

Housing Needs Assessment (HNA)

April 2018

Wooler HNA 2

Quality information

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2	May 2018	Internal review	IT	Ivan Tennant	Principal Planner
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Wooler HNA 3

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List of acronyms used in the text:

AH Affordable Housing (NPPF definition)

AMH Affordable Market Housing

BUTLP Berwick-Upon-Tweed Local Plan

GT Gypsy and Traveller

GTAA Gypsy and Traveller Accommodation Assessment

HNA Housing Needs Assessment

LPA Local Planning Authority

MHCLG Ministry for Housing, Communities and Local Government (formerly DCLG)

NDP Neighbourhood Development Plan

NP Neighbourhood Plan

NA Neighbourhood Area

NPPF National Planning Policy Framework

NCC Northumberland County Council

ONA Objectively Assessed Need

ONS Office for National Statistics

PPG Planning Practice Guidance

PRS Private Rented Sector

SHLAA Strategic Housing Land Availability Assessment

SHMA Strategic Housing Market Assessment

WPC Wooler Parish Council

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Executive Summary

Headlines

• Shared ownership and other affordable forms of homeownership and affordable renting, including social rented have a significant role to play in meeting locally expressed needs, particularly given the relatively **high levels of social renting** (see tenure section pg. 29) in Wooler when compared with the rest of Northumberland.

- The ageing population and shrinking size of families across the County and the Neighbourhood Area (NA) mean there is a **significant demographic need for smaller properties** (Type and Size section pg. 46), and this may aid in **affordability concerns** (see affordability section pg. 32) as smaller dwellings are generally more affordable. We recommend that the majority of new homes should be **1-3 bedrooms**, with a significant proportion of these comprising two bedroom dwellings.
- The overall average housing requirement for Wooler is **108 dwellings** or 7 dwellings per annum (rounded) from 2017 -2031.

Introduction

- 1. Wooler Parish Council (WPC) is designated as a Qualifying Body (QB) and has decided to prepare a Neighbourhood Plan for the Parish area, referred to here as the NA. The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area. We have been asked to prepare a Housing Needs Assessment by the Parish Council, based on a robust methodology, local data, and focused on a number of research questions agreed with the Parish Council.
- 2. As more and more town and parish councils and forums seek to address housing growth, including tenure and type of new housing, it has become evident that housing policies need to be underpinned by robust, objectively assessed housing evidence.
- 3. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard to relevant national and local planning policies and guidance.
- 4. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority 'average', reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context. In this case, Wooler will be assessed in the wider context of Northumberland. (N.B Northumberland is a very large county and the different areas have different housing 'market' dynamics).
- 5. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority and/or housing market area level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a localised level should be proportionate.
- 6. Our brief was to advise on data at this more local level to help Wooler understand the quantity, as well as the tenure, type, and size of housing needed to inform neighbourhood plan policies.

PPG-based assessment

7. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

Summary of methodology

8. Housing Needs Assessment (HNA) at neighbourhood plan level can be focused either on quantity of housing needed, type of housing needed, or both. In most cases, there is a need to focus on quantity where the housing target for the area is unclear, for example where the local authority has not set a specific target for the area, or where there is no Local Plan in place.

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¹ PPG Paragraph: 014 Reference ID: 2a-014-20140306 Revision date: 06 03 2014

9. In the case of Wooler, the current adopted Development Plan is the Berwick-Upon-Tweed Local Plan (adopted April 1999). The current adopted local plan housing requirements are out of date; therefore there is a need to establish a baseline housing requirement for the Neighbourhood Plan area.

- 10. Northumberland County Council (NCC) is in the process of preparing a Local Plan which will cover the period 2016-2036. The emerging plan will include planning policies that will be used to guide and determine planning applications in Northumberland, along with the detail, scale and distribution of new development and include land allocations and designations. The Local Plan was withdrawn from submission on 5th July 2017 in order to carry out a full review of the housing and employment numbers and the strategic land use allocations required during the Plan period to sustain County-wide and regional economic growth.
- 11. The emerging Local Plan proposed an annual dwelling requirement of 1,216 as the OAN figure for Northumberland, before withdrawal. A key point of reference is the principal evidence base for the NCC's housing polices, the Strategic Housing Market Assessment (SHMA 2015).
- 12. In the absence of an up-to-date Objectively Assessed Housing Need (OAHN) identified in a SHMA, the Council has calculated an OAHN in accordance with the methodology set out in the PPG, using the most up-to-date official 2014-based household projections as the starting point, and made adjustments following the consideration of longer term demographic trends, likely changes in jobs, and market signals. Northumberland's 5 year supply of deliverable sites (November 2017) states an agreed OAHN of 18,880 dwellings over the period 2011-2031, an annual average of 944 dwellings per annum, until an updated SHMA has been undertaken in preparation for a new Local Plan.
- 13. The rationale for this approach is that neighbourhood plans need to to meet the basic conditions, the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy. As such, this HNA investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the Local Plan. This means a neighbourhood plan can propose more housing where there is demonstrable need, but not less than the Local Plan.
- 14. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Wooler, we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.

Focus on demand rather than supply

- 15. Our approach is to provide advice on the housing required based on need and/or demand rather than supply, This is in line with the PPG, which states that "the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints."
- 16. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations including, for example, factors such as transport infrastructure, landscape constraints, and flood risk and so on, as a separate and follow-on exercise. The AECOM Site Assessment Report (2018) has been produced which looks at the supply side constrains within Wooler.

Quantity of housing needed

- 17. Our assessment of a wide range of data sources identified four separate projections of dwelling numbers for Wooler between 2016 and 2036 based on:
 - 1. A figure derived from the 5 year housing supply of 59 or 3 per annum.

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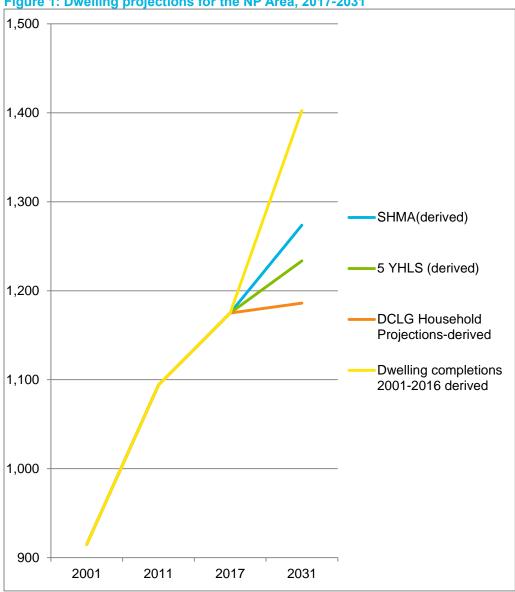
² PPG Paragraph: 006 Reference ID: 2a-006-20140306

³ See Planning Practice Guidance, Paragraph: 004 Reference ID: 2a-004-20140306 Revision date: 06 03 2014

⁴ Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DHCLG, 4 October 2014, available at https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land)

- 2. A 'proportionate share' derivation from the SHMA OAN ⁵ of 99 dwellings over the Plan period (rounded to the nearest whole number), or 5 per annum;
- 3. MHCLG Household Projection of 11 dwellings or 1 per annum; and
- 4. A projection forward of net dwelling completion rates 2001-2017 of 228 dwellings or 11 per annum.
- 18. These dwelling number projections are illustrated in Figure 1 below.

Figure 1: Dwelling projections for the NP Area, 2017-2031



Source: AECOM

- 19. The graph above sets out the total number of homes factoring in each of the projections we have identified in Wooler. So, for example, factoring in MHCLG derived data (orange line) to the number of dwellings that have already been built in the NA between 2011 and 1st January 2018 (189) generates a requirement that the total number of homes (the total of those existing, plus additional dwellings to be completed over the Plan period) in the NA should be 1,186 homes.
- 20. To arrive at an aggregated overall projection for housing numbers to be delivered in the NA over the Plan period an average of the four projections set out abovabove is takenetaken. We depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out of date in planning terms, or another was a clear outlier.

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⁵ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG).

21. In the case of Wooler, the Local Plan is out of date and therefore was not included in the overall projections.

Overall, the initial housing projection for the town is 99 dwellings or 7 dwellings per annum over the Plan period.

This is based on an average of points 1-4 above.

22. Moreover, a further assessment applied to this initial projection indicates that market signals (for example the economic context in which the NA sits, together with the performance of the housing market) are likely to impact on it. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows an even stronger impact. Factors are set out in Table 1 below in alphabetical but no other order.

Table 1: Summary of factors specific to Wooler with a potential impact on neighbourhood plan housing quantity

nousing <u>quantity</u>			
Factor	Source(s) (detailed in market signals chapter)	Possible impact on future housing need	Rationale for judgement
Employment and commuting	ONS Census Data, The North East SEP (2017), Northumberland Economic Strategy 2015-2020	$\uparrow \uparrow$	There is evidence that the economy of Northumberland is under-performing. Despite recent better prospects for growth, the NA is relatively distant from where growth is expected to occur within the LEP.
			However, Wooler is a local service centre which benefits from its proximity to natural assets. It has an important relationship with Berwick and Alnwick and is a hub for its satellite communities. It is also a gateway for visitors to the northern part of the National Park. The importance of the tourism industry and investment initiatives such as the Rural Growth Network might create additional housing needs. It has a working mart and is also the location for an important cluster of agricultural engineering and construction companies. The NPG have expressed that those who are working from home and setting up microbusinesses is growing within the NPA. As a result, we deemed a two up arrows to be an appropriate market
Migration	ONS, SHMA2014 Part 2, West Dorset, Weymouth & Portland Local Plan - October 2015	↑	signal. There is minor indication that the international migration rate for the Wooler NA, is more prominent that the trends in Northumberland shown within the SHMA. This is due to Wooler being a service hub within the North HMA and a gateway to the National Park. Therefore, one up arrow is deemed appropriate to represent this minor disparity.
Housing sales (prices)	Land Registry Price Paid Data for 2008-2017	↑	Prices in Northumberland have not recovered their 2008-levels and are lower than in the NA. In addition, although detached houses are significantly more expensive, the amount paid for terraced houses has increased the most, by 87% between

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Factor

Source(s) (detailed in market signals chapter)

Possible impact on future housing need

Rationale for judgement

2008 and 2018 in Wooler. Overall, all house types in Wooler have seen a 9.7% decrease between 2008-2017, whereas Northumberland has seen a 7% decrease. Consequently, an assessment of one 'up' arrow has been deemed appropriate to account for the higher house prices and increase in sales price for terraced dwellings.

Housing sales (Volume)

Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data, SHMA2014 Part 2



Proportionately more detached and terraced dwellings are being sold than the existing stock. This suggests that there is an increased demand for detached dwellings and terraces relative to supply. Fewer flats are being sold than in the existing stock, suggesting a decreased demand for flats.

In conclusion, there is a growing demand for smaller terraced properties and at the other end of the scale, therefore is a demand for larger detached properties.

This is in line with comments from the group that there is a split in the housing dynamic with the NA, the first from the current local residents, who are on a modest to low income and older residents who are seeking to live closer to the village amenities. In turn, increasing the demand for smaller terraced properties. Also, Wooler is said to be significantly affected by inmigration of a national level of those people who are cashing in on housing assets in high price areas and then buying into attractive rural locations such as Wooler, therefore this increases the demand for larger deathbed homes within the Parish.

All of which we would like to emphasize with three up arrows.

Overcrowding and concealment

Census 2001/2011



There is very little evidence of concealment and overcrowding in the NA, with concealed families accounting for only 0.7% of all families and overcrowded households being quasi-inexistent.

As a result, an assessment of a neutral arrow has been deemed appropriate.

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Factor Source(s) (detailed in market Possible impact on Rationale for judgement signals chapter) future housing need

Rate of development Land Registry Data/AECOM

calculations



The rate of development seen in Wooler in recent years is considered to be high, with approximately 16 dwellings per annum having been built since 2001. The rate of development from 2001-2011 in Wooler was considerably higher (19%) than in the rest of Northumberland (7%). An assessment of two up arrow s is deemed appropriate due to the anticipated increasing need across the HMA, as stated in the SHMA, combined with the current 1,154 shortfall in new homes across the County.

- 23. It is crucial to understand the context in which market signals factors should be applied to housing need figures. The purpose of market signals is to provide adjustments to demographic projections, produced by the ONS and MHCLG, based on local factors.
- 24. However, we have already taken an average of the projections above which includes projections from the SHMA which already represents an adjusted total. Indeed, looking more closely, the average figure of 99 dwellings to the end of the Plan period calculated above already represents a 9% uplift on the core demographic projections, which suggests household growth of 89 households in Wooler to 2031.
- 25. Indeed, the previous projections from the SHMA 2015 were based on 2012 sub-national population projections, suggesting a base demographic need of 683 dwellings per annum across Northumberland, with uplifts of a further 292 dwellings per annum as a result of migration trends, and a further 241 dwellings per annum for jobs growth and reductions in commuting across Northumberland. However, the updated population projections from the 2014 update, suggests a lower household growth requiring just 601 dwellings per annum across Northumberland.
- 26. Overall, Wooler can be seen to be effected by market signals, with some pressure coming from house sales (price and volume) and the rate of development on the future housing need for Wooler, when compared to the rest of Northumberland.
- 27. House prices in Wooler have risen at a greater rate than can be seen in the rest of Northumberland for detached, semi-detached and terraced properties, along with a greater amount of terraced and semi-detached properties being sold than in the existing housing stock in Wooler. However, overall, all house prices in Wooler have struggled to recover since the recession, with a larger decrease in house prices seen in Wooler between 2008-2017, when compared to Northumberland.
- 28. On balance, based on the evidence of future jobs growth described above, and the rates of past delivery in Wooler being higher than in Northumberland, along with slightly higher house prices than across Northumberland, it seems clear that this figure 99 doesn't does not reflect the market signals within Wooler. The rate of development is significantly higher than the rest of Northumberland, which is predicted to continue due to Wooler's importance as a service centre within Northumberland and as a local hub for services for its satellite communities, along with being a gateway for visitors to the northern part of the National Park. The SHMA 15 states that 'housing and population growth should focus in Main Towns and Service Centres'6, therefore, Wooler may be able to accommodate a larger proportion of Northumberland's housing shortfall from the last decade On this basis, we recommend that a 9% uplift (one arrow = 1%) should be applied to the initial figure of 99 dwellings by the end of the Plan period. This results in a total housing need of 108 dwellings up to 2031 or 7 dwellings per annum.
- 29. Therefore, the Parish should plan for 108 dwellings to the end of the Plan period, or 7 dwellings per annum.

Types of housing needed

Table 2: Summary of local factors specific to Wooler with a potential impact on housing Type

⁶ SHMA 15 pp. 135

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Factor

Source(s) (see type & size chapter)

Possible impact on housing needed

Conclusion

Demographic change

Ageing has affected Wooler more significantly than Northumberland and England during the inter-censual period; the proportion of residents aged 85+ increased by 62% compared to 35% in Northumberland and 24% in England.

It should also be noted, however, that the businesses with potential staff. NA has a significantly high proportion of retired residents which is projected to increase. This may create a shortage in the local labour force.

Among projected changes, one person households and couples will make up the majority of household increases, and the majority of those are likely to be retired or households nearing the age of retirement.

Finally there will be less families and newly forming households.

Consequently, we would highlight the necessity to not only provide for an ageing population but also to provide sufficient market and affordable housing to encourage young people to stay in the area and to attract people to provide local

Affordable housing

The Lower Quartile Affordability Ratio (LQAR⁷) for Wooler was 8.55 in 2017. This compares with a LQAR for Northumberland of around 5.33 in 2016. This data suggests entry level dwellings are relatively unaffordable in Wooler compared with the County generally.

Based on properties currently being marketed (February 2018) and, taking into account house price data held by the Land Registry, an entry-level dwelling is estimated to cost £112,438. At this price point, using CACI data on household income, around 72% of all households are unable to afford to purchase a dwelling of this type.

As regards access to the private rental market, 46% of all households are unable to access entry-level type dwellings for rent as the current rental market in Wooler is currently more expensive than the rest of Northumberland; given this is supposedly the most affordable open market tenure, we can conclude that around 59% of households are unable to access housing suited to their needs, given their household composition, without subsidy.

Owner occupation has been the dominant trend in tenure; however, this tenure is beyond the means of the vast majority of households; planners should therefore encourage other tenures to come forward, such as shared equity, starter homes and the private rented sector, which has seen a significant rise in the last decade.

Affordability issues will be exacerbated by the reported increase in house prices in the area in recent years. Moreover, in order to address demographic trends that have seen a decline in those aged between 25-44 and the forecast loss of people of working age, it is appropriate for social rented housing to form the majority of affordable homes provided.

Wooler should seek build to rent (BTR) development, a percentage of which may be 'intermediate rented housing' so as to address the need for affordable market housing for younger age groups.

Social housing is already a

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⁷ The **ratio** between **lower quartile** house prices and **lower quartile** incomes/earnings is used to assess the relative **affordability** of housing at the **lower** end of the market.

Factor	Source(s) (see type & size chapter)	Possible impact on housing needed	Conclusion
		The Homefinder data provided by the NCC suggests there are 128 households in priority need in the NA.	substantial tenure within the NA, however, that level should be increased to meet the needs of those who cannot afford market housing.
		The SHMA suggests that affordability issues may drive an increase in concealed households and dampen new household formation; concealed households and household composition data, which indicates an increase in the number of households with non-dependent children over the intercensual period, provides some evidence of this in Wooler.	As not everyone can apply for social housing, the private rented sector (PRS) has a potential role to play. The lack of PRS (due to its unaffordability in Wooler) and of intermediate housing should be tackled to meet the needs of those whose earnings do not allow them to be eligible for social housing, but do not earn enough to afford market housing at the current price level.
Tenure of housing		The current housing stock exhibits the dominance of owner-occupation, and an important growth of PRS.	There is evidence of a need for more affordable housing, with an emphasis of facilitating access to homeownership to households who are otherwise limited to the PRS.
Dwelling type		Linked to homes being relatively large in Wooler, 20% of dwellings are detached and a further 38% of all housing is semi-detached.	Terraced and semi-detached dwellings seem particularly appropriate to satisfy the demand for smaller dwellings.
Demand/need for smaller dwellings		During the inter-censual period, there was a significant growth in the number of couples without children (68%) and other one-person households (83%). Childless couples and one person households constitute 20.8% and 37% (most important group) of the population, respectively. The growth of non-dependent children households points to depressed household formation rates, a finding supported by the small, but statistically significant, presence of concealed households in the area (4 at the time of the last Census). A truer picture of 'concealed households' can be seen in data for households with non-dependent children. For Wooler, at the time of the last Census, 10.1% of all households fell into this type, the same as for Northumberland. In Wooler this equates to 71 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the	Policy should address the needs of concealed households through the provision of smaller, affordable market dwellings as well as AH so as to increase household formation rates, and stem the decline of the local working age population. In terms of size of dwellings, the trends identified point towards a mix of smaller dwellings and family sized homes, of 2-5 habitable rooms.

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Factor

Source(s) (see type & size chapter)

Possible impact on housing needed

Conclusion

Family-sized housing

Families with children made up 16.6% of the population in 2011, which was considerably lower than for Northumberland (25%) and England (27%).

The current housing stock is made up off larger dwellings, between 4 and 7 rooms.

There was an increase of almost 34% in 7 room dwellings between 2001 and 2011.

This current housing stock exhibits a small 'family-oriented' neighbourhood, made up of 4-7 room dwellings. However, in light of recent demographic shifts, this orientation is declining and therefore adding family-sized housing to the stock seems inappropriate for Wooler.

Notwithstanding these trends, the evidence of decline in the economically active population suggests the overall loss of working age households. The objective should be to maintain Wooler as a working as well as retired community, able to sustain the businesses, services and facilities essential to thriving community life. This can be done through prioritising the needs of families, firstly so as to retain a balanced population in future years, but also so as to capitalise on the area's natural appeal to them.

Housing for independent living for older people The 2014-based sub-national population projections suggest an increase of 60% in residents aged 75 and over in Northumberland.

By the end of the Plan period, the elderly population is likely to form a substantial part of the population of Wooler, along with the rest of Northumberland.

