

Sproughton Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
HNF	Housing Need Figure
Housing LIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LPA	Local Planning Authority
LQAR	Lower Quartile Affordability Ratio
LTHPD	Long-Term Health Problem or Disability
MAR	Median Affordability Ratio
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1.1 Tenure and Affordability

1. In terms of the current tenure profile of the neighbourhood, 78.7% of all residents in Sproughton own their own homes. 13.4% of the NA's residents rent privately on the market while 6.9% of live in social rented homes. 0.2% of the neighbourhood's tenure profile comprises shared ownership tenures. Sproughton's tenure profile indicates a high share of home ownership and a small portion of private renting. Its profile is similar to that of the LPA as whole overall, although there is a relatively lower percentage of social rent in the NA.
2. Between 2001-2011, the major changes were an overall decrease in shared ownership in the NA, and an increase of both social rent and private rent – which is understood to be indicative of the declining affordability of home ownership in relation to incomes.
3. In terms of house prices, the data shows us that between 2010-2019, median prices in Sproughton increased by 20%, mean prices increased by 37.8% and LQ prices increased by 10.5%. At the end of 2019, a mean property was priced £347,733, a median property was priced £300,000 and a LQ dwelling was priced £215,000.
4. In terms of the prices of various dwelling types, the price of flats increased by 42.6%, the price of detached houses increased by 29.6% and the price of semi-detached homes increased by 15.2% between 2010-2019. There is no information available about the price of terraced homes in 2010, however, between 2011-2019, the price of terraced homes increased by 64.2%.
5. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
6. The gap between the cost of market renting and home ownership is wide, affecting those with incomes of between £28,891 and £55,286. Affordable routes to home ownership would be suitable to this group of households.
7. It appears that both discounted market sales (without a discount of 40%) and shared ownership tenures (at a 25% share) would extend home ownership to those on average incomes. However, none of the affordable home ownership options can extend home ownership to those on LQ incomes, even where there might be two members earning.
8. In terms of discounts required in order for properties to be affordable to households on average incomes, our calculations determined a discount of 48% would be required. While theoretically possible, this rate of discount is unlikely to be realistic to expect developers to deliver in practice.
9. The income required to access Rent to Buy is the same as that required to afford market rents. In this case, this income required to access entry level rents is £25,694. Given average rents are affordable to those on mean incomes, Rent to Buy is likely to be another option for those on average incomes. However, given average rents are not affordable to households on LQ incomes, even with two earners, Rent to Buy is not an accessible home ownership option for LQ income households.
10. Finally, the evidence shows that households on lower quartile earnings can afford entry-level market rents, affordable rent and social rent, but only where there are two members earning or with additional subsidy. For such households, the provision of affordable rented tenures should be prioritised.
11. It is estimated there will be a need for 66 affordable homes for sale and 18 affordable homes for rent over the plan period for existing Sproughton residents. 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, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
12. Given the proposed development must cater to the needs of the NA and serve the wider housing market area, it is important to consider Sproughton's particular circumstances. As per the Core Strategy (2014), one of Babergh's most significant centres of population is the area known as the Ipswich Fringe, which includes Copdock & Washbrook, Pinewood, Wherstead, Sproughton and Belstead, which combined have a population of 7,590. As such, flexibility in the tenure split proposed here to meet the needs of existing residents may be warranted in order to optimally meet the needs of new households as well, as long as this does not jeopardise the needs of local people. Our research, and

particularly the fact that over 1,000 affordable homes may be expected, suggests that there is unlikely to be a conflict between the needs of local people and those moving in from the wider area.

13. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Sproughton based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 71% of affordable homes be provided as rented tenures, and the remaining 29% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 71% of affordable homes be provided as rented tenures, with 25% as First Homes and the remaining 4% split evenly between shared ownership and Rent-to-Buy. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.

1.2 Type and Size

14. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site specific factors which may justify a particular dwelling mix.
15. In terms of dwelling type, the 2011 Census shows that there were 599 households in Sproughton, living in 348 detached houses, 139 semi-detached, 50 terraced houses, and 62 flats. Compared with the LPA, Sproughton is characterised by both a high percentage of detached homes and a relatively higher percentage of flats, maisonettes or apartments.
16. The housing stock in Sproughton is characterised by a relatively higher percentage of medium-large size homes. 22.4% of the housing stock comprises homes with nine or more rooms and roughly 37% comprises dwellings with five or six rooms.
17. Between 2001-2011, the delivery of new homes was relatively balanced, with particular increases in larger housing, although not to the same extent as was apparent across Babergh as a whole.
18. The 2011 census data reveals that there is a high proportion of dwellings with three and four bedrooms in Sproughton. Roughly 57% of Sproughton's housing stock consists of three-four-bedroom homes. There is also a large share of two-bedroom dwellings in the NA. Dwellings with one bedroom are the least common.
19. In terms of demographics, the 2011 Census data reveals that there is a large percentage of people between the ages of 45-84. This age group comprises roughly 53% of Sproughton's population. Compared to Babergh, Sproughton has a similar profile in the sense that both the NA and LPA have an ageing population with the majority aged 45 and over.
20. In terms of household composition, the data demonstrates that roughly 67% of Sproughton's population consists of one-family households, which is similar to the percentage of one family households in Babergh, although Babergh households are more likely to contain dependent children. The remainder are single-person households, at a similar rate to that seen across Babergh.
21. The result of a life-stage modelling process suggests that by 2036, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority. Sproughton should also increase the supply of two-bedroom homes and may consider discouraging the supply of homes with one-bedroom and five or more bedrooms.
22. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some smaller and larger dwellings. Their provision should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for medium sized homes with two-three bedrooms.
23. It is important to note that our model is only concerned with the population already living in Sproughton and how their needs are expected to develop during the plan period. While our analysis indicates that local needs can be met through the large expected supply of new homes, the overall dwelling mix should account for the needs of those that might potentially live in Sproughton in the future.
24. As per the size profile set out in the SHMA, Babergh will require more two and three-bedroom homes and relatively fewer one-bedroom homes. Furthermore, the size mix also features a significant amount of dwellings with four or more bedrooms. While the SHMA broadly aligns with our recommendation for Sproughton in terms of increasing the supply

of three-bedroom homes, it also indicates there should be an increase in the numbers of homes with four or more bedrooms. While increasing the supply of larger dwellings might not cater to the needs of Sproughton's current resident population, diversifying the size mix in line with SHMA recommendations could allow Sproughton's future development to more appropriately accommodate incomers.

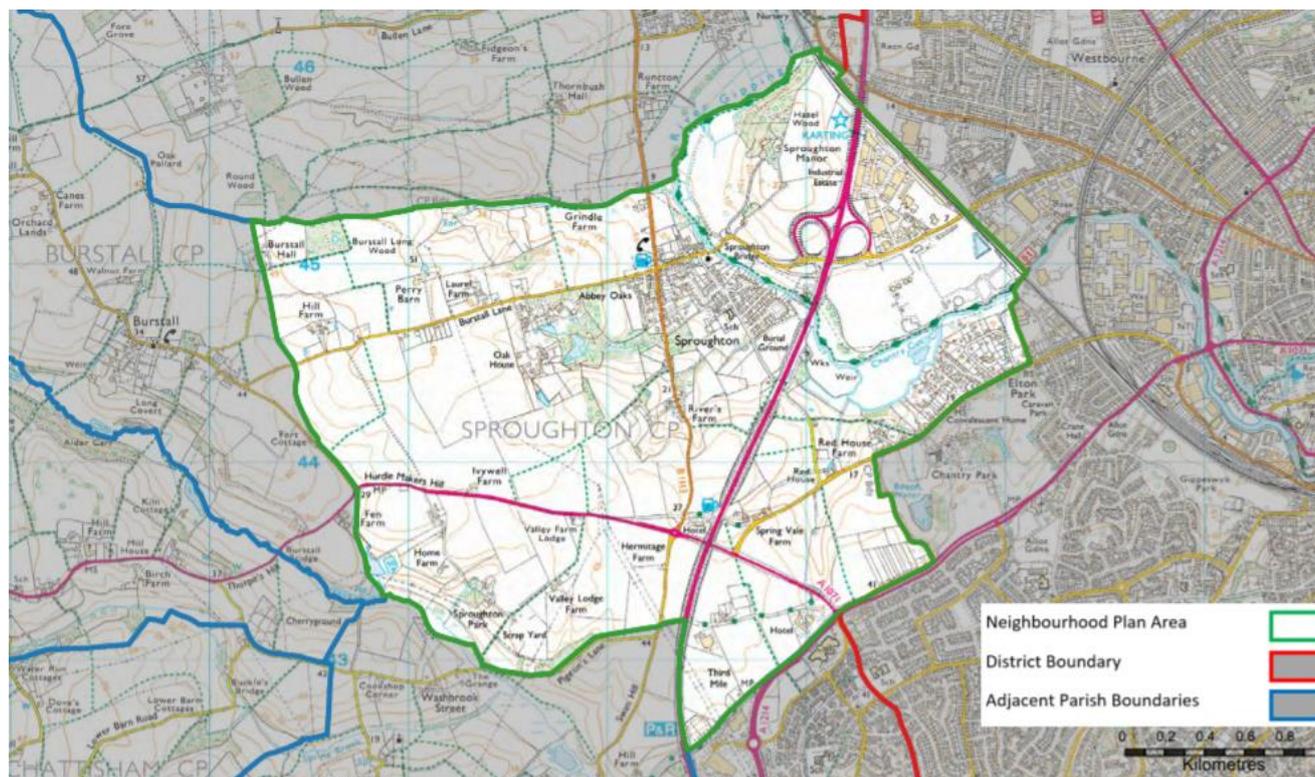
25. Even if the NP group should choose to increase the share of dwellings with four or more bedrooms in the size mix, we recommend emphasizing two-three-bedroom homes should still be a priority, since it appears this will meet to future need across the District and in Sproughton both.

2. Context

2.1 Local context

26. Sproughton is a Neighbourhood Plan area located in Suffolk, in the East of England¹. The Neighbourhood Area (NA) boundary follows the Parish boundary and was designated on 16th April 2020.
27. The proposed Neighbourhood Plan period starts in 2021 and extends to 2036, therefore comprising a planning period of 15 years.
28. In terms of the spatial context of the NA, major transport routes in Sproughton include the A14, B1113, A1071, and B1067. The A14 divides the parish into half, with some of the newly developed estates on one side and the original group of Grade 2 listed properties on the other side. There are several wildlife corridors, RAMSAR sites, listed buildings and heritage areas within the NA, which may present development constraints at some of the sites.
29. Sproughton is located three miles west of Ipswich and falls within the wider Ipswich Housing Market Area. It lies in the Babergh administrative area and is located towards the eastern end of the District Boundary, with Bramford located to its North, Burstall to the West & Copdock to the South.
30. A map of the NA appears below in Figure 2-1. A map of the NA selected for the purpose of Census data gathering appears in Figure 2-2.
31. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 1,376 residents.

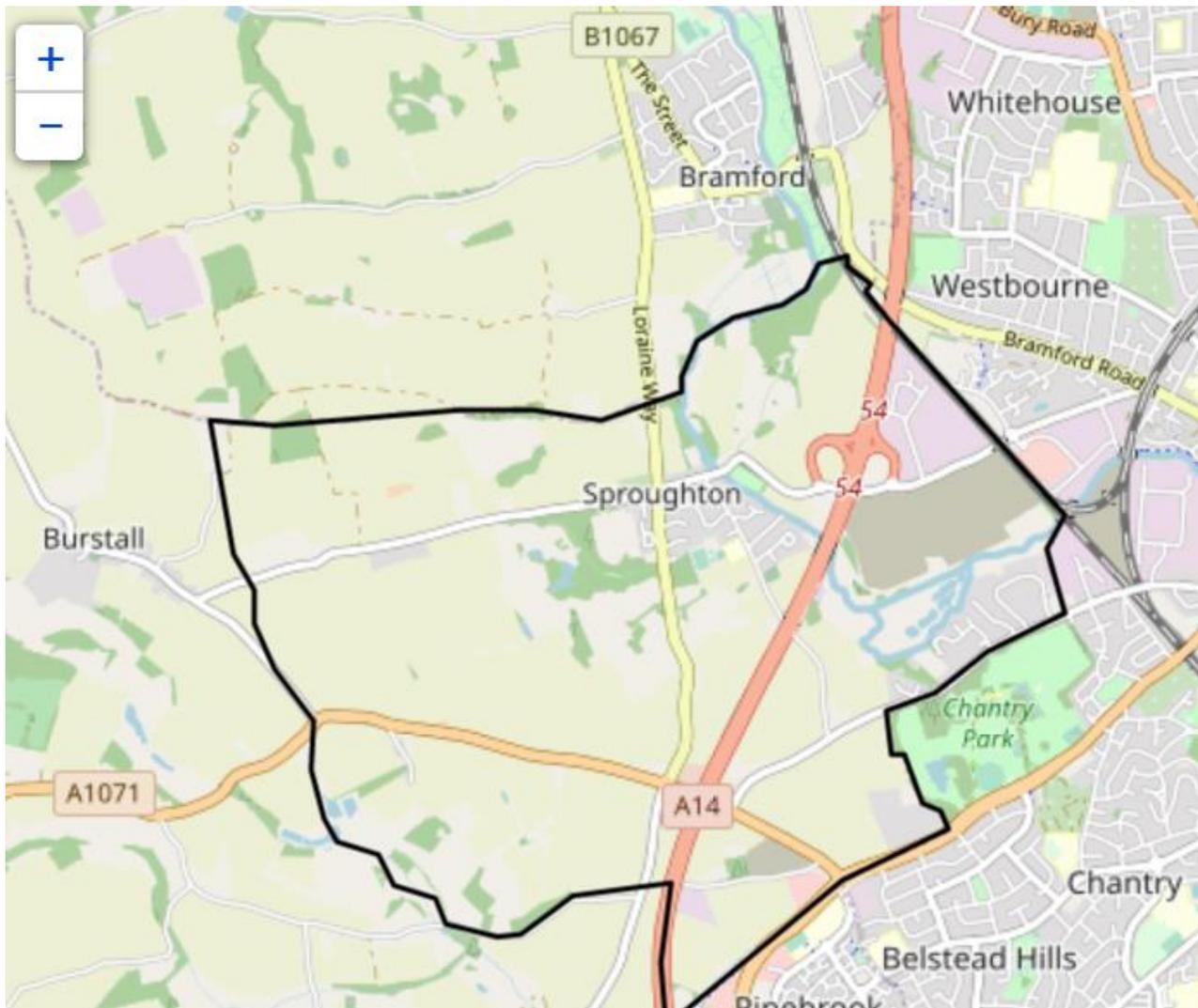
Figure 2-1: Map of the Sproughton Neighbourhood Plan area²



¹ <http://sproughton.onesuffolk.net/>

² Available at: <https://www.babergh.gov.uk/assets/Neighbourhood-Planning/Sproughton-NP-Area-Map.pdf>

Figure 2-2: Map of Sroughton NA for Census Data Gathering Purposes



Source: Census 2011

32. The neighbourhood planners are interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue has been provided where relevant and possible in the HNA.

