

Newbiggin-by-the-Sea Housing Needs Assessment (HNA)

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Quality information

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Table of Contents

1.	Executive Summary	7
1.1	Conclusions – Quantity	7
1.2	Conclusions – Tenure and Affordability	7
1.3	Conclusions – Type and Size	7
1.4	Next Steps	8
2.	Context	9
2.1	Local context	9
2.2	Planning policy context	11
2.2.1	Policies in the adopted local plan	11
2.2.2	Policies in the emerging local plan	12
3.	Approach	13
3.1	Research Questions	13
3.1.1	Quantity	13
3.1.2	Tenure and Affordability	13
3.1.3	Type and Size	13
3.2	Relevant Data	14
3.2.1	Local authority evidence base	14
3.2.2	Other relevant data	14
4.	RQ 1: Quantity	15
4.1	Introduction	15
4.2	Standard method	16
4.3	Housing target figure	17
5.	RQ 2: Tenure, Affordability and the Need for Affordable Housing	22
5.1	Introduction	22
5.2	Definitions	22
5.3	Current tenure profile	22
5.4	Affordability	23
5.4.1	House prices	23
5.4.2	Income	25
5.4.3	Affordability Thresholds	25
5.5	Affordable housing- quantity needed	30
5.5.1	Affordable Housing Policies in Newbiggin-by-the-Sea	30
5.6	Conclusions- Tenure and Affordability	34
6.	RQ 3: Type and Size	36
6.1	Introduction	36
6.2	Existing types and sizes	36
6.2.1	Background and definitions	36
6.2.2	Dwelling type	37
6.2.3	Dwelling size	37
6.3	Household composition and age structure	39
6.3.1	Age structure	39
6.3.2	Household composition	40
6.4	Dwelling mix determined by life-stage modelling	42
6.5	Conclusions- Type and Size	45
7.	Conclusions	46
7.1	Overview	46
7.2	Recommendations for next steps	49

	5
Appendix A : Calculation of Affordability Thresholds	51
A.1 Assessment geography	51
A.2 Market housing	52
i) Market sales	52
ii) Private Rented Sector (PRS)	52
A.3 Affordable Housing	53
i) Social rent.....	53
ii) Affordable rent	53
iii) Intermediate tenures	54
Appendix B : Housing Needs Assessment Glossary	56

List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
HNA	Housing Needs Assessment
Housing LIN	Housing Learning and Improvement Network
HRF	Housing Requirement Figure
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
NCC	Northumberland County Council
NLP	Northumberland Local Plan
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
NTC	Newbiggin-by-the-Sea Town Council
NNP	Newbiggin-by-the-Sea Neighbourhood Plan
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 Conclusions – Quantity

1. Based on the evidence, this HNA recommends an overall housing target figure in the range of **424 to 521 dwellings**, which equates to 28 to 35 dwellings per year between 2021 and 2036. This calculation is based on an AECOM model using historic completions data for South East Northumberland. This approach using completions data has been agreed with Newbiggin-by-the-Sea Town Council and Northumberland County Council planning officers.
2. Northumberland County Council has provided a minimum housing requirement figure of 360 dwellings in the emerging Northumberland Local Plan which is undergoing examination. Northumberland County Council has stated its support in writing for a new locally assessed housing target figure provided it is reasonable and proportionate, and is in general conformity with the adopted Wansbeck Local Plan and emerging Northumberland Local Plan. The recommended housing target figure of 424 to 521 dwellings is around an 18% to 45% uplift. This will provide an evidence base for the Neighbourhood Plan to exceed the minimum housing requirement figure by a moderate amount to help meet their Neighbourhood Plan objectives to promote the economic resilience and sustainability of Newbiggin-by-the-Sea over the plan period.

1.2 Conclusions – Tenure and Affordability

3. While affordability is an issue in Newbiggin-by-the-Sea, house prices and rents in the area are low by both local and national standards. The discounts and products which would extend homeownership to the widest group include: discounted market sale (25% to 50%) and shared ownership (75% to 25%). It is very positive that those on dual lower quartile incomes can afford to buy homes at the starting levels of 25% discounted market sale or shared ownership at 75%. However, by extending discounts towards 50% or reducing shared ownership levels lower towards 25%, further low earners would be able to afford to buy. However, it is unlikely that any of these discounts or products would be capable of rendering housing affordable for single lower quartile earners or below who are on an annual income of £10,442 or lower, and these groups would require further support.
4. It should be noted that homeownership in Newbiggin-by-the-Sea is already relatively achievable and this is a positive starting position for prospective homebuyers in the area. Median house prices are affordable to those on average incomes or above, and entry-level homes are also affordable to those on dual lower quartile incomes. However, the discounts and products recommended above would also help further extend homeownership.
5. The expected level of delivery of 36 affordable homes based on the current housing requirement figure of 360 does not meet the quantity of demand identified which is **60 affordable homes**. With the new housing target figure of 424 to 521 dwellings provided by AECOM, 42 to 52 affordable homes may come forward over the plan period which is closer level to the need identified for 60 affordable homes based on the Northumberland SHMA.
6. Note that Northumberland's emerging Local Plan requires a tenure mix of 100% affordable home ownership in low value areas. The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes.

1.3 Conclusions – Type and Size

7. Life-stage modelling indicates that, by 2036, the size distribution of new dwellings should be as follows: **7.2% as 1 bedroom, 37.3% as two bedrooms, 0% as three bedrooms, 47% as four bedrooms and 8.6% as 5 or more bedrooms**.
8. The emphasis on smaller and larger dwellings counteracts the overabundance of 3-bedroom homes, which currently form 53% of Newbiggin-by-the-Sea's housing stock, restricting choice in the local housing market. Smaller homes should help to satisfy the demand for affordable housing and suitable housing for younger adults without children and older people looking to downsize. 4 and 5 bedroom homes will help make Newbiggin-by-the-Sea's housing array more attractive to buyers looking for larger homes and families with children who have greater need for space. Much of the projected growth of households falls in the over age 65 category and therefore a significant proportion of dwellings should be designed around the specific needs of this age type.
9. However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings with three bedrooms, and in fact, such a restriction has the potential

to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for 3 bedroom homes. There may also be good reasons to deliver 3 bedroom properties in the NA as part of a housing mix strategy in the district as a whole.