Projections, using the LIN method, suggest an increase of 31 residents aged 75+ in the next 15 years.

Although the population is not ageing as quickly as the rest of the nation or the County there will be a need to provide services for the increase in older residents in the NA.

Working from the recommended number of specialist dwellings for every 1000 people aged 75+ put forward by the Housing LIN, the following provision should be provided over the Plan period: 10 additional conventional sheltered housing units 20 additional leasehold sheltered housing units 3 additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale 1 to 2 additional extra care housing units for rent 4 additional extra care housing units for sale

1 additional bed space in a specialist

dementia care home

Field Field

Recommendations for next steps

30. This neighbourhood plan housing needs advice has aimed to provide Wooler Parish Council with evidence on housing trends from a range of sources. We recommend that the Parish should, as a next step, discuss the contents and conclusions with Northumberland County Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of NCC in particular in relation to the housing need figure that should be adopted;
- the views of local residents:
- the views of other relevant local stakeholders, including housing developers;
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the LPA, including but not limited to the SHLAA
- · the findings and recommendations of this study; and
- The impact of the new Government proposed standard methodology on calculating housing need on the County and its neighbourhoods.
- 31. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
- 32. This advice note has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
- 33. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by NCC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
- 34. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in **Table 1**) is recommended; monitoring of this kind may trigger a review of the policy position adopted in the draft NDP in light of changes in key indicators.

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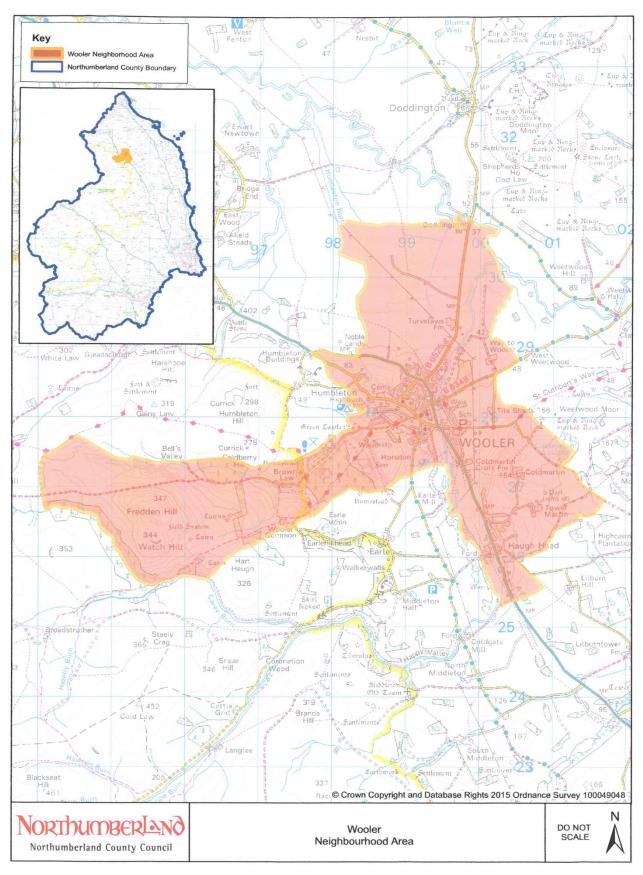
Local context

35. Wooler is a small town, within Northumberland County Council area, with parts of the Parish falling into the Northumberland National Park, near the Cheviot Hills. The town is a natural gateway to the Cheviot Hills and the National Park, situated in the northern part of the Countycounty, 13 miles south of the Scottish boarder, half way between the market towns of Alnwick (18miles) and Berwick-Upon-Tweed (16miles).

- 36. Wooler has an important relationship with both Berwick and Alnwick and is a local hub for services for its satellite communities. The town sits on the edge of Wooler Water, a tributary of the nearby River Til and the main road running through the village is the A697, which links up the A1 in the south into Newcastle (47miles) and the A68 in the north into Edinburgh (62 miles).
- 37. The closest train station to Wooler is Chathill; however it is poorly served by a small number of commuter trains from Newcastle. Berwick is the next closet train station and is served by the east coast mainline, linking up to Edinburgh (45mins) London (3.5 hours) and York (2 hours). Cross country trains also run from Berwick to Glasgow (2 hours), Birmingham (4.25 hours) and Bristol (6 hours).
- 38. Wooler bus station is located in the heart of the town, just off the high street with additional stops around the village. Buses run between Berwick, Alnwick and Newcastle.
- 39. Wooler high street and market place together, form the main commercial focus of Wooler with a mixture of shops and services. It has a working market and is also the location for an important cluster of agricultural engineering and construction companies.
- 40. Wooler is 15 miles west of the Northumbrian coastline, which is an Area of Outstanding Natural Beauty (AONB).

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Figure 12: Wooler Neighbourhood Plan Area



Source: Northumberland County Council

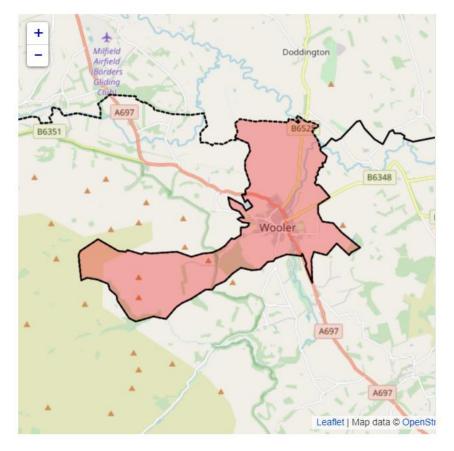
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Census geography areas

41. For the purposes of this study, Census data was downloaded from both the 2001 and 2011 Censuses to contribute to an assessment of housing needs in the area. Whilst the 2011 Census data can be filtered down to the Parish level, thereby ensuring exact accuracy, 2001 Census data is grouped according to a series of other geographical areas or units rather than parishes, which are known as Output Areas (OAs), Lower Layer Super Output Areas (LSOAs), and Medium Layer Super Output Areas (MSOAs). To retrieve data corresponding to the NA boundary, only one LSOA was selected, which matches exactly to the NA boundary, as illustrated in Figure 3 below.

Figure 3 - Census 2001 LSOA E01027390: Berwick-upon-Tweed 003F



Source: NOMIS

Planning policy context

- 42. In line with the basic conditions of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
- 43. For the majority of HNAs, reviewing the currently adopted Local Plan would be sufficient. However, in the case of Northumberland County Council (the relevant Local Planning Authority for Wooler), there is a requirement to review both the adopted Local Plan and the emerging Local Plan. This is because the currently adopted Local plan is made up of saved polices from the 1999 Berwick-upon-Tweed Borough Local Plan⁸; and while these saved polices are given the greatest weight when determining planning applications, they are clearly very dated.
- 44. In addition, Wooler also partly falls within the Northumberland National Park, whereby the National Park has its own Local Plan (Local Development Framework Core Strategy and Development Policies document) which was adopted in 2009. This can be seen in **Figure 4** below, whereby the westerly arm of the Parish falls within the Northumberland National Park boundary, highlighted in yellow.

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Northumberland County Council (1999) Berwick-upon-Tweed Local Plan saved polices. Available at: https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning (accessed 08/02/2018)

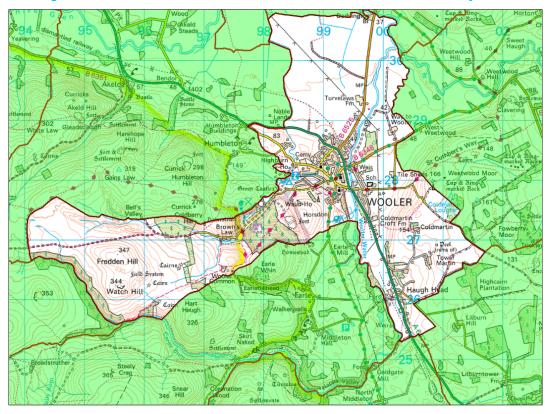


Figure 4 - Wooler Neighbourhood Parish within Northumberland National Park boundary

Source: Northumberland National Park

The Berwick upon Tweed Local plan, 1999

45. The current local development policy comprises the Berwick-Upon-Tweed Local Plan (BUTLP), adopted in April 1999 to provide a clear local framework to guide and encourage development in the Borough until the year 2006. As the BUTLP was adopted before the publication of the NPPF in 2012, it can be considered out of date.

. Northumberland National Park Local Plan 20099

- 46. The current Northumberland National Park Local plan (Local Development Framework Core Strategy and Development Polices document) was adopted in 2009. The Local Plan sets out policies to guide future development in the National Park, however it is deemed to be fairly dated and therefore holds relatively limited weight in determining planning applications. The Local Plan is currently in the process of being reviewed, with the first consultation taking place in spring 2017 and the policy options paper was consulted on in winter 2017, closing 11th December 2017. The polices listed below are in the currently adopted Local Plan, but have been put forward for the option to revise or replace the current policy:
- 47. Policy: Policy 10 New Housing Development "All new residential development will be restricted in perpetuity to that required for people meeting the local need criteria. Occupation will be restricted to prevent their subsequent sale to those without a local need. They will not be available as second or holiday homes. New housing will only be allowed in settlements with adequate services. A settlement will be regarded as having adequate services if, within it there is at least: a. Access to, or daily delivery from a shop selling food to meet basic daily needs; b. Access to a school, either located within the settlement or accessible via a school bus service; c. Public transport connection to a larger settlement with a wider range of services; and d. Either a village hall / community centre or a public house".
- 48. Policy 11 Affordable Housing "On all housing sites, including conversion schemes, of more than 0.1 hectares or where 2 or more units are proposed, at least 50% of the resulting units must be affordable where a need for such housing exists. Small scale housing schemes to provide 100% affordable housing will be considered on sites adjacent to the identified settlements when supported by an up to date Housing Needs Survey. Housing

⁹Northumberland National Park Local Plan (2009) available at: http://northumberlandnationalpark.org.uk/wp- content/uploads/2017/07/cs_march_2009.pdf. Last accessed 26/01/2018

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provided in pursuit of this policy must be available to people in local housing need at an affordable cost for the life of the property".

Northumberland emerging Local Plan (eLP)

49. Northumberland County Council (NCC) is in the process of preparing a Local Plan which will cover the period 2016-2036. The emerging plan will include planning policies that will be used to guide and determine planning applications in Northumberland, along with detail, scale and distribution of new development and include land allocations and designations. The Local Plan was withdrawn from submission on 5th July 2017 in order to carry out a full review of the housing and employment numbers, and strategic land use allocations.

50. As identified earlier, the eLP is not at a sufficiently advanced stage such that a housing target has been identified. Therefore it is not possible to derive a projection for the NP from the eLP at this point in time.

Approach

Research questions

51. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the relevant settlement(s), or where there is no local plan in place. Research Questions, abbreviated to 'RQ;' are arrived at the start of the project through discussion with the Parish. They serve to direct our research and provide the structure for the HNA. The key research questions can be summarised as follows:

Quantity

- 52. While the number of dwellings has not been specified in the current Local Plan, this position may change as a new plan is being assembled by the LPA. It would therefore be helpful to the group to establish a better idea of quantity of homes be supported over the Plan period so as to be able to engage proactively with the Local Plan process. The group also accepts that additional housing is necessary to secure the additional infrastructure the community needs.
- 53. RQ1 What amount of housing should Wooler Parish plan for?

Tenure

- 54. Wooler Parish Council (WPC) recognises a need for affordable housing in the area. Therefore, Wooler is interested in the proportion of affordable housing tenures to meet local need.
- 55. RQ2: What affordable housing tenures (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?
- 56. RQ3: What market housing tenures should be included in the housing mix?

Type and size

- 57. The inception call indicated that local young people are struggling to get onto the housing ladder. Likewise, there appears to be a need among older people looking to downsize.
- 58. RQ4. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

Housing for specialist groups

- 59. WPC is conscious of the need to plan for those groups that have particularly needs, such as the elderly and first time buyers. The HNA will therefore consider:
- 60. RQ5. What provision should be made for:
 - Housing for older people
 - Open market but smaller properties for those looking to down-size

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~ Specialist housing (including independent living and onsite care)

• First time buyers

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Study objectives

- 61. The objectives of this report can be summarised as:
 - Collation of a range of data with relevance to housing need in Wooler relative to Northumberland County Council area.
 - Analysis of that data to determine patterns of housing need and demand; and
 - Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.
- 62. The remainder of this report is structured around the RQs set out above:
 - Chapter 4 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

Relevant data

SHMA

- 63. The PPG states that neighbourhood planners can refer to existing needs assessments prepared by the LPA as a starting point. As Wooler NA is located within Northumberland Housing Market Area, we therefore turned to the Northumberland Strategic Housing Market Assessment (October 2015, henceforth SHMA) which covers the housing market area and informs emerging housing policies at a local authority level, including affordable housing policy.
- 64. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA) that the SHMA studies treat as their subject area can be used as a proxy for the NA. This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are common to the NA. Shared characteristics emerge as a result of internal linkages fundamental to the notion of a 'housing market area' (HMA).
- 65. PPG defines an HMA as 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.'10 It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types or economic development has the same appeal to different occupants.'11
- 66. PPG therefore sets two principle tests for identifying a functional HMA: patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment,' the degree to which household moves are 'contained' within a certain geographical area, and the second by 'travel to work areas.' It is generally assumed that a strong HMA will show at least 70% of household moves and commuting journeys taking place within its area.
- 67. For the purpose of finer grained analysis across such a large HMA, the SHMA divides the housing market area into a number of smaller HMAs, as illustrated by Figure 5 below, which breaks down the household survey data within the SHMA that was undertaken in 2012 to help inform the assessment. The NA falls within the North Northumberland HMA.

10 PPG Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

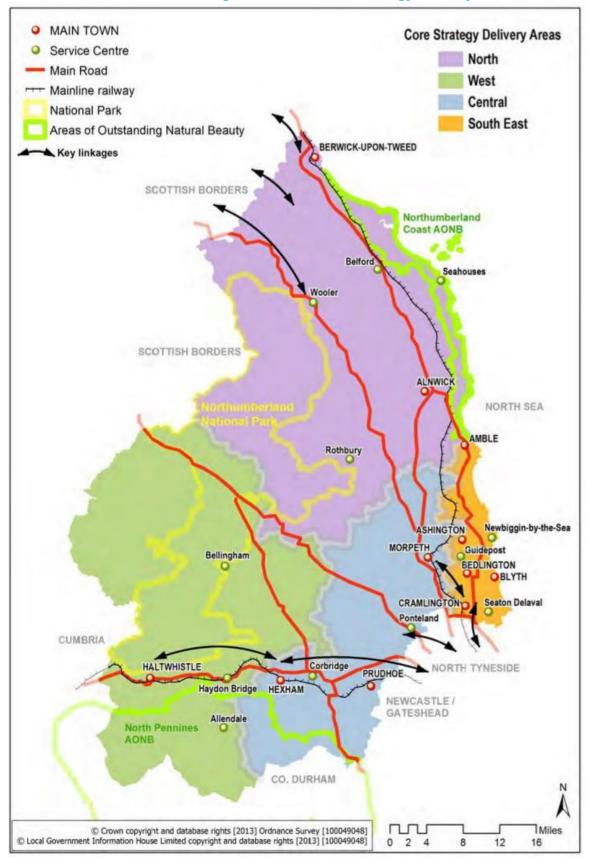
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¹¹ PPG Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014

Figure 5 – Northumberland Housing Market Area core strategy delivery areas



Source: SHMA 2015

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68. The SHMA studies draw upon a range of data including population and demographic projections, housing market transactions and employment scenarios to derive the objectively assessed housing need for the County. As such, it contains a number of points of relevance when determining housing need within the NA.

- 69. The SHMA states that "Northumberland is different from many other areas due to the (often) very large land and property holdings of private estates, particularly in the rural west and north of the County. Landlords offer much longer tenancies and tenants stay for considerable periods of time, partly because the landlords offer a good service but also there is **little suitable housing to purchase in the rural area around Wooler** and Berwick-upon-Tweed, for example". ¹²
- 70. The SHMA also lists the house prices and number of sales by parish across Northumberland, whereby Wooler during 2014, has higher house prices¹³ than the average for Northumberland. Therefore, although the SHMA provides the most up to date housing specific data, the information drawn from it has to be treated with a degree of caution due to the noted disparities across the local authority area and all findings may not apply to Wooler itself.
- 71. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the LPA by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

Other relevant data (from LPA or NP group, e.g. housing survey)

- 72. WPC conducted a household survey to obtain the views of the local community in October 2017 in terms of the main issues within the NA. These are published on the Neighbourhood Plan website and provide localised evidence of perceived housing need in the Parish.
- 73. We have also received feedback from a number of local estate agents and Homes and Community Agency (the non-departmental public body that funded new affordable housing in England) that helped inform our findings and gain a local perspective on the housing market.
- 74. To assess the housing market in Wooler NA, data from the Land Registry was analysed. This data provides price paid, housing type and date of transaction information which allows housing market trends to be identified. This data was collected to create a database including all housing transactions registered with the Land Registry between January 1st 2007 and December 31st 2017 within the boundary. This area was seen as a robust proxy for the Wooler NA as is it includes the entire village. This data is used within the Market Signals section and also to inform affordability ratios.
- 75. A National Park housing needs survey was undertaken in 2016 by DCA on behalf of the National Park Authority, with a total of 181 responses.
- 76. The Northumberland National Park SHMA 2017 includes some useful comparisons between Northumberland and Northumberland National Park. Wooler sits on the boarder of the National Park and shares some of the same characteristics and influences as the National Park as it acts as a gateway service centre.

¹² SHMA 2015 pg. 93

¹³ SHMA 2015 pg. 48

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Quantity

RQ1: What quantity of Housing in the Plan Area is appropriate over the Plan period?

78. We have estimated the quantity of housing needed in the NA according to four different sources; these are:

- A housing needs projection based on Northumberland Five-Year Supply of Deliverable Sites produces a target of 59 dwellings over the Plan period, 2017 and 2031;
- A projection drawn from the Objectively Assessed Need for housing set out in the SHMA15 produces a target of 99 dwellings over the Plan period between 2017 and 2031;
- MHCLG household projections generate a re-based projection of dwellings of 11 dwellings (rounded) between 2017 and 2031; and
- A projection derived from dwelling growth between 2001 and 2017 gives 228 dwellings over the Plan period.
- 79. These calculations are set out below.

1.1 Northumberland Core Strategy (July 2017)

- 80. The Northumberland Local Plan Core Strategy used to be the most up-to-date Development Plan Document setting out the proposed strategic planning policies to guide future development and planning decisions in Northumberland up to 2031. However, at a meeting on 5th July 2017, members of the Council's conservative group in the newly formed County Council submitted a motion to withdraw the Northumberland Local Plan Core Strategy.
- 81. The proposed level of new housing in the County, at 24,320 by 2031 will be reviewed and is therefore no longer up-to-date. Councillor Peter Jackson, Leader of Northumberland County Council stated that the future requirement for housing may not be as high as the one proposed previously¹⁴.

1.2 Northumberland Strategic Housing Market Assessment 2015 (October 2015)

- 82. Although following the withdrawal of the Northumberland Core Strategy in July 2017 the SHMA is no longer considered to contain an up-to-date objective assessment of need, we have nevertheless reviewed it.
- 83. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN¹⁵), as opposed to a final housing target. The final housing target will take into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.
- 84. The SHMA presents an appropriate starting point for deriving need at the NA level, because it is an authoritative source of evidence, and importantly, because it takes into account the latest population and household projections, as set out in the 2014 Sub-National Population Projections on which the Household Projections are based, which the PPG guidance suggests should be taken as a 'starting point' in determining need at the local authority level.
- 85. The Northumberland SHMA 2015 proposes an annual dwelling requirement of 1,216 dwellings per annum, which is the Objectively Assessed Need (OAN) figure for Northumberland. 16
- 86. To calculate the NA's 'fair share' of this target, it is possible to use the NA's proportion of dwellings in the County (0.7%). This produces a figure of 9 dpa (rounded), or 180 (9 multiplied by 20) over the period 2011-2031. However, it is necessary to take into consideration dwellings built in the NA in recent years. Between 2011 and 2017, as set out above, 81 dwellings have been built; producing a final target for Wooler of 99 dwellings over the Plan period or 5 per annum (rounded).

