

Horwich Housing Needs Assessment (HNA)

MARCH 2019

Quality information

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
DMSH	Discount Market Sale Housing
DSR	Data and Statistical Return
GMSF	Greater Manchester Spatial Framework
HLIN	Housing Learning and Improvement Network
HNA	Housing Needs Assessment
HNF	Housing Needs Figure
HPA	Housing and Planning Act
HRF	Housing Requirement Figure
HRP	Household Reference Person
HTC	Horwich Town Council
IRZ	Impact Risk Zone (associated with SSSIs)
IT	Income Threshold
LA	Local Authority
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LSOA	Lower Super Output Area
MAR	Median Affordability Ratio
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NA	Neighbourhood Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
PT	Purchase Threshold
RQ	Research Question
SDR	Statistical Data Return
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SSSI	Site of Special Scientific Interest

1. Executive Summary

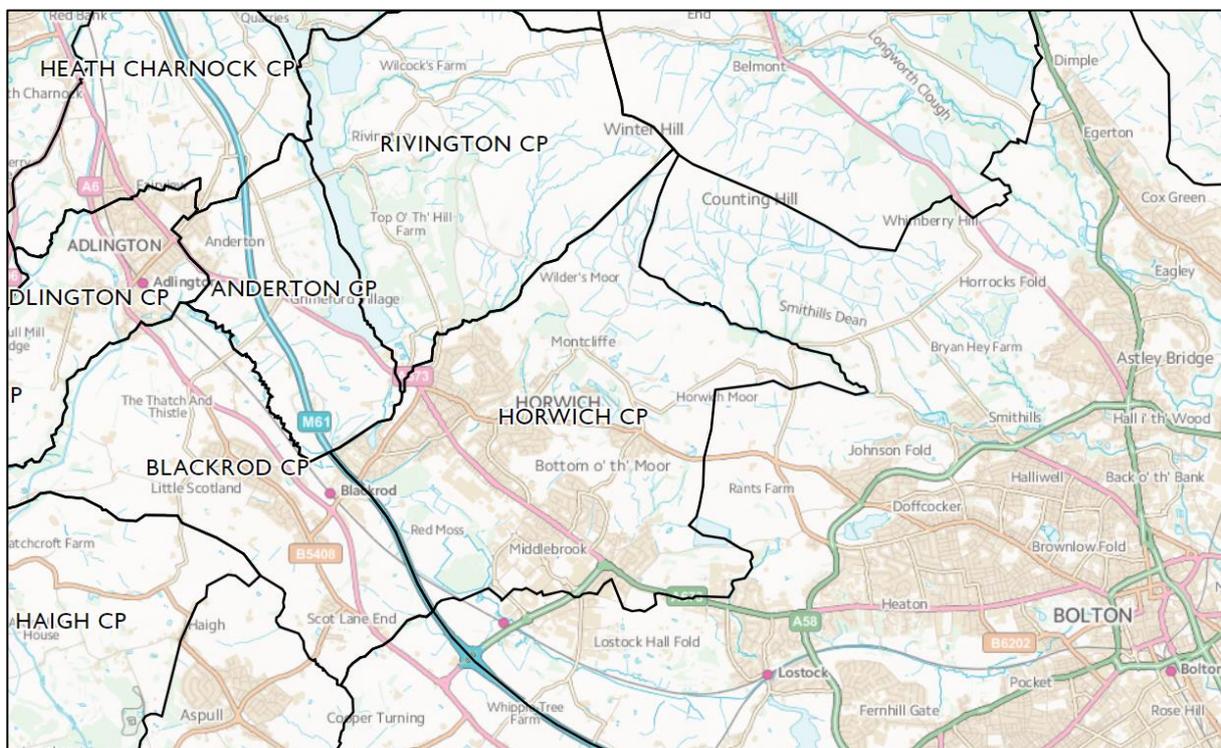
1. This report provides Horwich Town Council (HTC) with information regarding the mix of housing they should plan for in the future. This information can be used to inform debate with the group, and can bolster local understanding of the appropriate course of action to be taken, as well as provide justification for site allocations and site mix policies. This report was produced using reputable sources with the most recent data available and has tested ways of analysing such data.
2. The report examines:
 - **What quantity of housing in the Neighbourhood Area is appropriate over the Plan period?**
 - **What quantum of Affordable Housing is appropriate over the Plan period and what tenure of dwellings (both affordable and market) should be included in the housing mix?**
 - **What type (terraced, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is best suited to meet local needs?**
 - **What provision should be made for specialist housing for elderly people within the Neighbourhood Area?**
3. The recommended Housing Needs Figure (HNF), which sets out the appropriate quantity of new housing to be delivered, is **971 dwellings by 2036 equating to 54 dwellings per year between the period 2018 and 2036**. This figure is based on the standard method for calculation consistent with the revised NPPF, which has then been revised for consistency with the emerging Greater Manchester Spatial Framework.
4. For households on lower incomes, options in regard to housing in Horwich are very limited. The majority of residents on low incomes struggle to access an appropriate tenure, however **25% Shared Ownership schemes offer these residents an affordable route to home ownership**, and as such should be encouraged within Horwich.
5. **Affordable Rent and Social Rent houses are also more closely aligned with median incomes**, and as such are less likely to support residents on low incomes. Therefore, the effectiveness of this tenure type in Horwich is likely to be less pronounced.
6. The findings indicate that given the median annual income, even at the lower quartile entry-level price, **market homes remain out of reach for many residents** and an appropriate tenure mix in Horwich should include Starter Homes and Shared Ownership Homes to support these residents in accessing routes to home ownership.
7. The recommended tenure split is **80% offering 'routes to home ownership'** of which 40% should be Starter Homes and 60% Shared Ownership, and **20% Affordable Housing for rent** of which 60% should be Social Rent and 40% Affordable Rent.
8. To satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, it is recommended that **15% of houses in new developments be one-bedroom homes, 42% two-bedroom and 43% three-bedroom**. Bungalows appeal to an elderly population and this particular type should be promoted to meet the demand of a growing elderly population.
9. In Bolton, the proportion of people aged 75+ is expected to increase by 66.1% between 2011 and 2036. It is forecasted that people aged 75+ will form 10.6% of the total population in 2036. In Horwich, this results in **an increase of 1,023 people aged 75+** which translates into a specialist housing need of between 167 and 250 additional dwellings

2. Context

2.1 Local context

10. Horwich is a town and polycentric civil parish located in the Bolton District of Greater Manchester, around 6 miles from both Bolton and Wigan, and 18 miles from Manchester City Centre. The Neighbourhood Area (NA) boundary is shown in
11. **Figure 2.1** below and was designated in January 2018. The district of Bolton shares administrative boundaries with the districts of Wigan, Chorley, Blackburn with Darwen, Bury, and Salford.
12. Development in the town is mainly centred along Chorley New Road which connects directly with Bolton. The M61 motorway creates the south western boundary of the NA and provides excellent road connections to Preston and other destinations in the North West. Meanwhile Horwich Parkway and Blackrod stations connect the town with Bolton, Manchester, Blackpool and beyond.
13. Within the NA in 2011 there were a total of 20,067 residents. Horwich includes a traditional town centre, three conservation areas and a wide variety of housing. There are small industrial areas along Chorley New Road and Crown Lane.

Figure 2.1: Horwich Neighbourhood Area boundary



Source: Crown copyright and database right

2.2 Planning policy context

14. In line with the basic conditions¹ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this Housing Needs Assessment (HNA).
15. The Bolton Council Local Plan² is comprised of the Core Strategy (adopted 2011) and the Allocations Plan (adopted 2014), which set out strategic and development management policies and site allocations to guide Bolton's future development up to 2026.

¹ See Glossary

² Documents can be downloaded at: <https://www.bolton.gov.uk/planning-policy-strategy/local-plan>

16. Development within Bolton is also influenced by Greater Manchester's Plan for Homes, Jobs, and the Environment (Greater Manchester Spatial Framework 2019 Draft)³. The Plan seeks to provide “*the right homes, in the right places*”, “*making the most of Greater Manchester's brownfield sites*” and “*prioritizing redevelopment of town centres and other sustainable locations*”. The Plan seeks to address the housing crisis with a minimum target of 50,000 additional affordable homes; 30,000 of which will be social housing.
17. The Local Plan and Greater Manchester Spatial Framework policies deemed relevant for the purpose of this HNA are identified in **Table 2.1** below.

Table 2.1: Summary of Bolton Council Local Plan policies reviewed for the purpose of this HNA

Core Strategy	Allocation Plan	Greater Manchester Spatial Framework (Draft 2019)
SC1 (Housing)	P6AP (Mixed Use Development)	GM-Strat 8 (Wigan-Bolton Growth Corridor)
M1 & M2 (Horwich Loco Works)		GM-H1 (Scale of New Housing Development)
OA1 (Horwich and Blackrod Outer Areas)		GM-H2 (Affordability of New Housing)
		GM-H3 (Type, Size and Design of New Housing)
		GM-H4 (Density of New Housing)

2.2.1 Core Strategy policies

18. **Policy SC1 (Housing)** sets out the intentions for new housing development within Bolton. It establishes that allocations will be identified to accommodate for the additional provision of 694 dwellings per annum between 2008 and 2026, equating to a total of 12,492 dwellings over the Plan period. **Table 2.2** below identifies how this housing development will be distributed across the plan area.

Table 2.2: Distribution of housing development across the Bolton Plan area

Location	% of new dwellings to 2026
Bolton town centre	10-20
Renewal areas	35-45
Horwich Loco Works	10-15
Outer areas.	20-30

19. Horwich is identified through the Local Plan as an Outer area, but is also subject to the strategic allocation of Horwich Loco Works.
20. The policy identifies that 80% of the planned growth will be on previously developed land, and 35% of new housing will be affordable (broken down into 75% for social renting and 25% for intermediate housing). The policy reduces the requirement for affordable housing to 15% where development is located on previously developed land. The policy further sets criteria for the size of homes in future development; where 50% of dwellings are to be 3-bedroom or larger, and no more than 20% of market housing, or 10% of social rented, will be 1-bedroom. Within intermediate housing development the requirements are 20% of dwellings to be 3-bedroom, and no more than 40% to be 1-bedroom. The policy also requires the density of new housing development to be at least 30 dwellings per hectare (achieving higher densities where possible), and identifies that gypsy, traveler and travelling showpeople needs will be met through an adequate supply of sites.
21. **Policy M1 (Horwich Loco Works)** identifies Horwich Loco Works as a strategic site allocation that will be developed for a sustainable mixed-use community (primarily for employment and housing) and **Policy M2** sets out the principles for development at this site. The site is located in the south west of the NA (south of Chorley New Road and adjacent to Red Moss SSSI) and is expected to deliver around 1600 new dwellings.

³ Greater Manchester Combined Authority (2019) Greater Manchester's Plan for Homes, Jobs and the Environment – Greater Manchester Spatial Framework Revised Draft [online] available at: <https://www.greatermanchester-ca.gov.uk/what-we-do/housing/greater-manchester-spatial-framework/gmsf-full-plan/> [accessed 30/01/19]

22. **Policy OA1 (Horwich and Blackrod Outer Area)** seeks to promote Horwich town centre as suitable for a mix of housing, retail, leisure and employment uses. The policy seeks to concentrate housing development within the existing urban area and particularly at Horwich Loco Works.