2.2 Planning policy context

34. In line with the Basic Conditions³ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.⁴ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
35. In the case of Sproughton, the relevant local planning context is as follows:
36. The current Babergh Core Strategy, adopted in 2014, sets out detailed planning policies for the area, for the period of 2011 to 2031. Babergh District Council (BDC) is working with Mid Suffolk District Council to develop a new Joint Local Plan for the Babergh and Mid Suffolk districts, which will replace the current Babergh Core Strategy. Upon completion, the Joint Local Plan will provide the most up-to-date planning policy for the area, for the period up until 2036⁵.
37. It is relevant to note that the Babergh and Mid Suffolk Joint Local Plan--Preferred Options Consultation (Reg 18) was approved by Babergh Full Council on 25th June 2019 and Mid Suffolk Full Council on 27th June 2019⁶. However, given that the Joint Local Plan is still yet to be adopted, both the Core Strategy and the emerging Local Plan could be considered relevant material considerations for the determination of planning applications, and are consequently reviewed below.

2.2.1 Policies in the adopted local plan⁷

Table 2-2: Summary of Babergh adopted policies having relevance to Sproughton Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
Policy CS1: Applying the Presumption in favour of Sustainable Development	Babergh Core Strategy (2014)	According to this policy, BDC will take a positive approach when considering development proposals, reflecting the presumption in favour of sustainable development contained in the National Planning Policy Framework.
Policy CS2: Settlement Pattern	Babergh Core Strategy (2014)	This policy directs new development to the towns / urban areas and to the Core Villages and the Hinterland villages within Babergh. In the countryside, development is only permitted in exceptional circumstances, where the need is justified and proven. Sproughton is identified as a Hinterland Village in Policy CS2.
Policy CS3: Strategy for Growth and Development	Babergh Core Strategy (2014)	This policy makes provision for 5,975 new dwellings within Babergh District over the plan period, with 2,200 dwellings planned between 2011 and 2016 and a further 4,875 dwellings between 2017 and 2036. In terms of new land allocation numbers, provision will be made for 2,500 new dwellings, 1,050 of which will be delivered in the Core and Hinterland villages.
Policy CS11: Strategy for Development for Core and Hinterland Villages	Babergh Core Strategy (2014)	This policy states that development within Hinterland Villages will be approved where proposals demonstrate a close functional relationship to the existing settlement

³ Available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

⁴ However, this does not affect the potential for the evidence base underpinning the emerging local plan to inform or form part of the evidence base for the neighbourhood plan.

⁵ Available at: <https://www.babergh.gov.uk/assets/Strategic-Planning/Babergh-Core-Strategy/CORE-STRATEGY-AND-POLICIES-FINAL-Feb-2014.pdf>

⁶ Available at: <https://www.babergh.gov.uk/planning/planning-policy/new-joint-local-plan/joint-local-plan-preferred-options-july-2019/>

⁷ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
Policy CS18: Mix and Types of Dwellings	Babergh Core Strategy (2014)	This policy ensures that the mix, type and size of housing development reflects the established need within Babergh district. Any development on strategic housing sites or mixed-use developments with a substantial residential element will be required to make provision for the needs of vulnerable or identified groups of people.
Policy CS19: Affordable Homes	Babergh Core Strategy (2014)	This policy states all residential development will be required to provide 35% affordable housing in order to promote inclusive and mixed communities. However, individual targets may be set in Core and Hinterland Villages in Area Action Plans and Site Allocation DPDs. Where proposed development includes only one or two dwellings, or where affordable homes cannot be provided on site, a commuted sum will be required.
Policy CS20: Rural Exception	Babergh Core Strategy (2014)	This policy states that BDC will take a flexible approach to the location of rural exception sites, allowing proposals adjacent, or well related, to the settlement development boundaries of Core and Hinterland Villages, where the type, size, and character is appropriate and in line with identified needs.

Source: Babergh Core Strategy, 2014

2.2.2 Policies in the emerging local plan⁸

Table 2-3: Summary of Mid Suffolk adopted policies having relevance to Sproughton Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
Policy SP01: Housing Needs	Joint Local Plan (June 2019)	The Joint Local Plan (JLP) will seek to deliver a minimum of 7,560 additional dwellings (420 dwellings per annum) within the Babergh district over the plan period (2018 – 2036).
Policy SP02: Affordable Housing	Joint Local Plan (June 2019)	The JLP approach will seek to retain and deliver a 35% requirement for affordable housing on relevant sites of ten or more dwellings or sites of 0.5ha or more. Proposals which provide a greater amount of affordable housing than this will also be permitted, subject to the relevant Joint Local Plan policies. In exceptional circumstances, where it is evidenced and justified, and the Council is satisfied that the provision of affordable housing is not viable, the Council may agree to vary the requirement for affordable housing. A viability assessment will be required to demonstrate this.
Policy SP03: Settlement Hierarchy	Joint Local Plan (June 2019)	In all cases the scale and location of development will depend upon the role of settlements within the settlement hierarchy and the spatial distribution, the capacity of existing physical and social infrastructure or new/enhanced infrastructure, as well as having regard to the built and natural environment. The policy states that Ipswich Fringe settlements, Market Towns/Urban Areas and Core Villages will act as a focus for development. Developments will be delivered through site allocations stated in the JLP and/or in Neighbourhood Plans, and windfall development in line with the relevant policies.

⁸ Note that only those policies considered relevant to this Housing Needs Assessment have been reviewed, and that the policies reviewed may have been edited for relevance and/or clarity. As such, this summary of relevant policies should not be considered a full summary of the Local Plan in question.

Policy	Source	Provisions
Policy SP04: Housing Spatial Distribution	Joint Local Plan (June 2019)	From April 2018 to March 2036, 10% or 894 of the 9,343 total dwellings to be delivered in Babergh will be delivered in Hinterland Villages. 585 of the 894 homes to be delivered in Babergh are dwellings that have outstanding planning permission as of the 1st April 2018, with 309 remaining.
Policy SP04: Neighbourhood Plans	Joint Local Plan (June 2019)	In order to assist with delivery of the overall district housing need requirements, designated Neighbourhood Plan areas will be expected to plan to deliver the minimum housing requirements between 2018 and 2036. Neighbourhood Plan documents can seek to exceed these requirements, should the unique characteristics and planning context of the designated area enable it.
Policy LP06: Supported and Needs Housing	Joint Local Plan Special (June 2019)	Scheme composition for proposals of ten units or more or sites of 0.5ha or more must accommodate 35% affordable housing to meet affordable housing need. Moreover, proposals for ten units or more or sites of 0.5ha or more must accommodate 3% bungalows if appropriate for the scheme. The bungalows provided will be required to remain in perpetuity through the removal of permitted development rights. Therefore, it may be necessary for the Local Planning Authority to apply conditions and/or request in a planning obligation/legal agreement.
Policy LP07: Affordable Housing	Joint Local Plan (June 2019)	The Joint Local Plan will seek to retain and deliver 35% requirement for affordable housing on relevant sites of ten or more units or sites of 0.5ha or more. 984 dwellings in Babergh are to be for affordable rent / social rent, and 506 for Babergh are to be for shared ownership and 496 for Babergh are to be for discounted home ownership/starter homes ⁹ . Neighbourhood Plans may set requirements for a greater proportion of affordable housing where this is supported by evidence of need and a viability assessment. Where major development involves housing, 10% of the housing must be available for affordable home ownership as part of the overall affordable housing contribution from the site. Unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing.

Source: Joint Local Plan, June 2019

2.2.3 Quantity of housing to provide

38. The NPPF 2019 requires, through paragraphs 65 and 66, Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.
39. Babergh has fulfilled that requirement by providing Sproughton with figure of 3,370 dwellings to be accommodated within the Neighbourhood Plan area by the end of the Plan period.¹⁰ As per the Babergh and Mid Suffolk Strategic Housing and Economic Land Availability Assessment (SHELAA),¹¹ Sproughton has a dwelling capacity of 3,370 homes.
40. While the SHELAA identifies Sproughton's dwelling capacity as 3,370, it also set out individual site-by-site targets explaining how the dwelling target would be spread across Sproughton. Each of the sites are allocations from the Babergh Core Strategy and are currently either agricultural or residential purposes¹².

⁹ Note that Starter Homes are no longer being promoted by Government, and are due to effectively be replaced by the new First Home product, which is currently undergoing public consultation. More detail on this tenure can be found in the tenure chapter of this report.

¹⁰ As confirmed in a phone conversation with the NP Group.

¹¹ Available at: <https://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/Draft-BMSDC-Joint-SHELAA-Report-July-2019-v2.pdf>

¹² However, it is important to note that figure 3,370 includes sites that are not considered viable.

- A high-level review of all the sites allocated in the SHELAA indicates that Sproughton has the highest dwelling capacity of all the sites in Babergh. The total number of planned developments in the District is 8,198, of which Sproughton is the site for roughly 41% of all dwellings.
- Given that the NPPF requirement has already been fulfilled, the question of how many houses to plan for has been answered. It is therefore outside the scope of this Housing Needs Assessment. The issue of quantity has been excluded from the Research Questions (see Chapter 3 below).
- Note that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that on sites of up to 40 or 50 units, developers would not need to contribute to Affordable Housing.¹³ The purpose of this time-limited change (its duration is currently unknown) is to support small housebuilders as the economy recovers from the impact of Covid-19.
- It is important to note here because the housing requirement for Sproughton is sufficiently high that even during the period in which this temporary change applies, sufficiently large sites may still be required to deliver Affordable Housing contributions. Turning to the known housing allocations for Sproughton, it is expected that a number of sites will meet this threshold.
- When the temporary period ends, the Affordable Housing requirement in the NA will revert to the relevant adopted Local Plan policy, which, in this case, requires Affordable Housing contributions on all sites delivering more than 10 dwellings. It is also important to note that this temporary change does not impact sites allocated solely for Affordable Housing, or any Affordable Housing exception sites allocated in the Local or Neighbourhood Plan. Finally, given that the Sproughton Neighbourhood Plan is yet to be made, it is possible that the temporary period will have already elapsed by the time that it comes into force. The neighborhood planners are advised to take note of this proposal as it evolves through the consultation process.

3. Approach

3.1 Research Questions

41. Research Questions abbreviated to 'RQ;' are formulated at the start of the project through discussion with the neighbourhood group. They serve to direct the research and provide the structure for the HNA.
42. The RQs relevant to this study, as discussed and agreed with Sproughton, are set out below.

3.1.1 Tenure and Affordability

43. The neighbourhood planning group would like to understand the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.
44. This evidence will allow Sproughton to establish the right conditions for new development to come forward that is affordable, both in the broader sense of market housing attainable for first-time buyers, and as Affordable Housing for those who may be currently priced out of the market.

RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

3.1.2 Type and Size

45. The neighbourhood planning group is seeking to determine what size and type of housing would be best suited to the local community.
46. The aim of this research question is to provide neighbourhood planners with evidence on the types and sizes needed by the local community. This will help to shape future development so that it better reflects what residents need.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

¹³ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

3.2 Relevant Data

3.2.1 Local authority evidence base

47. It is appropriate for neighbourhood planners to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Sproughton Neighbourhood Area is located within Babergh's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is known as the Ipswich and Waveney Strategic Housing Market Assessment (SHMA).
48. It also relevant to note that we have consulted the Babergh and Mid Suffolk Strategic Housing and Economic Land Availability Assessment (SHELAA)¹⁴. As per the SHELAA, Sproughton has a dwelling capacity of 3,370 homes.
49. For the purpose of this HNA, data from Babergh's own evidence base to support their housing policies has been considered applicable and relevant unless it conflicts with more locally specific and/or more recently-produced evidence. The housing market evidence draws upon a range of data including population and demographic projections, housing market transactions, and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the Neighbourhood Plan area and has been referenced as appropriate.

3.2.2 Other relevant data

50. In addition to the Mid Suffolk evidence base, we have assessed other evidence to ensure our study is robust for the purposes of developing policy at the NP level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:
 - Land Registry data on prices paid for housing within the local market;
 - Population and household projections produced by the Office of National Statistics (ONS);
 - Information on current property asking prices, for housing for sale or rent, from [home.co.uk](https://www.zoopla.co.uk/);
 - Valuation Office Agency (VOA) data on local housing stock by dwelling type.

¹⁴ Available at: <https://www.babergh.gov.uk/assets/Strategic-Planning/Current-Evidence-Base/Draft-BMSDC-Joint-SHELAA-Report-July-2019-v2.pdf>

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ 1: What Affordable Housing (eg social housing, affordable rented, shared ownership, intermediate rented) and other market tenures should be planned for in the housing mix over the Neighbourhood Plan period?

4.1 Introduction

51. This section examines the tenure of dwellings in the current stock and recent supply. It then considers the affordability of housing within the area to local households. Drawing on existing evidence and AECOM's estimates for the neighbourhood area, this section quantifies the need for affordable housing within the NA. This includes Affordable Housing for rent (typically social or affordable rents) and Affordable Housing to buy. The scale of need for these homes can justify policies that guide new developments to provide Affordable Housing.¹⁵

4.2 Definitions

52. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the level of payments to be made in return for these rights. Broadly speaking, tenure falls into two categories, Affordable Housing and Market Housing, depending on whether the household benefits from a subsidy of some sort to enable them to live in their home.
53. It is necessary at this stage of the study to make clear the distinction between Affordable Housing as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, with capital letters, to denote those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social rent, affordable rent, affordable private rent (brought forward by build to rent schemes), and forms products designed to offer affordable routes to home ownership.¹⁶
54. The definition of Affordable Housing set out in the NPPF makes clear the Government's commitment to home ownership (broadening a definition which had previously referred only to social and intermediate housing to include a range of low-cost housing opportunities for those aspiring to own a home). The Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale. However, the NPPF and Homes England funding for Affordable Housing recognises the important role of affordable rent tenures for those unable to afford home ownership.

4.3 Current tenure profile

55. The current tenure pattern is a key characteristic of the local neighbourhood area. 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. Table 4-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Sproughton, compared to the rest of Babergh and England.
56. In terms of the current tenure profile of the neighbourhood, 78.7% of all residents in the NA own their homes. 13.4% of the NA's residents rent privately on the market while 6.9% of live in social rented homes. 0.2% of the neighbourhood's tenure profile comprises shared ownership tenures.
57. For clarity, if the percentages were converted to figures, this means that in Sproughton, 457 households live in their own homes, 1 household lives in a shared ownership dwelling, 40 households live in social rented housing and 78 households live in private rented housing.
58. Comparing Sproughton's tenure profile with its wider geographies, it is evident that Sproughton shares roughly the same profile as Babergh, given that most of each area's population own their own homes. While social rent is not very common in the NA, LPA and England as a whole, Sproughton has a lower percentage share of social rent as compared to both wider geographies. Sproughton has a slightly higher percentage of private rent than Babergh, but a lower percentage share relative to England.

¹⁵ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁶ NPPF 2019.

59. In sum, Sproughton's tenure profile indicates a high share of home ownership and a small portion of private renting. Its profile is similar to that of the LPA as whole, the major disparity being the relatively lower percentage of social rent in the NA.

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

Tenure	Sproughton	Babergh	England
Owned; total	78.7%	71.9%	63.3%
Shared ownership	0.2%	0.5%	0.8%
Social rented; total	6.9%	13.1%	17.7%
Private rented; total	13.4%	12.6%	16.8%

Sources: Census 2011, AECOM Calculations

60. In Table 4-2, we note the changes in tenure during the intercensal period. Between 2001-2011, the major changes were as follows:
- There was an overall decrease in shared ownership in the neighbourhood area. While the overall rate of shared ownership increased in Babergh (18.7%) and England (30%), Sproughton experienced a decline of 66.7%. However, this change was from a low base, given that shared ownership decreased from 3 units in 2001 to 1 in 2011.
 - There was an increase of both social rent and private rent in Sproughton. Compared to its wider geographies, Sproughton experienced a greater increase in social rent, considering Babergh experienced a 7.6% increase and England experienced a decrease of 0.9%.
 - In terms of private rent, Babergh experienced a very high overall increase of 101.4%, whereas England experienced an increase of 82.4%--the increase in Sproughton is still in line with regional and national trends, despite the comparatively lower rate of change. A 39.3% increase in this NA is still a significant increase considering the area's rural nature. In terms of numbers, private rented dwellings increased from 56 to 78 during the intercensal period. Such significant growth in private renting tends to indicate the declining affordability of home ownership.

