

Warkworth

Housing Needs Assessment (HNA)

April 2022

Quality information

Prepared by	Checked by	Approved by
Jessica Cooke Urban Planner	Paul Avery Principal Consultant	Paul Avery Principal Consultant

Revision History

Revision	Revision date	Details	Authorized	Name	Position
V1	18/02/2022	First draft	JC	Jessica Cooke	Urban Planner
V2	02/03/2022	Internal review	PA	Paul Avery	Principal Consultant
V3	25/03/2022	Group Review (Sian Smith, Chair)	JC	Jessica Cooke	Urban Planner
V4	20/04/2022	Locality Review	AO	Annabel Osborne	Neighbourhood Planning Officer

Prepared for: Warkworth Parish Council

Prepared by: Jessica Cooke

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

© 2022 AECOM Infrastructure & Environment UK Limited. All Rights Reserved.

This document has been prepared by AECOM Infrastructure & Environment UK Limited (“AECOM”) for sole use of our client (the “Client”) in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. No third party may rely upon this document without the prior and express written agreement of AECOM.

Table of Contents

1. Executive Summary.....	6
Tenure and Affordability Conclusions	6
Type and Size Conclusions	7
Specialist Housing for the Older People Conclusions	8
Second Homes Conclusions	10
2. Context.....	12
Local context.....	12
The Housing Market Area Context	14
Planning policy context.....	15
Policies in the adopted local plan	16
Quantity of housing to provide.....	18
3. Approach	19
Research Questions.....	19
Tenure and Affordability	19
Type and Size	19
Specialist Housing for Older People.....	20
Relevant Data	20
4. RQ One: Tenure, Affordability and the Need for Affordable Housing	22
Introduction	22
Current tenure profile	23
Affordability	24
House prices	24
Income	25
Affordability Thresholds	26
Affordable housing- quantity needed.....	32
Additional SHMA findings	37
Affordable Housing policy guidance	38
Conclusions- Tenure and Affordability	42
5. RQ Two: Type and Size	44
Introduction	44
Existing types and sizes	44
Background and definitions	44
Dwelling type.....	45
Dwelling size	46
Age and household composition	47
Age structure.....	47
Household composition	48
Occupancy ratings.....	49
Dwelling mix determined by life-stage modelling.....	50
Suggested future dwelling size mix	50
The SHMA findings.....	54
Conclusions- Type and Size.....	55

6.	RQ Three: Specialist housing for older people	57
	Introduction	57
	Current supply of specialist housing for older people	58
	Tenure-led projections	59
	Housing LIN-recommended provision	62
	SHMA findings.....	64
	Conclusions- Specialist Housing for the Older People	65
7.	RQ Four: Second Homes	68
	Introduction	68
	Second and Holiday Homes Data	68
	Policy Considerations.....	70
	Additional Information.....	71
	Conclusions – Second Homes	72
8.	Overview	74
	Recommendations for next steps	75
	Appendix A : Calculation of Affordability Thresholds.....	77
A.1	Assessment geography	77
A.2	Market housing	78
i)	Market sales	78
ii)	Private Rented Sector (PRS).....	79
A.3	Affordable Housing	79
i)	Social rent	80
ii)	Affordable rent.....	80
iii)	Affordable home ownership	81
	Appendix B : Housing Needs Assessment Glossary	84

List of acronyms used in the text:

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

1. Executive Summary

Tenure and Affordability Conclusions

1. The majority of homes in Warkworth are owned, at a far higher rate than both Northumberland and England. There is a relatively even split between social and privately rented homes, this is consistent with the picture nationally, whereas in Northumberland there tends to be a higher proportion of socially rented dwellings.
2. House prices in Warkworth have been steadily increasing. Over the last ten years both the mean and median house prices have seen relatively high increases, by 53% and 39% respectively. However, lower quartile prices have been more stable over the past 10 years with an increase of only 10%, representing an actual increase of £20,588.
3. 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 136% higher than the current average. Average earners and households made up of two lower quartile earners can afford the given market rental thresholds.
4. There is a relatively large group of households in Warkworth who may be able to afford to rent privately but cannot afford home ownership. This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products.
5. Only shared ownership at 10% or rent to buy would be accessible to different segments of the local population. With shared ownership at 10% potentially allowing average earning households to get a foot on the housing ladder, while Rent to Buy is helpful to average earners and those two dual lower quartile incomes.
6. 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). While the only tenure available to a single lower earner is socially rented dwellings. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through housing benefit (Universal Credit) to access housing.
7. The most significant finding is the need for affordable home ownership in Warkworth. AECOM estimates potential demand for an additional 42 affordable home ownership dwellings. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Warkworth, the most appropriate tenures to help implement this policy goal locally are rent to buy and shared ownership (at 10% share). The new First Homes product are generally not affordable unless a significant discount (of more than 50%) is achieved, which is not likely to be achievable in practice.

8. The assessment calculated a surplus of affordable rented units over the Plan period; however, this is due to the level of turnover meeting the anticipated newly arising need and addressing the backlog (17 households) over time. However, it is not realistic or helpful to limit social rented dwellings when there is a current backlog and, therefore, there should be some delivery of affordable rented dwellings over the Plan period. This is especially important as households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through a housing benefit (now Universal Credit) to access housing.
9. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying and/or supporting exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

Type and Size Conclusions

10. 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 NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.
11. There is a varied mix of dwellings in Warkworth, yet a relatively low proportion of flats, which might be expected in a more rural area. Similarly, there is a higher proportion of detached dwellings compared to wider geographies, again which may be expected given the context of the area. There is a relatively even split between semi-detached and terraced housing, following trends seen at higher level geographies.
12. There is a relatively even mix of dwellings in Warkworth, yet there is a higher proportion of larger dwellings (3 or more bed rooms) and very few small homes with 1 bedroom. The LPA completions since 2011 show that recent building has continued to follow this pattern of delivering larger homes.
13. Warkworth has a significantly higher percentage of the population aged 45 and over compared to Northumberland and England, and has a correspondingly lower percentage of younger age cohorts. This may be a reflection of the increasing affordability challenges within the area and the inability of younger people and families to buy homes in Warkworth, as well as attracting those older generations many of whom know the area.
14. Among all households in Warkworth there is a general trend in underoccupancy; over half the dwellings in the Parish have at least two surplus bedrooms. This underoccupancy is most prevalent in family households who are over 65. This might suggest that the larger housing isn't being occupied by households with the most family

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

15. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, demonstrates that in Warkworth an appropriate response would be to prioritise the supply of smaller to mid-sized dwellings with 1, 2 or 3 bedrooms, with a far smaller number of larger homes with 4 or more bedrooms likely to be required.
16. This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for all dwelling sizes will remain. Therefore, the weighting suggested provides a helpful guideline of what should be delivered in the Parish but it should be interpreted with a degree of flexibility.
17. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. This is supported by the evidence in the SHMA and Neighbourhood Plan Housing Needs Survey, which shows that 2 and 3 bedroom properties should take precedence.
18. If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Warkworth, increasing the provision of small to mid-sized homes will be crucial.

Specialist Housing for the Older People Conclusions

19. Warkworth currently has a total of 71 units of specialist accommodation, the majority of which are available for social rent for those in financial need, with one option available for private renting. However, Warkworth is forecast to have significant growth in the population aged 75 and over, with 224 additional individuals over the plan period, meaning a total population aged 75+ of 461. At present there are 235 units per 1,000 population aged 75+ but without any additional provision, this would fall significantly to 154 units per 1,000 population.
20. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
21. These two methods of estimating the future need in Warkworth produce a range of 56 to 73 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby

assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

22. There is no specialist housing allocation for the Parish in the Local Plan; therefore, it will more than likely be up to either the Neighbourhood Plan or market conditions to meet this identified need.
23. Neighbourhood Plans cannot set the proportion that should be affordable, as it usually has to be in line with Local Plan policy for all housing. Given the current tenure of older persons housing, primarily socially rented, any additional provision the Neighbourhood Plan might want to encourage is market sheltered housing for example. This might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs. The data suggests that market housing is in most need, suggesting a split of 66% market and 34% affordable.
24. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
25. Local Plan policy HOU11 provides explicit encouragement for development to accommodate specific groups such as older people. It sets specific targets of 20% on market dwellings and 50% on affordable dwellings to meet or exceed national standards for accessibility and adaptability Category M4(2). However, it does not set standards for wheelchair users (Category M4(3)). The evidence gathered here would appear to support this target and potentially build upon it in the Neighbourhood Plan, if this avenue has the support of the LPA.
26. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey.
27. 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.

28. 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 neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).
29. It is considered that Warkworth'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 the specialist accommodation need arising from Warkworth entirely within the Neighbourhood Plan area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Warkworth, Amble is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Plan 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 Plan area itself would not overlap. In addition, Northumberland County Council Adult Social Care Service has indicated that Warkworth is not a priority for specialist older people's accommodation and that Amble as a main town supports it being the focus of such provision in the area.
30. 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.

Second Homes Conclusions

31. This section of the HNA considers the current extent of second home ownership in Warkworth and related trends. It finds that:
 - There is a fairly substantial quantity of second and holiday homes in the neighbourhood plan area, the 2011 census counted 159.
 - Uplifting this figure with reference to the rate of growth in commercial holiday lets in Warkworth from 2011-2021 suggests a current total of around 230 units. This is approximately 21.4% of all properties.
 - The likely growth in this indicator dovetails with a context of dramatically worsening affordability in Warkworth that is evidenced in greater detail in the preceding chapters.
 - The concern about the number of second homes has been highlighted by the Local Authority in their Local Plan as well as by the community in the Resident Questionnaire.
 - A review of the available data sources on this subject strongly suggests that the Census is the most accurate and comprehensive source for this indicator. An up-to-date snapshot is imminent, with the results of the 2021 Census to be published in the coming months.

- There may be scope to reflect the results of the upcoming Census in any potential policy in this subject by making its provisions conditional on an established threshold of second home ownership or rate of increase.
32. It is clear the impact of second homes are a local concern and the limited data suggests the proportion of second homes is increasing. Therefore, Neighbourhood Plan policy has an opportunity to address this; however, this should be done in close consultation with Northumberland County Council.
33. Neighbourhood Plans should not repeat Local plan policy. Northumberland Local Plan Policy HOU10 would require a 'principal residents' criteria on development coming forward in any Parish with over 20% of dwellings with no usual residents. Given Warkworth was close to this in 2011 and considering the uplift figures here takes it over that threshold, this may indicate that the Local Plan policy would be sufficient to address this policy topic. However, it is advised that this is discussed with Northumberland County Council to understand their approach¹.

Please note Appendix B provides a glossary of all the key terms used in this report.

¹ Northumberland County Council have confirmed they will be analysing the 2021 Census data in due course in relation to second homes and holiday lets which will inform the updated listing of parishes with >20% second/holiday homes to which the principle residency requirements of Local Plan Policy HOU10 will apply.

