Much Wenlock

Housing Needs Assessment (HNA)

May 2024

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Quality information

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Revision History

Revision	Date	Authorized	Position
1. First Draft	January 2024	KP	Associate Director
2. Internal Review	February 2024	PA	Principal Housing Consultant
3. Group Review	April 2024	TB	Much Wenlock Town Council
4. Edited following Group Review	April 2024	KP	Associate Director
5. Locality Review	May 2024	MG	Neighbourhood Planning Officer
6. Final Report	May 2024	KP	Associate Director

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Table of Contents

List of acronyms used in the text:

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

1. Executive Summary

1. Much Wenlock is a small historic Shropshire market town with a wider rural parish area, located in the unitary authority and county of Shropshire. The Neighbourhood Area (NA) conforms to the parish boundary and was designated in September 2012. Allocations of new homes in recent years have been focused within the boundaries of Much Wenlock town but with additional homes delivered in the rural area of the parish.

2. Much Wenlock's 'Made' Neighbourhood Plan was adopted in July 2014, becoming part of the statutory development plan for the area. The plan covers the years 2013-2026, a period of 13 years. Work is now underway to review this plan, with the proposed reviewed Plan envisaged to start in 2024 and extend to 2038 (consistent with the Shropshire Local Plan end date), therefore covering a period of 14 years.

3. The 2021 Census indicates population of 2,912 residents, 1,349 households and 1,439 dwellings in Much Wenlock. This compares to 2,877 residents, formed into 1,276 households and occupying 1,346 dwellings in 2011. Over the 10 year period 2011-2021:

   - Much Wenlock's population increased by 35 people. The number of households grew by 73. The growth of households was higher than the growth in population and as such, average household size fell from 2.3 to 2.2 people per household.

   - The number of dwellings grew by 93 properties, slightly higher than the growth in households. Across England in 2021 as a whole, 6% of dwellings are not usually occupied by a household. This has increased from 4% in 2011. In Much Wenlock, 6.2% of dwellings are not usually occupied, a slight increase from 5.2% in 2011.

4. In the case of Much Wenlock, the NA sits within a housing market area which covers Shropshire County as a whole.[1] This means that when households who live in this wider area move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Telford and Wrekin which is defined as a separate housing market area, albeit with strong relationships to Shropshire and likely to Much Wenlock in particular given its proximity to the NA.

5. Shropshire Council has proposed a housing requirement of 200 dwellings to be accommodated within the NA by the end of the emerging Local Plan period (2038). 43 homes have already been completed within the emerging Local Plan period, leaving a residual requirement of 157 dwelling. Up to 120 dwellings are proposed in the emerging Local Plan on Land adjoining the Primary School and Hunters Gate.

6. Data from the 2021 Census continues to be released throughout 2024. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, as well as data comparing numerous variables, is not yet available. As such this HNA draws on the latest available data from the 2021 Census where possible and uses other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections where necessary to build up evidence at the neighbourhood level.

[1] Shropshire Strategic Housing Market Assessment 2020 Part 1

Home Ownership, Private Renting and Affordable Housing in Much Wenlock

7. The majority of households in Much Wenlock are home owners (66.3%), a slightly lower rate than in Shropshire as a whole (68.8%) but above the average for England (61.3%).
8. Private renting is the next largest tenure for households in the NA with 17.4% living in this sector, consistent with the proportion of private renters in Shropshire as a whole but lower than in England. Local experience, as reported by the Town Council, suggests that some of these properties are being let as holiday accommodation. The increase in dwellings 'not usually occupied' from 2011-2021 may also provide evidence of some growth in second homes or holiday accommodation.
9. The Social Rented sector is larger (15%) in Much Wenlock than in Shropshire as a whole (13%) but below the level in England (17%). There is a small share of Shared Owners (1.3% of households) although this relates to small absolute numbers (fewer than 20 households in 2021).
10. There has been some growth in the number of home owners, including Shared Owners, in Much Wenlock over the last 10 years. Growth in the number of private renters has been marginal. However, there was a small decline in the number of households living in the Social Rented sector.

House Prices and Affordability

11. House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy.
12. The median average price in Much Wenlock was £377,500 at the end of 2022. The mean average was higher at £391,308 but can be affected by a small number of more expensive sales. Average prices are higher at the end of 2022 compared to 10 years earlier with 51% growth in the median average price, an absolute increase of £127,500 since 2013.
13. The lower quartile price (an indication of the price of entry level housing to buy) was £291,250 at the end of 2022, an increase of 32% since 2013 (+£71,250 in absolute terms).
14. Average and lower quartile prices are lower in Shropshire as a whole. Median prices were £265,000 in 2022, 30% lower than in Much Wenlock. Lower quartile prices were £190,000 in 2022, 35% lower than the NA. This provides an indication of the demand pressure in Much Wenlock and is corroborated by the Shropshire SHMA house price analysis which shows that the NA is one of the higher prices locations within the county.
15. The average household income in the area including Much Wenlock was £42,800 in 2020 (the most recent year for this dataset). Data on the incomes of lower income households is only available at the local authority level but is likely to provide a reasonable indication of resources of lower income households in the NA. Shropshire's gross individual lower quartile annual earnings were £16,651 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,302.
16. Average priced and entry level homes in Much Wenlock are not affordable to households on average incomes unless they have additional financial resources. The median house price would require an annual income more than double the current average to be

considered affordable.

17. Private renting does not appear to be affordable to households on average incomes or lower earners. Entry level rents are affordable to households with average income but not those on lower quartile wages. It is important to note that very few properties were available to rent at the time of writing so availability may be an issue as well as affordability in the private rented sector.

18. There is a relatively large group of households in Much Wenlock who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £37,000 per year (at which point entry-level rents become affordable) and £74,893 (at which point entry-level market sale homes become affordable). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

19. The data suggests that First Homes discounts in Much Wenlock will need to be 50% (in relation to new build market prices) in order to be affordable to local households on average incomes. Discounts of 30% and 40% would also extend home ownership to some households currently unable to access it but would not extend it to average income households.

20. Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.[2] If this is delivered in the NA, it will make shared ownership easier to access for more households, including those with two lower quartile earners.

21. The evidence in this chapter suggests that the social/affordable rented sector performs a vital function in Much Wenlock as the only option for those in acute need on low incomes or earnings. It is likely that low income households who are unable to secure social/affordable rented housing may move away from Much Wenlock to access more affordable housing elsewhere.

Need for Affordable Housing

22. The Shropshire SHMA 2020 estimated the need for 799 Affordable Homes per annum in Shropshire (17,574 over the 22 year period of the assessment). This estimate is primarily for Social/Affordable Rented homes as it is based on the needs of households on the waiting list and unable to afford any form of market housing. Based on Much Wenlock’s share of the Shropshire population in 2021 (0.9% of the total), this would imply the need for 7.2 Affordable Homes per annum in the NA.

23. The SHMA also estimates that 15% of the need identified could be met through Shared Ownership housing. However, the approach in the SHMA primarily focuses on the need for Social/Affordable Rented homes. As such, it does not provide a full estimate of the need, or potential demand, for Affordable Home Ownership homes. AECOM has therefore

[2] The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48.

estimated the potential demand from households who can afford to rent but cannot afford to buy.

24. AECOM estimate potential demand for 10 (rounded) affordable home ownership dwellings per annum in Much Wenlock. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent.

25. Shropshire's emerging Local Plan policy on this subject (Policy DP3) requires 20% of all new housing to be affordable. It is relevant to note that the adopted Local Plan policy requires 33% Affordable Housing but this level has been reduced in the emerging Local Plan.

26. The tenure mix of Affordable Housing that is delivered through mainstream development sites is expected to be 70% Social/Affordable Rent and 30% Intermediate housing (typically affordable home ownership products).

27. The emerging Local Plan guideline mix appears to offer a suitable starting point for the NA. The need for Social/Affordable Rented housing in Much Wenlock exceeds what is likely to be delivered over the plan period and so it is likely that the needs of households in acute housing need will be prioritised.

Housing Mix & Demographics

28. Neighbourhood Plans may include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need and the existing stock within the neighbourhood.

29. Much Wenlock has a large proportion of detached homes (46.3% of the stock in 2021). Semi detached homes account for around one quarter of the stock with terraces accounting for 20%. There is a smaller proportion of flats at 7.2%. The share of different dwelling types in the stock has remained broadly stable between 2011 and 2021.

30. Much Wenlock's stock is not markedly different to Shropshire as a whole but does have a higher proportion of detached dwellings, with Shropshire having a substantially greater proportion of semi detached properties. Compared to England as a whole, both Much Wenlock and Shropshire have a strong bias towards detached homes with markedly lower proportions of flats.

31. The vast majority of dwellings within Much Wenlock have 3 or more bedrooms with 28.7% having 4 or more. Smaller 1-2 bedroom properties account for just over 30% of the stock, with just 7.7% 1 bedroom properties. This corresponds to a smaller stock of flats and terraces within Much Wenlock as discussed above. The share of different dwelling sizes in the stock of the NA has not changed markedly over the last 10 years.

32. The larger bias to the stock in Much Wenlock impacts on overall house prices and is likely to limit choice to some extent. In many neighbourhoods, a bias in the stock of homes is balanced out by the availability of other types of accommodation in the wider market area. However, Shropshire as a whole (the wider housing market) is also dominated by larger homes which may limit choice for households who need smaller homes or who are looking

for relatively more affordable dwelling types.

33. The largest age group in Much Wenlock's population is the 65-84 category, accounting for 31.1% of the population. This group has increased in both number and share of the population over the last 10 years, reflecting the ageing of the population. Whilst smaller in number, the population aged 85+ has increased markedly since 2011 and now accounts for 5.3% of the population.

34. Whilst the number and share of people in younger age groups (15-24, 25-44) has fallen, the number and share of younger children has remained stable. The population in younger age groups is notably lower than in Shropshire and England as a whole. Conversely, the population in the 65-84 age group is substantially higher.

35. There is a strong bias towards older households, both single and couples, in Much Wenlock in 2021. 20% of all households are single older people with a further 20% in families (mostly couples). The proportion of older households in the population (40%) is substantially higher than in Shropshire and England as a whole.

36. Just 18.7% of households in Much Wenlock are families with dependent children. This compares to 21.8% in Shropshire and 25.8% in England as a whole. Much Wenlock has relatively low share of families with children.

37. Overall, most households have more bedrooms than they need – they under occupy their dwellings. This is especially true amongst older households and a typical pattern across the country. A small proportion (1.0%) of households are over crowded, lower than the rate in Shropshire as a whole (1.8%). Most of these households contain children.

38. Population growth can be expected to be driven by the oldest households, with these households expected to increase by 88% in 2038 compared to 2011. Whilst a full update of household age categories in 2021 is not yet available, the number of households aged over 65 in Much Wenlock in 2021 is 526. This is not substantially higher than in 2011 which suggests that the growth by 2038 may not be as high as projected. Nevertheless, it is older households that are driving demographic change within the NA.

39. AECOM's modelling exercise suggests that a range of dwelling sizes are needed in Much Wenlock over the plan period. However, the projected demographic changes, occupancy patterns and existing stock suggest most new development should be focused on 2-3 bedroom sized homes. It is relevant to note that the Shropshire SHMA 2020 also anticipated that the largest proportion of homes over the projection period in the SHMA (2016-2038) would be for 3 bedroom properties.

Specialist Housing for Older People

40. It is relatively common for neighbourhood plans in areas with ageing populations to include policies relating to specialist housing for older people. This HNA considers in detail the specialist housing needs of older people in Much Wenlock. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock.

41. There is a total of 60 units of specialist housing in the NA at present, with the majority available for Social Rent (35 homes) and the remainder for ownership (25 homes). All are

described as age exclusive or retirement housing and do not have onsite care.

42. The 2021 Census indicates that at this time there were 524 individuals aged 75 or over in Much Wenlock, an increase of 143 people since 2011. This suggests that current provision is in the region of 115 units per 1,000 of the 75+ population (a common measure of specialist housing supply. It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[3], so provision in the NA is lower than the national average.

43. The older population (age 75+) is expected to make up 25% of the population of Much Wenlock in 2038 compared to 18% in 2021. This equates to growth of 319 people aged 75 plus over the plan period. This can be converted into 227 households based on the average number of people per household aged 75+ at Local Authority scale. This age group is used because it is more likely to drive demand for specialist accommodation because the majority of people aged 75+ will have some form of long term health problem or disability in contrast to younger age groups.

44. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the older cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

45. AECOM's estimate projects that most of the need for specialist accommodation is for market housing rather than affordable, driven by the growth of the older population who are home owners. Over half of the need for specialist accommodation might be met through adaptations to existing homes, building new homes to higher standards of accessibility or by providing specialist sheltered or retirement living schemes. The estimate suggests 43 units of housing with care eg extra care might be needed to meet needs of households who need more care and support. There is no such accommodation available in Much Wenlock at present.