2.2.2 Allocation Plan policies

23. **Policy P6AP (Mixed Use Development)** outlines the sites promoted for mixed-use development, which includes 'The Greenwood' at Chorley New Road in Horwich (alongside Horwich Loco Works) and identifies the planning principles underpinning mixed use development in the Plan area.

2.2.3 Greater Manchester Spatial Framework policies

24. **Policy GM-Strat 8 (Wigan – Bolton Growth Corridor)** is identified as a regionally-significant area of economic and residential development supporting the delivery of around 12,000 new dwellings and nearly 800,000m² of new employment floorspace, predominantly on previously-developed land. Horwich, being located directly north of this broad corridor, is therefore subject to significant growth in the wider area surrounding the town, and is likely to benefit from the infrastructure improvements being proposed here (which includes new/ improved highway connections between Wigan and Bolton/ the M61 and M6, and improved public transport infrastructure).
25. **Policy GM-H1 (Scale of New Housing Development)** seeks a minimum of 201,000 net additional dwellings to be delivered in Greater Manchester over the Plan period 2018 to 2037 (equating to an annual average of around 10,580). This is to provide for a projected increase in population of over a quarter of a million people over this time. The Framework identifies that this forecasted increase is driven primarily by natural change, with an ageing population and the number of births significantly exceeding the numbers of deaths. The projections also indicate that the average household size is expected to continue to decline, meaning that more homes are needed to accommodate the same number of people.
26. **Policy GM-H2 (Affordability of New Housing)** identifies that "*substantial improvements will be sought in the ability of people to access housing at a price they can afford*". Measures include: significantly increasing the supply of new housing across Greater Manchester; setting a target for 50,000 new affordable homes (with at least 30,000 of these being for social rent or affordable rent); supporting affordable housing requirements set by each local authority; maximising the amount of public funding being directed towards the provision of new affordable housing; and increasing the supply of low-cost market housing to diversify options for low income households.
27. **Policy GM-H3 (Type, Size and Design of New Housing)** seeks to provide a range of dwelling types and sizes to meet local needs and deliver more inclusive neighbourhoods. The policy identifies that, where appropriate, this should include incorporating specialist housing for older households and vulnerable people, and that the precise mix of dwelling types and sizes should be determined through district local plans and masterplans in order to reflect local circumstances.
28. **Policy GM-H4 (Density of New Housing)** sets density levels at different locations across the Greater Manchester area. For Horwich the policy identifies a net density of 35 dwellings per hectare. At this lower density level, it is anticipated that the housing types delivered will be primarily houses (as opposed to apartments).

3. Approach

3.1 Research Questions

29. The Research Questions (RQs) relevant to this study are presented below. The RQs were discussed and agreed with Horwich Town Council at the start of the project and serve to direct the research and provide the structure for the HNA.

3.1.1 Quantity

30. The Bolton Core Strategy has an overall housing requirement for 694 additional dwellings per annum, or a total of 12,492 additional dwellings, between 2008 and 2026. At least 10-15% of this figure is allocated to Horwich as part of the Conservation Area Management plan for the Horwich Loco works, which lies within the NA.
31. However this overall figure is subject to change as the Greater Manchester Spatial Framework (GMSF) is currently being revised. The GMSF will provide new housing figures and policies, to which all Local Plans and Neighbourhood Plans must adhere.
32. The group are aware of this, yet still wish for a HNA that includes a Housing Needs Figure (HNF) as this will provide clarity as to the quantity of homes needed to address demand in the neighbourhood area (NA) over the Plan period. Moreover, it will provide robust evidence that may be used to assess the acceptability of a proposed development scheme until the new Local Plan/Framework for Bolton has been adopted.

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

3.1.2 Tenure & Affordable Housing

33. Horwich Town Council (HTC) have identified a need for Affordable Housing (AH) in the NA. There is a specific preference for Social Rented housing as HTC are conscious that other AH tenures do not provide housing that is genuinely affordable. The group has stated it is also willing to put forward more sites than currently allocated in the emerging Local Plan if it is for AH.

RQ2: What quantum of Affordable Housing is appropriate over the Plan period and what tenure of dwellings (both affordable and market) should be included in the housing mix?

3.1.3 Type and size

34. HTC wish to explore the type of housing needed in the NA. They are particularly concerned that the housing mix proposed by developers often does not meet the needs of the NA. HTC are conscious of the number of large dwellings that have been built over recent years that fail to meet local needs.

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is best suited to meet local needs?

3.1.4 Housing for specialist groups

35. HTC has acknowledged that there is a relatively large elderly population, who tend to live alone. As the elderly population increases, the demand for suitable housing for this demographic has also risen whilst the supply has remained low. HTC have stated a preference for more sheltered housing, so that elderly residents can retain their independence whilst also releasing housing to meet surplus demand. Moreover, the need for more affordable specialist housing for the elderly should also be explored.

RQ4. What provision should be made for specialist housing for elderly people within the NA?

3.2 Relevant Data

3.2.1 Local Authority evidence base

36. Planning Practice Guidance (PPG) states that those bringing forward a Neighbourhood Plan can refer to existing needs assessment prepared by a Local Planning Authority as a starting point. As Horwich NA is located within the Bolton Council Local Plan area, attention was given to the Strategic Housing Market Assessment (SHMA) which covers the Borough and informed the housing policies at the local authority level, including affordable housing policy. In the wider context, the Greater Manchester SHMA (2019) presents evidence of the Greater Manchester housing market (pertaining

to homes across ten districts which includes Bolton) and how it is changing to provide an assessment of future needs for both market and affordable housing.

37. For the purpose of this HNA, we have considered data from the Greater Manchester SHMA applicable unless it conflicts with locally-specific material. The Greater Manchester SHMA 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 NA.
38. This provides a strong starting point for policy development that aims to build upon and add local specificity to work undertaken by Bolton Council and the Greater Manchester Combined Authority, by enabling a comparison to be made with parish-level data (gathered as part of the preparation for this study); given that such an exercise reveals contrasts as well as similarities.
39. Finally, the study was also informed by additional data received from Bolton Council, including the Bolton Housing Needs Assessment and Bolton Sub Area Summary Document, as well as housing completions information.

3.2.2 Other relevant data

40. In addition to the SHMAs, evidence from a range of other data sources has also been gathered. This will support a robust assessment for the purposes of developing policy at the Neighbourhood Plan level, and is locally specific. This data includes Census data pertaining to demography.
41. Furthermore, to assess the housing in the NA, data from the Land Registry was analysed. This data provides prices paid, housing types and date of transaction information; allowing housing market trends to be identified.
42. The material was collected for the BL6 postcodes that are contained within the NA boundary to create a database including all housing transactions registered with the Land Registry between 2008 and 2017. Similar data analysis was carried out for the whole of the Borough and these datasets have predominantly informed responses to RQ1 and RQ2.
43. Market rental data was collected from a range of sources including www.home.co.uk and www.rightmove.com

4. RQ1 Quantity

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

4.1 Introduction

44. The final version of the revised National Planning Policy Framework (NPPF), published in July 2018, confirmed that strategic policies should be informed by a local housing assessment conducted using the 'standard method'. The method is set out in planning practice guidance (PPG). The Government has made it clear that "the use of the standard method applies to plan-making for plans submitted⁴ on or after the 24 January 2019⁵." In the case of Bolton Town Council, the emerging Greater Manchester Spatial Framework is under development and will provide housing figures and policies that Local Plans and Neighbourhood Plans will need to adhere to. This framework will be required to utilise the standard method, and as such, the standard method has been utilised for the purposes of this HNA, reflecting the more recent emerging spatial strategy.
45. The HNA has estimated the number of new dwellings that should be sought in the NA over the plan period (the Housing Requirement Figure, or HRF) using a five-step approach in accordance with the latest NPPF and PPG.
46. According to the NPPF, the HRF for a designated NA "should take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority".⁶
47. An HRF is a 'policy-off' figure, which means that, whilst it takes account of the factors set out in Paragraph 66 of the NPPF and dwelling completions over the course of the plan period, it is an expression of total housing demand unconstrained by the limits of land availability and by the impact of policies that either facilitate or restrict development. A policy-off figure can then be reviewed in light of relevant Local and Neighbourhood Plan objectives and policies and site assessment evidence to arrive at a 'policy-on' understanding that reflects these factors.
48. The five-step approach is outlined in Figure 4.1 below.

Figure 4.1: Five-step approach to estimating the Housing Requirement Figure (HRF)

Step 1: "the population of the neighbourhood area"

The HRF for the NA should take as its starting point the housing target for the Local Authority (LA) in which it sits. The baseline for our calculation for NA is therefore a share of the current LA Local Housing Need (LHN) figure that reflects the share of the LA population living in the NA.

NPPF requires Local Authorities, and anyone calculating LHN in their place, to use the standard method.⁷ This calculation takes the most recent MHCLG-approved population projection for the District, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

Step 2: "most recently available planning strategy of the planning authority"

The HNA follows the guidance presented in the NPPF which states that the initial HRF for neighbourhood plans should reflect "the overall strategy for the pattern and scale of development and any relevant allocations,"⁸ and "the most recently available planning strategy of the local planning authority."⁹

This means introducing Local Authority spatial policy, housing targets, and assessments of housing need at different scales to arrive at a more locally appropriate proportion of the LA housing target that should be provided in the NA. This will often result in a slightly different figure to that produced in Step 1.

⁴ "The council submits the Local Plan, alongside the consultation representations and other required documents, to the Planning Inspectorate. The Inspectorate then arranges for the Local Plan to be scrutinised through an Examination in Public. During the Examination, the Inspector will be testing the Local Plan for soundness, legal procedural compliance and whether the Council has met the duty to cooperate. The Inspector will consider any representations made on the plan. The National Planning Policy Framework contains further information on the Government's policy for sound Local Plans."

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753766/LPA_Other_Plan_Progress_-_31_October_2018.pdf

⁵ Technical consultation on updates to national planning policy and guidance

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf

⁶ NPPF, paragraph 66, page 18

⁷ Technical consultation on updates to national planning policy and guidance, October 2018, page 10

⁸ NPPF, paragraph 65, page 18

⁹ Ibid.

Step 3: commitments and completions

Next, any dwellings that have already been completed over the Plan period to the present date together with any extant commitments on sites in the NA should be deducted from the total in order to provide a HRF for the remainder of the Plan period and an annual HRF that reflects past under- or over-delivery.

Provided the data needed is available, a windfall allowance can also be deducted¹⁰ given that dwellings that come forward in this way constitute a valid route to housing delivery and may be taken into account in the way the NA proposes to fulfil its housing target, so long as there has been a consistent record of such delivery in recent years.¹¹

Step 4: “latest evidence of local housing need”

Finally, we review the “latest evidence of local housing need”. For Local Authorities, the standard methodology provides them with an initial understanding of housing need; PPG indicates they may qualify this by gathering additional evidence, for example jobs growth data, that will support them in arriving at a higher housing target¹², or cite ‘exceptional circumstances’ that provides the justification for a different figure from the one derived from the standard method.¹³ AECOM will review this evidence (typically set out within studies that support the Local Authority’s housing policies such as a Strategic Housing Market Assessment or Local Housing Needs Assessment). If appropriate, AECOM will apply an uplift to the HRF that is in line with this evidence, and the strategies and policies that flow from them.

