sensitive to the distinct communities of Rennington Parish. This objective will seek to consider housing for retired people, young families and others wishing to live in the area. Do you agree with this objective?	Around three quarters of respondents replied 'Yes' Additional comments included:
	<div style="background-color: red; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'Housing in this area will be used as second homes and supply will never satisfy demand'</i>
	<div style="background-color: red; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'NDP should include an aim to discourage second home & holiday let properties within any new developments in future'</i>
	<div style="background-color: red; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'All future developments must not permit further holiday lets within the parish. There needs to be an explicit covenant to this effect written into each new title deed.'</i>
	<div style="background-color: red; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'Yes, but primary residences only'</i>
	<div style="background-color: red; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'We have enough housing for older people; we need affordable homes for young people especially young families. No more second homes!'</i>
Q17 - Is there anything else you would like to comment on?	<div style="background-color: yellow; width: 20px; height: 20px; display: inline-block; vertical-align: middle;"></div> <i>'We do not need any more second homes or holiday lets, unless the latter are needed to make other businesses more viable.'</i>

Source: Rennington Parish Residents Survey (2022). Responses are colour coded: green indicates support for additional Second Homes and Holiday Homes, orange indicated a mixed response to additional Second Homes and Holiday Homes, and red indicates support against additional Second Homes and Holiday Homes.

274. Overall, these responses clearly indicate that the prospect of additional holiday/second homes being built in the area would not be received well by the Parish's residents.

Conclusion - Second Homes and Holiday Lets

275. This chapter considers the current extent of second home and holiday let ownership in Rennington Parish. Based on 2021 Census data and Northumberland County Council data, there are an estimated 53 dwellings with no usual residents in Rennington Parish (24% of the Parish's total dwelling stock). This figure is estimated to be comprised of 14 holiday lets, and 39 second homes.

276. The rate of dwellings with no usual residents identified in this chapter would appear to exceed the 20% minimum threshold outlined in Northumberland's Policy HOU 10 and may justify NPWG having discussions with Northumberland County Council about whether this policy does indeed apply to the Parish.
277. As the Parish is not currently recognised as one where Policy HOU 10 applies, NPWG may also consider including their own policy relating to second homes and holiday lets in the emerging Neighbourhood Plan.

8. Next Steps

Recommendations for next steps

278. This Neighbourhood Plan HNA aims to provide Rennington Parish NPWG 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 Northumberland County 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 Northumberland County 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 Northumberland County Council.
279. 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.
280. 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, Northumberland County Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
281. 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 : List of acronyms

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 Neighbourhood Area is expected to plan for, usually supplied by Local Planning Authorities)
HLIN	Housing Learning and Improvement Network
HMA	Housing Market Area
HRP	Household Reference Person
LHNA	Local Housing Needs Assessment
NCC	Northumberland County Council
NPPF	National Planning Policy Framework
NPWG	Neighbourhood Plan Working Group
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

Appendix B : Local Plan context

282. Table B-1 below summarises adopted Local Plan policies that are relevant to housing need and delivery in Rennington Parish.

Table B-1: Summary of relevant adopted policies in the Northumberland Local Plan 2016 to 2036

Policy	Provisions
Policy STP 1: Spatial Strategy	The villages of Rennington and Rock are recognised as ‘Small Villages’, where a proportionate level of development is acceptable. The remaining area within the Neighbourhood Area is considered as ‘open countryside’, where development will be restricted.
Policy STP 2: Presumption in favour of sustainable development	States that planning applications that accord with the policies in the Northumberland Local Plan will be approved without delay, unless material considerations indicate otherwise.
Policy HOU 1: Making the best use of existing buildings	Enables the renovation of the County’s existing housing stock while enhancing the surrounding residential environment. Encourages and facilitates appropriate renovations to bring long-term empty homes back into use. Supports the conversion and change of use of other suitable redundant premises to residential use.
Policy HOU 2: Provision of new residential development	<p>Sets the housing requirement for Northumberland over the plan period as at least 17,000 Use Class C3 net additional dwellings, at an annual average of 885 dwellings.</p> <p>Higher densities will be encouraged in the most accessible locations and the redevelopment of ‘brownfield’ sites wherever possible.</p> <p>Rennington Parish has not been assigned a housing delivery target. Rennington Parish would fall under the ‘Rest of the North [Delivery Area]’, which has been set an indicative delivery target of 1,100 dwellings between 2016 and 2036 (an average of 55 per annum).</p>
Policy HOU 3: Housing requirement for neighbourhood areas	Designated neighbourhood areas should provide for the following minimum housing requirements to help meet Northumberland's overall housing requirements set out in Policy HOU 2 (see above).