46. Comparing these findings with the Housing Learning and Improvement Network (HLIN) SHOP toolkit results in a total of 80 specialist dwellings that might be required to the end of the Plan period. The HLIN estimates are slightly lower than AECOM's but of the same scale and balance between market and affordable housing and between housing with care and accommodation with more limited care and support.

47. The above estimates suggest that potential need for specialist accommodation could be in the range of 80-96 units over the Neighbourhood Plan period. This would imply almost half of the housing requirement for Much Wenlock should be focused on housing that provides specialist accommodation for older people. However, it may not be possible or appropriate to deliver this scale of new accommodation, albeit much depends on the form it would take. Mainstream housing that meets higher accessibility and adaptability standards would be suitable to meet most of the needs of older people identified here and could also be occupied by other household types.

48. The current emerging Shropshire Local Plan policy 'DP1 Residential Mix' requires

[3] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

developments to accommodate specific groups such as older people. The policy states that 'all dwellings specifically designed for older people or those with disabilities or special needs will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations.' Further, 'on sites of 5 or more dwellings, at least 5% of the dwellings will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations and a further 70% of the dwellings will be built to the M4(2) (accessible and adaptable dwellings) or higher standard within Building Regulations, unless site-specific factors indicate that step-free access cannot be achieved. On sites of 50 or more dwellings an appropriate range of specialist housing designed to meet the diverse needs of older people should be included.

49. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if going further than the emerging Local Plan policy is considered as a policy.

2. Context

Local context

2.1 Much Wenlock is a Neighbourhood Area (NA) located in the unitary authority and county of Shropshire. The NA conforms to the parish boundary and was designated in September 2012.

2.2 Much Wenlock's 'made' Neighbourhood Plan was adopted in July 2014, becoming part of the statutory development plan for the area. The plan covers the years 2013-2026, therefore covering a period of 13 years. Work is now however underway to review this plan, with the proposed reviewed Plan envisaged to start in 2024 and extend to 2038 (consistent with the Shropshire Local Plan period), therefore covering a period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.

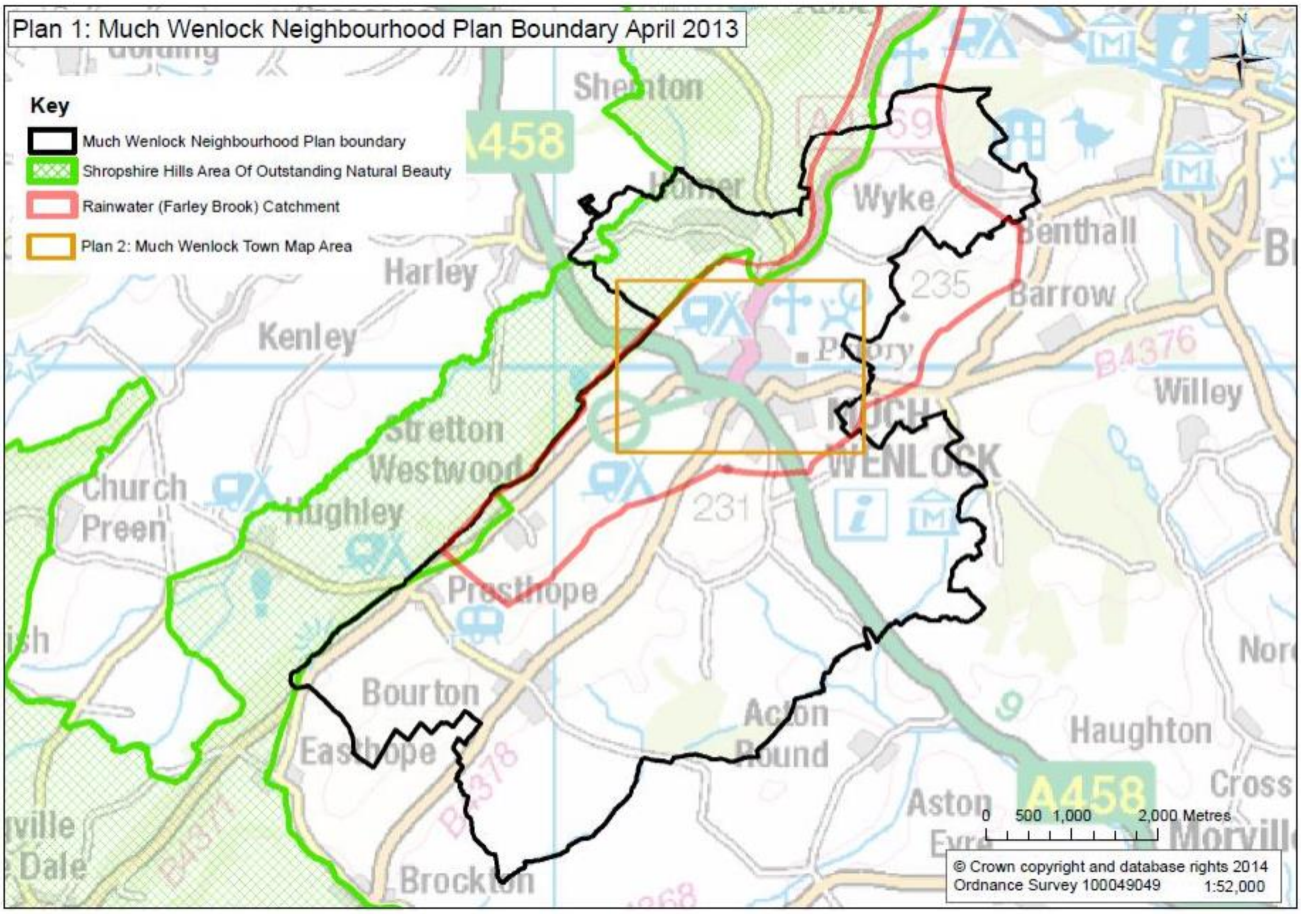
2.3 Much Wenlock is a small historic Shropshire market town with a wider rural parish area which runs from the lip of the Severn Gorge down to the south west along Wenlock Edge. Beyond the town, the parish is characterised by small settlements, such as Bourton and Homer, as well as hamlets and scattered farmsteads such as Atterley, Wyke and Stretton Westwood. It is situated on the A458 road between Shrewsbury to the north (15 miles) and Bridgnorth to the south (8 miles), whilst the A4169 provides onwards access to Telford (12 miles), from which motorway connections can be made. There is no train station in Much Wenlock, with the nearest station being Telford Central which provides connections to Birmingham via the West Midlands Railway. The town exhibits a clustered settlement pattern, having been a market town for over 700 years that initially developed around an abbey founded in 685AD.

2.4 The town retains a number of black and white framed buildings as one part of a varied architectural offering, with examples of Medieval, Georgian and Victorian buildings. The town is home to one primary school and one secondary school as well as a range of pubs and independent stores. Much Wenlock also celebrates its storied history of Olympian heritage, having been the birthplace of Dr William Penny Brookes, the inspiration for the modern Olympic Movement and founder of the Wenlock Olympian Society, as well as being an important location over many historical periods ranging from Roman to Victorian times, reflected in the local architecture.

The NA boundary and key statistics

2.5 For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Much Wenlock is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Much Wenlock Neighbourhood Area



Source: Shropshire Council[4]

2.6 The 2021 Census indicates population of 2,912 residents, 1,349 households and 1,439 dwellings in the NA. This compares to 2,877 residents, formed into 1,276 households and occupying 1,346 dwellings in 2011. Over the 10 year period:

- Much Wenlock's population increased by 35 people.
- The number of households grew by 73. The growth of households was higher than the growth in population and as such, average household size fell from 2.3 to 2.2 people per household.
- The number of dwellings grew by 93 properties, slightly higher than the growth in households. Across England in 2021 as a whole, 6% of dwellings are not usually occupied by a household. This has increased from 4% in 2011. In Much Wenlock, 6.2% of dwellings are not usually occupied, a slight increase from 5.2% in 2011.

The housing market area context

2.7 Whilst this HNA focuses on Much Wenlock NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or

[4] Available at https://www.shropshire.gov.uk/planning-policy/neighbourhood-and-community-led-plans/completed-neighbourhood-plans/much-wenlock-neighbourhood-plan/

boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.

2.8 In the case of Much Wenlock, the NA sits within a housing market area which covers Shropshire County as a whole.[5] This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Telford and Wrekin which is defined as a separate housing market area albeit with strong relationships to Shropshire and likely to Much Wenlock in particular given its proximity.

2.9 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Much Wenlock, are closely linked to other areas. In the case of Much Wenlock, changes in need or demand in settlements such as Telford, Bridgnorth and Shrewsbury nearby are likely to impact on the neighbourhood.

2.10 In summary, Much Wenlock functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (Shropshire), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing polices to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

2.11 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[6] In the case of Much Wenlock, the relevant adopted Local Plan consists of:

- Shropshire Adopted Core Strategy (2011) and Shropshire Council Site Allocations and Management of Development (SAMDev) Adopted Plan (2015).

2.12 The adopted Local Plan made provision for 27,500 new homes, of which 9,000 is allocated as “affordable housing”, over the plan period 2006-2026. Much Wenlock is identified as a Market Town. Shropshire’s Market Towns and other Key Centres are outlined to accommodate approximately 40% of Shropshire’s residential development over the plan period. A detailed breakdown of the Local Plan policies as well as the existing Neighbourhood Plan policies relevant to housing need is provided in Appendix B.

2.13 However, the adopted Local Plan is now dated, having been adopted in 2011, so it is worth summarising the most important points of the emerging Local Plan. The Pre-Submission Draft of the Shropshire Local Plan was submitted to Government in 2021 and is currently under examination.

[5] Shropshire Strategic Housing Market Assessment 2020 Part 1
[6] A description of the Basic Conditions of Neighbourhood Planning is available at https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum

- Emerging Local Plan Policy SP2 identifies an overall housing target of 1,400 homes per year for the unitary authority;
- In Policy SP2, Much Wenlock is designated as a 'Key Centre' which are settlements identified to accommodate new significant well-designed new housing. This is a slight change in wording from the adopted plan, in which the NA was designated as a Market Town.
- Policy DP3 states that 20% of all new dwellings are expected to be delivered as Affordable Housing on sites of 0.5 ha or more; sites of 5 or more dwellings in designated rural areas; and sites of 10 or more dwellings. The suggested tenure mix within Affordable Housing is 70% social or affordable rent to 30% affordable home ownership.
- Policy DP1 sets out an expectation that 70% of new homes on sites of 5 or more dwellings will be built to Category M4(2) accessibility standards, with a further 5% built to the M4(3) (wheelchair user dwellings) standard within Building Regulations.

Quantity of housing to provide

2.14 The NPPF 2021 (paragraphs 67 and 68) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.15 The current housing requirement for Much Wenlock is set out in the Neighbourhood Plan as 130 dwellings between 2013/14 and 2025/26. Between 2013/14 and 2021/22, 74 dwellings were completed within the town.

2.16 Shropshire Council is at an advanced stage of a Local Plan Review, with the draft Shropshire Local Plan currently the subject of examination. The draft Shropshire Local Plan is intended to cover the period from 2016-2038. It includes a new proposed housing requirement for Much Wenlock of 200 dwellings. 41 dwellings of the 74 dwellings previously referenced (para 2.15) were completed within the period from 2016/17-2021/22, and as such would count towards the achievement of this proposed housing development guideline. An additional 2 dwellings were completed April 2022 – March 2023.[7]

2.17 AECOM note that this would leave a residual housing requirement of 157 homes to be delivered by 2038 (proposed requirement of 200 minus 43 already completed).

2.18 The emerging Local Plan proposes up to 120 dwellings on Land adjoining the Primary School and Hunters Gate. The remaining homes (around 37 dwellings) could be delivered through windfall development over the plan period.

[7] Information provided by Shropshire Council to Much Wenlock Town Council in March 2024

3. Objectives and approach

Objectives

3.1 This Housing Needs Assessment (HNA) is structured according to a number of themes or topics that were agreed at the outset of the research with Much Wenlock Town Council. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Quantity

3.2 The objective of this chapter is to understand what quantity of housing overall might be needed in the NA over the Plan period.

3.3 This question properly falls within the remit of the LPA, to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing need or requirement for any designated NA.

3.4 Much Wenlock does not currently benefit from a specific housing requirement figure provided by Shropshire through the Local Plan process.

3.5 In its absence, AECOM have agreed to supply an indicative estimate to help the Much Wenlock Town Council understand the potential scale of need in future years. This can be helpful context for the Neighbourhood Plan, particularly when considering the allocation of housing sites.

3.6 However, the indicative figure provided here will be automatically superseded if an LPA-provided figure emerges in future.

Affordability and Affordable Housing

3.7 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

3.8 This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

3.9 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Type and Size

3.10 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

3.11 The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

3.12 In addition to the direction of travel revealed by statistics, a variety of reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. The conclusions and recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors and evidence if desired.

Specialist Housing for Older People

3.13 It may be appropriate for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older persons.

3.14 This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care. Its approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

3.15 This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

Approach

3.16 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Rightmove;
- Local Authority housing waiting list data from Shropshire Homepoint register; and
- The Shropshire Strategic Housing Market Assessment 2020.