Step 5: the Local Authority

The NPPF makes it clear that the Local Authority is under a duty to provide housing numbers to designated neighbourhood planning areas within their district. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing a HNF to the NA. With this in mind, it is important the group share the HNF and underlying methodology with the LPA to seek confirmation it is aligned with their current planning strategy.

49. Employing this methodology, the Housing Needs figure for the NA is calculated below.

4.2 Standard method (Step 1)

50. The first requirement as part of the five-step approach outlined above is to calculate the Local Housing Need (LHN) for the District using the standard method outlined in Planning Policy Guidance. This is prior to taking the population of the NA and calculating the proportion of the total population of the District that it represents. This percentage will then be used to arrive at the share of the Local Authority target that should be apportioned to the NA.

51. The Bolton LHN figure, using the standard method, is calculated as follows:

- Step one is to set the baseline, by calculating the projected average annual household growth in the District over a 10-year period, beginning with the current year, using the most recent ONS household projections.
 - The 2014-based household projections are used, in line with PPG. Bolton’s 2014-based household projection for 2019 is 121,916 residents. Its projection for the end of the 10-year period at 2029 is 129,167 residents, equating to a total increase of 7,251 dwellings in this period and a projected average annual household growth figure of 725.1 dwellings per year.
- Step two is to adjust this annual average using the most recent ONS median workplace-based affordability ratios (released in April 2018), which provide the ratio of house prices to earnings for various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent.
 - Bolton’s 2017 affordability ratio is 5.23. Using the formula outlined in the PPG to calculate the adjustment factor $\left(\frac{5.23-4}{4}\right) \times 0.25 + 1$ increases the annual average to 781 dwellings (rounded).

¹⁰ Windfall sites are sites which are not included as allocations as part of the housing land supply, but which subsequently become available for housing development. They are sites that were not formally included in the development plan. Whilst therefore, windfalls are not planned, they are an expected source of housing capacity and, as such, contribute towards housing provision.

¹¹ Planning Practice Guidance Paragraph: 097 Reference ID: 41-097-20180913 Revision date: 13 09 2018

¹² PPG Paragraph: 010 Reference ID: 2a-010-20180913

¹³ NPPF, paragraph 60, page 17

- Step three is to cap the level of increase at 40% above whichever is higher: the average annual household growth figure arrived at in step one; or the average annual housing requirement figure set out in the most recently adopted local strategic housing policies.
 - In the case of Bolton, the Greater Manchester Spatial Framework sets a higher average annual housing requirement figure of 726 dwellings per year but the uplift does not equate to over a 40% increase on this figure. However as this framework is not yet adopted, the Bolton Local Plan average annual HNF of 694 dwelling per year is used, but again the uplift does not equate to over a 40% increase. Therefore the figure does not require capping.
 - Bolton's LHN is therefore 781 dwellings per year.
52. Having derived the Local Authority LHN, the HNA can calculate the NA's share of that target by looking at what proportion of the LA's population currently reside in the NA and applying that percentage to the District's LHN. Using the latest census data (2011) the population of Horwich (20,067) represents 7.25% of the total residents of Bolton (276,786), and the apportioned HNF for the NA is therefore **57 dwellings per year** (rounded), totaling **1,140 dwellings** over the entirety of the Neighbourhood Plan period 2016 to 2036.

4.3 Latest LA planning strategy (Step 2)

53. However, as stated in NPPF guidance, it is important to acknowledge the relevant policies in the most recently available development plan document for the District, which reflects the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the NA that takes into account the Local Authority's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
54. In Bolton, the most recently available development plan document is the Bolton Core Strategy (adopted 2011 and covering the plan period 2008 – 2026). While as noted above and in the Context chapter, this is being updated through the emerging Greater Manchester Spatial Framework, its policies are not yet adopted at this stage, and as such, the Bolton Core Strategy is used as the most recent planning strategy.
55. The Bolton Core Strategy identifies four main spatial areas in the District; Bolton Town Centre, renewal areas, the M61 corridor, and the outer areas. Bolton Town Centre is identified as the principal location for employment with an emphasis on retailing, offices and leisure. Inner Bolton, Farnworth and Brightmet are identified as renewal areas and the focus for initiatives, investment and development to narrow gaps in deprivation. The M61 corridor contains a major employment centre at Middlebrook and other significant centres of manufacturing. The Core Strategy allows for change in these areas to support an expanding economy (whilst conserving high quality environments). The outer areas include the towns of Horwich, Blackrod, and Westhoughton, the west Bolton areas of Heaton, Ladybridge, Over Hulton and Lostock; the north Bolton areas of Smithills, Astley Bridge, Bromley Cross and Bradshaw; and the Little Lever and Kearsley areas in the south-east of the borough. The Core Strategy plans for an overall total increase of 12,492 dwellings in the period 2008 to 2026 and **Table 4.1** below identifies how this figure is apportioned across the four main spatial areas.

Table 4.1: Apportionment of the Bolton's housing needs (Bolton Core Strategy)

Location	% of new dwellings to 2026
Bolton Town Centre	10-20
Renewal areas	35-45
Horwich Loco Works	10-15
Outer areas	20-30

56. This equates to between 2,498 and 3,748 homes to be delivered across the outer areas during the period 2008 to 2026, or between 139 and 208 homes a year. The NA's share of this target is calculated by identifying the proportion of residents across the outer areas that currently reside in the NA and applying that percentage to the outer areas HNF outlined by the Core Strategy. In deriving the extent of the outer areas, the Core Strategy has taken a generalized approach utilising planning boundaries rather than formal ward boundaries, and, as such, it was necessary to calculate the resident population of the outer areas at the Lower Super Output Area¹⁴ (LSOA) scale. The resident population

¹⁴ Lower Super Output Areas are geographical boundaries directly associated with the collection of Census information.

across the outer areas is estimated to be 125,619 people¹⁵ using 2011 census data. The population of Horwich (20,067) equates to 16% (rounded) of this, and the apportioned HNF for the NA is therefore **between 400 and 600 homes** to be delivered during the period 2008 to 2026, or between **22 and 33 homes per year**.

57. In summary, a number of steps have been taken to produce a HNF that is more locally-specific and aligned with policy than the relatively crude measure of deriving the ratio of the entire District population living in Horwich. However it is important to note some limitations in this approach. The adopted Core Strategy utilises a generalised approach (providing a target range rather than actual figure) and was never intended to 'prescribe' an actual figure to be met at the neighbourhood level. In calculating the resident population of the Outer Areas, data pertaining to LSOAs were used, the boundaries of which did not always directly correspond with the Outer Areas boundaries.
58. Although these differences were only minor, they may result in minor inaccuracies in the resultant HNF. It is also noted that the Core Strategy policy context, in particular the overall identified District level HNF, is likely to be subject to change in the near future as a result of the emerging Greater Manchester Spatial Framework which will set strategic housing targets and trigger a review of the Local Plan.
59. As a result, whilst the proportion of the total Bolton housing target outlined by the Core Strategy produced a significantly lower HNF than that derived through the standard method, the standard method calculation is likely to provide a more accurate and updated picture of need and will be better aligned with the emerging spatial framework which will also utilise the standard method. No adjustment to the HNF is therefore made at this stage, and the evidence underpinning this decision is explored further under **Section 4.5**.

4.4 Past dwelling completions (2016-2036) (Step 3)

60. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Horwich Neighbourhood Plan period of 2016 – 2036.
61. Bolton Council (through correspondence) identifies that since mid-2016, 103 new homes have been completed within the Horwich NA, of which 30 were social housing completions. The monitoring data, however, uses the financial rather than calendar year, so dwellings over the period mid-2016 to mid-2018 were utilized in this calculation. In the absence of month-by-month data, it is considered more appropriate to exclude January to April 2016 completions from the tally than to include April to December 2015 completions – which fall outside of the plan period.
62. The Bolton Authority Monitoring Report for 2017/18 further identifies commitments in Horwich (sites with planning permission) that total 180 additional dwellings. The committed sites are identified in **Table 4.2** below

Table 4.2: Committed development in Horwich

Site Name	Dwellings committed
Bolton Community College, Horwich Campus, Victoria Rd	129
Swallowfield Hotel, Chorley New Rd	31
Land between 46 and 62 Crown Lane	9
The Greenwood, 567 Chorley New Rd	1
Hole Hill Farm, Matchmoor Lane	3
Horwich Moor Farm, Matchmoor Lane	1
Mere Brow, Chorley Old Rd	1
Grundy Fold Farm, Chorley Old Rd	4
Colemans, Chorley Old Rd	1

Source: Bolton Authority Monitoring Report 2017/18 (Volume 2)

63. With an annual HNF of 57 dwellings (as determined by the standard method), Horwich requires 1,140 dwellings over the entire plan period. After deducting the 103 completions and 180 commitments, the revised HNF of 857 is arrived at for the remainder of the plan period to 2036, equating to 48 dwellings (rounded) per year between the period 2018 and 2036. It is noted that the 'remainder of the Plan period' should begin in 2018 to capture completions in the remainder of 2018 for which data is not yet available.

¹⁵ Combined population of LSOAs; Bolton 001A, B, C, D & E, 002A, B, C, D, & E, 003A, B, C, D, & E, 004A, B, C, D, & E, 005A, C & D, 006A, C, D, E & F, 007A, B, C, D, & E, 008A & D, 009A, B, C, & D, 012A, B & C, 014A, B, C & D, 018C & D, 019F, 020A, B, C, D & E, 024A, B, C, D, E, F & G, 026C, 28A, B, E & G, 030A, & C, 031A, B, D & E, 034A, B, C, D, E, & G, and 035A, B, C, D & E [online]

64. Thus, with an annual HNF of between 22 and 33 homes (as determined by the adopted planning strategy), Horwich requires between 400 and 600 homes over the entire plan period. After deducting the completions and commitments (283), the revised HNF of between 117 and 317 homes is arrived at for the remainder of the plan period to 2036, equating to between 7 and 18 dwellings (rounded) per year between the period 2018 and 2036.
65. In light of past completion rates (delivering just under 52 dwellings a year) under either scenario (standard method or adopted planning strategy) the annual delivery rate of housing in Horwich exceeds the annual forecasted need.
66. The Horwich Loco Works site, whilst located within the NA, is a strategic District allocation which is expected to deliver around 1600 new homes over the long term, and construction has begun. The current phase of construction is expected to deliver 112 units and outline permission has been granted for a further 400 homes. However, it is considered that as a strategic Local Plan allocation, this site will meet housing needs across the housing market as a whole, i.e significantly wider than that of Horwich alone, and, as such, it has been excluded from any calculations within this HNA.

