

FINAL REPORT

Stinsford Housing Needs Assessment (HNA)

June 2019

Quality information

Prepared by

Chris White – Principal
Environmental Economist
Eleanor van der Klugt - Planner
Akwesi Osei – Graduate
Consultant

Checked by

Jesse Honey – Associate Planner

Approved by

Jesse Honey - Associate Planner

Revision History

Revision	Revision date	Details	Authorized	Name	Position
1	April 2019	Research and drafting	AO, EVDK, CW	Akwesi Osei Eleanor Van Der Klugt Chris White	Graduate Planner Planner Principal Environmental Economist
2	May 2019	Technical Review	JH	Jesse Honey	Associate Director
3	June 2019	Group Review	AS	Andy Stillman	Stinsford Parish Council
4	June 2019	Draft for Locality Review	JH	Jesse Honey	Associate Director

Prepared for:

Stinsford Parish Council

Prepared by:

AECOM
Aldgate Tower
2 Leman Street
London
E1 8FA
aecom.com

© 2019 AECOM. All Rights Reserved.

This document has been prepared by AECOM Limited ("AECOM") in accordance with its contract with Locality (the "Client") and in accordance with generally accepted consultancy principles, the budget for fees and the terms of reference agreed between AECOM and the Client. Any information provided by third parties and referred to herein has not been checked or verified by AECOM, unless otherwise expressly stated in the document. AECOM shall have no liability to any third party that makes use of or relies upon this document.

Disclaimer

This document is intended to aid the preparation of the Neighbourhood Plan, and can be used to guide decision making and as evidence to support Plan policies, if the Qualifying Body (QB) so chooses. It is not a neighbourhood plan policy document. It is a 'snapshot' in time and may become superseded by more recent information. The Neighbourhood Forum is not bound to accept its conclusions. If any party can demonstrate that any of the evidence presented herein is inaccurate or out of date, such evidence can be presented to the Neighbourhood Forum at the consultation stage. Where evidence from elsewhere conflicts with this report, the QB should decide what policy position to take in the Neighbourhood Plan and that judgement should be documented so that it can be defended at the Examination stage.

Table of Contents

1.	Executive Summary.....	6
1.1	Introduction.....	6
1.2	Research Questions.....	6
1.2.1	Tenure.....	6
1.2.2	Type and size.....	6
1.3	Findings of RQ1a: Tenure and Affordability.....	6
1.4	Findings of RQ1b: Securing a Local Connection.....	7
1.5	Findings of RQ2: Type and size.....	8
2.	Context.....	9
2.1	Local context.....	9
2.2	Planning policy context.....	10
2.2.1	Policies in the adopted development plan.....	11
2.2.2	Policies in the emerging Local Plan.....	11
3.	Approach.....	14
3.1	Research Questions.....	14
3.1.1	Tenure.....	14
3.1.2	Type and Size.....	14
3.2	Relevant Data.....	14
3.2.1	Local authority evidence base.....	14
3.2.2	Other relevant data.....	15
4.	RQ 1a: Tenure and affordability.....	16
4.1	Definitions.....	16
4.2	Current tenure profile.....	16
4.3	Affordability.....	17
4.3.1	Income.....	18
4.3.2	Market Housing.....	19
4.3.3	Affordable Housing.....	20
4.4	Conclusions- Tenure and Affordability.....	24
5.	RQ1b: Securing a local connection.....	26
5.1.1	Introduction.....	26
5.1.2	National and local policy.....	26
5.1.3	Potential neighbourhood plan response.....	27
5.1.4	Boosting the supply of affordable housing.....	27
5.1.5	Conclusions- Securing a Local Connection.....	28
6.	RQ2: Type and Size.....	30
6.1	Introduction.....	30
6.2	West Dorset, Weymouth and Portland SHMA Part II data.....	30
6.3	Census Data.....	30
6.3.1	Existing types and sizes.....	30
6.3.2	Household composition and age structure.....	32
6.4	Dwelling mix determined by life-stage modelling.....	34
6.5	Conclusions- type and size.....	37
6.5.1	Type of dwelling.....	37
6.5.2	Size of dwelling.....	37
7.	Conclusions.....	38
7.1	Overview.....	38
7.2	Recommendations for next steps.....	41

Appendix A : Housing Needs Assessment Glossary.....42

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
DMSH	Discounted Market Sale Homes
HNA	Housing Needs Assessment
HNF	Housing Need Figure
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood Area (i.e. the area covered by the Neighbourhood Plan)
NACSBA	National Custom and Self Build Association
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
SPC	Stinsford Parish Council
WDDC	West Dorset Council
WDWPLP	West Dorset, Weymouth & Portland Local Plan

1. Executive Summary

1.1 Introduction

1. Stinsford Parish in Dorset commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the neighbourhood planning group, we developed three research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

1.2 Research Questions

1.2.1 Tenure

2. The focus of SPC is to ensure that development includes dwellings that are affordable to local households.
3. In SPC's view, housing that is affordable to rent or buy to newly forming households on modest incomes working locally is crucial for the future vitality of the Parish. As well as providing accommodation for working families, this will help maintain a demographic balance given Stinsford's ageing population. Currently, there is a perception of a lack of affordable dwellings to rent.
4. In addition, through the HNA, SPC wish to establish an understanding of the need for Affordable Homes (AH) to test the justification for bringing forward entry-level exception sites.
5. SPC therefore wish to ensure that those with a local connection to Stinsford are able to live there in future years by supporting in planning policy the delivery of homes of an appropriate tenure.

RQ1a. How should the Affordable Housing (AH) generated by new development over the plan period be split into the different tenures (social rented, affordable rented, and affordable routes to home ownership) and what role should market tenures have in satisfying local demand?

RQ1b. What policy mechanisms are available and could be applied to ensure that newly built homes are secured for people with a genuine connection to the Parish?

1.2.2 Type and size

6. In the perception of SPC, there is a lack of small homes suitable for first time buyers and homes for local people downsizing or retiring from tied or local rented accommodation. Although the 2011 census data shows that second home ownership is not as high as some coastal areas, there is anecdotal evidence that suggests a lot of homes are bought by households moving into the area from London and the South East.
7. SPC therefore wish to ensure that those with a strong sense of commitment to the Parish are able to live there in future years by supporting in planning policy the delivery of homes of an appropriate type and size.

RQ2. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

1.3 Findings of RQ1a: Tenure and Affordability

8. Home ownership remains the dominant tenure type in the Parish, but the sector is experiencing slow growth and it is less common in Stinsford than across West Dorset as a whole. Stinsford also has a higher level of private renting and a lower level of social renting than the District. The trends in Stinsford between the two Censuses in 2001 and 2011 show a much smaller increase across most tenures than in West Dorset, particularly for shared ownership dwellings, where there was no growth over this period compared to a growth of 75.4% in West Dorset. The exception to this is the growth in social rented dwellings of 14.3% compared to 8.8% in West Dorset.
9. The lower quartile price for homes in Stinsford is £390,000 whilst the average price for property in the Parish is £472,000. A single person would need to be earning £100,285 annually to afford an entry-level property and earning £121,371 annually to afford a property around the average price. The annual income required even for discounted

market sales housing is £80,228 and the income required to afford a 25% shared ownership property is £49,203.

10. While homes for rent are more expensive than in nearby Dorchester, they are in fact cheaper than across West Dorset as a whole. However, the annual household income needed to rent is £49,230 and for an entry-level rental is £30,849.
11. For those whose income falls into the District lower quartile choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, a higher proportion of their household income would need to be devoted to housing costs than the recommended ceiling of 33%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.
12. It is therefore evident that household affordability is an issue in the Parish, with even those earning upper quartile incomes unable to afford many of the intermediate tenures. A strong focus should therefore be placed on delivering more affordable housing, to enable all potential residents to access housing in Stinsford. Some methods of doing so are discussed in Chapter 5 .
13. While our calculations therefore suggest that there is strong demand for a much wider mix of tenures to meet the community's housing needs, it is recommended there should be a specific focus on providing (1) social rent and affordable rent; and (2) entry-level market rent housing options. Although it will also be necessary to explore shared ownership options as an affordable path to home ownership, this tenure may still be out of reach to those on the lowest incomes in the Parish.

1.4 Findings of RQ1b: Securing a Local Connection

14. Those seeking or encouraging the application of a local connection test within a neighbourhood plan have the potential to put it in conflict with Local Plan policies in cases where the local authority is already applying a local connection test because the LPA could resist constraints or additional obligations in respect of its ability to address housing need at the district level. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can manage or direct affordable housing need.
15. The former Dorset district councils (and, unless evidence emerges to the contrary, the new Dorset Council) have collectively made the policy decision to employ the local connection test, as the result of a 2013 review. This means those without a local connection, owner occupiers and all other people able to afford their own accommodation (save in exceptional circumstances), are ineligible for the Dorset housing register. At the same time, those on the list that do have a genuine local connection should, in due course, have new affordable housing allocated to them on a site-by-site basis as new housing is completed, and secured for those with a local connection through Section 106 developer agreements.
16. Another mechanism used by many local authorities, including Dorset, is the Local Lettings Plan.
17. The evidence suggests that the local connection test is already being applied at Stinsford. However, there is potential for the Parish Council to enter into dialogue with Dorset Council to establish any opportunities for the system to be improved, if there is evidence such as, for example:
 - specific cases where someone with a legitimate local connection was not allocated a dwelling in Stinsford; and/or
 - there are no Local Lettings Plans based on local connection within Stinsford within the Parish, but there is evidenced potential for this mechanism to be applied in future, potentially to the affordable housing element of the strategic Local Plan allocation; and/or
 - specific evidence that waiting list times for affordable housing in Stinsford are unreasonably long for those with a legitimate local connection; and/or
 - a Parish Council-commissioned household survey capturing additional detail on local income levels and concealment, which may suggest that the need for affordable housing is significantly in excess of the number of households actually on the Dorset Homechoice waiting list.
18. If such evidence exists, then a policy in the neighbourhood plan could, for example, state that the Parish Council intends to work closely with Dorset to maximise the provision of housing to those with a local connection, including through relevant improvements to the Homechoice system.
19. Alongside or instead of a policy stating that the Parish Council will work closely with Dorset Council as it continues to

allocate homes at Stinsford to those in affordable need (and/or seek to improve the current process as it does so), often the most effective mechanism open to Parish Councils to ensure that housing is provided to those with a local connection is on the supply side, i.e. by boosting the local supply of affordable housing.