3.17 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, including parishes as well as data comparing numerous variables, is not yet available (at the time of writing in early 2024). As such, neighbourhood level HNAs draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

Introduction

4.1 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

4.2 This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

4.3 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

4.4 This section uses a range of technical terms which are useful to define at the outset:

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

to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.[8]

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

Current tenure profile

4.5 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

4.6 Table 4-1 presents data on tenure in Much Wenlock compared with Shropshire and England from the 2021 Census. The majority of households are home owners (66.3%) in Much Wenlock, slightly lower than in Shropshire as a whole (68.8%) but above the average for England (61.3%).

4.7 Private renting is the next largest tenure for households in the NA with 17.4% living in this sector, consistent with the proportion of private renters in Shropshire as a whole but lower than in England. Much Wenlock Town Council report that local experience suggests that some of these properties are being let as holiday homes.

4.8 The Social Rented sector is larger (15%) in Much Wenlock than in Shropshire as a whole (13%) but below the level in England (17.1%). There is a small share of Shared Owners (1.3% of households) although this relates to small absolute numbers (fewer than 20 households in 2021).

Table 4-1: Tenure (households) in Much Wenlock and various geographies, 2021

Tenure	Much Wenlock	Shropshire	England
Owned	66.3%	68.6%	61.3%
Shared ownership	1.3%	0.8%	1.0%
Social rented	15.0%	13.0%	17.1%
Private rented	17.4%	17.5%	20.6%

Sources: Census 2021, AECOM Calculations

4.9 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). There has been some growth in the number of home owners, including Shared Owners, in Much Wenlock. Growth in the number of private renters has been marginal. However, there was a small decline in the number of households living in the Social Rented sector. This may be as a result of losses to the Social Rented stock eg through Right to Buy sales, or as a result of some homes being vacant eg whilst renovation of repairs undertaken.

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

Table 4-2: Tenure change (households) in Much Wenlock, 2011-2021

Tenure	2011	2021	% change
Owned	832	895	7.6%
Shared ownership	8	17	112.5%
Social rented	208	202	-2.9%
Private rented	228	235	3.1%

Sources: Census 2021 and 2011, AECOM Calculations

Affordability

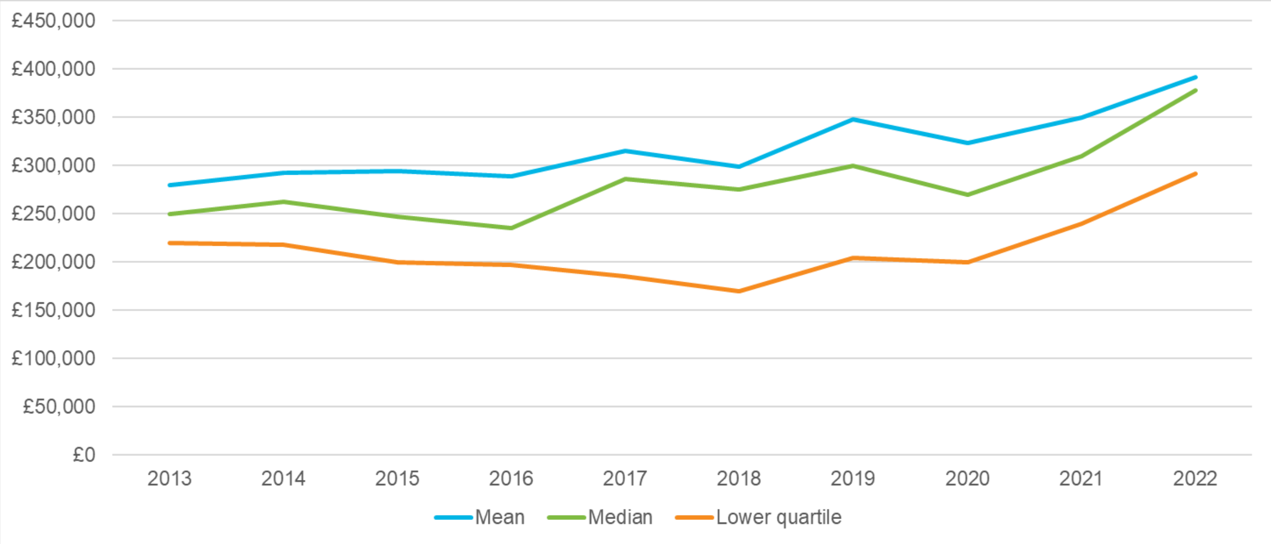
House prices

4.10 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

4.11 Figure 4-1 looks at the average and lower quartile house prices in Much Wenlock based on sales price data published by the Land Registry. The median average price, which is the middle number when you sort the data from smallest to largest was £377,500 at the end of 2022. The mean average was higher at £391,308 but can be affected by a small number of more expensive sales. Average prices are higher at the end of 2022 compared to 10 years earlier with 51% growth in the median average price, an absolute increase of £127,500 since 2013.

4.12 The lower quartile price (an indication of the price of entry level housing to buy) was £291,250 at the end of 2022, an increase of 32% since 2013 (+£71,250 in absolute terms). Much Wenlock Town Council insights suggest that younger families are having to move out of the NA to access affordable housing elsewhere. This anecdotal evidence is supported by this data.

Figure 4-1: House prices by quartile in Much Wenlock, 2013-2022



Source: Land Registry PPD

4.13 Average and lower quartile prices are lower in Shropshire as a whole. Median prices were £265,000 in 2022, 30% lower than in Much Wenlock. Lower quartile prices were £190,000 in 2022, 35% lower than the NA. This provides an indication of the demand pressure in Much Wenlock and is corroborated by the Shropshire SHMA house price analysis which shows that the NA is one of the higher prices places within the county.

4.14 Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that detached properties were the highest price in 2022 and consistently across the decade. They also experienced the greatest rate of growth (55%) and account for a substantial proportion of transactions, thus affecting average prices in the NA. At the other end of the scale, flats have increased in price over the decade but there are limited sales in any year so prices must be treated with caution.

Table 4-3: Median house prices by type in Much Wenlock, 2013-2022

Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Growth
Detached	£275,250	£297,000	£260,000	£286,900	£363,500	£345,000	£385,000	£395,000	£367,500	£427,500	55.3%
Semi-detached	£265,000	£225,500	£218,000	£220,000	£271,000	£187,500	£202,500	£235,000	£282,000	£300,000	13.2%
Terraced	£220,000	£227,000	£238,500	£185,000	£223,000	£200,000	£202,500	£192,500	£227,500	£290,000	31.8%
Flats	£189,950	£395,000	£236,000	-	-	-	-	-	-	£225,000	18.5%
All Types	£250,000	£262,500	£247,000	£235,000	£286,000	£275,000	£300,000	£270,000	£310,000	£377,500	51.0%

Source: Land Registry PPD

Income

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

4.16 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average household income locally was £42,800 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

4.17 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Shropshire's gross individual lower quartile annual earnings were £16,651 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,302.

4.18 It is clear from this data that there is a gap between the spending power of average income households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

4.19 To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

4.20 AECOM has determined thresholds for the income required in Much Wenlock to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.

4.21 The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing for most households will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

4.22 Table 4-4 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

Table 4-4: Affordability thresholds in Much Wenlock (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £42,800	Affordable on LQ earnings (single earner)? £16,651	Affordable on LQ earnings (2 earners)? £33,302
Market Housing						
Median House Price	£276,957	-	£97,071	No	No	No
Estimated NA New Build Entry-Level House Price			£79,131	No	No	No
LQ/Entry-level House Price	£262,125	-	£74,893	No	No	No
LA New Build Median House Price	£251,996	-	£71,999	No	No	No
Average Market Rent	-	£13,728	£45,760	No	No	No
Entry-level Market Rent	-	£11,100	£37,000	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£193,870	-	£55,391	No	No	No
First Homes (-40%)	£166,174	-	£47,478	No	No	No
First Homes (-50%)	£138,479	-	£39,565	Yes	No	No
Shared Ownership (50%)	£138,479	£3,847	£52,387	No	No	No
Shared Ownership (25%)	£69,239	£5,770	£39,016	Yes	No	No
Shared Ownership (10%)	£27,696	£6,924	£30,993	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,489	£18,279	Yes	No	Yes
Social Rent	-	£4,650	£15,484	Yes	Yes	Yes

Source: AECOM Calculations

4.23 It is important to stress that these affordability thresholds have been calculated to give an indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below assesses tenure products as being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact. These conclusions should therefore be interpreted as providing a broad indication of affordability but not the definitive answer for individual households.

Market housing for purchase and rent

4.24 It appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of large deposit or are already home owners with equity in their existing homes. Average priced and entry level homes in Much Wenlock are not affordable to households on average incomes unless they have additional financial resources. The median house price would require an annual income more than double the current average.

4.25 Private renting does not appear to be affordable to households on average incomes or lower earners. Entry level rents are affordable to households with average income but not those on lower quartile wages. It is important to note that very few properties were available to rent at the time of writing so availability may be an issue as well as affordability. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

4.26 There is a relatively large group of households in Much Wenlock who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £37,000 per year (at which point entry-level rents become affordable) and £74,893 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

4.27 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

4.28 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. The data suggests that First Homes discounts in Much Wenlock will need to be 50% (in relation to new build market prices) in order to be affordable to local households on average incomes. Discounts of 30% and 40% would also extend home ownership to some households currently unable to access it but would not extend it to average income households. Even discounts at 50% would not extend home ownership to households reliant on lower quartile earnings.

4.29 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If Much Wenlock Town Council intend to set a higher First Homes discount level than that set at local authority level, further discussions with Shropshire Council are advised.

4.30 Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.[9] If this is delivered in the NA, it will make shared ownership easier to access for more households, including those with two lower quartile earners. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

[9] The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48.

4.31 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership to households on average income. However, discounts on *average* rents would not be sufficient to make Rent to Buy affordable to households on average incomes. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

4.32 These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

4.33 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Much Wenlock (based on Affordable Rent levels in Shropshire as a whole).

4.34 Affordable rented housing is generally affordable to households with two lower earners depending on their household size and the size of property they require. However, households with a single lower earner appear unable to afford any of the tenures considered apar from Social Rented homes where rents are typically lower than Affordable Rents. Many households who are eligible to access Social/Affordable Rented housing will also be supported by through Housing Benefit.

4.35 The evidence in this chapter suggests that the Social/Affordable Rented sector performs a vital function in Much Wenlock as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Estimates of the need for Affordable Housing

4.36 This section estimates the need for Affordable Housing. It provides separate estimates of the need for social/ affordable rented housing and affordable home ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.

The Need for Social/Affordable Rented Homes

4.37 The Shropshire SHMA 2020, Part 2, contained estimated of the need for Affordable Housing across the market area. As this assessment is relatively up to date, it is appropriate to use the figures it contains to estimate Much Wenlock's share of the County's needs.

4.38 The SHMA estimated the need for 799 Affordable Homes per annum in Shropshire (17,574 over the 22 year period of the assessment). This estimate is primarily for Social/Affordable Rented homes as it is based on the needs of households on the waiting list and unable to afford any form of market housing. Based on Much Wenlock's share of the Shropshire population in 2021 (0.9% of the total), this would imply the need for 7.2 Affordable Homes per annum in the NA.

4.39 However, pro-rating local authority level estimates of affordable housing need to more rural settlements like Much Wenlock can present problems in practice. The Local Authority level figures are likely to represent higher needs in urban areas where there is a larger social housing stock and larger numbers of households living in private rented homes on housing benefit. Both of these factors tend to generate higher needs.

4.40 Much Wenlock has a reasonably sized Social Rented stock, however, at 17% of households. It is larger in its share of households than Shropshire as a whole. In this case, it is reasonable to assume that Much Wenlock's Affordable Housing needs can be estimated from its 'fair share' of the Shropshire figure.

4.41 The SHMA also estimates that 15% of the need identified could be met through Shared Ownership housing. However, the approach in the SHMA, consistent with guidance at the time, primarily focuses on the need for Social/Affordable Rented homes. As such, it does not provide a full estimate of the need, or potential demand, for Affordable Home Ownership homes. AECOM has therefore estimated the potential demand from households who can afford to rent but cannot afford to buy.

Shropshire Homepoint Waiting List

4.42 To provide more localised evidence of the need for Affordable Housing in the NA, Shropshire Council has provided data from its Homepoint register (from November 2023). There are currently 51 households on the register, of which 34 have a local connection. Of those with a local connection:

- Just over half (18 households) are younger households aged 18-50 with most of these needing a property with 2 or more bedrooms (8 households need a 2 bed home, 5 need 3+ bedrooms).
- Just under half (16 households) are older households aged 51 and over with most needing a 1 bedroom property (12) with 4 needing 2 bedrooms.
- There is a clear difference between the needs of younger and older households in the NA who need social/affordable rented housing.