4.5 Latest evidence of local housing need (Step 4)

67. As previously noted, there are limitations associated with utilising the adopted Core Strategy HNF to discern an appropriate figure for the NA (see paragraph 51). Of most concern in relation to progressing with the planning strategy derived HNF is the potential for this to be quickly superseded by the emerging Greater Spatial Manchester Framework (GMSF). The GMSF is currently seeking the views of stakeholders in consultation with regards to the key issues for the draft plan, including a strategic HNF apportioned to the District areas, and an overall indication for the spatial direction of development. Once adopted, the updated HNF being proposed through the GMSF will replace policies within Bolton Core Strategy that relate to the overall HNF, and as a result, will trigger a Local Plan Review.
68. The emerging Greater Manchester Spatial Framework will utilise the standard methodology for calculating housing need to ensure conformity with the NPPF, and, as such, the standard method can be deemed far more up-to-date, realistic and appropriate in respect of any evidence underpinning the emerging Horwich Neighbourhood Plan.
69. The current consultation draft GMSF identifies an annual HNF for Bolton of 726 dwellings a year between the period 2018 and 2037. The NA's share of this target is calculated by identifying the proportion of residents that currently reside in the NA and applying that percentage to the HNF outlined by the GMSF. Using the latest census data (2011) the population of Horwich (20,067) represents 7.25% of the total residents of Bolton (276,786), and the apportioned HNF for the NA is therefore 1,454 dwellings over the period 2018 to 2037. After subtracting a years' worth of delivery to reduce the plan period to 2036, the revised total HNF for Horwich is 1,377 homes, equating to 77 dwellings per year between 2018 and 2036. Deducting completions and committed development (283) reduces the overall HNF to 1,094 dwellings, which equates to 61 dwellings per year between 2018 and 2036.
70. Therefore, the key figures under consideration are the HNF of 48 dwellings per year (857 in total) produced by the standard method calculation, and the HNF derived from the latest evidence of need arising in the GMSF of 61 dwellings per year (1,094 in total). This HNA recommends the average of these figures, which produces a revised total HNF of 971 dwellings, equating to 54 dwellings per year between 2018 and 2036. It is also noted that this figure is closely aligned with housing delivery rates since the start of the plan period.

4.6 Final Housing Needs Figure

71. Based on the evidence presented above, the HNA recommends an **overall HNF of 971 dwellings, which equates to 54 dwellings per year between the period 2018 and 2036.**

5. RQ2 Tenure and affordability

RQ2: What quantum of Affordable Housing is appropriate over the Plan period and what tenure of dwellings (both affordable and market) should be included in the housing mix?

72. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines their rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
73. This section of the report examines the tenure of dwellings in the current stock and recent supply. Then, looking at affordability, an assessment is made on whether continuation of these trends would meet future needs. The HNA also investigates any misalignments between the supply of different tenures of housing and local need as these can inform policies which seek to guide new development and prioritise certain tenures to bring supply and demand into better alignment.¹⁶

5.1 Definitions

74. It is necessary to make clear the distinction between Affordable Housing as planning terminology, and the colloquial meaning of the phrase. Affordable Housing (AH) is those forms of housing tenure that fall within the definition of AH 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 ownership¹⁷. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
75. The definition of AH set out in the NPPF makes clear the government's commitment to home ownership (including a range of low cost housing opportunities for those aspiring to own a home, which includes Starter Homes within the definition of AH), but recognises the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
76. In paragraph 64 of the NPPF, 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 PPG¹⁸, the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes Starter Homes, Shared Ownership homes and homes available for discount market sale.

5.2 Current tenure profile

77. In order to set a baseline for the examination of tenure, it is necessary to present a picture of current tenures in the NA based on the most recent reliable data. **Table 5.1** below, using Census data from 2011, shows the tenure mix in Horwich, Bolton and England. The table highlights the higher percentage of home ownership found in Horwich compared to Bolton and England. Horwich also has a slightly higher proportion of homes in shared ownership than found in Bolton on the whole. The table also highlights a far lower proportion of social rented housing as well as a lower proportion of private rented housing in Horwich when compared to Bolton and England.

Table 5.1: Tenure (households) in Horwich, 2011

Tenure	Horwich	Bolton	England
Owned; total	70.8%	63.7%	63.3%
Shared ownership	0.6%	0.5%	0.8%
Social rented; total	15.7%	20.5%	17.7%
Private rented; total	12.0%	13.7%	16.8%

Source: Census 2011, AECOM calculations

78. It is also important to consider how Horwich's tenure profile has evolved over time. **Table 5.2** below shows how tenures have evolved between the 2001 and 2011 census. Of significance, the table highlights how the number of households owning their homes continued to increase in Horwich, when compared to overall decreases experienced at the District and national levels. During the period 2001 and 2011 Horwich and Bolton saw a decline in the overall proportion of

¹⁶ PPG Paragraph: 021 Reference ID: 2a-021-20160401

¹⁷ NPPF, July 2018

¹⁸ PPG 031 Reference ID: 23b-031-20161116

homes in shared ownership, which contrasts with an overall increase in this tenure as part of the housing market at the national level. National trends indicate a slight decrease on the whole in social rented housing, but alternatively Bolton saw a slight increase in this tenure as part of its mix. It is of note that Horwich contrasts with these trends by showing a much larger decrease in this tenure, which saw a total of 156 social rented homes lost in this period. In line with trends in Bolton, Horwich has seen a significant increase in the number of private rented homes over this period, with increases at the neighbourhood and District level being significantly higher than overall trends at the national level.

Table 5.2: Rates of tenure change in Horwich, 2001 - 2011

Tenure	Horwich	Bolton	England
Owned; total	7.1%	-0.5%	-0.6%
Shared ownership	-7.5%	-7.2%	30.0%
Social rented; total	-10.2%	0.5%	-0.9%
Private rented; total	183.6%	175.4%	82.4%

Source: Census 2001 and 2011, AECOM calculations

79. To conclude, it is noted that in Horwich:

- Home ownership levels are high, and continued to increase, whilst the District experienced an overall decrease in this tenure during 2001 and 2011;
- There is a lower proportion of social rented housing in Horwich when compared to the District level, and this housing tenure significantly declined in numbers between 2001 and 2011; and
- Although there are lower levels of private rented housing in Horwich when compared to Bolton and England, this tenure saw a significant increase as a proportion of the overall mix between 2001 and 2011.

5.3 Affordability

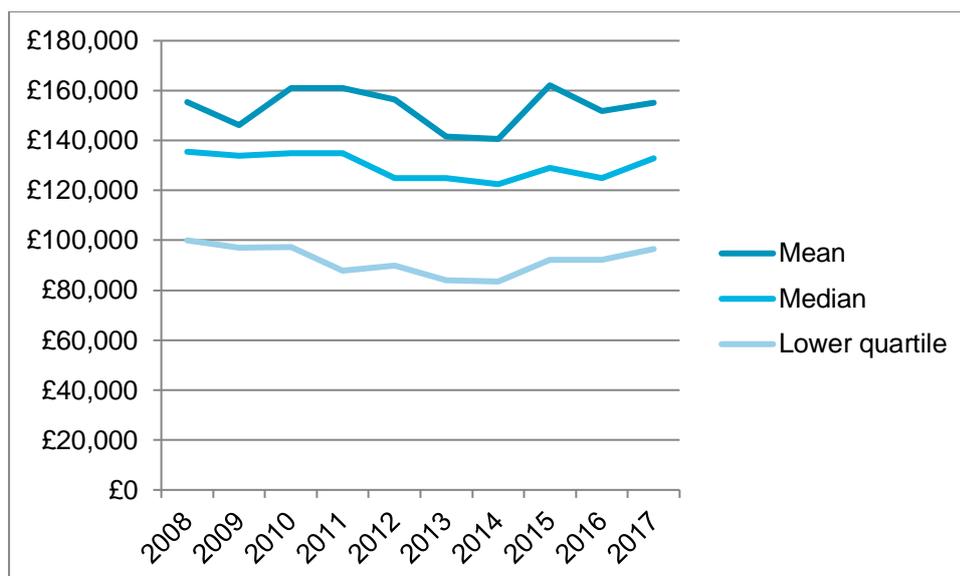
80. In order to understand whether the tenure profile of the current stock reflects the needs of the population currently and over the Plan period, it is important to consider whether this profile provides different market segments access to dwellings of a suitable type and size, given their household composition.
81. In line with the PPG, the HNA considers evidence of affordability by reviewing specifically the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio¹⁹ (LQAR) and the Median Affordability Ratio²⁰ (MAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time. Furthermore, the PPG makes clear that lower-quartile house prices should also be used as a benchmark for entry-level house prices.²¹
82. **Figure 5.1** looks at selected measures of house prices in Horwich. The figure shows that whilst price growth has fluctuated over the period 2008 to 2017, it has not significantly decreased or increased overall by the end of this period, with only Median and Lower Quartile prices displaying an overall minor decrease. Mean prices experienced peak periods between 2010 and 2011 and in 2015, and significant falls between 2012 and 2014, and 2015 and 2016. Whilst recovering, mean house prices have not recovered to their peak period values. Lower Quartile prices gradually fell between 2008 and 2014, and have been recovering since this time, almost returning to their peak period values of 2008.

¹⁹ See glossary.

²⁰ Ibid.

²¹ Planning Practice Guidance, Paragraph: 024 Reference ID: 2a-024-20180913

Figure 5.1: Average house prices in Horwich 2008 – 2017



Source: Land Registry PPD.

83. **Table 5.3** below breaks down house prices by type as recorded in the Land Registry. This shows that detached housing has seen the greatest increase in prices over this period and semi-detached housing has also seen a price increase. Alternatively, flats have decreased in value since peak prices in 2014, though prices in 2017 remain higher than the most significant price drop experienced in 2009 where the average price of a flat dropped around £30,000 from the previous year. The price of terraced housing has experienced an overall decrease in value since 2008. Whilst prices appear to be gradually recovering since 2012, they still remain below peak prices in 2008. The growth variations when taken as a whole represent a minor decrease in average values for all house types (-0.2%).

Table 5.3: House prices by type in Horwich, 2008 - 2017

House Type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Growth
Detached	£249,550	£239,071	£270,760	£275,908	£277,023	£234,058	£237,511	£273,642	£274,918	£271,806	8.9%
Semi-detached	£153,559	£136,910	£139,642	£130,236	£142,820	£130,134	£139,985	£145,361	£146,741	£162,137	5.6%
Terraced	£126,409	£116,712	£119,930	£110,058	£102,243	£102,551	£97,998	£109,381	£109,189	£114,508	-9.4%
Flats	£111,568	£81,759	£86,834	£89,250	£69,714	£100,470	£112,937	£97,737	£92,640	£93,028	-16.6%
All types	£155,415	£146,164	£161,053	£161,134	£156,466	£141,530	£140,632	£162,130	£151,695	£155,050	-0.2%

Source: Land Registry PPD

84. For the purposes of this HNA, and given the inaccessibility of household income data at the neighbourhood level, data from the Annual Survey of Hours and Earnings²² available for Bolton from 2017 has been utilised. **Table 5.4** below shows the Lower Quartile weekly earning is £282.90, which equates to an annual income of £14,710.80. The median income is £403.60 per week, which equates to an annual earning of £20,987.20.