1.4 Next Steps

10. Northumberland County Council has provided an indicative housing requirement figure of 360 dwellings in the emerging Northumberland Local Plan which is undergoing examination. Northumberland County Council has stated its support in writing for a new locally assessed housing target figure provided it is reasonable and proportionate, and is in general conformity with the adopted Wansbeck Local Plan and emerging Northumberland Local Plan. The recommended housing target figure of 424 to 521 dwellings is around a 18% to 45% uplift. This will provide an evidence base for the Neighbourhood Plan to exceed the housing requirement figure by a moderate amount to help meet their Neighbourhood Plan objectives to promote the economic resilience and sustainability of Newbiggin-by-the-Sea over the plan period.
11. Newbiggin-by-the-Sea Town Council should aim for a housing target figure in the range of 424 to 521 dwellings over the Neighbourhood Plan period (2021-2036).
12. In terms of tenure, this HNA recommends that 60 dwellings come forward as affordable housing for sale. The present minimum housing requirement figure of 360 would not bring forward this quantity of affordable housing, which adds to the case to deliver more homes in the range of 424 to 521 dwellings, which would allow for a much closer level of delivery to the identified need.
13. In terms of type and size, this HNA recommends that the size distribution of new dwellings should be 7.2% as 1 bedroom, 37.3% as 2 bedroom, 47% as 4 bedroom and 8.6% as 5 or more bedrooms to improve choice in the housing market and rebalance the town's housing stock.
14. Newbiggin-by-the-Sea has complex issues and demographic challenges owing to often poor-quality terraced housing stock which has restricted choice and flexibility in the local housing market. Related to this, Newbiggin-by-the-Sea has seen working age families leaving the area, harming the local economy and the long-term sustainability of the community. The linkage between housing and demographic changes has been strongly supported by the data. This HNA recommends that future housing development focusses on improving the choice, desirability and quality of housing stock in Newbiggin-by-the-Sea, especially by increasing the number of detached and semi-detached dwellings and homes with 1, 2, 4 and 5 bedrooms. This HNA is not able to calculate the extra need that may be generated by renewal or demolition of any existing housing in Newbiggin-by-the-Sea, which may come forward as part of the NP and its policies to regenerate the town. However, any removal of existing dwellings from the housing stock would add on top of the housing needs calculated as it would require replacements in new development. Newbiggin-by-the-Sea Town Council is keen to attract inward investment and population growth to support the local amenities, economy and infrastructure. Meeting housing needs in a way which understands the town's specific circumstances will be crucial in fulfilling both Newbiggin-by-the-Sea and Northumberland's wider socio-economic aims over the plan period.

2. Context

2.1 Local context

15. Newbiggin-by-the-Sea is a Neighbourhood Plan area located in the County of Northumberland in North East England. The Neighbourhood Area (NA) boundary aligns with that of the civil parish of Newbiggin-by-the-Sea and was designated on 7 February 2018.
16. The proposed Neighbourhood Plan period starts in 2021 and extends to 2036, therefore comprising a planning period of 15 years.
17. Newbiggin-by-the-Sea is a seaside town located on Northumberland's North Sea coast. Newbiggin-by-the-Sea lies 17 miles north of Newcastle-upon-Tyne, 26 miles north of Sunderland, 9 miles east of Morpeth and 3 miles east of Ashington. In terms of public transport, the nearest railway station is in Morpeth, which provides railway services to Edinburgh, London, Newcastle-upon-Tyne, the Midlands, Northern England and the South West. However, there are plans underway to restore passenger services on the freight railway running between Newcastle and Ashington, with the potential for these services to be extended into Newbiggin-by-the-Sea which has a derelict railway line track. The Government has announced a grant towards Northumberland County Council with construction possible as soon as 2022. The 35 bus provides regular services to Ashington and Morpeth, where there are rail connections. The X21 bus also provides an express bus route to Ashington, Bedlington and Newcastle-upon-Tyne. Newbiggin-by-the-Sea is connected to the national road network by the A197, which runs towards the A1 and A697 trunk roads, Ashington and Morpeth, and the A189, which is the town's bypass offering connections to the A1068 coast road, A19 trunk road, Amble, Blyth, Cramlington and the wider Tyne and Wear Metro Area.
18. Newbiggin-by-the-Sea has a scenic coastal geography, with the town situated around Newbiggin-by-the-Sea Bay. The town is clustered parallel to a wide beach, popular with visitors, and has a small fishing port. Newbiggin-by-the-Sea has a history associated with fishing and coal mining. The town was once an important port for the shipment of grain, and this seagoing history is an important part of the town's character, as displayed by the Newbiggin-by-the-Sea Maritime Centre. Newbiggin-by-the-Sea industrialised and grew in population during the 19th century with a large colliery, which closed in 1967. During the Victorian era, Newbiggin-by-the-Sea became a popular seaside holiday destination in Northumberland. Newbiggin-by-the-Sea is an increasingly popular seaside town today with a number of bed and breakfasts, cafes, caravan sites, hotels, pubs and restaurants catering to visitors. Newbiggin-by-the-Sea's service array also includes an auto repair shop, care home, golf club, GP, pharmacy, primary and secondary school, sports and community centre with playing fields. It is therefore a town with a wide service offering for both residents and visitors.
19. Newbiggin-by-the-Sea is a town and civil parish which corresponds to the Neighbourhood Plan area.
20. For Census purposes, the Neighbourhood Plan area is made up, like the rest of England, of statistical units called Output Areas (OAs). The Plan area equates to the following MSOA, which has been used throughout as a statistical proxy for the NA boundary and which can be interrogated for data from both the 2001 and the 2011 Censuses. A map of the MSOA can be found at Figure A-1 in the appendix.
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21. The statistics show that in the 2011 Census the Neighbourhood Plan area had a total of 6,308 residents.
22. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Newbiggin-by-the-Sea Neighbourhood Plan area¹



Source: Northumberland County Council

23. The Neighbourhood Plan Steering Group is 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.

¹ Available at <https://www.northumberland.gov.uk/Planning/Neighbourhood.aspx>

2.2 Planning policy context

25. In line with the Basic Conditions² of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies.³ Consequently, the relevant elements of the Local Plan are reviewed as part of this Housing Needs Assessment (HNA).
26. In the case of Newbiggin-by-the-Sea, the relevant local planning context is as follows:
27. The current Northumberland Local Plan consists of a Consolidated Planning Policy Framework incorporating the saved policies of the former districts abolished in 2009 when Northumberland became a unitary authority. For Newbiggin-by-the-Sea the relevant adopted Local Plan is the Wansbeck Local Plan (2007).⁴
28. The emerging Northumberland Local Plan is currently undergoing examination having been submitted to the Secretary of State in May 2019. The examination hearings have been completed and the Council and Inspector are currently finalising the wording of the main modifications. The emerging Local Plan will replace the former district Local Plans and the Consolidated Planning Policy Framework and set out the vision for all of the Northumberland Unitary Authority up to the year 2036. The emerging Local Plan provides a minimum housing requirement figure (HRF) of 360 dwellings in Newbiggin-by-the-Sea. 3 sites are allocated for 99 to 114 dwellings and the remaining dwellings are to be brought forward by the NDP.⁵

2.2.1 Policies in the adopted local plan

29. The Wansbeck Local Plan dates to 2007 and the key policies are set out below. The emerging Northumberland Local Plan will supersede and replace the Consolidated Planning Policy Framework and all the former district Local Plans, including the Wansbeck Local Plan, when adopted.