2. Context

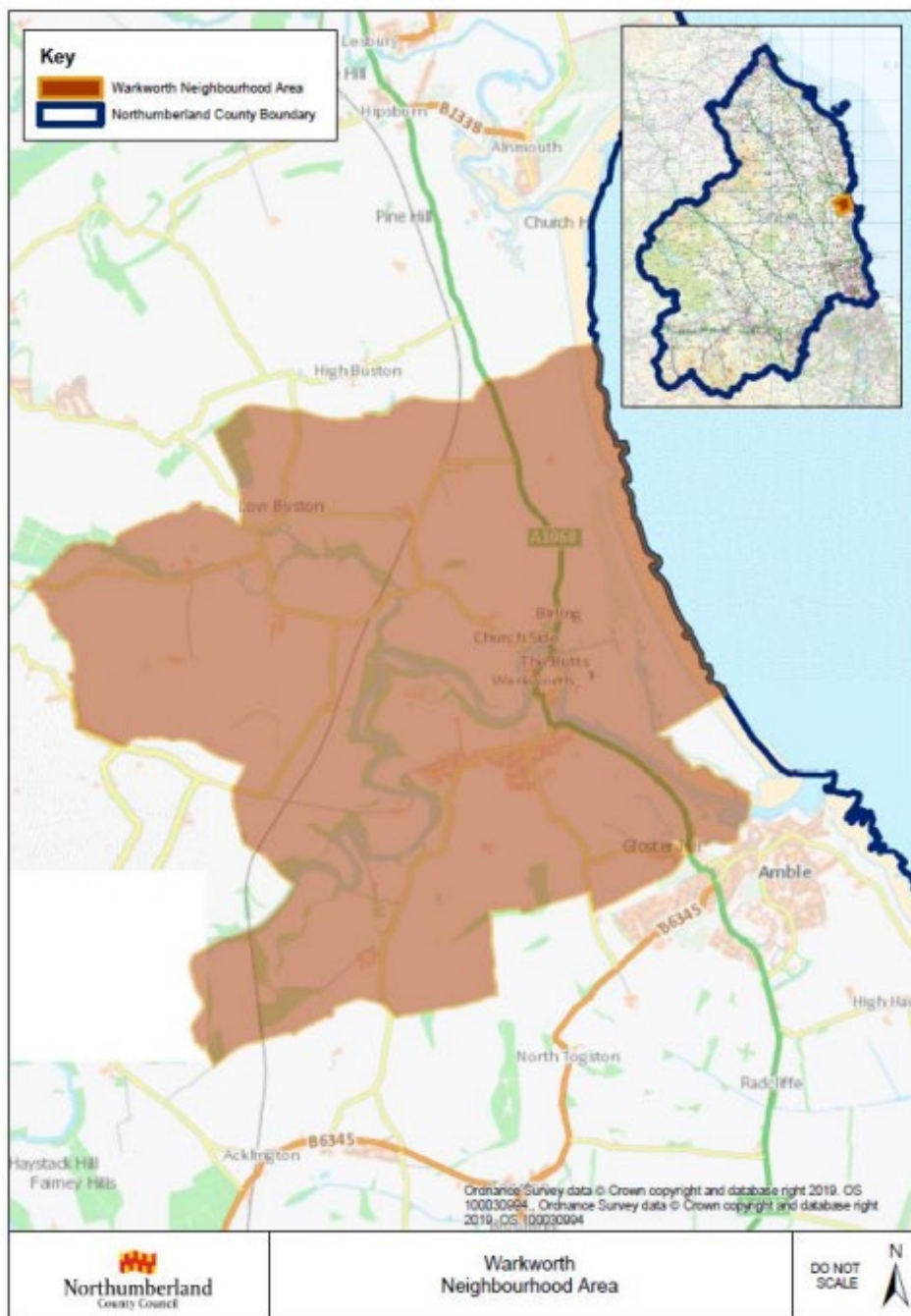
Local context

34. Warkworth is a Neighbourhood Plan area located in Northumberland, in the north east of England. The Neighbourhood Area (NA) boundary is synonymous with the Parish Boundary and was designated in February 2020.
35. The proposed Neighbourhood Plan period starts in 2022 and extends to 2036, therefore, comprising a planning period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2036, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
36. Warkworth is located on the Northumberland coast, approximately 48 km north of Newcastle and is served by the A1068 road. It is best known for its well-preserved medieval castle, church and heritage. The village is situated in a loop of the River Coquet. An ancient bridge of two arches crosses the river at Warkworth, with a fortified gateway on the road mounting to the castle, the site of which is surrounded on three sides by the river.
37. The village is popular with tourists due to its historical character, riverside location and proximity to the coast and Northumberland Area of Outstanding Natural Beauty (AONB). However, the village is not designed for modern day traffic and the level of tourism it currently receives, leading to problems with congestion and parking within the village centre.
38. The wider Parish is primarily in agricultural use with multiple dispersed farmsteads, there is a small settlement along Morwick Road.
39. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following OAs, which have been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses:
 - E00139282;
 - E00139283;
 - E00139284;
 - E00139285;
 - E00139286; and
 - E00139287.
40. The statistics show that in the 2011 Census the NA had a total of 1,574 residents, formed into 747 households and occupying 906 dwellings (with the gap between these figures likely to be due to second or holiday homes that are not permanently occupied). The Office for National Statistics (ONS) produces mid-year population estimates for parishes and wards throughout the country. The mid-2020 population estimate for Warkworth is

1,789 – indicating population growth of around 215 individuals since 2011. It is worth noting that this figure is an estimate only, based on data which is mostly available at local authority level such as administrative registers of births and deaths, data on moves between local authorities, small-area population estimates and official population projections, and not based on a survey count.

41. This aligns with the level of development taken place, since 2011 there have been 166 dwellings built in the Parish. Of these, 41 (or 24%) have been developed as affordable housing.
42. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Warkworth Neighbourhood Plan area²



Source: Northumberland County Council³

The Housing Market Area Context

43. Whilst this HNA focuses on Warkworth neighbourhood area it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas. In the case of Warkworth,

² Available at <https://www.northumberland.gov.uk/Planning/Neighbourhood.aspx>

³ <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Neighbourhood%20Planning/Warkworth-NP-Area-Designation-Decision-Document.pdf>

the parish sits within a housing market area which covers Northumberland. This area is then split into delivery areas – Central, South East, North and West.^[1] This means that when households who live in these authorities move home, the vast majority move within this geography.

44. At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Warkworth, are closely linked to other areas. In the case of Warkworth, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. For example, the Parish is adjacent to Amble, which is designated as a Main Town in the Local Plan and is a bigger, less constrained area which may meet some of the needs/demands in Warkworth. There is planned growth in Amble of 540 dwellings between 2016 and 2036. The interconnections between Warkworth and surrounding areas have already been highlighted by the group with regards to infrastructure, noting that the primary school in Warkworth is at full capacity due to the high levels of more affordable housing in Amble⁴. Northumberland County Council have confirmed that they consider Amble to be a more appropriate location for affordable housing due to the proximity and range of local services and facilities, as well as the cheaper market prices and anticipated delivery of such dwellings on current development sites.
45. In summary, Warkworth functions within a wider strategic area. In addition to 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. However, due to several district councils unifying to make Northumberland Unitary Authority, the local planning authority and the wider area are one of the same. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood play within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

46. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁵
47. Northumberland County Council became a unitary authority in April 2009, abolishing all existing Northumberland Councils (Berwick-upon-Tweed Borough Council, Blyth Valley Borough Council, Castle Morpeth Borough Council, Alnwick District Council, Tynedale District Council, and Wansbeck District Council). However, as of March 31st, 2022 Northumberland County Council has adopted Local Plan⁶ to cover the whole county.

^[1] Northumberland SHMA

⁴ For information, at present 70 out of 178 pupils (primary and nursery) at Warkworth primary school live in Warkworth parish.

⁵ 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>

⁶ Available at: <https://northumberland.moderngov.co.uk/documents/s9762/02.1%20Appendix%201%20-%20Northumberland%20Local%20Plan%20-%20FINAL%20ADOPTED%20VERSION%20WITH%20PHOTOS%20AND%20COVERS%20March%202020.pdf>

Policies in the adopted local plan

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

Table 2-1: Northumberland Local Plan 2016 – 2036

Policy	Provisions
Policy STP1	The policy identifies Warkworth as a Service Village, which will provide for a proportionate level of housing and be the focus for investment to support the provision and retention of local retail, services and facilities.
Policy HOU 1	The policy notes that sustainable, high quality and attractive residential communities will be created and promoted.
Policy HOU 2	The policy states that delivery of open market and affordable dwellings in a range of tenures, types and sizes will be supported where it is consistent with meeting the objectively assessed housing needs and housing priorities, as identified through an up to date assessment.
Policy HOU 3	The policy provides Warkworth with a housing requirement of 70 dwellings.
Policy HOU 5	The policy notes 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 specialist housing for older and vulnerable people. This will be assessed according to the most up to date SHMA or local housing needs assessment.
Policy HOU 6	The policy notes that on sites of 10 dwellings or more (or 5 or more in the AONB) development proposals will be expected to provide on-site affordable housing in accordance with housing viability value areas: <ul style="list-style-type: none"> - within low value areas - 10% affordable; - within medium value areas - 15% affordable; - within high value areas - 25% affordable (Warkworth Parish falls within this category); or - within the highest value areas - 30% affordable.

The tenures and dwelling types of affordable housing on site will be negotiated on a site by site basis and should reflect the most up to date SHMA or local housing needs assessment. Affordable provision will be expected to reflect this following general tenure split in accordance with the housing viability value areas:

- within low value areas - 100% affordable home ownership;
- within medium value areas - 33% affordable homes to rent and 67% affordable home ownership;
- within high value areas - 60% affordable homes to rent and 40% affordable home ownership (Warkworth Parish falls within this category); or

within the highest value areas - 67% affordable homes to rent and 33% affordable home ownership.

Policy Provisions

Policy HOU 7⁷ The policy supports entry level exception sites for first time buyers or renters on sites not allocated for housing adjacent to an existing settlement where:

- There is an evidenced need for affordable entry-level homes that is not already being met in the parish in which the development is located, or neighbouring parishes, and the proposal wholly comprises one-or-more types of affordable housing secured through a Section 106 agreement;
- The proposal is consistent with the Plan's spatial strategy for sustainable development and is well-related to local services and facilities;
- The site is no larger than 1.0 hectare or does not exceed 5% of the size of the existing settlement; and
- The site is not within the Green Belt or an Area of Outstanding Natural Beauty and does not compromise any protected environmental designations.

It goes on to note that small scale rural exception sites that would not normally be used for housing within, adjacent to or well related to an existing settlement will be supported where:

- The local need for affordable housing is clearly justified and evidenced in an up-to-date housing needs study as being necessary to meet local community needs for households who are either current local residents or have an existing family or employment connection to the particular area in which the development is proposed to take place;
- The affordable housing is secured in perpetuity through a Section 106 agreement;
- The development is well-related to local services and facilities, including those outside the settlement where the development is proposed to be located; and
- The development is in scale and keeping with the form, character and landscape setting of the settlement in which it takes place and does not unjustifiably adversely impact on the natural, built and historic environment.

Policy HOU 10 The policy notes 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 Section 106 agreement or planning condition.

⁷ Part of the Parish is within the AONB and therefore 'rural' has been removed from exception sites.

Policy Provisions

Policy HOU 11 The policy supports housing and other residential accommodation that meets the changing needs of older people and vulnerable needs groups by:

- Support adaption of existing homes and the provision of new adaptable homes, including bungalows, level access flats and sheltered 'extra care' accommodation.
- Supporting and facilitating the provision of integrated sheltered residential retirement and 'extra care' accommodation .
- Facilitating the creation of 'lifetime neighbourhoods' and retirement villages.
- Require Design and Access Statements to demonstrate that a development meets the space and accessibility needs of older and vulnerable people.

It will also ensure that new homes are accessible and adaptable to meet the needs of residents now and in the future, 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).

Quantity of housing to provide

49. 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.
50. Northumberland County Council has fulfilled that requirement by providing Warkworth with a definite figure of 70 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.⁸ However, this has since been exceeded, with the Parish having delivered approximately 120 homes. The group are still planning positively but not have any residual housing requirement to fulfil.

⁸ As confirmed in the Local Plan Policy HOU3.

3. Approach

Research Questions

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

Tenure and Affordability

52. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
53. This evidence will allow Warkworth Parish Council 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.
54. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

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

Type and Size

55. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community. The recent development in the area has consisted of large expensive homes which are not accessible to many in the local community, especially the younger generations who work in the tourist industry. This is resulting in an aging population and a deficit in bungalows.
56. 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.
57. 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.
58. 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 Two: 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

59. 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 Three: What provision should be made for specialist housing for older people over the Neighbourhood Plan period?

Second Homes

60. Warkworth Parish is an area where the rate of second home ownership is significantly above the national average, and where holiday lets and homes that are vacant for part of the year are perceived to have an impact on housing affordability as well as the vitality and economic resilience of the local community. A number of nearby locations have been successful in adopting policies restricting new housing to those who will use it as their primary residence, for example Alnmouth Neighbourhood Plan⁹, Craster Neighbourhood Plan¹⁰ and North Northumberland Coast Neighbourhood Plan¹¹.
61. This chapter of the HNA will review the evidence relating to the presence and growth of second home ownership in Warkworth, and draw out any relevant connections to the affordability conclusions made in the preceding chapter and other considerations.

RQ Four: What is the scale and potential impact of the second home sector on the Warkworth housing market, and how might this be addressed through policy?

Relevant Data

62. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from the 2011 Census and a range of other data sources, including:
- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
 - ONS population and household projections for future years;
 - Valuation Office Agency (VOA) data on the current stock of housing;
 - Land Registry data on prices paid for housing within the local market;
 - Rental prices from Home.co.uk;
 - Local Authority housing waiting list data;

⁹ Available at: <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Neighbourhood%20Planning/Alnmouth-Referendum-NP.pdf>

¹⁰ Available at: <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Neighbourhood%20Planning/Craster-NP-Made-Version.pdf>

¹¹ Available at: <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Neighbourhood%20Planning/North-Northumberland-Coast-NP-Made-Version.pdf>

- Neighbourhood Plan Housing Needs Survey (July 2021);
 - Warkworth Resident Questionnaire (November 2021); and
 - Northumberland County Council Strategic Housing Market Assessment (2018 update).
63. More recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date in this way. Such patterns are instead generally assumed to persist to the present day.

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

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

Introduction

64. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in the parish and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.
65. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
66. The definition of Affordable Housing set out in the NPPF 2021 makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently introduced a new product called First Homes.¹²
67. Because the First Homes product is new and expected to be an important part of the strategy for improving access to home ownership, it is worth summarising its key features and implications:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
 - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000, and lower caps can be set locally;

¹² The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

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

Current tenure profile

68. The current tenure profile is a key feature of the Neighbourhood Plan 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.
69. Table 4-1 below presents data on tenure in Warkworth compared with Northumberland County Council and England from the 2011 Census, which is the most recent available source of this information.
70. The majority of homes in Warkworth are owned, at a far higher rate than both Northumberland and England. There is a relatively even split between social and privately rented homes, this is consistent with the picture nationally, whereas in Northumberland there tends to be a higher proportion of socially rented dwellings.
71. Since 2011, 24% of completions have been for affordable housing
72. 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 Warkworth the private rented sector expanded by 58% in that period, a rate of growth that is lower than both the county and county more widely. However, social rent increased slightly whereas at wider geographies there was a decrease. Interestingly, dwellings in shared ownership decreased. However, since 2011, the LPA completions data show that 24% of dwellings were delivered as affordable. This is not broken down by affordable rented or for ownership but indicates there is more availability of affordable housing in Warkworth in total.