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¹⁴ http://www.northumberland.gov.uk/News/2017/Jun/Motion-to-withdraw-Core-Strategy-for-review.aspx

The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

16 Northumberland Strategic Housing Market Assessment (October 2015), p. 11.

Northumberland Five-Year Supply of Deliverable Sites 1.3

87. Given the withdrawal of the Northumberland Core Strategy, the Council has calculated an OAN using the most up-to-date official 2014-based household projections which were adjusted to take into account long-term migration trends and job growth. This OAN is stated in the Northumberland Five-Year Supply of Deliverable Sites (YHLS 2017-2022) for the purposes of calculating a five-year housing land supply. This equates to 18,880 dwellings over the period 2011 to 2031, an annual average of 944 dwellings per annum.

- 88. The proportional share may be calculated for Wooler based on the proportion of homes in the NA. At the time of the last Census there were 1,094 dwellings in the NA, or 0.7% of all homes in the County. Therefore, 140 homes (0.7% of 18,880) homes should be allocated as the 'fair share' of the County target.
- 89. In arriving at a final total for Wooler, it is important to take into consideration that 81 dwellings were built between 2011 and 2017 in the NA. Allowing for these completed dwellings, a housing target for the NA that is in conformity with the OAN would be 59 dwellings (140 - 81) between 2017 and 2031 or 3 homes per year (rounded).

MHCLG Household Projections 1.4

- 90. The Ministry for Housing, Communities and Local Government (MHCLG) periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.
- 91. The most recent (2014-based) household projections were published in July 2016¹⁷, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
- 92. At the 2011 Census, Northumberland had 138,534 households and the NA 974 households, or 0.7% of the total (rounded).
- 93. In the 2014-based household projections, the projection for 2031 is 150,317 households in Northumberland or an additional 11,783 households. Assuming it continues to form 0.7% of the County total, the NA's total number of households in 2031 would be 1,057 (rounded); therefore 83 new households will form in the NA between 2011 and 2031 (or a rate of growth of 4 households per year).
- 94. The number of households does not, however, equate precisely to the number of dwellings, with the latter slightly higher in most places. The NA is no exception; in the 2011 Census, there were 974 households but 1,094 dwellings. This gives a ratio of 0.89 households per dwelling. In the case of NA, then, a projection of 83 new households (between 2011 and 2031) translates into a need for 93 dwellings (83/0.89, rounded to the nearest whole number).
- 95. These figures are based on the assumption that 2014-based government projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2016, the 2014-based household projections may need to be 're-based' for accuracy. The mid-2016 population estimates give the actual number of people in the LPA area at that point, meaning the difference between the estimated and the previously projected number of households can to be taken into account in future projections.
- 96. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2016 there would be 316,287 people in Northumberland. The mid-2016 Estimates show that, based on the latest information, there were estimated to be 316,002 people, which is lower than the projections by 285 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.28 people per household, obtained by dividing population by the number of households) this equates to 125 fewer households across Northumberland.
- 97. Taking 150,192 (150,317 125) as our revised household number in 2031, and assuming it continues to form 0.7% of the County total, the NA's total number of households in 2031 would be 1,056 (rounded), producing a revised growth in the number of households between 2011 and 2031 of 82.
- 98. Taking into account the disparity between household numbers and dwelling numbers, a projection of 82 new households between 2011 and 2031 translates into a need for 92 dwellings. Netting off the 81 dwellings completed (including new build, change of use and conversion) between 2011 and 2017, we arrive at a re-based household projections-derived dwellings figure of 11 dwellings (rounded) until 2031 or 1 dpa (rounded).

¹⁷ See 2014-based MHCLG Household Projections live tables at https://www.gov.uk/government/statistical-data-sets/live-tables-onhousehold-projections

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This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced, or may in future influence, the Local Plan distribution across the County and hence any difference between this figure and a future Local Plan-derived figure.

1.5 Dwelling growth 2001 – 2011

100. Consideration of home growth 2001-2011 provides a projection based on the rate of delivery of net new homes between the two Censuses. There was an increase of 179 dwellings in the NA between these two dates, or an average annual rate of increase of 18 homes. Multiplying this annual figure by the number of years from 2017 until the end of the Plan period would produce 358 homes.

1.6 Dwelling growth since 2011

101. It is also helpful to consider a projection based on the rate of delivery of net new homes since the last Census (2011), using data gathered and monitored by the LPA. As we have seen, between 2011 and 2017, 81 new dwellings were completed (including new build, change of use and conversions). This equates to an annual rate of delivery of 14 homes. If this rate of delivery was continued to 2031, this would equate to a projection of 189 homes from 2017 to the end of the Plan period.

1.7 Dwelling growth 2001-2017

102. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development that could be delivered over the Plan period, we have taken the aggregate of the homes growth between 2001 and 2017; this comes to 260 (179 + 81) dwellings. Expressed as an annual average rate, this is 16 dpa. This produces projection derived from homes growth between 2001 and 2017 of 228 homes over the Plan period of 2017-2031.

1.8 The Standard Methodology

- 103. On September 14th 2017, the Ministry for Housing, Communities and Local Government (MHCLG) published 'Planning for the right homes in the right places: consultation proposals' (the consultation proposals), a consultation on a new proposed Standard Methodology for Assessing Housing Need (SMAHN) for arriving at an OAN for housing for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies. MHCLG has stated that "this consultation sets out a number of proposals to reform the planning system" including "how neighbourhood planning groups can have greater certainty on the level of housing need to plan for, 18.
- 104. Whilst the document is currently being consulted on at the time of this HNA report, it is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NDP. Therefore, what follows is an assessment of the NA's housing need based on the new proposed methodology which, should the policy be put in place in its current form, will be the preferred figures for housing need in the area. This projection is included for information only, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods of calculating their OAN, so long as the number they arrive at exceeds that produced by the new standard methodology.
- 105. Proposed updates to the PPG include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so. 19 The starting point for using the SMAHN for the neighbourhood level is therefore whether the current Local Plan was adopted before or after the introduction of the NPPF.
- 106. In the case of Northumberland, the Northumberland Local Plan Core Strategy was withdrawn in June 2017, and as such does not provide a reliable basis for arriving at a housing needs figure for the NA. The indicative assessment using the SMAHN formula is 707 dwellings per annum for Northumberland.

¹⁹ MHCLG, planning for the right homes in the right places: consultation proposals, page 31

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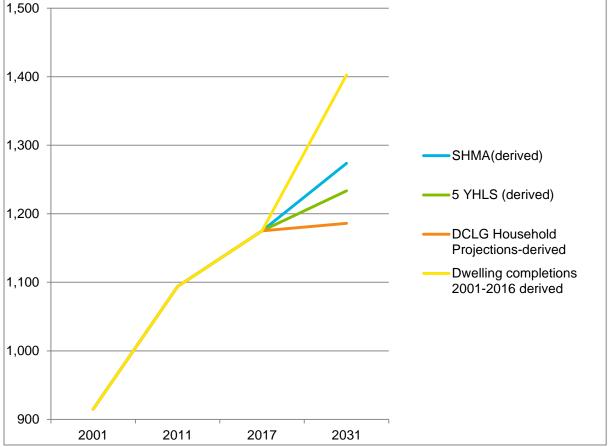
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¹⁸ https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals

- 107. Given the Local Plan is not up-to-date and does not provide a housing target, it is necessary to use the Government's proposed formula for arriving at housing needs figure for the NA in these circumstances.
- 108. "The proposed formula is simply to take the population of the neighbourhood planning area and calculate what percentage it is of the overall population in the local planning authority area. The housing need figure in the neighbourhood planning area would then be that percentage of the local planning authority's housing need." [2]
- 109. Building on this proposed approach, we can estimate that the annual requirement for the NA, based on the proportion of the population of Northumberland falling into the NA, would be 4 dwellings per annum (rounded) or 89 dwellings by the end of the Plan period to 2031. If the 81 dwellings built between 2011 and 2017 are taken into account, that number would be 8 dwellings by the end of the end period.
- 110. The projections outlined above produce an average projection of 89 dwellings in the Wooler NA by 2031. These projections are shown in **Figure 6** below.

Figure 6: Dwelling projections for the Wooler NA, 2017-2031



Source: AECOM Calculations

1.9 Conclusion

111. Reviewing the range of projections provides a potential range from 11 – 228 dwellings across the Plan period. However, the number derived from dwellings growth is supply constrained, meaning that the figures reflect the difficultly of actually delivering new homes on the ground as a result of environmental factors and standing policy. In Wooler's case, however, the number of homes delivered in practice has outstripped the demand that has been derived from the SHMA and MHCLG projections and therefore will be included in the overall housing projections for Wooler. Northumberland's 5 year supply of deliverable sites (November 2017) provide the most up to late OAN and therefore should be accorded substantial weight. Overall, an average will be taken from the 5 YHLS, SHMA, MHCLG projections and the figure derived from dwelling completions. Taking an average of the range provides an overall housing requirement of **99 dwellings**, or 7 dwelling per annum rounded from 2017 -2031.

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^[2] Planning for the Right Homes in the Right Places, pp. 32

Tenure

RQ2. What <u>affordable housing</u> (social housing, affordable rented, shared ownership, intermediate rented) and;

RQ3. Market housing tenures should be included in the housing mix?

112. The provision of affordable housing is critical to the continuation of most communities as viable settlements; it needs however to be understood in relation to other tenures. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NA's housing stock.²⁰

Definitional issues

- 113. It is necessary at this stage of the study to make clear the distinction between affordable homes as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
- 114. In this paragraph we briefly review the proposed reforms to the definition of AH set out in the Government's Housing White Paper published in February 2017. These reforms make clear its commitment to home ownership but recognise the important role of affordable rent for those not currently seeking home ownership. The changes proposed broaden the definition of affordable housing to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. Subject to further consultation, MHCLG intends to publish a revised definition of affordable housing as part of their revised changes to the National Planning Policy Framework.²¹
- 115. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as 'new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market'²². Secondary legislation is required to implement this definition, necessitating further parliamentary debate²³.
- 116. The Housing White Paper²⁴ confirms that a revised definition of AH will be brought forward through changes to the NPPF early 2018, proposing a definition as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership' and which 'meets the criteria' for one of the following models²⁵:
 - Social rented housing, as currently defined, owned by local authorities and private registered providers
 (usually housing associations) with guideline target rents determined through the national rent regime. It may be
 owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority
 or Homes England (formerly the Homes and Communities Agency);
 - Affordable rented housing, as currently defined, and let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
 - Various forms of intermediate housing, defined to include discounted market sales and intermediate rented housing considered affordable rented (as above) and other housing that is 'provided for sale and rent at a cost above social rent, but below market levels'. Examples include:

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²⁰ PPG Paragraph: 021 Reference ID: 2a-021-20160401

²¹ MHCLG (2017) Fixing our Broken Housing Market (para A.119/A121)

Housing and Planning Act 2016, part 6, section 159 (4)

²³ Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'

²⁴ DHCLG (2017) Fixing our Broken Housing Market (para A.120)

²⁵ https://www.gov.uk/guidance/definitions-of-general-housing-terms

• Starter Homes, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with a household income restriction of £80,000 outside London. These homes are expected to provide a new low cost market housing product for first time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;

- Other discounted market sales housing, such as those eligible for Help to Buy and other shared or fixed equity schemes, usually sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is determined with regard to local incomes and house prices. This category also includes **shared ownership housing**, a form of affordable home ownership allowing households to buy a share in a property, whilst renting the remainder, usually from a local authority or private registered provider such as a housing association:
- Intermediate rented housing, made available for rent at a level which is usually 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative affordable housing provision is made if the discount is withdrawn. This is viewed as particularly suited to the provision of affordable housing in Build to Rent schemes.
- 117. A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale. At present, it is difficult to differentiate between affordable and intermediate rented housing, partly because this is an emerging sector, however, the Government has made clear that these should be considered two separate tenure categories.
- 118. The evidence assembled to answer RQ2 seeks to populate a series of 'key indicators'; these are the <u>age</u> <u>structure</u> of the population, <u>household composition and income</u> both now and how they are forecast to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how not only the tenure of housing in the plan area, but also type and size should be modified through planning policy.

Current tenure profile

119. Before we present this data, it is necessary to present a picture of tenure in the NA based on the most recent reliable data. **Table 3** below presents Census data from 2011 that shows the predominant tenure is one of owner occupation (59.2%), which is slightly lower than the rest of Northumberland and England. Social rented sector makes up 24% of the tenure profile of Wooler, which is considerably higher than the County average and the reset of England and also the private rented sector represents a significant element of the tenure profile in the NA, which is in line with Northumberland, however slightly lower than England's average.

Table 3 - Tenure (households) in Wooler, 2011

Tenure	Wooler	Northumberland	England
Owned; total	59.2%	65.8%	63.3%
Shared ownership	0.0%	0.4%	0.8%
Social rented; total	24.0%	18.7%	17.7%
Private rented; total	13.8%	13.3%	16.8%

Source: Census 2011, AECOM Calculations

120. Table 4 below provides longitudinal assessment of tenure in the NA recorded in Census data from 2001 and 2011; this allows consideration of any changes that have taken place. This shows that in the context of the NA there has been a substantial uplift in privately rented dwellings (increasing from 58 to 134 homes), which is significantly higher than the rest of Northumberland and England. A more modest uplift in owner occupied dwellings can be seen of 12.3%; however this is considerably higher than the rest of Northumberland and England which has seen a decline. The fall of social rented dwellings in less significant (falling from 256 to 234 dwellings), which shows a similar tend to Northumberland, however the rest of England shows a much smaller drop.

Table 4: Rates of tenure change in Wooler, 2001-2011

Tenure	Wooler	Northumberland	England
Owned; total	12.3%	4.6%	-0.6%
Shared ownership	0.0%	-0.2%	30.0%

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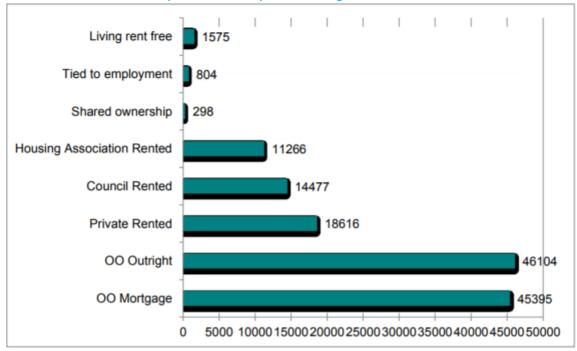
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Social rented; total	-8.6%	-8.2%	-0.9%
Private rented; total	131.0%	93.0%	82.4%

Source: Census 2011, AECOM Calculations

121. When looking at findings relating to tenure from the SHMA 2015. **Figure 7** below represents findings from the Northumberland 2012 household survey (SHMA 2015), which shows that the largest numbers of dwellings in Northumberland are owner occupied, both outright and with a mortgage. However, it is interesting to note that the second largest number of people privately rent their property, followed closely by council rented and housing association rented. This is in contrast with data from Census 2011; this shows social rented above those who privately rent in both Wooler and Northumberland, in comparison to the rest of the UK where the difference is marginal. Social rented dwellings form a larger proportion of dwelling tenures in Wooler and therefore should be included in the tenure mix in the future.

Figure 7: Northumberland- tenure profile of occupied dwellings



Source: SHMA 2015 (2012 Household Survey)

- 122. The Wooler Housing Needs Survey Final Report (2018) highlights that 55 out of 336 respondents (16%) have stated that their current household is not suitable for their needs. Almost half of these respondents (48%), who expressed a housing need, were owner occupiers. 22% rented from a social landlord (6% local authority and 16% housing association) whilst 20% rented from a private landlord. The number of owner occupiers expressing a housing need within Wooler reflects the downsizing and future-proofing issue, such as adaptations to the homes for ageing and disabilities, which were raised by respondents throughout the Household survey as 62% of these owner occupiers stated that their existing property is too big for them compared to 34% of all those expressing a need.
- 123. Below **Figure 8** shows the current tenure arrangement within Wooler. This shows similar figures to the 2011 Census, however the number of those who own a property is lower (48%), whilst 20% of the respondents stated they privately owner and a further 20% either rent from a housing association or the LA.

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Figure 8: Wooler, current tenure arrangement

Source: Wooler Housing Survey 2017

Affordability

124. Affordability considers the relationship between price of a good, and the money to which the individual has access to purchase it. It is the most significant factor affecting overall need for affordable housing.

125. To determine levels of affordability, we consider two primary indicators, firstly affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'. Secondly 'Income Thresholds', which denotes the maximum share of a family's income that should be spent on accommodation costs, and thirdly 'Purchase Thresholds'.

Affordability ratio

- 126. We start with an examination of the affordability of for-sale dwellings. To do so, and in line with Planning Practice Guidance, we examined the relationship between lower quartile house prices and incomes, using an indicator called the Lower Quartile Affordability Ratio (LQAR). This indicator is helpful both as a way of understanding the extent to which those on lower incomes can access entry-level houses for sale and the relative affordability of housing in the NA compared to other places.
- 127. Using the ONS' property affordability calculator²⁶, an entry level property cost (the lower quartile property price in the selected area) is on average £138,000. One must be aware that the selected area used to derive the entry-level property cost is larger than that of the NA, and that the understanding of 'entry-level' house price rest on a different assumption²⁷.
- 128. The LQAR is arrived at by dividing entry level house prices by the lower quartile household income. Drawing from CACI household data, we were able to estimate the LQAR for Wooler. In table 5 below we present household income data for Wooler in 2017; the lower quartile income in Wooler was £13,174, and the value for entry-level property was £138,000, producing an LQAR of 10.5. This suggests that households with lower incomes will struggle to access suitable accommodations without financial support. For those on median and mean salaries, however, the AR is 6 and 4.9 respectively. This suggests fewer affordability pressures for households at these income levels to afford entry-level market housing.

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²⁶ ONS (2017), 'Property affordability calculator', [online], accessed at:

²⁷ The term 'entry level' or 'low to mid-priced property' refers to the lower quartile price paid for residential properties. If all properties sold in a year were ranked from highest to lowest, this would be the value halfway between the bottom and the middle.

Table 0: Household income average

	Wooler	England	
Mean	£27,979.39	£38,858	
Median	£23,074.81	£31,704	
Mode	5 – 10k	10 – 15k	
Lower Quartile	£13,174.06	£17,896	
Upper Quartile	£38,727.50	£52,727	

Source: CACI

129. Furthermore, it is beneficial to place this analysis within the context of the County and the national picture. In **Table 6** below, we reproduce a figure from SHMA 15, which shows sub-areas within the North HMA of Northumberland and their Lower, Median and upper quartile house prices in 2014, based on 41 sales. As can be seen from the table below, Wooler falls within the middle of those wards within the North HMA. However, the prices in Wooler are considerable higher than the Northumberland total.

Table 6 - Lower Quartile and median price and income required to be affordable

		Price (£)		
HMA and ward	Lower Quartile	Median	Upper Quartile	No. Sales
North HMA				
Alnwick	£105,400	£180,000	£244,000	171
Amble West with Warkworth	£147,500	£198,225	£250,000	68
Bamburgh	£137,600	£189,950	£250,000	113
Berwick East	£75,000	£96,250	£132,500	56
Berwick North	£95,000	£173,000	£285,000	87
Berwick West with Ord	£107,000	£140,000	£177,000	57
Longhoughton	£165,000	£240,000	£310,000	67
Norham and Islandshires	£108,500	£147,000	£250,000	57
Rothbury	£137,000	£196,750	£250,000	66
Shilbottle	£137,000	£180,000	£250,000	74
Northumberland Total	£93,000	£140,556	£220,000	4237

Source: SHMA (2015)

130. To be able to benchmark this against house prices in the NA, we have used Land Registry data to calculate the house prices in Wooler NA in 2014 as done in **Table 7**, based on 27 sales.