Table 2-1: Summary of Northumberland adopted policies having relevance to Newbiggin-by-the-Sea Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
Policy H1a	Wansbeck Local Plan	Sets out that the condition of existing housing areas will be kept under review and where problems emerge, proposals for renewal will be developed including house improvements, environmental improvements, selective demolition and rebuilding.
Policy H2	Wansbeck Local Plan	Makes housing allocations for Newbiggin-by-the-Sea including H2(d) Storey Crescent for 78 dwellings and H2(f) Spital House Farm for 57 dwellings.
Policy H7	Wansbeck Local Plan	Requires that for all housing sites of more than 0.5 hectares or more than 15 dwellings, the authority will negotiate for 30% affordable housing. This was based on the then assessed local housing needs for 2005 to 2009 and thus more recent evidence will now be more relevant as a material consideration.

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

³ 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.

⁴ Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Consolidated%20Planning%20Policy%20Framework/Section%20A/Part%201%20-%20Adopted%20Statutory%20DPDs/9.%20Wansbeck/Wansbeck-District-Local-Plan.pdf>

⁵ Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Local%20Plan/Northumberland-Local-Plan-Reg-19-Publication-Draft-January-2019-Web-PDF-Version.pdf>

2.2.2 Policies in the emerging local plan⁶

30. The emerging Northumberland Local Plan will be a single new Local Plan covering the whole of Northumberland. It will set out the strategic planning policies, general scale and distribution of new development, provide planning principles and provide allocations to meet Northumberland's needs to the year 2036. Newbiggin-by-the-Sea is located in the South East Northumberland Delivery Area and is designated as a Service Centre, which is the second tier of the main settlement hierarchy. Northumberland County Council considers that Newbiggin-by-the-Sea is an important service centre for both residents and surrounding communities. Therefore it is a suitable location to accommodate employment, housing and services that maintains and strengthens its role.

Table 2-2: Summary of Northumberland emerging policies having relevance to Newbiggin-by-the-Sea Neighbourhood Plan Housing Needs Assessment

Policy	Source	Provisions
Policy STP 1: Spatial strategy (Strategic Policy)	Emerging Northumberland Local Plan Reg 19 Publication Draft	Sets out the settlement hierarchy of Northumberland, consisting of categories of Main Towns, Service Centres or other small centres. Newbiggin-by-the-Sea is designated as a Service Centre.
Policy HOU 2: Provision of new residential development (Strategic Policy)	Emerging Northumberland Local Plan Reg 19 Publication Draft	Sets out the minimum HRF for Northumberland over the plan period 2016 to 2036 for 17,700 net additional dwellings, or 885 dwellings per annum.
Policy HOU 3: Housing requirements for neighbourhood plan areas (Strategic Policy)	Emerging Northumberland Local Plan Reg 19 Publication Draft	Newbiggin-by-the-Sea Parish is given a minimum HRF of 360 net additional dwellings or 18 dwellings per annum.
Policy HOU 4: Housing development site allocations (Strategic Policy)	Emerging Northumberland Local Plan Reg 19 Publication Draft	Makes provision for the following allocations in Newbiggin-by-the-Sea: Former Moorside First School, Woodhorn Road (66 dwellings), Land north-west of Spital House Farm, North Seaton Road (20-35 dwellings) and Site adjacent to Arts Centre, Woodhorn Road (13 dwellings). Proposed main modifications increase the Spital House Farm to 55 to 85 dwellings meaning that the 3 allocated sites would potentially provide for 134 to 164 net additional dwellings.
Policy HOU 5: Housing types and mix (Strategic Policy)	Emerging Northumberland Local Plan Reg 19 Publication Draft	Sets out that a range of good quality, energy-efficient homes, including affordable homes, will be provided to deliver a more balanced mix of tenures and housing types and sizes, alongside supported specialist housing for older and vulnerable people. Development proposals will be assessed according to how well they meet the needs and aspirations of those living in and seeking to move to Northumberland, as identified in the most up-to-date Strategic Housing Market Assessment or local housing needs assessment.
Policy HOU 6: Affordable housing provision (Strategic Policy)	Emerging Northumberland Local Plan Reg 19 Publication Draft	Major development proposals of 10-or-more units or 0.5 hectares or will be expected to make the following affordable housing provision: a. within low value areas - 10% affordable. The affordable provision will be expected to reflect the following general tenure split: a. within low value areas - 100% affordable home ownership.

Source: Emerging Northumberland Local Plan Reg 19 Publication Draft⁷

⁶ 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.

⁷ Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Local%20Plan/Northumberland-Local-Plan-Reg-19-Publication-Draft-January-2019-Web-PDF-Version.pdf>

3. Approach

3.1 Research Questions

31. Research Questions, abbreviated to 'RQ;' are formulated at the start of the project through discussion with the Neighbourhood Plan Steering Group. They serve to direct the research and provide the structure for the HNA.
32. The RQs relevant to this study, as discussed and agreed with Newbiggin-by-the-Sea, are set out below.

3.1.1 Quantity

33. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Northumberland County Council (NCC) has provided Newbiggin-by-the-Sea with a minimum HRF as part of the emerging Local Plan, of 360 new dwellings. Northumberland County Council has stated its support in writing for a new locally assessed housing target figure provided it is reasonable and proportionate, and is in general conformity with the adopted Wansbeck Local Plan and emerging Northumberland Local Plan.
34. As such, the housing target figure does need to be caveated in the sense that it will differ from the HRF provided by NCC and will remain provisional in status to be used as a guiding figure for the Neighbourhood Plan Steering Group.
35. With all this in mind, an appropriate RQ for this study is as follows:

RQ 1: What housing target figure for the Neighbourhood Area should be planned for over the Plan period?