4.43 There are around 170 social/affordable rented homes within the housing stock in Much Wenlock (data provided by MWTC from Shropshire Council based on the stock of housing associations in the NA). The stock is broadly balanced between 1,2 and 3 bedroom homes. However, just 10 homes per annum on average over the last 3 years have been available for re-let. Most properties that become available for re-let are smaller (1-2 bedroom homes) with larger 3+ bedroom homes in more limited supply. As a result, the pressure on these larger homes (as reflected by the number of bids for these properties from households on the waiting list) is much higher. This data would suggest it is harder to meet the needs of those younger households on the waiting list who need larger properties.

AECOM Estimate of the Potential Demand for Affordable Home Ownership

4.44 AECOM estimate potential demand for 10 (rounded) affordable home ownership dwellings per annum in Much Wenlock, equating to a total of 137 over the Neighbourhood Plan period. The estimate and assumptions used is detailed in Appendix D and summarised in Table 4-5 below.

4.45 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for social/affordable rented housing.

Table 4-5: Estimate of need for Affordable Home Ownership in Much Wenlock

Component of need or supply in the AECOM estimate	Per annum
A: Current need	9.1
B: Newly arising need	1.6
C: Supply	0.9
D: Net shortfall (or surplus) (A+B-C)	9.8

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

Affordable Housing policies in Neighbourhood Plans

4.46 This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides a recommendation and summarises relevant considerations.

Application of Local Plan policies

4.47 Shropshire's emerging Local Plan policy on this subject (Policy DP3) requires 20% of all new housing to be affordable. It is relevant to note that the adopted Local Plan policy required 33% Affordable Housing but this level has been reduced in the emerging Local Plan.

4.48 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

4.49 The tenure mix of Affordable Housing that is delivered through mainstream development sites is expected to be 70% Social/Affordable Rent and 30% Intermediate housing (typically affordable home ownership products).

Affordable Housing at Neighbourhood level

4.50 The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan polices. This section considers the Affordable Housing tenure mix that might be suitable for Much Wenlock on the basis of identified housing need and a range of other considerations detailed in Appendix D.

4.51 The emerging Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable starting point for the NA. The need for Social/Affordable Rented housing in Much Wenlock exceeds what is likely to be delivered over the plan period. Based on around 200 homes overall, a 20% Affordable Housing requirement and 70% Social/Affordable Rent, the potential yield would be 28 Social/Affordable Rented homes. This equates to around 4 years worth of supply based on the Shropshire SHMA estimates.

4.52 However, the emerging Shropshire Local Plan tenure mix does not appear to comply with the minimum requirement for affordable home ownership set out in NPPF for 10% of all housing to be delivered as affordable home ownership. This would imply the need for 50% of the Affordable Housing to be provided as affordable home ownership in the County. It is possible to make the case that the NPPF requirement here would substantially impact on the delivery of much needed Social/Affordable Rented housing so an exception to this requirement is possible.

Table 4-6: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	**30%**	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0-5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0-5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	**70%**	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

4.53 Much Wenlock Town Council may wish to consider whether a tenure mix of 70% rented and 30% affordable home ownership would provide enough scope to deliver the kind of Affordable Housing they wish to see. AECOM would suggest that the prioritisation of social/affordable rented housing is likely to be the objective given that these households are in acute housing need. However, delivery of 30% affordable home ownership will be dominated by First Homes (which should account of 25% of Affordable Housing). This leaves limited scope for other forms of affordable home ownership.

4.54 Where the Much Wenlock Town Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Shropshire Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Conclusions- Tenure and Affordability

4.55 The majority of households in Much Wenlock are home owners (66.3%), a slightly lower rate than in Shropshire as a whole (68.8%) but above the average for England (61.3%).

4.56 Private renting is the next largest tenure for households in the NA with 17.4% living in this sector, consistent with the proportion of private renters in Shropshire as a whole but lower than in England.

4.57 The Social Rented sector is larger (15%) in Much Wenlock than in Shropshire as a whole (13%) but below the level in England (17%). There is a small share of Shared Owners (1.3% of households) although this relates to small absolute numbers (fewer than 20 households in 2021).

4.58 There has been some growth in the number of home owners, including Shared Owners, in Much Wenlock over the last 10 years. Growth in the number of private renters has been marginal. However, there was a small decline in the number of households living in the Social Rented sector.

4.59 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy.

4.60 The median average price in Much Wenlock was £377,500 at the end of 2022. The mean average was higher at £391,308 but can be affected by a small number of more expensive sales. Average prices are higher at the end of 2022 compared to 10 years earlier with 51% growth in the median average price, an absolute increase of £127,500 since 2013.

4.61 The lower quartile price (an indication of the price of entry level housing to buy) was £291,250 at the end of 2022, an increase of 32% since 2013 (+£71,250 in absolute terms).

4.62 Average and lower quartile prices are lower in Shropshire as a whole. Median prices were £265,000 in 2022, 30% lower than in Much Wenlock. Lower quartile prices were £190,000 in 2022, 35% lower than the NA. This provides an indication of the demand pressure in Much Wenlock and is corroborated by the Shropshire SHMA house price analysis which shows that the NA is one of the higher prices locations within the county.

4.63 The average household income in the area including Much Wenlock was £42,800 in 2020 (the most recent year for this dataset). Data on the incomes of lower income households is only available at the local authority level but is likely to provide a reasonable indication of resources of lower income households in the NA. Shropshire's gross individual lower quartile annual earnings were £16,651 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,302.

4.64 Average priced and entry level homes in Much Wenlock are not affordable to households on average incomes unless they have additional financial resources.

The median house price would require an annual income more than double the current average to be considered affordable.

4.65 Private renting does not appear to be affordable to households on average incomes or lower earners. Entry level rents are affordable to households with average income but not those on lower quartile wages. It is important to note that very few properties were available to rent at the time of writing so availability may be an issue as well as affordability in the private rented sector.

4.66 There is a relatively large group of households in Much Wenlock who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £37,000 per year (at which point entry-level rents become affordable) and £74,893 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

4.67 The data suggests that First Homes discounts in Much Wenlock will need to be 50% (in relation to new build market prices) in order to be affordable to local households on average incomes. Discounts of 30% and 40% would also extend home ownership to some households currently unable to access it but would not extend it to average income households.

4.68 Shared ownership appears to be more affordable than First Homes but is broadly accessible to the same groups. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.[10] If this is delivered in the NA, it will make shared ownership easier to access for more households, including those with two lower quartile earners.

4.69 The evidence in this chapter suggests that the social/affordable rented sector performs a vital function in Much Wenlock as the only option for those in acute need on low incomes or earnings. Data from Shropshire Homepoint also suggests that it is more difficult to meet the needs of younger households who need larger accommodation as these properties become available for re-let less frequently.

4.70 The Shropshire SHMA 2020 estimated the need for 799 Affordable Homes per annum in Shropshire (17,574 over the 22 year period of the assessment). This estimate is primarily for Social/Affordable Rented homes as it is based on the needs of households on the waiting list and unable to afford any form of market housing. Based on Much Wenlock's share of the Shropshire population in 2021 (0.9% of the total), this would imply the need for 7.2 Affordable Homes per annum in the NA.

4.71 The SHMA also estimates that 15% of the need identified could be met through Shared Ownership housing. However, the approach in the SHMA primarily focuses on the need for Social/Affordable Rented homes. As such, it does not

[10] The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48.

provide a full estimate of the need, or potential demand, for Affordable Home Ownership homes. AECOM has therefore estimated the potential demand from households who can afford to rent but cannot afford to buy.

4.72 AECOM estimate potential demand for 10 (rounded) affordable home ownership dwellings per annum in Much Wenlock. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent.

4.73 Shropshire's emerging Local Plan policy on this subject (Policy DP3) requires 20% of all new housing to be affordable. It is relevant to note that the adopted Local Plan policy requires 33% Affordable Housing but this level has been reduced in the emerging Local Plan.

4.74 The tenure mix of Affordable Housing that is delivered through mainstream development sites is expected to be 70% Social/Affordable Rent and 30% Intermediate housing (typically affordable home ownership products).

4.75 The emerging Local Plan guideline mix appears to offer a suitable starting point for the NA. The need for Social/Affordable Rented housing in Much Wenlock exceeds what is likely to be delivered over the plan period and so it is likely that the needs of households in acute housing need will be prioritised.

Table 4-7: Estimated delivery of Affordable Housing in Much Wenlock

	Step in Estimation	Expected delivery
A	Emerging Local Plan requirement	200
B	Affordable housing quota (%) in LPA's emerging Local Plan	20%
C	Potential total Affordable Housing in NA (A x B)	40
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	28
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	10%
G	Affordable home ownership number (C x F)	12

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

4.76 Table 4-7 summarises Much Wenlock's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

4.77 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing. Much Wenlock Neighbourhood Plan has delivered an additional 28 Affordable Homes through these routes since 2014.

5. Type and Size

Introduction

5.1 Neighbourhood Plans may include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need and the existing stock within the neighbourhood.

5.2 This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific needs and aspirations of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.

5.3 This chapter has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe characteristics of the local **population** that are relevant to housing need; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

5.4 It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind households' housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.

5.5 The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

- **Dwelling type**: whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size**: how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.
- **Household**: a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that

are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.

- **Household composition**: the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage**: the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix**: the range of home sizes and types in an area.
- **Over- and under-occupancy**: the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

The current housing mix

5.6 This section establishes the current housing mix within Much Wenlock, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

5.7 Table 5-1 shows that Much Wenlock has a large proportion of detached homes (46.3% of the stock in 2021). Semi detached homes account for around one quarter of the stock with terraces accounting for 20%. There is a smaller proportion of flats at 7.2%. The share of different dwelling types in the stock has remained broadly stable between 2011 and 2021. Note that the data in Table 5-1 is based on households occupying different types of dwellings. Dwellings which were unoccupied at the time of the Census are not included in this data set. The Census profile of dwellings (rather than households) by type or size has not yet been released.

Table 5-1: Accommodation type (households), Much Wenlock, 2011-2021

Type	2011	%	2021	%
Detached	616	45.8%	620	46.3%
Semi-detached	331	24.6%	343	25.6%
Terrace	274	20.4%	272	20.3%
Flat	116	8.6%	96	7.2%
Total	1,346		1,340	

Source: ONS 2021 and 2011, VOA 2021, AECOM Calculations

5.8 Table 5-2 compares the NA mix to wider benchmarks. It shows that Much Wenlock's stock is not markedly different to Shropshire as a whole but does have a higher proportion of detached dwellings, with Shropshire having a substantially greater proportion of semi detached properties. Compared to England as a whole, both Much Wenlock and Shropshire have a strong bias towards detached homes with markedly lower proportions of flats. This is unsurprising due to the rural nature of the town and wider County but this mix is likely to impact on average prices and the availability of smaller properties for households who might need them.

5.9 Census data does not provide separate figures for the number of bungalows within the stock. This is available from Valuation Office Agency but is not available at the parish level. The nearest geographical area to the Much Wenlock NA (MSOA E02006010, shown on a map in Appendix A) also includes the town of Broseley, a wider rural area than Much Wenlock parish and stretches up to the edge of Bridgnorth, so this is likely to distort the figures. The stock in this area contains 15.5% bungalows. Shropshire as a whole contains 20,700 bungalows, 14% of the dwelling stock. This compares to 9.2% in England as a whole. It is likely that Much Wenlock NA has a larger share of bungalows in its stock compared to England.

5.10 Much Wenlock Town Council recorded a total of 190 single level properties in 2013 and it is understood that there has been little or no change to this figure since. This figure is comprised of 153 bungalows (39 social rented and 114 owner occupied) and 37 ground level flats (20 social rented plus 17 with planning permission at the time).

Table 5-2: Accommodation type, various geographies, 2021

Type	Much Wenlock	Shropshire	England
Detached	46.3%	41.0%	22.9%
Semi-detached	25.6%	33.5%	31.5%
Terrace	20.3%	15.8%	23.0%
Flat	7.2%	8.9%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling size

5.11 Table 5-3 below presents the current housing mix in terms of size. It shows that the vast majority of dwellings within Much Wenlock have 3 or more bedrooms with 28.7% having 4 or more. Smaller 1-2 bedroom properties account for just over 30% of the stock, with just 7.7% 1 bedroom properties. This corresponds to a smaller stock of flats and terraces within Much Wenlock as discussed above.

5.12 The share of different dwelling sizes in the stock of the NA has not changed markedly over the last 10 years.

Table 5-3: Dwelling size (bedrooms), Much Wenlock, 2011-2021

Number of bedrooms	2011	%	2021	%
1	105	8.2%	103	7.7%
2	296	23.2%	312	23.2%
3	528	41.4%	545	40.5%
4+	347	27.2%	386	28.7%
Total	1,276	100.0%	1,346	100.0%

Source: Census 2021 and 2011, AECOM Calculations

5.13 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider local authority area and country. Table 5-4 shows that Much Wenlock and Shropshire's dwelling mix is very similar, both exhibiting a bias towards larger 3-4 bed homes. England's share of 3 bedroom properties is similar to the NA and Shropshire but has a smaller share of 4+ bedroom properties and greater share of smaller 1-2 bed homes.