Table 4-2: Rates of tenure change in Sproughton, 2001-2011

Tenure	Sproughton	Babergh	England
Owned; total	3.4%	2.3%	-0.6%
Shared ownership	-66.7%	18.7%	30.0%
Social rented; total	53.8%	7.6%	-0.9%
Private rented; total	39.3%	101.4%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

4.4 Affordability

61. Having reviewed the tenure of the existing housing stock in Sproughton, this report assesses the affordability of homes to those living in the Neighbourhood Plan area.
62. The following analysis considers house prices and rents in the NA and whether these are affordable to local households on the basis of their incomes or earnings. Poor or worsening affordability of homes to rent or buy can indicate the need to provide Affordable Housing.

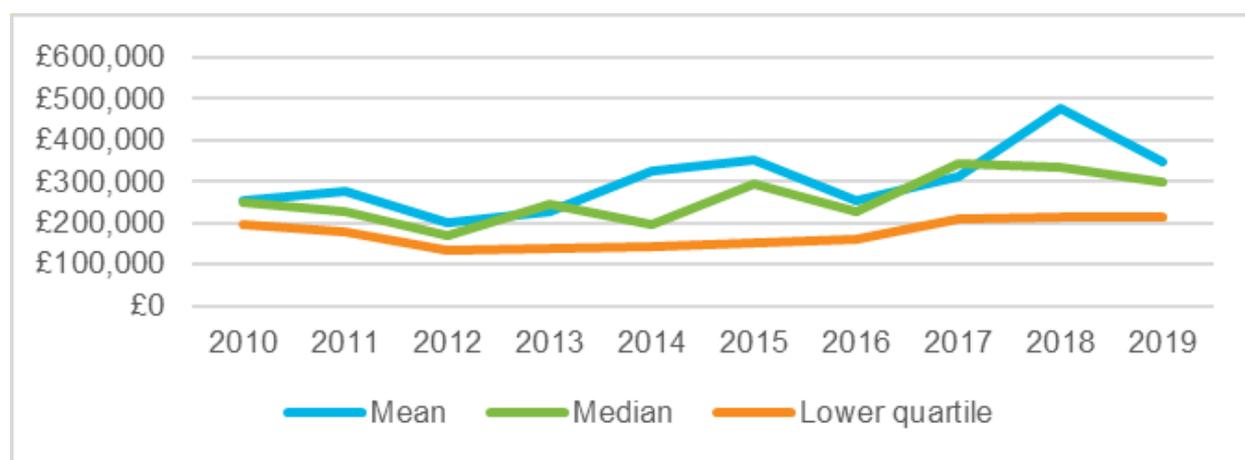
4.4.1 House prices

63. 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.
64. Figure 4-1 below looks at selected measures of house prices in Sproughton. While the NA covers parts of the postcodes IP1, IP2 and IP8, the prices below represent data from only those specific postcode areas falling within the NA boundary.
65. The data shows us that between 2010-2019, median prices increased by 20%, mean prices increased by 37.8% and LQ prices increased by 10.5%. As seen in Figure 4-1 below, median prices experienced a series of increased and

decreases over the 10-year period. Between 2010-2012, median prices slowly declined, before experiencing an increase between 2012-2013. Median prices then experienced a drop between 2013-2014, an increase again from 2014-2015 and then another price drop from 2015-2016. Median prices then increased from 2016-2017, before declining slightly from 2017-2019. Mean prices experienced similarly tumultuous change over the 10-year period, the main difference being the sharp increase from 2017-2018, which was then followed by a period of decline. As compared to mean and median prices, LQ prices remained comparatively stable over the period—prices declined between 2010-2012, and remained relatively stable from 2012-2016, before increasing slightly and remaining roughly the same from 2017-2019.

- 66. At the end of 2019, a mean property was priced £347,733, a median property was priced £300,000 and a LQ dwelling was priced £215,000.
- 67. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁷ Entry-level properties are typically those with one or two bedrooms – either flats or houses.

Figure 4-1: House prices by quartile in Sproughton between 2010 and 2019



Source: Land Registry PPD

- 68. Table 4-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). It shows that there was an overall price increase of 37.8% in the NA between 2010-2019. In terms of the prices of various dwelling types, the price of flats increased by 42.6%, the price of detached houses increased by 29.6% and the price of semi-detached homes increased by 15.2% between 2010-2019. There is no information available about the price of terraced homes in 2010, however, between 2011-2019, the price of terraced homes increased by 64.2%.

¹⁷ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Table 4-3: House prices by type in Sproughton, 2010-2019, 000's

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth
Detached	£309k	£353k	£324k	£280k	£382k	£394k	£333k	£414k	£424k	£401k	29.6%
Semi-detached	£217k	£190k	£168k	£204k	£219k	£253k	£196k	£236k	£304k	£250k	15.2%
Terraced		£120k	£124k	£118k	£165k	£201k	£153k	£172k	£157k	£197k	64.2%
Flats	£86k	£103k	£120k	£96k	£121k	£106k	£120k	£120k	£143k	£123k	42.6%
All Types	£252k	£277k	£201k	£226k	£328k	£353k	£255k	£313k	£478k	£348k	37.8%

Source: Land Registry PPD

4.4.2 Income

69. 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.
70. The first source is locally specific but limited to the average total household income and the median net annual household income before housing costs (or take-home pay). This is the average household income estimates published by ONS¹⁸ at the level of the Middle-layer Super Output Area (MSOA)¹⁹. In the case of Sproughton, the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02006231. Further details on the extent of this MSOA, including a map, and why it was selected as a proxy for the Neighbourhood Plan area, are set out in Appendix A.
71. The average total household income across E02006231 was £48,200. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.²⁰
72. The second source of data is Lower Quartile (LQ) average earnings. This is helpful for understanding affordability challenges among those with lower than average earnings. However, this data relates to individual earnings and whilst this is an accurate representation of household incomes where households have one earner, it does not represent household income where there are two people earning. It is also only available at the District level.
73. It is derived from ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. Although 2019 provisional data has been published, the revised 2018 data is considered more robust and is therefore used here.
74. Babergh's gross LQ weekly earnings for 2018 was approximately £12,293 per year. This is the LQ income before taxes (or benefits) for individual earners and so only correlates with the measure of household incomes above for single-person households. To estimate the income of LQ-earning households with two earners, the annual income is doubled, to £24,586.

4.4.3 Affordability Thresholds

75. In order to gain a clearer understanding of local affordability, it is also useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds'. Purchase thresholds denote the standard household income needed to access mortgage products, and income thresholds denote the maximum share of a family's income that should be spent on accommodation costs.
76. AECOM has determined thresholds for the income required 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 NPPF. These calculations are detailed in Appendix A. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income.

¹⁸Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2018>

¹⁹ An MSOA is a statistical area defined for Census purposes. For further information on MSOAs, see

<https://www.ons.gov.uk/methodology/geography/ukgeographies/censusgeography>

²⁰ Total annual household income is the sum of the gross income of every member of the household plus any income from benefits such as Working Families Tax Credit.

77. Table 4-4 shows the cost of different tenures and the annual income required to support these costs within Sproughton. The income required column is the annual income needed to support ongoing housing costs, but does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households able to access market housing for purchase may already hold equity from an existing property.

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

Tenure	Mortgage Value	Rent	Income required	Affordable on mean incomes? £48,200	Affordable on LQ 1 incomes? £12,293	Affordable on LQ 2 incomes? £24,586
Market Housing						
Median House Price	£270,000	-	£77,143	No	No	No
LA New Build Mean House Price	£301,255	-	£86,073	No	No	No
LQ/Entry-level House Price	£193,500	-	£55,286	No	No	No
Average Market Rent	-	£7,716	£25,694	Yes	No	No
Entry-level Market Rent ²¹	-	£8,676	£28,891	Yes	No	No
Affordable Home Ownership						
Discounted Market Sale (-20%)	£240,000	-	£61,714	No	No	No
Discounted Market Sale (-30%)	£210,000	-	£54,000	No	No	No
Discounted Market Sale (-40%)	£180,000	-	£46,286	Yes	No	No
Discounted Market Sale (-50%)	£150,000	-	£38,571	Yes	No	No
Shared Ownership (50%)	£38,571	£12,488	£51,059	No	No	No
Shared Ownership (25%)	£19,286	£18,731	£38,017	Yes	No	No
Affordable Rented Housing						
Affordable Rent	-	£5,913	£19,692	Yes	No	Yes
Social Rent	-	£4,958	£16,509	Yes	No	Yes

Source: AECOM Calculations

78. The income required to afford the different tenures is then benchmarked, in Figure 4-2 against the three measurements of household income set out above. These are the average total household income for E02006231 at £48,200 and the lower quartile gross earnings for Babergh for single-earners at £12,293 and dual-earning households at £24,586.
79. Taking into consideration the affordability thresholds set out above, it is apparent that the income required to buy an average market home for sale is higher than what would be expected to be available to those on mean household incomes. The income required to buy an average entry-level home for sale is higher than the average lower quartile household income.
80. It is clear that those on lower quartile earnings can afford entry-level market rents, affordable rent and social rent, but only where there are two members earning or with additional subsidy. Lower quartile earning households with a single earner may be able to afford social rented homes with additional subsidy, or a room in a shared dwelling using housing benefits. For lower earning households, then, the provision of social and affordable rented tenures should be prioritised.
81. Government policy aimed at tackling the housing crisis continues to attach high priority on helping those on modest incomes and others who are unable to afford market housing for purchase, such as younger buyers, to access affordable routes towards homeownership.

²¹ While it is unusual for Entry-level Market Rent to be higher than Average Rents, in cases such as this one, entry-level rents may be higher because there might be a large amount of 1 and 2 beds to rent in the neighbourhood. As a result of this, the overall average is dominated by the cheaper end. As such, the average rent thus falls below the 2-bed only (entry-level) average. See Appendix A for further details.

82. The gap between the cost of market renting and home ownership is wide, affecting those with incomes of between £28,891 and £55,286. Affordable routes to home ownership would be suitable to this group of households. With regard to the products that might be available to such households, the following observations can be made:
- It appears that both discounted market sales (without a discount of 40%) and shared ownership (25% share) would extend home ownership to those on average incomes. However, none of the affordable home ownership options can extend home ownership to those on LQ incomes, even where there might be two members earning.
 - The discount on the average market sale price required to enable households on mean incomes to afford to buy is 42%.
 - Whether discounted market sale is affordable will depend whether properties are priced in relation to average, new build or entry level homes so developers will view discounts differently. New build homes are often more expensive than properties for sale in the second-hand stock. Since it is not possible to provide new build prices at NA level, LPA prices have been used.
 - Discounts on new build or average prices may make homes no more affordable than entry level properties in the existing stock. This is the case in Sproughton, where a discount of 30% on mean house prices is still more expensive (at £210,000) than the lower quartile house price in the existing stock (£193,500).
 - As such, either even higher discounts or a requirement that discounted market homes should be benchmarked against entry-level second hand homes would be needed to make them meaningfully affordable. However, it is not realistic to expect that developers will be able to provide this without making the development in question unviable, and it is also not in the power of a Neighbourhood Plan to set such requirements. Instead, Sproughton may wish to prioritise affordable rented tenures. Alternatively, the neighbourhood planners could engage with the Local Planning Authority on the question of higher discounts which, contrary to the point above, may be possible on some of the larger sites expected to come forward during the Plan period.
 - Discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2-bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000.²² This cost excludes any land value or developer profit.
 - The income required to access Rent to Buy is the same as that required to afford market rents. In this case, this income required to access entry level rents is £25,694. Given average rents are affordable to those on mean incomes, Rent to Buy is likely to be a suitable option for those on average incomes who wish to access home ownership. However, given average rents are not affordable to households on LQ incomes, even with two earners, Rent to Buy is still not enough for LQ income households, who are likely to require affordable rented provision.
 - The Government's proposed First Homes product would provide a minimum discount of 30% on new homes. New build prices are not available at the neighbourhood level because the number of transactions is too low. However, median average prices provide a reasonable proxy for the price of new homes. In Sproughton, a 30% discount on average prices would not be sufficient to extend home ownership to households on median incomes.
83. Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes. From the table below, it is evident that a discount of more than 30% would be required for new homes to be affordable to households on average incomes. While a 42% discount is required for an average market sale product to be affordable, a 48% discount would be required for those on mean incomes to be able to afford to build a new build home.
84. In terms of the various discounts that can be offered in the case of discounted market sales, Table 4-5 shows what discounts are required in order for properties to be affordable to households on average incomes. It is worth repeating that a discount of 48% would be required. While theoretically possible and within the bounds of the Governments latest proposals on First Homes (permitting up to 50% discounts where local circumstances justify this), this rate of discount is not guaranteed to be realistic to expect developers to deliver in practice. Furthermore, while our calculations show that a 19% discount would be required for entry level sale prices to be affordable to those on mean incomes, it is worth noting that new homes are unlikely to be built with the discount benchmarked against local lower

²² This estimate is included for illustration purposes. £1,500 build cost per sq m is a reasonable estimate of current costs (mid 2020); 70 sq m for a 2 bedroom property is consistent with the Government's Nationally Described Space Standards

quartile prices. As such, it may be more effective to focus on providing other, more affordable tenures such as Rent to Buy. Table 4-6 also shows the effect of additional discounts on the purchase threshold.

85. The latest Government consultation on 'Changes to the current planning system' proposes that Local Authorities will have discretion to increase the discount on First Homes to 40% or 50%, but that this would need to be evidenced in the Local Plan making process. Though it is expected that the decision to require a higher discount and the evidence supporting it would be undertaken at district- or borough-wide level, the evidence presented in this HNA may be helpful in advancing that discussion. The evidence gathered here suggests that seeking the highest possible discounts would be justified in Sproughton.