3.1.2 Tenure and Affordability

36. The Neighbourhood Plan Steering 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.
37. This evidence will allow Newbiggin-by-the-Sea 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 2: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

3.1.3 Type and Size

38. The Neighbourhood Plan Steering Group is seeking to determine what size and type of housing would be best suited to the local community. The Neighbourhood Plan Steering Group is concerned that the existing housing stock has an overrepresentation of smaller terraced homes with 2 to 3 bedrooms. Meanwhile, there is a lack of detached or semi-detached homes with 4 or more bedrooms. The Neighbourhood Plan Steering Group hopes that by rebalancing the type and size of housing mix, Newbiggin-by-the-Sea will have a more robust housing market and attract further residents to the area. The lack of flexibility in the existing housing stock is leading to younger and working age families leaving Newbiggin-by-the-Sea for surrounding areas which have a more appealing and diverse range of housing options. The Neighbourhood Plan's consultation with the community found that 93% supported measures to help retain working age families, 80% supported improved choice of modern homes, 81% supported an increase of housing allocations to sustain the community and 83% supported the regeneration or replacement of older housing stock.
39. The aim of this research question is to provide the Neighbourhood Plan Steering Group 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 3: 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?

3.2 Relevant Data

3.2.1 Local authority evidence base

40. It is appropriate for the Neighbourhood Plan Steering Group to refer to existing needs assessments prepared by the Local Planning Authority (LPA) as a starting point. As Newbiggin-by-the-Sea Neighbourhood Area is located within Northumberland's planning area, we therefore turned to the relevant Strategic Housing Market Assessment (SHMA), which is known as the Northumberland 2018 SHMA Update.
41. For the purpose of this HNA, data from Northumberland'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

42. In addition to the Northumberland 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.home.co.uk);
 - Housing completions data for South East Northumberland courtesy of Northumberland County Council; and
 - Neighbourhood-level survey and consultation work giving further detail. In the case of Newbiggin-by-the-Sea, this comprises the Newbiggin-by-the-Sea by the Sea Neighbourhood Plan Engagement Report 1.

4. RQ 1: Quantity

RQ 1: What housing target figure for the Neighbourhood Area should be planned for over the Plan period?

4.1 Introduction

43. This chapter sets out two key figures – firstly how Northumberland County Council's minimum HRF of 360 dwellings was calculated, and secondly, AECOM's calculation of a housing target figure with a range of 424 to 521 dwellings.
44. The 2019 NPPF (paragraph 65) states that strategic policy-making authorities "should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations".
45. NPPF paragraph 66 states that "Where it is not possible to provide a requirement figure for a neighbourhood area⁸ the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body". This 'indicative' figure should (amongst other things) "take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority."⁹
46. In line with its new obligations under NPPF 2019's paragraphs 65 and 66, Northumberland County Council (NCC) has provided Newbiggin-by-the-Sea with a minimum HRF as part of the emerging Local Plan, of 360 new dwellings. NCC has stated its support in writing for a new locally assessed housing target figure provided it is reasonable and proportionate, and is in general conformity with the adopted Wansbeck Local Plan and emerging Northumberland Local Plan. NCC, Newbiggin-by-the-Sea Town Council and AECOM have collectively agreed to use a methodology based on historic housing completions data for South East Northumberland.
47. As such, AECOM's housing target figure does need to be caveated in the sense that it will differ from the HRF provided by NCC and will remain provisional in status to be used as a guiding figure for the Neighbourhood Plan Steering Group.
48. The methodology for calculating housing need used by NCC is known as the 'standard method'. This was published in its current, formally adopted form in February 2019.¹⁰ While a new amended version of this methodology was published as a consultation proposal in August 2020, this change has since been abandoned.¹¹ One change to the method has since been introduced, but this only applies to the most populous urban Local Authorities and is not relevant to Northumberland.
49. In calculating the AECOM housing target figure, it should be noted that paragraphs 65 and 66 only place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66).
50. The Planning Practice Guidance¹² states that "Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations".
51. Firstly, NCC's calculation arriving at Newbiggin-by-the-Sea's minimum HRF of 360 dwellings is set out below.

⁸ For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

⁹ NPPF, paragraph 66, available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

¹⁰ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹¹ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>, pages 8-18.

¹² Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

4.2 Standard method

52. Firstly the Local Housing Need (LHN) for the LPA is calculated using the standard method outlined in Planning Policy Guidance, before taking the population of the Neighbourhood Plan area, and calculating the proportion of the total population of the LPA area that it represents. This percentage will then be used to determine the share of the LPA target that should be apportioned to the Neighbourhood Plan area.
53. The Northumberland LHN figure, using the standard method, is calculated as follows¹³:
54. **Stage one** is to set the baseline, by calculating the projected average annual household growth in Northumberland over a 10-year period, beginning with the current year, using the 2014-based ONS household projections:
- According to Northumberland's 2014-based household projection, total household growth will be 5,631 households. This equates to an annual average of 563 dwellings.
55. **Stage two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,¹⁴ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:
- Northumberland's 2019 median affordability ratio is 6.5. Using the formula outlined in PPG to calculate the adjustment factor¹⁵ results in a minimum annual figure of 651 dwellings (rounded).
56. **Stage three** is to apply a cap which limits the magnitude of increase an LPA can face. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
 - Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
 - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or b) The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
 - The relevant strategic policy in this case is Policy H1 in the Wansbeck Local Plan (adopted 2007). As this document was not adopted within the last five years, the second option above is applied and therefore a cap of 40% is applied on whichever is the higher of a) the annual average projected household growth for the area, or b) the average annual housing requirement figure set in the most recently adopted policies. The average annual housing requirement figure in the most recently adopted strategic policies also dates to the Wansbeck Local Plan (adopted 2007) so is not used. For a) the average annual projected household growth is 563, as identified above. For b) the housing requirement figure in Policy H1 of the Wansbeck Local Plan is for 160 new homes per year from 2006 onwards. Thus, the cap is applied to a) and not b). A cap of 40% above 563 is therefore $563 \times 1.4 = 788$. The cap of 788 is greater than the figure of 651 dwellings, and therefore does not limit the adjustment for affordability. The minimum LHN for Northumberland is therefore 651 net additional dwellings per year.
57. Having shown how Northumberland's LHN is calculated, we now calculate Newbiggin's share of that target, by determining what proportion of Northumberland's population currently reside in Newbiggin and applying that percentage to Northumberland's LHN.
58. Importantly, NCC have applied an uplift to the LHN in preparing its emerging Local Plan to reflect economic growth

¹³ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁴ Available at <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

¹⁵ Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

objectives. NCC identified a minimum growth requirement of 17,700 net additional dwellings over the plan period 2016 to 2036, equating to an annual average of 885 dwellings.