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

Tenure	Warkworth	Northumberland	England
Owned; total	76.6%	65.8%	63.3%
Shared ownership	0.8%	0.4%	0.8%
Social rented; total	11.0%	18.7%	17.7%
Private rented; total	10.2%	13.3%	16.8%

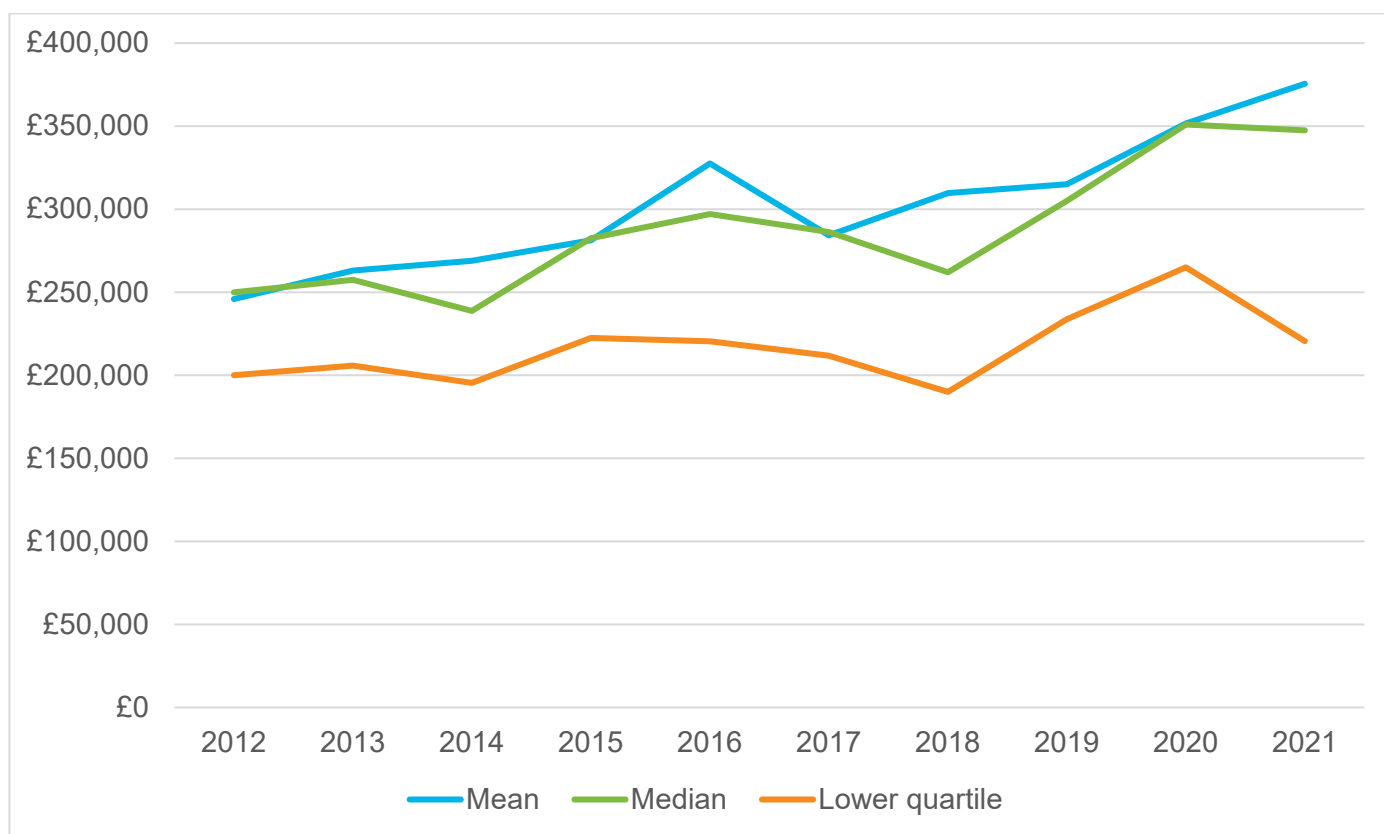
Sources: Census 2011, AECOM Calculations

Affordability

House prices

73. 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.
74. Figure 4-1 below looks at selected measures of house prices in Warkworth. It shows that house prices have been steadily increasing. Both the mean and median house prices have seen relatively high increases, at 53% and 39% respectively. However, lower quartile prices have been more stable over the past 10 years with an increase of only 10%, representing an actual increase of £20,588.
75. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median.

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



Source: Land Registry PPD

76. Table 4-2 below breaks down house prices by type, presenting the median within each type. It shows that flats have appreciated by the greatest percent, however, this may be attributed to the low number of flats in the Parish and therefore the sale rates fluctuating more dramatically. For example, only 9 flats were sold between 2011 and 2021.

77. Flats were closely followed by detached dwellings and terraced houses, prices for both having appreciated around 50%. Interestingly the price of semi-detached dwellings actually fell in the 10 year period.

Table 4-2: Median house prices by type in Warkworth, 2011-2020

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Growth
Detached	£275,000	£260,000	£250,000	£282,500	£299,650	£295,475	£351,000	£355,000	£400,000	£413,000	50.2%
Semi-detached	£240,000	£175,000	£210,000	£289,975	£202,500	£198,750	£225,000	£210,000	£145,250	£211,300	-12.0%
Terraced	£234,000	£265,000	£194,250	£305,000	£237,500	£240,000	£244,500	£300,000	£288,500	£345,000	47.4%
Flats	-	-	-	£197,475	£152,000	£142,000	£124,250	£170,000	£152,500	£265,000	74.3%
All Types	£250,000	£257,500	£238,750	£282,500	£297,050	£286,325	£262,000	£305,000	£351,000	£347,500	39.0%

Source: Land Registry PPD

Income

78. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

79. 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 before housing costs locally was £37,800 in 2018. A map of the area to which this data applies is provided in Appendix A.
80. 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 County Council'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.
81. 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

82. 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.
83. AECOM has determined thresholds for the income required in Warkworth to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix A.
84. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.
85. Table 4-3 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) 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.
86. The same information is presented as a graph in on a subsequent page, with selected measures from the table presented for clarity.

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £37,800	Affordable on LQ earnings (single earner)? £15,005	Affordable on LQ earnings (2 earners)? £30,010
Market Housing						
Median House Price	£312,750	-	£89,357	No	No	No
LA New Build Median House Price	£211,496		£60,427	No	No	No
LQ/Entry-level House Price	£198,529	-	£56,723	No	No	No
Average Market Rent	-	£7,716	£25,720	Yes	No	Yes
Entry-level Market Rent	-	£7,080	£23,600	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£218,925	-	£62,550	No	No	No
First Homes (-40%)	£187,650	-	£53,614	No	No	No
First Homes (-50%)	£156,375	-	£44,679	No	No	No
Shared Ownership (50%)	£156,375	£4,344	£59,158	No	No	No
Shared Ownership (25%)	£78,188	£6,516	£44,058	No	No	No
Shared Ownership (10%)	£31,275	£7,819	£34,998	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,007	£16,672	Yes	No	Yes
Social Rent	-	£3,962	£13,195	Yes	Yes	Yes

Source: AECOM Calculations

87. 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

88. 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 136% higher than the current average.
89. Average earners and households made up of two lower quartile earners can afford the given market rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

90. There is a relatively large group of households in Warkworth who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £25,720 per year (at which point entry-level rents become affordable) and £56,723 (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.
91. 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.
92. The same principle applies to Discount Market Value homes to allow those who are already home owners elsewhere due to not being able to afford a property in Warkworth to move back into the area.
93. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. It demonstrates that First Homes even with the greatest discount are not affordable to those on average incomes.
94. Table 4-4 below shows the discount required for First Homes to be affordable to the three income groups. Because it is not possible to estimate the cost of a typical First Home due to a lack of data on new build entry-level house prices in the NA, it is worth considering the discounts required for some additional price benchmarks. The table above uses median house prices in the NA as the best proxy 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 (which would bring the price closer to the price of median existing homes than existing entry-level homes). However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, and of entry-level existing prices locally to get a more complete picture.
95. The discount levels required for these alternative benchmarks are given below. This table demonstrates that First Homes, if benchmarked against new build houses or entry level house prices, could become accessible to those with average incomes and lower quartile dual income households with various levels of discount. This is an improved picture on the affordability of median house prices, as even with the highest discount they would not be affordable.

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

Tenure/product	Mean Income	LQ x1	Income LQ x2
NA Median house price	58%	83%	66%
LA New build median house price	37%	75%	50%
NA Entry-level house price	33%	74%	47%

Source: Land Registry PPD; ONS MSOA total household income

96. Shared ownership appears to be more affordable than First Homes, but is broadly accessible to the same groups. Government has recently announced that the minimum

equity share for shared ownership will fall to 10% of the property value.¹³ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

97. 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.
98. The income required to access Rent to Buy 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.
99. These three products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not.
 - First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
 - Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
 - Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
 - Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.
100. In conclusion, only shared ownership at 10% or rent to buy would be accessible to different segments of the local population. With shared ownership at 10% potentially allowing average earning households to get a foot on the housing ladder, while Rent to Buy is helpful to average earners and those with two lower quartile incomes.

Affordable rented housing

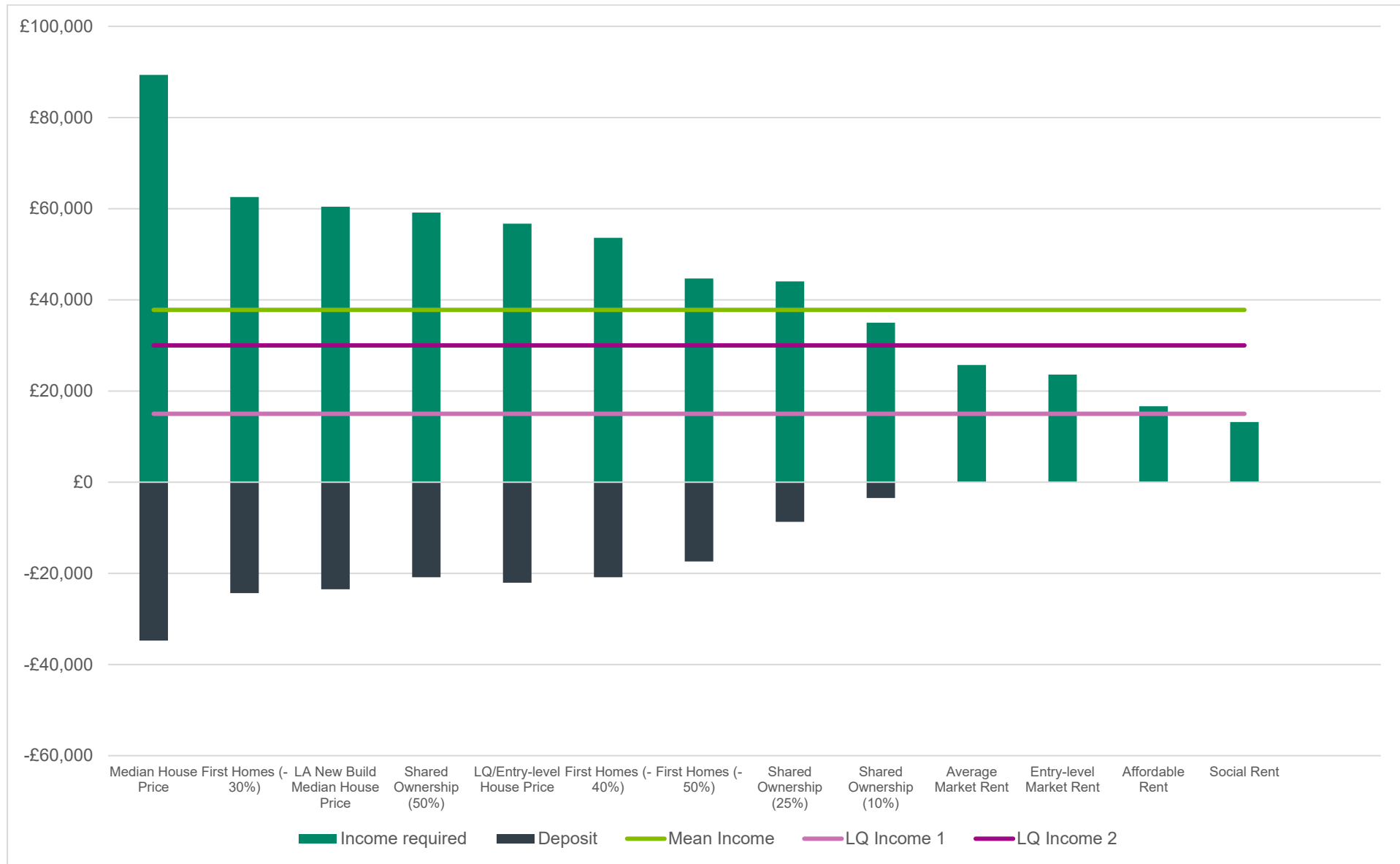
101. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). While the only tenure available to a single lower earner is socially rented

¹³ 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>.

dwellings. Many such individuals will, if unable to secure a social rented dwelling require additional subsidy through a housing benefit (Universal Credit) to access housing.

102. The evidence in this chapter suggests that the affordable rented sector performs a vital function in Warkworth 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 Warkworth, income required (additional cost of deposit in black)



Source: AECOM Calculations

Affordable housing- quantity needed

103. The starting point for understanding the need for affordable housing in Warkworth is the relevant Strategic Housing Market Assessment (SHMA). The SHMA was updated for Northumberland in 2018. This study estimates the need for affordable housing in the County based on analysis of the Council's waiting list and analysis of other data sets in line with Planning Practice Guidance at the time. The SHMA identifies the need for 151 additional affordable homes each year in Northumberland as a whole. This need is largely for social/affordable rent as it relates to households who live in unsuitable housing and who cannot afford to access market rents. A small proportion of these households may be able to afford shared ownership because in some cases it is more affordable than market rents, especially when available at a share of 25%.
104. When the SHMA figures are pro-rated to Warkworth based on its fair share of the population (0.5% of the LPA's population), this equates to 0.005 homes per annum (predominately for social/affordable rent) or 0.8 (rounded to 1) home over the Neighbourhood Plan period 2022-2036.
105. However, pro-rating County level estimates of affordable housing need to rural areas presents problems in practice. The County level figures are likely to represent higher needs in the urban areas of the County where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs. By contrast, in rural villages like Warkworth the lack of social housing means there is no need generated from households already living in the sector. Similarly, households who may need social housing often move away to areas where their needs are more likely to be met (either because there is social housing available or more private rented housing). This means it is difficult to identify need for social/affordable rented housing within Warkworth.
106. In Table 4-5 below we have calculated, using PPG as a starting point,¹⁴ an estimate of the total need for affordable rented housing in Warkworth over the Plan period. It should, however, be noted that the accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, Census 2011 data is increasingly out-of-date. However, given the test of proportionality for evidence supporting neighbourhood plans, and the need to be in conformity with Local Authority strategic policies, the calculations set out here are considered a reasonable basis for understanding and planning for neighbourhood-level affordable housing need.
107. The table shows that there are currently about 17 households in Warkworth unable to access affordable rented homes suitable to their needs. The table also suggests that, over the Plan period, 10 additional households in the Neighbourhood Plan area will fall into need. However the end result produced is a surplus of 9 dwellings over the period.