Table 4-5: % Discount on Sale Price Required for Households on Mean Incomes to Afford

Mean household income in NA:		£48,200
Tenure/ product:		Discount on sale price required:
-	Market sale (Average)	42%
-	New build market sale (Average for LA)	48%
-	Entry level sale (LQ)	19%

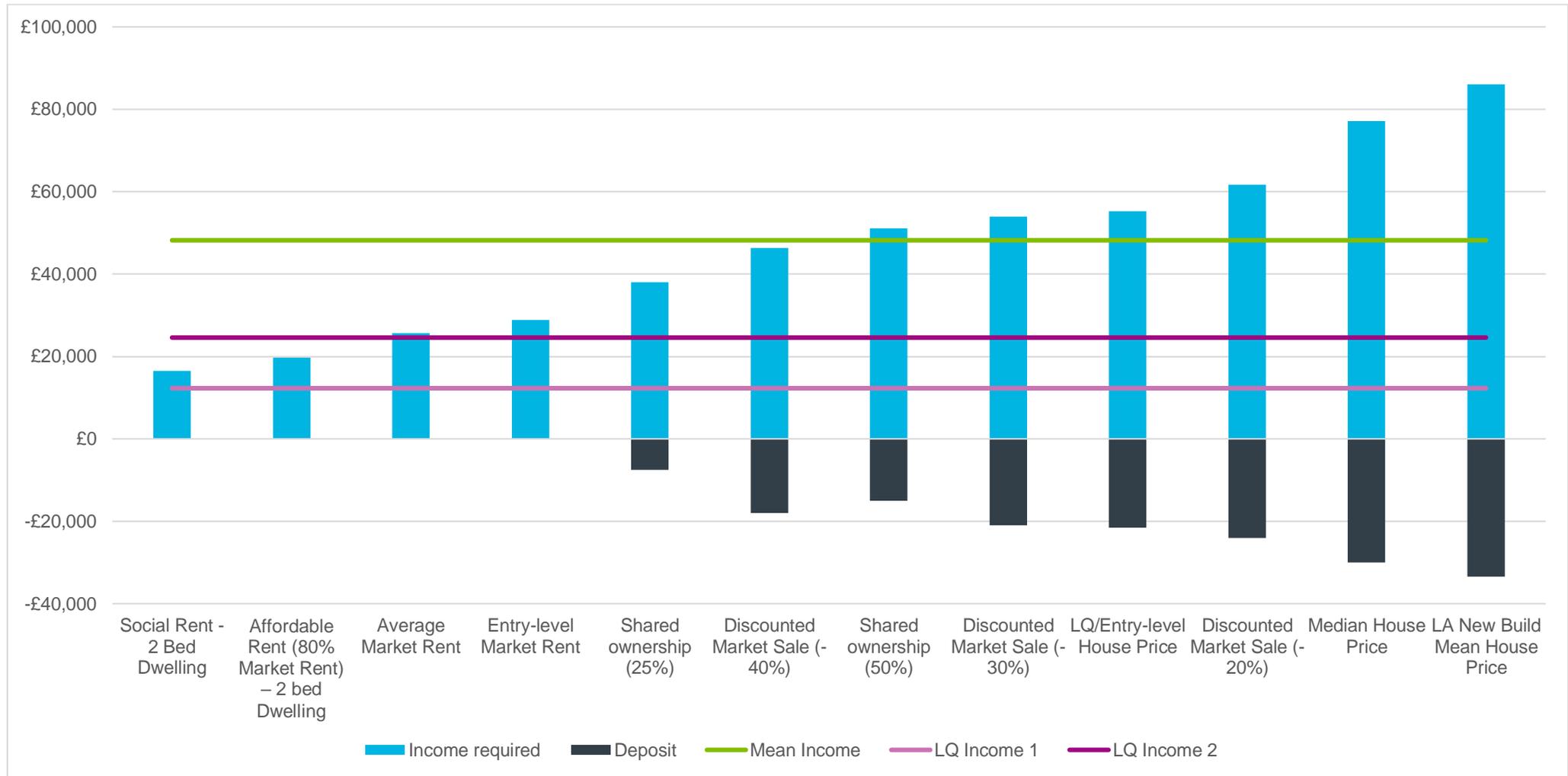
Source: Land Registry PPD; ONS MSOA total household income

Table 4-6: Discounted Market Sale

Discount	20%	30%	40%	50%
Discounted value	£240,000	£210,000	£180,000	£150,000
10% Purchase deposit	£24,000	£21,000	£18,000	£15,000
Value for mortgage	£216,000	£189,000	£162,000	£135,000
Purchase Threshold	£61,714	£54,000	£46,286	£38,571

Source: AECOM Calculations, 2011; Land Price PPD

Figure 4-2: Affordability thresholds in Sproughton (income required, £)



Source: AECOM Calculations

4.5 Affordable housing- quantity needed

86. The starting point for understanding the need for affordable housing in Sproughton is the relevant Strategic Housing Market Assessment. A SHMA was undertaken for the Ipswich and Waverly Housing Market area in 2017. This study estimates the need for affordable housing in the District based on analysis of the Council’s waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.
87. The SHMA sets out a need for 73 affordable homes in Babergh each year or 1,095 over the plan period.
88. When the SHMA figures are pro-rated to Sproughton based on its fair share of the population (1.6% of the LPA’s population), this equates to 1.17 homes per annum (predominately for social/affordable rent) or 17.55—that is, 18 homes over the Neighbourhood Plan period (2021-2036).
89. However, pro-rating District level estimates of affordable housing need to rural areas presents problems in practice. The District level figures are likely to represent higher needs in the urban areas of the District where there is a large social housing stock and larger numbers of households living in the PRS on housing benefit. Both of these factors tend to generate higher needs.
90. However, given Sproughton is an unusual case with a high number of expected new dwellings, it is likely that people who require social housing from other areas of Babergh might turn to the new development for affordable homes.
91. We have also gathered information from Babergh’s Housing Register relating to Sproughton specifically (see Figure 4-3 below). This data shows that, as of a snapshot in time in June 2020, there are 7 households in need of Affordable Housing.
92. From the table below, it is evident that there is a need for smaller, affordable homes and that there might be a need for accommodation for the elderly, given three out of the seven applicants were over the age of 55. Furthermore, the data in the table below is consistent with needs identified in previous years—based on our review of available records from 2015-2019, one and two-bedroom homes are the most frequent request in Sproughton.

Figure 4-3: Housing Register Applicants (June 2020)

Bedroom Size:	Band:	No of Applicants with Local Connection:
1b	A	
1b	B	
1b	C	1
1b	D	
1b	E	3
2b	A	1
2b	B	
2b	C	
2b	D	
2b	E	1
3b	A	
3b	B	

3b	C	
3b	D	
3b	E	1
Total No of Applicants with LC = 7		
Over 55's = 3 (born before 1964)		

Source: Housing Register, Babergh District Council 2020

93. Figure 4-4 estimates potential demand for affordable home ownership products within Sproughton. This estimate broadly counts households living in the private rented sector (PRS) who are not on housing benefit and new households likely to form over the plan period who are likely to enter the private rented sector (but not require housing benefit). The model aims to estimate the number of households who can rent but can't buy on the basis of their incomes. 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 discounts 25% of these households, assuming a proportion will be renting out of choice. This leaves around 4.4 households per annum who may be interested in affordable home ownership (66 over the plan period).

Figure 4-4: Estimate of the potential demand for affordable housing for sale in Sproughton

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in NA	95.1	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	16.2%	% of renters in 2018 on housing benefit (based on LA proportion)
1.3 Number of renters on housing benefits in NA	15.4	1.1 x 1.2
1.4 Current need (households)	59.8	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	4.0	1.4/ plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	76.7	LA household projections for plan period (2014 based) pro rated to NA
2.2 % of households unable to buy but able to rent	10.2%	Current % of households in PRS
2.3 Total newly arising need	7.8	2.1 x 2.2
2.4 Total newly arising need per annum	0.6	2.3/ plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	2.8	Number of shared ownership homes in NA (Census 2011 + new build to 2018/19)
3.2 Supply - intermediate resales	0.1	3.1 x 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Shortfall (per annum)	4.4	Shortfall = (Step 1.5 + Step 2.4) – 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, CLG 2014 based household projections and net additions to affordable housing stock. Figures may not sum due to rounding.

94. It is important to keep in mind that the households identified in the estimate in Figure 4-4 are, by and large, adequately housed in the private rented sector. They do not lack their own housing but would prefer to buy rather than rent.

95. There is no policy or legal obligation on the part either of the Local Authority or neighbourhood planners to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to neighbourhood planners that can help ensure that it is met to a greater extent if resources permit (eg the ability to allocate sites for affordable housing).
96. It is also important to remember that even after the Sproughton, or indeed any other, 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 neighbourhood planners.
97. In this sense, it must be acknowledged that neighbourhood plans are by their nature relatively constrained in terms of the extent to which they can meet affordable housing need, unless there is a specific policy on the housing supply-side (e.g. the identification of one or more housing exception sites over and above those required by the Local Plan).

4.5.1 Affordable Housing Policies in Sproughton

98. Babergh's Local Plan policy in relation to Affordable Housing (Policy LP07) states that the Joint Local Plan will seek to retain and deliver 35% requirement for affordable housing on relevant sites of ten or more units or sites of 0.5ha or more. This policy states all residential development will be required to provide 35% affordable housing in order to promote inclusive and mixed communities.
99. Note, however, that the Government's August 2020 consultation proposals for 'Changes to the current planning system' include a temporary measure to lift the small sites threshold. This would mean that developers would not need to contribute to Affordable Housing on sites of up to 40 or 50 units. This represents a significant increase on the threshold sought in the Local Plan (cited above), and therefore may reduce the delivery of Affordable Housing on normal development sites during the temporary period in which it applies.
100. It is expected that this temporary period will be short and, being introduced to combat the economic impacts of Covid-19 on small builders, may have already elapsed by the time the Neighbourhood Plan is made. Nevertheless, it could have an impact on Affordable Housing delivery in the short term, and warrants the attention of the neighborhood planners as the Government consultation proceeds. For more detail on this proposal in relation to the overall quantity of housing expected in the NA during the Plan period and a link to the consultation document, see the 'Quantity of housing to provide' section at the start of this report (section 2.2.3).
101. The neighbourhood group may wish to develop policies on the mix of Affordable Housing delivered in Sproughton. It is not the role of the HNA to develop policy, as there are a wider set of factors which apply and need to be considered by the neighbourhood planners. However, the following evidence and considerations may be used as a starting point in the development of policy. On the balance of the evidence in this HNA, AECOM set out a judgement on the starting point for an appropriate tenure mix in Sproughton.
 - i. **Evidence of need for Affordable Housing:** AECOM's estimate of the potential demand for affordable home ownership options suggest there may be a need for these homes in Sproughton to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 66 homes over the plan period. Furthermore, if Sproughton was to meet its share of Babergh's need for social/affordable rented housing this would imply 18 homes over the plan period.
 - ii. **Can Affordable Housing needs be met in full?** The HRF for the NA is 3,370. Given the LPA requires at least 35% of homes delivered to be affordable housing, roughly 1,180 affordable dwellings can be expected to be delivered during the Plan Period. It is of relevance to note that not all of the sites expected to be delivered in the NA will exceed the threshold required for the affordable housing policy to be implemented, thereby making the delivery of 1,180 affordable homes the best-case outcome in terms of affordable housing provision. However, in this case, even a slightly lower level of housing delivery would allow housing needs in Sproughton to be met in full, given AECOM identified the total need for 84 affordable homes within the plan area.

However, these figures require some nuance, given the unique position Sproughton is in. A significant part of the planned 3,370 dwellings will likely cater to the wider housing market area (HMA) and are not understood to be intended to address the needs of the NA exclusively. As per the Core Strategy, Sproughton is a unique case because of its location—that is, the parish forms part of the urban edge of Ipswich, with farmland and the A14 separating urban Ipswich from the historic village. This means the planned development will provide homes for communities that work and live around the Ipswich fringe and will use the services and facilities neighbouring areas offer.

- iii. **Government policy (e.g. 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. Since the Local Plan requires 35% of all homes delivered to be affordable, at least 29% of Affordable Housing would need to be routes to home ownership in order for such products to total more than 10% of all housing. Based on the findings of this HNA, going beyond the 10% threshold would not impact on the ability to deliver social/affordable rented homes for existing Sproughton residents, due to the high volume of housing delivery expected. There seems to be some demand for affordable housing for sale in the neighbourhood area, thus potentially increasing the supply of such homes can provide more options for young buyers, such as for families and newly forming households.

Emerging policy: the Government is currently consulting on the introduction of First Homes (to provide at least 30% discount on new build home prices). The most recent consultation outlines the Government's intention to require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes. The outcome of this consultation and the policy which emerges may shape the provision of different forms of Affordable Housing on new development sites, and the neighbourhood group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

The 25% First Homes requirement is likely to displace other affordable home ownership products in the first instance. Those affordable home ownership products providing the lowest discount should be displaced first. However, affordable rented products may also be affected depending on the tenure mix sought (i.e. if more than 75% of affordable housing is intended as affordable rent, this would need to be reduced to a maximum of 75% affordable rent so that First Homes can constitute 25% of all affordable housing). As yet, it is unclear whether there will be any flexibility over this 25% requirement to take account of local circumstances.

- iv. **Local Plan policy:** While Babergh's emerging Local Plan does not specify a tenure mix, it does specify the numbers of dwellings of each tenure that should be built in the District. As per Policy LP07, 984 dwellings in Babergh are to be for affordable rent / social rent, and 506 for Babergh are to be for shared ownership and 496 for Babergh are to be for discounted home ownership/starter homes. This provides a 50/50 headline split between affordable rented tenures and affordable routes to home ownership. This is understood to be derived from the Ipswich and Waverly updated SHMA (2019), which recommends a split of affordable housing wherein 13.3% of housing is Affordable Rented and 13.5% is affordable home ownership (6.8% shared ownership and 6.7% starter homes).

It is worth noting that this implicit tenure split represents a change from the adopted plan, which explicitly states a target that 75% of Affordable Housing should be rented and 25% consist of affordable routes to home ownership. However, the implicit tenure split in the emerging Local Plan are not understood to be targets that must be sought in every individual development. Rather, the target numbers of the various products are for the district as a whole. As such, the default tenure split on the expected development sites in Sproughton will be 75/25 in favour of rented tenures until such time as the emerging Local Plan is adopted. When this occurs (if the Plan is adopted without changes in this area of policy) there will be no rigid tenure split requirement for any given site.

- v. **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 Council's adopted/emerging Local Plan and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.
- vi. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The neighbourhood group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
- vii. **Existing tenure mix in Sproughton:** As for our analysis in the sections above, the evidence suggests there is limited social rent and close to no shared ownership in the NA at present. Between 2001-2011, shared ownership decreased from 3 dwellings to one. The lack of affordable housing compounded with other pieces of evidence presented here—such as the demand for affordable rented homes as per the Housing Register and AECOMs calculation of the need for AH for sale and rent—suggests that some provision of Affordable Housing is required and would offer a wider choice of homes for local residents and, importantly, may allow those on lower incomes including newly forming households and younger families to remain in or move to the area if suitable and affordable products can be delivered at affordable price points.
- viii. **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 this area.