59. At the time of the last Census, there were 6,308 people living in Newbiggin-by-the-Sea, or 1.996% of the 316,028 people in Northumberland. Therefore, applying this percentage to Northumberland's emerging Local Plan minimum housing requirement (annual average 885pa) gives a pro rata HRF for Newbiggin-by-the-Sea of 18 dwellings (rounded) per annum, or 360 dwellings over the Local Plan period 2016-2036.
60. If the Neighbourhood Plan period changes before the Plan is adopted, this annualised figure can be multiplied by the new term.

4.3 Housing target figure

61. In accordance with emerging Local Plan policy, the HRF is a minimum which Neighbourhood Plans may exceed to meet local aims. In the case of Newbiggin-by-the-Sea, higher housing growth is considered an ambition to secure greater inward investment and ensure the long-term economic resilience and sustainability of the community. NCC, Newbiggin-by-the-Sea Town Council and AECOM have agreed to employ a methodology using housing completions data for South East Northumberland to arrive at a realistic and proportionate higher housing target figure.
62. Step one is to gather together the data on net completions for South East Northumberland. NCC monitors completions by 'small areas'. The data is set out below in Table 4-1 and Table 4-2.

Table 4-1: South East Northumberland Net Completions Data 2009-16

Small area	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Amble	0	0	0	0	0	39	75	114
Ashington	9	13	79	68	50	68	145	432
Bedlington	-2	17	-27	64	-11	36	56	133
Blyth	85	152	95	107	172	380	221	1,212
Choppington	3	10	1	0	0	1	1	16
Cramlington	17	1	30	63	40	22	61	234
Newbiggin-by-the-Sea	10	2	0	0	1	4	0	17
Seaton Valley	76	59	29	23	77	120	104	488
Other	0	0	0	0	0	10	33	43
Total	198	254	207	325	329	680	696	2,689
Total excl. Newbiggin	188	252	207	325	328	676	696	2,672

Source: Northumberland County Council, AECOM analysis

Table 4-2: South East Northumberland Net Completions Data 2016-18

Small area	2016-18
Amble	119
Ashington	281
Bedlington	79
Blyth	505
Choppington	4
Cramlington	127
Newbiggin-by-the-Sea	44
Seaton Valley	144
Other	35
Total	1,338
Total excl. Newbiggin	1,294

Source: Northumberland County Council, AECOM analysis

63. Next, these are added to provide net completions from 2009 to 2018 below in Table 4-3.

Table 4-3: South East Northumberland Completions Data 2009-18

Small area	2009-18
Amble	233
Ashington	713
Bedlington	212
Blyth	1,717
Choppington	20
Cramlington	361
Newbiggin-by-the-Sea	61
Seaton Valley	632
Other	68
Total	4,017
Total excl. Newbiggin	3,956

Source: Northumberland County Council, AECOM analysis

64. Step two is to establish the baseline number of dwellings shown in Table 4-4 below.

Table 4-4: Baseline number of dwellings

Small area	Baseline number of dwellings
Amble	2,826
Ashington	13,096
Bedlington	8,454
Blyth	16,961
Choppington	4,571
Cramlington	12,777
Newbiggin-by-the-Sea	3,089
Seaton Valley	7,431
Other	5,357
Total	74,472
Total excl. Newbiggin	71,383

Source: ONS Census 2011, Northumberland County Council, AECOM analysis

65. Step three is to annualise the total net completions and extrapolate this forward to the Neighbourhood Plan Period (2021 to 2036, i.e. 15 years) shown in Table 4-5 below.

Table 4-5: Annualised Net Completions

Small area	Net Completions 2009-18	Annualised (Divided by 9)	x Plan Period (15 years)
Amble	233	26	388
Ashington	713	79	1,188
Bedlington	212	24	353
Blyth	1,717	191	2,862
Choppington	20	2	33
Cramlington	361	40	602
Newbiggin-by-the-Sea	61	7	102
Seaton Valley	632	70	1,053
Other	68	8	113

Total	4,017	446	6,695
Total excl. Newbiggin	3,956	440	6,593

Source: AECOM analysis

66. Step four is to calculate the projected level of growth from the baseline number of dwellings over the plan period. This is calculated by adding the number of completions over the plan period to the baseline and calculating the percentage growth for each small area, shown in Table 4-6 below.

Table 4-6: Percentage growth projection from baseline over plan period

Small area	Baseline dwellings	Projected dwellings	% Growth
Amble	2,826	3,214	13.74
Ashington	13,096	14,284	9.07
Bedlington	8,454	8,807	4.18
Blyth	16,961	19,823	16.87
Choppington	4,571	4,604	0.73
Cramlington	12,777	13,379	4.71
Newbiggin-by-the-Sea	3,089	3,191	3.29
Seaton Valley	7,431	8,484	14.17
Other	5,357	5,470	2.12
Total	74,472	81,167	8.99
Total excl. Newbiggin	71,383	77,976	9.24

Source: AECOM analysis

67. Step five is to establish different growth scenarios for Newbiggin-by-the-Sea using different example growth rates, shown below in Table 4-7. There are six growth scenarios. Scenario 1 is based on Newbiggin-by-the-Sea's historic completions data. Scenario 2 is based on average growth across South East Northumberland excluding Newbiggin-by-the-Sea. Scenario 3 is the emerging Local Plan minimum HRF. Scenario 4 is a medium growth scenario based on Amble's growth rate. Scenario 5 is a high growth scenario based on the average of Amble, Blyth and Seaton Valley's growth rates. Scenario 6 is a maximum growth scenario based on applying Blyth's growth rates.

Table 4-7: Growth Scenarios for Newbiggin-by-the-Sea

Scenario	Baseline	Projected	% Growth	Increase
1: Historic Trend	3,089	3,191	3.29	102
2: Average Growth	3,089	3,374	9.24	285
3: Local Plan Minimum HRF	3,089	3,449	11.65	360
4: Medium Growth	3,089	3,513	13.74	424
5: High Growth	3,089	3,550	14.93	461
6: Maximum Growth	3,089	3,610	16.87	521

Source: AECOM analysis

68. On the basis that the NP is seeking ambitious growth targets, Scenarios 1, 2 and 3 are not taken forward. This report therefore recommends a range figure of 424 to 521 net additional dwellings over the Neighbourhood Plan period (2021 to 2036). This represents 28 to 35 dwellings per year, a figure which can be extrapolated forward if the Neighbourhood Plan Period later changes.
69. Scenarios 4, 5 and 6 should be considered robust because Amble, Blyth and Seaton Valley are all excellent local case study comparisons for realistic achievable growth rates in South East Northumberland. The analysis below sets out more detail:

Amble

70. Amble is a seaside town with a population of 6,025 and 2,826 dwellings. This is very comparable to Newbiggin-by-the-Sea (population of 6,308, 3,089 dwellings). Table 4-8 sets out how Newbiggin compares to Amble's key characteristics.