5.14 The larger bias to the stock in Much Wenlock impacts on overall house prices and is likely to limit choice to some extent. In many neighbourhoods, a bias in the stock of homes is balanced out by the availability of other types of accommodation in the wider market area. However, Shropshire as a whole (the wider housing market) is also dominated by larger homes which may limit choice for households who need smaller homes or who are looking for relatively more affordable dwelling types.

Table 5-4: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Much Wenlock	Shropshire	England
1	7.7%	7.1%	11.6%
2	23.2%	24.3%	27.3%
3	40.5%	42.3%	40.0%
4+	28.7%	26.3%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

5.15 This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

5.16 Table 5-5 shows the most recent age structure of the NA population (2021), alongside 2011 Census figures. The largest age group is the 65-84 category, accounting for 31.1% of the population. This group has increased in both number and share of the population over the last 10 years, reflecting the ageing of the population. Whilst smaller in number, the population aged 85+ has increased markedly since 2011 and now accounts for 5.3% of the population.

Table 5-5: Age structure of Much Wenlock, 2011 and 2021

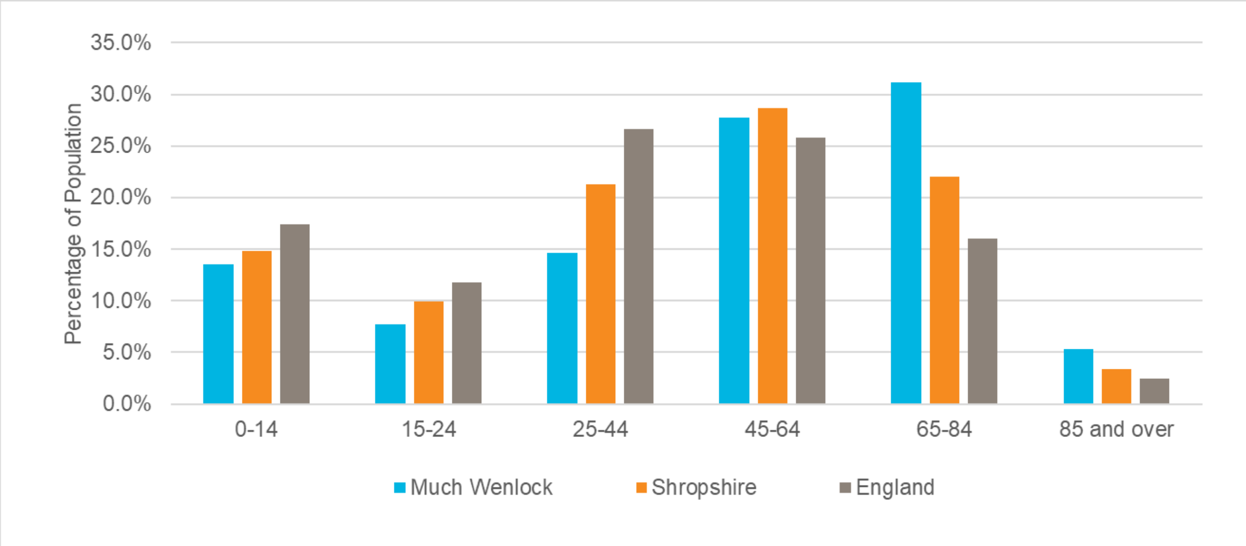
Age group	2011 (Census)		2021 (Census)		Change
0-14	395	13.7%	395	13.6%	0.0%
15-24	252	8.8%	224	7.7%	-11.1%
25-44	550	19.1%	425	14.6%	-22.7%
45-64	897	31.2%	808	27.7%	-9.9%
65-84	663	23.0%	906	31.1%	36.7%
85 and over	120	4.2%	154	5.3%	28.3%
Total	2,877	100.0%	2,912	100.0%	1.2%

Source: ONS 2011, ONS 2021, AECOM Calculations

5.17 Whilst the number and share of people in younger age groups (15-24, 25-44) has fallen, the number and share of younger children has remained stable.

5.18 For context, it is useful to look at the NA population structure alongside that of Shropshire and England. Figure 5-1 (using 2021 Census data) shows that the population in younger age groups is notably lower than in Shropshire and England as a whole. Conversely, the population in the 65-84 age group is substantially higher.

Figure 5-1: Age structure in Much Wenlock, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

5.19 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-6 reveals a strong bias towards older households, both single and couples, in Much Wenlock in 2021. 20% of all households are single older people with a further 20% in families (mostly couples). The proportion of older households in the population (40%) is substantially higher than in Shropshire and England as a whole.

5.20 Just 18.7% of households in Much Wenlock are families with dependent children. This compares to 21.8% in Shropshire and 25.8% in England as a whole. Much Wenlock has relatively low share of families with children. The number of households with dependent children has fallen slightly (by 5.6%) between 2011 and 2021 in Much Wenlock. Meanwhile, the number older households increased substantially.

5.21 Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category did not grow between 2011 and 2021 in the NA but growth in Shropshire (12.5%) was above that of England as a whole (3.5%).

Table 5-6: Household composition, Much Wenlock and various geographies, 2021

Household composition		Much Wenlock	Shropshire	England
One person household	**Total**	32.6%	29.7%	30.1%
	Aged 66 and over	20.0%	15.4%	12.8%
	Other	12.6%	14.3%	17.3%
One family only	**Total**	63.8%	65.6%	63.1%
	All aged 66 and over	20.0%	13.6%	9.2%
	With no children	16.3%	19.4%	16.8%
	With dependent children	18.7%	21.8%	25.8%
	With non-dependent children[11]	9.2%	10.3%	10.5%
Other household types	**Total**	3.6%	4.8%	6.9%

Source: ONS 2021, AECOM Calculations

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

Table 5-7: Occupancy rating by age in Much Wenlock, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	82.0%	14.9%	3.1%	0.0%
Single person 66+	51.9%	32.8%	15.3%	0.0%
Family under 66 - no children	70.9%	25.1%	4.0%	0.0%
Family under 66 - dependent children	26.0%	38.6%	33.9%	1.6%
Family under 66 - adult children	30.8%	45.0%	22.5%	1.7%
Single person under 66	35.1%	40.4%	24.6%	0.0%
All households	50.7%	31.4%	16.9%	1.0%

Source: ONS 2021, AECOM Calculations

5.23 Overall, most households have more bedrooms than they need – they under occupy their dwellings. This is especially true amongst older households and a typical pattern across the country. This does not imply that these older households should downsize. Many will be occupying homes that meet their lifestyles, including caring for grandchildren, having family stay, continuing to

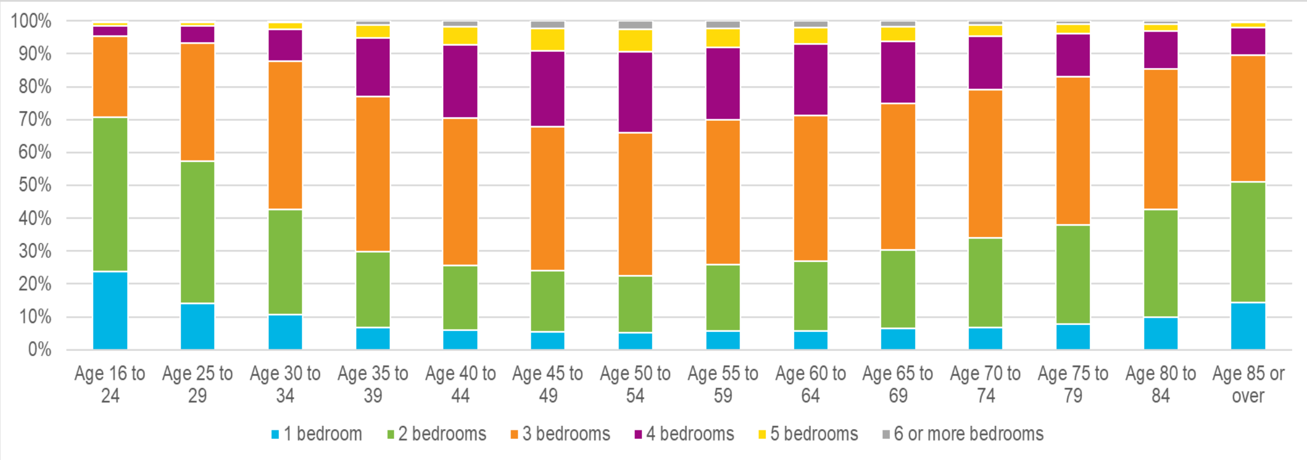
[11] Refers to households containing children who are older than 18 e.g students or young working people living at home.

pursue their interests (and even working in later life and needing a space to work or study). However, some may be interested in downsizing so it is useful to consider whether there are suitable options locally.

5.24 A small proportion (1.0%) of households are over crowded, lower than the rate in Shropshire as a whole (1.8%). Most of these households contain children.

5.25 As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-2 sets out this relationship for Shropshire in 2011 (because this data has not yet been released for 2021 and is not available at smaller scales). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

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



Source: ONS 2011, AECOM Calculations

Future population and size needs

5.26 This section projects the future age profile of the population in Much Wenlock at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

5.27 The result of applying Local Authority level household projections to the age profile of Much Wenlock households in 2011 is shown in Table 5-8. This makes clear that population growth can be expected to be driven by the oldest households, with these households expected to increase by 88% in 2038 compared to 2011. Whilst a full update of household age categories in 2021 is not yet available, the number of households aged over 65 in Much Wenlock in 2021 is 526. This is not substantially higher than in 2011 which suggests that the growth by 2038 may not be as high as projected. Nevertheless, it is older households that are driving demographic change within the NA. Local insight from Much Wenlock Town Council suggests that some demand arises from older households in outlying villages wanting to move to Much Wenlock to downsize and access services including health care and other amenities.

Table 5-8: Projected age of households, Much Wenlock, 2011 -2038

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	16	77	393	288	502
2038	13	78	395	344	944
% change 2011-2038	-20%	1%	0%	19%	88%

Source: AECOM Calculations

5.28 The demographic change discussed above can be translated into an 'ideal' mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-2 (rainbow bar graph)) onto the projected age profile for the NA in Table 5-9 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

5.29 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

5.30 The result of this exercise is presented in Table 5-9. It suggests that a range of dwelling sizes are needed in Much Wenlock over the plan period. However, the projected demographic changes, occupancy patterns and existing stock suggest most new development should be focused on 2-3 bedroom sized homes. It is relevant to note that the Shropshire SHMA 2020 also anticipated that the largest proportion of homes over the projection period in the SHMA (2016-2038) would be for 3 bedroom properties (Table 10, Shropshire SHMA 2020 Part 2).

Table 5-9: Suggested dwelling size mix to 2038, Much Wenlock

Number of bedrooms	Mix in 2011	Current mix (2021)	Suggested mix 2038	Balance of new housing to reach suggested mix
1	8.2%	7.7%	7.6%	7.3%
2	23.2%	23.2%	25.8%	34.1%
3	41.4%	40.5%	43.7%	53.9%
4+	27.2%	28.7%	22.9%	4.7%

Source: AECOM Calculations

5.31 It is important to sense-check the results of this simple model against other evidence and policy options:

- The results in this HNA are similar in broad proportions to the modelling in the Shropshire SHMA. This suggests that, broadly, the needs of Much Wenlock are aligned with that of the wider housing market area.
- The preceding chapter found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide some smaller homes with fewer bedrooms would help to address this situation.
- **Whilst Much Wenlock sits within a wider housing market area of Shropshire, Shropshire as a whole has a bias towards larger homes so there is a more limited choice of smaller properties for those households who need or want them.**
- **To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the new homes are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.**
- **Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different.**

Tenure

5.32 The mix of homes discussed above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

5.33 Generally, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because many households are only eligible only for 1 or 2 bedroom properties (including couples and families with young children). In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter. The SHMA provides detailed estimates of the need for different tenures, types and sizes of homes but does not provide specific estimates of tenure (eg market or affordable) by size. Nevertheless, a similar pattern is expected in Shropshire.

5.34 It is important to note that, although local authority waiting lists may indicate the need for smaller properties, taking account of the size of properties that become available through re-lets often indicates higher pressure on larger dwellings. This is because, typically, larger properties become available for re-let less often than smaller ones. This can mean that families needing larger homes for social/affordable rent may have to wait many years to be housed.

5.35 It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

5.36 Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than ‘need’ in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

5.37 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.

5.38 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Much Wenlock, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment.

5.39 In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character of the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Town Council and community to consider.

Conclusions- Type and Size

5.40 Much Wenlock has a large proportion of detached homes (46.3% of the stock in 2021). Semi detached homes account for around one quarter of the stock with terraces accounting for 20%. There is a smaller proportion of flats at 7.2%. The share of different dwelling types in the stock has remained broadly stable between 2011 and 2021.

5.41 Much Wenlock’s stock is not markedly different to Shropshire as a whole but does have a higher proportion of detached dwellings, with Shropshire having a substantially greater proportion of semi detached properties. Compared to

England as a whole, both Much Wenlock and Shropshire have a strong bias towards detached homes with markedly lower proportions of flats.