Table 7: Residential transactions in Wooler 2014

 Sub-area
 Mean
 Median
 Lower
 Range
 To

 Quartile
 From

Wooler NA £182,030 £165,000 £109,865 £58,000 £355,000

Source: Land Registry, AEOM Calculations

- 131. As expected Wooler is comparable with other areas within the North HMA, however is considerably higher than the average for the whole of Northumberland County.
- 132. **Table 8** below calculates the LQAR (here 'entry-level' refers to the lower quartile price paid for residential properties) for Wooler, Northumberland and England in 2016. The table suggests that whilst the LQAR in Wooler is higher than the national average and affordability pressures are more acute in the NA than in the whole of the Northumberland County average, mainly due to lower income.

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Table 8: Ratio of lower quartile house prices to lower quartile earnings (LQAR) in Wooler 2016 Lower Quartile Income 2016/2017 Lower Quartile House Price 2016 LQAR

Wooler	£13,174 ²⁸	£109,865	8.33
Northumberland	£19,124 ²⁹	£102,000	5.33
England	£20,253	£145,000	7.16

Source: ONS 2017³⁰, Land Registry 2016, CACI 2018, AECOM Calculations

133. To conclude, we have calculated two different LQAR using two different assumptions on what entry-level dwellings means. The average of these two LQAR then calculated to reflect an up-to-date estimate of the LQAR in Wooler. It is detailed in Table 9 below.

Table 9: Average of two methods used to calculate LQAR in Wooler

Method Used	Value of entry level property (£)	LQAR
ONS property affordability calculator ³¹	£138,000	10.5
Land Registry Price Paid Data	£109,865	8.33
Average	£123,933	9.42

Source: AECOM Calculations

Evolution of affordability

- 134. Furthermore, we have also considered the evolution of affordability to understand whether it is worsening or improving. In Table 10 below, we reproduce a table from the SHMA2015 that shows how the LQAR at the counties level has fluctuated over time.
- 135. Table 10 indicates that Northumberland remains relatively level from 2010-2014, with a household in 2014 required to spend around 5 years' income on the cost of purchasing a house at the lower end of the market.
- 136. Affordability has slightly improved since 2010. The SHMA 15 explains that it highlights the increasing difficulties faced by households in affording the cost of housing, with most stakeholders responses stating that "affordability is a problem within the area and planning policy and its lack of support for sufficient housing growth to address housing need and tackle the affordability crisis" was stated to be the biggest weakness within the current housing
- 137. Below we reproduce a table form the SHMA as table 10, which shows how Northumberland housing market has changed over the last four years. It shows that affordability ratio (calculated by dividing housing prices by gross annual earnings, based on the median and lower quartiles of both house prices and earnings) has decreased from 5.3 in 200 to 5.0 in 2014.

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²⁸ The 2017 income data used to calculate the LQAR in 2016 has been used as a proxy, on the basis that incomes do not increase as quickly as house prices. It can, however, be assumed that incomes were slightly lower in 2016 in Wooler, resulting in a higher LQAR, closer to that of England. Using 2017 house prices, the LQAR for Wooler is 8.24.

ONS (2017) Lower quartile gross annual (where available) residence-based earnings by local authority district, England and Wales,

²⁰⁰² to 2016 2002 to 2016 30 ONS (2017), 'Ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2016', [online] available to

https://www.ons.gov.uk/peoplepopulationanboroughommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartil eandmedian>

ONS (2017), 'Property affordability calculator', [online], accessed at:

https://visual.ons.gov.uk/prospective-homeowners-struggling-to-get-onto-the-property-ladder/#calculator

Table 10: Relative affordability of lower quartile (LQ) prices by Local Authority County (Residence based)

Table 6.8 Housing market signals							
Price/transaction indicators	2010	2011	2012	2013	2014		
Lower Quartile House Prices	95,000	90,000	91,250	90,000	93,000		
Median House Prices	145,000	136,500	137,500	140,000	140,556		
Lower Quartile Rents (per calendar month)	399	416	399	399	399		
Median Rents (per calendar month)	472	494	477	477	464		
Relative affordability (LQ earnings to LQ house prices)	5.3	5.1	5.0	5.1	5.0		
No. Property Sales	4074	4062	4188	4728	5115		
Quantity indicators	2010	2011	2012	2013	2014		
Total dwelling stock (at 1 April)	146,770	148,010	148,570	149,190	149,750		
Total vacant dwellings (at October)	5,402	5,242	5517	5246	5074		
Total vacancy rate (at October)	3.68%	3.54%	3.71%	3.52%	3.39%		
Long-term vacancy rate (at October)	2,411	2,372	2,337	2137	2136		
Overcrowding (2011 census)	2.03%						
Net additional dwelling stock	710	1,240	560	620	560		
No. of households on the housing register (at 1st April) as reported by CLG		11,651	10,912	9,608	7,744		

Notes: House Prices. Source: Land Registry Price Paid Data.

No. households on housing register at 1 April. Source: CLG Local Authority Housing Statistics.

Total dwelling stock/vacancy. Source: Council Tax

Rent data. Source: Zoopla

Overcrowding. Source: 2011 Census

Source: SHMA (2015)

138. **Table 11** below shows that over the period 2000 to 2014, lower quartile and median house prices across Northumberland have increased dramatically. It is interesting to note that in 2000, a household income of £10,857 was required for a lower quartile priced dwelling to be affordable (that is, cost no more than 3.5 times a household oncome); by 2014 this has increased to £26,571. In comparison, an income of £17,129 was required for a median priced property to be affordable in 2000 compared with £40,159 in 2014.

Table 11 - Lower Quartile and median price and income required to be affordable

Northumberland	House	House Price (£)		Income to be affordable*		
	2000	2014	2000	2014		
Lower Quartile	38,000	93,000	£10,857	£26,571		
Median	59,950	140,556	£17,129	£40,159		

Source: SHMA (2015)

*assuming a 3.5 x multiple

139. The relative affordability of open market dwellings in Northumberland is compared with the other local authorities in the Region in **Table 12**. **Table 12** presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices. In terms of relative affordability, Northumberland is ranked fourth least affordable local authority area (out of 12 authorities) in the North East, with a lower quartile house price to income ratio of 5.0, i.e. lower quartile house prices are five times lower than quartile gross earnings. This compares with the regional average of 4.7, therefore, Wooler is relatively expensive compared to other areas within Northumberland.

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Table 12: House prices in the North East by Local Authority during 2014

Table 3.2 Relative affordability of lower quartile (LQ) prices by Local Authority Area (residence based)

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
Newcastle upon Tyne	£100,000	£349.20	£18,158	5.5
North Tyneside	£100,000	£357.20	£18,574	5.4
Stockton-on-Tees	£98,500	£365.90	£19,027	5.2
Northumberland	£93,000	£357.30	£18,580	5.0
Redcar and Cleveland	£85,000	£331.30	£17,228	4.9
Gateshead	£90,000	£357.80	£18,606	4.8
North East	£83,000	£342.90	£17,831	4.7
Darlington	£85,000	£357.70	£18,600	4.6
South Tyneside	£80,000	£345.50	£17,966	4.5
Sunderland	£75,000	£342.90	£17,831	4.2
Middlesbrough	£70,000	£332.60	£17,295	4.0
Hartlepool	£68,000	£345.70	£17,976	3.8
County Durham	£65,000	£347.10	£18,049	3.6

Sources: Land Registry Price Paid 2014; Annual Survey of Hours and Earnings 2014

Source: SHMA (2015)

Income and purchase threshold

140. Additional ways to understand affordability are the notions of 'income' and 'purchase' thresholds. This suggests that only a certain proportion of a household's income should be spent on accommodation to retain enough money for other essential items as well as discretionary spending. Also, it allows comparing house sales and rental sectors.

Income threshold

141. An assessment of rental values was done in the SHMA 2015 which presented median and lower quartile rental values for Northumberland based on a review of properties advertised on Zoopla from 2010-2014. The result of this analysis is re-produced in **Table 13** below.

Table 13: Relative affordability of lower quartile (LQ) prices by Local Authority district (Residence) based)

	2010	2011	2012	2013	2014
Lower Quartile Rents (per calendar month)	399	416	399	399	399
Median Rents (per calendar month)	472	494	477	477	464

Source: SHMA (2015)/ AECOM Calculations

142. The Household survey undertaken for Glendale Housing Needs report 2012 looked at housing tenure and type and size to inform future development housing Glendale., which covered the NA of Wooler, identified as area 4 (shown in table 14 below) throughout the report, Data from the household survey currently undertaken identified private sector rent levels by property size and location. For Wooler (area 4) at the time of the housing market search there was a low level of data available for all property types, therefore the data in this area for the majority of properties is either low or unavailable. However, for a 2-bed terraced property the entry level rental price was

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£400/per month³², which is similar to the lower quartile rents across Northumberland as present in table 13 from the SHMA 15.

Table 14 – Area Structure within Glendale Housing Needs Final report 2012

Table 1-1

Area Structure

Sub-Areas

Settlements contained within Glendale

Lowick, Crookham, Ford, Etal, Chatton, Branxton, Milfield, Bowsden

Area 4

Wooler

Source: Glendale Study Housing Assessment Final Report 2012

- 143. We have then attempted to conduct an analysis of rental values which is as up-to-date and as geographically accurate as possible.
- 144. Home.co.uk provides the latest rental statistic for towns' cities and postcode districts across the UK. Wooler is located within the NE71 postcode districts (which comprises Wooler, Milfield, Yeavering, Hethpool, Akeld, Langleeford, Earle, Kirknewton, West Horton, Horton, Northumberland, Haugh Head, Westnewton Northumberland, North Middleton, Flodden, Ford, Middleton, Wandon, Kimmerston, Ford, Fenton, Lanton, Earle, Earle, Middleton Hall, Coupland, Ewart Newtown, Doddington Northumberland, Humbleton and Nesbit).
- 145. As lower quartile values are not relevant to calculate given few rented properties listed in the NA, we have decided to apply the definition of entry-level dwelling (two bedroom dwelling suitable for a household comprising two or three individuals). However, only two properties were listed for a 2 bedroom house at £416pcm and £450pcm, averaging £433 pcm. This was based on a search within a 1 mile radius centring on Wooler village centre. The annualisation of this figure is £5,196. The income threshold is therefore £17,320.
- 146. As only two entry-level properties were listed in the area corresponding to the NA, we have expanded the search to the whole of the postcode district. This is to check the validity of the findings above. In NE71, the median rent for a 2-bedroom property was £450pcm. The annualisation of this figure is £5,400. The income threshold is therefore, £18,000, which will be used to calculate the purchase threshold below.

Purchase threshold

- 147. The purchase threshold is calculated by netting 10% off the lower quartile house price to reflect purchase deposit. The resulting cost is divided by 3.5 to reflect the standard household income requirement to access mortgage products.
- 148. The annual cost of homeownership can also be estimated. The purchase threshold for lower quartile property as of 2016 is £123,933 (stated in table 5.8 above). Minus 10% (£12,393) to reflect the deposit = £111,540; then dividing this figure by 3.5 produced a threshold of £31,868.6.
- 149. This suggests that only those on income above the median and close to the mean will be able to afford to buy an entry-level dwelling comfortably. Those on lower income levels will struggle, with newly formed households and those falling into the lower quartile having to reduce spending on other items to afford a dwelling suited to their needs; this increased the risk of exclusion and deprivation,
- 150. In **Table 15** below, we set out the financial position of households at different levels of household income taking the income and purchase threshold into account. This shows that not only households on lower quartile incomes, but also households with income around the median and Newly Formed Households (NFH), would have to reduce expenditure elsewhere, or fall into debt, to access housing suited to their needs. Noteworthy is the unaffordability of entry-level purchase properties compared to entry-level rented properties. This means that households who are looking to purchase a house will have to consider renting, or reduce expenditures elsewhere, or claim Local Housing Allowance (LHA).

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Table 15: Affordability at different levels of household income

Household income	Annual Household Income	IT Affordability	PT Affordability
Mean	£27,979	£9,979	-£934
Median	£23,075	£5,075	-£838
Newly Formed Households ³³	£18,466	-£466	-£10,447
Lower Quartile	£13,174	-£4,826	-£15,739
Upper Quartile	£38,526	£20,526	£9,613
Income threshold (IT)	£18,000		
Purchase threshold (PT)	£28,913		

Source: AECOM Calculations

151. In **Table 16** below we set out the distribution of income within the neighbourhood area provided by CACI. To obtain a rough idea of the proportion of residents who can afford market housing, based on table XX above, we can assume that all residents with an income below £20,000 will struggle to afford entry-level market rents, these amounts to 479 households or 46.1% (rounded) of all households. Similarly, we can assume that all households whose household incomes fall below £30,000 will also be unable to access market housing for sale. This amounts to 750 or 72.2% (rounded).

Table 16: Banded household income in Wooler (2017)

Range	Number	Percentage
0 - 5k	49	4.7%
5 - 10k	153	14.7%
10 - 15k	149	14.3%
15 - 20k	129	12.4%
20 - 25k	105	10.1%
25 - 30k	90	8.7%
30 - 35k	76	7.3%
35 - 40k	59	5.6%
40 - 45k	49	4.8%
45 - 50k	37	3.5%
50 - 55k	30	2.9%
55 - 60k	24	2.3%
60 - 65k	20	1.9%
65 - 70k	15	1.4%
70 - 75k	11	1.1%
75 - 80k	8	0.8%
80 - 85k	8	0.8%
85 - 90k	6	0.6%
90 - 95k	2	0.2%
95 - 100k	3	0.3%
100 - 120k	11	1.1%
120 - 140k	3	0.3%
140 - 160k	1	0.1%
160 - 180k	1	0.1%
180 - 200k	0	0.0%
200k+	0	0.0%
Total households	1,039	

Source: CACI

AECOM

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³³ In order to generate an understanding of affordability among newly forming households (NFH) specifically, relying on the Survey of English Homes [SEH], newly forming households have approximately 66% of the average income of all households. If the mean income in Wooler is £ £27,979.39, the average income of NFH will therefore be £18,466

152. In conclusion, this section has allowed us to determine the level of income needed to afford an entry-level market property for sale and rent in Wooler and understand the growing affordability pressures there,

- 153. Given the increasing difficulty of being able to afford dwellings to buy, the relative increase of private-rented tenures between 2001 and 2011 (131%) seems to indicate, as suggested by the SHMA 15, that the PRS plays a role in meeting the needs of those who cannot afford to buy a property. As determined, the income threshold was considerably lower that the purchase threshold, meaning that the PRS could play a vital role within the NA.
- 154. The following factors could, however, explain the growth of 131% in the PRS over the inter-censual period:
- 155. Firstly, this increase was experienced between 2001 and 2011; it is possible that it reflects a period when the PRS was more affordable. Moreover, although the PRS has increase significantly between this periodperiods, it started from a very low base.
- 156. Secondly, given the affordability pressures in the NA, the growth in the PRS might signify that many households (not only those on lower incomes but also on the mean income) are pushed to rent smaller dwellings or spend more of their income on housing.
- 157. Finally, we have used rental prices data from the whole of the NE71postcode district to calculate the income threshold. Therefore the median rent for entry-level properties might not reflect prices in the NA itself, and prices would be driven upward by less affordable areas of NE71. The analysis also evidenced the relative absence of privately rented dwellings within the NA. This means that those in need of entry-level rented dwellings, and in particular those not eligible for social housing, will have to move to places where rent prices are lower and rented dwellings more abundant, such as Berwick-Upon-Tweed or Alnwick to satisfy their needs.
- 158. Therefore, from the evidence gathered, it is clear that a substantial proportion of households are unable to access market housing without financial assistance; we estimate that around 72% of households are unable to buy and 42% are unable to rent. Those on lower and median incomes will be unable to find suitable accommodation within the market.

Homefinder Data (Northumberland County Council February 2018)

- 159. Northumberland County Council, in partnership with a number of social landlords operating in the County, manages the Northumberland Homefinder allocations service. Affordable homes which become available are advertised via this service. Homefinder operates a banding scheme where applicants are placed in one of five bands according to their level of need as follows:
 - Priority Band P for those with an urgent and severe housing need.
 - Band 1 for those who are in high housing need.
 - Band 2 for those who are in medium housing need.
 - Band 2R for those in reasonable preference categories but whose priority is reduced.
 - Band 3 for those who are adequately housed.
- 160. Data is available from this service with respect to properties advertised within Wooler and, therefore, can provide a view with respect to local housing needs. However, the value of this data is limited for a number of reasons including:
 - Data can only relate to those properties advertised and to those people who have applied to join Northumberland Homefinder.
 - Individual households can make multiple applications to multiple available properties making conclusions with respect to specific numbers of those in need very difficult.
 - It is widely known that many people do not apply to join Homefinder due to an expectation that properties which meet their needs are either not available or will be prioritised to households with a higher assessed need.
- 161. Nevertheless, Northumberland Homefinder allocations service does provide a readily accessible source of data to contribute to this report. Data has been kindly supplied by Northumberland County Council for the period from December 2016 to December 2017. This is summarised below:

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Table 17: Northumberland Homefinder Home finder Applicants by priority banding and bedroom eligibility

Priority Banding by bedroom eligibility

Band	1 Bed	2 Bed	3 Bed	4 +Bed	Total	
Band P	0	0	0	1	1	
Band 1	6	0	1	0	7	
Band 2	3	1	1	0	5	
Band 2R	1	1	1	0	3	
Band 3	31	4	4	0	39	
Total	41	6	7	1	55	

Source: Wooler Household Survey 2018

162. **Table 17** above suggests that 74% of Homefinder applicants living in Wooler require a one bedroom property. The data also highlights that 70% of applicants were considered to be adequately housed and not in priority need.

163. **Table 18** below shows the current tenure of applicants, which highlights that the highest number of applicants received have come from tenants who privately rent or rent with a social landlord.

Table 18: Current tenure types of applicants

Current tenancy

Tenancy	Count	%
Private tenant	22	40.0%
Registered Social Landlord tenant	17	30.9%
Living with family and friends	11	20.0%
Owner occupier	5	9.1%
Total	55	100.0%

Source: Wooler Household Survey 2018

164. **Table 19** below shows that in the period from December 2016 to December 2017, there were 23 advertised properties which received 128 bids – an average of 5.6 bids per property. 76% of these bidders (59 out of 78) were from outside the Wooler area. 55% of bidders (43 out of 78) were 55 years old or older. This demonstrates that in terms of the number of bids received, bungalows (52.3%) received the highest number, followed by houses and flats, clearly demonstrating that demand is outstripping the supply for social housing within Wooler, due to this number of bids hugely outstripping the number of properties available within Wooler.

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Table 19: HomefinderHome 1	finder advertised	properties	(Dec 2016 to Dec 201	7)
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Property Type	1	2	3	4	Total	Bids	%
Bedsit	0	0	0	0	0	0	0.0%
Bungalow	6	2	0	0	8	67	52.3%
Flat	1	5	0	0	6	26	20.3%
House	0	9	0	0	9	35	27.3%
Maisonette	0	0	0	0	0	0	0.0%
Sheltered	0	0	0	0	0	0	0.0%
Total	7	16	0	0	23	128	100.0%

Source: Wooler Household Survey 2018

- 165. As we have seen, no policies have been published for the eLP however the currently adopted Berwick-Upon-Tweed Local Plan states that any site over a hectare should include an element of affordable housing that should be negotiated between the council and the developer. Prior to withdrawal of the Northumberland Local plan core strategy, 15% was stated as the minimum level of affordable housing contribution for any development of 10 dwellings or above, or on a site greater than 0.1ha.
- 166. However, in the absence of more compelling data, it is possible to use the number of bids (19) received from those residents who live within Wooler Parish as a proxy for the number of people in need within the NA.As stated in the quantity section of the report, 99 dwelling are required through the Plan period to meet the housing need. By taking the number of bids received from within Wooler as a percentage of the overall requirement for Wooler (19/99*100) this equates to 19.2%. This suggests emerging affordable housing policy needs to be above the requirements stated in the previously withdrawn Local plan to address the current backlog of affordable housing.