- ix. **Wider policy objectives:** the neighbourhood group may wish to take account of broader policy objectives for Sproughton and/or the wider District. These wider considerations may influence the mix of Affordable Housing provided.
102. Given the proposed development must cater to the needs of the NA and serve the wider HMA, it is important to consider Sproughton's location within the wider area so that an appropriate housing mix might be suggested. As per the Core Strategy (2014), one of Babergh's most significant centres of population is the area known as the Ipswich Fringe, which includes Copdock & Washbrook, Pinewood, Wherstead, Sproughton and Belstead, which combined have a population of 7,590. While considering the needs of each individual area listed here is outside the scope of this HNA, it is important to consider some of the social and demographic characteristics of the wider area:
- i) A key social issue is the affordability of housing for sale in Babergh: the Core Strategy finds Babergh the second least affordable district in the area and states that although prices averages are dropping, "in real terms many people would still find buying a house unaffordable."
 - ii) Next, despite ranking low in terms of deprivation, many rural parts of Babergh are deprived in terms of access to housing (social and affordable rent).²³
 - iii) Another key point to consider is how the redevelopment of the former sugar factory site at Sproughton is likely to affect housing needs in the area—the creation of a new employment site means that at least some of the housing need will come from those that work at the site.
103. In so far as the Neighbourhood Plan will be able to influence the type of affordable housing to come forward during the Plan period, the priority for the Parish Council should be to ensure that the needs of existing local households are not obstructed in favour of the needs of the wider Ipswich fringe population. Given that only 84 units of Affordable Housing are estimated to be required to meet the needs of local people, and that over 1,000 units of Affordable Housing are expected to come forward, it is unlikely that those 84 households will be unable to access suitable new affordable accommodation. There appears to be no specific need for the Neighbourhood Plan to require a tenure split that departs from that of the Local Authority. As long as a relatively diverse mix of affordable products come forward at the volume expected, the needs of local residents will be met. (Note that the question of how subsidised housing should be allocated to applicants, and the degree to which existing residents or those with a local connection might be prioritised, is outside the scope of this HNA and is rather an issue which may benefit from dialogue with Mid Suffolk Council.)
104. In Table 4-5 below, two alternative scenarios for the tenure mix of Affordable Housing in Sproughton are presented. Note that we assume, in accordance with current practice, that most Affordable Housing will be brought forward through developer contributions. If the neighbourhood planners are considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
105. The **first scenario (Mix 1 – Indicative mix based on local needs)** most closely reflects local needs in Sproughton as identified in the HNA evidence. We recommend an indicative tenure split of 29%/71% (affordable home ownership/affordable housing for rent) to meet the needs of existing households. This split is in line with NPPF Guidance, by ensuring that 10% of all housing is Affordable Housing for ownership. Furthermore, this split is also broadly consistent with the proposed split set out in the existing adopted local plan, which gives 75/25.
106. By following a 71/29 split, the NP group will be able to prioritise affordable rented housing, and also be able to deliver a large quantity of affordable housing as ownership products, which the NA would greatly benefit from given that there is currently very low shared ownership in the NA and that shared ownership is affordable for households on mean incomes. Furthermore, supplying a certain amount of AH for sale will allow young buyers from other parts of the district to live in Sproughton as well as cater to the needs of younger households within the NA.
107. The Neighbourhood Plan may, however, wish to influence the specific affordable home ownership products that are supported on Sproughton's development sites, in order to ensure that approximately 66 such homes are genuinely affordable to local people. Evidence on the affordability of different affordable home ownership products suggest that discounted market homes would not extend home ownership in this area.
108. The evidence demonstrates that a discount of at least 40% (depending on how discounts are benchmarked) would be required for households on mean incomes to be able to afford to buy the product, thereby extending some (limited) home ownership in Sproughton. However, given the scale of new development in Sproughton, it is possible that such discounts might be achievable and that a wider range of products and price points could be provided. It is also worth

²³ <https://www.midsuffolk.gov.uk/assets/Strategic-Planning/Babergh-Core-Strategy/CORE-STRATEGY-AND-POLICIES-FINAL-Feb-2014.pdf> (see: page 9)

noting that the 2019 SHMA identified the need for 495 discounted market dwellings in Babergh over the plan period. Some of this identified need could be met through the planned development in Sproughton.

109. On comparing discounted market sales and shared ownership tenure options, it is evident that shared ownership should be prioritised in the NA—the income required to access even the 25% ownership option (£38,017) is much lower than the income required to access a discounted market sale product at 40% discount (£46,286). This tells us that shared ownership might offer home ownership to a larger group of people and is thus worth strongly considering as one of the routes to home ownership.
110. However, note that as per the affordability thresholds set out in this chapter, there is a large group of people earning between £48,200 and £55,286, who could still benefit from the wider access to new housing that discounted market housing could provide.
111. Next, given the increase in the proportion of private renters in the NA and that average rents are affordable to those on mean incomes, AECOM also suggests that the group consider whether Rent to Buy might be a suitable product in this area. Rent to Buy offers households the opportunity to rent in the PRS (at a discount) whilst saving towards a deposit to purchase the home after a defined period. This product has the potential to extend home ownership to those households who are unable to buy because they have insufficient savings.
112. The **second scenario (Mix 2 – Indicative mix with 25% First Homes requirement)** is aligned with the direction of travel in the Government's most recent policy proposals, in which it is intended that 25% of all Affordable Housing will be required to be provided as First Homes. This outcome is more likely than the first scenario, because the Government proposals are at an advanced stage of development. However, this is proposed here as one of two alternative scenarios in case the First Homes policy proposals do not progress. Given that First Homes have been found to be generally not affordable to local people in Sproughton unless the highest possible discounts can be achieved, if the Government proposal requiring 25% First Homes does not come forward as currently proposed, it is recommended that the neighbourhood planners revert to the other indicative mix as their starting point for policy development in this area.
113. Note also that the Government proposals state that if First Homes are required at 25% of Affordable Housing that comes forward through developer contributions and this results in displacing other tenures within the affordable mix, the tenure products providing the lowest effective discount should be displaced in the first instance. In this case, in order to accommodate the 25% First Homes requirement, the suggested affordable routes to home ownership (rent to buy and shared ownership) would be displaced equally and reduced to 2% each.
114. Where the neighbourhood planners wish to develop policy that requires a different mix to that set out in the Local Plan, it is important that they liaise with the LPA to gather more detailed income and viability information, and to ensure that departures from the district-level policy context have the LPA's support. Liaising with the LPA will be particularly important where the Local Plan tenure split can be expected to be adjusted in light of the latest Government proposals, to ensure that the Neighbourhood Plan's approach in reflecting these changes is in line with the LPA approach. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-size circumstances in addition to this evidence.
115. AECOM cannot provide guidance on the appropriate share of social/affordable rented homes as this will depend on the level of funding available to housing associations which will determine at what level rents can be set. Registered providers (eg housing associations) may be reluctant to deliver small numbers of homes where there are ongoing management costs involved. For this reason, the proportion of rented homes which can be secured may depend on the willingness of local housing association to maintain and manage small numbers of homes.
116. Mix 2 put forward below aligns as closely as possible with emerging Government policy as currently proposed. If those proposals do not go forward, the recommended starting point for the tenure mix in the NA will be Mix 1 below. However, the considerations detailed above will remain relevant for determining a more appropriate mix in the light of national policy changes or other unexpected developments.

Table 4-5: Indicative tenure split (Affordable Housing)

Tenure	Mix 1. Indicative mix based on local needs	Mix 2. Indicative mix with 25% First Homes requirement	Considerations and uncertainties
Routes to home ownership, of which	29%	29%	Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes ²⁴	9%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	10%	2%	Proposed changes to the model to allow purchases of 10% share ²⁵ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	10%	2%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which	71%	71%	
Social rent	To be set by Registered Providers	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	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area

Source: AECOM calculations

117. Assuming that the Government’s proposal that 25% of all affordable Housing should be First Homes is formalised, the neighbourhood group will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. The evidence gathered here suggests that this proposal would not impact on the ability of Sproughton to accommodate those with the most acute needs. While the proposal will not affect the percentage of affordable rent, it will reduce the share of affordable home ownership available to residents of Sproughton, that can afford shared ownership and rent-to-buy. As demonstrated in the sections above, discounted market sales (including the proposed First Homes discount) would not extend home ownership in the neighbourhood area.
118. However, the neighbourhood planners should note that the First Homes product has not been formally implemented, and should monitor the outcomes of the Government consultation closely.

4.6 Conclusions- Tenure and Affordability

119. In terms of the current tenure profile of the neighbourhood, 78.7% of all residents in Sproughton own their own homes. 13.4% of the NA’s residents rent privately on the market while 6.9% live in social rented homes. 0.2% of the neighbourhood’s tenure profile comprises shared ownership tenures. Sproughton’s tenure profile indicates a high share of home ownership and a small portion of private renting. It’s profile is similar to that of the LPA as whole overall, although there is a relatively lower percentage of social rent in the NA.

²⁴ In the event that the First Homes product does not go forward at all, the proportion of Affordable Housing allotted to First Homes in Mix 1 could be re-allocated to discounted market sales housing if this is available at broadly equivalent discounts, or to other forms of affordable home ownership also recommended in the table.

²⁵ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

120. Between 2001-2011, the major changes were an overall decrease in shared ownership in the NA, and an increase of both social rent and private rent – which is understood to be indicative of the declining affordability of home ownership in relation to incomes.
121. In terms of house prices, the data shows us that between 2010-2019, median prices in Sproughton increased by 20%, mean prices increased by 37.8% and LQ prices increased by 10.5%. At the end of 2019, a mean property was priced £347,733, a median property was priced £300,000 and a LQ dwelling was priced £215,000.
122. In terms of the prices of various dwelling types, the price of flats increased by 42.6%, the price of detached houses increased by 29.6% and the price of semi-detached homes increased by 15.2% between 2010-2019. There is no information available about the price of terraced homes in 2010, however, between 2011-2019, the price of terraced homes increased by 64.2%.
123. By benchmarking the incomes required to afford the different tenures in the neighbourhood area, we determined the following:
- The gap between the cost of market renting and home ownership is wide, affecting those with incomes of between £28,891 and £55,286. Affordable routes to home ownership would be suitable to this group of households.
 - It appears that both discounted market sales (without a discount of 40%) and shared ownership tenures (at a 25% share) would extend home ownership to those on average incomes. However, none of the affordable home ownership options can extend home ownership to those on LQ incomes, even where there might be two members earning.
 - In terms of discounts required in order for properties to be affordable to households on average incomes, our calculations determined a discount of 48% would be required. While theoretically possible, this rate of discount is unlikely to be realistic to expect developers to deliver in practice.
 - The income required to access Rent to Buy is the same as that required to afford market rents. In this case, this income required to access entry level rents is £25,694. Given average rents are affordable to those on mean incomes, Rent to Buy is likely to be another option for those on average incomes. However, given average rents are not affordable to households on LQ incomes, even with two earners, Rent to Buy is not an accessible home ownership option for LQ income households.
 - Finally, the evidence shows that households on lower quartile earnings can afford entry-level market rents, affordable rent and social rent, but only where there are two members earning or with additional subsidy. For such households, the provision of affordable rented tenures should be prioritised.
124. It is estimated there will be a need for 66 affordable homes for sale and 18 affordable homes for rent over the plan period for existing Sproughton residents. 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, and implemented by the LPA. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts are all tried and tested ways of boosting the supply of affordable housing above the minima indicated by Local Plan policy.
125. Given the proposed development must cater to the needs of the NA and serve the wider housing market area, it is important to consider Sproughton's particular circumstances. As per the Core Strategy (2014), one of Babergh's most significant centres of population is the area known as the Ipswich Fringe, which includes Copdock & Washbrook, Pinewood, Wherstead, Sproughton and Belstead, which combined have a population of 7,590. As such, flexibility in the tenure split proposed here to meet the needs of existing residents may be warranted in order to optimally meet the needs of new households as well, as long as this does not jeopardise the needs of local people. Our research, and particularly the fact that over 1,000 affordable homes may be expected, suggests that there is unlikely to be a conflict between the needs of local people and those moving in from the wider area.
126. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Sproughton based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 71% of affordable homes be provided as rented tenures, and the remaining 29% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 71% of affordable homes be provided as rented tenures, with 25% as First Homes and the remaining 4% split evenly between shared ownership and Rent-to-Buy. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.
127. Table 4-6 below summarises Sproughton'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 each of the tenure mixes proposed in this HNA were rigidly enforced (note that here both tenure mixes have the same headline split between rented and affordable ownership tenures). In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighborhood plan (e.g. if the group plan for more housing (and therefore more affordable housing) than the local plan, or if the group decide to influence the tenure mix in other ways), or as a result of site-specific constraints.

128. Note that this table assumes that most or all of the expected housing delivery in the NA will take place after the Government's proposal to temporarily lift the site size threshold for Affordable Housing has ended. If that period extends beyond the date on which the Neighbourhood Plan is made and also influences the rate of Affordable Housing delivery on relevant development sites, the quantity of Affordable Housing to be provided in the NA during the Plan period may be lower than the estimate below.

Table 4-6: Estimated delivery of Affordable Housing in Sproughton

	Step in Estimation	Mix 1 based on local needs	Mix 2 with 25% First Homes requirement
A	Provisional capacity figure	3,370	3,370
B	Affordable housing quota (%) in LPA's Local Plan	35%	35%
C	Potential total Affordable Housing in NA (A x B)	1,180	1,180
D	Rented % (e.g. social/ affordable rented)	71%	71%
E	Rented number (C x D)	838	838
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	29%	29%
G	Affordable home ownership number (C x F)	342	342

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

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

5.1 Introduction

129. The Sproughton Neighbourhood Plan may benefit from the inclusion policies informed by evidence on what sizes and types of housing would be best suited to the local community. This will help ensure that future developments give local people options within the housing market at all stages of life.
130. PPG recommends a consideration of the existing housing provision and its suitability, having regard to demographic shifts in age and household composition, to address future, as well as current community need. For this reason, we firstly consider the type and size of the existing housing stock in Sproughton. Demographic shifts in age and household composition will then be considered. Finally, the future demand for housing by size and type is determined by the way different household types currently occupy their dwellings in the Local Authority, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

5.2 Existing types and sizes

5.2.1 Background and definitions

131. Before beginning our consideration of dwelling type and size, it is important to understand how different types of households occupy their homes. Crucially, and unsurprisingly, household ‘consumption’ of housing (in terms of housing size) tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth, income, and age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability.
132. In this context, even smaller households (those with fewer than three inhabitants) may be able to choose to live in larger homes than they require, and would be defined in Census terms as under-occupying their homes. This is a natural feature of the housing market, and can distort considerations of future housing needs, with market dynamics and signals giving a very different picture to demographics, household type and size.
133. In order to understand the terminology surrounding dwelling size analysis, it is important to note that the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls. Dwelling size data is collected by determining the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ can be translated as follows²⁶:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 3 bedrooms and 2 reception rooms and a kitchen, or 4 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 4 or more bedrooms
134. It is also useful to clarify the Census terminology around dwellings and households spaces. These can be confusing where different terminologies such as flats, apartments, shared and communal dwellings, and houses in multiple occupation, are used. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained.²⁷ As such, all dwellings are classified into either “shared” or “unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
135. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same

²⁶ At <https://www.nomisweb.co.uk/census/2011/qs407ew>

²⁷ At <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

address who share cooking facilities and share a living room or sitting room or dining area.”²⁸ On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

5.2.2 Dwelling type

136. The 2011 Census shows that there were 599 households in Sproughton, living in 348 detached houses, 139 semi-detached, 50 terraced houses, and 62 flats. Compared with Babergh, Sproughton is characterised by both a high percentage of detached homes and a relatively higher percentage of flats, maisonettes or apartments. We will consider each of these in turn.
137. As seen in Table 5-1 below, 58.1% of the housing stock in Sproughton consists of detached homes, which is a higher percentage share than is seen in both Babergh and England as a whole. Compared to its wider geographies, Sproughton has a lower share of semi-detached and Sproughton’s low share of terraced homes is a significant deviation from regional and national trends.
138. Compared to Babergh, flats comprise a higher percentage share of Sproughton’s dwelling stock, although at 9.7% this remains below the national average.