²²ONS (2017) available at:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults> Last accessed 09.10.18

Table 5.4: Household gross weekly pay in Bolton by quartile, 2017

Year	Area (Number of jobs)	Percentiles and gross weekly pay (£)								
		Median	Mean	10	20	25	30	40	60	75
2017	Bolton (96,000)	403.6	472.6	154.8	259.2	282.9	306.6	352.9	464.7	592.2
	England (21,714,000)	453.9	546.1	144.5	239.2	286.2	318.9	383.3	533.6	690.6
2014	Bolton (99,000)	369.3	430.4	112.4	200.1	237.3	263.3	313.6	421.6	565.5
	England (20,719,000)	421.6	509.9	125.8	212.5	253.6	288.4	353.3	499.3	652.4
2011	Bolton (95,000)	345.1	416.4	109.0	188.6	226.0	243.9	293.3	405.9	536.2
	England (20,095,000)	405.6	496.3	117.2	205.9	243.5	277.5	340.0	482.3	632.1
2008	Bolton (96,000)	352.2	423.8	138.9	214.1	231.7	255.6	310.2	412.8	524.9
	England (20,168,000)	396.1	483.5	117.4	207.0	240.7	273.0	332.3	471.0	612.9

Source: Annual Survey of Hours and Earnings, 2008 - 2017

85. From this it is possible to generate an estimated LQAR²³ of 6.6 (rounded) and a MAR²⁴ of 6.3 (rounded) in 2017. This compares to an estimated LQAR of 6.8 (rounded) and a MAR of 6.4 (rounded) in 2014. This shows that the affordability of housing in Horwich has marginally improved in the period between 2014 and 2017. As the LQAR and MAR do not differ significantly, this indicates that people across most incomes struggle with affordability relatively similarly.

5.4 Affordability thresholds

86. In order to gain a finer-grained understanding of affordability, it is also useful to consider what levels of income are required to afford different tenures, and this is done using 'affordability thresholds'.

5.4.1 Market housing

87. Given the limited quantity of Affordable Housing (AH) in the NA, the needs of the majority of people will be served by the market. People on higher incomes will be able to access a variety of market dwellings and their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home, and personal taste.
88. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important that planning policy does not place unnecessary burdens on the market and prevent its ability to respond to demand. This is after all, the principal way in which equilibrium is achieved in the housing market and how house price growth is kept in check. In this respect, the notion of viability is essential. It is important not to deter development in the context of clear housing need as to do so would not only restrict the delivery of new housing but may also deprive the community of resources for infrastructure improvements.
89. To determine affordability in market housing, two primary indicators are considered: 'Income Thresholds' (IT) which denote the maximum share of a family's income that should be spent on accommodation costs, and 'Purchase Thresholds' (PT) which denote the standard household income requirement to access mortgage products.

5.4.1.1 Market sales

90. The starting point for calculating the affordability of a 'for sale' dwelling (PT) for a given household is the loan to value ratio to which most mortgage companies are prepared to agree. This is conservatively estimated to be 3.5. It is noted that to produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first time buyer) should be taken into account. However, as this data

²³ Lowest quartile house price divided by lowest quartile annual gross earnings

²⁴ Median house price divided by median annual gross earnings

is not available for Horwich, an assumption is made that a 10% purchase deposit is available to the prospective buyer. The calculation is therefore as follows:

- Value of an 'entry level dwelling'²⁵ (**£96,438.00**)
- Purchase deposit @ 10% of value (**£9,643.80**)
- Value of dwelling for mortgage purposes; value minus purchase deposit (**£86,794.20**)
- Loan to value ratio (**3.5 of value of mortgage**)
- **Purchase Threshold** (£86,794.20/3.5) **24,798.34**

5.4.1.2 Private rented sector (PRS)

91. Income thresholds are used to calculate the affordability of other tenures of housing; rented and AH tenures. In this HNA, households are deemed able to afford private rent if the lower quartile private rent price does not exceed 25% gross household income for households with incomes of less than £40,000 per annum, or 30% gross household income for households with incomes of more than £40,000 per annum.
92. For the purposes of arriving at an understanding of lower quartile private rent, an assumption is made that this equates to the average rent paid in Horwich for a two bedroom dwelling (enough space for two or three individuals). In order to conform to government guidance on overcrowding²⁶, such a home would require three habitable rooms (a flat or house with two bedrooms). The property website home.co.uk is used to establish the rental values for property in the NA. Nineteen two-bedroom houses/ flats were available within 1.2 miles of Horwich²⁷ which established an average weekly rent of £127.96 (rounded) or average monthly rent of £554.51 (rounded). The Income Threshold for the PRS is therefore calculated as follows:
 - Annual rent (£554.51*12) £6,654.12 * 4 = **Income Threshold (PRS) £26,616.48**
93. The new NPPF acknowledges that Build to Rent dwellings have a role to play in providing affordable market homes, and may contribute to AH need where they include a component of Affordable Private Rent. It is therefore appropriate for policy in Horwich to support Build to Rent development.
94. Overall, the disparity between the PT (£24,798.34), IT (PRS) (£26,616.48) and median annual income for Bolton (£20,987.20) indicates the struggle in terms of the affordability of market housing and private renting.

5.4.2 Affordable Housing

95. The different tenures that constitute the definition of Affordable Housing within the NPPF (2018) are: Social Rent and Affordable Rent, Starter Homes, Discounted Market Sales Housing, and other affordable routes to home ownership.
96. This variety of AH tenures reflects an ambition by the Government to provide a 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.
97. A good example is, in 2012, the introduction of dwellings for Affordable Rent. Rent for this tenure is set at up to 80% of market rent, with the intention that the additional income is used to help fund the development of new homes. Labelled as an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for Social Rented 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.
98. The overall aim is to reduce the extent of the group who are eligible for Social Rent dwellings to cover only those who have, relatively speaking, very 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 to occupy a dwelling deemed suited for them, based on an 'occupancy rating' formula set by the Government.
99. The HNA therefore considers each of the AH tenures in turn before arriving at a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

²⁵ Entry-level dwelling should be understood to mean the average lower quartile house price in Horwich in 2017.

²⁶ This is based on the notion of the 'room standard', indicating a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room).

http://england.shelter.org.uk/housing_advice/repairs/overcrowding

²⁷ 2-bed rental search in Horwich on Home.co.uk 25/02/2019

5.4.2.1 Social Rent

100. Rents in social rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, this tenure is suitable for the needs of those on low incomes and is subject to strict eligibility criteria.
101. In determining social rent levels, the Data and Statistical Return (DSR) from Homes England has been utilised which provides a proxy at the District level. Statistical Data Return (SDR) provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs), which is presented in **Table 5.5** below.

Table 5.5: Gross social rent levels (£)

	Average price (£) by size						
	Bedsit	1 bed	2 beds	3 beds	4 beds	5 beds	All
Average social rent per week	64.57	73.64	79.94	84.91	99.93	106.79	80.45
Annual average	3357.64	3829.28	4156.88	4415.32	5196.36	5553.08	4183.40
Income needed	13,430.56	15,317.12	16,625.28	17,661.28	20,785.44	22,212.32	16,733.60

Source: Homes England Statistical Data Return 2017 to 2018, AECOM calculations

102. The lower quartile average annual income of £14,710.80 (derived previously from **Table 5.4**) is lower than the indicated income required for the majority of homes available for social rent, with only bedsits falling within the affordability range.

5.4.2.2 Affordable Rent

103. 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.
104. The SDR is also used to determine Affordable Rent prices, which are displayed in **Table 5.6** below. Affordable rent is controlled at no more than 80% of the local market rent; but remains significantly higher than the Lower Quartile average annual income.

Table 5.6: Gross Affordable Rent levels (£)

	Average price (£) by size					
	1 bed	2 beds	3 beds	4 beds	5 beds	All
Average affordable rent per week	77.04	91.10	100.26	114.66	127.98	95.89
Annual average	4006.08	4737.20	5213.52	5962.32	6654.96	4986.28
Income needed	16,024.32	18,948.80	20,854.08	23,849.28	26,619.84	19,945.12

Source: Homes England Statistical Data Return 2017 to 2018, AECOM calculations

5.4.2.3 Intermediate Tenures

105. Intermediate housing relate to 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. They 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

106. 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 (2018), 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".
107. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, "in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'Starter Homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'Starter Homes', alongside other affordable home ownership and rented tenures".

108. This is a substantial watering-down of the 'Starter Home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
109. 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.
110. 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.
111. To provide a conservative assessment of suitability of DMSH, we propose to use the value we have estimated for an entry-level dwelling of £96,438.00. Applying a discount of 20% (-£19,287.60) gives an approximate selling price of £77,150.40. Allowing for a 10% deposit (-£7,715.04) further reduces the value of the property to £69,435.36. The IT at a multiple of 3.5 is **£19,838.67**. The income required is just below the median annual income for Bolton of £20,987.20, meaning that Discounted Market Sale Homes are likely to help residents in Horwich access the housing market.
112. Given the gap between the IT for PRS (£26,616.48), the Purchase threshold (£24,798.34), and the median annual income (£20,987.20) it is plausible that Starter Homes will also provide a route to home ownership to those currently renting. As such, it is considered appropriate for this tenure to be included in the housing mix in Horwich.

Shared Ownership

113. As we have seen, there are a relatively low level of shared ownership dwellings in Horwich (49 at the time of the last Census). Nevertheless, it is worth considering its future role.
114. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75%, and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, both in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair casing will be upward, increasing thereby the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. 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.
115. To determine the affordability of shared ownership, calculations are based on the lower quartile house price of £96,438 in 2017²⁸. The amount of 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 25% of the income on rent (as for the IT for PRS).
116. A 25% equity share of £96,438 is £24,109.50, from which a 10% deposit of £2,410.95 is deducted to give the mortgage value of £21,698.55. This is then divided by 3.5 to identify that securing a mortgage of £21,698 requires an annual income of £6,199.58. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, the unsold value of £72,328.50. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £1,808.21 and requires an income of £7,232.84. Therefore, an income of around **£13,432.42** (£6,199.58 + £7,232.84) is required to afford a 25% shared equity purchase of an entry-level house with annual rent.
117. A 50% equity share of £96,438 is £48,219, from which a 10% deposit of £4,821.90 is deducted to give the mortgage value of £43,397.10. This is then divided by 3.5 to identify that securing a mortgage of £43,397.10 requires an annual income of £12,399.17. In addition to the mortgage costs, rent is charged on the remaining 50% shared ownership equity, i.e. the unsold value of £48,219. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £1,205.48 and requires an income of £4,821.92. Therefore, an annual income of around **£17,221.09** (£12,399.17 + £4,821.92) is required to afford a 50% shared equity purchase of an entry-level house with annual rent.
118. A 75% equity share of £96,438 is £72,328.50, from which a 10% deposit of £7,232.85 is deducted to give the mortgage value of £65,095.65. This is then divided by 3.5 to identify that securing a mortgage of £65,095.65 requires an annual income of £18,598.76. In addition to the mortgage costs, rent is charged on the remaining 25% shared ownership equity, the unsold value of £24,109.50. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which corresponds to £602.74 and requires an income of £2,410.95. Therefore, an annual income of around **£21,009.71** (£18,598.76 + £2,410.95) is required to afford a 75% shared equity purchase of an entry-level house with annual rent.

²⁸ It is important to note that this is based on new build sales only. The current shared ownership models are only available for new build homes, with the assumed cost therefore differing from the cost of open market housing, which also include resale properties.

119. Given these values, and again noting the gap between the IT for PRS (£26,616.48), the purchase threshold (£24,798.34), and the median annual income (£20,987.20) it is plausible that Shared Ownership offers an alternative to people currently in rented accommodation seeking to move over to a tenure that offers a route to home ownership. Therefore, it is reasonable to include this tenure within the housing mix at Horwich.

5.5 Conclusions

120. **Table 5.7** below shows the annual cost of different tenures and the income required (excluding deposits saved) to support these costs within Horwich.