20. An affordable housing exception site aims to provide affordable housing on sites that would not be granted planning consent for open market housing. This enables small sites adjoining villages and towns, often with relatively low land value, to provide for 100% affordable housing, without the policy or viability barriers that such sites would face if delivered by the private market.
21. However, as suggested by the word 'exceptional', such sites can be promoted only in response to a clearly identified need arising from a local community, which cannot otherwise be met. While this Housing Needs Assessment does clearly identify a local need for more affordable housing, based on our findings in terms of local incomes, house prices and hence affordability, future occupancy in such sites will be prioritised only for people with a local connection.
22. This report provides clear evidence of Affordable Housing need in Stinsford. Such evidence could therefore be used in support of an affordable housing exception site, though given the specific circumstances in the Parish, where hundreds of new affordable homes are likely to be provided through the Local Plan strategic allocation site, it may be considered that an (additional) exception site is not necessary.

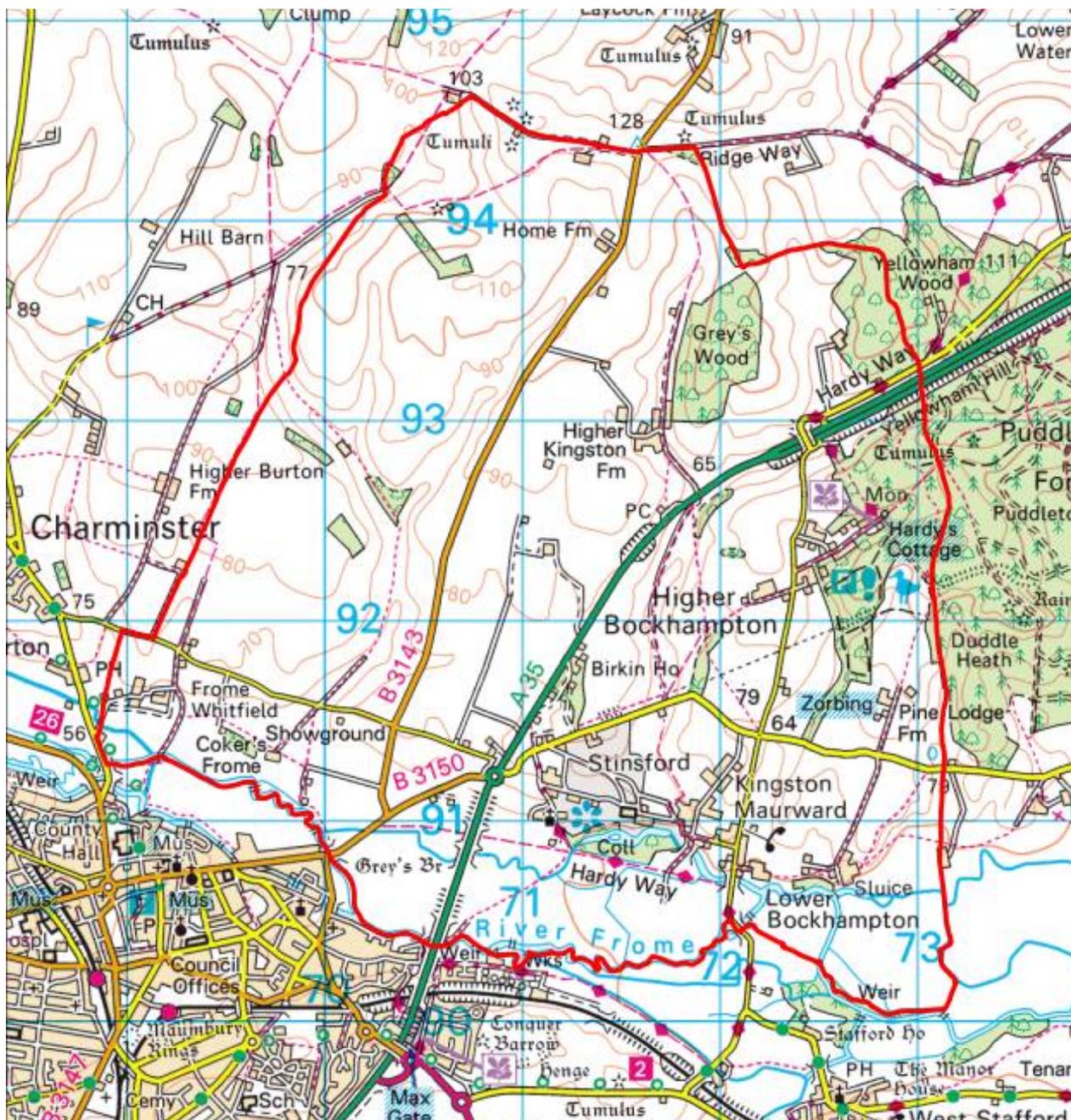
1.5 Findings of RQ2: Type and size

23. Comparison of the SHMA data and the Census data for Stinsford suggest that the Parish is not dissimilar to the wider West Dorset area in terms of type and size of dwellings. The SHMA concludes that the most common types of housing in West Dorset are detached dwellings, followed by semi-detached dwellings.
24. At the Stinsford level, the Census data shows the same conclusions for the neighbourhood area, though Stinsford has a higher proportion of the types of housing tending to be larger in size than the wider LPA area (10.0% higher for detached dwellings and 9.4% higher for semi-detached).
25. In terms of dwelling size, the SHMA indicates that West Dorset has a greater proportion of large properties (four or more bedrooms) than the South West region and England as a whole. In line with this conclusion, Census data shows that the housing stock in Stinsford is also characterised by large properties, with the majority of dwellings having more than five rooms.
26. The Census data also shows that only 14.1% of the stock in Stinsford consists of dwellings with one to four rooms (which could be considered entry-level homes) within which only 4.7% of stock comprises one to three bedroom dwellings (compared to 9.9% at LPA level). The Census data shows that the largest single age group in both the Parish and West Dorset is currently the 45-64 age band.
27. However, it is projected that by 2036, the end of the current plan period, the largest single age group will be the 65 or over age bracket, by a significant margin. While the data in this table is for the LPA as a whole, it is very likely that this trend will also apply to Stinsford as well. It is also of note that, since 2001, there has been a significant increase in one person households in the Stinsford NA, significantly higher than the increase across the whole LPA, and that single families with no children are the single largest household type in the Parish.
28. The current significant supply of larger dwellings (particularly houses with four or more bedrooms), combined with the likely continued increase in single person households and an ageing population, suggests that the type and size of housing needs to change in the future to avoid misalignment of stock. There should be a focus on providing three and two bedroom properties in particular, followed by one bedroom properties, with no need to increase the supply of larger properties of four or more dwellings, at least in terms of the need arising from the existing Parish population itself.
29. The SHMA conclusions tend to corroborate this, demonstrating that for owner-occupied dwellings, the greatest need is for three bedroom homes followed by those of two bedrooms; for the private rented sector, it is for two bedroom dwellings, followed by one bedroom and then three bedroom dwellings.
30. This supports the conclusions of RQ1a that there should be a greater provision of entry-level housing options both for home ownership and private rent. It suggests that smaller dwellings should be provided that are more accessible to those moving between social and market renting or between market renting and homeownership.
31. This could be achieved through a mixture of dwelling types, but the current prevalence across the Parish for detached and semi-detached properties, together with its generally rural context, suggests that these types of dwelling may be

most suitable.

32.

Figure 1: Stinsford Neighbourhood Area⁵



Source: WDC website

2.2 Planning policy context

38. In line with the Basic Conditions⁶ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the strategic policies of the adopted Local Plan. Consequently, there is a need for the relevant elements of the Local Plan to be reviewed as part of this Housing Needs Assessment (HNA). The following section reviews the policies that are considered relevant for this report.

⁵ The strategic Local Plan allocation mentioned previously is proposed to be developed on the southern and central parts of the currently rural land west of the A35; for further details see Figure 3 below.

⁶ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

2.2.1 Policies in the adopted development plan

39. As Stinsford lies within the former West Dorset District Council boundary, the adopted development plan for Stinsford comprises the West Dorset, Weymouth & Portland Local Plan 2011-2031 (adopted 2015) (WDWPLP). The policies within it that are considered relevant for this report are as follows:

- **SUS1 The Level of Economic and Housing Growth** sets out that in the period 2011-2031 provision will be made for a deliverable supply of housing land to accommodate in the region of 15,500 dwellings (775 dwellings a year).
- **SUS2 Distribution of development** outlines that development will be distributed according to the indicated settlement hierarchy, with a greater proportion of development at the larger and more sustainable settlements. Stinsford is designated as a settlement with no defined development boundary. Policy SUS2 indicates that outside defined development boundaries, development will be strictly controlled, having particular regard to the need for protection of the countryside and environmental constraints.
- **SUS5 Neighbourhood Development Plans** sets out that neighbourhood development plans should show how they are contributing towards the strategic objectives of the WDWPLP and be in general conformity with its strategic approach; clearly set out how they will promote sustainable development in their area at the same level or over and above that which would otherwise be delivered through the local plan, have due regard to information on local need for new homes, jobs and facilities for their plan area and any outlying areas which they may serve; and demonstrate that they are credible, justifiable and achievable.
- **HOUS1 Affordable Housing** sets out that where open market housing is proposed, affordable housing will be sought, unless the proposal is for replacement or subdivision of an existing home. The level of affordable housing required reflects the viability of development land in the local area and, for Weymouth and West Dorset, will be 35%. It further sets out that within any affordable housing provision, the councils will seek the inclusion of a minimum of 70% social/affordable rent and a maximum of 30% intermediate affordable housing, unless identified local needs indicate that alternative provision would be appropriate. The type, size and mix of affordable housing will be expected to address the identified and prioritised housing needs of the area and should be proportionate to the scale and mix of market housing. Where there is an identified local need for specially designed affordable housing to cater for disabled people with particular needs, or affordable housing that can be easily adapted to meet a variety of such needs, developments should prioritise provision of this accommodation.
- **HOUS3 Open Market Housing Mix** indicates, that, wherever possible, residential development should include a mix in the size, type and affordability of dwellings proposed, taking into account the current range of house types and size and likely demand in view of the changing demographics in that locality.

2.2.2 Policies in the emerging Local Plan

40. The Preferred Options Consultation document for the emerging joint local plan review of the WDWPLP (to cover the period from 2016-2036) was published for consultation (known as Regulation 18 stage consultation) in August 2018. This document sets out the preferred strategy for future development in the West Dorset, Weymouth & Portland area. The status of this plan is currently unknown following the reorganisation of the Dorset councils and the proposal for a new Local Plan for Dorset.
41. However, as the emerging plan contains a preferred allocation for a substantial amount of housing in the Parish, and because in practice the new Dorset Local Plan will likely seek to build on it rather than replace it entirely, it is considered reasonable and appropriate to include a review of the current emerging policies.
42. The other very important reason to reference the emerging Local Plan is that Stinsford Parish Council has confirmed to AECOM that, irrespective of the emerging plan's fate, the Neighbourhood Plan period will mirror that of this rather than the adopted Local Plan, i.e. the Neighbourhood Plan period ends in 2036.⁷
- 43.
- 44.