Table 4-8: Amble Comparison

Characteristics	Newbiggin-by-the-Sea	Amble
Population	6,308	6,025
Dwellings	3,089	2,826
Working age population	60.8%	62.5%
Population over 65	20.6%	20.6%
SNPP growth projection	10.4%	-9.1%
Primary School	Yes	Yes
Secondary School	No	Yes
Leisure Centre	Yes	Yes
Library	Yes	Yes
Retail Floor Space	2,720sqm	4,030sqm
Employment Land	114.3ha	11.7ha
Economic Activity 16-74	51.9%	57.8%

Source: Northumberland County Council, AECOM analysis

71. Newbiggin-by-the-Sea and Amble have relatively similar indicators except Newbiggin-by-the-Sea has much higher growth projections and a much higher quantity of employment land. In addition, Newbiggin has better links to the strategic road network and closer proximity to the Tyneside conurbation.

Blyth

72. Blyth is a large seaside town with a population of 37,399 and 16,961 dwellings. Blyth has achieved the maximum growth rate in recent years. Blyth has, however, been a consistent focus for strategic economic investment over the past decades. Table 4-9 below sets out how Newbiggin compares to Blyth's key characteristics.

Table 4-9: Blyth Comparison

Characteristics	Newbiggin-by-the-Sea	Blyth
Population	6,308	37,399
Dwellings	3,089	16,961
Working age population	60.8%	64.3%
Population over 65	20.6%	16.3%
SNPP growth projection	10.4%	6.3%
Primary School	Yes	Yes
Secondary School	No	Yes
Leisure Centre	Yes	Yes
Library	Yes	Yes
Retail Floor Space	2,720sqm	22,230sqm
Employment Land	114.3ha	82.5ha
Economic Activity 16-74	51.9%	58.2%

Source: Northumberland County Council, AECOM analysis

73. Newbiggin-by-the-Sea and Blyth differ in size and Blyth has indicators suggesting a slightly more robust local economy, including higher economic activity and a higher working age population. Blyth benefits from close proximity to the Tyneside Conurbation and is a more convenient location for commuting. However, its forecast population growth is below Newbiggin's and it is considered that Blyth's strong growth rate is an achievable local comparison.

Seaton Valley

74. Seaton Valley Small Area is a cluster of smaller settlements in proximity to other larger service centres. Seaton Valley is similarly in proximity to the large town of Cramlington as Newbiggin is to Ashington. Table 4-10 below sets out how Newbiggin compares to Seaton Valley's characteristics.

Table 4-10: Seaton Valley Comparison

Characteristics	Newbiggin-by-the-Sea	Seaton Valley
Population	6,308	15,422
Dwellings	3,089	7,431
Working age population	60.8%	63.3%
Population over 65	20.6%	21.4%
SNPP growth projection	10.4%	4.5%
Primary School	Yes	Yes
Secondary School	No	Yes
Leisure Centre	Yes	No
Library	Yes	Yes
Retail Floor Space	2,720sqm	1,810sqm
Employment Land	114.3ha	20.4ha
Economic Activity 16-74	51.9%	61.3%

Source: Northumberland County Council, AECOM analysis

75. Seaton Valley is another good comparison because it is an area in proximity to other main service centres yet has been able to achieve strong growth levels. Newbiggin-by-the-Sea arguably has a stronger service array than Seaton Valley and more retail and employment provision. Seaton Valley is geographically closer to the Tyneside conurbation but does not have particularly strong infrastructure links in comparison with Newbiggin-by-the-Sea.
76. In summary, by aiming for 424 to 521 net additional dwellings over the Neighbourhood Plan Period, Newbiggin-by-the-Sea can match its local peers' recent growth rates. Newbiggin-by-the-Sea has been disadvantaged by historically low growth and by exceeding the minimum HRF figure of 360 dwellings in a proportionate and realistic way, this will help achieve key Neighbourhood Plan goals. An ambitious growth target will improve Newbiggin-by-the-Sea's economic fortunes and ensure that the community thrives and regenerates in the future, contributing to Northumberland's broader growth and prosperity.
77. Based on the evidence above, this HNA recommends an **overall housing target figure of 424 to 521 dwellings, which equates to 28 to 35 dwellings per year between 2021 and 2036.**

5. RQ 2: Tenure, Affordability and the Need for Affordable Housing

RQ 2: What Affordable Housing (e.g. 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?

5.1 Introduction

78. 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.¹⁶

5.2 Definitions

79. 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.

80. 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.¹⁷

81. 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). As part of this effort, the Government has recently proposed to introduce First Homes to provide at least a 30% discount on new market housing for sale.¹⁸ 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.

5.3 Current tenure profile

82. 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 5-1 below presents Census data from 2011; this table shows the distribution of how households occupy their homes within Newbiggin-by-the-Sea, compared to the rest of Northumberland and England.

83. Newbiggin-by-the-Sea has a lower proportion of home ownership and notably higher proportion of social rented households than is either locally or nationally typical. The proportion of owned properties at 57% is approximately 9% lower than the Northumberland average and 6 percentage points lower than the average across England. Secondly, the proportion of social rented properties is very high, at 26%, 8 percentage points above the local average or 9 percentage points above the national average. It is a notable attribute to Newbiggin-by-the-Sea that over a quarter of properties are social rented. The proportion of shared ownership and private rented homes are closer to both local and national averages. Private rented households are slightly underrepresented in comparison to the national average, at 14% compared to around 17%, although this follows the local pattern.

¹⁶ PPG Paragraph: 021 Reference ID: 2a-021-20160401, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁷ NPPF 2019.

¹⁸ The latest consultation proposals, published in August 2020, state that 'The minimum discount for First Homes should be 30% from market price which will be set by an independent registered valuer' and 'Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.'