5.42 The vast majority of dwellings within Much Wenlock have 3 or more bedrooms with 28.7% having 4 or more. Smaller 1-2 bedroom properties account for just over 30% of the stock, with just 7.7% 1 bedroom properties. This corresponds to a smaller stock of flats and terraces within Much Wenlock as discussed above. The share of different dwelling sizes in the stock of the NA has not changed markedly over the last 10 years.

5.43 The larger bias to the stock in Much Wenlock impacts on overall house prices and is likely to limit choice to some extent. In many neighbourhoods, a bias in the stock of homes is balanced out by the availability of other types of accommodation in the wider market area. However, Shropshire as a whole (the wider housing market) is also dominated by larger homes which may limit choice for households who need smaller homes or who are looking for relatively more affordable dwelling types.

5.44 The largest age group in Much Wenlock's population is the 65-84 category, accounting for 31.1% of the population. This group has increased in both number and share of the population over the last 10 years, reflecting the ageing of the population. Whilst smaller in number, the population aged 85+ has increased markedly since 2011 and now accounts for 5.3% of the population.

5.45 Whilst the number and share of people in younger age groups (15-24, 25-44) has fallen, the number and share of younger children has remained stable. The population in younger age groups is notably lower than in Shropshire and England as a whole. Conversely, the population in the 65-84 age group is substantially higher.

5.46 There is a strong bias towards older households, both single and couples, in Much Wenlock in 2021. 20% of all households are single older people with a further 20% in families (mostly couples). The proportion of older households in the population (40%) is substantially higher than in Shropshire and England as a whole.

5.47 Just 18.7% of households in Much Wenlock are families with dependent children. This compares to 21.8% in Shropshire and 25.8% in England as a whole. Much Wenlock has relatively low share of families with children.

5.48 Overall, most households have more bedrooms than they need – they under occupy their dwellings. This is especially true amongst older households and a typical pattern across the country. A small proportion (1.0%) of households are over crowded, lower than the rate in Shropshire as a whole (1.8%). Most of these households contain children.

5.49 Population growth can be expected to be driven by the oldest households, with these households expected to increase by 88% in 2038 compared to 2011. Whilst a full update of household age categories in 2021 is not yet available, the number of households aged over 65 in Much Wenlock in 2021 is 526. This is not substantially higher than in 2011 which suggests that the growth by 2038 may not be as high as projected. Nevertheless, it is older households that are driving demographic change within the NA.

5.50 AECOM's modelling exercise suggests that a range of dwelling sizes are needed in Much Wenlock over the plan period. However, the projected demographic changes, occupancy patterns and existing stock suggest most new development should be focused on 2-3 bedroom sized homes. It is relevant to note that the Shropshire SHMA 2020 also anticipated that the largest proportion of homes over the projection period in the SHMA (2016-2038) would be for 3 bedroom properties

5.51 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Specialist housing for older people

Introduction

6.1 It is relatively common for neighbourhood plans in areas with ageing populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Much Wenlock. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

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

6.3 It is important to note that the need for specialist housing for older people may appear proportionally high in relation to total housing need or the NA's requirement. This is because the growth of the household population is being driven by older households. The balance between delivering new housing as mainstream housing or as specialist accommodation for older people is, in large part, a matter for policy.

6.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).[12] Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

6.5 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

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

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.

- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, 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.

- **Sheltered Housing[13]:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.

- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

- **Category M4(2):** accessible and adaptable dwellings.

- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

6.6 There is a total of 56 units of specialist housing in the NA at present, with the majority available for Social Rent (31 homes) and the remainder for ownership (25 homes). All are described as age exclusive or retirement housing and do not have onsite care. Details are provided in Appendix E.[14]

6.7 The 2021 Census indicates that at this time there were 524 individuals aged 75 or over in Much Wenlock, an increase of 143 people since 2011. This suggests that current provision is in the region of 115 units per 1,000 of the 75+ population (a common measure of specialist housing supply. It is relevant to note that the

[13] See http://www.housingcare.org/jargon-sheltered-housing.aspx
[14] 4 Almshouses are excluded from these figures as they are no longer let to older people due to the steepness of the stairs to the upper floor room. They are now let to younger single people.

national average for England is 136 units per 1,000 of the 75+ population[15], so provision in the NA is lower than the national average.

Demographic characteristics

6.8 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Much Wenlock is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Shropshire. The results are set out in Table 6-1. The older population (age 75+) is expected to make up 25% of the population of Much Wenlock in 2038 compared to 18% in 2021. This equates to growth of 319 people aged 75 plus. This age group is used because it is more likely to drive demand for specialist accommodation because the majority of people aged 75+ will have some form of long term health problem or disability in contrast to younger age groups (confirmed by Figure 27 in the Shropshire SHMA).

6.9 A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the *growth* in the older population rather than the total at the end of the Plan period is the key output of this calculation.

Table 6-1: Modelled projection of older population in Much Wenlock by end of Plan period

Age group	2021 Much Wenlock	Shropshire	2038 Much Wenlock	Shropshire
All ages	2,912	323,607	3,346	371,888
75+	524	39,323	843	63,242
%	18.0%	12.2%	25.2%	17.0%

Source: ONS SNPP 2020, AECOM Calculations

6.10 The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

6.11 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2038 as they are now aged 65-85 and will be ageing over the plan period. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local

[15] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

Authority level, which indicates that the majority of households own their own homes (just under 80%). The remaining 20% rent either in Social Rented or Private Rented accommodation.

6.12 The expected growth in the 75+ population in the NA is 319 additional individuals by the end of the plan period. This can be converted into 227 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Much Wenlock households are likely to need in 2038, and is shown in the bottom row of Table 6-2.

Table 6-2: Tenure of households aged 55-75 in Shropshire (2011) and projected aged 75+ in Much Wenlock (2038)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
Shropshire (2011 mix)	79.8%	59.3%	20.5%	20.2%	10.6%	8.2%	1.4%
Much Wenlock (2038)	181	135	46	46	24	19	3

Source: Census 2011

6.13 It is then important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-2 in Appendix E presents this data for Much Wenlock from the 2011 Census.

Future needs for specialist accommodation and adaptations

6.14 Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 96.

6.15 AECOM's modelling, summarised in Table 6-3, is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

6.16 AECOM's estimate projects that most of the need for specialist accommodation is for market housing rather than affordable, driven by the growth of the older population who are home owners. Over half of the need for specialist accommodation might be met through adaptations to existing homes, building new homes to higher standards of accessibility or by providing specialist sheltered or retirement living schemes. The estimate suggests 43 units of housing with care e.g. extra care might be needed to meet needs of households who need more care and support. There is no such accommodation available in Much Wenlock at present.

Table 6-3: AECOM estimate of specialist housing for older people need in Much Wenlock by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	15	28	**43**
Adaptations, sheltered, or retirement living	15	38	**53**
Total	**30**	**66**	**96**

Source: Census 2011, AECOM Calculations

6.17 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. HLIN calculations

6.18 **Ta**3 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Much Wenlock results in a total of 80 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-3.

6.19 The HLIN estimates are slightly lower than AECOM's but of the same scale and balance between market and affordable housing and between housing with care and accommodation with more limited care and support.

6.20 These estimates are consistent with the approach taken by the Shropshire SHMA to consider the needs of older people for housing in the County as a whole.

Table 6-4: HLIN estimate of specialist housing for older people need in Much Wenlock by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	10	13	**23**
Adaptations, sheltered, or retirement living	19	38	**57**
Total	**29**	**51**	**80**

Source: Housing LIN, AECOM calculations. Note: figures rounded to nearest whole number

6.21 The above estimates suggest that potential need for specialist accommodation could be in the range of 80-96 units over the Neighbourhood Plan period. This would imply almost half of the housing requirement for Much Wenlock should be focused on housing that provides specialist accommodation for older people.

However, it may not be possible or appropriate to deliver this scale of new accommodation, albeit much depends on the form it would take. Mainstream housing that meets higher accessibility and adaptability standards would be suitable to meet most of the needs of older people identified here and could also be occupied by other household types.

6.22 In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.

6.23 Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

6.24 It is considered that Much Wenlock is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Much Wenlock in other suitable locations near to but outside the Plan area boundaries. One such location is Bridgnorth which has a larger population and greater range of services.

6.25 It is also important to emphasise that the potential need for specialist housing for older people overlaps to some extent with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

Care homes

6.26 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.

6.27 However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.

6.28 Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.

6.29 AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the ‘More Choice, Greater Voice’ 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2038 there would be a need for 21 care homes beds in the NA to meet need from the growth in the older population.

6.30 There are currently 74 bed spaces in two care homes in Much Wenlock but it is not known whether these are at full capacity or whether there are available spaces. As such, the estimated need for 21 care home beds needs as a result of the growth of the older population 2021-2038 is assumed to be additional to the current supply.

6.31 It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

6.32 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 74% of the Much Wenlock population aged 75 and over is likely to live in the mainstream housing stock[16].

6.33 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation in suitable to their needs and whether adequate care or support is provided within the home when they need.

6.34 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with Shropshire.

6.35 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on

[16] 524 over 75s in 2021, of which 60 are accommodated in specialist housing and a further 74 in care homes, leaving 390 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75.

newly erected dwellings[17], although changes to Building Regulations have not yet been made.

6.36 The current emerging Shropshire Local Plan policy 'DP1 Residential Mix' requires developments to accommodate specific groups such as older people.

6.37 The policy states that 'all dwellings specifically designed for older people or those with disabilities or special needs will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations.' Further, 'on sites of 5 or more dwellings, at least 5% of the dwellings will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations and a further 70% of the dwellings will be built to the M4(2) (accessible and adaptable dwellings) or higher standard within Building Regulations, unless site-specific factors indicate that step-free access cannot be achieved. **On sites of 50 or more dwellings an appropriate range of specialist housing designed to meet the diverse needs of older people should be included.** [Bold emphasis added by AECOM]

6.38 It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if going further than the emerging Local Plan policy is considered as a policy.

6.39 The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.

6.40 Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). The rates in Shropshire and Much Wenlock are likely to be higher due to the age of the population. As a crude estimate, these percentages are applied to the expected level of housing delivery for Much Wenlock to suggest the number that might be encouraged to be wheelchair friendly or adaptable. This would imply a potential need for around 6 wheelchair accessible dwellings over the Plan period. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

Table 6-5: Wheelchair use Nationally Applied to Much Wenlock

	Percentage in England	% applied to NA housing requirement figure (200 to end of plan period)
Households using wheelchair all the time	0.6%	1.2
Households using wheelchair either indoors or outdoors	3.0%	6

[17] See Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK (www.gov.uk)

Source: Survey of English Housing 2018/19

6.41 Shropshire's emerging Local Plan policy require 5% of dwellings to be wheelchair accessible on sites of 5 dwellings or more. This could result in the delivery of 10 wheelchair accessible dwellings in the NA if all of the proposed 200 homes are delivered on sites of 5 or more dwellings.

Conclusions- Specialist Housing for Older People

6.42 There is a total of 60 units of specialist housing in the NA at present, with the majority available for Social Rent (35 homes) and the remainder for ownership (25 homes). All are described as age exclusive or retirement housing and do not have onsite care.

6.43 The 2021 Census indicates that at this time there were 524 individuals aged 75 or over in Much Wenlock, an increase of 143 people since 2011. This suggests that current provision is in the region of 115 units per 1,000 of the 75+ population (a common measure of specialist housing supply. It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[18], so provision in the NA is lower than the national average.

6.44 The older population (age 75+) is expected to make up 25% of the population of Much Wenlock in 2038 compared to 18% in 2021. This equates to growth of 319 people aged 75 plus over the plan period. This can be converted into 227 households based on the average number of people per household aged 75+ at Local Authority scale. This age group is used because it is more likely to drive demand for specialist accommodation because the majority of people aged 75+ will have some form of long term health problem or disability in contrast to younger age groups.

6.45 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the older cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

6.46 AECOM's estimate projects that most of the need for specialist accommodation is for market housing rather than affordable, driven by the growth of the older population who are home owners. Over half of the need for specialist accommodation might be met through adaptations to existing homes, building new homes to higher standards of accessibility or by providing specialist sheltered or retirement living schemes. The estimate suggests 43 units of housing with care eg extra care might be needed to meet needs of households who need more care and support. There is no such accommodation available in Much Wenlock at present.

6.47 Comparing these findings with the Housing Learning and Improvement Network (HLIN) SHOP toolkit results in a total of 80 specialist dwellings that might be required to the end of the Plan period. The HLIN estimates are slightly lower than

[18] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

AECOM's but of the same scale and balance between market and affordable housing and between housing with care and accommodation with more limited care and support.