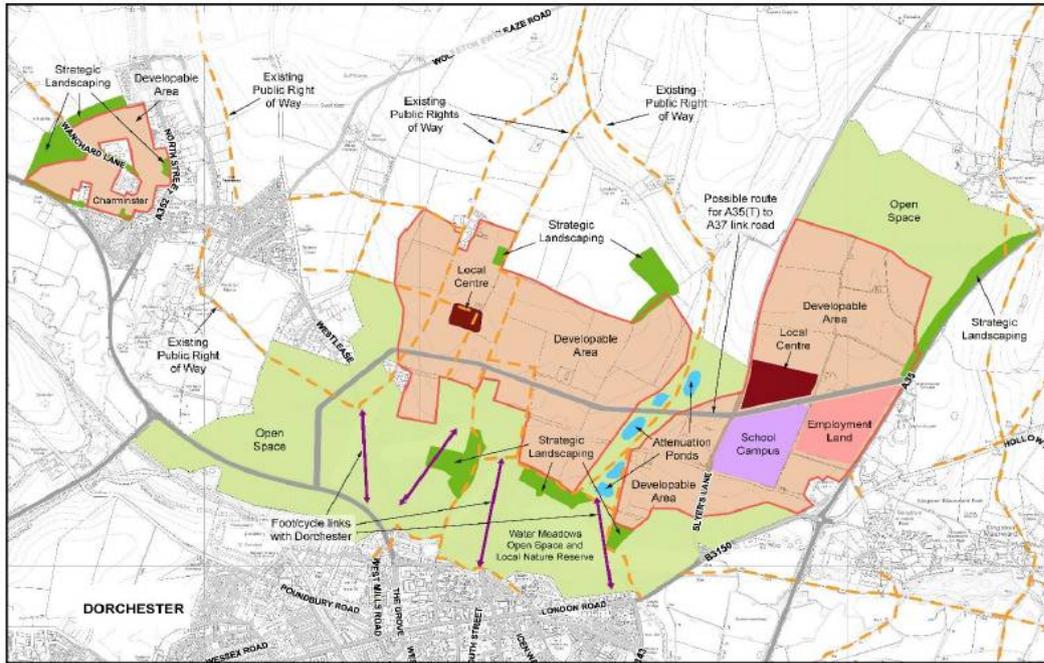
⁷ As confirmed by the Stinsford Neighbourhood Plan Vision and Objectives February 2019, available at <http://www.stinsfordnplan.org.uk/emerging-policy.html>

45.

46. The policies that are considered relevant are set out :

- **SUS1 Level of Housing and Economic Growth**, which sets out that, in the period 2016 to 2036, provision will be made for a deliverable supply of housing land to accommodate about 15,880 dwellings, which will be delivered at an average annual rate of 794 dwellings per annum.
- **SUS2 Spatial Strategy** reaffirms that development will be distributed to the indicated settlement hierarchy, with a greater proportion of development at the larger and more sustainable settlements and that Dorchester and Weymouth will be the highest priority locations for new development. It sets out that outside defined development boundaries, development will be strictly controlled, having particular regard to the need for the protection of the countryside and environmental constraints.
- **SUS4 Neighbourhood Development Plans** has been revised to set out that neighbourhood development plans should be prepared:
 - to positively contribute to the local plan review's vision and strategic priorities; to reflect its strategic approach; and be in general conformity with its strategic policies;
 - based on proportionate and robust evidence;
 - to identify the infrastructure needed to support development;
 - and to ensure that the policies and proposals are deliverable.
- **HOUS1 Affordable Housing** sets out that housing on major sites (including sites providing 10 or more net additional dwellings) will contribute to the provision of affordable housing. In 'designated rural areas' on a development of 6 to 9 net additional dwellings, financial contributions towards the provision of affordable housing will be sought. In Weymouth and West Dorset, such developments should contribute to the provision of 35% affordable housing within the total number of dwellings. Within any affordable housing provision, a minimum of 70% affordable housing for rent and a maximum of 30% affordable home ownership products will be sought, unless identified local needs indicate that alternative provision would be appropriate. On major sites (including sites of 10 or more dwellings), at least 10% of all new homes will be required to be affordable home ownership products. The type, size and mix of affordable housing on a development site should help to address the identified and prioritised affordable housing needs in the local area, resulting in a balanced community of housing and/or flats. Where there is an identified local need for specially designed affordable housing to cater for people with disabilities with particular needs, or affordable housing that can be easily adapted to meet a variety of such needs, developments should prioritise provision of this accommodation.
- **HOUS3 Open Market Housing Mix** indicates that, wherever possible, residential developments should include a mix in the size, type and affordability of dwellings proposed, taking into account the current range of housing types and sizes and likely demand in view of the changing demographics in that locality.
- **DOR13 Kingston Maurward College** set outs that the future development and expansion of Kingston Maurward College within the college estate (which falls within Stinsford NA) will be supported in accordance with a masterplan agreed by Historic England and the Council.
- **DOR15 Land North of Dorchester (preferred option)** indicates a preferred option to allocate land to the north of Dorchester (north of the River Frome water meadows, and within the Parish of Stinsford) for a mixed-use extension to the town delivering around 3,500 new homes, at least 10ha of employment land, and additional school provision as well as transport infrastructure. The policy sets out that the land will be developed in accordance with a masterplan produced for the site. The homes provided should meet the needs of the town with a focus on families and younger people of working age and this should include 35% of homes being affordable housing.

Figure 3: DOR15 - Land North of Dorchester and DOR16- Land to the West of Charminster Indicative Layout (Preferred Options Consultation Document 2018)



© Crown Copyright and database right (2018). Ordnance Survey Licence number 100024307 (West Dorset District Council) and 100015690 (Weymouth and Portland Borough Council)

Source: Emerging WDWPLP, WDDC

3. Approach

3.1 Research Questions

47. Below we set out the research questions relevant to this study, as discussed and agreed with Stinsford Parish Council (SPC). The research questions (abbreviated to 'RQ'), were developed at the start of the project through discussion with SPC. They serve to direct our research and provide the structure for the HNA.

3.1.1 Tenure

48. The focus of SPC is to ensure that development includes dwellings that are affordable to local households.
49. In SPC's view, housing that is affordable to rent or buy to newly forming households on modest incomes working locally is crucial for the future vitality of the Parish. As well as providing accommodation for working families, this will help maintain a demographic balance given Stinsford's ageing population. Currently, there is a perception of a lack of affordable dwellings to rent.
50. In addition, through the HNA, SPC wish to establish an understanding of the need for Affordable Homes (AH) to test the justification for bringing forward entry-level exception sites.
51. SPC therefore wish to ensure that those with a local connection to Stinsford are able to live there in future years by supporting in planning policy the delivery of homes of an appropriate tenure.

RQ1a. How should the Affordable Housing (AH) generated by new development over the plan period be split into the different tenures (social rented, affordable rented, and affordable routes to home ownership) and what role should market tenures have in satisfying local demand?

RQ1b. What policy mechanisms are available and could be applied to ensure that newly built homes are secured for people with a genuine connection to the Parish?

3.1.2 Type and Size

52. In the perception of SPC, there is a lack of small homes suitable for first time buyers and homes for local people downsizing or retiring from tied or local rented accommodation. Although the 2011 census data shows that second home ownership is not as high as some coastal areas, there is anecdotal evidence that suggests a lot of homes are bought by households moving into the area from London and the South East.
53. SPC therefore wish to ensure that those with a strong sense of commitment to the Parish are able to live there in future years by supporting in planning policy the delivery of homes of an appropriate type and size.

RQ2. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

3.2 Relevant Data

3.2.1 Local authority evidence base

54. It is reasonable and appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Stinsford is located within the former area of West Dorset Council (WDC), we therefore turned to the relevant Strategic Housing Market Assessment (SHMA).
55. The relevant SHMA documents are listed below:
- West Dorset, Weymouth and Portland Objectively Assessed Housing Need: Latest Evidence Technical Note (August 2017)⁸

⁸ Available at <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/west-dorset-and-weymouth-portland/local-plan-review/pdf/evidence/west-dorset-weymouth-portland-objectively-assessed-housing-need-latest-evidence-technical-note.pdf>

- West Dorset, Weymouth and & Portland Councils Strategic Market Housing Assessment, Part I (July 2014)⁹; and
- West Dorset, Weymouth and & Portland Councils Strategic Market Housing Assessment, Part II (July 2014).¹⁰

56. The above SHMA documents have all been reviewed; however, given that this report will not be considering quantity, it is considered that Part I of the 2014 SHMA and the August 2017 Technical Note, which also focuses on quantity, are not relevant. The focus of the SHMA review for the purposes of answering the RQs in this assessment will therefore be on Part 2 of the 2014 SHMA.
57. For the purpose of this HNA, data from WDC's own evidence base to support housing policies has been considered applicable unless it conflicts with more locally specific material. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Parish.

3.2.2 Other relevant data

58. In addition to the WDC evidence base, we have gathered a range of other data sources to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. These include Census data providing data into demographic shifts.
59. Further, to assess the housing in the Parish, data from the Land Registry was analysed. This data provides prices paid, housing types, and date of transaction information, which allows housing market trends to be identified.
60. The material was collected for the postcodes contained within the Parish boundary to create a database including all housing transactions registered with the land registry between 1 January 2008 and 31 December 2017. A similar exercise was carried out for the whole postcode areas and for the whole of Dorset. These datasets were used to inform our response to both RQ1a and RQ2
61. Market rental data was collected from a range of sources including www.home.co.uk and www.rightmove.co.uk.
- 62.

⁹ Available at <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/west-dorset-and-weymouth-portland/evidence-base/pdfs/sustainability/west-dorset-weymouth-and-portland-2014-strategic-housing-market-report-part-a.pdf>

¹⁰ Available at <https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/west-dorset-and-weymouth-portland/evidence-base/pdfs/sustainability/west-dorset-weymouth-and-portland-2014-strategic-housing-market-report-part-2.pdf>

4. RQ 1a: Tenure and affordability

RQ1a: How should the Affordable Housing (AH) generated by new development over the plan period be split into the different tenures (social rented, affordable rented, and affordable routes to home ownership) and what role should market tenures have in satisfying local demand?

63. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing (AH) and Market Housing (MH), depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
64. This section will examine the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, we will make an assessment on whether continuation of these trends would meet future needs. We will also investigate whether there are misalignments between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new developments to prioritise certain tenures, to bring supply and demand into better alignment.¹¹

4.1 Definitions

65. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. AH comprises those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms of AH designed to offer affordable routes to home ownership.¹² To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
66. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership, but recognises the important role of social, affordable, and private rent tenures for those not currently seeking home ownership.
67. The revisions seek to broaden the definition of AH (which had previously referred only to social and intermediate housing) to include a range of low-cost housing opportunities for those aspiring to own a home, including starter homes.
68. In paragraph 64 of the NPPF, the Government introduces a recommendation that "*where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership*". In line with PPG,¹³ the assumption should be that a 'major housing development' can be defined as a site of 10 dwellings or more, and that affordable home ownership includes starter homes, shared ownership homes, and homes available for discount market sale.