Households in unsuitable housing

- 167. Other indicators are also helpful in gaining a clear understanding of AH need in the NA. These include overcrowded households, those households experiencing a mismatch between the housing needed and the actual dwelling they occupy, and concealed households, that that is those households who do not have sole use of basic facilities such as kitchen or bathroom, either living with a host household, often made up of family members, or living with other households, who would prefer to occupy their own home, but cannot do so for reasons of affordability³⁴. Both indicators will be considered in more details in the 'Market Signals' section.
- 168. The 2011 Census identified 4 households (0.7%) considered to be concealed, defined by the Census as "a multifamily household...such as young couple living with parents". Whilst overall these make up a smaller proportion of all households in Wooler than in the county, it is important to note that these households represent a growing generation of young people reaching maturity and seeking to leave the family home. If they are unable to access suitable housing within Wooler, they are likely to move elsewhere, most moving within one year, a phenomenon called 'displacement'. The 4 households can therefore be seen as the most obvious indicator of households who would prefer to form their own households.
- 169. The group have also stated that there are a number of residents living in caravans within Wooler, (67, 2011 census) as they are unable to find another housing to suit their need within the area and therefore could be considered as concealed householders.
- 170. A truer picture of 'concealed households' can be seen in data for households with non-dependent children, i.e. those with children living in the household over the age of 18, and some aged 16-18. For Wooler, at the time of the last Census, 10.1%, suggesting the phenomenon of adult children living with their parents is not uncommon in the NA. Moreover, these findings should be considered together with a significant increase of 38% of that group over the inter-censual period, compared to 6.2% in Northumberland and 10.6% in England. Whilst not all of these children are considered 'concealed', clearly the vast majority have the potential to form their own household, and thus represent a significant source of local housing need in Wooler. In the context of an ageing population, it is important planning policy makes every effort to stem the leakage of younger households so as to maintain balanced communities in future years.

http://webarchive.nationalarchives.gov.uk/20160105222237/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-/summary.html

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171. Furthermore, the 2011 Census showed Wooler as having 8 households experiencing overcrowding, defined here as those households with an occupancy rating of more than one person per room; over-crowding has grown by 100% over the last decade; given the worsening of affordability it is not unreasonable to suggest this trend, together with concealment, may have and might become more pronounced.

Conclusions

- 172. Bringing together our findings relating to affordability, the LQAR for Wooler was 8.55, this compares with a LQAR for Northumberland of around 5.33 in 2016; this indicates that entry-level dwellings are unaffordable in Wooler compared with the County generally.
- 173. Based on properties currently being marketed (February 2018) and taking into account house price data from Land Registry, an entry-level dwellings is estimated to cost £ 112,438. At this price point, using CACI data on Household Income, around 72.2% of all households are unable to access a dwelling of this type.
- 174. As regards access to the private rental market, more than 46.1% of all households are unable to access entrylevel type dwellings for rent.

Bringing the evidence together: Tenures of housing needed

Housing tenure

- 175. As we have seen, the Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.
- 176. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes', we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable home ownership and rented tenures.'
- 177. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
- 178. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
- 179. Earlier in this study, we identified the various different tenures that constitute Affordable Housing (AH): social rented housing, affordable rented housing, shared ownership, discounted market sales housing (Starter Homes) and affordable private rent housing.
- 180. This variety of AH tenures reflects an ambition by the Government to introduce market principles into the provision of subsidised housing. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
- 181. A good example is, in 2012, the introduction of affordable rented dwellings, rent for this tenure would be set at up to 80% of market rent, with the additional income being used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the social rented dwellings, but who cannot afford to access the private market.
- 182. The overall aim is to reduce the group who are eligible for social rented dwellings to those who have, relatively speaking, and very low household income. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.
- 183. We consider each of the AH tenures in turn, before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

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Social rented housing

184. Rents in social rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.

- 185. As previously stated, a large proportion of households in Wooler are unable to afford an entry-level market dwelling, of which 72% cannot afford a market dwelling for sale and 41% for rent. The evidence we have gathered (in particular the Lower Quartile Affordability Ratio of 9.42) suggests there is a large proportion of households that experience great difficulty in accessing housing suited to their needs. It is likely that this will be exacerbated over the Plan period if house prices continue to increase as they have in recent years within the NA. The evidence comprised of:
 - A LQAR is higher than the county, which has worsened over the last 5 years;
 - A substantial proportion of households with non-dependent children (10.1% of all households) suggesting the importance of the phenomenon of adult children living with their parents;
 - Data from the 2011 Census identifying 8 households experiencing overcrowding and 4 households considered to be concealed: and
 - The 128 households in priority need for affordable homes in the NA.
- 186. The need for social housing will be exacerbated by the reported increase in house prices in the area in recent years and the decline in those ages 25-44 combined with the forecast loss of people of working age. It is therefore appropriate for social rented housing to form the majority of affordable homes provided.

Private rented sector

- 187. As we have seen, the private rented sector is relatively low key in the NA (13.8%), and although in percentage terms there was a significant increase in between the 2001 and 2011 Censuses (131%). The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.
- 188. However the SHMA 15 provides evidence of a growing demand for private rented accommodation in the County as whole, and by extension the NA. The reason for the strength of this demand is that, according to the SHMA 15 there is a sizeable number (33.7%) of in- migrant households moving into the borough³⁵. In addition to this, 49.7% of households currently privately renting moved from another privately rented home, whilst 39.7% of households who previously lived with family or friends moved into private rented accommodation.
- 189. Of younger households moving from the County to Newcastle into private rented accommodation, and of these almost half were considered not to have a sufficient deposit to enter the owner occupation sector. Such households unable to access market housing, and who do not qualify for affordable housing, are left with private rented housing as the only remaining option.
- 190. The Housing White Paper proposed a number of modifications to the definition of affordable housing for planning purposes. One of these is Affordable Private Rent Housing (APRH); this is housing made available for rent at a level which is at least 20 per cent below market at least 20 per cent below market is rent.

Discounted market housing (starter homes)

191. As we have seen, discounted market housing, have yet to establish a presence within the NA between the 2001 and 2011 Censuses. The SHMA 15 stated that only 0.2% of the current housing market is made up of intermediate tenures for sale or rent. The SHMA analysis suggests that only a low proportion of households in Northumberland would be able to afford the cost of intermediate housing, with 35% able to afford a property up to £80,000, 33.9% a property up to £100,000 and 26.1% at a property prices up to £120,000³⁷. We believe that in the case of Wooler, where a number of households might aspire to homeownership, however can only afford the PRS. Therefore, there is potential for products such as Starter Homes and other discounted market sales housing, to allow households to move into homeownership.

35 SHMA 2015 pg. 54

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³⁶ SHMA 2015 pg. 10 37 Northumberland SHMA 2015 pg. 120

192. As we have seen, Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.

- 193. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable homeownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable homeownership and rented tenures.'
- 194. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable homeownership products, while taking note of the 10% policy expectation.
- 195. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first-time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
- 196. So as to provide a conservative assessment of suitability of DMSH, we consider the value of £112,438 in Wooler for an entry-level dwelling. Allowing for a 10% deposit would reduce the value of a Lower Quartile property to £101,194.2. We then apply a further discount of 20% to arrive at the approximate selling price of a Starter Home of £80,955. Dividing this figure by 3.5 produces a threshold of £23,130. This brings market housing within reach of first time buyers with an income around the median.
- 197. On the basis of the evidence we have gathered, we would therefore recommend DMSH form part of the AH quota within the NA.

Shared ownership

- 198. As we have seen, the shared ownership tenure has failed to take hold in Wooler. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.
- 199. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (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.
- 200. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000. Given these conditions, it is surprising why it has not taken root in Wooler on the basis of the affordability analysis discussed above, although one explanation would be the need to raise a deposit. Our recommendation would be that it should form part of the AH mix in the Parish.

Affordable rent

- 201. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
- 202. According to home.co.uk, the average rent for a 2 bedroom property in the Wooler Parish is £500.
- 203. To assess the affordability of this rental level, an income threshold of 25% is employed, so as to leave enough money in the household budget to cover other essentials and allow for some discretionary spending.
- 204. If a household is to spend no more than 25% of its income on housing costs, it would require roughly £2,000, or £24,000pa, to afford a rent of £500pcm. As we have seen, this is substantially above the mean income for the NA; a further reduction of 20% would reduce the monthly rent to £480pcm, for which a monthly household income of £1,920 would be required, or an annual income of £23,040.

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205. Given the medium income in Wooler is £23,075, reflecting rent controls that require a rent of between 70-80% of the local market rent, would be a suitable tenure for the NA, enabling households with incomes substantially lower than the mean to access dwellings of a suitable type and size for their needs.

Market housing

- 206. Notwithstanding the relatively large quantity of AH in the NA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home as well as personal taste.
- 207. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

Built to rent

- 208. As we have seen, there is strong evidence of growing demand for private rent accommodation in the NA. Ongoing changes to the benefit system, in particular 'Universal Credit,'38 and the way social housing is allocated, for example restrictions imposed by eligibility criteria, are likely to increase demand on the private rented sector, especially at the lower-cost end of the market. Given the very substantial increases in PRS revealed by Census data, this trend is one shared by Wooler. Wooler?
- 209. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option. Given the trends identified in this HNA, Wooler should seek build to rent (BTR) development, a large percentage of which should be 'intermediate rented housing' so as to address the need to affordable market housing for younger age groups.

Conclusion

210. In Table 20 below we have calculated the proportion of households unable to afford certain types of tenures, and identified different households' categories according to their income. We have also calculated the percentage of these types of households in the NA.

Table 20: Affordability of different types of tenures

Different tenures Income needed Unaffordable for Affordable for households with

Entry-level rented properties	£18,000	46%	Income above the median (54%)
Entry-level sales	£28,913	65%	Income above the median
Starter Homes	£23,130	56%	First-time buyers, income above the median
Affordable Rent	£23,040	56%	Income above median

Source: AECOM Calculations

- 211. Based on the current income distribution a distribution of the below housing types is put forward:
 - 10% Intermediate:
 - 5% Starter Homes; and
 - 5% Discounted Market Housing.
 - 50% Social rented
 - 10% Affordable Rented

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³⁸ Reforms to the benefits system are likely to see payments made directly into recipients' bank accounts rather than housing benefit paid to landlords thus granting the individual greater choice in the nature of their housing arrangements.

- 34% Market Housing
- 212. In shaping policies with respect to Affordable Housing it is however important to balance need based on an understanding of affordability with what it is feasible to deliver on the ground once key factors such as development viability have been taken into consideration. The tenure split set out above is therefore provided as a starting point that may inform a discussion with the Local Authority.

Type and size

RQ4. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

Background and definitions

- 213. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability³⁹.
- 214. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in Census terms as under occupying their homes. This is a natural feature of the housing market, although it can make considerations of future housing needs as much a matter of market dynamics and signals, as of demographics and household type and size projections in future years.
- 215. In order to understand the terminology surrounding size of dwellings, it is important to note that the definition of a room recorded in the Census does not include 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. Rooms shared between a number of households, for example a shared kitchen, are not counted.
- 216. In the section that follows, 'dwelling sizes' should be translated as follows⁴⁰:
 - 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 3, 4 or more bedrooms
- 217. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration type and size within the existing housing stock.

Dwelling type

218. In Table 21 below we present the range of dwelling types in the NA; the majority of dwellings are semi-detached (38.6%) and terraced properties (24%), with detached dwellings (19.7%) also representing significant levels of stock. Furthermore, there are a number of flats (7.9%) in the NA although stock is relatively small compared to Northumberland and England. Comparisons against the national average shows that Northumberland is characterised by a high proportion of semi-detached properties, with the type constituting 38.6% of all household

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³⁹ SHMA15, pp.130, para 8.5

⁴⁰ https://www.nomisweb.co.uk/census/2011/qs407ew

spaces, with the NA being made up of an even higher proportion of semi0detahced properties than the county. In that sense, the patterns in Wooler do not directly reflect those of the wider county. This was confirmed by our discussion with the group which informed us that there are a high number of semi-detached properties in the NA and less detached properties when compared to the rest of Northumberland. The group also informed us that 2011 census records showed 67 people living in caravans, in effect 'concealed' households. The groups understanding, is that a similar number are still living in a caravan, due to being unable to find other suitable accommodation within the NPA.

Table 21: Accommodation type (households) in Wooler, 2011

Dwelling type		Wooler	Northumberland	England
Whole house or				
bungalow	Detached	19.7%	25.2%	22.4%
	Semi-detached	38.6%	35.3%	31.2%
	Terraced	24.0%	28.1%	24.5%
Flat, maisonette or	Purpose-built block of flats			
apartment	or tenement	7.9%	8.6%	16.4%
	Parts of a converted or			
	shared house	1.9%	1.7%	3.8%
	In commercial building	1.9%	0.8%	1.0%

Source: Census 2011, AECOM calculations

219. It is useful to assess how the type mix has changed in the NA, in comparison to Northumberland. As shown in table 22 below, there has been has been a large increase in detached (17.7%) and semi-detached types (14%), which is a much higher growth rate than seen across Northumberland (8.9% and 5.3%), however considerably=lower than seen across the rest of England (22.4% and 31.2%). Purposes built flats have seen the smallest increase (1.2%), when compared to Northumberland (13.3%) and England (16.4%) over the last decade. Terraced properties have also only seen a small increase in Wooler (3.8%) and Northumberland (4.1%) when compared to the rest of England (24.5%).

Table 22: Accommodation type (households) rate of change in Wooler, 2001-2011

Dwelling type		Wooler	Northumberland	England
Whole house or				
bungalow	Detached	17.7%	8.9%	22.4%
	Semi-detached	14.0%	5.3%	31.2%
	Terraced	3.8%	4.1%	24.5%
Flat, maisonette or	Purpose-built block of flats			
apartment	or tenement	1.2%	13.3%	16.4%
	Parts of a converted or			
	shared house	14.3%	15.1%	3.8%
	In commercial building	9.5%	-8.1%	1.0%

Source: Census 2011, AECOM calculations

220. **Figure 9** below is taken from the SHMA and shows the accommodation type across the difference HMAs within Northumberland and Northumberland as a while, Overall, it shows that the vast majority (72.7%) of properties are houses, both detached and semi-detached across Northumberland, 18.8% are bungalows, 8.0% are flats and maisonettes and 0.5% are other types of property including bedsits and caravans. Within the North HMA, there is a considerably higher proportion of bungalows, compared the other HMAs within Northumberland.

Field Field

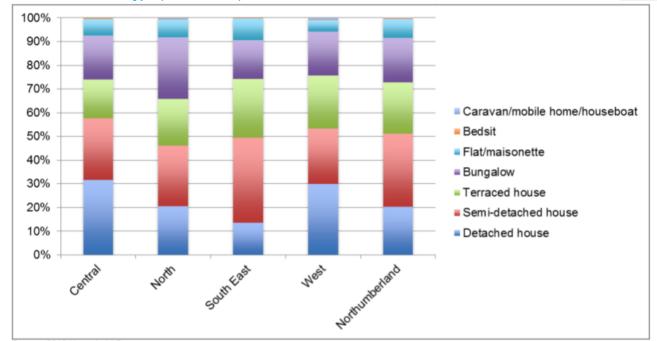


Figure 9: Accommodation type (households) in HMAs and Northumberland, 2011

Source: SHMA 2015

221. Analysis of property type preference is also included in the SHMA 15, as present in table 23 below. It suggests that the delivery of houses is a priority (56.4%), followed by flats (30.8%) and bungalows (12.7%), which is based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years.

Table 23: Property preference type in Northumberland for existing and newly formed households, 2011

Table 6.20 Property type preferences						
Type preferences	Existing (%)	Newly-forming (%)	Total (%)			
House	54.1	57.3	56.4			
Bungalow	30.0	6.2	12.7			
Flat/other	15.9	36.5	30.8			
Total	100.0	100.0	100.0			
Base	411	1,091	1,502			

Source: SHMA 2015

Dwelling size

- 222. Turning to size of dwellings, table 24 below show the range of dwellings sizes in Wooler and how the overall housing stock has changed in the decade between the 2001 and 2011 Censuses.
- 223. Firstly, it can be noted that the overwhelming majority of households (88%) are shown to occupy dwellings with 4 rooms or more in 2011, while only 4 dwellings could be considered to be a bedsit (1 room). These proportions are similar to those in the whole borough, where most households occupy dwellings with 4-6 rooms (65%). 3 room dwellings, which can be considered entry-level dwellings, only form 9% of dwellings within the NA and 7% in Northumberland. Medium-sized family dwellings of 4-5 rooms are the most common dwelling type, representing 49% in the NA and 46% within Northumberland. Finally, larger dwellings of 6 or more habitable rooms constitute 39% of the housing stock compared to 45% in Northumberland.

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Table 24 - Accommodation type (rooms) in Wooler, changes 2001-2011

	2001	2001	2011	2011
Number of Rooms	Wooler	Northumberland	Wooler	Northumberland
1 Room	8	448	4	275
2 Rooms	34	1982	24	1611
3 Rooms	77	9390	88	10068
4 Rooms	212	29275	232	28562
5 Rooms	216	35494	250	34943
6 Rooms	160	26305	165	27142
7 Rooms	86	12479	115	15046
8 Rooms or more	89	15407	49	10106
9 Rooms or more			47	10781

Source: Census 2011, AECOM calculations

224. **Table 25** below expresses the changes that have taken pace in dwelling sizes between the censuses. From this, it can be seen that there has been a sharp decrease in the number of households occupying smaller 1 room dwellings (50%) and 2 room dwellings (29%), while those occupying 7 room dwellings have experienced that largest increase (38%, whilst Northumberland saw a 20.6% increase across the same period. Noteworthy is the modest increase of 3-5 room homes which is significantly above Northumberland averages, which saw a decrease in 4 and 5 room households.

Table 25 - Rates of change in number of rooms per household in Wooler, changes 2001- 2011

Number of Rooms	Wooler	Northumberland	England
1 Room	-50.0%	-38.6%	-5.2%
2 Rooms	-29.4%	-18.7%	24.2%
3 Rooms	14.3%	7.2%	20.4%
4 Rooms	9.4%	-2.4%	3.5%
5 Rooms	15.7%	-1.6%	-1.8%
6 Rooms	3.1%	3.2%	2.1%
7 Rooms	33.7%	20.6%	17.9%
8 Rooms or more	7.9%	35.6%	29.8%

Source: Census 2011, AECOM calculations

225. The household survey (2018) undertaken by Wooler parish asked whether residents current home was suitable for the householders needs, whereby 55 out of 336 stated that their current property was not suitable. The 55 respondents were then asked to state their future property preference, which highlighted the demand for 1-2 bedroom bungalows and 2 bedroom houses, a small level of demand also exists for flats/maisonettes/ apartments, as can be seen in figure 10 below. Only 3 respondents (shown on the x axis) expressed a preference for a 3 or 4 bedroom properly, which the majority stated the preference for 1 and 2 bedroom properties.

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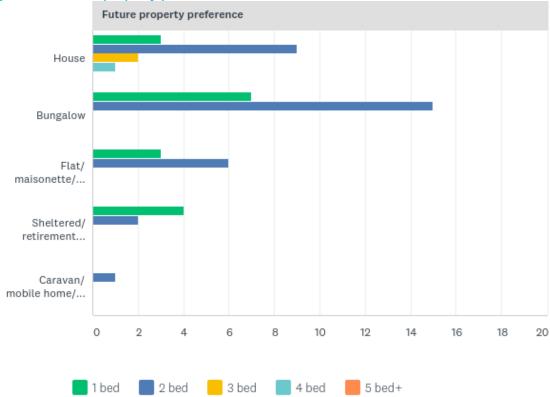


Figure 10 - Future property preference in Wooler

Source: Wooler Household Survey 2017

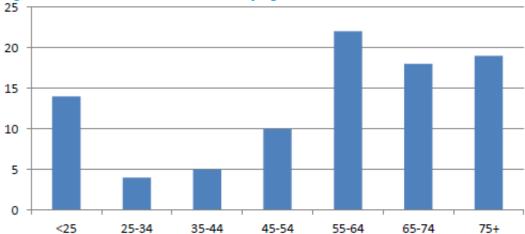
- 226. Bringing together the data relating to type and size of dwelling, semi-detached and terraced homes are the dominant type in the current housing mix within the NA. This corresponds with the size distribution of dwellings which is overwhelmingly towards medium-sized dwellings and is suited to families, however this does not match the household composition within Wooler; this therefore suggests that dwellings are not suited to the current need of households within Wooler.
- 227. Reponses from estate agents have highlighted the need for smaller bedroom properties, mainly ground floor flats or bungalows, which is also supported by date from the household survey, which shows that 1 and 2 bedroom properties are in the highest demand.