Policy	Provisions
Policy HOU 5: Housing types and mix	States that a range of good quality, energy-efficient homes, including affordable homes, will be provided to deliver a more balanced mix of tenures and housing types and sizes, alongside supported specialist housing for older and vulnerable people. Community-led housing, including individual and group self-build and custom-housebuilding, will be supported and facilitated, particularly where they will contribute to meeting local housing needs.
Policy HOU 6: Affordable housing provision	<p>'Major' development proposals of 10 or more units or 0.5 hectares or more, will be expected to provide on-site affordable housing in accordance with the housing viability value areas shown on the Policies Map. Rennington Parish is all considered to be a 'high value area'.</p> <ul style="list-style-type: none"> a) within low value areas - 10% affordable (except developments of 10 or more, but less than 30 dwellings which are exempt from making an affordable housing contribution); b) within medium value areas - 15% affordable (except developments of 10 or more, but less than 30 dwellings which are exempt from making an affordable housing contribution); c) within high value areas - 25% affordable; or d) within the highest value areas - 30% affordable. <p>The tenures and dwelling types of the affordable homes will be negotiable within reason on a site-by-site basis to ensure affordability and to reflect local housing needs.</p>
Policy HOU 7: Exception sites	The development of small Rural Exception Sites that would not normally be used for housing within, adjacent to or well-related to an existing settlement will be also supported under certain circumstances.
Policy HOU 11: Homes for older and vulnerable people	States that 20% of new open market dwellings and 50% of affordable dwellings will be required to meet or exceed the enhanced accessibility and adaptability housing standards in compliance with Requirement M4(2) of the Building Regulations.
Policy ENV 1: Approaches to assessing the impact of development on the natural, historic and built environment	The character and/or significance of Northumberland's distinctive and valued natural, historic and built environments, will be conserved, protected and enhanced. Appropriate weight will be given to the statutory purposes and special qualities of the hierarchy of international, national and local designated and non-designated nature and historic conservation assets or sites and their settings.

Policy	Provisions
Policy ENV 2: Biodiversity and geodiversity	For development proposals affecting biodiversity and geodiversity, including designated sites, protected species, and habitats and species of principal importance in England, applicants will be required to demonstrate that adverse impacts will be adequately mitigated or, as a last resort compensated for.
Policy ENV 9: Conservation Areas	Rock is a designated conservation area. Any development within this area must enhance and reinforce the local distinctiveness of the conservation area. Development that would lead to substantial harm to any aspect of a Conservation Area will not be supported.

Source: Northumberland Local Plan 2016 to 2036

Appendix C : Calculation of Affordability Thresholds

C.1 Assessment geography

283. 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.

284. 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 Rennington Parish, it is considered that MSOA E02005702 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 E02005702 appears in Figure C-1.

Figure C-1: MSOA E02005702 used as a best-fit geographical proxy for the Neighbourhood Area



Source: ONS

C.2 Market housing

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

286. 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

287. 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.
288. 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 Rennington Parish, 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.
289. As there were only three sales recorded in Rennington Parish in 2021, the Parish's median house price used in this HNA has been taken from combining sales data from 2020 and 2021.
290. The calculation for the purchase threshold for market housing is as follows:
- Value of a median Neighbourhood Area house price (2020 and 2021) = £395,000;
 - Purchase deposit at 10% of value = £39,500;
 - Value of dwelling for mortgage purposes = £355,500;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £101,571.
291. 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 2020 and 2021 was £265,000, and the purchase threshold is therefore £68,143.
292. 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 no sales of new build properties in the Neighbourhood Area in 2021 but records six sales of new dwellings in 2020. The 2020 figures will be used as an estimate for the cost of new building in Rennington Parish – this gives an estimated lower quartile new build house price of £395,000 with a purchase threshold of £101,571.
293. 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 Northumberland in 2021. The median sale price of new build dwellings was significantly lower in Northumberland when compared to Rennington Parish, with an average sale price of £239,950 (with a purchase threshold of £61,701). This is approximately 60% of the average sale price of a new build in Rennington Parish.

ii) Private Rented Sector (PRS)

294. 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.
295. 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.
296. 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 NE66 postcode area, which covers a larger area than the Neighbourhood 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.
297. According to [Home.co.uk](https://www.home.co.uk), there were five properties for rent at the time of search in October 2022, with an average monthly rent of £828. There were two two-bed properties listed, with an average price of £598 per calendar month.
298. The calculation for the private rent income threshold for entry-level (two-bedroom) dwellings is as follows:
- Annual rent = £598 x 12 = £7,176;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £23,920.
299. The calculation is repeated for the overall average to give an income threshold of £33,120.

C.3 Affordable Housing

300. 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

301. 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.

302. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the Local Planning Authority level so must act as a proxy for Rennington Parish. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Northumberland in the Table C-1.