4.2 Current tenure profile

69. In order to set a baseline for our examination of tenure, it is necessary to present a picture of the Plan area based on the most recent reliable data.
70. presents Census data from 2011; this table shows the distribution of how households occupy their homes in Stinsford, compared to the rest of West Dorset and England.
71. It is worth noting the higher number of private rented dwellings in Stinsford (16.4%) and England (16.8%) compared to West Dorset (13.7%). By contrast there is a much lower number of social rented dwellings in Stinsford (6.3%) compared to West Dorset (13.9%) and England (17.7%). However, levels of home ownership are slightly lower in Stinsford (66.4%) than West Dorset (69.4%) and the same is true for dwellings in shared ownership at 0.0% and 0.8% respectively.

¹¹ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹² NPPF 2019.

¹³ PPG 031 Reference ID: 23b-031-20161116, available at <https://www.gov.uk/guidance/planning-obligations>

assumptions made in assessing the affordability of different tenures are explained alongside the following calculations..

4.3.1 Income

76. Incomes are considered first, as they are the primary factor influencing the ability of households to exercise choice in the housing market and the level of need for Affordable Housing products. A range of sources were used to estimate income levels in Stinsford.
77. As household income data at the Parish level is not publically available, we have used estimates of average household income for 2015/16, published by the ONS at the Middle-layer Super Output Area (MSOA). While the selected area used to obtain estimates of household average income is larger than the Parish, we believe this data is a robust proxy, giving a more accurate picture than provided by estimates of incomes at the LPA level. The geography used to retrieve the data is shown in Figure 4 -1 below. The net annual household income before housing costs (equalised) for this MSOA (which is known as West Dorset 004) in 2015/2016 was **£31,900**, while the total annual income¹⁵ was **£44,300**.

Figure 4-1: Map of E02004272: West Dorset 004



Source: ONS 2011

¹⁵ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

4.3.2 Market Housing

78. To determine the affordability of market housing, we consider two primary indicators: firstly, income thresholds (IT), which denote the maximum share of a family's income that should be spent on accommodation costs, and secondly purchase thresholds (PT), which denotes the standard household income requirement to access mortgage products.

Market sales

79. The PT informs the affordability of 'for sale' market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below which the cheapest 25% of houses may be bought and is a measure of '**entry-level**' property in the area (i.e. cheaper, more affordable housing)¹⁶. More helpfully, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (i.e. comprise a flat or house with two bedrooms). **Entry-level properties can therefore also be understood as two-bedroom flats/houses.**

80. As there have been few sales of smaller homes in the Parish, including two bedroom properties, it is necessary to use the lower quartile home price from 2018 Land Registry data instead. The lower quartile price for homes in Stinsford is **£390,000** whilst the average price for property in the Parish is **£472,000**.

81. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5.

82. The PT for the entry-level property price is therefore ($£390,000 \times 10\% = £39,000$; $£390,000 - £39,000 = £351,000$); Dividing this figure by 3.5 (the standard maximum mortgage multiplier) produces a threshold of £100,285. A single person would therefore need to be earning **£100,285 annually to afford an entry-level property.**

83. The PT for the mean property price in September 2018 is ($£472,000 \times 10\% = £47,200$); ($£472,000 - £47,200 = £424,800$); Dividing this figure by 3.5 produces a threshold of £121,371. A single person would therefore need to be earning **£121,371 annually to afford a property around the average price.**

Private rented sector (PRS)

84. The IT examines affordability for rental market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the level of the Parish, making it impossible to calculate LQ rent price. Nonetheless, as we saw, entry-level dwellings can also be understood as two-bedroom flats/houses. A search of properties available for private rent was made on www.rightmove.com. The results unfortunately showed that no properties were available to rent in the area. Therefore, we have turned to home.co.uk, which provides a market rent summary for the wider postcode area.

85. Table 4 -4 below shows the average property rents by number of bedrooms in the DT2 postcode area. The average rent for a two bedroom property is £772 pcm and £1,025 pcm for a three bedroom property.

Table 4-4: Property Rents in DT2 by Number of Bedrooms

	No. of properties	Average rent (pcm)
One bedroom	1	£750
Two bedrooms	8	£772
Three bedrooms	13	£1,025
Four bedrooms	5	£1,338
Five bedrooms	1	£2,951
Average property rents in DT2		£1,068

Source: www.rightmove.com

86. Finally, we have examined rents in surrounding areas and the results were compiled in Table . It appears that the rental market in DT2 (including Stinsford), is relatively expensive when compared to Dorchester, but is actually

¹⁶ Definition of 'entry-level' taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

cheaper than the wider county.

Table 4-5: Property rents in surrounding areas

	Average Rent (PCM)
Average property rents in DT2 (including Stinsford)	£1,068
Average property rents in Dorchester	£884
Average property rents in Dorset (including Stinsford)	£1,232

Source:home.co.uk

87. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise, affordability is defined as spending 1/3 of income on housing costs.
88. The average rent for DT2 used as a proxy for Stinsford is £1,232 PCM. The annualisation of this figure is £14,784. The income threshold is therefore **£49,230**.
89. The average entry-level rent in Stinsford is £772 PCM. The annualisation of this figure is £9,264. The income threshold is therefore **£30,849**.

4.3.3 Affordable Housing

90. There is a wide range of tenures that constitute the new definition of Affordable Housing (AH) within the NPPF (2019 version): Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.
91. This variety of AH tenures reflects an ambition by the Government to provide a clearer pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. 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.
92. A good example is, in 2012, the introduction of dwellings for Affordable Rent. Rent for this tenure is set at up to 80% of the market rate, with the intention that the additional income is 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 Rent dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.
93. The overall aim is to reduce the group who are eligible for Social Rent dwellings to those who have relatively low household incomes. However, within this segment, market principles also apply, given the link between rents and size of dwelling, with a strong financial incentive for households only to occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

Social Rent

94. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, offering substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, but is subject to strict eligibility criteria.
95. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing (RSH). This data is, however, only available at the District level. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 4 -6.

Table 4-6: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All Stock Sizes ¹⁷
Average Net rent per week	£81.89	£94.39	£110.37	£122.01	£136.46
Average social rent rate per week	£81.36	£94.05	£109.92	£121.68	£136.46
Annual rent	£4,270	£4,922	£5,755	£6,362	£7,115
Income needed	£14,219	£16,390	£19,164	£21,185	£23,694

Source: SDR, AECOM Calculations

Affordable Rent

96. 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.
97. To determine Affordable Rent prices we can also use the SDR from the RSH. The data is presented in Table 4-7 below.

Table 4-7: Affordable Rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All Stock Sizes
Average weekly gross rent	£106.38	£130.32	£155.75	£196.04	£133.84
Annual rent	£5,547	£6,795	£8,121	£10,222	£6,979
Income needed	£18,471	£22,628	£27,044	£34,040	£23,239

Source: SDR, AECOM Calculations

Intermediate Tenures

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

Starter Homes

99. 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. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership".
100. This is a fulfilment of the direction of travel set in the Housing White Paper, which stated 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".
101. However, 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 Neighbourhood Plans to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

¹⁷ Weighted average

102. A Starter Home is a new-build home with a value not exceeding £250,000 outside London; they are eligible for first time buyers aged under 40.
103. The decision whether to treat Discounted Market Sale Homes (DMSH) as AH 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 Affordable Market Housing for purchase.
104. In order to provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling, namely £390,000.
105. Applying a discount of 20% to this figure gives the approximate selling price of £312,000. Allowing for a 10% deposit further reduces the value of the property to £280,000. The PT at a multiple of 3.5 is therefore **£80,228**.

Shared Ownership

106. As we have seen, there was a single shared ownership dwelling in Stinsford at the time of the last Census. Nevertheless, it is worth considering the future role of this tenure, as it offers a genuine opportunity to enhance affordability in locations like Stinsford.
107. Shared ownership involves the purchaser buying an initial share in a property, typically between 25% and 75%, and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in terms of the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned.
108. 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. Shared equity 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.
109. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Stinsford (£390,000). The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling. The standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 33% of its income on rent (as for the IT for PRS).
110. A 25% equity share of £390,000 is £97,500, from which a 10% deposit of £9,750 is deducted. The mortgage value of £87,750 (£97,500 - £9,750) is then divided by 3.5. To secure a mortgage of £87,750, an annual income of £25,071 (£87,750/ 3.5) is therefore needed.
111. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, comprising the unsold value of £292,500. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £8,044, and requires an income of £24,131. Therefore, an income of around **£49,203** (£25,071 + £24,131) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
112. The same calculation is reiterated for different initial share, and the results are presented in Table 4 -8 below, which comprises an affordability calculator for shared ownership.

Table 4-8: Affordability calculator for shared ownership

Purchase price: £390,000	Share price	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share							
25%	£97,500	£49,203	£87,750	£25,071	£8,044	£24,131	£9,750
35%	£136,500	£56,014	£122,850	£35,100	£6,971	£20,914	£13,650
40%	£156,000	£59,419	£140,400	£40,114	£6,435	£19,305	£15,600
50%	£195,000	£66,230	£175,500	£50,143	£5,363	£16,088	£19,500
60%	£234,000	£73,041	£210,600	£60,171	£4,290	£12,870	£23,400
75%	£292,500	£83,258	£263,250	£75,214	£2,681	£8,044	£29,250
Starter Homes 80%	£312,000	£80,229	£280,800	£80,229			£31,200

Source: AECOM Calculations

Affordability Thresholds

113. To understand the affordability of different tenures in Stinsford, we use the concept of 'Affordability Thresholds.' These establish the minimum income needed to afford different tenures. Table 4 -9 and Figure 4 -2 provide a summary of this process.

Table 4-9: Affordability Thresholds (Income required)

Tenure	Price	Annual rent	Income Required	Deposit
Market Sale	£472,000	-	£121,371	£47,200
Market Rent	-	£14,784	£49,230	-
Entry level Market Sale	£390,000	-	£100,285	£39,000
Shared ownership (75%)	£292,500	£2,681	£75,214	£29,250
Starter Homes	£312,000	-	£80,228	£31,200
Market Rent - Entry-level	-	£9,264	£30,849	-
Shared ownership (50%)	£195,000	£5,363	£66,230	£19,500
Shared ownership (25%)	£97,500	£8,044	£49,203	£9,750
Affordable Rent - Average	-	£6,979	£23,239	-
Social Rent - Average	-	£7,115	£23,694	-

Source: AECOM Calculations

114. The relationship between affordability thresholds and prevailing income levels is set out in Figure 4 -2. For the avoidance of doubt, this figure shows the data displayed in Table 4 -9 in graphic form. For comparison purposes, the average income for the wider MSOA area within which Stinsford falls has been used as a proxy. This figure has also been compared with the median, lower and upper quartile income levels in the District (with the caveat that this is a 2014 figure)¹⁸.