Age Structure

- 228. Having established the tenure profile of the NA, we now review the age structure, household composition, and income indicators in turn.
- 229. The household survey highlighted that those age groups who demonstrated a housing need, the majority being in the 55-64 age category (22 people) and a total of 14 people were under the age of 25 and those aged 65+ made up 37 people, as shown in figure 11 below. The reasons why households indicated that their current home is unsuitable for their needs varied. The main reasons for housing need were that existing accommodation is too large (18 respondents) followed by changing family circumstances (14), too expensive (12), no suitable home locally (11) and doesn't meet disability/health needs (11). Therefore, this highlights a need for smaller housing within the Parish.

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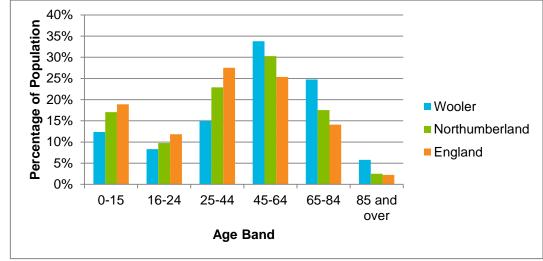
Figure 11 - Total household members by age



Source: Wooler Household Survey (2017)

230. With regards to the age structure profile of the NA, **Figure 12** below presents 2011 Census data which shows that the NA has a significantly higher percentage of people in the 45-64, 65-84 and 85+ years age group than both Northumberland and England. However, the lower ages groups show the opposite pattern, whereby the 0-15, 16-24 and 25-44 age groups are all lower in Wooler and the rest of Northumberland and England.

Figure 12: Age bands in Wooler, Northumberland, England 2011



Source: Census 2011

231. The NA age profile is further supported by Table 26, which shows the rates of age changes in the NA between the 2001 and 2011 census. There are significant decreases in the 0-15 (20.5%), compared to the rest of Northumberland and England and Wooler has seen a slightly more significant decrease in the 25-44 age group (26.1%) compared to Northumberland and England. There are also minor decreases in the 65-85 age groups (2.4%), whereby the rest of Northumberland and England have actually seen an increase. Over the last decade the age group that has seen the largest growth is the over 85 age group (62%), compared to Northumberland (34.6%) and England (23.7%). The 45-64 age group has also seen a 50.6% increase and the 16-24 age group has been a 28.9% increase, both of which are much greater than Northumberland's and England's growth.

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Table 26: Rates of age change in Wooler, 2001-2011

Age group	Wooler	Northumberland	England
0-15	-20.5%	-7.0%	1.2%
16-24	28.9%	7.1%	17.2%
25-44	-26.1%	-12.1%	1.4%
45-64	50.6%	13.7%	15.2%
65-84	-2.4%	15.0%	9.1%
85 and over	62.0%	34.6%	23.7%

Source: Census 2011, AECOM Calculations

- 232. Taking the demographic data into account, it is apparent that numerically the NA's population has remained relatively stable over that decade, although the pattern of an older population remains and would be expected to increase at a higher rate than the national population projections.
- 233. It is also helpful to consider trends at a County level. This suggests a 'demographic shift' with the number and proportion of older people increasing. The SHMA 2015 states that 'a major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population'⁴¹, given that the ONS 2012-based population projections predict the number of people across Northumberland area aged 65 or over to increase from 73,000 in 2015 to 101,800 by 2031 (a 39.5% increase). Therefore, there are pressing demographic reasons why addressing housing issues for older people is important.
- 234. Further analysis of the population projections at a Northumberland level is presented in Table 27. This is based on the 2014 sub-national population projections released by MHCLG. The analysis estimates the change in the different age bands similar to the census from 2016-2036. Even though trend based populations data is based on predictions, the projections show significant increase of those aged 65 and over, especially those 85 and over and a significant decrease of those ages 45-64, along with a smaller decrease in those aged 44 and under. Although this data is for Northumberland, the likelihood is that the demographic situation in Wooler will nevertheless become ever more pronounced in terms of an elderly population.

Table 27 - Change in age bands from 2016 to 2036, Northumberland

Age group	
	Northumberland
0-14	-7.6%
15-24	-7.8%
25-44	-4.2%
45-64	-52.2%
65-84	30.5%
85 and over	137.4%

Source: MHCLG, AECOM Calculations

235. The ageing population structure of Northumberland is well documented and this trend is predicted to continue into the future. Figure 13 below shows projections from Northumberland Knowledge with respect to the growing proportion of the population that will be 65 years and older by 2039. It is noteworthy that in Wooler, 30.6% of the population already fell into this age group at the time of the census in 2011. The continued ageing of the population will clearly impact on a range of services and housing needs in the future.

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⁴¹Northumberland County Council SHMA 2015 pg. 13

35.0 30.0 ■65 and % of the population 25.0 over 20.0 15.0 10.0 5.0 0.0 2014 2039 2014 2039 2014 2039

Figure 13 - Projected population in Northumberland

Source: Northumberland Knowledge Age Profiles (2017)

Northumberland

236. Bringing together our findings relating to age structure, the strong representation of those falling into the older age groups is noted. This is reinforced by trends observed in Census data over the decade 2001-2011, there has been a fall in the number of young people, combined with an increase in those aged 85+ over the period.

England

North East

- 237. A review of data presenting changes to age structure at a county level suggests these trends will continue, at a more severe rate that the rest of the North east and England. Faced with this scenario, the SHMA 15 takes a proactive stance, recommending that planner when determining the tenure and type of future development should include:
 - The need to continue development to satisfy household market requirements, in particular the development of detached and semidetached houses with three or more bedrooms and bungalows;
 - Developing an increasing range of housing and support products for older people;
 - Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of affordable options by developing intermediate tenure dwellings and products; and
 - The economic viability of delivering affordable housing on sites across Northumberland.
- 238. A view in terms of the ageing population and addressing the needs of vulnerable people. It has been noted in the SHMA 15 that a key challenge for the Council is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home and develop funding mechanisms to achieve this. Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people and the development of Extra Care accommodation and co-housing
- 239. The SHMA 15 states that evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

Household composition

- 240. In **Table 28** we set out data from Census 2011 for household composition within the parish as well as county and national geographies. In terms of one person households, the NA has a larger proportion compared to Northumberland and England. However, this difference is mainly made up of those ages 65 and over (22.5%) compared to Northumberland (14%) and England (12.4%).
- 241. One family households make up the largest household composition, making up around 60% of all households, which is slightly below Northumberland and the rest of England. Within this indicator, the NA displays higher figures of one family households all ages over 65 (12.25) than Northumberland (10.3%) and England (8.1%). The NA also has a significantly lower proportion of households with dependent children (16.6%) when compared to Northumberland (24.9%) and England (26.5%).

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Table 28: Household composition, Wooler, 2011

Household Composition		Wooler	Northumberland	England
	Total	37.2%	29.9%	30.2%
One person Household	Aged 65 and over	22.5%	14.0%	12.4%
	Other	14.7%	15.9%	17.9%
	Total	59.8%	66.3%	61.8%
	All aged 65 and over	12.2%	10.3%	8.1%
On a family and	With no children	20.8%	21.0%	17.6%
One family only	With dependent children	16.6%	24.9%	26.5%
	All children non dependent	10.1%	10.1%	9.6%
Other household types	Total	3.1%	3.8%	8.0%

Source: Census 2011, AECOM Calculations

- 242. **Table 29** presents data that allows us to explore how household composition has changed during the intercensual period. While there have been modest shifts overall, it is worth nothing that within certain indicators there have been considerable shifts, such as one person households other than those ages over 65 that has seen a 83.3% increase, which is significantly higher than Northumberland (25.3%) and England (22.7%). One family households with no children has also seen a significant increase (67.8%) over the last decade, compared to Northumberland (11.4%) and England (7.1%). Other less significant changes can be seen in one family households with non-dependent children (38%), again which is significantly higher than Northumberland and England. One family households over the age of 65 (-19%) and one family households with dependent children (-16.9%) have seen a fairly significant decrease when compared to the rest of Northumberland and England.
- 243. This data reinforces the age structure data of the proportion of families with dependent children decreasing, compared to the rest of England; this indicates that families with dependent children have struggled to settle in the area on account either of a shortage of dwellings of the right size, and/or the affordability of homes. On the other hand, in line with an ageing population, there has been a growth in families with no children (67.8%) and one person households (12.8 %) compared to England (8.4%).
- 244. Finally, the growth in 'all children non-dependant' family households suggests a degree of suppression of new household formation, with young adults unable to leave the family home.

Table 29: Rates of change in household composition in Wooler, 2001-2011

Household type		Percentage change, 2001-2011				
		Wooler	Northumberland	England		
One person household	Total	12.8%	9.4%	8.4%		
	Aged 65 and over	-9.9%	-4.3%	-7.3%		
	Other	83.3%	25.3%	22.7%		
One family only	Total	9.0%	4.1%	5.4%		
	All aged 65 and over	-19.0%	7.4%	-2.0%		
	With no children	67.8%	11.4%	7.1%		
	With dependent children	-16.9%	-3.2%	5.0%		
	All children non-dependent	38.0%	6.2%	10.6%		
Other household types	Total	15.4%	12.0%	28.9%		

Source: Census 2011, AECOM Calculations

245. **Figure 30** below, below shows calculations from data drawn from Northumberland Knowledge 2011 database. It provides a picture of how household composition is forecast to change from 2011 – 2021. The key findings from this data are:

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- Increase in the number of one person households (male) by 0.4%
- Increase in One family households with no dependent children 0.5%.
- Decrease in one family households with 2 dependent children 0.9%
- Increase in lone parent households with 1 dependent child by 0.7%
- Decrease in couple or adult household with no dependent children by 0.4%
- Decrease in couple or adult household with 1 dependent child 0.4%.

Table 30: Changing household type, 2011-2021

rable set changing household type, 2011 2021	2011	%	2017	%	2021	%
One person households: Male	18232	13.3	19153	13.5	19901	13.7
One person households: Female	23751	17.3	24207	17.0	24612	17.0
One family and no others: Couple: No dependent children	43515	31.7	45804	32.3	46604	32.2
One family and no others: Couple: 1 dependent child	8771	6.4	9190	6.5	9372	6.5
One family and no others: Couple: 2 dependent children	9610	7.0	9038	6.4	8840	6.1
One family and no others: Couple: 3+ dependent children	3745	2.7	3670	2.6	3698	2.6
One family and no others: Lone parent: 1 dependent child	4490	3.3	5188	3.7	5725	4.0
One family and no others: Lone parent: 2 dependent children	2224	1.6	2372	1.7	2526	1.7
One family and no others: Lone parent: 3+ dependent children	926	0.7	1011	0.7	1101	8.0
A couple and one or more other adults: No dependent children	10754	7.8	10714	7.5	10621	7.3
A couple and one or more other adults: 1 dependent child	2212	1.6	1997	1.4	1807	1.2
A couple and one or more other adults: 2 dependent children	684	0.5	582	0.4	548	0.4
A couple and one or more other adults: 3+ dependent children	225	0.2	202	0.1	193	0.1
A lone parent and one or more other adults: 1 dependent child	770	0.6	797	0.6	817	0.6
A lone parent and one or more other adults: 2 dependent children	283	0.2	271	0.2	280	0.2
A lone parent and one or more other adults: 3+ dependent children	99	0.1	103	0.1	106	0.1
Other households	7020	5.1	7693	5.4	8154	5.6
Total	137310		141991		144906	

Source: Northumberland Knowledge/ AECOM Calculations

- 246. Bringing together evidence related to household composition, 22.5% of one person households over the age of 65 form the largest household type in the NA, families with no children also make up a significant proportion of household types (20.8%), which when compared to Northumberland (14%) and England (12.4%) is significantly higher. Also, one person households make up 37.2% of the NA; which has grown over the last decade. This suggests smaller dwellings of 2 and 3 habitable rooms may be appropriate in Wooler.
- 247. The growth of non-dependent children households points to depressed household formation rates.

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248. Data from the knowledge Northumberland suggests that the county will see an increase in one person households (male), childless couple households and a decrease of couples with 2 dependent children. Given the main differences of household composition between Wooler and the rest of Northumberland is seen within these households, it is likely that these effects could be more pronounced in the NA.

Market segmentation

- 249. Bringing together the evidence from our consideration of affordability, age structure and household composition, in line with PPG, we have sought to identify the different market segments in the population of Wooler. We then use this understanding to put forward recommendations for policy relating to Affordable Housing as well as and size and tenure of dwelling.
- 250. The table below indicates the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One 'up' arrow indicates this grouping is growing modestly in the NA; two 'up' arrows indicates strong growth, three 'up' arrows suggests very rapid growth in years to come. Where segments are falling in numbers, or not growing, neutral or down arrows are shown.
- 251. It is important to note that, the private sector is good at picking up market trends that result from, among other factors, changes in social behaviours and demographic shifts. For this reason, policy intervention is only justified in the case of market failure (where the market is unable, for reasons of viability, or there are incentives, deliberate or otherwise, that drive the market not to respond to trends). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.
- 252. Similarly, because, generally speaking, the market is able to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent), policy intervention is only required where the evidence is both compelling and the circumstances it describes serious. This is because policies carry both costs and risks; this can distort the market, preventing it from providing homes (and encouraging a position of market equilibrium in which homes are accessible to target markets).

Arrows analysis

- 253. The analysis of affordability points to depressed housing formation rates and the emergence of concealed households; this is supported by data relating to household composition. There is evidence that adult children are increasingly remaining in the family home together with forecasts that the working age population may decline at the county level and even more so at the NA level. These trends will be exacerbated by displacement from the area on account of the lack of suitable affordable dwellings.
- 254. Considering the findings of age structure and household composition together, there is clear evidence of an ageing population. The impact of this over the medium to long term will be profound, requiring not only additional dwellings suited to the needs of the elderly (examined in more detail later in this HNA) but also an activist policy that seeks to maintain a balanced demographic in future years.
- 255. It is particularly telling that the numbers of people aged between 25-44 fell in the NA (26.1%) between the two Censuses, which are above that at the country level, overall suggesting a loss of working age households within Wooler. The objective should be to maintain Wooler as working well as a retired community, able to sustain the businesses, services and facilities essential to a thriving community, positioned in the Glendale gateway to Northumberland National Park.

Policy recommendations:

- Plan makers should plan imaginatively to cater the needs of the elderly to ensure they are able to remain in their
 own homes for a s long as possible, play an active role in the community life and enjoy the highest possible
 sense of well-being;
- should address the needs of concealed households through the provision of smaller, affordable market dwellings as well as Affordable Homes so as to encourage household formation rates, and stem the decline of the local working age population
- The needs of families should be prioritised, firstly so as to retain a balanced population in future years, but also so as to capitalise on the area's natural advantages;
- In terms of size of dwellings, these trends point towards a mix of smaller dwellings and family sized homes, of 2-5 habitable rooms. This HNA will carefully explore whether the current housing stock is suited to the current and future needs of the community, or whether misalignments exist later in section 6 of this study.

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Owner occupation has been the dominant trend in tenure; however, as we have seen, this tenure is beyond the
means of the vast majority of households; planners should therefore encourage others to come forward, such as
shared equity, starter homes and private rented sector. These questions are examined in the next sub-section of
this study.

- 256. With this in mind, notwithstanding the fall in both families and young people in the Parish between 2001 and 2011, we foresee a requirement of dwellings of 3-4 rooms to address their needs.
- 257. Taking into consideration the forecast of strong growth in solo households, and the increased ages of households in the County, it is appropriate for planning also to support dwellings of 1-3 rooms in size.
- 258. In terms of tenure, tenure is made up largely by owner occupation (59.2%) and social rented (24%). There are a substantial number of households in need of subsidy to access housing of a suitable type for their needs. Affordable Housing should therefore form an important consideration; with the mix of tenures including social rented housing and intermediate products although, as we have explained, this is primarily the responsibility of the LPA.
- 259. In 2012 a 40 sheltered accommodation units were demolished and replaced by 18 affordable units, which has left a shortfall within Wooler. Reponses from the Glendale Gateway Trust who manage the 18 affordable rent properties in Wooler support findings that affordable housing is in high demand in Wooler and all properties are occupied with no voids. There are also a number of people on the on the waiting list, with properties in the highest demand being ground floor flats and bungalows.
- 260. This analysis is supported by responses from the household survey and estate agent responses that identified a need for additional affordable housing⁴², more bungalows/ground floor accommodation⁴³ for the aging population and the need for more social housing.

42 Wooler Household Survey 2018

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⁴³ Glendale Gateway Trust (2018) Estate agent response 02/01/2018

Table 31: Market segments

Market segments	Income range	Tenure	Presence in Plan Area	Size of home
Young family where parents are aged 24-44 with 1+ children aged 0-15	Median	PRS, Social housing, shared equity, AMH		5 rooms
Professional Head of Household Young family where parents are aged 24- 44 with 1+ children aged 0-15	Mean	AMH, Market Housing (MH)	↓ ↓	5 rooms
Professional Head of Household family where parent are aged 44-64 with non-dependent children living at home	>Mean (equity rich)	Market Housing	\leftrightarrow	6+ rooms
Lone parent (with 1+ children)	Lower Quartile (equity poor)	Social Housing	^	3 rooms
One person household aged under 65	Median (equity poor)	PRS, shared equity, DMH	^	2 rooms
One person household aged 65+ with wealth	Median (equity rich)	Market Housing	^	2-3 rooms
One person household aged 65+ without wealth	Lower Quartile (equity poor)	Social Housing	^	2 rooms
Young couple no children	>Mean (equity poor)	Market Housing, Shared Equity, DMH	$\uparrow \uparrow$	4+ rooms
Concealed households	Lower Quartile (equity poor)	Social Housing	↑	1-3 rooms

Source: AECOM

261. The findings from the Market Segmentation analysis suggest an appetite for smaller homes driven by an ageing population, the growth of one person households and the need to supply entry-level dwellings to newly formed households. With this in mind, trends over the inter-censual period towards larger dwellings (number of them that came into existence) appear to be out of alignment with the current and future needs of the community.

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262. In **Table 32** below we provide a table, devised by Nathaniel Litchfield and Partners, setting out recommended dwelling sizes for different household types. This table has been defined on the basis of the following assumptions;

- Smaller apartments/flats or houses will be more suitable for meeting the initial requirements of married couples
 until the age they have a family. Those households without children could occupy either houses or flats of the
 appropriate size;
- Cohabiting couples and lone parents will want and require similar sizes of housing to married couples. Those households without children could occupy either houses or flats of the appropriate size;
- Smaller apartments/flats or houses will be more suitable to meeting the requirements of single person households;
- According to their composition, institutional accommodation such as a residential care home, hostel or purposebuilt student accommodation may provide a suitable form of specialist housing for groups such as elderly people and students;
- Further qualitative allowances will need to be made of households at retirement age who are likely to continue living in their previous home unless more manageable two bed flats, houses and bungalows are available; and,
- The requirement for housing with care, including supported housing and extra care provision, is likely to increase at 85 and above.

Table 32 Estimated housing size required by household type, by age of head of household

Age Range 2013	One Person	Married Couple / With 1/2 Children	Married Couple / With 3+ Children	Cohabiting Couple / With 1/2 Children	Cohabiting Couple / With 3+ Children	Lone Parent / With 1/2 Children	Lone Parent / With 3+ Children	Other Multi- Person
0-14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
15-24	1 bed flat/house	2 bed flat/house	3 bed house	2 bed flat/house	3 bed flat/house	2 bed flat/house	3 bed house	1 bed flat
25-34	1 bed flat/house	3 bed house	3 bed house	3 bed house	3 bed house	3 bed house	3 bed house	1 bed flat
35-44	2 bed flat/house	3 bed house	4 bed house	3 bed house	4 bed house	3 bed house	4 bed house	2 bed flat
45-59	2 bed flat/house	3 bed house	4 bed house	3 bed house	4 bed house	3 bed house	4 bed house	2 bed flat
60-84	2 bed flat/bungalow 30	2 bed flat/bungalow	3 bed bungalow	2 bed flat/bungalo w	3 bed bungalow	2 bed flat/bungalow	3 bed bungalow	2 bed flat
85+	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care	Housing with care

Source: Nathaniel Litchfield and Partners after Survey of English Housing 2008

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Specialist housing

RQ5: Specialist housing (e.g., what provision should be made for retirees and the elderly?)