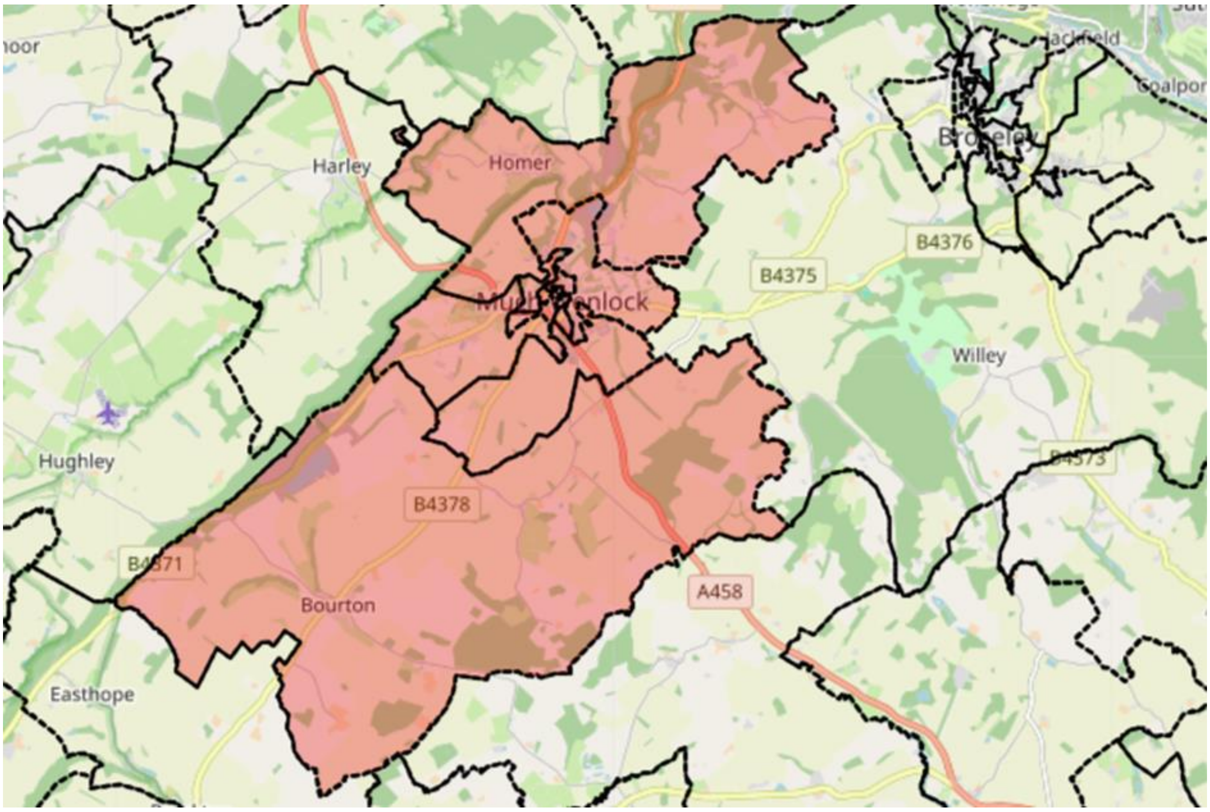
6.48 The above estimates suggest that potential need for specialist accommodation could be in the range of 80-96 units over the Neighbourhood Plan period. This would imply almost half of the housing requirement for Much Wenlock should be focused on housing that provides specialist accommodation for older people. However, it may not be possible or appropriate to deliver this scale of new accommodation, albeit much depends on the form it would take. Mainstream housing that meets higher accessibility and adaptability standards would be suitable to meet most of the needs of older people identified here and could also be occupied by other household types.

6.49 The current emerging Shropshire Local Plan policy 'DP1 Residential Mix' requires developments to accommodate specific groups such as older people. The policy states that 'all dwellings specifically designed for older people or those with disabilities or special needs will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations.' Further, 'on sites of 5 or more dwellings, at least 5% of the dwellings will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations and a further 70% of the dwellings will be built to the M4(2) (accessible and adaptable dwellings) or higher standard within Building Regulations, unless site-specific factors indicate that step-free access cannot be achieved. On sites of 50 or more dwellings an appropriate range of specialist housing designed to meet the diverse needs of older people should be included.

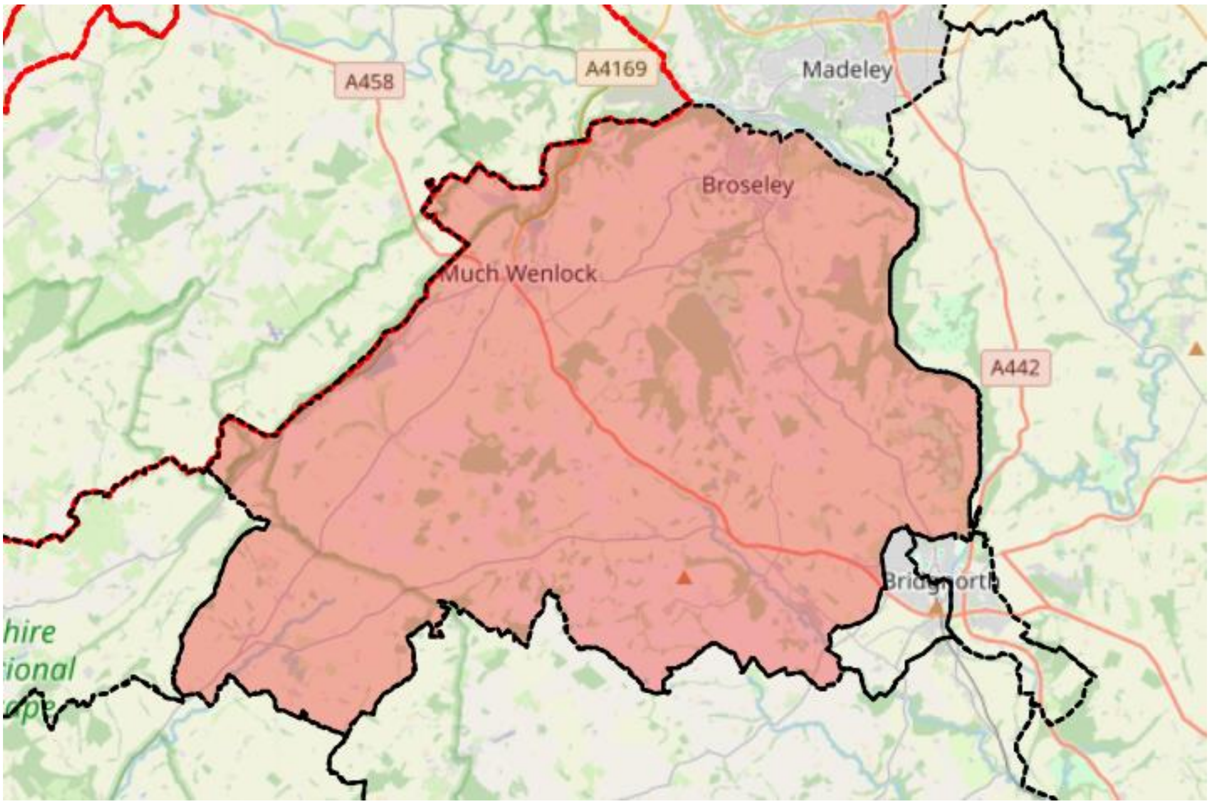
6.50 It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if going further than the emerging Local Plan policy is considered as a policy.

Appendix A : Assessment geography

1. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The NA and Parish equates to the following combination of OAs:



2. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of M/LSOAs. The most relevant MSOA in this case, which will need to be used as a proxy for the NA, is MSOA E02006010 (shown in the map below).



3. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, is MSOA E02006010 (as above).

Appendix B : Local Plan context

Policies in the adopted local plan

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

Table B-1: Summary of relevant adopted policies in the Shropshire Adopted Core Strategy (2011) and Shropshire Council Site Allocations and Management of Development (SAMDev) Adopted Plan (2015).

Policy	Provisions
Shropshire Adopted Core Strategy (2011)	
CS1 Strategic Approach	Shropshire will make provisions to deliver around 27,500 new homes, of which 9,000 will be “affordable housing”, over the plan period 2006-2026. Shropshire’s Market Towns and other Key Centres will accommodate approximately 40% of Shropshire’s residential development over the plan period.
CS3 The Market Towns and Other Key Centres	Much Wenlock will have limited development that reflects its important service and employment centre role whilst retaining its historic character.
CS10 Managed Release of Housing Land	Sufficient land will be made available as to ensure a 5 year supply of housing land is maintained.
CS11 Type and Affordability of Housing	An integrated and balanced approach will be taken with regard to existing and new housing, including type, size, tenure and affordability. There is an overall target of 33% local needs affordable housing from all sources for the first five years of the plan period, comprised of 20% social-rented and 13% intermediate affordable housing. This policy also seeks to ensure that all housing developments are designed to be capable of adaptation to accommodate lifestyle changes, including the needs of the elderly and people with disabilities, and to achieve the Lifetime Homes standard. It also aims to support the provision of housing for vulnerable people and specialist housing provision, including nursing homes, residential and extra care facilities, in appropriate locations and where there is an identified need.
Shropshire Council SAMDev Adopted Plan (2015)	
MD1 Scale and Distribution of Development	Sufficient land will be made available during the remainder of the plan period up to 2026 to enable the delivery of the development planned in the Core Strategy. Specifically within Market Towns/Key Centres, the planned number of dwellings for the period 2006-2026 is set at 11,000.
MD3 Delivery of Housing Development	Residential proposals should: i. meet the design requirements of relevant Local Plan policies; and ii. on sites of five or more dwellings, include a mix and type of housing that has regard to local evidence and community consultation.
MD7a Managing Housing Development in the Countryside	New market housing in the countryside will be strictly controlled. Suitably designed and located exception site dwellings and residential conversions will be positively considered where they meet evidenced local housing needs and other relevant policy requirements.

Source: Documents can be found here and here.

Policies in the emerging local plan

2. Table B-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Much Wenlock.

Table B-2: Summary of relevant emerging policies in the Pre-Submission Draft of the Shropshire Local Plan (2020)

Policy	Provisions
Pre-Submission Draft of the Shropshire Local Plan (2020)	
SP2 Strategic Approach	Over the plan period from 2016 to 2038, around 30,800 new dwellings will be delivered in Shropshire (or 1,400 dwellings per annum). Of this total, around 7,700 affordable dwellings (equating to around 25% of the total housing requirement) will be delivered during the plan period from 2016 to 2038. Much Wenlock is identified as a 'Key Centre', which are settlements identified to accommodate new significant well-designed new housing.
SP7 Managing Housing Development	There will be positive consideration of other sustainable housing development where this does not conflict with the Policies of the Local Plan. In particular, additional housing development opportunities which would support the reuse of disused land or premises within settlement development boundaries as shown on the Policies Map; or contribute towards achieving wider town centre regeneration will be supported.
SP10 Managing Development in the Countryside	New market housing will be strictly controlled outside the development boundaries of the Strategic Centre of Shrewsbury, the Principle Centres, the Key Centres, the new Strategic Settlements and the Community Hubs. None of the settlements within the Much Wenlock Parish beyond the town itself are identified here and therefore fall under the countryside categorisation.
DP1 Residential Mix	• Residential development will be expected to provide a mix of dwelling sizes, types and tenures in order to meet the identified needs of local communities, including families with children, older people, people wishing to build their own homes and people with disabilities and special needs, in accordance with Shropshire Council's Strategic Housing Market Assessment (SHMA). • On sites of 5 or more dwellings: - In locations where in the last 5 years a Local Housing Need Survey has been undertaken through the 'Right Home Right Place' initiative or an equivalent survey endorsed by Shropshire Council, at least 50% of open market dwellings will reflect the profile of housing need established within the survey. The remainder of the open market dwellings will include a suitable mix and variety of dwelling sizes; or - At least 25% of open market dwellings will be dwellings with 2 bedrooms or less. At least a further 25% of open market housing will be dwellings with 3 bedrooms or less. The remainder of the open market dwellings will include a suitable mix and variety of dwelling sizes. • All dwellings specifically designed for older people or those with disabilities or special needs will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations. • On sites of 5 or more dwellings, at least 5% of the dwellings will be built to the M4(3) (wheelchair user dwellings) standard within Building Regulations and a further 70% of the dwellings will be built to the M4(2) (accessible and adaptable dwellings) or higher standard within Building Regulations, unless site-specific factors indicate that step-free access cannot be achieved. • On sites of 50 or more dwellings: - An appropriate range of specialist housing designed to meet the diverse needs of older people, - An appropriate range of specialist dwellings to meet the needs of those with disabilities and special needs will be provided.

Policy	Provisions
DP3 Affordable Housing Provision	Within Much Wenlock Parish, new residential development on all sites of 0.5 ha or more; sites of 5 or more dwellings in designated rural areas; and sites of 10 or more dwellings elsewhere should provide on-site affordable housing at 20%. Ensuring that where affordable housing is to be secured on site, its tenure comprises 70% social or affordable rent accommodation and 30% intermediate or other affordable housing.
DP4 Affordable Housing Exception Schemes	Development schemes consisting of 100% local needs affordable housing of a suitable scale, design, tenure and include appropriate prioritisation to people demonstrating a local connection to the area, will be positively considered, given they meet a number of requirements.
S13 Much Wenlock Place Plan Area	Much Wenlock will act as a Key Centre and contribute towards strategic growth objectives in the east of the County, delivering around 200 dwellings. - Land adjoining the Primary School and Hunters Gate allocated for 120 new dwellings

Source: Document available here.