115. For those whose income falls into the District lower quartile (note that this figure dates from 2014 and therefore any comparison with it should be caveated appropriately), choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, these households will need to devote a higher proportion of their household income to housing costs than the recommended ceiling of 33%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.

¹⁸ West Dorset Strategic Housing Market Assessment Part 2 2014

121. For those whose income falls into the District lower quartile choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, a higher proportion of their household income would need to be devoted to housing costs than the recommended ceiling of 33%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.
122. It is therefore evident that household affordability is an issue in the Parish, with even those earning upper quartile incomes unable to afford many of the intermediate tenures. A strong focus should therefore be placed on delivering more affordable housing, to enable all potential residents to access housing in Stinsford. Some methods of doing so are discussed in Chapter 5.
123. While our calculations therefore suggest that there is strong demand for a much wider mix of tenures to meet the community's housing needs, it is recommended there should be a specific focus on providing (1) social rent and affordable rent; and (2) entry-level market rent housing options. Although it will also be necessary to explore shared ownership options as an affordable path to home ownership, this tenure may still be out of reach to those on the lowest incomes in the Parish.

5. RQ1b: Securing a local connection

RQ1b: What policy mechanisms are available and could be applied to ensure that newly built homes are secured for people with a genuine connection to the Parish?

5.1.1 Introduction

124. The starting point for building policies or mechanisms at Neighbourhood Plan level that seeks to maximise the proportion of newly built homes secured for local people with a genuine connection to the should start with a review of relevant local policy on this issue.

5.1.2 National and local policy

125. Many local authorities use such a mechanism (e.g. a local connection test) as part of their housing allocation policy for Social Rented and other forms of Affordable Housing. They were given the power to do this under Section 199 of the Housing Act 1996²⁰. The Act defines a “local connection” as being either the place of normal residence (current or previous), the place of employment, a place with family connections or a place offering the ability to meet special circumstances.

126. It should be noted that no such power applies at any level of the planning system to market housing. In other words, it is not possible in law or policy to require a local connection for occupants of homes being offered on the open market for purchase by owner-occupiers, or for Build for Rent if the rent will be market rent (i.e. private rental sector).

127. Though it is possible for some market housing to be offered only to certain sections of the market, for example NPPF paragraph 79, which permits new isolated homes in the open countryside if there is an essential need for a rural workers, including those taking majority control of a farm business to live permanently at or near their place of work in the countryside.

128. Many other examples exist in planning law of occupancy conditions, i.e. where market housing is permitted in circumstances where it otherwise would not be subject to the housing being occupied by a specific type of worker or resident. However, this is not the same as requiring a local connection, because there is no guarantee that, for example, a rural worker or a farmer would always be able to prove a local connection.

129. The National Custom and Self Build Association (NACSBA)²¹ provides further useful detail on the power of local authorities in this regard. It is important to note there is no obligation for local authorities to apply such a policy, and it is up to the LPA to decide how they wish to apply them.

130. For this reason, it is important to note that seeking or looking to encourage such a policy within a Neighbourhood Plan has the potential to put it in conflict with Local Plan policies (which is to be avoided, in line with the Basic Conditions of neighbourhood planning) in cases where the local authority is already applying the Housing Act test, because the LPA could resist constraints or additional obligations in respect of its ability to address housing need at the district level.

131. This also reflects the fact that even after the Stinsford, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for affordable housing, its allocation to those in need and the management of the housing waiting list all remain the responsibility of the local authority rather than neighbourhood planners.

132. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can manage or direct affordable housing need.

133. In the case of Stinsford, the affordable housing waiting list is known as Dorset Homechoice and is managed through the Dorset For You website²². Here, the former Dorset district councils (and, unless evidence emerges to the contrary, the new Dorset Council) have collectively made the policy decision to employ the local connection test, as the result of a 2013 review.

²⁰ Available at <https://www.legislation.gov.uk/ukpga/1996/52/contents>

²¹ <http://righttobuildtoolkit.org.uk/briefing-notes/local-connection-issues/#>

²² See <https://homechoice.dorsetforyou.gov.uk/DorsetHomeChoice/>

134. This means those without a local connection, owner occupiers and all other people able to afford their own accommodation (save in exceptional circumstances), are ineligible for the Dorset housing register. At the same time, those on the list that do have a genuine local connection should, in due course, have new affordable housing allocated to them on a site-by-site basis as new housing is completed, and secured for those with a local connection through Section 106 developer agreements.
135. Another mechanism used by many local authorities, including Dorset, is the Local Lettings Plan. Local Lettings Plans are agreed local plans for the allocation and letting of homes within an agreed community / location or across a type of property.
136. In (what was) West Dorset, local letting plans contain planning conditions which require priority to be given to people with a local connection to the Parish or neighbouring Parish. Local lettings plans may be applied on a per-scheme basis (for example, one or more could apply to the affordable housing element of the Local Plan strategic allocation) and can apply to both rented and owner occupied forms of affordable housing (e.g. shared ownership).
137. The Chartered Institute of Housing (CIH) provides useful guidance for local authorities establishing (or being encouraged to establish) a local lettings policy, which suggests that proposals should set out clear objectives backed up by evidence. It outlines how the proposals should achieve those objectives, as well as the need for any impact assessments and evidence of consultation with local people on the proposals²³.

5.1.3 Potential neighbourhood plan response

138. As such, it appears that the local connection test is already being applied at Stinsford. However, there is potential for the Parish Council to enter into dialogue with Dorset Council to establish any opportunities for the system to be improved, if there is evidence such as, for example:

- specific cases where someone with a legitimate local connection was not allocated a dwelling in Stinsford; and/or
- there are no Local Lettings Plans based on local connection within Stinsford within the Parish, but there is evidenced potential for this mechanism to be applied in future, potentially to the affordable housing element of the strategic Local Plan allocation; and/or
- specific evidence that waiting list times for affordable housing in Stinsford are unreasonably long for those with a legitimate local connection; and/or
- a Parish Council-commissioned household survey capturing additional detail on local income levels and concealment, which may suggest that the need for affordable housing is significantly in excess of the number of households actually on the Dorset Homechoice waiting list.

139. If such evidence exists, then a policy in the neighbourhood plan could, for example, state that the Parish Council intends to work closely with Dorset to maximise the provision of housing to those with a local connection, including through relevant improvements to the Homechoice system.

140. The advantage of such a policy would be that it would not be in conflict with Dorset's own aims, whether expressed in Dorset's own policies or otherwise.

5.1.4 Boosting the supply of affordable housing

141. Alongside or instead of a policy stating that the Parish Council will work closely with Dorset Council as it continues to allocate homes at Stinsford to those in affordable need (and/or seek to improve the current process as it does so), often the most effective mechanism open to Parish Councils to ensure that housing is provided to those with a local connection is on the supply side, i.e. by boosting the local supply of affordable housing.

142. The West Dorset, Weymouth & Portland Local Plan 2015 itself notes the potential of affordable housing exception sites as the key policy tool in this regard.

143. An affordable housing exception site aims to provide affordable housing on sites that would not be granted planning consent for open market housing. This enables small sites adjoining villages and towns, often with relatively low land

²³See <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Allocations%20and%20Local%20Flexibility.pdf>

value, to provide for 100% affordable housing, without the policy or viability barriers that such sites would face if delivered by the private market.

144. If an appropriate site can be identified where the land is already owned by the Parish Council, so much the better, as it means that control can be retained by neighbourhood planners in terms of when the site is delivered and for how many and what type of housing.
145. However, as suggested by the word 'exceptional', such sites can be promoted only in response to a clearly identified need arising from a local community, which cannot otherwise be met. While this Housing Needs Assessment does clearly identify a local need for more affordable housing, based on our findings in terms of local incomes, house prices and hence affordability, future occupancy in such sites will be prioritised only for people with a local connection. In other words, it is possible, indeed likely, that some of the local residents with lower incomes that led to the conclusion that there is a lack of affordable housing may not pass the local connection test.
146. This report provides clear evidence of Affordable Housing need in Stinsford. Only Affordable and Social rent tenures are affordable to those earning the average income in the Parish, whilst no housing tenure is affordable to those earning within the lower quartile income range. Such evidence could therefore be used in support of an affordable housing exception site, though given the specific circumstances in the Parish, where hundreds of new affordable homes are likely to be provided through the Local Plan strategic allocation site, it may be considered that an (additional) exception site is not necessary.

5.1.5 Conclusions- Securing a Local Connection

147. It is important to note that those seeking or encouraging the application of a local connection test within a Neighbourhood Plan have the potential to put it in conflict with Local Plan policies (which is to be avoided) in cases where the local authority is already applying a local connection test because the LPA could resist constraints or additional obligations in respect of its ability to address housing need at the district level.
148. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can manage or direct affordable housing need.
149. The former Dorset district councils (and, unless evidence emerges to the contrary, the new Dorset Council) have collectively made the policy decision to employ the local connection test, as the result of a 2013 review.
150. This means those without a local connection, owner occupiers and all other people able to afford their own accommodation (save in exceptional circumstances), are ineligible for the Dorset housing register. At the same time, those on the list that do have a genuine local connection should, in due course, have new affordable housing allocated to them on a site-by-site basis as new housing is completed, and secured for those with a local connection through Section 106 developer agreements.
151. Another mechanism used by many local authorities, including Dorset, is the Local Lettings Plan.
152. The evidence suggests that the local connection test is already being applied at Stinsford. However, there is potential for the Parish Council to enter into dialogue with Dorset Council to establish any opportunities for the system to be improved, if there is evidence such as, for example:
- specific cases where someone with a legitimate local connection was not allocated a dwelling in Stinsford; and/or
 - there are no Local Lettings Plans based on local connection within Stinsford within the Parish, but there is evidenced potential for this mechanism to be applied in future, potentially to the affordable housing element of the strategic Local Plan allocation; and/or
 - specific evidence that waiting list times for affordable housing in Stinsford are unreasonably long for those with a legitimate local connection; and/or
 - a Parish Council-commissioned household survey capturing additional detail on local income levels and concealment, which may suggest that the need for affordable housing is significantly in excess of the number of households actually on the Dorset Homechoice waiting list.