Table 5.7: Affordability Thresholds (Income required, £)

Tenure	Cost of purchase	Annual rent	Income required
Entry-level Market Sale	96,438.00	-	24,798.34
Shared Ownership (75%)	72,328.50	602.74	21,009.71
Starter Homes	77,150.40	-	19,838.67
Entry-level Market Rent	-	6,654.12	26,616.48
Shared Ownership (50%)	48,219	1,205.48	17,221.09
Shared Ownership (25%)	24,109.50	1,808.21	13,432.42
Affordable Rent – 3 Bed Dwelling	-	5213.52	20,854.08
Affordable Rent – 2 Bed Dwelling	-	4737.20	18,948.80
Social Rent – 3 Bed Dwelling	-	4415.32	17,661.28
Social Rent – 2 Bed Dwelling	-	4156.88	16,625.28
Social Rent - Bedsit	-	3357.64	13,430.56

Source: AECOM calculations

121. The income required to afford these different tenures is benchmarked against two measurements of household income: the median annual household income and the lower quartile household income for the District set out above, which are £20,987.20 and £14,710.80 respectively.

122. The Affordability Thresholds indicate that the majority of residents on low incomes (based on the lower quartile household income) struggle to access an appropriate tenure. However, 25% Shared Ownership schemes offer these residents an affordable route to home ownership, and as such should be encouraged within Horwich. Affordable Rent and Social Rent houses are also more closely aligned with the median annual household income, and as such are less likely to support residents on low incomes, as such the effectiveness of this tenure type in Horwich is likely to be less pronounced. The findings indicate that given the median annual income, even at the lower quartile entry-level price, market homes remain out of reach for many residents and thus an appropriate tenure mix in Horwich should include Starter Homes and Shared Ownership Homes to support these residents in accessing routes to home ownership.

123. On the basis of this evidence, Table 5.8 below identifies the split of AH tenures that is suggested for Horwich:

Table 5.8: Suggested tenure split (Affordable Housing)

Routes to home ownership	80%
Starter Homes	40%
Shared Ownership	60%
Affordable Housing for rent	20%
Social Rent	60%
Affordable Rent	40%

Source: AECOM calculations

6. RQ 3 Type and size

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is best suited to meet local needs?

6.1 Introduction

124. The PPG recommends an assessment of the existing housing provision and its suitability to address current and future community need with regard to demographic shifts in age and household composition. Accordingly, the HNA reviews the type and size profile of the existing housing stock in Horwich. Demographic shifts in age and household composition will then be considered. From here, the future demand for housing by type and size can be determined.

6.2 Background and definitions

125. In considering types and sizes of dwellings, it is important to understand how different types of households (groups of people living at the same address) occupy their homes. Crucially, household 'consumption' of housing (in terms of housing size) tends to increase alongside wealth and income, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase with age, such that older households tend to have larger homes than younger households, often as a result of accumulated wealth and expanding families.

126. Alternatively, smaller households (those with lower numbers of inhabitants) may also choose to live in larger homes than their needs would suggest, and thus would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, but it can distort how future housing need is understood: demographics often present a very different picture than that suggested by market dynamics and signals, and it is helpful to bear in mind that housing **need** is different from housing **choice**.

127. In order to understand the terminology used to describe the size of dwellings, it is important to note that the number of rooms recorded in census data excludes some rooms such as bathrooms, toilets and halls, and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be understood as follows:²⁹

- One room = bedsit;
- Two rooms = flat/house with one bedroom and a reception room/kitchen;
- Three rooms = flat/house one to two bedrooms and one reception room/kitchen;
- Four rooms = flat/house with two bedrooms, one reception room and one kitchen;
- Five rooms = flat/house with three bedrooms, one reception room and one kitchen;
- Six rooms = house with three bedrooms, two reception rooms and a kitchen, or four bedrooms, one reception room and a kitchen; and
- Seven+ rooms = house with four or more bedrooms.

128. It is also useful to clarify the Census terminology around dwellings and household spaces, which can be confusing in the context of flats, shared or communal dwellings, and houses in multiple occupation (types that typically make up the private rented sector). Dwellings are counted in the Census by combining address information with responses stating whether or not a household's accommodation is self-contained,³⁰ and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

129. The key measure of whether a dwelling is shared or unshared relates to the Census definition of a household. A household is defined as "*one person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.*"³¹ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

²⁹ <https://www.nomisweb.co.uk/census/2011/qs407ew>

³⁰ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

³¹ Ibid.

130. Whilst it is unlikely that these issues are of particular relevance to Horwich, it is still helpful to understand the terms as a background to the data in this chapter.

6.3 Existing types and sizes

6.3.1 Type

131. **Table 6.1** below shows that the housing mix in Horwich is different to that of Bolton and England. Whilst Bolton on the whole contains a high proportion of terraced housing when compared to the national average, Horwich has an even higher proportion, and over a third of all dwellings are this housing type. Horwich also contains a greater proportion of detached housing when compared to Bolton, and a lower proportion of semi-detached housing when compared to Bolton and national percentages.

132. The data also identifies that Horwich contains more accommodation in commercial buildings in its housing mix than Bolton and England averages, as well as less accommodation in purpose-built blocks of flats or tenements and significantly less households in parts of a converted or shared house. On the whole, though, purpose-built blocks of flats or tenements are the most common form of flats (or smaller units) in Horwich.

Table 6.1: Accommodation type per household space, 2011

Dwelling type		Horwich	Bolton	England
Whole house or bungalow	Detached	22.0%	16.3%	22.4%
	Semi-detached	29.3%	34.6%	31.2%
	Terraced	36.1%	34.9%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	10.8%	12.3%	16.4%
	Parts of a converted or shared house	0.6%	1.2%	3.8%
	In commercial building	1.2%	0.8%	1.0%

Source: ONS 2011, AECOM calculations

6.3.2 Size

133. Rooms per household is considered as the most accurate proxy for size of dwelling for which data is available. **Table 6.2** below sets out the distribution of the number of rooms by household space in Horwich and the wider District. It shows that patterns of occupation in Horwich are skewed slightly more towards larger dwellings, with 45.7% of households occupying dwellings of six or more rooms compared with 38.4% in Bolton overall.

Table 6.2: Number of rooms per household space, 2011

Number of rooms	Horwich (% rounded to one decimal place)	Bolton (% rounded to one decimal place)
All categories: number of household spaces	8769 (100%)	116371 (100%)
1 room	23 (0.3%)	406 (0.3%)
2 rooms	112 (1.3%)	2392 (2.1%)
3 rooms	665 (7.6%)	11282 (9.7%)
4 rooms	1770 (20.2%)	26695 (22.9%)
5 rooms	2188 (25.0%)	30913 (26.6%)
6 rooms	1990 (22.7%)	23317 (20.0%)
7 rooms	947 (10.8%)	10431 (9.0%)
8 rooms	608 (6.9%)	5980 (5.1%)
9 rooms or more	466 (5.3%)	4955 (4.3%)

Source: ONS 2011, AECOM calculations

134. It is also relevant to consider how the number of rooms occupied by households has changed over time and **Table 6.3** below identifies this rate of change between the 2001 and 2011 census. The table highlights changes from the 2001 Census, including a decline in the number of 1 room dwellings (though this is from a low base and equates to an overall

drop of six 1-room dwellings), and significant increases in very large properties of 7 rooms or more. Levels of 5-room homes as part of the housing mix remained largely the same over this period.

Table 6.3: Rates of change in number of rooms per household in Horwich, 2001 – 2011

Number of rooms	Horwich	Bolton	England
1 room	-20.7%	1.0%	-5.2%
2 rooms	16.7%	22.9%	24.2%
3 rooms	15.1%	27.8%	20.4%
4 rooms	7.5%	0.6%	3.5%
5 rooms	0.6%	0.0%	-1.8%
6 rooms	2.5%	2.4%	2.1%
7 rooms	24.1%	21.9%	17.9%
8 rooms or more	53.2%	34.5%	29.8%

Source: ONS 2001 – 2011, AECOM calculations

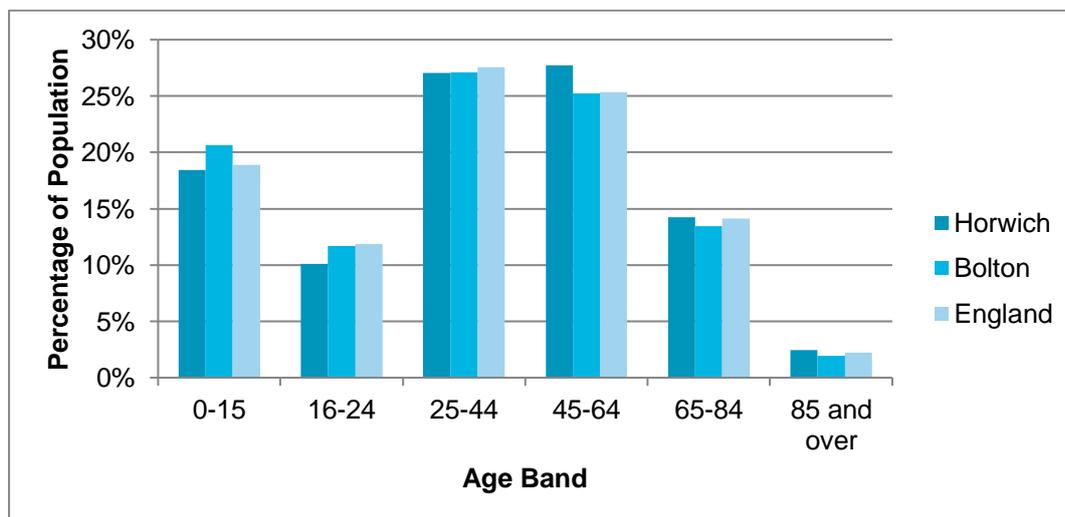
6.4 Household composition and age structure

135. The current stock profile of housing in Horwich has been established along with recent changes in composition. Evidence is now assembled below to examine the composition and age structure of households both at present and in future years. Through the 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 NA.

6.4.1 Age structure

136. Highlighted in **Figure 6.1** below, the 2011 census data reveals that the age band 45-64 is the largest single group in Horwich, which contrasts with the District and England in which the age band 25-44 is the largest single group. The NA has lower proportions of children and young adults when compared to Bolton and England, and slightly higher proportions of people aged 65 and over.

Figure 6.1: Age structure, 2011



Source: ONS 2011, AECOM calculations

137. **Table 6.4 below** identifies the rate of change in the age structure of the population since 2001. The table shows how Horwich has experienced a decline in the proportion of children, as well as a smaller decline in the age band 25-44. The NA has experienced the largest rate of growth in the proportion of residents aged 85 and over, and also significant growth in the age band 45-64, who have also been identified as the single largest group in Horwich in 2011.

Table 6.4: Rate of change in the age structure of the population, 2001 - 2011

Age group	Horwich	Bolton	England
0-15	-4.4%	0.6%	1.2%
16-24	11.5%	15.9%	17.2%
25-44	-1.1%	-0.3%	1.4%
45-64	19.8%	12.2%	15.2%
65-84	13.1%	8.0%	9.1%
85 and over	27.7%	18.7%	23.7%

Source: ONS 2001 – 2011, AECOM calculations

138. ONS population projections also reveal that by 2036, the age band 25 – 49 will be the single largest group in Bolton. The age group that is expected to experience the greatest rate of growth is 65+, and this group is likely to also attract an increase in the demand for housing related support services. The ageing of the current 45-64 age band also has major implications for Horwich over the Plan period. The implication of an ageing population on the need for specialised housing is explored in **Chapter 7**.