¹⁴ Paragraphs 024-026 Reference ID: 2a-026-20140306, at <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment>

108. This result may initially be surprising since there is understood to be a current backlog of need (in the region of 17 households). The reason for the apparent surplus over the long-term is that the model assumes a rate of turnover in the existing affordable housing stock of 3%. So of the 87 units of affordable rented accommodation existing currently, it can be expected that around 3 will come vacant in any given year as their current occupants move to a new location, pass away or cease to be eligible as their circumstances change. This satisfies the projected newly arising need as well as some of the backlog, which is effectively spread out over the 10-year period to produce an annualized figure.
109. An important caveat to this finding is that there are almost certainly households currently in need in the NA, and to 'spread them out' over the Plan period suggests that some of them can be accommodated in ten years' time once a sufficient surplus has been built up through new supply and turnover of the existing stock. While possible, this is not favourable to the individuals involved. In practice, it would be better to frontload any future affordable rented provision to meet those needs as soon as possible, leaving newly arising need in future to be met by turnover in the existing stock.
110. A further caveat worth emphasizing is that one unit of Affordable Housing does not necessarily service one household worth of need, since the unit might have 2 bedrooms while the applicant household might require 4 bedrooms, may be located in an inappropriate location, or be otherwise unsuitable.
111. As such, it is recommended that Warkworth considers encouraging the delivery of some affordable rented housing, particularly early in the Plan period, with the understanding that if this results in oversupply in future years, the vacancies created when existing occupants leave their properties may need to satisfy new need from elsewhere in the county.

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

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current households in need	17.4	Latest waiting list data available from DLUHC Local authority housing statistics data return (households in priority need). Pro rata for the NA.
1.2 Per annum	1.2	Step 1.1 divided by the plan period (14 years) to produce an annualised figure.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	61.0	DLUHC 2018-based household projections for the LA between start and end of plan period. % increase applied to NA.
2.2 Proportion of new households unable to rent in the market	16.9%	(Steps 1.1 + 2.2.1 + 2.2.2) divided by number of households in NA (795).
2.2.1 Current number of social renters in parish	87.3	2011 Census social rented occupancy + LA % increase.
2.2.2 Number of private renters on housing benefits	29.2	Housing benefit caseload May 2018. Pro rata for NA.
2.3 New households unable to rent	10.3	Step 2.1 x Step 2.2.
2.4 Per annum	0.74	Step 2.3 divided by plan period (14 years).
STAGE 3: TURNOVER OF AFFORDABLE HOUSING		
3.1 Supply of social/affordable re-lets (including transfers) %	3%	Assumed proportion of stock re-let each year.
3.2 Supply of social/affordable re-lets (including transfers)	2.6	Step 3.1 x NA social rented stock (2.2.1).
NET SHORTFALL (OR SURPLUS) OF RENTED UNITS		
Overall surplus over the plan period	8.9	Step 1.2 + Step 2.4 - Step 3.2

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

112. Turning now to Affordable Housing providing a route to home ownership, Table 4-6 below estimates the potential demand in Warkworth. This model aims to estimate the number of households might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

113. 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 is 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.¹⁵ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

114. The result of the calculation is 3 households per annum who may be interested in affordable home ownership (or 42 for the entirety of the Plan period).
115. Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
116. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

¹⁵ <http://www.ipsos-mori-generations.com/housing.html>

Table 4-6: Estimate of the potential demand for affordable housing for sale in Warkworth

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	92.6	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	29.2	Step 1.1 x Step 1.2.
1.4 Current need (households)	47.5	Current renters minus those on housing benefit and minus 25% assumed to rent by choice. ¹⁶
1.5 Per annum	3.4	Step 1.4 divided by plan period (14 years).
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	61	LA household projections for plan period (2018 based) pro-rated to NA.
2.2 % of households unable to buy but able to rent	7.8%	(Step 1.4 + Step 3.1) divided by number of households in NA (795).
2.3 Total newly arising need	4.7	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	0.34	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	14.3	Number of shared ownership homes in parish (Census 2011 + LA new build to 2018/19 pro-rated to NA).
3.2 Supply - intermediate resales	0.7	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL (OR SURPLUS)		
Overall shortfall over plan period	42.3	(Step 1.5 + Step 2.4) - Step 3.2.

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

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

¹⁶ 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.

118. 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.

Additional SHMA findings

119. The SHMA provides some useful information on dwellings occupied by households living in affordable housing. This has been done by applying the analysis of the profile of affordable dwelling stock to the profile of affordable need results in the following dwelling type split: 51% houses, 18.7% flats and 30.3% bungalows. This is taken as a reasonable expression of the range of dwelling types required and reflects the needs from an increasingly ageing population.

120. While just over 70% will be required as 1 or 2 bedroom dwellings, the remaining should be dwellings with 3 or more bedrooms.

Figure 4-1 SHMA Extract - Dwellings occupied by households living in affordable housing

Table 3.2 Dwellings occupied by households living in affordable housing	
Dwelling Type	% of households
House 1-2 Bed	23.2
House 3+	27.8
Flat 1-2 Bed	18.5
Flat 3+	0.2
Bungalow 1-2 Bed	29.8
Bungalow 3+ Bed	0.7
Total	100.0
Base	25,876

Source: County Housing Survey 2012

121. The Neighbourhood Plan group completed a Housing Needs Survey in 2021 and results show that the community would favour affordable homes, as well as community owned housing. Additionally, the community would be in favour of older persons homes and starter homes.

Figure 4-2 Household survey - Housing development

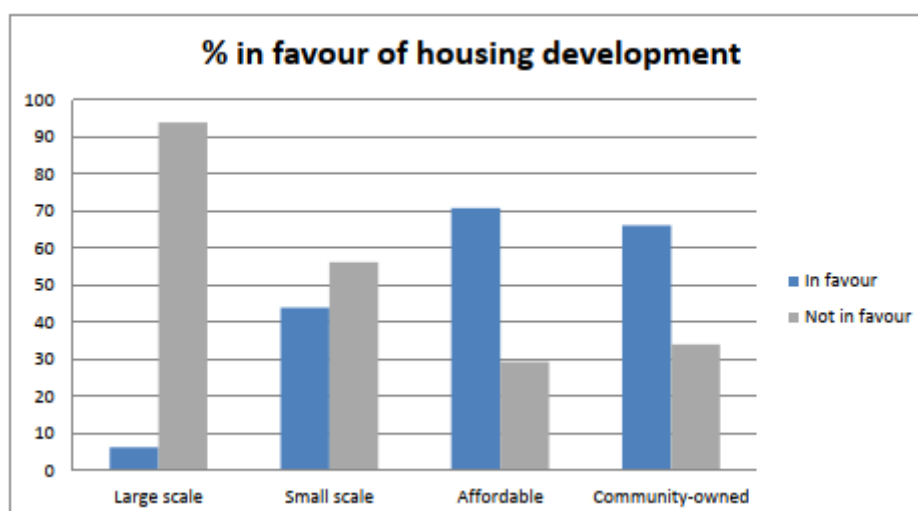
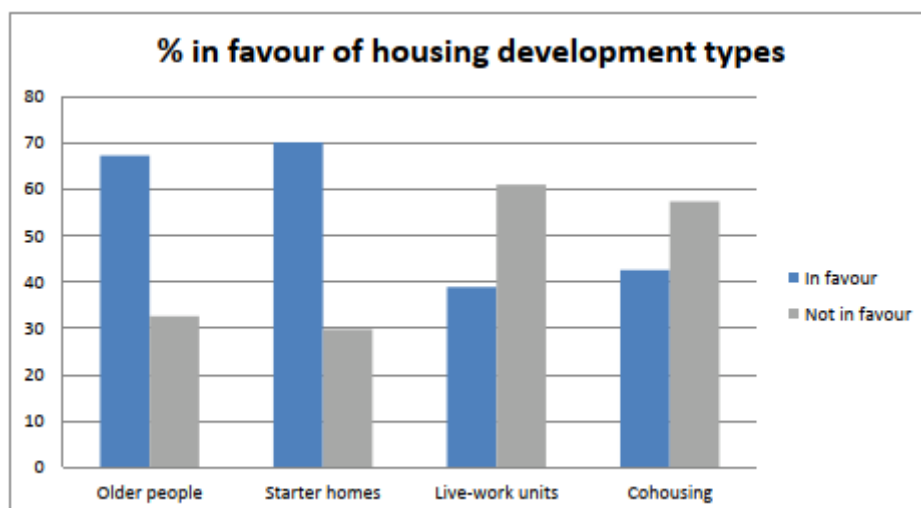


Figure 4-3 Household survey - Housing development types

Affordable Housing policy guidance

122. Northumberland County Council's policy on this subject, Policy HOU6, requires 25% of all new housing on sites of 10 or more dwellings (or 5 or more in areas of the Parish within the AONB) to be affordable. Given that Affordable Housing made up 24% of new housing in Warkworth over the last decade according to Northumberland County Council completions figures, it is understood that this target is usually only marginally met on sites in the NA. However, it must be noted that this represents 24% of all housing, not just on sites over the 10 dwelling threshold, therefore it is likely that this level of delivery is meeting or even exceeding the policy requirement.
123. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
124. How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – will be negotiated on a site by site basis, considering an up to date housing needs assessment. However, Policy HOU6 notes that generally in Warkworth developments should plan for 60% affordable homes to rent and 40% affordable home ownership. The HNA can supply more localized evidence, and this section summarises the factors that might be taken into account before proposing a suggested Affordable Housing tenure mix that might be suitable for Warkworth specifically.
125. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:
- A. **Evidence of need for Affordable Housing:** This study estimates that Warkworth requires no additional units of affordable rented housing and 42 units of affordable home ownership over the Plan period. However, both

forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.

The relationship between these figures suggests that 0% of Affordable Housing should be rented and 100% should offer a route to ownership. However, as noted above, these figures are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.

If the quantity of new housing overall were unlimited, 30% to 70% may be an appropriate affordable tenure mix. However, this is not likely and also not strictly necessary.

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

The Local Plan target of 25% should aim to be achieved on every site over 10 dwellings (or of over 5 dwellings in the parts of the Parish within the AONB) to maximise the level of affordable housing in the area which does not have a housing requirement. If the majority of Warkworth's future housing delivery is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the threshold of 10 dwellings, above which the Affordable Housing policy applies.

- C. Government policy (eg NPPF) requirements:** current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. For 10% of all housing to be affordable ownership in Northumberland County Council, where between 10-30% of all housing should be affordable, between 33% and 100% of Affordable Housing should be for affordable ownership depending on the overall proportion of housing that is affordable. This may not always comply with the guideline tenure split sought in the Local Plan.

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

- D. Local Plan policy:** As noted above, the adopted Local Plan seeks a tenure split of 60% afforded rented dwellings and 40% affordable home ownership.
- E. First Homes policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.

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

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.

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

- F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
- G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood planning group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- H. **Existing tenure mix in Warkworth:** Evidence suggests there is limited Affordable Housing for sale within the NA at present, the Census 2011 showed there were only 6 dwellings in shared ownership, yet there is a healthy proportion of socially rented dwellings. LPA completions data shows that 41 affordable dwellings have been built in Warkworth since 2011, but it is not clear how this is split between affordable ownership and rented. This suggests that some provision of Affordable Housing would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area.
- I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.
- J. **Wider policy objectives:** the neighbourhood planning group may wish to take account of broader policy objectives for Warkworth and/or the wider county. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

126. On the basis of the considerations above, Table 4-7 below proposes an indicative Affordable Housing tenure mix that might be sought through Neighbourhood Plan policy.
127. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here due to the lack of a housing requirement in the area. In this context, affordable rented tenures should be given some prioritisation. However, there is a considerable need for affordable homes for sale; therefore the suggested split is for 60% affordable for sale and 40% affordable for rent.
128. Since First Homes is generally unaffordable and not likely to be a helpful option locally, the 25% split in favour of First Homes as sought by national policy should not be exceeded. Additionally, evidence should be gathered to demonstrate that for First Homes in the area the greatest level of discount should be sought.
129. Rent to buy and shared ownership at 10% share are the only tenures affordable to local people, therefore they should make up the remaining split. A larger weighting has been given to rent to buy, this is due to the fact that shared ownership properties at 10% are yet to be shown as desirable given the extended length of time until full ownership of the property.
130. This mix should be viewed as a starting point, based primarily on secondary evidence, which should be reconsidered in light of considerations F to J above, and in particular the views and objectives of the community.
131. Where the neighbourhood planning group wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Northumberland County Council to gather more detailed income and viability information, and to ensure that departures from the local policy context have their support.
132. 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 4-7: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	60%	
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	25%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	40%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

133. The majority of homes in Warkworth are owned, at a far higher rate than both Northumberland and England. There is a relatively even split between social and privately rented homes, this is consistent with the picture nationally, whereas in Northumberland there tends to be a higher proportion of socially rented dwellings.
134. House prices in Warkworth have been steadily increasing. Over the last ten years both the mean and median house prices have seen relatively high increases, by 53% and 39% respectively. However, lower quartile prices have been more stable over the past 10 years with an increase of only 10%, representing an actual increase of £20,588.
135. 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 136% higher than the current average. Average earners and households made up of two lower quartile earners can afford the given market rental thresholds.

136. There is a relatively large group of households in Warkworth who may be able to afford to rent privately but cannot afford home ownership. This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products.
137. Only shared ownership at 10% or rent to buy would be accessible to different segments of the local population. With shared ownership at 10% potentially allowing average earning households to get a foot on the housing ladder (although unlikely to be an attractive option), while Rent to Buy is helpful to average earners and those two dual lower quartile incomes.
138. 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). While the only tenure available to a single lower earner is socially rented dwellings.
139. The most significant finding is the need for affordable home ownership in Warkworth. AECOM estimates potential demand for an additional 42 affordable home ownership dwellings. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Warkworth, the most appropriate tenures to help implement this policy goal locally are rent to buy, shared ownership (at 10% share), the new First Homes product are generally not affordable unless a significant discount (of more than 50%) is achieved.
140. The assessment calculated a surplus of affordable rented units over the Plan period; however, this is due to the level of turnover meeting the anticipated newly arising need and addressing the backlog (17 households) over time. However, it is not realistic or helpful to limit social rented dwellings when there is a current backlog and, therefore, there should be some delivery of affordable rented dwellings over the Plan period. This is especially important as households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling, require additional subsidy through Housing Benefit to access housing.
141. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying and/or supporting exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

5. RQ Two: Type and Size

RQ Two: 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

142. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Warkworth 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.
143. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix, are a starting point that may be adjusted in light of other community objectives and primary evidence.