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

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£65.40	£73.88	£80.98	£90.00	£74.60
Annual average	£3,401	£3,842	£4,211	£4,680	£3,879
Income needed	£11,325	£12,793	£14,022	£15,584	£12,918

Source: Homes England, AECOM Calculations

ii) Affordable rent

304. 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).

305. 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%.

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

307. Comparing this result with the average two-bedroom annual private rent above indicates that affordable rents in the Neighbourhood Area are actually closer to 70% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£85.84	£95.34	£104.30	£115.03	£96.28
Annual average	£4,464	£4,958	£5,424	£5,982	£5,007
Income needed	£14,864	£16,509	£18,061	£19,919	£16,672

Source: Homes England, AECOM Calculations

iii) Rock Estate Rent Scenario

308. Rock Estates provided an estimate of £400-£475 pcm for a typical rent charge on one of their 'affordable' three-bedroom dwellings. The first step to calculate an affordability threshold was by multiplying the median rent charge of £440 (rounded) by 12 to generate an approximate annual figure (this is £5,280). The annual charge is then multiplied by 3.33 so that no more than 30% of a household's total income is spent on rent. This leaves an affordability threshold of £17,582.

iv) Affordable home ownership

309. 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.
310. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that "where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership." The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government's new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

311. 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.
312. The starting point for these calculations is therefore the estimated cost of new build entry-level housing in the Neighbourhood Area noted above of £395,000.
313. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated Neighbourhood Area new build entry-level) = £395,000;
 - Discounted by 30% = £276,500;
 - Purchase deposit at 10% of value = £27,650;
 - Value of dwelling for mortgage purposes = £248,850;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £71,100.
314. 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 £60,943 and £50,786, respectively.

315. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
316. 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 two-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 may be an issue in Rennington Parish given the area's stricter design constraints requiring the use of premium materials (such as stone and slate) which traditionally cost more than standard material used to construct dwellings in the country. NPWG perceive the cost to be closer to £2,250 sq.m). Additionally, due to the limited availability of land in Rennington Parish, the cost of a plot to build on is likely higher than the national average.

Shared Ownership

317. 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'.
318. 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.
319. To determine the affordability of Shared Ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
320. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £395,000 is £98,750;
 - A 10% deposit of £9,875 is deducted, leaving a mortgage value of £88,875;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £25,393;
 - Rent is charged on the remaining 75% Shared Ownership equity, i.e. the unsold value of £296,250;
 - The estimated annual rent at 2.5% of the unsold value is £7,406;

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/>

- This requires an income of £24,688 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £50,080 (£25,393 plus £24,688).

321. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £39,782 and £67,244, respectively.

322. The data shows that Shared Ownership options at 10%, 25%, and 50% equity are all below the £80,000 income threshold cap.

Rent to Buy

323. 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)

324. 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.

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

Appendix D : Affordable Housing Need Estimates

AECOM Affordable Housing Need Estimate

326. In Table D-1 AECOM has calculated, using PPG as a starting point¹³, an estimate of the total need for affordable rented housing in Rennington Parish over the Neighbourhood Plan period.
327. Northumberland County Council were not able to provide a figure for the number of households on their local housing waiting list for a property in Rennington Parish. Therefore, the following calculations are based on an estimate for the current number of households in need of rented housing using DLUHC Local authority housing statistics data.

¹³ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

Table D-1: Estimate of need for Affordable Housing for rent in Rennington Parish

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	9.1	Latest waiting list data available from DLUHC Local authority housing statistics data return (households in priority need). Pro rata for the Neighbourhood Area.
1.2 Per annum	0.6	Step 1.1 divided by the plan period to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	11.2	DLUHC 2018-based household projections for the Local Authority between start and end of plan period. % increase applied to Neighbourhood Area.
2.2 Proportion of new households unable to rent in the market	25.8%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in Neighbourhood Area.
2.2.1 Current number of social renters in parish	3.2	2011 Census social rented occupancy + Local Authority % increase.
2.2.2 Number of private renters on housing benefits	25.0	Housing benefit caseload May 2018. Pro rata for Neighbourhood Area.
2.3 New households unable to rent	2.9	Step 2.1 x Step 2.2.
2.4 Per annum	0.2	Step 2.3 divided by plan period.
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3.0%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	0.1	Step 3.1 x Neighbourhood Area social rented stock (2.2.1).
NET SHORTFALL OF RENTED UNITS PER ANNUM		
Overall shortfall per annum	0.7	Step 1.2 + Step 2.4 - Step 3.2
Overall shortfall over the plan period	10.5	(Step 1.1 + Step 2.3) - Step 3.2 * 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. Figures may not sum due to rounding.

328. Turning to Affordable Housing providing a route to home ownership, Table D-2 estimates the potential demand in Rennington Parish. This model aims to estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
329. 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.¹⁴ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the Neighbourhood Area.