Table 5-1: Tenure (households) in Newbiggin-by-the-Sea, 2011

Tenure	Newbiggin-by-the-Sea	Northumberland	England
Owned; total	57.3%	65.8%	63.3%
Shared ownership	0.6%	0.4%	0.8%
Social rented; total	27.1%	18.7%	17.7%
Private rented; total	14.0%	13.3%	16.8%

Sources: Census 2011, AECOM Calculations

84. In Table 5-2, we note the changes in tenure during the intercensal period. The tenure profile of Newbiggin-by-the-Sea underwent considerable and dynamic changes between 2001 and 2011. The proportion of owner occupied households has moderately increased by around 4%, which is divergent from the pattern across England which was a slight fall, although still below local rates which went up by closer to 5%. Shared ownership remains a small proportion of the households in Newbiggin-by-the-Sea but has seen a dramatic percentage increase of 467%, although this figure is the product of the small sample size. In comparison, Northumberland has seen almost no change in shared ownership and England has seen a considerable 30% increase. The proportion of social rented properties has fallen considerably by 11%, which is a much faster rate than England at a fall of 1% and slightly faster than Northumberland at a fall of 8%. Falls in social renting are often due to a proportion of the stock being bought by owners through the Right to Buy scheme and equivalents. Meanwhile, the proportion of private rented properties has risen rapidly, by 147% which is generally due to the decreasing affordability of home ownership. This some margin above the local increase of 93% or national increase of 82%. In summary, the tenure profile has been in transition with social rented households forming a lower fraction, with a moderate rise in owner occupied households but large increases in shared ownership households and private rented households.

Table 5-2: Rates of tenure change in Newbiggin-by-the-Sea, 2001-2011

Tenure	Newbiggin-by-the-Sea	Northumberland	England
Owned; total	3.8%	4.6%	-0.6%
Shared ownership	466.7%	-0.2%	30.0%
Social rented; total	-11.2%	-8.2%	-0.9%
Private rented; total	147.2%	93.0%	82.4%

Sources: Censuses 2001 and 2011, AECOM Calculations

5.4 Affordability

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

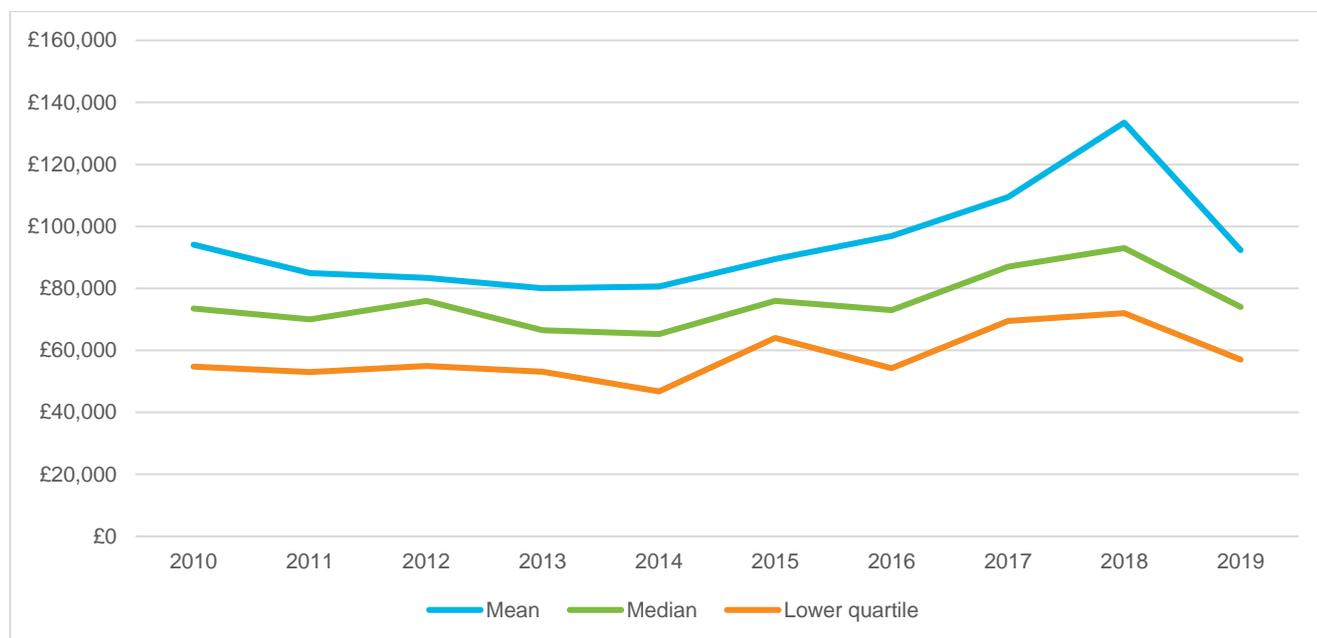
5.4.1 House prices

87. 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.
88. Figure 5-1 on the following page looks at selected measures of house prices in Newbiggin-by-the-Sea. It shows that house prices were broadly stable between 2010 and 2014, before undergoing a period of growth between 2014 and 2018. The 2019 figures show a considerable fall in house prices. This is anomalous and does not reflect local or national patterns. It is reasonable to suspect that this is owing to a smaller sample size as sale figures for 2019 may still not be available in the data. For the purposes of this report, the 2018 Land Registry house price figures are judged a more reliable indication of current house prices. House prices in Newbiggin-by-the-Sea are considerably low by both local

and national standards, but have seen a moderate increase in recent years. In 2018, mean house prices were recorded at £133,460, median house prices at £93,000 and lower quartile prices at £72,000.

89. PPG makes clear that lower-quartile house prices may be used as a benchmark for entry-level home prices.¹⁹ Entry-level properties are typically those with one or two bedrooms – either flats or houses.

Figure 5-1: House prices by quartile in Newbiggin-by-the-Sea between 2010 and 2019



Source: Land Registry PPD

90. Table 5-3 below breaks down house prices by type of house, as recorded by Land Registry Price Paid Data (PPD). Note that growth has been calculated from 2010 to 2018 because the 2019 figures are judged to seem anomalous, potentially owing to a small sample size. It shows that house prices have risen robustly between 2010 and 2018 at 42%. However, house prices remained low by local or national standards with a 2018 mean sale price of £133,460. In terms of house prices by type, detached homes are the most expensive at a mean price of £264,000 but have seen a moderate decline in prices between 2010 and 2018 of 11%. Semi-detached homes are considerably cheaper at a mean sale price of £108,000 although have risen robustly by 27%. Terraced homes are also more affordable at a mean sale price of £94,000 with growth of 22% in prices between 2010 and 2018. There have been insufficient sales of flats to accurately record a trajectory of flat prices. In summary, semi-detached and terraced homes are seeing the strongest price growth in Newbiggin-by-the-Sea, although detached homes remain by far the highest value type of property.