Policies in the Much Wenlock Neighbourhood Plan

3. This HNA intends to inform a review to the made Neighbourhood Plan. The existing policies relating to housing need are highlighted here.

   Table B-3: Summary of policies in the Much Wenlock Neighbourhood Plan (2014) that are relevant to housing need and delivery in Much Wenlock.

Policy	Provisions
Much Wenlock Neighbourhood Plan 2013-26 (2014)	
H1	Affordable housing shall be provided at a rate of 20% of total yield on site.
H2	Housing developments within the development boundary of Much Wenlock will be permitted where they include a range of house type, including two and three bedroom dwellings. Housing developments will also be expected to include an element of single level dwellings and to meet the needs of the elderly and people with disabilities.
H3	The redevelopment of brownfield sites in the Much Wenlock development boundary for mixed uses, including housing, will be supported where it can be shown that an otherwise lawful use of the site is no longer viable.
H4	Housing infill development and the conversion of existing buildings to residential use will be supported where they contribute positively to local character and where they help to meet local housing needs. Within the conservation areas of Much Wenlock and Bourton infill development should conserve or enhance the special architectural and historic character of these settlements.
H5	Proposals for small scale affordable housing developments outside the Much Wenlock development boundary will be supported subject to the following criteria: • they comprise up to 10 dwellings; and • the proposals contribute to meeting the affordable and social-rented needs of people with a local connection; and • the development is subject to an agreement which will ensure that it remains as affordable housing for people with a local connection in perpetuity; and • the proposals would not have a significant impact on the surrounding rural landscape and the landscape setting of any settlement in the plan area; and • the development is appropriate in terms of its scale, character and location with the settlement to which it is associated.

Source: Document available here.

Appendix C : Affordability calculations

1. This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

C.1 Market housing

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

i) Market sales

3. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.

4. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Much Wenlock, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.

5. The calculation for the purchase threshold for market housing is as follows:

   - Value of a median NA house price (2022) = £377,500;
   - Purchase deposit at 10% of value = £37,750;
   - Value of dwelling for mortgage purposes = £339,750;
   - Divided by loan to income ratio of 3.5 = purchase threshold of £97,071.

6. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2022 was £291,250, and the purchase threshold is therefore £74,893.

7. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records no sales of new build properties in the NA in 2022. Therefore an estimate has been calculated by determining the uplift between all

house prices in 2022 across Shropshire and new build house prices in 2022 in the same area. The new build premium in Shropshire in 2022 was 5.7%. This percentage uplift (or 'new build premium') is then applied to the 2022 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £307,730 and purchase threshold of £79,131.

8. In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across Shropshire in 2022. The median cost of new build dwellings in Shropshire was £279,995, with a purchase threshold of £71,998.

ii) Private Rented Sector (PRS)

9. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.

10. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.

11. The property website Rightmove shows rental values for property in the Neighbourhood Area. There were properties for rent at the time of search in January, 2024, with an average monthly rent of £1,144. There were 2 two-bed properties listed, with an average price of £925 per calendar month. This is a small sample so caution must be applied in interpreting these rental prices, however extending the area to capture properties more to rent in a wider area (eg neighbouring Broseley) would not be representative of prices in Much Wenlock.

12. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

    - Annual rent = £925 x 12 = £11,100;
    - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £37,000.

13. The calculation is repeated for the overall average to give an income threshold of £45,760.

C.2 Affordable Housing

14. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

15. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

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

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

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£76.83	£88.84	£95.27	£101.03	£89.42
Annual average	£3,995	£4,620	£4,954	£5,254	£4,650
Income needed	£13,304	£15,384	£16,497	£17,494	£15,484

Source: Homes England, AECOM Calculations

ii) Affordable rent

18. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

19. Even an 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.

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

21. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 50% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£82.70	£100.95	£116.03	£130.62	£105.56
Annual average	£4,300	£5,249	£6,034	£6,792	£5,489
Income needed	£14,320	£17,481	£20,092	£22,618	£18,279

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

22. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.

23. In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” There are exemptions to this requirement, including where:

- The provision would exceed the level of affordable housing required in an area;
- The provision would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
- A proposed development provides solely Build to Rent homes;
- A proposed development provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for students or the elderly);
- The development is proposed to be developed by people who wish to build or commission their own homes; or
- The proposed development is exclusively for affordable housing, a community-led development exception site, or a rural exception site.

First Homes

24. Because First Homes are a new tenure product, it is worth explaining some of their key features:

- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
- After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

25. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £307,730.
26. For the minimum discount of 30% the purchase threshold can be calculated as follows:
    - Value of a new home (estimated NA new build entry-level) = £307,730;
    - Discounted by 30% = £215,411;
    - Purchase deposit at 10% of value = £21,541;
    - Value of dwelling for mortgage purposes = £193,870;
    - Divided by loan to income ratio of 3.5 = purchase threshold of £55,391.
27. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £47,478 and £39,565 respectively.
28. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
29. Note that discounted market sale homes may be unviable to develop if the

discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m[19]) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Much Wenlock.

30. Table C-3 shows the discount required for First Homes to be affordable to the three income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	56%	83%	66%
NA estimated new build entry-level house price	46%	79%	58%
NA entry-level house price	43%	78%	56%
LA median new build house price	41%	77%	54%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

31. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

32. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

33. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a

[19] It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/

household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

34. The affordability threshold for a 25% equity share is calculated as follows:
    - A 25% equity share of £307,730 is £76,933;
    - A 10% deposit of £7,633 is deducted, leaving a mortgage value of £69,239;
    - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £19,783;
    - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £230,798;
    - The estimated annual rent at 2.5% of the unsold value is £5,770;
    - This requires an income of £19,233 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
    - The total income required is £39,016 (£19,783 plus £19,233).
35. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £30,993 and £52,387 respectively.

Rent to Buy

36. Rent to Buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent, which is intended to be used to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up savings with a portion of the rent.

Help to Buy (Equity Loan)

37. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
38. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix D : Affordable Housing need and policy

Affordable Housing estimates

1. The Shropshire SHMA 2020 provides reasonable estimates of the need for Social/Affordable Rented housing that can be applied to Much Wenlock. However the SHMA does not provide a full estimate of the potential demand for Affordable Home Ownership and so AECOM has estimated the need for these products in Much Wenlock.

Table D-1: Estimate of the potential demand for affordable home ownership in Much Wenlock

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	235.0	Census 2021 private rented occupancy.
1.2 Percentage renters on housing benefit in LA	27.9%	% of renters in 2021 on Housing Benefit / Universal Credit with housing entitlement
1.3 Number of renters on housing benefits in the NA	65.6	Step 1.1 x Step 1.2.
1.4 Current need (households)	127.1	Current renters minus those on housing benefit and minus 25% assumed to rent by choice.[20]
1.5 Per annum	**9.1**	Step 1.4 divided by plan period.
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	193.1	LA household projections for plan period (2018 based) pro rated to NA.
2.2 % of households unable to buy but able to rent	10.6%	(Step 1.4 + Step 3.1) divided by number of households in NA.
2.3 Total newly arising need	20.6	Step 2.1 x Step 2.2.
2.4 Total newly arising need per annum	**1.6**	Step 2.3 divided by plan period.
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	17.0	Number of shared ownership homes in the NA (Census 2021).
3.2 Supply - intermediate resales	**0.9**	Step 3.1 x 5% (assumed rate of re-sale).
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	**9.8**	(Step 1.5 + Step 2.4) - Step 3.2.

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

2. Table D-2 estimates the potential demand in Much Wenlock. This model aims to

[20] The assumption of approximately 25% preferring to rent and 75% preferring to buy is AECOM's judgement, based on national level polls which consistently reveal that most households who prefer home ownership eg http://www.ipsos-mori-generations.com/housing.html and informed by our experience across numerous neighbourhood level HNAs. The assumption is based on the fact that some households choose to rent at certain stages in their life (e.g. when young, when needing flexibility in employment market, or when new migrants move into an area). While most households prefer the added security and independence of owning their own home, private renting is nevertheless a tenure of choice at a certain points in many households' journey through the housing market. The actual percentage of preference will differ between areas, being higher in large metropolitan areas with younger households and more new migrants, but lower in other areas. 25% is used as a reasonable proxy and for consistency across HNAs and similar assumptions are used in some larger scale assessments such as LHNAs and SHMAs. If the neighbourhood planning group feel this is not an appropriate assumption in their particular locality they could use the results of a local residents survey to refine or confirm this calculation.

estimate the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

3. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.[21] No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.
4. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
5. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable housing policy

6. The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

Table D-2: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
A. **Evidence of need for Affordable Housing**: The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.	This HNA suggests that the NA requires around 7 units of affordable rented housing and 10 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.
B. **Can Affordable Housing needs be met in full?**	If the Local Plan target of 20% were achieved on every site, assuming the delivery of the NA's proposed housing requirement for 200 homes

[21] http://www.ipsos-mori-generations.com/housing.html

How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.	overall, up to 40 affordable homes might be expected in the NA over Plan period. This level of potential affordable housing delivery would not be sufficient to meet all of the need identified. Social/affordable rented housing is likely to be prioritized over affordable home ownership because households who need Social/Affordable Rents are unable to meet their needs in the market. Households who need Affordable Home Ownership can afford to rent but not buy. Their needs are less acute and they are usually already housed in the private rented sector.
C. **Government policy (eg NPPF) requirements**: Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.	For 10% of all housing to be affordable ownership in Much Wenlock in line with NPPF policy and given 20% of all housing should be affordable (emerging Local Plan policy), 50% of Affordable Housing would need be for affordable ownership to meet these two requirements. This does not comply with the guideline tenure split sought in the emerging Local Plan of 70% rented, 30% intermediate/Affordable Home Ownership. However, delivering a 50:50 split would substantially reduce the delivery of social/affordable rented housing so an exception may apply here.
D. **Local Plan policy**:	The emerging Local Plan seeks a tenure split of 70% affordable rent and 30% affordable home ownership.
E. **First Homes policy:** A minimum of 25% of all Affordable Housing secured through developer contributions are required to be First Homes (discounted by at least 30% on market prices). After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan. AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining	This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. In theory, Shropshire's emerging Local Plan Affordable Housing policy seeks a tenure split of 70% rented, 30% affordable home ownership. The requirement to provide 25% of Affordable Housing as First Homes can therefore be met within the affordable home ownership component of this mix. However, this provides limited scope to deliver other forms of affordable home ownership such as Shared Ownership or Rent to Buy.

proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.	
F. **Viability**:	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
G. **Funding**: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.	Much Wenlock Town Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
H. **Existing tenure mix in Much Wenlock**: The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.	There is a reasonable stock of Affordable Housing in Much Wenlock with a higher share of social/affordable rented housing than in Shropshire as a whole.
I. **Views of registered providers**:	It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels.
J. Wider policy objectives:	Much Wenlock Town Council may wish to take account of broader policy objectives for Much Wenlock and the wider Shropshire housing market area. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

Appendix E : Specialist housing for older people

Background data tables

Table E-1: Existing specialist housing supply, Much Wenlock

	Name	Description	Dwellings	Tenure	Type
1	High Causeway	24 x 1 & 2 bed bungalows, resident management staff, careline alarm	24	Social Rent	Retirement housing
2	Chapel Close	7 x 2 bed bungalows	7	Social Rent	Age exclusive
3	Presthorpe Grange	25 x studio & 2 bed bungalows	25	Ownership	Age exclusive

Source: http://www.housingcare.org

Table E-2: Tenure and mobility limitations of those aged 65+ in Much Wenlock, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	144	19.7%	172	23.5%	416	56.8%
Owned Total	87	15.5%	117	20.9%	356	63.6%
Owned outright	75	14.7%	107	20.9%	329	64.4%
Owned (mortgage) or shared ownership	12	24.5%	10	20.4%	27	55.1%
Rented Total	57	33.1%	55	32.0%	60	34.9%
Social rented	27	28.1%	36	37.5%	33	34.4%
Private rented or living rent free	30	39.5%	19	25.0%	27	35.5%

Source: DC3408EW Health status

HLIN calculations

Table E-3: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

7. As Table 6-1 in the main report shows, Much Wenlock is forecast to see an increase of 319 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = 60 x .319 = 19
- Leasehold sheltered housing = 120 x .319 = 38
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x .319 = 6.4
- Extra care housing for rent = 15 x .319 = 4.8
- Extra care housing for sale = 30 x .319 = 9.6
- Housing based provision for dementia = 6 x .319 = 1.9

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[22].

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[23]

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

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

[23] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order[24]

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

Concealed Families (Census definition)[25]

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

Equity Loans/Shared Equity

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.

[24] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary
[25] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[26], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

[26] See https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing[27]

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

[27] See http://www.housingcare.org/jargon-sheltered-housing.aspx

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.[28]

[28] See http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing

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