- 263. Before considering the data on Wooler specifically in more detail, it is useful to understand the national context for specialist housing for the elderly across England (e.g. sheltered and extra care, see Appendix A for definitions). Between 1974 and 2015, the population aged 65 and over in England grew 47% and the population aged 75 and over grew by 89%. A Demos survey of over 60s conducted in 2013 found a "considerable appetite" amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting.
- 264. Indeed, 76% of those in homes of three or more bedrooms wished to downsize, and this raised to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both ⁴⁶. However, in spite of evidence of high demand, currently only 5% elderly people's housing is made up of specialist homes ⁴⁷, with Demos suggesting that "the chronic undersupply of appropriate housing for older people is the UK's next housing crisis" and local authorities often "accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs" ⁴⁹.
- 265. In 2014 there were approximately 450,000 units of sheltered social rented and private sector retirement housing in the England, with approximately one quarter of these in private sector and the rest provided at social rent levels⁵⁰. However, this is likely to be a result of constraints on the supply of private sector retirement housing rather than a lack of demand. Indeed, whilst older people are increasingly healthier for longer than in the past, the supply of specialist housing for the elderly could be considered to be somewhat constrained. For example, the population aged 65 and over in England grew by 11% in England between 2001 and 2011, but the population living in actual residential care homes, those providing comprehensive care out with the sheltered housing sector, grew by just 0.3%, to about 291,000 people⁵¹.
- 266. The following sections consider the existing provision of specialist housing for the elderly in Northumberland as a whole, and for North Northumberland and Wooler, and make projections of how needs might change in the future based on existing provision rates and demographic projections. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN).

Sheltered and extra-care housing

267. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered⁵² and extra care⁵³ housing as part of the delivery of new housing. **Table 33** below identifies the growth in the population of over 75s between 2011 and 2031.

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⁴⁴ http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf

https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386

⁴⁶ Ibid.

⁴⁷ https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386

⁴⁹ http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf

⁵⁰ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

⁵¹https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/changesintheolderresidentcarehomep opulationbetween2001and2011/2014-08-01

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: http://www.housingcare.org/jargon-sheltered-housing.aspx (accessed 11/04/17)

becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal

Table 33: Change in the population of over 75s between 2011 and 2031

Age band		2011			2031	
	Population (Wooler)	•		Population (Northumberland)		
All ages	1,983	316,028	0.63%	321,900	2,028	
75+	317	31,300	16%	52,600	16.3%	325

Source: 2014-based Sub-national population projections, MHCLG and Census 2011 (ONS) AECOM calculations

- 268. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population⁵⁴.
- 269. The table above shows an estimate of the increase in the number of older people aged 75+ of 8 (325-317).
- 270. The method we use to arrive at this number can only be an estimate given that MHCLG population projections do not provide data at the NA level. AECOM uses a four step method to arrive at the estimate:
 - i. Using MHCLG population projections, we take the % of people aged 75+ at the end of the Plan period for the local authority. We use this to arrive at an estimate of change in the numbers of people aged 75+ in Wooler as follows,
 - ii. The population size for Northumberland together with the number of those aged 75+ is taken, and a calculation made as to their % of the total;
 - iii. We arrive at an estimate of the size of the total population in Wooler at end of Plan period by assuming it is the <u>same proportion</u> of the Northumberland population as in 2011;
 - iv. To arrive at an estimate of the 75+ population in Wooler at the end of the Plan period, we assume 16.3% in the NA is the <u>same as it is in Northumberland</u>. This is seen as a reasonable indicator given that the percentage of the population aged over 75 in Wooler is 16% of the total, and 9.9% in Northumberland; a difference of 5.1%.
- 271. An alternative assumption would be that the proportion remains the same as the 2011 (16%); which produced the same figure.
- 272. Our preferred method however results in an estimate (using the housing LIN approach), over the Plan period, in a Parish need for:
 - additional conventional sheltered housing units = 60 x 16% = 10 (rounded)
 - additional leasehold sheltered housing units = 120 x 16% = 20 (rounded)
 - additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = 20 x 16% =3 (rounded)
 - additional extra care housing units for rent =15 x 16% = 2 (rounded)
 - additional extra care housing units for sale = 30 x 16% = 4 (rounded)
 - additional specialist dementia care homes = 6 x 16% = 1 (rounded)
- 273. Note that there is no obligation for these all to be provided within the Parish itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so. As such, these x specialist dwellings need not be thought of as all needing to be provided within the neighbourhood plan housing target- rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the Parish itself.
- 274. This specialist dwelling need is likely therefore to be split between the parish and the rest of the County, which will enable the elderly to live either within or as close to the Parish as possible, taking account of the fact that

care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. http://www.housingcare.org/jargon-extra-care-housing.aspx (accessed 11/04/17)

⁵⁴ Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf

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Wooler Parish unlikely to be able to provide many of the specialist housing types needed within its own boundaries- although there could be the potential for these to be provided at, for example, [enter names of larger settlements within 10km radius], taking account of their higher levels of accessibility to services and facilities, which will help in the recruitment and retention of specialist care staff and enable economies of scale (e.g. a centralised dementia care unit or enhanced sheltered development serving a widely dispersed rural population from a single location).

Retirement villages

- 275. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the LIN analysis, it would be appropriate to consider this approach to the delivery of housing for the elderly in Wooler.
- 276. Such schemes should be explored through joint working with NCC and other Parishes to identify sites that could address collective need.

Senior co-housing

277. Co-housing has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill⁵⁵ and LILAC in Leeds⁵⁶. In the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting and shared activities.

Multi-generational homes

- 278. Multi-generational living has been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces. 57
- 279. The phenomenon of the aging population has an up-side; with increases in the quality of health-care, older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, they are in a good position to take on both voluntary and paid work, for example looking after grandchildren or taking care of the elderly.

Lifetime Homes

280. Many local authorities incorporate policy into their Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and through doorways as convenient as possible to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.58

58 http://www.lifetimehomes.org.uk/pages/about-us.html

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http://www.featherstonecohousing.co.uk/ (visited 12/04/17)

http://www.lilac.coop/ (visited 12/04/17)

RIBA, Silver Linings, The Active Third Age and the City, Page 17-18

Right-sizing

281. As we have identified earlier, there is a need for a greater number of the type of dwellings that facilitate 'right-sizing' for older people. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays.

282. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.⁵⁹

Planning flexibility

283. Planning policy can be mobilized to help properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address 'lifetime homes' criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens. ⁶⁰ This is not dissimilar to the practice of 'alleygating' where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

Lifetime neighbourhoods

- 284. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers life-time neighbourhoods, in which the public realm is designed to address the needs of older people, and activates the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example providing more greenery and more walkable, better connected places.
- 285. Given the expanded role of neighbourhood planning around design outlined in the Housing White Paper of 2017⁶¹, a compelling notion is that of 'the amplification of impact of micro-environmental features' to describe that particular way in which we become more sensitive to the ordinary, smallest features of urban space as we age. This places a particular emphasis on care and reflection in how we design, for example paths and public seating; this, in turn, calls for the participation of older people in the process of design.
- 286. Design approaches exist that provide a starting point for locally informed policy development in this area, these include Manchester's <u>Design for Access 2</u> and the work of Inclusive Design for Getting Outdoors (IDGO); IDGO have identified material features that make everyday negotiation of urban space that much easier for older people; these include wide and flat tarmac footways, easy transition level changes, clear, simple and visible signage, frequent warm and supportive seating and well-maintained, safe and open toilets.⁶²
- 287. In addition, the notion of 'pensioner play-grounds,' 'green-gyms,' community gardens and various forms of guerrilla gardening (for example the Edible Todmorden project) encourage active use of public space and facilities on the part of an older demographic.

Age-friendliness

288. Since the millennium policy at the international level has been directed towards a more holistic appreciation of what an 'age-friendly' urban environment looks like. It has been remarked this should extend beyond physical installations, such as public seating and access to WCs, but embrace means mobilising civic agency among older group to forestall incipient marginalisation, enabling them to continue to make a full and active contribution to community life.⁶³

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⁵⁹ Housing LIN, New Approaches to Housing for Older People, June 2014, page 6

Gobber, S, <u>A Bright Grey Future</u>, Urban Design Group Journal, Spring 2016, page 29

⁶¹ HMG, Fixing our broken housing market, page 29

⁶² RIBA/Age UK, An Alternative Age-Friendly Handbook, page 54/55

⁶³ RIBA/Age UK, An Alternative Age-Friendly Handbook, page 16

289. In 2006 the World Health Organisation (WHO) began developing the 'Age-Friendly Cities' movement, now a worldwide network of over 200 member cities around the world. They have produced a guide that offers a way of analysing the city from the perspective of older people, using a framework of inter-related domains: transportation, housing, social participation, respect and social inclusion, communication and information, civic participation and employment, health and community services.

- 290. Considering the housing domain, the WHO study identifies a check list of attributes necessary to foster a sense of belonging and well-being among older people. In addition to affordability and designing accommodation with the needs of older people in mind, the adaptability of dwellings is important, for example their capacity to accommodate chair-lifts that enable older people to continue to live in two-storey homes⁶⁴.
- 291. The WHO also identified access to services, particularly those that become increasingly important as people get older, such as places of worship and community centres. ⁶⁵ Moreover, optimising well-being has much to do with being able to maintain links with existing networks, which is best achieved by enabling people to remain in their existing communities for as long as possible. In the Australian city of Melville small clusters of senior's housing with small gardens are made available throughout the city, so that older people are not isolated from the community and particularly from children. ⁶⁶

Housing for people with Dementia

- 292. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates⁶⁷. The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable.
- 293. Selwood Housing in the South West has pioneered approaches that help overcome these, for example the installation of property exit sensors to inform a monitoring centre when tenants leave their home and then not return within a pre-determined time.
- 294. In **figure 14** below we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

Intervention ■ social interaction ■ talk to neighbours ■ take more excersise at home months o assistive technology ■ good diet and hydration ■ make adaptations to home ■ acess information and advice Intervention respite and support Living in own home to return home ■ intergrated/proactive Additional time spent in care ■ manage any physical illness ■ rehabilitation from hospital

Figure 14: Dementia care chart

Source: Dementia Services Development Centre, 2013

The role of the Local Authority

295. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation

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⁶⁴ World Health Organisation: Global age-friendly cities: a guide, page 32

⁶⁵ Ibid, page 33

⁶⁶ Ibid, page 35

⁶⁷ Alzheimer's Society, <u>Dementia-friendly housing charter</u>, page 13

through national policy to address the needs of older people, ⁶⁸ it is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the County.

Market signals

296. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

297. The PPG states:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.⁶⁹

- 298. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the housing market.
- 299. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers compared to those derived solely from household projections is required in order to increase the supply of housing to meet demand and tackle affordability issues:

This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.⁷⁰

- 300. In discussions with Wooler and Northumberland as to the appropriate levels of market dwellings in the Plan Area it will necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:
 - Employment and commuting trends;
 - Migration;
 - Housing Market (Prices);
 - Housing Market (Volume);
 - Overcrowding and concealment; and
 - Rate of Development.

Employment and commuting

- 301. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the NA. It is therefore important to establish the employment sphere of influence experienced by the residents of the NA. This section examines economic activity in the Wooler NA in relation to employment, distance to work and industry.
- 302. 61.1% of residents are economically active and are in employment according to the 2011 Census shown in figure 15 below. A further 23.7% are retired, 3.7% are students, 4.3% are unemployed, 3.4% are long-term sick/disabled and 0.7% are other economically inactive. Although the levels of employment and unemployment do not differ

⁶⁸ NPPF, para 50

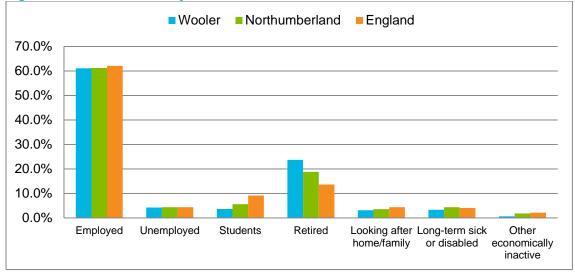
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PPG Paragraph: 019 Reference ID: 2a-019-20140306
 PPG Paragraph: 020 Reference ID: 2a-020-20140306

from those observed in Northumberland and England, there are more retired people and fewer students in the NA than in the district and in England.

Figure 15: Economic activity in Wooler, 2011



Source: ONS, AECOM Calculations

303. Census 2011 data shown in table 34 below shows that there is an equal split between the residents who work less than 10km away from home (36.9%) and those who work over 10km away from home (36.10%). This differs from the County and national average, where an overwhelming majority of residents work locally; and explains a higher average distance travelled to work in Wooler. Additionally, working from home is more common in Wooler (17.4%) than in Northumberland (12.2%) or England (10.3%).

Table 34: Distance to work, 2011

Location of work	Wooler	Northumberland	England
Less than 10km	36.9%	40.8%	52.3%
10km to less than 30km	21.6%	29.4%	21.0%
30km and over	14.5%	10.5%	8.0%
Work mainly at or from home	17.4%	12.2%	10.3%
Other	9.5%	7.1%	8.5%
Average distance travelled to work	23.8km	21.4km	14.9km

Source: ONS, AECOM Calculations

- 304. As many people commute to work, it is necessary to understand where jobs might be created over the Plan period over a wider area, for example in a large nearby employment centre to which NA residents may commute. Therefore, we now consider the future growth prospect in Northumberland.
- 305. To do so, we conducted a review of the North East Strategic Economic Plan (SEP)⁷¹. SEPs are aspirational documents aimed at maximising inward investment. They provide an indication of what kinds of jobs are expected in the neighbourhood's Local Enterprise Partnership area and where those jobs will be created, both of which have an impact on future housing need. Wooler lies within the North East LEP (responsible for driving the delivery of the North East's Strategic Economic Plan), which includes the local authority areas of Northumberland, Newcastle, Gateshead, North Tyneside, South Tyneside, Sunderland and Durham.
- 306. The SEP's main targets are to increase the number of jobs in the North East economy by 100,000 by 2024, and to ensure that 70% of the jobs growth will be in 'better jobs'. It has identified four business opportunity areas that provide potential to generate jobs within the North East Economy: Digital, Advanced Manufacturing, Health and life sciences, Subsea, offshore and energy technologies. Taking account of housing needs, population and

⁷¹ The North East SEP, 2017

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economic data the Policy Scenario projection provided by St Chad's, 10,000 new jobs will be sought to be provided across the Northumberland economy up to 2031⁷².

However, according to the Northumberland Economic Strategy (NES) 2015-2020, the Northumberland economy is underis under-performing. Furthermore, much of the growth proposed in the SEP will occur in the conurbations, mainly Newcastle; the NES explains that Northumberland's role as commuter area will continue to increase and its role in in providing quality jobs locally will recede. Therefore, as Wooler is located far away from most of the manufacturing manufacturing clusters, skills and transport facilities (as can be seen in **Figure 16**

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⁷² Northumberland Economic Strategy 2015-2020, p.40

307. Figure below), it is not expected to be strongly influenced by growth and job creation there.

Figure 16: North East LEP Enterprise Zone sites



Source: The North East SEP, 2017

Nevertheless, Northumberland is a large and diverse County and its economic geography is complex. The NES divides divides the County into four delivery areas (see **Figure 17**

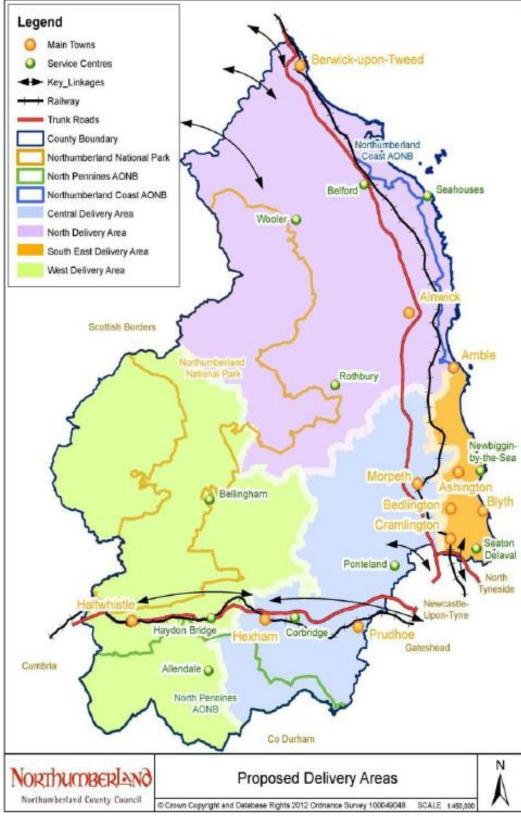
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308. <u>Figure</u>) to understand to variations in the County. Wooler is located in "North Northumberland" which is described and analysed together with West Northumberland under the banner "Rural Northumberland" as these localities share economics characteristics such as strengths in tourism and agriculture and natural environment assets.

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Figure 17: Proposed delivery areas



Source: Northumberland Economic Strategy 2015-2020, p.30

309. The North East Growth Review has found that Tourism and Culture was the fourth largest part of the LEP economy⁷³. This is even more important in Northumberland where the tourism sector is 13% of the economy. In fact, the tourism sector has grown as a proportion of the economy in Northumberland by 18% overall in the last five years.

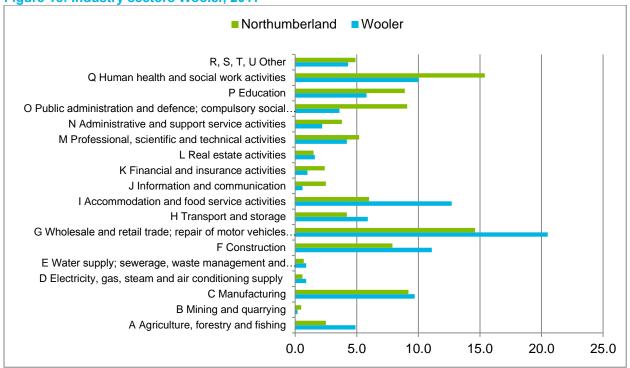
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⁷³ North East Growth Review 2013 Service Industries supporting paper, Sunderland University

310. **Figure 18** below shows the full breakdown of the industry sectors in Wooler. The main industry in Wooler is 'Wholesale and retail trade; repair of motor vehicles and motor cycles', with 20.5% of residents working within this industry. The second most important sector is 'Accommodation and food service activities', with 12.7% of residents working within this industry compared to 6% in Northumberland. This illustrates the importance of tourism in Wooler, located in the vicinity of the Northumberland National Park, and the NA is likely to be influenced by growth in that sector.





Source: ONS, AECOM Calculations

- 311. Wooler neighbourhood group have stated Wooler's important relationship with both Berwick and Alnwick for jobs and is a local service hub for satellite communities. It is also a gate way for visitors to the northern part of the National Park and therefore has a strong connection with tourism, which is also expected to continue to grow as the investment and funding plan for tourism, heritage and culture⁷⁴ is developed by the North East Economic Local Enterprise Partnership (NEELP). It is also the location of an important cluster of agricultural engineering and construction companies within Northumberland. All of these factors could influence the need for additional housing with the NPA.
- 312. Finally, the SPE's strategy for growth is also seeking to protect and develop place based assets. For example, its bespoke packages of investment through the 'Rural Growth Network' has seen small scale capital investment in Enterprise hubs in places like Wooler providing new spaces to retain employment in rural communities.

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⁷⁴North East Independent Economic Review NEELP (2013) available at: http://www.thenorthernecho.co.uk/resources/files/28979. Last accessed 4/4/18

313.314. Table Table 35 below presents an overview of countries of birth and length of residence in Wooler, Northumberland and England. The Census reveals that in both Wooler and Northumberland, a lower number of residents were born outside the UK compared to the national average, with an even lower number for Wooler (2.3%). The overwhelming majority of them have been residing in the UK for more than ten years (1.5%). Therefore, international migration is likely to play a limited role in the demand for housing in the area.