Existing types and sizes

Background and definitions

144. 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.
145. 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.
146. 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.
147. 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.

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

Dwelling type

149. VOA data is not appropriate to use for analysis in Warkworth, this is due to the relevant LSOA covering a far larger area than just the Parish itself. It is therefore not a helpful comparison for the Parish Census data. However, the LPA completions data can be used to understand what type of housing has been developed between 2011 and 2021. 166 dwellings have been built in Warkworth since 2011; however, data on the type was not provided for 11 of those dwellings, but the below table is useful to understand the general trend.
150. It shows that there is a varied mix of dwellings in Warkworth, yet a relatively low proportion of flats which might be expected in a more rural area. Similarly, there is a higher proportion of detached dwellings, much higher than compared to wider geographies, again which may be expected given the context of the area. There is a relatively even split between semi-detached and terraced housing, following trends seen at higher level geographies.
151. The Council's monitoring data. This shows that recent building has generally followed the previous split in the area, with the predominance of detached dwellings. However, it shows proportionally less terraced housing is being built than already exists in the area.

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

Dwelling type	2011 (Census)	Completions 2011-2021 (NCC)	2021 total completions)	(Census +
Flat	63	5	68	6%
Terrace	208	3	211	20%
Semi-detached	264	48	312	29%
Detached	358	99	457	43%
Unknown/other	-	11	11	1%
Total	906	166	1,072	100%

Dwelling size

152. There is a relatively even mix of dwellings in Warkworth, yet is there is a higher proportion of larger dwellings (3 or more bedrooms) and very few small homes with 1 bedroom. The LPA completions since 2011 shows that recent building has continued to follow this pattern of delivering larger homes. Therefore, this may suggest that a Neighbourhood Plan policy to increase the number of smaller homes coming forward in the Plan area may be beneficial.

Table 5-2: Dwelling size (bedrooms), Warkworth, 2011 and 2021

Number of bedrooms	2011 (Census)	Completions 2011-2021 (NCC)	2021 total (Census + completions)	
Studio	1	0	1	0.1%
1	50	4	54	6%
2	169	29	198	22%
3	314	58	372	41%
4+	213	62	275	30%
Unknown	0	13	13	1%
Total	747	166	913	100%

Source: ONS 2011, VOA 2021, AECOM Calculations

153. Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider county and country. Again it must be noted that this data uses the LSOA which covers a larger area than Warkworth Parish, so differs slightly from the above proportions yet is useful to show here for comparison and consistency with the source of the Northumberland and England data. The data shows that Warkworth has a more significant weighting towards larger homes (3 or more bedrooms) than compared with wider geographies, while having a correspondingly lower proportion of smaller dwellings (1 and 2 bedroom).

Table 5-3: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Warkworth	Northumberland	England
1	4.8%	7.7%	12.3%
2	22.4%	30.5%	28.1%
3	44.8%	43.5%	43.4%
4+	28%	18.3%	15.5%

Source: VOA 2021, AECOM Calculations

154. Another interesting way to look at the breakdown of homes is by Council Tax Band. Properties are put into different tax bands based on size, layout, character, location, change in use and value of the property. Note that the data below refers to the LSOA which includes a larger area than Warkworth Parish.

155. As shown in Table 5-4 the largest proportion of homes are within tax band E, followed by a relatively even split of dwellings in tax band B, C, D and F. There are fewer properties in tax band A, G and H.

Table 5-4 Council Tax Bands

Tax Band	Warkworth	
All	1240	100%
A	130	10.5%
B	200	16.1%
C	180	14.5%
D	210	16.9%
E	320	25.8%
F	150	12.1%
G	50	4.0%
H	10	0.8%

Source: VOA

Age and household composition

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

Age structure

157. Table 5-5 below shows the most recent estimated age structure of the NA population, alongside 2011 Census figures. The data shows that while the population has increased, this has not been in a balanced manner. For example, there has been a significant increase in those aged 65 and over, whereas there has been a decrease in those aged 16-44.

158. 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.

159. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use in those areas, and the brief comparison here demonstrates that the change from 2011-2020 has not been so significant as to invalidate the 2011 household data used in modelling later in this chapter.

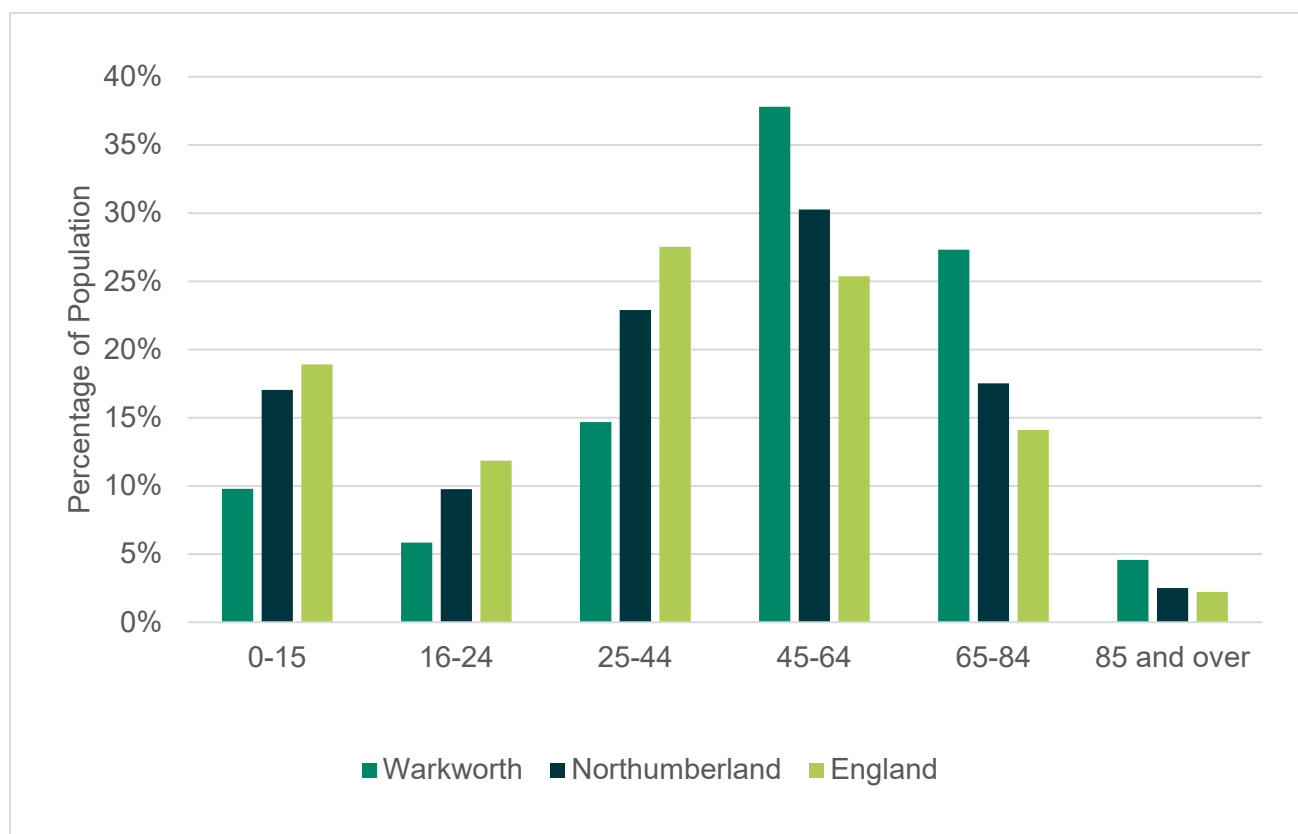
Table 5-5: Age structure of Warkworth population, 2011 and 2020

Age group	2011 (Census)		2020 (ONS, estimated)	
0-15	154	10%	154	8.6%
16-24	92	6%	86	4.8%
25-44	231	15%	218	12.2%
45-64	595	38%	599	33.5%
65-84	430	27%	652	36.4%
85 and over	72	5%	80	4.5%
Total	1,574	100%	1,789	100%

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

160. For context, it is useful to look at the parish population structure alongside that of the county and country. Figure 5-1 below (using 2011 Census data) shows that Warkworth has a significantly higher high percentage of the population who is 45 and over compared to Northumberland and England, and has a correspondingly lower percentage of younger age cohorts. This may be a reflection of the increasing affordability challenges within the area and the inability for younger people and families to buy homes in Warkworth.

Figure 5-1: Age structure in Warkworth, 2011



Source: ONS 2011, AECOM Calculations

Household composition

161. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is an important factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period. Table 5-6 shows that there is a far higher percentage of family households compared with one person households. In addition, the majority of family households are either all aged over 65 or do not have dependent children. This again suggests that younger families with younger children are less able to live in Warkworth.

162. Similarly, between 2001 and 2011 family households with dependent children decreased by 25%, again demonstrating the trend of younger families relocating and lack of these groups moving into the area.

163. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where

young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 39% between 2001 and 2011 in the parish – a far faster rate than the county average.

Table 5-6: Household composition, Warkworth, 2011

Household composition		Warkworth	Northumberland	England
One person household	Total	28.1%	29.9%	30.2%
	Aged 65 and over	15.0%	14.0%	12.4%
	Other	13.1%	15.9%	17.9%
One family only	Total	68.8%	66.3%	61.8%
	All aged 65 and over	17.5%	10.3%	8.1%
	With no children	29.6%	21.0%	17.6%
	With dependent children	13.1%	24.9%	26.5%
	All children Non-Dependent ¹⁷	8.6%	10.1%	9.6%
Other household types	Total	3.1%	3.8%	8.0%

Source: ONS 2011, AECOM Calculations

Occupancy ratings

164. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.
165. Among all households there is a general trend in underoccupancy, over half the households in the Parish have at least two surplus bedrooms. This underoccupancy is most prevalent in family households who are over 65. This might suggest that the larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or be able to move to smaller properties.
166. Families under 65 with dependent children or adult children are most likely to over occupy or have an appropriately sized house for the number of people.

¹⁷ Refers to households containing children who are older than 18 e.g students or young working people living at home.

Table 5-7: Occupancy rating by age in Warkworth, 2011

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 65+	72.5%	20.6%	6.9%	0.0%
Single person 65+	43.8%	42.0%	14.3%	0.0%
Family under 65 - no children	76.9%	17.2%	5.9%	0.0%
Family under 65 - dependent children	38.8%	39.8%	19.4%	2.0%
Family under 65 - adult children	34.4%	42.2%	21.9%	1.6%
Single person under 65	49.0%	37.8%	13.3%	0.0%
All households	58%	30%	12%	0%

Source: ONS 2011, AECOM Calculations

Dwelling mix determined by life-stage modelling

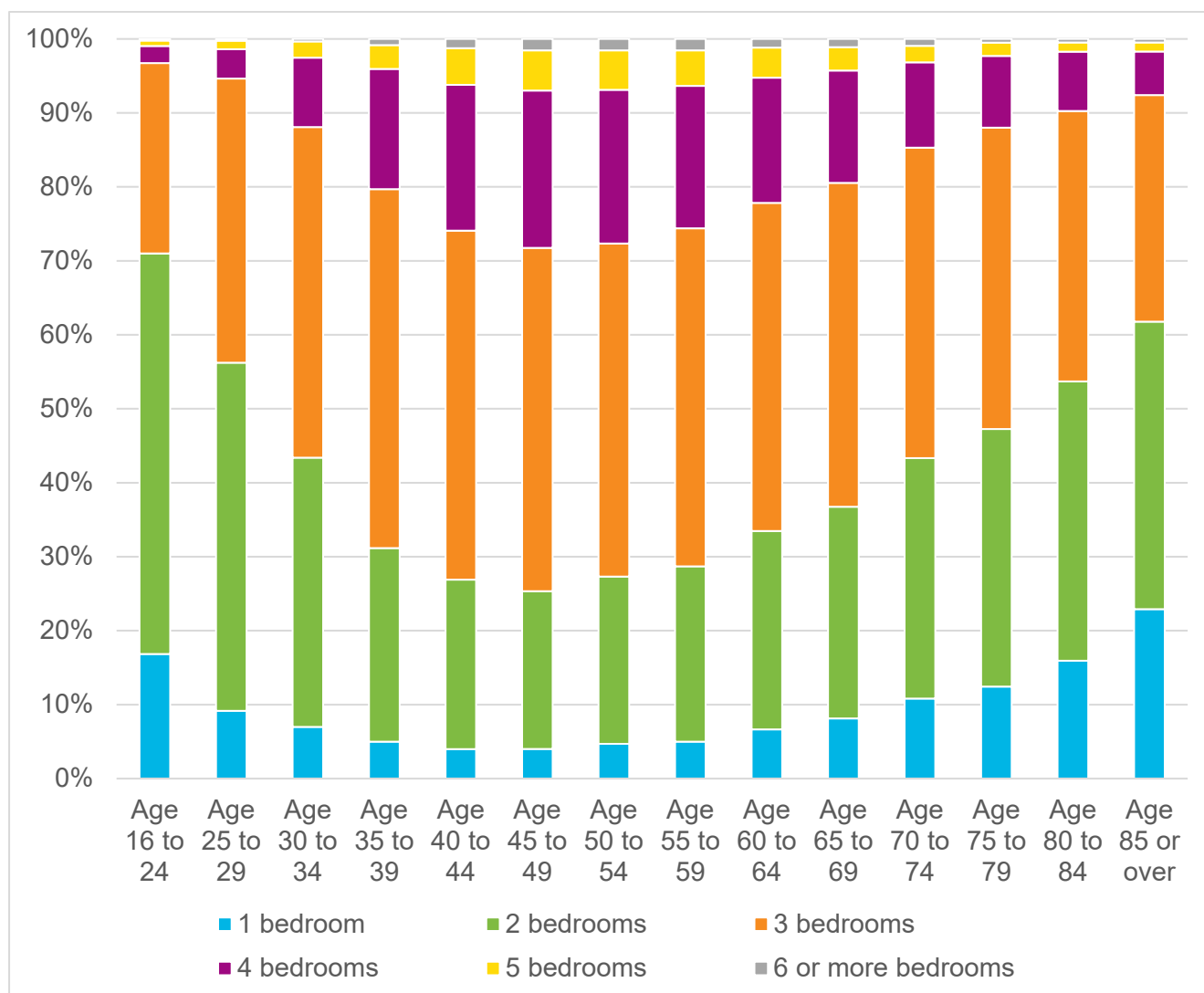
Suggested future dwelling size mix

167. 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 Warkworth households in 2011.
 - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
 - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
 - ONS household projections are produced every two years but are only available at Local Authority level. The growth rates are therefore applied to the 2011 starting household age profile of the NA.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the projected NA population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
 - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.