153. If such evidence exists, then a policy in the neighbourhood plan could, for example, state that the Parish Council intends to work closely with Dorset to maximise the provision of housing to those with a local connection, including through relevant improvements to the Homechoice system.
154. Alongside or instead of a policy stating that the Parish Council will work closely with Dorset Council as it continues to allocate homes at Stinsford to those in affordable need (and/or seek to improve the current process as it does so), often the most effective mechanism open to Parish Councils to ensure that housing is provided to those with a local connection is on the supply side, i.e. by boosting the local supply of affordable housing.
155. An affordable housing exception site aims to provide affordable housing on sites that would not be granted planning consent for open market housing. This enables small sites adjoining villages and towns, often with relatively low land value, to provide for 100% affordable housing, without the policy or viability barriers that such sites would face if delivered by the private market.
156. However, as suggested by the word 'exceptional', such sites can be promoted only in response to a clearly identified need arising from a local community, which cannot otherwise be met. While this Housing Needs Assessment does clearly identify a local need for more affordable housing, based on our findings in terms of local incomes, house prices and hence affordability, future occupancy in such sites will be prioritised only for people with a local connection.
157. This report provides clear evidence of Affordable Housing need in Stinsford. Such evidence could therefore be used in support of an affordable housing exception site, though given the specific circumstances in the Parish, where hundreds of new affordable homes are likely to be provided through the Local Plan strategic allocation site, it may be considered that an (additional) exception site is not necessary.
- 158.

6. RQ2: Type and Size

RQ2: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

6.1 Introduction

159. The Government's Planning Practice Guidance recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need.

160. For this reason, we consider type and size within the existing housing stock in Stinsford. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type will be determined by the way different household types currently occupy their dwellings in the LPA.

6.2 West Dorset, Weymouth and Portland SHMA Part II data

161. Though a few years old now, the below key points from the SHMA Part II 2014 remain useful to review briefly alongside the Census data explored in detail below.

Key SHMA Part II conclusions:

- In 2014, the most common property type in the District was detached houses, followed by semi-detached dwellings. West Dorset contained more detached houses and fewer semi-detached properties and flats than the regional and national averages.
- The SHMA indicates that West Dorset has a greater proportion of large properties (four or more bedrooms) than the South West region and England as a whole.
- Overall, across West Dorset, three bedroom homes are most common, followed by two bedroom dwellings.
- The data shows that, for new owner-occupied dwellings, the greatest need is for three bedroom dwellings followed by two bedroom dwellings. The SHMA calculates that some 39.6% of new owner-occupied dwellings should be three bedroom properties, with 30.2% containing two bedrooms, 27.4% having four or more bedrooms, and 2.9% having one bedroom.
- In the private rented sector, the data shows that the greatest need is for two bedroom dwellings, followed by one bedroom and then three bedroom dwellings.
- For affordable housing, the SHMA suggests that the largest net need is for one bedroom accommodation, followed by two and four bedroom dwellings, but that the need relative to supply is the greatest for four bedroom homes, followed by three bedroom homes.

6.3 Census Data

6.3.1 Existing types and sizes

162. The 2011 Census shows that there were 149 households in Stinsford, living in 70 detached houses, 50 semi-detached, 21 terraced houses, and 7 flats. Compared with the LPA, Stinsford is characterised by a greater proportion of detached and semi-detached dwellings (10.0% and 9.4% higher than the LPA level), and a smaller proportion of purpose-built flats and terraced dwellings (11.4% and 8.5% lower). See Table 6-10.

Table 6-10: Accommodation type (households), 2011

Dwelling type		Stinsford	West Dorset	England
Whole house or bungalow	Detached	47.0%	37.0%	22.4%
	Semi-detached	33.6%	24.1%	31.2%
	Terraced	14.1%	22.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	0.0%	11.4%	16.4%
	Parts of a converted or shared house	2.7%	2.7%	3.8%
	In commercial building	2.0%	1.2%	1.0%

Source: ONS 2011, AECOM Calculations

163. Table 6-11 below sets out the distribution of the number of rooms by household space. The housing stock in Stinsford is characterised by large properties, with the majority of dwellings having more than five rooms. The share of very large dwellings (more than 8 rooms) is higher in Stinsford than at the LPA level (32.0% compared to 18.7%). Only 14.1% of the stock in Stinsford consists of dwellings with one to four rooms, which could be considered entry-level homes (i.e. with two bedrooms or fewer, as previously set out in the tenure and affordability chapter), with one to three bedrooms making up only 4.7% of the stock compared to 9.9% at an LPA level.

Table 6-11: Number of rooms per household, 2011

Number of Rooms	Stinsford	West Dorset
1 Room	0.0%	0.3%
2 Rooms	2.3%	1.5%
3 Rooms	2.3%	8.2%
4 Rooms	9.4%	17.3%
5 Rooms	18.8%	22.8%
6 Rooms	14.1%	19.0%
7 Rooms	21.1%	12.3%
8 Rooms or more	8.6%	8.7%
9 Rooms or more	23.4%	10.0%

Source: ONS 2011, AECOM Calculations

164. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that the size of houses, broadly speaking, increased: the number of seven and eight room properties increased, while there were drops in four and six room dwellings, as well as increases in five room dwellings. In contrast to West Dorset and England, there was no change in one to three room dwellings over the period.

Table 6-12: Rates of change in number of rooms per household in the Parish, 2001-2011

Number of Rooms	Stinsford	West Dorset	England
1 Room	0.0%	-16.8%	-5.2%
2 Rooms	0.0%	17.2%	24.2%
3 Rooms	0.0%	22.3%	20.4%
4 Rooms	-7.7%	0.5%	3.5%
5 Rooms	26.3%	-2.0%	-1.8%
6 Rooms	-35.7%	4.5%	2.1%
7 Rooms	28.6%	25.3%	17.9%
8 Rooms or more	10.8%	28.9%	29.8%

Source: ONS 2001-2011, AECOM Calculations

165. At this point it is also useful to compare the data on numbers of rooms with census estimates of the number of bedrooms for each household. Table 6-13 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data finds a clear lack of one bedroom homes in Stinsford and a significant proportion of 3 and 4 bedroom homes.

Table 6-13: Number of bedrooms in household spaces, 2011

Bedrooms	Stinsford		West Dorset		England	
All categories: no. of bedrooms	128	100.0%	44,386	100.0%	22,063,368	100.0%
No. bedrooms	1	0.8%	59	0.1%	54,938	0.2%
1 bedroom	6	4.7%	4,013	9.0%	2,593,893	11.8%
2 bedrooms	20	15.6%	11,930	26.9%	6,145,083	27.9%
3 bedrooms	52	40.6%	18,256	41.1%	9,088,213	41.2%
4 bedrooms	38	29.7%	7,514	16.9%	3,166,531	14.4%
5 or more bedrooms	11	8.6%	2,614	5.9%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

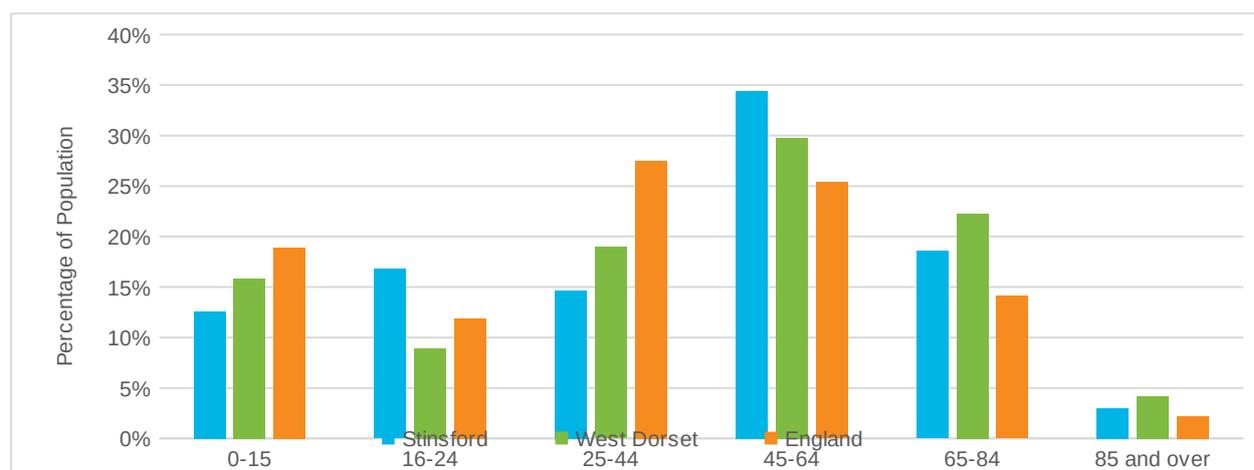
6.3.2 Household composition and age structure

166. We have now established the current stock profile of Stinsford and identified recent changes in its composition. The evidence assembled below examines the composition and age structure of households both now and in future years. Through a consideration of the types of households forming and the mix of age groups, it is possible to consider the type and size of housing needed in the Parish.

Age structure

167. The 2011 Census data reveals that the age band 45-64 is the largest single group, which is also the case in the LPA. However, nationally the largest single group is the age band 25-44. The Parish population is in fact, by Dorset standards, relatively young; it has a smaller proportion of people in the age bands 65-84 and 85 and over, and a greater proportion in age bands 0-15 and 16-24 compared with the LPA (see Figure 6-3 below).

Figure 6-3: Age structure, 2011



Source: ONS 2011, AECOM Calculations

168. The Census shows that since 2001 the proportion of the population aged over 85 has increased significantly- by 233.3%, compared to 35.4% in the LPA, while the population aged 0-15 and 25-44 has decreased by 28.8% and 37.2% compared to a 3.8% and 11.7% decrease in the LPA (see Table 6-14). It should, however, be noted that in most cases, increases as significant as that of the over 85 population can be explained by a small sample size, and this is the case at Stinsford, i.e. absolute numbers are low.

Table 6-14: Rate of change in the age structure of the population, 2001-2011

Age group	Stinsford	West Dorset	England
0-15	-28.8%	-3.8%	1.2%
16-24	9.8%	24.5%	17.2%
25-44	-37.2%	-11.7%	1.4%
45-64	8.5%	18.5%	15.2%
65-84	24.0%	13.3%	9.1%
85 and over	233.3%	35.4%	23.7%

Source: ONS 2001-2011, AECOM Calculations

Household composition

169. Household composition in Stinsford differs from the LPA in that there are 7.7% fewer one person households and 7.0% more families without children – indeed, families with no children are the single largest household sub-type in the Parish (27.3%) (Table 6-15).

Table 6-15: Household composition (by household), 2011

Household composition		Stinsford	West Dorset	England
One person household	Total	24.2%	31.9%	30.2%
	Aged 65 and over	10.9%	17.6%	12.4%
	Other	13.3%	14.3%	17.9%
One family only	Total	68.8%	63.5%	61.8%
	All aged 65 and over	15.6%	13.9%	8.1%
	With no children	27.3%	20.4%	17.6%
	With dependent children	16.4%	21.1%	26.5%
	All children Non-Dependent	9.4%	8.2%	9.6%
Other household types	Total	7.0%	4.6%	8.0%

Source: ONS 2011, AECOM Calculations

170. Since 2001, the main changes have been a significant increase in one person households (121.4%) compared with an increase in the LPA of 14.5%. There were also increases in the number of family households aged over 65 (25.0%) and family households with no dependent children (33.3%).