6.4.2 Household composition

139. **Table 6.5** identifies that household composition in Horwich does not differ significantly from the District, although there is a slightly higher proportion of families with no children. Single families with dependent children are the single largest household type in Horwich (27.5%), accounting for the prevalence of larger family homes identified earlier.

Table 6.5: Household composition (by household), 2011

Household type		Horwich	Bolton	England
One person household	Total	30.3%	31.9%	30.2%
	Aged 65 and over	13.0%	12.4%	12.4%
	Other	17.3%	19.4%	17.9%
One family only	Total	65.1%	62.0%	61.8%
	All aged 65 and over	7.7%	7.3%	8.1%
	With no children	19.5%	16.2%	17.6%
	With dependent children	27.5%	28.3%	26.5%
	All children non-dependent	10.4%	10.2%	9.6%
Other household types	Total	4.6%	6.1%	8.0%

Source: ONS 2011, AECOM calculations

140. **Table 6.6** identifies that since 2001 there has been a significant increase in single family homes with no children, at a rate of growth that contrasts with both Bolton and England. Horwich has also seen growth in the overall proportion of families of members aged 65 and over, and this contrasts with overall decreases in this household type experienced at the District and national level over the same period.

Table 6.6: Rates of change in household composition, 2001 – 2011

Household type		Percentage change, 2001 - 2011		
		Horwich	Bolton	England
One person household	Total	9.6%	12.2%	8.4%
	Aged 65 and over	-6.5%	-10.2%	-7.3%
	Other	26.1%	33.7%	22.7%
One family only	Total	10.1%	3.9%	5.4%
	All aged 65 and over	7.5%	-0.5%	-2.0%
	With no children	26.3%	5.5%	7.1%
	With dependent children	3.0%	3.1%	5.0%
	All children non-dependent	5.7%	7.2%	10.6%
Other household types	Total	26.0%	26.9%	28.9%

Source: ONS 2001 – 2011, AECOM calculations

141. Households of different ages are likely to have different housing needs and this relationship is examined further in the following section.

6.5 Dwelling mix determined by life-stage modelling

142. This section provides an estimate of the size mix of homes needed by the end of the Plan period by matching future household composition to current patterns of occupation by age. This relies on the assumption that the same household types are likely to occupy the same size of homes in 2036 as they did in 2011.
143. 2014-based households projections provided by MHCLG have been used in understanding the future distribution of households by the age of the Household Reference Person (HRP). This data is only available at the District level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP in 2036 has been estimated by dividing the total projected increase by the number of years between 2014 and 2039, and subtracting three years' worth of annualised population growth from the 2039 figure. These estimates are given in red in **Table 6.7** below

Table 6.7: Projected distribution of households by age of HRP (Bolton)

Year	HRP age 34 and under	HRP age band 35-54	HRP age band 55-64	HRP aged 65 and over
2011	20,932	46,761	19,743	28,935
2014	20,000	46,000	19,000	32,000
2036	20,000	46,000	19,880	46,080
2039	20,000	46,000	20,000	48,000
2011-2039 % increase	-4.5%	-1.6%	1.3%	65.9%

Source: MHCLG 2014-based household projections, ONS 2011, AECOM calculations

144. The data for Bolton shows a small decline in the population of people aged 54 and under, and significant increases in the population of HRPs aged 65 and over. Given that previous rates of change experienced at the Neighbourhood level were more pronounced than at the District level, particularly at the age of 85 and over, it is reasonable to expect that Horwich's future demographic change will be even more extreme than that of Bolton in terms of its ageing.
145. The projected percentage increases derived at the District level in **Table 6.7** above have been applied to the households by age of HRP in Horwich in 2011, to provide an estimate for the households by age of the HRP in 2039. The distribution of households by the age of the HRP in 2036 has then been estimated by dividing the total projected increase by the number of years between 2011 and 2039, and subtracting three years' worth of annualised population growth from the 2039 figure. The results for Horwich are displayed in **Table 6.8** below.

Table 6.8: Projected distribution of households by age of HRP (Horwich)

Year	HRP age 34 and under	HRP age band 35-54	HRP age band 55-64	HRP aged 65 and over
2011	1,355	3,559	1,587	2,268
2036	1,301	3,508	1,606	3,603
2039	1,294	3,502	1,608	3,763
Projected % increase applied	-4.5%	-1.6%	1.3%	65.9%

Source: ONS 2011, AECOM

146. **Table 6.9** below identifies the distribution of dwellings of different sizes according to the age of the HRP.

Table 6.9: Age of household reference person to size, grouped (Bolton)

Column heading	HRP age 34 and under	HRP age band 35-54	HRP age band 55-64	HRP aged 65 and over
1 bedroom	13%	7%	9%	17%
2 bedrooms	49%	29%	30%	35%
3 bedrooms	21%	45%	44%	39%
4 bedrooms	5%	16%	14%	7%
5 bedrooms	1%	4%	3%	1%
6+ bedrooms	0%	1%	1%	0%

Source: MHCLG 2014-based household projections, ONS 2011, AECOM calculations

147. The HNA has now established the preference shown by households at different life-stages towards dwellings of different sizes, alongside the approximate number of households in Bolton and Horwich falling into each of these stages at the end of the Plan period in 2036. It is now possible to put forward recommendations as to how the housing stock should evolve in terms of size over the Plan period to overcome any misalignments between supply of dwellings and demand (see **Table 6.10** below).

Table 6.10: Ideal size distribution in Horwich in 2036, according to household life-stages

Column heading	HRP age and under 34	HRP age band 35-54	HRP age band 55-64	HRP aged 65 and over	Total requiring dwelling sizes	Households
Population 2036	1,301	3,508	1,606	3,603		
1 bedroom	169	246	145	613	1,173	
2 bedrooms	637	1017	482	1261	3,397	
3 bedrooms	273	1579	707	1405	3,964	
4 bedrooms	65	561	225	252	1,103	
5 bedrooms	13	140	48	36	237	
6+ bedrooms	0	35	16	0	51	

Source: Census 2011, AECOM calculations

148. Using this data, it is now possible to compare the housing mix in terms of size in 2011 with the projected requirement. **Table 6.11** below identifies that without intervention, the supply and demand of housing may become more divergent as the population of Horwich evolves over the Plan period, such that there will be a potential over-supply of large dwellings and a distinct lack of smaller dwellings between 1 and 3 bedrooms.

Table 6.11: Size distribution in 2011 compared to ideal distribution in 2036 (Horwich)

Number of bedrooms	2011		2036	
	No.	%	No.	%
1 bedroom	23	0.3	1,173	11.8
2 bedrooms	112	1.3	3,397	34.2
3 bedrooms	665	7.6	3,964	39.9
4 bedrooms	1,770	20.2	1,103	11.1
5 bedrooms	2,188	25.0	237	2.4
6+ bedrooms	4,011	45.7	51	0.5
Total households	8,769		9,925	

Source: Census 2011, AECOM calculations

149. **Table 6.12** below sets out clearly the dramatic misalignment between demand of housing, based on the preferences expressed by households at different life-stages, and the current stock in the NA. As it is not beneficial to remove dwellings from the available stock, any negative changes to the housing mix are allocated 0% of the overall split, and the recommended split for positive changes have been rebalanced as percentages of the additional dwellings that they represent in total.

Table 6.12: Misalignments of supply and demand for housing

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	23	1,173	+1150	15%
2 bedrooms	112	3,397	+3285	42%
3 bedrooms	665	3,964	+3299	43%
4 bedrooms	1,770	1,103	-667	0%
5 bedrooms	2,188	237	-1951	0%
6+ bedrooms	4,011	51	-3960	0%

Source: AECOM calculations

150. What emerges from this exercise is the recommendation that in order to avoid misalignment between supply and demand and to re-equilibrate the stock, 43% of houses in new developments should be three-bedroom homes, 42% should be two-bedroom homes, and 15% should be one-bed homes. The supply of large homes of over 3 bedrooms should be avoided.
151. However, the projected increase in the number of households does not represent the overall quantity of new housing needed in Horwich, which was established in Section 4. As such, an appropriate final step will be to apply the recommended split of new dwellings by size to the number of dwellings required over the remainder of the Plan period. This has been established as a total of 971 dwellings over the period 2018 – 2036, and the recommended split has been applied in **Table 6.13** below.

Table 6.13: Dwelling mix needed over the remainder of the Plan period

Number of bedrooms	Recommended split	Additional dwellings required 2018-2036
1 bedroom	15%	146
2 bedrooms	42%	408
3 bedrooms	43%	418

Source: AECOM calculations

152. In the context of the current adopted Bolton Local Plan (the Core Strategy in particular), this recommendation is at odds with Policy SC1 (Housing) which seeks to cap the level of 1-bed dwellings in new social rented housing at 10%, and heavily weights supply in favour of larger homes. However, it is recognised that this policy context is likely to change in the near future as a result of the emerging Greater Manchester Spatial Framework, which is highly likely to trigger a Local Plan Review. As such, the HNA recommendations are likely to be more closely aligned with planning policy once the GMSF and Local Plan Review are complete and adopted.

153. The recommended mix will also provide opportunities for the ageing population to downsize, while also allowing newly-forming households to remain in or move into the NA. The type of home (detached, semi-detached, terraced or flat) is a matter more of taste than need and is therefore of secondary importance in the context of a Housing Needs Assessment. Notwithstanding this, the housing types that are most likely to meet the needs based on the current stock recent transactions are detached and semi-detached homes, and in this respect, bungalows offer a housing type which could be well suited to meeting the demand of a growing elderly population.

7. RQ 4 Specialist housing

RQ4. What provision should be made for specialist housing for elderly people within the NA?

154. This section of the report considers the specific needs associated with older people in Horwich and makes projections of how needs might change in the future. To do so, available secondary data on existing provision rates is utilized, alongside the outputs of demographic modelling and the subsequent use of a tool recommended by the Housing Learning and Improvement Network (HLIN).
155. Older people typically occupy a broad range of accommodation, including market housing and more specialist accommodation. Two main types of specialist accommodation for older people include sheltered housing and extra care housing (see **Appendix A** for definitions).
156. It is important to note that bed spaces in communal establishments such as live-in care homes are not included in the calculation below. Such dwellings occupy a different land-use class to other types of specialist housing for older people, and are subject to separate need calculations that are outside the scope of this study, which is confined to the needs of 'private households'. That said, the study notes any provision of such accommodation as it relates to the NA in question and these are highlighted in red in **Table 7.1** below.

7.1 Current supply of specialist housing for older people in Horwich

157. There are 474 specialist dwellings in Horwich, serving a 2011 population of 1,532 people aged 75 and above. This produces an actual rate of provision in the NA of 310 dwellings per 1,000 of the population aged 75 and over.
158. It is also worth noting at this stage that retirement accommodation tends to be concentrated in towns rather than villages, and as such Horwich's stock of retirement dwellings may serve a catchment area wider than the population actually living within the town.