- The model also assumes that today's occupation patterns persist into the future, which is not a given, particularly with the change in preferences for home working space and other features arising from the Covid-19 pandemic. However, there is no better indication of what those patterns might look like. It is considered more appropriate to adjust the end mix that results from this model to reflect such trends than to build further speculative assumptions into the model.
 - Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the NA. From this we can identify how future development might best fill the gaps.
 - The 2011 dwelling size mix is used for consistency, so any imbalances in new development since then may justify adjustments to the final results.
168. It is important to keep in mind that housing need is not an exact science and this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. It also does not anticipate changes in how people may wish to occupy their homes in response to social and technological change.
169. 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.
170. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.
171. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for Northumberland County Council 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 County Council, 2011



Source: ONS 2011, AECOM Calculations

172. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Warkworth households in 2011 and the updated estimates of household numbers described in the bullets above. Table 5-8 below makes clear that population growth can be expected to be driven by the oldest households, with households where the HRP is 65 or over will expand by over 60% whereas all other age groups are set to decrease or, as for 55-65's, remain the same.

Table 5-8: Projected distribution of households by age of HRP, Warkworth

Year	Age of HRP and under 24	Age of HRP 24 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	2	24	220	192	309
2036	2	23	195	192	498
% change 2011-2036	-21%	-6%	-11%	0%	61%

Source: AECOM Calculations

173. The final result of this exercise is presented in Table 5-9 below. The model suggests that 2 bedroom homes should take precedence, followed by 3 bedroom homes then 1 bedroom homes. It suggests that there is already enough 4 and 5 or more bedroom homes and therefore few more of these larger homes need to be delivered. This is likely to be further exacerbated by the recent development in the Parish, based on LPA completions data, comprising generally larger homes.

Table 5-9: Suggested dwelling size mix to 2036, Warkworth

Number of bedrooms	Current mix (2011)	Target mix (2036)	Balance of new housing to reach target mix
1 bedroom	6.7%	9.4%	17.1%
2 bedrooms	22.6%	29.8%	48.7%
3 bedrooms	42.0%	42.4%	34.2%
4 bedrooms	20.3%	14.2%	0.0%
5 or more bedrooms	8.2%	4.2%	0.0%

Source: AECOM Calculations

174. 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.

175. For example, the young starter families and downsizing older households mentioned above may both need 'mid-sized' homes, but are likely to have extremely different requirements and degrees of purchasing power. There is limited scope for Neighbourhood Planning policy to influence the more detailed characteristics of new housing, but additional guidance and prioritisation could be informed by further primary research.

176. The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.

177. To best meet the needs of the large cohort of older households expected to be present by the end of the Plan period, it should be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. Variety should be sought within the small to 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.

178. That said, it may not be realistic to expect growing families to be able to afford the larger detached homes that are currently under-occupied in the Parish. Reducing the issue of dwelling size to a number of bedrooms is potentially unhelpful in this case. There may be a strong justification to continue supplying larger homes despite their abundance because a different kind of larger home is needed to accommodate growing families with less buying power. This is too speculative to quantify in a percentage size mix, but is among the good reasons not to inhibit any size of dwelling entirely.
179. More generally, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way. Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices. As such, it is recommended that priority is given to smaller and mid-sized homes but that this is done to a degree that aligns with the wider objectives of the community and does not limit choice or threaten viability. The evidence in this section represents a starting point for further thought and consultation.

The SHMA findings

180. Figure 5-3 applies the national data on dwelling occupancy to the demographic trends in Northumberland. The two right hand columns indicate the likely change in demand for dwelling types and sizes and how this translates to an overall percentage change in dwelling requirement. Analysis indicates that the majority of need will be for 2 bedroom (39.7%) and 3 bedroom (36.6%) followed by 1 bedroom (20.1%) and a small need for 4 or more bedroom dwellings (3.5%). This aligns with the findings in this assessment for Warkworth.
181. Regarding dwelling type, analysis suggests a broad split of 38.2% houses, 38.1% bungalows (or level-access accommodation), 22.4% flats and 1.3% other (for instance self/custom build and specialist accommodation)

Figure 5-3 Extract from SHMA - Impact of change in households by age group on dwellings occupied

Table 4.4 Impact of change in households by age group on dwellings occupied								
Dwelling type/size	Age group of Household Reference Person						Total	% change
	15-24	25-34	35-44	45-59	60-84	85+		
1 Bed House	2	-36	1	-90	103	40	21	0.2
2 Bed House	58	-581	14	-1,200	1,366	1,169	826	7.9
3 Bed House	42	-872	33	-2,870	3,792	2,673	2,798	26.6
4 or more Bed House	29	-214	20	-1,778	1,681	636	373	3.5
1 Bed Flat	49	-213	5	-497	730	1,125	1,201	11.4
2 Bed Flat	40	-245	5	-423	676	1,029	1,081	10.3
3+ Bed Flat	2	-23	1	-47	53	89	75	0.7
1-2 Bed Bungalow	1	-32	1	-241	1,189	2,133	3,052	29.0
3+ Bed Bungalow	0	-11	1	-164	592	534	953	9.1
1 Bed Other	0	-10	0	-5	9	40	34	0.3
2 Bed Other	2	0	0	-14	37	52	76	0.7
3+ Bed Other	0	-5	0	-5	27	12	28	0.3
Total	225	-2,243	81	-7,332	10,256	9,532	10,518	100.0
Dwelling size	Age group of Household Reference Person						Total	% change
	15-24	25-34	35-44	45-59	60-84	85+		
1	51	-268	6	-659	1,175	1,802	2,111	20.1
2	101	-849	20	-1,811	2,935	3,786	4,180	39.7
3	44	-911	35	-3,086	4,464	3,308	3,854	36.6
4 or more	29	-214	20	-1,778	1,681	636	373	3.5
Total	225	-2,242	81	-7,334	10,255	9,532	10,518	100.0

Note totals by age group may vary slightly due to rounding errors

Source: DCLG 2014-based household projections and arc4 survey data

182. Additionally, the Neighbourhood Plan Housing Needs Survey broadly supports this, findings show that the largest demand was for three 3 bedroom houses, followed by 2 bedroom bungalows. There was also expressed demand for 3 bedroom bungalows.

Conclusions- Type and Size

183. 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 NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors which may justify a particular dwelling mix.

184. There is a varied mix of dwellings in Warkworth, yet a relatively low proportion of flats, which might be expected in a more rural area. Similarly, there is a higher proportion of detached dwellings compared to wider geographies, again which may be expected given the context of the area. There is a relatively even split between semi-detached and terraced housing, following trends seen at higher level geographies.

185. There is a relatively even mix of dwellings in Warkworth, yet there is a higher proportion of larger dwellings (3 or more bed rooms) and very few small homes with 1 bedroom. The LPA completions since 2011 show that recent building has continued to follow this pattern of delivering larger homes.
186. Warkworth has a significantly higher percentage of the population aged 45 and over compared to Northumberland and England, and has a correspondingly lower percentage of younger age cohorts. This may be a reflection of the increasing affordability challenges within the area and the inability of younger people and families to buy homes in Warkworth, as well as the attractiveness to older generations who know the area.
187. Among all households in Warkworth there is a general trend in underoccupancy, over half the dwellings in the Parish have at least two surplus bedrooms. This underoccupancy is most prevalent in family households who are over 65. This might suggest that the larger housing isn't being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.
188. The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, demonstrates that in Warkworth an appropriate response would be to prioritise the supply of smaller to mid-sized dwellings with 1, 2 or 3 bedrooms, with a far smaller number of larger homes with 4 or more bedrooms likely to be required.
189. This model, however, operates on the assumption that households can and will wish to occupy only housing specifically suitable for their household size, which is not a realistic prospect given that people are willing to pay for extra bedrooms for a range of reasons. It is not surprising, then, that demand for all dwelling sizes will remain. Therefore, the weighing suggested provides a helpful guideline of what should be delivered in the Parish but it should be interpreted with a degree of flexibility.
190. In the Tenure and Affordability chapter analysis, it was found that market housing for sale (as opposed to market housing for rent and all types of Affordable Housing) is increasingly unaffordable and that those on the median incomes are unable to afford to live outside of the rented sector. While Affordable Housing should be well balanced in terms of size to cater for all circumstances, the provision of smaller and mid-sized homes for sale and rent should make an important contribution to improving affordability more widely. This is supported by the evidence in the SHMA and Neighbourhood Plan Housing Needs Survey, which shows that 2 and 3 bedroom properties should take precedence.
191. If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Warkworth, increasing the provision of small to mid-sized homes will be crucial.

6. RQ Three: Specialist housing for older people

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

Introduction

192. This chapter considers in detail the specialist housing needs of older and disabled people in Warkworth. 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.

193. 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.

194. 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.

195. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,¹⁸ which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

196. 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

¹⁸ Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

as opposed to the projected new households which form the baseline for estimating housing need overall.¹⁹

197. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).²⁰ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

Current supply of specialist housing for older people

198. 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>.

199. Table 6-1 below counts a total of 71 units of specialist accommodation in the NA at present, the majority of which are available for social rent for those in financial need, with one option available for private renting.

200. ONS 2020 population estimates suggest that there are currently around 301 individuals aged 75 or over in Warkworth. This suggests that current provision is in the region of 235 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

Table 6-1: Existing specialist housing for the elderly in Warkworth

	Name	Description	Bed spaces	Tenure	Type
1	Abbeyfield House	Retirement Housing	9 x studios	Social rented	Studio flats
2	Ember Gardens	Retirement Housing	9 x 1 and 2 bedrooms	Social rented	Bungalows
3	New Barns Court	Retirement Housing	20 x 1 bedrooms	Social rented	Flats
4	The Guildens	Age Exclusive Housing	10 X 2 bedrooms	Shared ownership	Bungalows
5	The Grange Care Home with Nursing	Care home with nursing	23 bed spaces	Private rented	Home

Source: <http://www.housingcare.org>

¹⁹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Tenure-led projections

201. 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.
202. 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 2036. 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.
203. According to Table 6-2 below, the majority of older households own their home, with over half of those owning it outright. Around 25% of households rent their home, with the largest proportion renting socially as opposed to privately renting.

Table 6-2: Tenure of households aged 55-75 in Northumberland County Council, 2011

All owned	Owned outright	Owned with mortgage or loan 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

204. The next step is to project how the overall number of older people in Warkworth is likely to change in future, by extrapolating from the ONS Sub-National Population Projections for Northumberland County Council at the end of the Plan period. The figure must be extrapolated from the Local Authority level data because such projections are not available at neighbourhood level. The results are set out in Table 6-3 below. The data show that by 2036 those aged 75 and over will have increased by 224 people, almost doubling from 2011, with an increase of 12.4% in the proportion of those in that age group. Whereas in Northumberland more widely this group is set to increase by only 7.5% and already accounts for a much smaller percentage of the population.

Table 6-3: Modelled projection of elderly population in Warkworth by end of Plan period

Age group	2011		2036	
	Warkworth (Census)	Northumberland (Census)	Warkworth (AECOM Calculations)	Northumberland (ONS SNPP 2018)
All ages	1,574	316,028	1,674	336,147
75+	237	28,938	461	56,286
%	15.1%	9.2%	27.5%	16.7%

Source: ONS SNPP 2020, AECOM Calculations

205. A key assumption for the next stages of the calculation is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).
206. The people whose needs are the focus of the subsequent analysis are therefore the additional 224 individuals expected to join the 75+ age group by the end of the Plan period. This figure should also be converted into households with reference to the average number of people per household with a life stage of 75+ in Northumberland County Council 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 1.38, and the projected growth of 224 people in Warkworth can be estimated to be formed into around 162 households.
207. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 6-4 below. This provides a breakdown of which tenures those households are likely to need.