¹⁴ <http://www.ipsos-mori-generations.com/housing.html>

Table D-2: Estimate of the potential demand for affordable housing for sale in Rennington Parish

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	79.2	Census 2011 number of renters x national % increase to 2018.
1.2 Percentage renters on housing benefit in LA	31.6%	% of renters in 2018 on housing benefit.
1.3 Number of renters on housing benefits in parish	25.0	Step 1.1 x Step 1.2.
1.4 Current need (households)	40.7	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁵
1.5 Per annum	2.7	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	11.2	Local Authority household projections for plan period (2018 based) pro rated to Neighbourhood Area.
2.2 % of households unable to buy but able to rent	29.8%	(Step 1.4 + Step 3.1) divided by number of households in Neighbourhood Area.
2.3 Total newly arising need	3.3	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.3	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	2.4	Number of Shared Ownership homes in parish (Census 2011 + Local Authority new build to 2018/19 pro rated to NA).
3.2 Supply - intermediate resales	0.1	Step 3.1 x 5% (assumed rate of resale).
NET SHORTFALL PER ANNUM		
Overall shortfall per annum	2.8	(Step 1.5 + Step 2.4) - Step 3.2.
Overall shortfall over the plan period	42.7	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

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

330. 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

¹⁵ 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.

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

331. 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.

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

Consideration	Local Evidence
<p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the Neighbourhood Area requires around 11 units of affordable rented housing and 43 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that affordable rented housing should be prioritized over affordable home ownership.</p>
<p>B. Can Affordable Housing needs be met in full?</p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>Rennington Parish does not have an overall housing delivery target and is also highly constrained by a lack of appropriate land available for development, however, it would be reasonable to assume that affordable renting need would be accommodated with a moderate addition of affordable housing in the Parish over the Neighbourhood Plan period. The need for units in affordable ownership tenures is less likely to be fully satisfied by the end of the Neighbourhood Plan period.</p>
<p>C. Government policy (e.g. NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>For 10% of all housing to be affordable ownership in Rennington Parish, where 25% of all housing should be affordable, 40% of Affordable Housing should be for affordable ownership. This does comply with the guideline tenure split sought in the Local Plan.</p>

<p>D. Local Plan policy:</p>	<p>The Local Plan follows the latest SHMA, which seeks a tenure split of 50% affordable rent and 50% affordable home ownership.</p>
<p>E. First Homes policy:</p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering ‘top slicing’ their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some Local Planning Authorities are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.</p>	<p>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 will not be an issue in Northumberland.</p>
<p>F. Viability:</p>	<p>HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the</p>

	discounts that can be sought on First Homes properties.
<p>G. Funding:</p> <p>The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.</p>	<p>NPWG may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p>H. Existing tenure mix in Rennington Parish:</p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>Whilst there are a limited number of rented units in the Parish which are offered at discounted rates (from Rock Estates), evidence suggests there is limited Affordable Housing (either to rent or for sale) within the Neighbourhood Area 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.</p>
<p>I. Views of registered providers:</p>	<p>It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.</p>
<p>J. Wider policy objectives:</p>	<p>NPWG may wish to take account of broader policy objectives for Rennington Parish 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 Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.</p>

Appendix E : Housing Needs Assessment Glossary

Adoption

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

Affordability

333. 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

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

Affordable Housing (NPPF Definition)

335. 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:

336. 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).

337. 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.

338. 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

339. 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 methods¹⁶.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

342. 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

343. 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 Standard¹⁷

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

Co-living

345. 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

¹⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

¹⁷ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

346. 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 Order¹⁸

347. 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)¹⁹

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

Equity Loans/Shared Equity

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

Extra Care Housing or Housing-With-Care

350. 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

¹⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁹ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

- the intention is for residents to benefit from varying levels of care as time progresses.

Fair Share

351. '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

352. 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

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

Household Reference Person (HRP)

354. 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

355. 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.
356. 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

357. 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

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

Housing Products

359. 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)

360. 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)

361. 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)

362. 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

363. 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

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

Intermediate Housing

365. 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

366. 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 Neighbourhood Area. 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 local planning authority level data is employed on the basis of the Neighbourhood Area falling within its defined Housing Market Area.

Life-time Homes

367. 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

368. 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

369. 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

370. 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)

371. 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

372. 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

373. 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

374. 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

375. 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

376. 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)

377. 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

378. 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

379. 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

380. 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 years²⁰, 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)

381. 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

²⁰ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

382. 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

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

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

384. 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

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

Planning Condition

386. 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

387. 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

388. 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

389. 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

390. 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

391. 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

392. 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

393. 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

394. 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

395. 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 Housing²¹

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

397. 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)

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

Specialist Housing for Older People

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

²¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

400. 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.²²

²² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