Table 5-1: Accommodation type (households), Sproughton 2011

Dwelling type		Sproughton	Babergh	England
Whole house or bungalow	Detached	58.1%	41.6%	22.4%
	Semi-detached	23.2%	29.4%	31.2%
	Terraced	8.3%	21.7%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	9.7%	5.5%	16.4%
	Parts of a converted or shared house	0.3%	0.9%	3.8%
	In commercial building	0.3%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

5.2.3 Dwelling size

139. Table 5-2 below sets out the distribution of the number of rooms by household space. The housing stock in Sproughton is characterised by a relatively high percentage of large sized homes. As per table 5-2 below, 22.4% of the housing stock in Sproughton comprises homes with nine or more rooms, which is exactly double the percentage share across Babergh as a whole. Roughly 37% of dwellings in Sproughton have five or six rooms – the most common size categories – although this is a lower total proportion in those categories than is evident in Babergh. There are also no one room homes in the NA.
140. Aside from the above point, Sproughton generally has a similar dwelling size profile to Babergh. Both the NA and the LPA have a low percentage of one-three room homes and a larger percentage of homes with five or more rooms.

Table 5-2: Number of rooms per household in Sproughton, 2011

Number of Rooms	Sproughton	Babergh
1 Room	0.0%	0.2%
2 Rooms	1.0%	1.3%
3 Rooms	5.9%	5.3%
4 Rooms	12.2%	15.9%
5 Rooms	18.6%	24.5%
6 Rooms	18.4%	19.5%
7 Rooms	10.5%	12.6%
8 Rooms or more	11.0%	9.6%
9 Rooms or more	22.4%	11.2%

Source: ONS 2011, AECOM Calculations

²⁸ Ibid.

141. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main observations are as follows:

- i. There was no change in the percentage of one room dwellings in Sproughton (staying the same at 0 dwellings), while the percentage of one room homes in Babergh declined by roughly 29% over the same period. There was also a 5% decline in England as a whole.
- ii. The number of two room dwellings in Sproughton decreased by 25% while increasing by 18% in Babergh and 24% in England. It is worth noting that this decrease was a low base: two room dwellings decreased from 8 in 2001 to 6 in 2011.
- iii. The number of five room dwellings decreased by 21% in Sproughton. While this decrease is consistent with regional and national trends, the decline in Babergh and England was to a much smaller extent. It is unclear from the Census data why this specific dwelling category saw such a large decline.
- iv. The numbers of dwellings with both four and six rooms in Sproughton increased over the period. Compared to Sproughton's wider geographies, the percentage was much higher in the NA. In the case of four-room dwellings, it is worth noting that while the percentage of four room homes increased in England, there was a 1.9% decrease in Babergh.

Table 5-3: Rates of change in number of rooms per household in Sproughton, 2001-2011

Number of Rooms	Sproughton	Babergh	England
1 Room	0.0%	-29.1%	-5.2%
2 Rooms	-25.0%	17.9%	24.2%
3 Rooms	6.3%	17.2%	20.4%
4 Rooms	22.4%	-1.9%	3.5%
5 Rooms	-20.6%	-4.5%	-1.8%
6 Rooms	23.0%	10.8%	2.1%
7 Rooms	19.6%	16.6%	17.9%
8 Rooms or more	10.9%	23.4%	29.8%

Source: ONS 2001-2011, AECOM Calculations

142. Returning to the most recent Census data, it is also useful to compare the figures for number of rooms with figures for the number of bedrooms for each household. Table 5-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows that there is a high stock of dwellings with three and four bedrooms in Sproughton. Roughly 57% of Sproughton's housing stock consists of three-four-bedroom homes. There is also a large share of two-bedroom dwellings in the NA. Dwellings with one bedroom are the least common.

143. Compared to wider geographies, Sproughton deviates from regional and national trends in the following ways:

- i. Sproughton has a relatively lower share of three-bedroom dwellings (29.8%) as compared to Babergh (42%) and England (41.2%)
- ii. Sproughton has a relatively higher share of four-bedroom dwellings (27%) than Babergh (20.2%) and England (14.4%).
- iii. Sproughton has a relatively higher share of dwellings with five or more bedrooms (11%) than its comparator geographies.

144. In sum, it is evident that Sproughton has a generally larger stock of housing than both wider geographies.

Table 5-4: Number of bedrooms in household spaces in Sproughton, 2011

Bedrooms	Sproughton		Babergh		England	
All categories: Number of bedrooms	581	100.0%	37,522	100.0%	22,063,368	100.0%
No bedrooms	0	0.0%	48	0.1%	54,938	0.2%
1 bedroom	40	6.9%	2,361	6.3%	2,593,893	11.8%
2 bedrooms	147	25.3%	9,525	25.4%	6,145,083	27.9%
3 bedrooms	173	29.8%	15,756	42.0%	9,088,213	41.2%
4 bedrooms	157	27.0%	7,576	20.2%	3,166,531	14.4%
5 or more bedrooms	64	11.0%	2,256	6.0%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

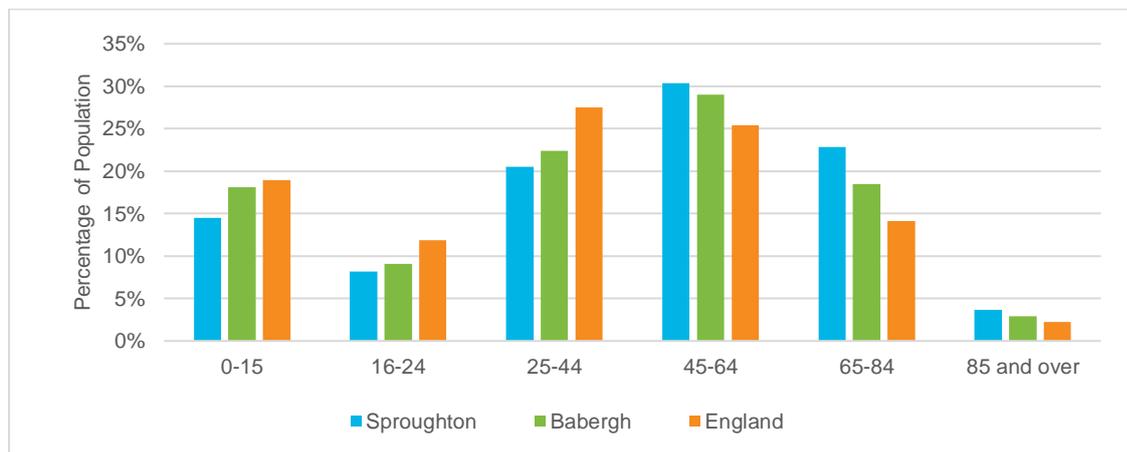
5.3 Household composition and age structure

145. Having established the current stock profile of Sproughton and identified recent changes in its composition, the evidence assembled below examines the composition and age structure of households in the 2011 Census and in future years. Through a consideration of the types of households projected to form over the Neighbourhood Plan period, and the mix of age groups suggested by demographic projections, it becomes possible to consider the type and size of housing needed in the Neighbourhood Plan area by the end of the planning period.

5.3.1 Age structure

146. The 2011 Census data reveals that there is a large percentage of people in Sproughton between the ages of 45-84. This age group comprises roughly 53% of Sproughton’s population. Sproughton has a similar profile to Babergh in the sense that both have an ageing population, with a higher percentage of individuals aged 45 and over and a lower percentage of people in younger age groups. However, this characteristic is more pronounced for Sproughton – which has higher proportions of the population in all of the older age brackets than Babergh. Sproughton has a correspondingly lower percentage of individuals that fall between the ages of 0-15, 16-24, and 25-84.

Figure 5-1: Age structure in Sproughton, 2011



Source: ONS 2011, AECOM Calculations

147. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 NA population has changed as follows:

- i. The population of those in the age group 0-15 decreased by roughly 4%. Compared to Babergh, Sproughton experienced a higher rate of change. There was an increase in the population of this age band in England as whole.

- ii. The population of those in the age band 16-24 increased by almost 47%. Compared to its wider geographies, Sproughton experienced a much higher change—the population of individuals in this age band only increased by 6.4% in Babergh and by 17.2% in England as a whole.
- iii. The next most significant change was the population increase for those in the age band 65-84. In Sproughton there was a 44% increase in this age group, which is much higher than the increases seen regionally and nationally.
- iv. There was also a 9% decrease in the population of those aged 25-44 in Sproughton, which is consistent with the change in Babergh (a decrease of 8.2%). However, this is a deviation from the national trend, which experienced a population growth of 1.4% in this age band.
- v. Finally, it is worth noting there was no change in the population of those aged over 85.

148. Based on the findings of this section, it is evident that Sproughton has a rapidly ageing population and a low number of individuals that belong to younger age bands. It is worth considering these changes using raw data:

- Between 2001-2011, the number of individuals in the 16-24 age group increased from 77 to 133, thereby causing an increase of 46.8%.
- Similarly, the number of individuals in the 65-84 age group increased from 218 to 314.
- In the case of all the other age bands, there were small decreases in the individual numbers of those in each group.
- Thus, it is possible to conclude that Sproughton has a stagnating population with negative growth in most age bands, except for a relatively strong increasing population of 65-84 year olds, who are driving the ageing of the population.

Table 5-5: Rate of change in the age structure of Sproughton population, 2001-2011

Age group	Sproughton	Babergh	England
0-15	-3.9%	-2.1%	1.2%
16-24	46.8%	6.4%	17.2%
25-44	-9.0%	-8.2%	1.4%
45-64	-0.2%	10.7%	15.2%
65-84	44.0%	20.0%	9.1%
85 and over	0.0%	39.5%	23.7%

Source: ONS 2001-2011, AECOM Calculations

5.3.2 Household composition

149. Household composition (i.e the mix of adults and children in a dwelling) is a relevant factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.
150. The data suggests that Sproughton has a similar profile to Babergh. As per Table 5-5 below, roughly 67% of Sproughton's population consists of one-family households, which is similar to the percentage of one family households in Babergh (67.8%). Compared to England, both Sproughton and Babergh have a relatively higher percentage of one family households. Next, the table shows that 27.9% of Sproughton's households are one-person households, which is similar to Babergh (28.2%) but marginally lower than the total for England (30.2%). The percentage of households with dependant children is also higher in Babergh (25.2%) and England (26.5%) than in Sproughton (21.2%).
151. It is of relevance to note that 13.1% of the 27.9% of one-person households in Sproughton are composed of individuals aged 65 and over. This is percentage share is slightly lower than Babergh but higher than what is seen in England as a whole.
152. Note that non-dependent children refer to households in which adult children are living at home, or students still call their primary residence despite living for most of the year near to university. Though this category can often indicate the relative unaffordability of entry-level homes in an area as many such young people may wish to move out and form their own households if they were financially able.

Table 5-5: Household composition (by household), Sproughton, 2011

		Sproughton	Babergh	England
One person household	Total	27.9%	28.2%	30.2%
	Aged 65 and over	13.1%	14.1%	12.4%
	Other	14.8%	14.0%	17.9%
One family only	Total	67.0%	67.8%	61.8%
	All aged 65 and over	13.6%	11.7%	8.1%
	With no children	22.5%	21.6%	17.6%
	With dependent children	21.2%	25.2%	26.5%
Other household types	All children Non-Dependent	9.6%	9.2%	9.6%
	Total	5.2%	4.1%	8.0%

Source: ONS 2011, AECOM Calculations

Again, it is relevant to consider rates of change in this indicator during the period between Censuses. Between 2001 and 2011, the main changes in household composition were that as follows:

- i. The percentage of single-family households aged 65 and over increased by 25%. This is a much higher change than in Babergh where there was an increase of 9.2% and England, where there was a decrease of 2%.
- ii. The total share of 'other household types' increased by 50% in Sproughton. Compared to Babergh (17.4%) and England (28.9%), this is a notable change. This could be interpreted as increasing numbers of people living in shared or multi-family households, and it is also important to note that this apparently high rate of increase is due to a low starting population. In 2001, there were 20 'other' households in Sproughton. In 2011, this number increased to 30.
- iii. The percentage of one-family households without children decreased by 7.7%. This is a deviance from the changes seen in Sproughton's wider geographies, given the percentage of households without children increased in Babergh and England both over the time period.

Table 5-6: Rates of change in household composition, Sproughton, 2001-2011

Household type		Percentage change, 2001-2011		
		Sproughton	Babergh	England
One person household	Total	8.7%	11.7%	8.4%
	Aged 65 and over	2.7%	1.8%	-7.3%
	Other	14.7%	23.7%	22.7%
One family only	Total	3.2%	5.5%	5.4%
	All aged 65 and over	25.4%	9.2%	-2.0%
	With no children	-7.7%	8.2%	7.1%
	With dependent children	0.0%	1.1%	5.0%
Other household types	All children non-dependent	14.3%	7.2%	10.6%
	Total	50.0%	17.4%	28.9%

Source: ONS 2001-2011, AECOM Calculations

5.4 Dwelling mix determined by life-stage modelling

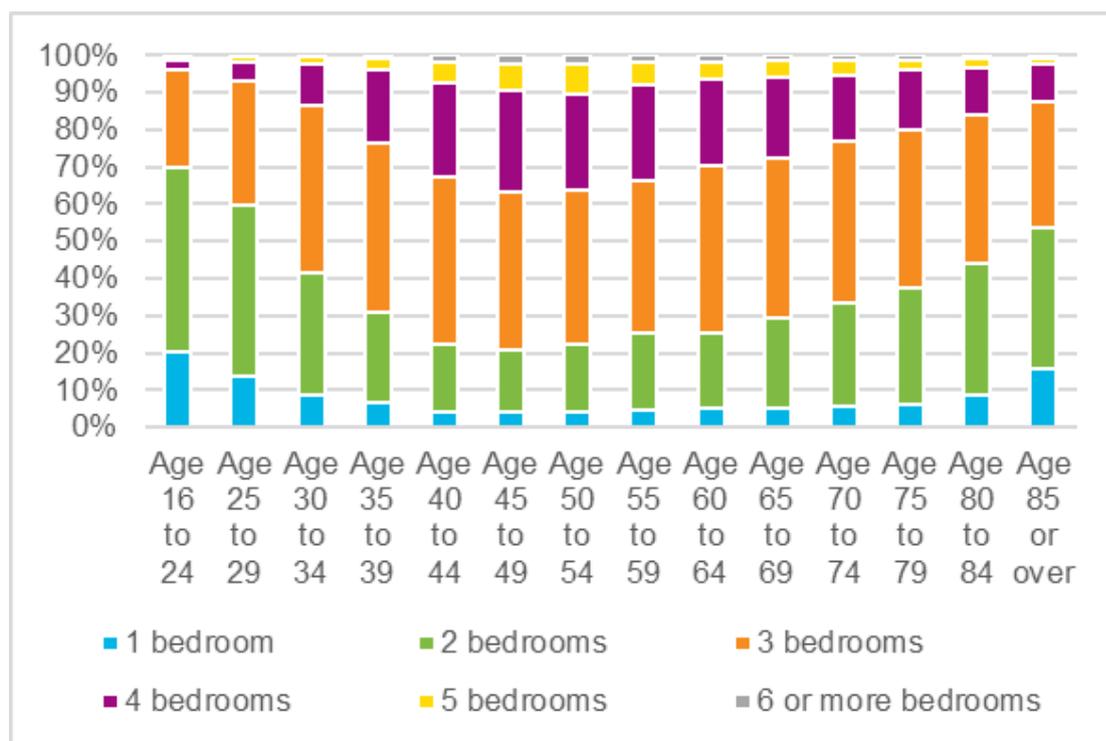
153. Recognising the fact that households of different ages may have different housing needs, the housing mix needed to meet demographic change by the end of the Plan period is estimated by an approach based on current occupation patterns – that is, the propensity of households of different ages to occupy different types of accommodation – will persist into the future. For example, projected growth in households aged under 24 will lead to an increase in the need for the type of housing currently occupied by households of that age.

154. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the propensity of

households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. This is particularly important to keep in mind in areas where housing affordability has worsened because it means that many households are forced to occupy less space than they need or want.

- 155. However, no data on housing size occupation by age of the Household Reference Person (HRP- a more modern term for 'head of household') is available at neighbourhood level. For this reason, LA-level data needs to be used as the closest proxy.
- 156. Figure 5-2 below sets out the relationship in the 2011 Census at LA level between the age of the HRP and the size of dwelling occupied. This provides the starting point for determining the most appropriate dwelling size mix by the end of the Neighbourhood Plan period. The data shows that eleven out of the fourteen age bands presented below live in three-bedroom dwellings. Three-bedroom dwellings are the most common dwelling in Babergh, followed by two-bedroom dwellings and then, four-bedroom dwellings. For those between the ages of 30-84, three-bedroom dwellings are the most common dwelling type.
- 157. It is also relevant to note the steep increase in bedrooms desired as young households age, and the point at which they start to gradually revert to smaller ones again when they get older. While our analysis indicates that the population of those in all age groups aside from those above 65 will drop, it is also likely that the population of those aged above 65 will increase over time. Based on Figure 5-2 below, it is evident that those in this age group still prefer 6 bedrooms, and Hadle it is likely that some individuals in this band will want smaller homes.
- 158. In terms of the least common dwellings in Babergh, homes with six or more are seen in seven of the fourteen age-bands. These dwellings are generally only seen as an option for those between the ages of 40-79. Five-bedroom homes are slightly more common and are seen more frequently amongst those between the ages of 40-74.

Figure 5-1: Age of household reference person by dwelling size in Sproughton, 2011



Source: ONS 2011, AECOM Calculations

- 159. Household projections provided by MHCLG are then used to understand the future distribution of households by the age of the HRP. Again, this data is only available at the LPA level and for the years 2014 and 2039. Therefore, the distribution of households by the age of the HRP would be in 2036 is estimated, i.e. the end of the Neighbourhood Plan period. The data is presented in Table 5-7 below:

Table 5-7: Projected distribution of households by age of HRP, Sproughton

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	700	3,401	13,700	7,598	12,123
2014	702	3,321	13,200	6,897	14,356
2036	638	2,802	11,726	6,663	22,568
2039	629	2,731	11,524	6,631	23,688

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

160. It is then necessary to extrapolate from this LPA-level data an estimate of the corresponding change in the age structure of the population in Sproughton To do so, the percentage increase expected for each group across Babergh, derived from the data presented above was mapped to the population of Sproughton. The results of this calculation are detailed in Table 5-8 below:

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

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	9	40	196	134	202
2014	8	33	168	118	376
2036	7	28	149	114	591

Source: AECOM Calculations

161. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 5-2, and the approximate number of households in Babergh and Sproughton falling into each of these stages by the end of the Plan period in 2036, it is possible to estimate how the housing stock might evolve in terms of size over the Neighbourhood Plan period in response to demographic change (see Table 5-9 below).

The table takes in turn each projected age group in 2036 estimating how many of the households in that age bracket will want or need to occupy each size of dwelling. This is repeated for each age bracket and added together to arrive at an estimation of what proportion of each size of dwelling will be required overall.

Table 5-10: Likely dwelling size distribution in Sproughton by the end of the Plan period, based on modelled household life-stages (totals may not sum due to rounding)

Size	Age of HRP 16 to 24	Age of HRP under 35	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over	Total Households requiring dwelling sizes
Pop	7	28	149	114	591	-
1 bedroom	2	3	7	6	45	61
2 bedrooms	4	11	28	23	180	246
3 bedrooms	2	11	65	49	243	370
4 bedrooms	0	2	37	28	97	165
5+ bedrooms	0	1	12	8	26	47

Source: Census 2011, AECOM Calculations

162. Table 5-11 below sets out the estimated misalignment between future demand for housing, based on the modelled preferences of households at different life-stages, and the current stock available in the Neighbourhood Plan area. It indicates that, by 2036, the size distribution of dwellings should focus on increasing the numbers of three-bedroom dwellings in particular, as well as some two-bedroom dwellings. Although the raw numbers show that growth in all dwelling sizes is required, the percentage share of the smallest and largest dwellings should decline.

Table 5-11: 2011 housing sizes compared to likely distribution at end of Plan period, Sproughton

Number of bedrooms	2011	2036
1 bedroom	40 6.9%	61 6.9%
2 bedrooms	147 25.3%	246 27.7%
3 bedrooms	173 29.8%	370 41.6%
4 bedrooms	157 27.0%	165 18.5%

5 or more bedrooms	64	11.0%	47	5.3%
Total households	581	100.0%	889	100.0%

Source: AECOM Calculations

163. The result of this life-stage modelling exercise is to suggest that, in terms of demographic change, new development might involve the following share of dwelling sizes: 6.9% as 1 bedroom, 27.7% as two bedrooms, 41.6% as three bedrooms, 18.5% as four bedrooms and 5.3% as 5 or more bedrooms.

Table 5-12: Future potential misalignments of supply and demand for housing, Sproughton

Number of bedrooms	2011	2036	Change to housing mix	Recommended split
1 bedroom	40	61	21	6.6%
2 bedrooms	147	246	99	30.5%
3 bedrooms	173	370	197	60.5%
4 bedrooms	157	165	8	2.4%
5 or more bedrooms	64	47	-17	0.0%

Source: AECOM Calculations

164. Note that only the percentage mix in the right-hand column is relevant to the purposes of this HNA and the neighbourhood planning process. The actual numbers of dwellings required to adjust the size mix do not reflect that actual quantity of housing needed in the NA and are simply a step in the calculation necessary to produce a percentage split. As a general point, this dwelling mix in percentage terms stands alone from the overall quantity of housing needed or allocated over the Plan period, and could equally apply to windfall development, allocations beyond the plan period, or any other source of housing supply.

5.5 Conclusions- Type and Size

165. This analysis provides an indication of the likely need for different types and sizes of homes based on demographic change. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the characteristics of the existing stock of housing, the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site specific factors which may justify a particular dwelling mix.
166. In terms of dwelling type, the 2011 Census shows that there were 599 households in Sproughton, living in 348 detached houses, 139 semi-detached, 50 terraced houses, and 62 flats. Compared with the LPA, Sproughton is characterised by both a high percentage of detached homes and a relatively higher percentage of flats, maisonettes or apartments.
167. The housing stock in Sproughton is characterised by a relatively higher percentage of medium-large size homes. 22.4% of the housing stock comprises homes with nine or more rooms and roughly 37% comprises dwellings with five or six rooms.
168. Between 2001-2011, the delivery of new homes was relatively balanced, with particular increases in larger housing, although not to the same extent as was apparent across Babergh as a whole.
169. The 2011 census data reveals that there is a high proportion of dwellings with three and four bedrooms in Sproughton. Roughly 57% of Sproughton's housing stock consists of three-four-bedroom homes. There is also a large share of two-bedroom dwellings in the NA. Dwellings with one bedroom are the least common.
170. In terms of demographics, the 2011 Census data reveals that there is a large percentage of people between the ages of 45-84. This age group comprises roughly 53% of Sproughton's population. Compared to Babergh, Sproughton has a similar profile in the sense that both the NA and LPA have an ageing population with the majority aged 45 and over.
171. In terms of household composition, the data demonstrates that roughly 67% of Sproughton's population consists of one-family households, which is similar to the percentage of one family households in Babergh, although Babergh households are more likely to contain dependent children. The remainder are single-person households, at a similar rate to that seen across Babergh.
172. The result of a life-stage modelling process suggests that by 2036, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority. Sproughton should also increase the supply of two-bedroom homes and may consider discouraging the supply of homes with one-bedroom and five or more bedrooms.
173. This model, however, operates on the assumption that households can and will wish to move freely around the stock of existing housing, which is not a realistic prospect. It is natural, then, that demand should continue for some smaller and

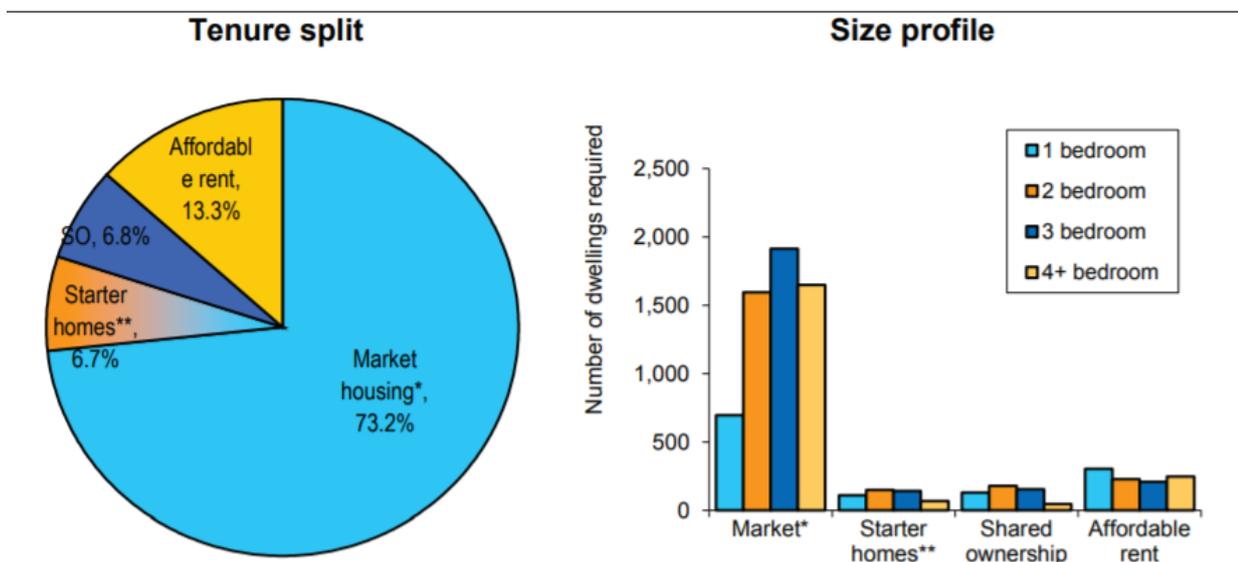
larger dwellings. Their provision should not be inhibited entirely (though some of that demand will be met by natural churn within the market), but to the extent that the neighbourhood plan may be used to influence the size mix of housing coming forward, the neighbourhood planners should consider how to increase options for medium sized homes with two-three bedrooms.

174. It is important to note that our model is only concerned with the population already living in Sproughton and how their needs are expected to develop during the plan period. While our analysis indicates that local needs can be met through the large expected supply of new homes, the overall dwelling mix should account for the needs of those that might potentially live in Sproughton in the future.

175. As per the SHMA’s size profile (see below), Babergh will require more two and three-bedroom homes and relatively fewer one-bedroom homes. Furthermore, the size mix also features a significant amount of dwellings with four or more bedrooms. While the SHMA broadly aligns with our recommendation for Sproughton in terms of increasing the supply of three-bedroom homes, it also indicates there should be an increase in the numbers of homes with four or more bedrooms. While increasing the supply of larger dwellings might not cater to the needs of Sproughton’s current resident population, diversifying the size mix in line with SHMA recommendations could allow Sproughton’s future development to more appropriately accommodate incomers.

176. Even if the NP group should choose to increase the share of dwellings with four or more bedrooms in the size mix, we recommend emphasizing two-three bedroom homes should still be a priority, since it appears this will meet any future need across the District and in Sproughton both.

Figure 5-3: Requirement for new housing in Babergh, 2036



Source: Ipswich and Waverly SHMA Update (2019)

6. Conclusions

6.1 Overview

177. Table 6-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 6-1: Summary of study findings specific to Sproughton with a potential impact on Neighbourhood Plan housing policies

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing tenure and affordability	Chapter 4	<p>In terms of the current tenure profile of the neighbourhood, 78.7% of all residents in Sproughton own their own homes. 13.4% of the NA's residents rent privately on the market while 6.9% of live in social rented homes. 0.2% of the neighbourhood's tenure profile comprises shared ownership tenures. Sproughton's tenure profile indicates a high share of home ownership and a small portion of private renting. Its profile is similar to that of the LPA as whole overall, although there is a relatively lower percentage of social rent in the NA.</p> <p>Between 2001-2011, the major changes were an overall decrease in shared ownership in the NA, and an increase of both social rent and private rent – which is understood to be indicative of the declining affordability of home ownership in relation to incomes.</p> <p>In terms of house prices, the data shows us that between 2010-2019, median prices in Sproughton increased by 20%, mean prices increased by 37.8% and LQ prices increased by 10.5%. At the end of 2019, a mean property was priced £347,733, a median property was priced £300,000 and a LQ dwelling was priced £215,000.</p>	<p>Our analysis determined the following:</p> <p>The gap between the cost of market renting and home ownership is wide, affecting those with incomes of between £28,891 and £55,286. Affordable routes to home ownership would be suitable to this group of households.</p> <p>The evidence also shows that households on lower quartile earnings can afford entry-level market rents, affordable rent and social rent, but only where there are two members earning or with additional subsidy. For such households, the provision of affordable rented tenures should be prioritised.</p> <p>It is estimated there will be a need for 66 affordable homes for sale and 18 affordable homes for rent over the plan period for existing Sproughton residents.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
		<p>In terms of the prices of various dwelling types, the price of flats increased by 42.6%, the price of detached houses increased by 29.6% and the price of semi-detached homes increased by 15.2% between 2010-2019. There is no information available about the price of terraced homes in 2010, however, between 2011-2019, the price of terraced homes increased by 64.2%.</p>	<p>Given the proposed development must cater to the needs of the NA and serve the wider housing market area, it is important to consider Sproughton's particular circumstances. As per the Core Strategy (2014), one of Babergh's most significant centres of population is the area known as the Ipswich Fringe, which includes Copdock & Washbrook, Pinewood, Wherstead, Sproughton and Belstead, which combined have a population of 7,590.</p> <p>Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Sproughton based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 71% of affordable homes be provided as rented tenures, and the remaining 29% delivered as affordable routes to home ownership. This mix aligns with the Local Plan in prioritising the most acute needs as far as possible. Mix 2 (indicative mix with 25% First Homes requirement) proposes that 71% of affordable homes be provided as rented tenures, with 25% as First Homes and the remaining 4% split evenly between shared ownership and Rent-to-Buy. This aligns with the direction of proposed national policy, which includes a mandated minimum level of delivery of the Government's new First Homes affordable home ownership product.</p>

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Housing type and size	Chapter 5	<p>In terms of dwelling type, the 2011 Census shows that there were 599 households in Sproughton, living in 348 detached houses, 139 semi-detached, 50 terraced houses, and 62 flats. Compared with the LPA, Sproughton is characterised by both a high percentage of detached homes and a relatively higher percentage of flats, maisonettes or apartments.</p> <p>The housing stock in Sproughton is characterised by a relatively higher percentage of medium-large size homes. 22.4% of the housing stock comprises homes with nine or more rooms and roughly 37% comprises dwellings with five or six rooms.</p> <p>In terms of demographics, the 2011 Census data reveals that there is a large percentage of people between the ages of 45-84. This age group comprises roughly 53% of Sproughton's population. Compared to Babergh, Sproughton has a similar profile in the sense that both the NA and LPA have an ageing population with the majority aged 45 and over.</p> <p>In terms of household composition, the data demonstrates that roughly 67% of Sproughton's population consists of one-family households, which is similar to the percentage of one family households in Babergh, although Babergh households are more likely to contain dependent children. The remainder are single-person households, at a similar rate to that seen across Babergh</p>	<p>The result of a life-stage modelling process suggests that by 2036, the size distribution of dwellings should be focused on delivering more three-bedroom homes as a priority. Sproughton should also increase the supply of two-bedroom homes and may consider discouraging the supply of homes with one-bedroom and five or more bedrooms.</p> <p>It is important to note that our model is only concerned with the population already living in Sproughton and how their needs are expected to develop during the plan period.</p> <p>While our analysis indicates that local needs can be met through the large expected supply of new homes, the overall dwelling mix should account for the needs of those that might potentially live in Sproughton in the future.</p> <p>As per the size profile set out in the SHMA, Babergh will require more two and three-bedroom homes and relatively fewer one-bedroom homes. Furthermore, the size mix also features a significant amount of both two-bedroom dwellings as well dwellings with four or more bedrooms. While the SHMA broadly aligns with our recommendation for Sproughton in terms of increasing the supply of three-bedroom homes, it also indicates there should be an increase in the numbers of homes with four or more bedrooms. While increasing the supply of larger dwellings might not cater to the needs of Sproughton's current resident population, diversifying the size mix in line with SHMA recommendations could allow Sproughton's future development to more appropriately accommodate incomers.</p>

6.2 Recommendations for next steps

178. This Neighbourhood Plan housing needs assessment aims to provide Sproughton with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with Babergh with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular the following: Condition A, namely that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of Babergh – in particular in relation to the quantity of housing that should be planned for;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents;
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by Babergh, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA);
- The recommendations and findings of this study; and
- The impact of the Government's Standard Methodology on calculating housing need for Babergh and the neighbourhood plan areas within it.

179. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

180. Bearing this in mind, it is recommended that the Neighbourhood Plan steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, Babergh or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

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

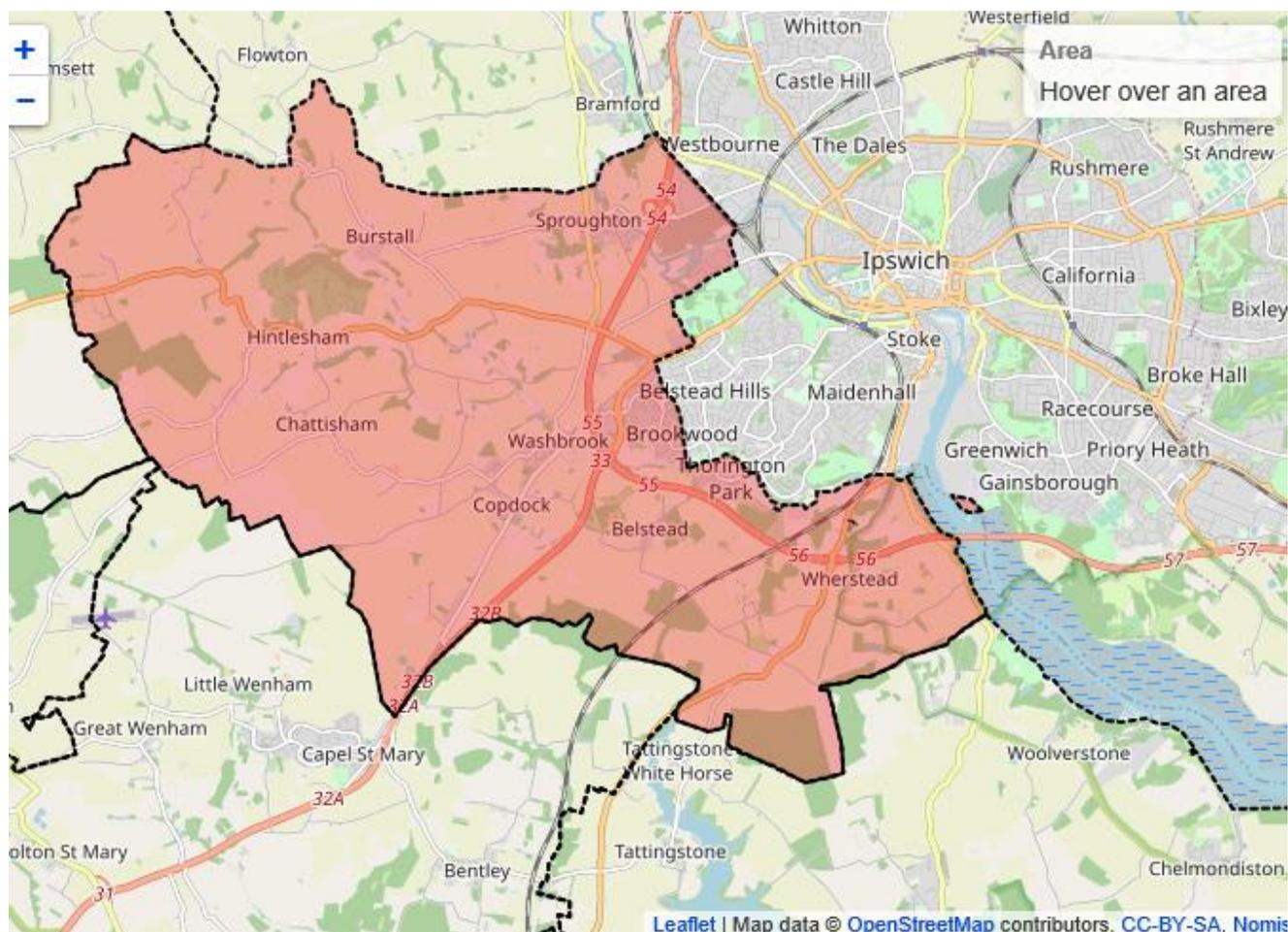
Appendix A : Calculation of Affordability Thresholds

A.1 Assessment geography

182. As noted in the Tenure and Affordability chapter above, affordability thresholds can only be calculated on the basis of data on incomes across the Neighbourhood Plan area. Such data is available at MSOA level but not at the level of neighbourhood plan areas.

183. As such, when calculating affordability thresholds, an MSOA needs to be selected that is a best-fit proxy for the Neighbourhood Plan area. In the case of Sproughton, it is considered that MSOA E02006231 is the closest realistic proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02006231 appears below in Figure A.

Figure A: MSOA E02006231 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

184. Market dwellings are accessible to people on higher incomes. Choices in the housing market are driven principally by spending power, life stage, and personal taste.

185. The operation of the housing market is, in most circumstances, the best means of addressing the demand for different types of housing for sale. For this reason, it is important that planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand, because this is the principal way equilibrium is achieved in the market and thus house price growth kept in check.

186. In this sense, the notion of development viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of

resources for infrastructure improvements.

187. To determine affordability in market housing, the assessment considers two primary indicators: income thresholds, which denote the maximum share of a family's income that should be spent on accommodation costs, and purchase thresholds, which denote the standard household income required to access mortgage products.

i) Market sales

188. The starting point for calculating the affordability of a dwelling for sale (i.e. the purchase threshold) from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

189. To produce a more accurate assessment of affordability, both the savings available for a deposit and the equity in the home from which the buyer is moving (if not a first-time buyer) should be taken into account. However, this data is not available for Sproughton. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.

190. The value of an entry-level dwelling is considered the best representation of the segment of market housing most likely to be accessible to those on lower incomes.²⁹ The value of an entry level dwelling used here is the lower quartile average house price from sales data from Land Registry over the year 2018.

191. The calculation is therefore:

- Value of an 'entry level dwelling' = £215,500
- Purchase deposit = £21,500 @10% of value;
- Value of dwelling for mortgage purposes = £193,500;
- Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
- **Purchase threshold = £55,285**

ii) Private Rented Sector (PRS)

192. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. Households are deemed able to afford a private rented property if the lower quartile private rent does not exceed 30% of gross household income.

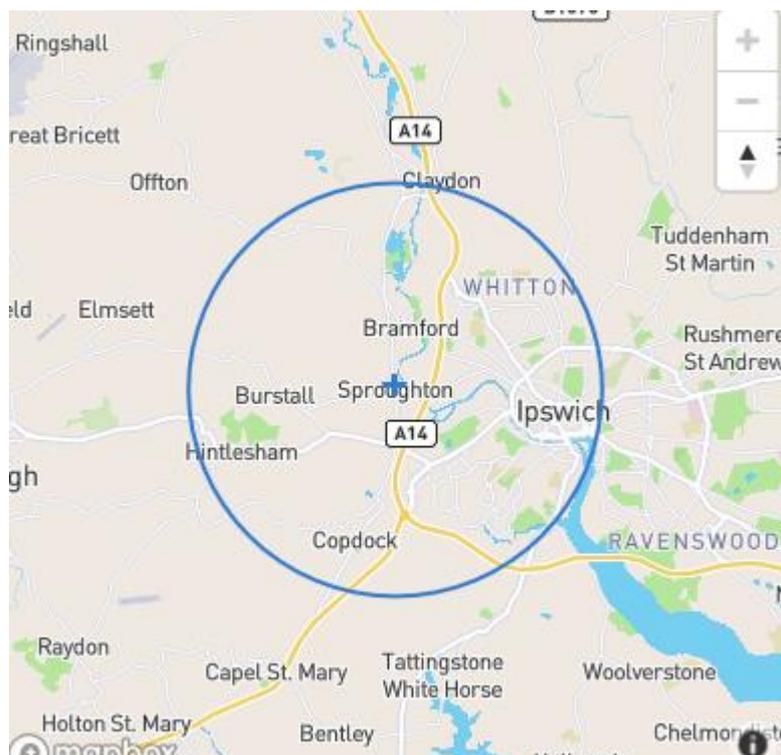
193. It is assumed that lower quartile private rent equates to the average rent paid in the Neighbourhood Plan area for a two-bedroom dwelling (enough living space for two or three individuals). In order to be in conformity with the Government guidance on overcrowding,³⁰ such a home would require three habitable rooms (a flat or house with two bedrooms).

194. The property website Home.co.uk shows rental values for property in the Neighbourhood Plan area. The best available data is derived from properties available for rent within the IP8 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings. Given that limiting our research to the IP8 postcode area meant there were fewer than 10 dwellings for rent, we used the following area (see below) given it provided us with a larger sample size.

²⁹ 'Entry-level dwelling' can be understood to comprise a property that costs the average value of dwellings falling into the lower quartile of house prices in the Neighbourhood Plan area, as set out in the Tenure and Affordability chapter above.

³⁰ This is based on the concept of the 'room standard', which indicates a dwelling is legally overcrowded if two people of the opposite sex have to share a room to sleep in (this does not apply when couples share a room). See: http://england.shelter.org.uk/housing_advice/repairs/overcrowding

Figure A-1: Geography Selected for PRS calculations



Source: home.co.uk

195. According to home.co.uk, there are 102 two-bed properties currently listed for rent across selected area, with an average price of £723 per calendar month.
196. It is possible to derive from this data the estimated income threshold for private rental sector dwellings in the Neighbourhood Plan area; the calculation is therefore:
- Annual rent = £723 x 12 = £8,676
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £28,891
 - **Income threshold (private rental sector) = £28,891**
197. The NPPF 2018 acknowledges that build-to-rent dwellings have a role to play in providing affordable market homes and may meet affordable housing need where they include a component of affordable private rent.
198. As stated in the Affordability Threshold section of Chapter 4, it is unusual for Entry-level Market Rent to be higher than Average Rents. Our calculations are presented here:

Table A-1: Private Rented Levels

Factor	Average Market Rent	Entry-level Market Rent
Number of properties for rent	275	102
Average price per month	£643	£723
Average price per year	£7,716	£8,676
Income Threshold (IT)	£25,694	£28,891

Source: AECOM Calculations

A.3 Affordable Housing

199. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership.

200. This variety of tenures reflects an ambition by the Government to provide a pathway to home ownership for more households, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide affordable housing into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.

201. We consider each of the affordable housing tenures in turn.

i) Social rent

202. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual 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 low incomes and is subject to strict eligibility criteria.

203. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at the LPA level so must act as a proxy for Sproughton. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Babergh in the table below.

204. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This HNA uses two bedroom homes in the main report tables to illustrate affordability of this tenure. These homes are a good proxy for affordability in this tenure as they are typically the most numerous property size.

Table A-2: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCM	£80.95	£92.97	£102.80	£112.64	£95.34
Annual average	£4,209	£4,834	£5,346	£5,857	£4,958
Income needed	£14,017	£16,099	£17,801	£19,505	£16,509

Source: Homes England, AECOM Calculations

ii) Affordable rent

205. 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). Even an 80% discount on the market rent may not be sufficient to ensure that households can afford it, 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%.

206. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for Babergh (above). Again it is assumed that no more than 30% of income should be spent on rent.

Table A-3: Affordable rent levels (£)

Affordable Rent	1 bed	2 beds	3 beds	4 beds	All
Gross Rent	£89.80	£111.25	£127.24	£160.97	£113.72
Annual average	£4,670	£5,785	£6,616	£8,370	£5,913
Income needed	£15,550	£19,264	£22,033	£27,874	£19,692

Source: Homes England, AECOM Calculations

iii) Intermediate tenures

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

Discounted Market Homes

208. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership”.
209. Whether to treat discounted market sale homes as affordable housing or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to access market housing for purchase.
210. Applying a discount of 20% provides an approximate selling price of £240,000 (20% discount on median average price). Allowing for a 10% deposit further reduces the value of the property to £216,000. The income threshold at a loan to income ratio of 3.5 is £61,714
211. In practice, developers are likely to price these homes in relation to new build prices, particularly in locations where discounting in relation to entry level prices may not make these homes viable to develop in relation to build costs. When new build prices are discounted by 20% they may not offer any discount on entry level prices.
212. The Government is consulting on proposals to introduce First Homes which would provide a minimum discount of 30% on new market homes for eligible households. A 30% discount on median prices would require an income threshold of £54,000.

Shared ownership

213. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time.
214. 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.
215. To determine the affordability of shared ownership, calculations are based on the median house price of £300,000³¹. 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 income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).
216. A 25% equity share of £300,000 is £75,000, from which a 10% deposit of £7,500 is deducted. The mortgage value of £67,500 (£75,000 - £7,500) is then divided by 3.5. To secure a mortgage of £67,500, an annual income of £19,286 (£67,500/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £225,000. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £5,625 and requires an income of £18,731 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£38,017** (£19,286 + £18,731) is required to afford a 25% shared equity purchase of an entry-level home. The same calculations were undertaken for equity shares of 50% and 75%, producing income thresholds of £51,059 and £64,101 respectively.

³¹ It is important to note that current shared ownership models are only available for new build homes, which are assumed to cost more than this average taken from all open market housing, which also includes property re-sale.

Appendix B : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £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 methods³².

Age-Restricted General Market Housing

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

³² The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

Annual Monitoring Report

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

Basic Conditions

The Basic Conditions are the legal tests that are 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, overcrowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard³³

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order³⁴

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)³⁵

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

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

³³ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

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

³⁵ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

The Government is consulting on the introduction of First Homes as a new form of discounted market homes which will be provided at least 30% discount on new homes. The intention is that these homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments may be required to provide a proportion of Affordable Housing as First Homes (40-80%).

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 years³⁶, 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

³⁶ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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%, 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 Housing³⁷

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

³⁷ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³⁸

³⁸ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