Table 6-4: Projected tenure of households aged 75+ in Warkworth to the end of the Plan period

Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
122	86	35	40	26	12	2

Source: Census 2011, ONS SNPP 2020, AECOM Calculations

208. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find

that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 below presents this data for Warkworth from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-5: Tenure and mobility limitations of those aged 65+ in Warkworth, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot	Day-to-day activities limited little	Day-to-day activities not limited			
All categories: Tenure	478	87	18.2%	123	25.7%	268	56.1%
Owned or shared ownership: Total	389	61	15.7%	99	25.4%	229	58.9%
Owned: Owned outright	333	50	15.0%	85	25.5%	198	59.5%
Owned: Owned with a mortgage or loan or shared ownership	56	11	19.6%	14	25.0%	31	55.4%
Rented or living rent free: Total	89	26	29.2%	24	27.0%	39	43.8%
Rented: Social rented	66	23	34.8%	19	28.8%	24	36.4%
Rented: Private rented or living rent free	23	3	13.0%	5	21.7%	15	65.2%

Source: DC3408EW Health status

209. 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 Plan period is 73.
210. These findings are set out in the table below, 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 6-7: AECOM estimate of specialist housing need in Warkworth 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	31
	12	19	
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	42
	11	31	
Total	23	50	73

Source: Census 2011, AECOM Calculations

Housing LIN-recommended provision

211. It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-8 below 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 Plan period, and how these should be split into the different tenures.
212. 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 6-8: 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

213. As Table 6-3 shows, Warkworth is forecast to see an increase of 224 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

Conventional sheltered housing to rent	$60 \times 0.22 = 13$
Leasehold sheltered housing	$120 \times 0.22 = 27$
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)	$20 \times 0.22 = 4.48$
Extra care housing for rent	$15 \times 0.22 = 3.36$
Extra care housing for sale	$30 \times 0.22 = 6.72$
Housing based provision for dementia	$6 \times 0.22 = 1.34$

214. This produces an overall total of 41 specialist dwellings which might be required by the end of the plan period.

215. Table 6-9 below sets out the HLIN recommendations in the same format as Table 6-7 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-9: HLIN estimate of specialist housing need in Warkworth 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	16
	6.94	8.96	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	40
	13	27	
Total	20	36	56

Source: Housing LIN, AECOM calculations

SHMA findings

216. The 2012 household survey identified 7,114 moving households with a HRP aged 65 and over. The range of dwellings moved into by older person households in Northumberland is summarised in Figure 6-1. Overall, 41.2% moved into affordable housing, 37.2% into owner occupation and 21.7% into private renting.

Figure 6-1 SHMA Extract - Type of housing moved to

Dwelling type	Tenure (Table %)			Total
	Owner occupied	Private rented	Social/Affordable rented and intermediate	
House 1-2 Beds	4.9	6.1	1.4	12.4
House 3 Beds	8.0	4.9	0.0	12.9
House 4+ Beds	6.6	0.7	0.1	7.5
Bungalow 1-2 Beds	6.8	4.9	25.1	36.7
Bungalow 3 Beds	5.0	1.6	0.0	6.6
Bungalow 4+ Beds	1.4	0.0	0.0	1.4
Flat 1 Bed	0.8	1.5	11.4	13.7
Flat 2+ Beds	3.3	2.0	3.2	8.5
Other 1-2 Bed	0.3	0.0	0.0	0.3
Other 3+ Beds	0.0	0.0	0.0	0.0
Total	37.2	21.7	41.2	100.0
Base				7,085

Source: County Housing Survey 2012

217. Further analysis in the SHMA shows that social/affordable rented stock was considerably more likely to provide accommodation for people with disability/health needs and indicates a particular gap for this type of accommodation in the private sector.

218. It also notes that those moving into owner occupation were particularly likely to cite quality of neighbourhood as a reason for moving. Financial reasons were mentioned by a third of households moving into private renting (compared with 21.7% moving into affordable housing).
219. Proportions moving for family reasons were highest in owner occupied and private rented tenures, and almost two-thirds of those moving into owner occupation mentioned retirement as a reason for moving.
220. The 2012 household survey identified 2,902 older person households who intended moving in the next 5 years, as well as a further 1,262 who wanted to move but could not.
221. The data on the dwelling type and size preferences of households planning to move shows that 56.5% wanted to move to a bungalow (45.7% wanted to move to a 1 or 2-bedroom bungalow and 10.9% to a 3-bedroom bungalow); and 13.3% wanted to move to 1 or 2-bedroom supported/sheltered accommodation. 26.4% wanted to move to a house and 2% to a flat. A small proportion (0.8%) wanted to move to housing (2 bedrooms) adapted for disability needs.
222. In terms of tenure, 49.3% wanted to move to owner occupation, 45.9% into affordable housing and 4.9% into the private rented sector.
223. The Neighbourhood Plan Housing Needs Survey also backs up these findings, noting that when respondents explained their reasons for needing to move 58% said it was due to wishing to downsize or move to a more manageable accommodation.

Conclusions- Specialist Housing for the Older People

224. Warkworth currently has a total of 71 units of specialist accommodation, the majority of which are available for social rent for those in financial need, with one option available for private renting. However, Warkworth is forecast to have significant growth in the population aged 75 and over, with 224 additional individuals over the plan period, meaning a total population aged 75+ of 461. At present there are 235 units per 1,000 population aged 75+ but without any additional provision, this would fall significantly to 154 units per 1,000 population.
225. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.
226. These two methods of estimating the future need in Warkworth produce a range of 56 to 73 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

227. There is no specialist housing allocation for the Parish in the Local Plan; therefore, it will more than likely up to either the Neighbourhood Plan or market conditions to meet this identified need.
228. Neighbourhood Plans cannot set the proportion that should be affordable, as it usually has to be in line with Local Plan policy for all housing. Given the current tenure of older persons housing, primarily socially rented, any additional provision the Neighbourhood Plan might want to encourage is market sheltered housing for example. This might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs. The data suggests that market housing is in most need, suggesting a split of 66% market and 34% affordable.
229. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the Local Plan, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).
230. Local Plan policy HOU11 provides explicit encouragement for development to accommodate specific groups such as older people. It sets specific targets of 20% on market dwellings and 50% on affordable dwellings to meet or exceed national standards for accessibility and adaptability Category M4(2). However, it does not set standards for wheelchair users (Category M4(3)). The evidence gathered here would appear to support this target and potentially build upon it in the Neighbourhood Plan, if this avenue has the support of the LPA.
231. It is relatively common for Local and Neighbourhood Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide, and the localised evidence gathered here would further justify this. The proportion of new housing that might accommodate those using wheelchairs might be set with reference to the proportion of affordable housing applicants falling into this category and/or evidence from a household survey.
232. 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.
233. 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 neighbourhood plan areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

234. It is considered that Warkworth'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 the specialist accommodation need arising from Warkworth entirely within the Neighbourhood Plan area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Warkworth, Amble is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Plan area (i.e. to be the hub in the hub-and-spoke model)²¹. If this were to take place, then the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Plan area itself would not overlap.
235. 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.

²¹ The Parish Council have confirmed that there is a new proposal for older persons housing in Amber, but this is still in very early stages.

7. RQ Four: Second Homes

Introduction

236. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints on the availability of housing overall.
237. The existence of second or holiday homes 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.
238. Warkworth clearly exhibits these wider challenges, with fairly extreme affordability issues as demonstrated in the preceding chapters, a limited number of suitable sites and upcoming development, high land values, and an attractive second home / tourism offering – with all of the infrastructure and other impacts the latter entails.
239. The Northumberland Local Plan and the Second Homes and Holiday Homes Technical Paper²² identifies this as an issue facing the county as a whole, and primarily the areas along the coastline, due to the level of second home/holiday homes. It also states that in some areas of the county household spaces with no usual residents can make more than 40% of the total housing stock.
240. This section of the HNA gathers the limited available data on the rate of second home ownership in Warkworth that may be used to support policy decisions in this area.

Second and Holiday Homes Data

241. In the 2011 Census Warkworth contained 747 households and 906 dwellings, implying that there were 159 dwellings (or 'household spaces') with no usual residents. This shows that 17.5% of dwellings therefore had no usual residents.
242. The table below compares this with the rate across Northumberland as a whole and England, showing that Warkworth has a far higher rate of unoccupied dwellings than the county and country more widely.

	Warkworth	Northumberland	England
Total dwellings	906	148,008	22,976,066
Household spaces with no usual residents	159	9,509	980,729
Rate of unoccupied dwellings	17.5%	6.4%	4.3%

Source: ONS

²² Available at : Percentage of Council Tax registered dwellings identified as second homes

243. Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:

- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the thresholds 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;
 - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
 - Holiday homes 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. This indicator is 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. As noted in the Context chapter the Neighbourhood Area falls within a wider LSOA area.

244. There were 130 premises with an 'other' business use in 2021.

245. The 'other' sector covers a variety of business uses and its makeup will vary according to the nature of the location. In coastal Northumberland, it is likely that the dominant use in this category is tourism and hospitality.

246. Across Northumberland in 2021, there were 6,210 rateable premises in the 'other' sector, of which 2,610 were category 131 holiday homes (self-catering). That is 42% of 'other' premises.

247. It might therefore be estimated that 42% of the 130 'other' units in the neighbourhood area are holiday homes, equating to 55 homes.

248. Note also that the 130 figure for Warkworth represents significant growth on the figure of 90 in 2011.

Figure 7-1 ONS definitions of business use categories**Table 1: Sector and sub-sector 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.

249. The second and holiday home market is likely to have changed significantly between 2011 and today.
250. On the approximate and limited basis that the number of holiday homes liable for business rates in the Warkworth LSOA has grown by 44.4% since 2011 (from 90 to 130) we can estimate the current number of second and holiday homes.
251. 159 households in 2011 with no usual residents uplifted by 44.4% (rate of growth in business rates holiday homes 2011-2021 in the LSOA) = 230 (rounded).
252. The current estimate of number of properties in Warkworth (based on 2011 Census and LPA completions data) is 1,072. On this basis 230 dwellings with no usual residents represents 21.4% of all homes in Warkworth.
253. This estimate requires a caveat. The rate of change in the number of holiday home properties liable for business rates likely expresses the degree of growth in the number of holiday homes overall to some extent, but it might equally express a change in the intensity with which the current holiday homes are let throughout the year (for instance as a result of the introduction of sites like Airbnb). It is highly limited on that front, but is entirely silent on any trends in the number of second homes that are not let out or not enough to meet the business rates threshold.

Policy Considerations

254. It is worth further emphasising that any principal residence policy explored in the Neighbourhood Plan should be justified with reference to the evidence supplied in the Northumberland Local Plan and the Affordability chapter of this HNA in addition to the limited information reviewed directly above.
255. The affordability evidence establishes a clear context of poor and worsening affordability in Warkworth that prevents local people from moving to homes

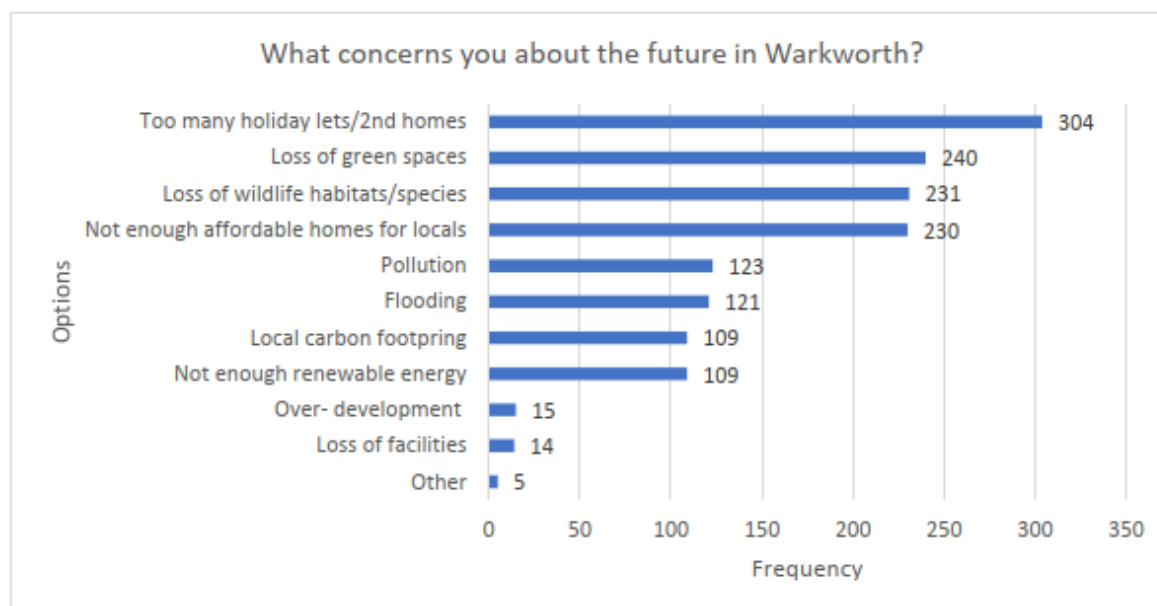
better suited to their needs within the neighbourhood, blocks younger households without significant financial help from accessing suitable housing, and constrains the labour pool for employment on which the community depends.

256. It is not possible to establish a clear causal link between second home ownership and the affordability issues demonstrated elsewhere without up-to-date information on the recent growth of second home ownership. However, the circumstantial evidence may be sufficient to justify a preventative policy response that takes newer data into account.
257. The Northumberland Local Plan has identified second homes/holiday homes as a key issue impacting the county and in response includes Policy HOU10, which notes that any parish with a rate of 20% or more household spaces with no usual residents will be protected with a 'principal residence' criteria.
258. The rate in Warkworth was 17.5% in 2011 and 21.4% when considering the uplift since then; therefore, when considering the uplift it falls just above that 20% threshold.
259. However, even the figure without the uplift it is still a very high rate, much higher than the wider county as a whole, it may be possible for the neighbourhood plan to also include a policy of this nature.
260. One option to make any potential policy as evidence-led as possible might be to make it conditional on the forthcoming 2021 Census data. Census data is currently the most accurate indicator of second home ownership, and extremely up-to-date Census information is forthcoming.
261. It is possible to apply principal residence restrictions to development in the parish if, in the 2021 or 'latest' Census, a certain proportion of housing that is not usually occupied is exceeded, or if a certain rate of increase is observed on the 2011 figures. What those thresholds might be should be determined with reference to the evidence underpinning adopted policies in nearby or similar neighbourhood plans.
262. It might also be helpful to create further flexibility by referring to other up-to-date information in addition to the latest Census in case council tax reporting data starts providing second homes information or any other useful source appears in the meantime.

Additional Information

263. The neighbourhood planning group carried out a Resident Questionnaire in November 2021, they asked residents what their concerns were for the Parish in the future. The most frequent answer to this question was the concern over second homes and holiday lets, as demonstrated in Figure 7-2.
264. This demonstrates this is a key issue identified by the community, providing additional evidence for this to be addressed as policy in the Neighbourhood Plan.