171. By contrast, there were falls in the proportions of family households with no children (20.5%) and with dependent children (34.4%). See Table 6-16.

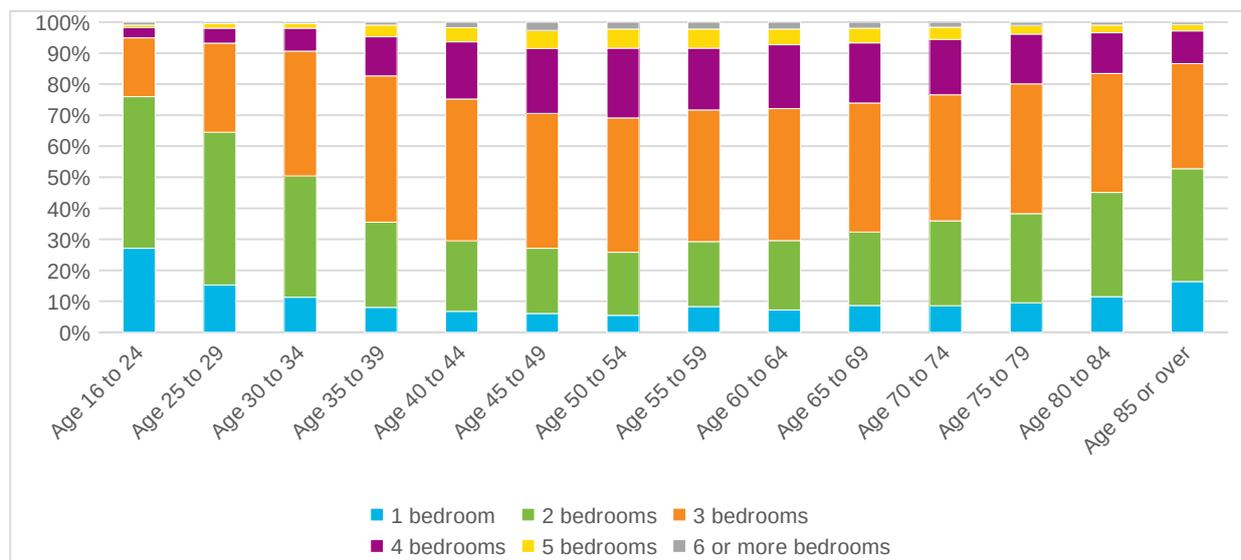
Table 6-16: Rates of change in household composition, 2001-2011

Household type		Percentage change, 2001-2011		
		Stinsford	West Dorset	England
One person household	Total	121.4%	14.5%	8.4%
	Aged 65 and over	133.3%	3.4%	-7.3%
	Other	112.5%	31.8%	22.7%
One family only	Total	-12.9%	6.6%	5.4%
	All aged 65 and over	25.0%	0.7%	-2.0%
	With no children	-20.5%	10.7%	7.1%
	With dependent children	-34.4%	1.2%	5.0%
	All children non-dependent	33.3%	24.6%	10.6%
Other household types	Total	28.6%	20.3%	28.9%

Source: ONS 2001-2011, AECOM Calculations

- 172. It is important to recognise that households of different ages are likely to have different housing needs. To estimate the housing mix needed by the end of the plan period, we adopt an approach based on the reasonable assumption that current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future.
- 173. For example, projected growth in single person households aged over 65 will lead to an increase in the need for the type of housing currently occupied by single person households of that age.
- 174. Size of housing is strongly correlated with household life stage. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at Parish level, so LPA-level data will need to be used as an appropriate proxy. That data is presented in Figure 6-4 below, showing the size of property occupied by different age groups. It shows that downsizing is a slow process and that a majority of households in the LPA tend to remain in their larger homes of three bedrooms and above until well into their eighties.
- 175. The majority of households aged 85 and over live in one to two bedrooms homes, but there is still a large proportion of households where the HRP is this age living in homes of three bedrooms and above. Ownership of dwellings of four or more bedrooms begins to decline from the age of 55.

Figure 6-4: Age of household reference person to size in the LA, 2011 (detailed)



Source: ONS 2011, AECOM Calculations

6.4 Dwelling mix determined by life-stage modelling

- 176. In this section, we apply the Census data that we have interrogated in detail to provide an estimate of the mix of size of homes needed by the end of the plan period. This can be achieved by matching future household composition to current patterns of occupation by age. We are working from the reasonable assumption that household types are likely to wish to occupy the same size of homes in 2036 as they did in the 2011 Census.
- 177. First, we use household projections provided by MHCLG to achieve an understanding of the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the LPA level and for the years 2014 and 2039. Therefore, we have estimated what the distribution of households by the age of the HRP would be in 2036. The data is presented in [Table 6-17](#).

Table 6-17: Projected distribution of households by age of HRP (LPA level)

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	845	3,122	14,384	8,987	17,048
2014	821	3,335	13,704	8,574	18,947
2036	784	3078	12852	8766	27,931
2039	779	3,043	12,736	8,792	29,157

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

178. At this point, it is necessary to formulate an estimate of the change to the age structure of the population in Stinsford. To do so, the percentage of increase or decrease expected for each group in West Dorset, derived from the data presented in Table 6-17, was applied to the population of Stinsford. The results of our calculation are detailed in Table 6-18 below:

Table 6-18: Projected distribution of households by age of HRP (NA level)

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	4	7	44	32	41
2014	4	7	42	31	46
2036	4	7	39	31	67

Source: AECOM Calculations

179. In Table 6-19 below, we set out the distribution of dwellings of different sizes according to the age of the HRP as they appeared in Census 2011. This provides the basis for a modelled estimate of the proportion of dwelling sizes that will be occupied by each age band across (what was) West Dorset in 2036.

Table 6-19: Age of household reference person to size, grouped at the West Dorset level

Size	Age of HRP 16 to 24	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
1 bedroom	27.1%	13.0%	6.4%	7.7%	10.7%
2 bedrooms	48.9%	43.2%	22.4%	21.7%	29.3%
3 bedrooms	18.9%	35.6%	44.6%	42.5%	39.6%
4 bedrooms	3.3%	6.3%	19.3%	20.2%	15.8%
5+ bedrooms	1.8%	2.0%	7.3%	7.8%	4.6%

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

180. We have now established the preference shown by households at different life-stages towards dwellings of different sizes, and the approximate number of households in West Dorset and Stinsford falling into each of these stages at the end of the plan period in 2036. It is now possible to develop recommendations as to how the housing stock should evolve in terms of size over the plan period to overcome any misalignments between the supply of dwellings and demand (see Table 6-20).

Table 6-20: Ideal size distribution in the Parish at the end of the plan period, according to household life-stages

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total households requiring dwelling sizes
Pop.	4	7	39	31	67	-
1 bedroom	1	1	3	2	7	14
2 bedrooms	2	3	9	7	20	40
3 bedrooms	1	2	18	13	27	61
4 bedrooms	0	0	8	6	11	25
5+ bedrooms	0	0	3	2	3	9

Source: Census 2011, AECOM Calculations

181. It is now possible to compare the housing mix in terms of size in 2011 with the projected requirement based on the estimates set out above in Table 6-20 as to the change in the age structure of the population in Stinsford.

182. Table 6-21 below indicates that, by 2036, the distribution of dwellings should be weighted more towards the smaller end of the size spectrum, with a particular focus on entry-level and family dwellings of two and three bedrooms.

Table 6-21: Size distribution in 2011 compared to ideal distribution at end of plan period (NA)

Number of bedrooms	2011		2031	
	Count	Percentage	Count	Percentage
1 bedroom	1	0.8%	14	9.4%
2 bedrooms	6	4.7%	40	27.0%
3 bedrooms	20	15.6%	61	40.8%
4 bedrooms	52	40.6%	25	16.9%
5 or more bedrooms	38	29.7%	9	5.8%
Total households	128	100.0%	148	100.0%

Source: Census 2011, AECOM Calculations

183. Table 6-22 below sets out the misalignment between demand for housing, based on the preferences expressed by households at different life-stages, and the current stock in the Parish.

Table 6-22: Misalignments of supply and demand for housing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	1	14	13	14.8%
2 bedrooms	6	40	34	38.9%
3 bedrooms	20	61	41	46.3%
4 bedrooms	52	25	-27	0.0%
5 or more bedrooms	38	9	-29	0.0%

Source: AECOM Calculations

184. In order to avoid misalignment between supply and demand and to re-calibrate the stock over the plan period, we recommend that 15% of houses in new developments be one-bedroom homes, 39% two-bedroom, and 46% three-bedroom. The need of most people in the community will be for two and three-bedroom homes.

185. Note that the changes to the housing mix given above for four and five bedroom dwellings are negative numbers. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three or more bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as

percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further four or five bedroom dwellings over the Neighbourhood Plan period (with the caveat that this applies only to the needs of Stinsford Parish itself- as the strategic local plan allocation will be based on need across a much broader area, but happens to be located within that same Parish, it is likely that such larger dwellings may be appropriate on that site).

6.5 Conclusions- type and size

186. Bringing together the evidence related to type and size of dwellings, the following conclusions are relevant to Stinsford over the neighbourhood plan period.

6.5.1 Type of dwelling

187. Comparison of the SHMA data and the Census data for Stinsford suggest that the Parish is not dissimilar to the wider West Dorset area in terms of type and size of dwellings. The SHMA concludes that the most common types of housing in West Dorset are detached dwellings, followed by semi-detached dwellings.

188. At the Stinsford level, the Census data shows the same conclusions for the neighbourhood area, though Stinsford has a higher proportion of the types of housing tending to be larger in size than the wider LPA area (10.0% higher for detached dwellings and 9.4% higher for semi-detached).

6.5.2 Size of dwelling

189. In terms of dwelling size, the SHMA indicates that West Dorset has a greater proportion of large properties (four or more bedrooms) than the South West region and England as a whole. In line with this conclusion, Census data shows that the housing stock in Stinsford is also characterised by large properties, with the majority of dwellings having more than five rooms.

190. The Census data also shows that only 14.1% of the stock in Stinsford consists of dwellings with one to four rooms (which could be considered entry-level homes) within which only 4.7% of stock comprises one to three bedroom dwellings (compared to 9.9% at LPA level). The Census data shows that the largest single age group in both the Parish and West Dorset is currently the 45-64 age band.