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Table 35: Country of birth and length of residence, Wooler 2011

Place of birth	Population breakdown	Population breakdown		Northumberland	England
Born in the UK	Total	Total		97.2%	86.2%
Born outside the UK	Total	Total		2.8%	13.8%
	EU	EU		1.2%	3.7%
	Other	Other		1.6%	9.4%
	Length of residence	Less than 2 years	0.5%	0.2%	1.8%
		2-5 years	0.1%	0.3%	2.2%
		5-10 years	0.3%	0.5%	2.9%
		10 years or more	1.5%	1.8%	7.0%

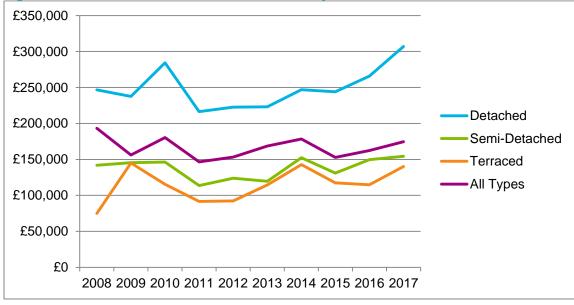
Source: ONS, AECOM Calculations

Housing market (prices)

314.315. The PPG advises that house prices should be used as an indication of the strength of demand for adequacy of supply to meet demand⁷⁵. It makes clear that house prices can be used to provide a 'market-base' enabling: "the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility." This is then used as a signal to increase demographically based housing projections in response to the actual housing market.

To assess recent movements in the housing market in Wooler we have analysed data from the Land Registry. Data was then downloaded for the NA for the period of January 2008 to December 2017 (totalling 268 transactions) and is presented in the figure below, divided by type of home and showing average price for each year. **Figure 19** shows a similar trend of price growth across types. Although detached houses are significantly more expensive than other housing types, the amount paid for terraced houses is the one that increased the most, by 87% between 2008 and 2018 in the NA, although 2008 house prices could be represented by low volume of sales, and should be treated with a degree of caution. All three house types have individually increased in price between 2008 and 2017, however overall all types have seen a 9.7% decrease, as represented by the purple 'all types' line in **Figure 19** below. This decrease is higher than the price decrease across the rest of Northumberland, as shown in **Table 36**.

Figure 19: Wooler Price Paid Data between January 2008 and December 2017



Source: Land Registry

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⁷⁵ PPG Paragraph: 010 Reference ID: 2a-010-20140306

To benchmark evolution in prices with the district, we have retrieved data from the UK House Price Index (HPI) presented in table 36 below. The table shows that prices in Northumberland have not recovered their 2008-levels and are lower than in the NA.

Table 36: Prices in Northumberland by type

Dwelling type	2008	2017	PRICE GROWTH
Detached	£261,685	£254,344	-3%
Semi-Detached	£150,786	£142,482	-6%
Terraced	£128,923	£118,253	-8%
Flats	£103,120	£84,341	-18%
All Types	£162,862	£151,401	-7%

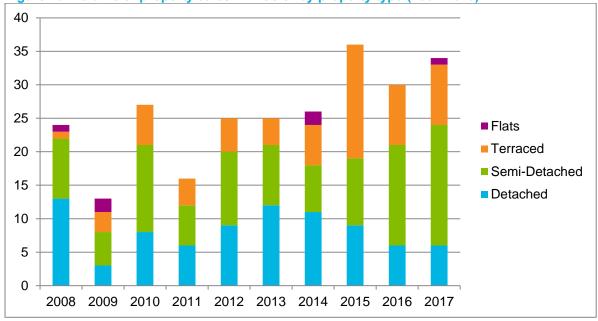
Source: UKHPI, AECOM Calculations

Housing market (transactions)

Assessing housing sales overtime is an important indicator in assessing demand for different types of housing. Figure Figure 20 below presents Land Registry data for housing sales for different dwelling types in the Wooler NA.

The data suggests that the volume of property sales has fluctuated for all dwelling types between 2008 and 2017, with detached and semi-detached dwellings forming the majority of total sales with 83 and 103 total sales respectively between 2008 and 2017, and terraced dwellings totalling 64 sales. Only 6 flat were sold in Wooler during the 9 years period and 12 'other' property types.

Figure 20: Volume of property sales in Wooler by property type (2007-2016)



Source: Land Registry PPD, ONS

Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.

This comparison is presented in Table 37 below, with figures for the housing stock in Northumberland as presented alongside for reference. The table shows discrepancy between sales and stock. Whilst the percentage of sales and stock are roughly the same for semi-detached dwellings, more detached houses and terraces are being sold than are in the existing stock. This suggests that there is an increased demand for detached dwellings and terraces relative to supply, although the discrepancy is less significant for terraces. In light of this, the discrepancy between sales and stock alone is not sufficient to explain the 87% increase in price for terraces identified earlier. Fewer flats are being sold than in the existing stock, suggesting a decreased demand for flats.

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Table 37: Sales volumes versus stock of different housing types in Wooler and Northumberland

	SALES (PPD)	STOCK (ONS)		IS)
	Wooler	Wooler	Northumbe	rland
Detached		30%	20%	25%
Semi-Detached		40%	39%	35%
Terraced		27%	24%	28%
Flats		3%	12%	11%

Source: ONS 2001/2011, Land Registry PPD, AECOM Calculations

321.322. Wooler Neighbourhood group stated in the inception call that there is a split in the housing dynamic with the NA, the first from the current local residents, who are on a modest to low income and older residents who are seeking to live closer to the village amenities. In turn, increasing the demand for smaller terraced properties. Also, Wooler is said to be significantly affected by in-migration of a national level of those people who are cashing in on housing assets in high price areas and then buying into attractive rural locations such as Wooler, therefore this increases the demand for larger deathbed homes within the Parish.

Reponses from Glendale Gateway Trust a provider of social housing within Wooler state that there is a high demand for smaller flats/bungalows, along with terrace houses within Wooler and wishes to see houses of this nature coming forward throughout the plan period.

Overcrowding and concealment

323.324. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.

One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the County is shown in **Table 38** below. It indicates that Wooler has seen a significant increase of more than 50% in the number of households experiencing overcrowding.

Table 38: Trends in number of persons per room in Wooler, 2001-2011

Persons per room	Wooler	Northumberland	England
Up to 0.5 persons per room	15.6%	11.2%	7.9%
Over 0.5 and up to 1.0 persons per room	-8.7%	-9.5%	7.0%
Over 1.0 and up to 1.5 persons per room	100.0%	3.0%	27.3%
Over 1.5 persons per room	-100.0%	-42.6%	2.5%

Source: ONS, AECOM Calculations

325.326. A further indicator of increased housing demand is the presence of concealed families in the NA. A family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents ⁷⁶. **Table 39** shows that there are 4 concealed families in Wooler, or 0.7% of all families, lower than the average for Northumberland (0.9%) and for England (1.9%). This is not seen as highly significant, although concealed families do indicate that there is unmet additional demand for housing in the area.

Table 39: Concealed families in Wooler, 2011

Concealed families	Wooler	Northumberland	England
All families: total	608	96,209	14885145

⁷⁶ http://webarchive.nationalarchives.gov.uk/20160105222245/http://www.ons.gov.uk/ons/rel/census/2011-census-analysis/what-does-the-2011-census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-/sty-what-does-the-2011-census-tell-us-about-concealed-families.html (visited 01/09/17)

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Concealed families: total	4	897	275954
Concealed families as % of total	0.7%	0.9%	1.9%

Source: ONS, AECOM Calculations

Rate of development

Planning Practice Guidance suggests that "If the historic rate of development shows that actual supply planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan". 77

Across Northumberland the 2016/17 housing delivery report states that 1,531 net additional homes were delivered during 2016/17. Compared to the previous year, there has been a significant increase in the number of net additional dwellings delivered. Recent years have seen markedly more homes being delivered than was the case in the early decade, as shown in Table 41 below.

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⁷⁷ PPG Paragraph: 019 Reference ID: 2a-019-20140306

Table 41 - Additional dwellings in Northumberland 2011-2017

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
No. of dwellings	558	621	559	1,447	991	1,531

Source: NCC Housing Delivery Report 2018

Of the 1,531 net additional dwellings delivered, 417 were affordable, equating to 27%. Significantly more affordable homes were delivered in 2016/17 than in 2015/16, as can be seen in **Table 42** below. Of the 417 affordable units delivered, 279 units were homes for rent and 67 units were discounted market homes and 71 were shared ownership.

Table 42 – Net Additional affordable dwellings in Northumberland

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Net affordable dwellings delivered ²	151	89	117	506	178	417
% of affordable homes delivered	27%	14%	21%	35%	18%	27%

Source: NCC Housing Delivery Report 2018

329.330. Although, the number of additional homes has increase over the last decade, the 5 year housing supply document states that there is still a 1,154 home undersupply, which needs to be addressed. This undersupply is based on the SHMA 2015, which provides the most up to date evidence of the past housing requirement from 2011-2017. Stating a total baseline requirement of 7,296 homes, as presented in table 43 below. Therefore, this shortfall could have a knock on effect for the NA; as additional pressure could be put on Wooler to increase provide the housing shortfall, which in turn could increase the housing needs figure across the Plan period.

Table 43 – Performance against the housing requirement (2011/12-2016/17)

Year	Housing Requirement	Net Completions	Performance against Requirement (+/-)
2011/12	1,216	558	-658
2012/13	1,216	621	-595
2013/14	1,216	559	-657
2014/15	1,216	1,447	+231
2015/16	1,216	991	-225
2016/17	1,216	1,531	+315
Total	7,296	5,707	-1,589
With Adjustment for Empty Homes	-	-	-1,154

Source: NCC Housing Delivery Report 2018

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Conclusions

Table 44: Summary of factors specific to Wooler with a potential impact on neighbourhood plan housing quantity

Factor Source(s) (detailed in market Possible impact on Rationale for judgement signals chapter) future housing need

Employment and commuting

ONS Census Data, The North East SEP (2017), Northumberland Economic Strategy 2015-2020



There is evidence that the economy of Northumberland is under-performing. Despite recent better prospects for growth, the NA is relatively distant from where growth is expected to occur within the LEP.

However, Wooler is a local service centre which benefits from its proximity to natural assets. It has an important relationship with Berwick and Alnwick and is a hub for its satellite communities. It is also a gateway for visitors to the northern part of the National Park. The importance of the tourism industry and investment initiatives such as the Rural Growth Network might create additional housing needs. It has a working mart and is also the location for an important cluster of agricultural engineering and construction companies.

The NPG have expressed that those who are working from home and setting up microbusinesses is growing within the NPA. As a result, we deemed a two up arrows to be an appropriate market signal.

Migration

ONS, SHMA2014 Part 2, West Dorset, Weymouth & Portland Local Plan - October 2015



There is minor indication that the international migration rate for the Wooler NA, is more prominent that the trends in Northumberland shown within the SHMA. This is due to Wooler being a service hub within the North HMA and a gateway to the National Park. Therefore, one up arrow is deemed appropriate to represent this minor disparity.

Housing sales (prices)

Land Registry Price Paid Data for 2008-2017



Prices in Northumberland have not recovered their 2008-levels and are lower than in the NA. In addition, although detached houses are significantly more expensive, the amount paid for terraced houses has increased the most, by 87% between 2008 and 2018 in Wooler. Overall, all house types in Wooler have seen a 9.7% decrease between 2008-2017, whereas Northumberland has seen a 7% decrease. Consequently, an assessment of one 'up' arrow has been deemed appropriate to account for the higher house prices and increase in

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Factor

Source(s) (detailed in market signals chapter)

Possible impact on future housing need

Rationale for judgement

Housing sales (Volume)

Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data, SHMA2014 Part 2



sales price for terraced dwellings.

Proportionately more detached and terraced dwellings are being sold than the existing stock. This suggests that there is an increased demand for detached dwellings and terraces relative to supply. Fewer flats are being sold than in the existing stock, suggesting a decreased demand for flats.

In conclusion, there is a growing demand for smaller terraced properties and at the other end of the scale, therefore is a demand for larger detached properties.

This is in line with comments from the group that there is a split in the housing dynamic with the NA, the first from the current local residents, who are on a modest to low income and older residents who are seeking to live closer to the village amenities. In turn, increasing the demand for smaller terraced properties. Also, Wooler is said to be significantly affected by inmigration of a national level of those people who are cashing in on housing assets in high price areas and then buying into attractive rural locations such as Wooler, therefore this increases the demand for larger deathbed homes within the Parish.

All of which we would like to emphasize with three up arrows.

Overcrowding and concealment

Census 2001/2011



There is very little evidence of concealment and overcrowding in the NA, with concealed families accounting for only 0.7% of all families and overcrowded households being quasi-inexistent.

As a result, an assessment of a neutral arrow has been deemed appropriate.

Rate of development

Land Registry Data/AECOM calculations



The rate of development seen in Wooler in recent years is considered to be high, with approximately 16 dwellings per annum having been built since 2001. The rate of development from 2001-2011 in Wooler it was considerably higher (19%) than in the rest of Northumberland (7%). An assessment of two up arrow s is deemed appropriate due to the anticipated increasing need across the HMA, as stated in the SHMA, combined with the current 1,154 shortfall

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Factor Source(s) (detailed in market Possible impact on

signals chapter) future housing need

Rationale for judgement

in new homes across the County.

Types of Housing Needed

Table 45: Summary of local factors specific to Wooler with a potential impact on housing Type

Factor Source(s) (see type Possible impact on housing needed Conclusion

& size chapter)

Demographic change

Ageing has affected Wooler more significantly than Northumberland and England during the inter-censual period; the proportion of residents aged 85+ increased by 62% compared to 35% in Northumberland and 24% in England.

It should also be noted, however, that the with potential staff. NA has a significantly high proportion of retired residents which is projected to increase. This may create a shortage in the local labour force.

Among projected changes, one person households and couples will make up the majority of household increases, and the majority of those are likely to be retired or households nearing the age of retirement.

Finally there will be less families and newly forming households.

Consequently, we would highlight the necessity to not only provide for an ageing population but also to provide sufficient market and affordable housing to encourage young people to stay in the area and to attract people to provide local businesses

Affordable housing

The Lower Quartile Affordability Ratio (LQAR⁷⁸) for Wooler was 8.55 in 2017. This compares with a LQAR for Northumberland of around 5.33 in 2016. This data suggests entry level dwellings are relatively unaffordable in Wooler compared with the County generally.

Based on properties currently being marketed (February 2018) and, taking into account house price data held by the Land Registry, an entry-level dwelling is estimated to cost £112,438. At this price point, using CACI data on household income, around 72% of all households are unable to afford to purchase a dwelling of this type.

As regards access to the private rental market, 46% of all households are unable to access entry-level type dwellings for rent as the current rental market in Wooler is currently more

Owner occupation has been the dominant trend in tenure; however, this tenure is beyond the means of the vast majority of households; planners should therefore encourage other tenures to come forward, such as shared equity, starter homes and the private rented sector, which has seen a significant rise in the last decade.

Affordability issues will be exacerbated by the reported increase in house prices in the area in recent years. Moreover, in order to address demographic trends that have seen a decline in those aged between 25-44 and the forecast loss of people of working age, it is appropriate for social rented housing to form the majority of affordable homes provided.

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⁷⁸ The **ratio** between **lower quartile** house prices and **lower quartile** incomes/earnings is used to assess the relative **affordability** of housing at the **lower** end of the market.

Factor	Source(s) (see type & size chapter)	Possible impact on housing needed	Conclusion
		expensive than the rest of Northumberland; given this is supposedly the most affordable open market tenure, we can conclude that around 59% of households are unable to access housing suited to their needs, given their household composition, without subsidy. The Homefinder data provided by the NCC suggests there are 128 households	Wooler should seek build to rent (BTR) development, a percentage of which may be 'intermediate rented housing' so as to address the need for affordable market housing for younger age groups. Social housing is already a substantial tenure within the NA, however, that level should be
		in priority need in the NA.	increased to meet the needs of those who cannot afford market housing.
		The SHMA suggests that affordability issues may drive an increase in concealed households and dampen new household formation; concealed households and household composition data, which indicates an increase in the number of households with non-dependent children over the intercensual period, provides some evidence of this in Wooler.	As not everyone can apply for social housing, the private rented sector (PRS) has a potential role to play. The lack of PRS (due to its unaffordability in Wooler) and of intermediate housing should be tackled to meet the needs of those whose earnings do not allow them to be eligible for social housing, but do not earn enough to afford market housing at the current price level.
Tenure of housing		The current housing stock exhibits the dominance of owner-occupation, and an important growth of PRS.	There is evidence of a need for more affordable housing, with an emphasis of facilitating access to homeownership to households who are otherwise limited to the PRS.
Dwelling type		Linked to homes being relatively large in Wooler, 20% of dwellings are detached and a further 38% of all housing is semi-detached.	Terraced and semi-detached dwellings seem particularly appropriate to satisfy the demand for smaller dwellings.
Demand/need for smaller dwellings		During the inter-censual period, there was a significant growth in the number of couples without children (68%) and other one-person households (83%).	Policy should address the needs of concealed households through the provision of smaller, affordable market dwellings as well as AH so as to increase household formation
		Childless couples and one person households constitute 20.8% and 37% (most important group) of the population, respectively.	rates, and stem the decline of the local working age population. In terms of size of dwellings, the trends identified point towards a mix
		The growth of non-dependent children households points to depressed household formation rates, a finding supported by the small, but statistically significant, presence of concealed households in the area (4 at the time of the last Census).	of smaller dwellings and family sized homes, of 2-5 habitable rooms.

A truer picture of 'concealed households'

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Factor	Source(s) (see type & size chapter)	Possible impact on housing needed	Conclusion
		can be seen in data for households with non-dependent children. For Wooler, at the time of the last Census, 10.1% of all households fell into this type, the same as for Northumberland. In Wooler this equates to 71 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the NA.	
Family-sized housing		Families with children made up 16.6% of the population in 2011, which was considerably lower than for Northumberland (25%) and England (27%). The current housing stock is made up off larger dwellings, between 4 and 7 rooms.	This current housing stock exhibits a small 'family-oriented' neighbourhood, made up of 4-7 room dwellings. However, in light of recent demographic shifts, this orientation is declining and therefore adding family-sized housing to the stock seems inappropriate for Wooler.
		There was an increase of almost 34% in 7 room dwellings between 2001 and 2011.	Notwithstanding these trends, the evidence of decline in the economically active population suggests the overall loss of working age households. The objective should be to maintain Wooler as a working as well as retired community, able to sustain the businesses, services and facilities essential to thriving community life. This can be done through prioritising the needs of families, firstly so as to retain a balanced population in future years, but also so as to capitalise on the area's natural appeal to them.
Housing for independent living for older people		The 2014-based sub-national population projections suggest an increase of 60% in residents aged 75 and over in Northumberland. By the end of the Plan period, the elderly	Although the population is not ageing as quickly as the rest of the nation or the County there will be a need to provide services for the increase in older residents in the NA.
		population is likely to form a substantial part of the population of Wooler, along with the rest of Northumberland.	Working from the recommended number of specialist dwellings for every 1000 people aged 75+ put forward by the Housing LIN, the
		Projections, using the LIN method, suggest an increase of 31 residents aged 75+ in the next 15 years.	following provision should be provided over the Plan period: 10 additional conventional sheltered housing units 20 additional leasehold sheltered housing units 3 additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale 1 to 2 additional extra care housing units for rent

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4 additional extra care housing units

units for rent

Factor	Source(s) (see type & size chapter)	Possible impact on housing needed	Conclusion
			for sale 1 additional bed space in a specialist dementia care home

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Recommendations for next steps

This neighbourhood plan housing needs advice has aimed to provide Wooler with evidence on housing trends from a range of sources. We recommend that the Parish should, as a next step, discuss the contents and conclusions with NCC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of NCC in particular in relation to the housing need figure that should be adopted;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by NCC, including but not limited to the SHLAA
- the recommendations and findings of this study; and
- The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.
- Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
- This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
- Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by NCC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
- At the same time, monitoring on-going demographic or other trends over the period in which the plan is being developed (factors summarised in **Table 1**) would help ensure relevance and credibility of its policies.

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