Figure 7-2 Warkworth Neighbourhood Plan Resident Questionnaire Extract



Conclusions – Second Homes

265. This section of the HNA considers the current extent of second home ownership in Warkworth and related trends. It finds that:

- There is a fairly substantial quantity of second and holiday homes in the neighbourhood plan area, the 2011 census counted 159.
- Uplifting this figure with reference to the rate of growth in commercial holiday lets in Warkworth from 2011-2021 suggests a current total of around 230 units. This is approximately 21.4% of all properties.
- The likely growth in this indicator dovetails with a context of dramatically worsening affordability in Warkworth that is evidenced in greater detail in the preceding chapters.
- The concern about the number of second homes has been highlighted by the Local Authority in their Local Plan as well as by the community in the Resident Questionnaire.
- A review of the available data sources on this subject strongly suggests that the Census is the most accurate and comprehensive source for this indicator. An up-to-date snapshot is imminent, with the results of the 2021 Census to be published in the coming months.
- There may be scope to reflect the results of the upcoming Census in any potential policy in this subject by making its provisions conditional on an established threshold of second home ownership or rate of increase.

266. It is clear the impact of second homes is a local concern and the limited data suggests the proportion of second homes is increasing. Therefore, Neighbourhood Plan policy has an opportunity to address this; however, this should be done in close consultation with Northumberland County Council.

267. Neighbourhood Plans should not repeat Local plan policy. Northumberland Local Plan Policy HOU10 would require a 'principal residents' criteria on development coming forward in any Parish with over 20% of dwellings with no usual residents. Given Warkworth was close to this in 2011 and considering the uplift figures here takes it over that threshold, this may indicate that the Local Plan policy would be sufficient to address this policy topic. However, it is advised that this is discussed with Northumberland County Council to understand their approach²³.

²³ Northumberland County Council have confirmed they will be analysing the 2021 Census data in due course in relation to second homes and holiday lets which will inform the updated listing of parishes with >20% second/holiday homes to which the principle residency requirements of Local Plan Policy HOU10 will apply.

8. Overview

268. Table 8-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 8-1: Summary of study findings specific to Warkworth with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	<p>The majority of homes in Warkworth are owned, at a far higher rate than both Northumberland and England. There is a relatively even split between social and privately rented homes, this is consistent with the picture nationally, whereas in Northumberland there tends to be a higher proportion of socially rented dwellings.</p> <p>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.</p> <p>There is a relatively large group of households in Warkworth who may be able to afford to rent privately but cannot afford home ownership. This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products.</p>	<p>The most significant finding is the need for affordable home ownership in Warkworth. AECOM estimates potential demand for an additional 42 affordable home ownership dwellings over the plan period. Government policy aimed at tackling the housing crisis continues to attach high priority to helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership. In the case of Warkworth, the most appropriate tenures to help implement this policy goal locally are rent to buy, shared ownership (at 10% share). The new First Homes product are generally not affordable unless a significant discount (of more than 50%) is achieved, which is unlikely to be achieved.</p> <p>Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying and/or supporting exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.</p>
Housing type and size	<p>There is a relatively even mix of dwellings in Warkworth, yet there is a higher proportion of larger dwellings (3 or more bed rooms) and very few small homes with 1 bedroom. The LPA completions since 2011 show that recent building has continued to follow this pattern of delivering larger homes.</p> <p>Warkworth has a significantly higher percentage of the population aged 45 and over compared to Northumberland and England, and has a correspondingly lower percentage of younger age cohorts. This may be a reflection of the increasing affordability challenges within the area and the inability of younger people and families to buy homes in Warkworth.</p>	<p>The results of a life-stage modelling exercise, which looks at the sizes of dwelling occupied by different age groups and projects the growth and decline of those age groups over the Plan period in order to understand what should be built, demonstrates that in Warkworth an appropriate response would be to prioritise the supply of smaller to mid-sized dwellings with 1, 2 or 3 bedrooms, with a far smaller number of larger homes with 4 or more bedrooms likely to be required.</p> <p>If older households wishing to 'rightsize' and younger ones seeking to form their own independent households are to be able to afford to live in Warkworth, increasing the provision of small to mid-sized homes will be crucial.</p>

Issue	Summary of evidence and data assessed	Conclusions and recommendations
Specialist housing for older people	<p>Warkworth currently has a total of 71 units of specialist accommodation, the majority of which are available for social rent for those in financial need, with one option available for private renting. However, Warkworth is forecast to have significant growth in the population aged 75 and over, with 224 additional individuals over the plan period, meaning a total population aged 75+ of 461. At present there are 235 units per population aged 75+ but without any additional provision, this would fall significantly to 154 units per 1,000 population.</p> <p>The two methods of estimating the future need in Warkworth produce a range of 56 to 73 specialist accommodation units that might be required during the Plan period.</p> <p>There is no specialist housing allocation for the Parish in the Local Plan; therefore, it will more than likely be up to either the Neighbourhood Plan or market conditions to meet this identified need.</p>	<p>Neighbourhood Plans cannot set the proportion that should be affordable, as it usually has to be in line with Local Plan policy for all housing. Given the current tenure of older persons housing, primarily socially rented, any additional provision the Neighbourhood Plan might want to encourage is market sheltered housing for example. This might be satisfied by making sure all new housing is accessible and adaptable for people with lower support needs. The data suggests that market housing is in most need, suggesting a split of 66% market and 34% affordable.</p> <p>Local Plan policy HOU11 provides explicit encouragement for development to accommodate specific groups such as older people. It sets specific targets of 20% on market dwellings and 50% on affordable dwellings to meet or exceed national standards for accessibility and adaptability Category M4(2). However, it does not set standards for wheelchair users (Category M4(3)). The evidence gathered here would appear to support this target and potentially build upon it in the Neighbourhood Plan, if this avenue has the support of the LPA.</p> <p>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.</p>
Second homes	<p>There is a fairly substantial quantity of second and holiday homes in the neighbourhood plan area, the 2011 census counted 159.</p> <p>Uplifting this figure with reference to the rate of growth in commercial holiday lets in Warkworth from 2011-2021 suggests a current total of around 230 units. This is approximately 21.4% of all properties.</p> <p>The likely growth in this indicator dovetails with a context of dramatically worsening affordability in Warkworth that is evidenced in greater detail in the preceding chapters.</p> <p>The concern about the number of second homes has been highlighted by the Local Authority in their Local Plan as well as by the community in the Resident Questionnaire.</p>	<p>It is clear the impact of second homes are a local concern and the limited data suggests the proportion of second homes is increasing. Therefore, Neighbourhood Plan policy has an opportunity to address this; however, this should be done in close consultation with Northumberland County Council.</p> <p>Neighbourhood Plans should not repeat Local plan policy. Northumberland Local Plan Policy HOU10 would require a 'principal residents' criteria on development coming forward in any Parish with over 20% of dwellings with no usual residents. Given Warkworth was close to this in 2011 and considering the uplift figures here takes it over that threshold, this may indicate that the Local Plan policy would be sufficient to address this policy topic. However, it is advised that this is discussed with Northumberland County Council to understand their approach.</p>

Recommendations for next steps

269. This Neighbourhood Plan housing needs assessment aims to provide Warkworth 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.

270. 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.

271. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should carefully monitor 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.

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

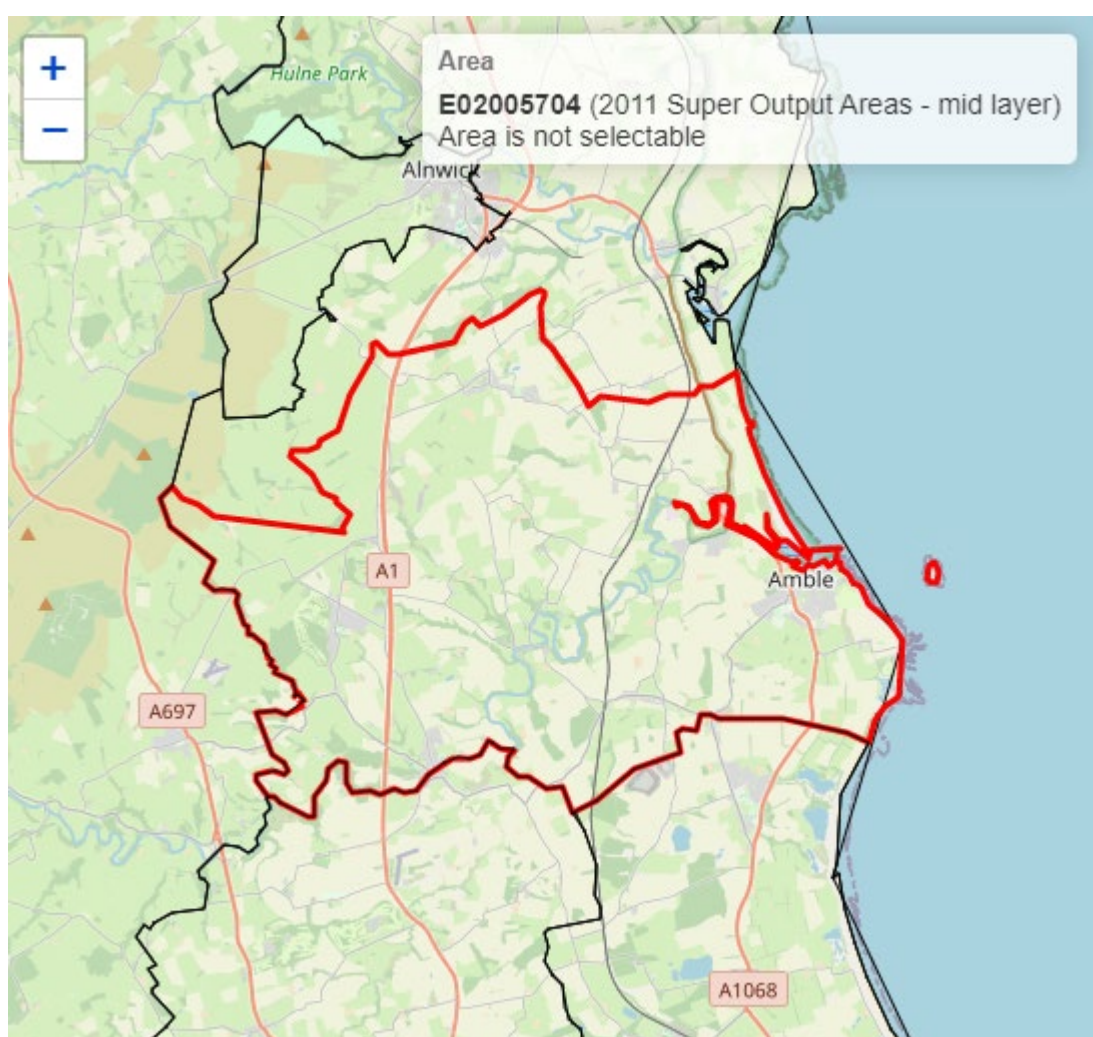
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

273. 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 Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

274. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Warkworth, it is considered that MSOA Northumberland 006 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of Northumberland 006 appears below in Figure A-1.

Figure A-1: MSOA Northumberland 006 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

275. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.
276. 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

277. 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.
278. 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 Warkworth, 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.
279. The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2020) = £347,000;
 - Purchase deposit at 10% of value = £34,750;
 - Value of dwelling for mortgage purposes = £312,750;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £89,357.
280. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £220,588, and the purchase threshold is therefore £56,723.
281. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 0 sales of new build properties in the NA in 2021. However, the average cost for a new build in the LA in 2021 was £234,995. This can be broken down by type:
- Detached - £309,995

- Semi-detached - £165,450
- Terraced - £136,450
- Flats - £122,473

ii) Private Rented Sector (PRS)

282. 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.
283. 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.
284. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the NE65 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
285. According to [home.co.uk](https://www.home.co.uk), there were 8 properties for rent at the time of search in February 2022, with an average monthly rent of £643. There were 6 two-bed properties listed, with an average price of £590 per calendar month.
286. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
- Annual rent = £590 x 12 = £7,080;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £23,600.
287. The calculation is repeated for the overall average to give an income threshold of 25,720.

A.3 Affordable Housing

288. 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

289. 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.
290. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Warkworth. 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 County Council in the table below.
291. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table A-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£68.49	£75.24	£81.87	£91.27	£76.20
Annual average	£3,561	£3,912	£4,257	£4,746	£3,962
Income needed	£11,860	£13,029	£14,177	£15,804	£13,195

Source: Homes England, AECOM Calculations

ii) Affordable rent

292. 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).
293. 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%.
294. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Northumberland County Council. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
295. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA 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 A-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) Affordable home ownership

296. 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.

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

First Homes

298. 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.

299. The starting point for these calculations is therefore the median house price of existing housing in the Parish noted above of £347,500 (which is used as a proxy for newly built entry-level housing).

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

- Median house price (NA average) = £347,500;
- Discounted by 30% = £242,250;
- Purchase deposit at 10% of value = £24,325;
- Value of dwelling for mortgage purposes = £218,925;
- Divided by loan to income ratio of 3.5 = purchase threshold of £62,550.

301. 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 £53,614 and £44,679 respectively.

302. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
303. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Warkworth.

Shared ownership

304. 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'.
305. 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.
306. 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).
307. The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £347,500 is £86,875;
 - A 10% deposit of £8,688 is deducted, leaving a mortgage value of £78,188;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £22,339;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £260,625;
 - The estimated annual rent at 2.5% of the unsold value is £6,516;

- This requires an income of £21,718.75 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £44,058 (£22,339 plus £21,718.75).

308. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £34,998 and £59,158 respectively.

309. The income thresholds are below the £80,000 cap for eligible households.

Rent to Buy

310. 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)

311. 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.

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

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁴.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²⁵

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.

²⁴ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²⁵ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁶

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)²⁷

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

Equity Loans/Shared Equity

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

²⁶ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁷ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁸, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

²⁸ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

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

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

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²⁹

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

²⁹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³⁰

³⁰ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