191. However, it is projected that by 2036, the end of the current plan period, the largest single age group will be the 65 or over age bracket, by a significant margin. While the data in this table is for the LPA as a whole, it is very likely that this trend will also apply to Stinsford as well. It is also of note that, since 2001, there has been a significant increase in one person households in the Stinsford NA, significantly higher than the increase across the whole LPA, and that single families with no children are the single largest household type in the Parish.

192. The current significant supply of larger dwellings (particularly houses with four or more bedrooms), combined with the likely continued increase in single person households and an ageing population, suggests that the type and size of housing needs to change in the future to avoid misalignment of stock. There should be a focus on providing three- and two-bedroom properties in particular, followed by one bedroom properties, with no need to increase the supply of larger properties of four or more dwellings, at least in terms of the need arising from the existing Parish population itself.

193. The SHMA conclusions tend to corroborate this, demonstrating that for owner-occupied dwellings, the greatest need is for three bedroom homes followed by those of two bedrooms; for the private rented sector, it is for two bedroom dwellings, followed by one bedroom and then three bedroom dwellings.

194. This supports the conclusions of RQ1a that there should be a greater provision of entry-level housing options both for home ownership and private rent. It suggests that smaller dwellings should be provided that are more accessible to those moving between social and market renting or between market renting and homeownership.

195. This could be achieved through a mixture of dwelling types, but the current prevalence across the Parish of detached and semi-detached properties, together with the generally rural context of the Parish, suggests that these types of dwelling may be most suitable.

196.

7. Conclusions

7.1 Overview

197. The conclusions and recommendations of this Housing Needs Assessment are intended to form evidence informing a policy response in the forthcoming Stinsford Neighbourhood Plan. As such, below, in Table 7-23, we summarise overall conclusions and recommendations on factors affecting the type and quantity of housing needed in Stinsford.

Table 7-23: Overall conclusions of Stinsford Neighbourhood Plan Housing Needs Assessment

Issue	Evidence and conclusions
Tenure and affordability	<p>Home ownership remains the dominant tenure type in the Parish, but the sector is experiencing slow growth and it is less common in Stinsford than across West Dorset as a whole. Stinsford also has a higher level of private renting and a lower level of social renting than the District. The trends in Stinsford between the two Censuses in 2001 and 2011 show a much smaller increase across most tenures than in West Dorset, particularly for shared ownership dwellings, where there was no growth over this period compared to a growth of 75.4% in West Dorset. The exception to this is the growth in social rented dwellings of 14.3% compared to 8.8% in West Dorset.</p>
	<p>The lower quartile price for homes in Stinsford is £390,000 whilst the average price for property in the Parish is £472,000. A single person would need to be earning £100,285 annually to afford an entry-level property and earning £121,371 annually to afford a property around the average price. The annual income required even for discounted market sales housing is £80,228 and the income required to afford a 25% shared ownership property is £49,203.</p>
	<p>While homes for rent are more expensive than in nearby Dorchester, they are in fact cheaper than across West Dorset as a whole. However, the annual household income needed to rent is £49,230 and for an entry-level rental is £30,849.</p>
	<p>For those whose income falls into the District lower quartile choices are extremely limited. Indeed, according to the data we have gathered, in order for those whose income is within the District lower quartile income range to afford any of the housing tenures available, a higher proportion of their household income would need to be devoted to housing costs than the recommended ceiling of 33%, potentially leading to their having to reduce budgets for other goods and services. This could lead to 'exclusion,' or the inability to satisfy basic needs.</p>
	<p>It is therefore evident that household affordability is an issue in the Parish, with even those earning upper quartile incomes unable to afford many of the intermediate tenures. A strong focus should therefore be placed on delivering more affordable housing, to enable all potential residents to access housing in Stinsford. Some methods of doing so are discussed previously in Chapter 5..</p>
<p>While our calculations therefore suggest that there is strong demand for a much wider mix of tenures to meet the community's housing needs, it is recommended there should be a specific focus on providing (1) social rent and affordable rent; and (2) entry-level market rent housing options. Although it will also be necessary to explore shared ownership options as an affordable path to home ownership, this tenure may still be out of reach to those on the lowest incomes in the Parish.</p>	

Issue Evidence and conclusions

Those seeking or encouraging the application of a local connection test within a Neighbourhood Plan have the potential to put it in conflict with Local Plan policies in cases where the local authority is already applying a local connection test because the LPA could resist constraints or additional obligations in respect of its ability to address housing need at the district level. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can manage or direct affordable housing need.

The former Dorset district councils (and, unless evidence emerges to the contrary, the new Dorset Council) have collectively made the policy decision to employ the local connection test, as the result of a 2013 review. This means those without a local connection, owner occupiers and all other people able to afford their own accommodation (save in exceptional circumstances), are ineligible for the Dorset housing register. At the same time, those on the list that do have a genuine local connection should, in due course, have new affordable housing allocated to them on a site-by-site basis as new housing is completed, and secured for those with a local connection through Section 106 developer agreements.

Another mechanism used by many local authorities, including Dorset, is the Local Lettings Plan.

The evidence suggests that the local connection test is already being applied at Stinsford. However, there is potential for the Parish Council to enter into dialogue with Dorset Council to establish any opportunities for the system to be improved, if there is evidence such as, for example:

- specific cases where someone with a legitimate local connection was not allocated a dwelling in Stinsford; and/or
- there are no Local Lettings Plans based on local connection within Stinsford within the Parish, but there is evidenced potential for this mechanism to be applied in future, potentially to the affordable housing element of the strategic Local Plan allocation; and/or
- specific evidence that waiting list times for affordable housing in Stinsford are unreasonably long for those with a legitimate local connection; and/or
- a Parish Council-commissioned household survey capturing additional detail on local income levels and concealment, which may suggest that the need for affordable housing is significantly in excess of the number of households actually on the Dorset Homechoice waiting list.

Securing a
local
connection

If such evidence exists, then a policy in the neighbourhood plan could, for example, state that the Parish Council intends to work closely with Dorset to maximise the provision of housing to those with a local connection, including through relevant improvements to the Homechoice system.

Alongside or instead of a policy stating that the Parish Council will work closely with Dorset Council as it continues to allocate homes at Stinsford to those in affordable need (and/or seek to improve the current process as it does so), often the most effective mechanism open to Parish Councils to ensure that housing is provided to those with a local connection is on the supply side, i.e. by boosting the local supply of affordable housing.

An affordable housing exception site aims to provide affordable housing on sites that would not be granted planning consent for open market housing. This enables small sites adjoining villages and towns, often with relatively low land value, to provide for 100% affordable housing, without the policy or viability barriers that such sites would face if delivered by the private market.

However, as suggested by the word 'exceptional', such sites can be promoted only in response to a clearly identified need arising from a local community, which cannot otherwise be met. While this Housing Needs Assessment does clearly identify a local need for more affordable housing, based on our findings in terms of local incomes, house prices and hence affordability, future occupancy in such sites will be prioritised only for people with a local connection.

This report provides clear evidence of Affordable Housing need in Stinsford. Such evidence could therefore be used in support of an affordable housing exception site, though given the specific circumstances in the Parish, where hundreds of new affordable homes are likely to be provided through the Local Plan strategic allocation site, it may be considered that an (additional) exception site is not necessary.

Issue	Evidence and conclusions
-------	--------------------------

Type and size	<p>Comparison of the SHMA data and the Census data for Stinsford suggest that the Parish is not dissimilar to the wider West Dorset area in terms of type and size of dwellings. The SHMA concludes that the most common types of housing in West Dorset are detached dwellings, followed by semi-detached dwellings.</p> <p>At the Stinsford level, the Census data shows the same conclusions for the neighbourhood area, though Stinsford has a higher proportion of the types of housing tending to be larger in size than the wider LPA area (10.0% higher for detached dwellings and 9.4% higher for semi-detached).</p> <p>In terms of dwelling size, the SHMA indicates that West Dorset has a greater proportion of large properties (four or more bedrooms) than the South West region and England as a whole. In line with this conclusion, Census data shows that the housing stock in Stinsford is also characterised by large properties, with the majority of dwellings having more than five rooms.</p> <p>The Census data also shows that only 14.1% of the stock in Stinsford consists of dwellings with one to four rooms (which could be considered entry-level homes) within which only 4.7% of stock comprises one to three bedroom dwellings (compared to 9.9% at LPA level). The Census data shows that the largest single age group in both the Parish and West Dorset is currently the 45-64 age band.</p> <p>However, it is projected that by 2036, the end of the current plan period, the largest single age group will be the 65 or over age bracket, by a significant margin. While the data in this table is for the LPA as a whole, it is very likely that this trend will also apply to Stinsford as well. It is also of note that, since 2001, there has been a significant increase in one person households in the Stinsford NA, significantly higher than the increase across the whole LPA, and that single families with no children are the single largest household type in the Parish.</p> <p>The current significant supply of larger dwellings (particularly houses with four or more bedrooms), combined with the likely continued increase in single person households and an ageing population, suggests that the type and size of housing needs to change in the future to avoid misalignment of stock. There should be a focus on providing three and two bedroom properties in particular, followed by one bedroom properties, with no need to increase the supply of larger properties of four or more dwellings, at least in terms of the need arising from the existing Parish population itself.</p> <p>The SHMA conclusions tend to corroborate this, demonstrating that for owner-occupied dwellings, the greatest need is for three bedroom homes followed by those of two bedrooms; for the private rented sector, it is for two bedroom dwellings, followed by one bedroom and then three bedroom dwellings.</p> <p>This supports the conclusions of RQ1a that there should be a greater provision of entry-level housing options both for home ownership and private rent. It suggests that smaller dwellings should be provided that are more accessible to those moving between social and market renting or between market renting and homeownership.</p> <p>This could be achieved through a mixture of dwelling types, but the current prevalence across the Parish for detached and semi-detached properties, together with its generally rural context, suggests that these types of dwelling may be most suitable.</p>
---------------	---

7.2 Recommendations for next steps

198. This neighbourhood plan housing needs advice has aimed to provide Stinsford Parish Council with evidence on housing trends from a range of sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with Dorset Council with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies in the adopted Local Plan;
- The views of Dorset Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers;
- The numerous supply-side considerations, including the strategic allocation site, local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Dorset Council (and the former West Dorset District Council) including but not limited to the Strategic Housing Land Availability Assessment; and
- The recommendations and findings of this study.

199. 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).

200. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by Dorset Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

201. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed will help ensure the continued relevance and credibility of its policies.

Appendix A : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent

Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁴.

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²⁵

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁶

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or Parish/town councils are able to prepare community right to build orders.

Concealed Families (Census definition)²⁷

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

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

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

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

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

Equity Loans/Shared Equity

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

Extra Care Housing²⁸

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to manage day-to-day tasks without assistance. 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 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.

Fair Share

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

²⁸ See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income, which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

²⁹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Proportionate and Robust Evidence

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

Private Rented

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁰

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

Strategic Housing Land Availability Assessment

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

³⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³¹

³¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