Table 7.1: Horwich specialist housing bed spaces

Name	Number dwellings	of Tenure	Size
Flockton Court (Retirement housing)	50 flats	Social landlord (rent)	1 and 2 bed
Brownlow Court (Retirement housing)	28 flats	Leasehold	1 and 2 bed
Rockhaven Court (Retirement housing)	45 flats	Leasehold	1 and 2 bed
St Catherine's Care Home (Care home with nursing)	-	-	-
Arrowsmith Court (Age exclusive housing)	24 flats	Social landlord (rent)	1 and 2 bed
Churchward Square (Age exclusive housing)	10 flats	Social landlord (rent)	1 bed
Crown Lane (Age exclusive housing)	23 bungalows	Social landlord (rent)	unknown
Hazelbrook Christian Nursing Homes (Care home with nursing)	-	-	-
Old Lords Crescent (Retirement housing)	34 bungalows	Social landlord (rent)	1 bed
Rivington House (Retirement housing)	30 flats	Social landlord (rent)	1 bed
Rivington View Nursing Home (Care home with nursing)	-	-	-
Aspinall Court (Retirement housing)	39 flats	Social landlord (rent)	1 bed
Corranstone Close (Age exclusive housing)	22 bungalows	Social landlord (rent)	1 and 2 bed
Fernstone Close (Retirement housing)	20 bungalows	Social landlord (rent)	1 and 2 bed
Greenbank (Retirement housing)	38 flats	Social landlord (rent)	1, 2 and 3 bed
Dickinson Court (Age exclusive housing)	30 flats	Social landlord (rent)	1 and 2 bed
Pembroke Close (Age exclusive housing)	23 bungalows	Social landlord (rent)	1 and 2 bed
Beechville (Care home with nursing)	-	-	-
Claypool (Retirement housing)	35 flats/ bungalows	Social landlord (rent)	1 and 2 bed

Source: Housingcare.org

7.2 Future needs for specialist housing for older people

7.2.1 Modelling the change in the population over 75 by the end of the Plan period

159. Table 7.2 below identifies the growth in the population of residents over 75 between 2011 and 2036 in order to arrive at an estimate of the number of residents aged 75 and over in 2036.

Table 7.2: Modelled change in the population over 75 between 2011 and 2036

	2011		% Horwich population in Bolton	2036	
	Horwich	Bolton		Horwich	Bolton
All ages	20,067	276,786	7.3%	21,809	298,750
75+	1,532	18,987	8.1%	2,555	31,542
% of 75+	7.6%	6.9%	-	11.7%	10.6%

Source: 2016-based Sub-national population projections, MHCLG and ONS 2011, AECOM calculations

160. As the MHCLG population projections do not provide data at the NA level, the following four-step method is used to arrive at the estimated number of residents aged 75 and over in 2036.

- Step 1: using ONS population projections, establish the projected size of the total District population (298,750) and population aged 75 and over (31,542) at the end of the Plan period.
- Step 2: using Census 2011 data, establish the population size for Horwich and Bolton together with the number of those aged 75.
- Step 3: Estimate of the size of the total population living in Horwich at the end of the Plan period by assuming it is the same proportion of the Bolton population as in 2011 (7.3%), which produces a figure of 21,809.
- Step 4: Estimate the aged 75 and over population in Horwich at the end of the Plan period by assuming it will be the same proportion of Bolton's population aged 75 and over as in 2011 (8.1%), which produces a figure of 2,555.

161. This calculation results in an increase in the 75 and over population for both geographies of over 65% (67.2% for Horwich and 66.1% for Bolton). In Bolton this amounts to a total increase of 12,555, while in Horwich it amounts to an increase of 1,023. However, this is merely a projection and it is likely that the rates of increase in the District and NA will be quite different, particularly considering that population rates of change at the local level between 2001 and 2011 were much higher when compared to the District for residents aged over 65.

7.2.2 Quantity of housing needed for older people

162. In the first instance, calculations need to take into account any backlog of need (i.e. the provision required across the existing elderly population to raise levels to meet the amount of need). In Horwich, no backlog is identified, as the identified existing provisions (at a rate of provision of 310 dwellings per 1,000) are higher than the HLIN specialist recommendation and national average of 251 per 1,000 and 170 per 1,000 respectively.

163. As identified in **Table 7.3** below; when using the current rate of provision (310 specialist housing units per 1,000 population aged 75 and over), Horwich should plan for an additional 318 specialist dwellings in the period up to 2036. If Horwich were to follow the national average, then an additional 174 dwellings would be required. Finally, if Horwich were to follow HLIN recommendations, then 257 additional specialist dwellings should be planned for. When comparing the figures, an average is identified which recommends an additional 250 specialist dwellings in the period up to 2036, and this figure is considered a reasonable target in light of current rates of provision, national trends and the HLIN recommendations.

Table 7.3: Range of specialist housing need projections based on different rates of provision

	Provision at current rate	Need based on national average	Need based on HLIN recommendation
Rates	310 / 1000 population 75+	170 / 1000 population 75+	251 / 1000 population 75+
2018	474	260	384
Backlog	0	0	0
2036	792	434	641
Additional Provision Required	318	174	257
Average	250		

Source: AECOM calculations

7.2.3 Type of housing needed for older people

164. Having refined the quantity recommendation, it is now necessary to examine the specific types that will need to be provided. In arriving at an appropriate type of housing for older people, the Housing Learning and Improvement Network's (HLIN) Strategic Housing for Older People (SHOP@) tool is applied, along with its suggested numbers per 1,000 of the 75+ population.³² This tool was published to show the prevalence rates for different types of specialist housing for persons aged 75 and over, and is reproduced in **Table 7.4** below.

Table 7.4: Older people's prevalence rate

Form of provision	Estimate of demand per thousand of the relevant 75+ population
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: Housing LIN (2011)

165. **Table 7.2** identified an estimate of the number of people aged 75 and over in Horwich in 2036, which is expected to be 2,555, and is broken down into a HLIN recommended need for 641 dwellings. The HLIN-suggested breakdown of this number among the various HLIN types is given in **Table 7.5** below, along with the revised figures taking account of the existing stock.

Table 7.5: Detailed additional specialist housing provision between 2018 and 2036

Form of provision	Provision per actual number	Provision per actual number (minus existing stock)
Conventional sheltered housing to rent	153	40
Leasehold sheltered housing	307	80
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)	51	13
Extra care housing for rent	38	10
Extra care housing for sale	77	20
Housing based provision for dementia	15	4

Source: Housing LIN, AECOM calculations

166. **Table 7.6** below gives a grouped breakdown of the housing categories presented in **Table 7.5**.

³² Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at: <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

Table 7.6: Additional specialist housing provision between 2018 and 2036 grouped by tenures

	Affordable	Market	Total
Adaptations, sheltered, or retirement living	40	80	120
Housing with care (e.g. extra care)	21	27	47
Total	61	107	167

Source: AECOM calculations

167. Based on HLIN recommendations, the requirement for specialist housing for older people is therefore 167 additional bed spaces up until 2036, broken down between different types of dwelling as shown in **Table 7.5 and Table 7.6**.
168. It is noted that there is no obligation for these dwellings to all be provided within the NA itself and clearly, in some cases, such as providing a single specialist dementia care dwelling, it may not be economically feasible to do so. As such, these 167 specialist dwellings need not be thought of as required for the Neighbourhood Plan housing target – rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the NA itself. This specialist dwelling need is likely, therefore, to be split between the NA and the rest of the district, which will enable the elderly to live either within or as close to the NA as possible.

8. Conclusions

8.1 Findings and recommendations

169. **Table 9.1** below summarises factors affecting the type of housing needed in Horwich, and the HNA recommendations.

Table 8.1: Summary of local factors specific to Horwich with a potential impact on neighbourhood plan housing characteristics

Factor	Evidence
Quantity	The HNA recommends an overall HNF of 971 dwellings for Horwich, which equates to 54 dwellings per year between the period 2018 and 2036 . This figure is based on the standard method for calculation which is re-aligned to be more consistent with the emerging Greater Manchester Spatial Framework.
Tenure and affordability	For households on lower incomes, options in regards to housing in Horwich are very limited. The majority of residents on low incomes struggle to access an appropriate tenure. However, 25% Shared Ownership schemes offer these residents an affordable route to home ownership , and as such should be encouraged within Horwich. Affordable Rent and Social Rent houses are also more closely aligned with median incomes , and as such are less likely to support residents on low incomes. Therefore, the effectiveness of this tenure type in Horwich is likely to be less pronounced. The findings indicate that given the median annual income, even at the lower quartile entry-level price, market homes remain out of reach for many residents and an appropriate tenure mix in Horwich should include Starter Homes and Shared Ownership Homes to support these residents in accessing routes to home ownership. The recommended tenure split is 80% offering 'routes to home ownership' of which 40% should be Starter Homes and 60% Shared Ownership, and 20% Affordable Housing for rent of which 60% should be Social Rent and 40% Affordable Rent.
Type and size	To satisfy the requirements of increasingly smaller and older households, but also to enable younger households to remain in the area, it is recommended that 15% of houses in new developments be one-bedroom homes, 42% two-bedroom and 43% three-bedroom . Bungalows appeal to an elderly population and this particular type should be promoted to meet the demand of a growing elderly population.
Specialist housing for older people	In Bolton, the proportion of people aged 75+ is expected to increase by 66.1% between 2011 and 2036. It is forecast that people aged 75+ will form 10.6% of the total population in 2036. In Horwich, this results in an increase of 1,023 people aged 75+ , which translates into a specialist housing need of between 167 and 250 additional dwellings.

8.2 Recommendations for next steps

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

- Neighbourhood Planning Basic Condition A, i.e. that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of Bolton Council – in particular in relation to the housing need figure that should be adopted;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers;
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Bolton Council, including but not limited to the SHLAA;
- the recommendations and findings of this study; and

- The impact of the new Government-proposed standard methodology on calculating housing need on the district and its neighbourhoods.
171. Recent changes to the planning system, including changes to the NPPF, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
172. 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).
173. Bearing this in mind, it is recommended that the steering group carefully monitor forthcoming strategies and documents with an impact on housing policy produced by the LPA or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
174. At the same time, monitoring on-going demographic or other trends over the period in which the neighbourhood plan is being developed (factors summarised in Table 1) would help ensure the continued relevance and credibility of its policies.

Appendix A : Housing Needs Assessment Glossary

Adoption

The final confirmation of a local plan by a local planning authority.

Affordability³³

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 = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)/Intermediate Housing³⁴

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents 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. Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). 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.

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

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 made 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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

³³ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

³⁴ <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

Bedroom Standard³⁵

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

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 Housing³⁶

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal 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, less 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 (PPG Definition)³⁷

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).

³⁵ <https://www.gov.uk/government/publications/english-housing-survey-2011-to-2012-headline-report>

³⁶ <http://www.housingcare.org/jargon-extra-care-housing.aspx>

³⁷ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Housing Needs Assessment

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

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, 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 a number of households, 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, including 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 2001-2011

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 at 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 the parish level so District level data is employed on the basis of the NA falling within a 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 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 and the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

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, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

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 (PPG Definition)

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. It is the opposite of affordable housing.

Mean (Average)

The sum of all values divided by the number of values. 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 years³⁸, 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 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

³⁸ <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence (PPG Definition)

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 units 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 Housing³⁹

³⁹ <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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 bedroom. 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 (NPPF Definition)

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 LAA (Land Availability Assessments) or HELAAS (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs, 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.) for which guideline target rents 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.⁴⁰

⁴⁰ <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