Table 5-3: House prices by type in Newbiggin-by-the-Sea, 2010-2019, 000s

Type	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Growth ('10-'18)
Detached	£298	£198	N/A	£145	N/A	N/A	£259	£204	£264	£186	-11.3%
Semi-detached	£85	£82	£86	£66	£95	£90	£83	£115	£108	£99	26.9%
Terraced	£77	£77	£82	£83	£77	£90	£72	£88	£94	£88	21.9%
Flats	N/A	N/A	N/A	N/A	£20	£84	£45	£54	N/A	£34	N/A
All Types	£94	£85	£83	£80	£81	£89	£97	£109	£133	£92	41.9%

Source: Land Registry PPD

¹⁹ See Paragraph: 021 Reference ID: 2a-021-20190220, available at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

5.4.2 Income

91. 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.
92. The first source is locally specific but limited to the average total household income estimates published by ONS²⁰ at the level of the Middle-layer Super Output Area (MSOA)²¹. In the case of Newbiggin-by-the-Sea the MSOA most suitable for use as a proxy for the Neighbourhood Plan area boundary is E02005734. 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.
93. The average total household income before housing costs (equalised) across E02005734 in 2018 was £29,900. This figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.²²
94. 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.
95. 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.
96. Northumberland's gross LQ weekly earnings for 2018 was £201, or approximately £10,442 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 £20,884.

5.4.3 Affordability Thresholds

97. 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.
98. 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.
99. Table 5-4 shows the cost of different tenures and the annual income required to support these costs within Newbiggin-by-the-Sea. 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.

²⁰Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2016>

²¹ 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>

²² 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.

Table 5-4: Affordability thresholds in Newbiggin-by-the-Sea (income required, £)

Tenure	Mortgage Value	Rent	Income required	Affordable on average incomes? £29,900	Affordable on LQ earnings (single earner)? £10,442	Affordable on LQ earnings (2 earners)? £20,884
Market Housing						
Median House Price	£83,700	-	£23,914	Yes	No	No
LA New Build Mean House Price	£213,174	-	£60,907	No	No	No
LQ/Entry-level House Price	£64,800	-	£18,514	Yes	No	Yes
Average Market Rent	-	£6,372	£21,240	Yes	No	Marginal
Entry-level Market Rent	-	£5,640	£18,800	Yes	No	Yes
Affordable Home Ownership						
Discounted Market Sale (-20%)	£74,400	-	£19,131	Yes	No	Yes
Discounted Market Sale (-30%)	£65,100	-	£16,740	Yes	No	Yes
Discounted Market Sale (-40%)	£55,800	-	£14,349	Yes	No	Yes
Discounted Market Sale (-50%)	£46,500	-	£11,957	Yes	No	Yes
Shared Ownership (50%)	£11,957	£3,875	£15,832	Yes	No	Yes
Shared Ownership (25%)	£5,979	£5,813	£11,791	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,002	£16,675	Yes	No	Yes
Social Rent	-	£3,962	£13,208	Yes	No	Yes

Source: AECOM Calculations

100. The income required to afford the different tenures is then benchmarked, in Figure 5-2 against the three measurements of household income set out above. These are the average total household income for E02005734 at £29,900 and the lower quartile gross earnings for Northumberland for single-earners at £10,442 and dual-earning households at £20,884.
101. 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 lower than what would be expected to be available to those on average household incomes. The income required to buy an average entry-level home for sale is higher than the average income of those on lower quartile household incomes, but likely achievable for most other households.
102. The ability of those on dual lower quartile earnings to afford entry-level market rents, affordable rent and social rent suggests that these tenures are sufficiently affordable. However, those on single lower quartile earnings are currently unable to afford entry-level market rents, affordable rent or social rent and would likely require additional support.
103. 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 home ownership.²³ In the case of Newbiggin-by-the-Sea, the figure below suggests that the most appropriate tenures to help implement this policy goal locally are: discounted market sale and shared ownership products, though it is clear that more affordable market properties serve a similar purpose for the relatively high earning household groups..
104. Table 5-4 shows that households with incomes between £18,800 and £23,914 may be able to rent in the market but unable to buy. These households may need affordable home ownership options. There are a range of affordable routes to home ownership tenures, i.e. those aimed at households unable to afford to buy in the market. With regard to these products and the discounts required, the following observations can be made:

²³ See the White Paper 'Fixing Our Broken Housing Market', at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

- The discount on the average market sale price required to enable households on average incomes to afford to buy is 0%. This means that those on average incomes can afford the average market sale price and no discount is required.
- 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 – as appears to be the case in Northumberland. LPA new-build prices have been used because such data is not available at the NA level.
- The discounts and products which would extend homeownership to the widest group include: discounted market sale (25% to 50%) and shared ownership (75% to 25%). It is very positive that those on dual lower quartile incomes can afford to buy homes at the starting levels of 25% discounted market sale or shared ownership at 75%. However, by extending discounts towards 50% or reducing shared ownership levels lower towards 25%, further low earners would be able to afford to buy. The maximum 50% discounted market sale enables those on incomes of £11,957 to buy, and maximum 25% shared ownership enables those on incomes at a slightly lower £11,791 to buy. However, it is unlikely that any of these discounts or products would be capable of rendering housing affordable for single lower quartile earners or below who are on an annual income of £10,442 or lower, and these groups would require further support. It should be noted that homeownership in Newbiggin-by-the-Sea is already relatively achievable and this is a positive starting position for prospective homebuyers in the area. Median house prices are affordable to those on average incomes or above, and entry-level homes are also affordable to those on dual lower quartile incomes. However, the discounts and products recommended above would also help further extend homeownership.
- 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 £105,000.²⁴ This cost excludes any land value or developer profit.
- 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 Newbiggin-by-the-Sea a 30% discount on average prices would be more than sufficient to extend home ownership to households on average incomes. For the average new build home across Northumberland, the discount required could be as high as 51%.
- The income required to access Rent to buy is the same as that required to afford market rents, at £21,240. This is inaccessible to lower quartile earners or households with two lower quartile earners and is therefore Rent to buy is not recommended as a route to affordable home ownership in Newbiggin-by-the-Sea.
- Newbiggin-by-the-Sea's Neighbourhood Plan and Neighbourhood Plan Steering Group have a limited ability to influence or control the level of discount achieved on market sale properties but can liaise with Northumberland County Council to help ensure that the discounts are sufficient to meet local needs.

105. Table 5-5 below shows what discounts are required in order for properties to be affordable to households on average incomes. It shows that currently those on average incomes can afford both average market sale prices and entry level sale prices. However, discounts of 30% envisaged in the First Homes product would extend homeownership to those on lower incomes.

106. The latest Government consultation on 'Changes to the current planning system'²⁵ 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 not be justified in Newbiggin-by-the-Sea.

²⁴ 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

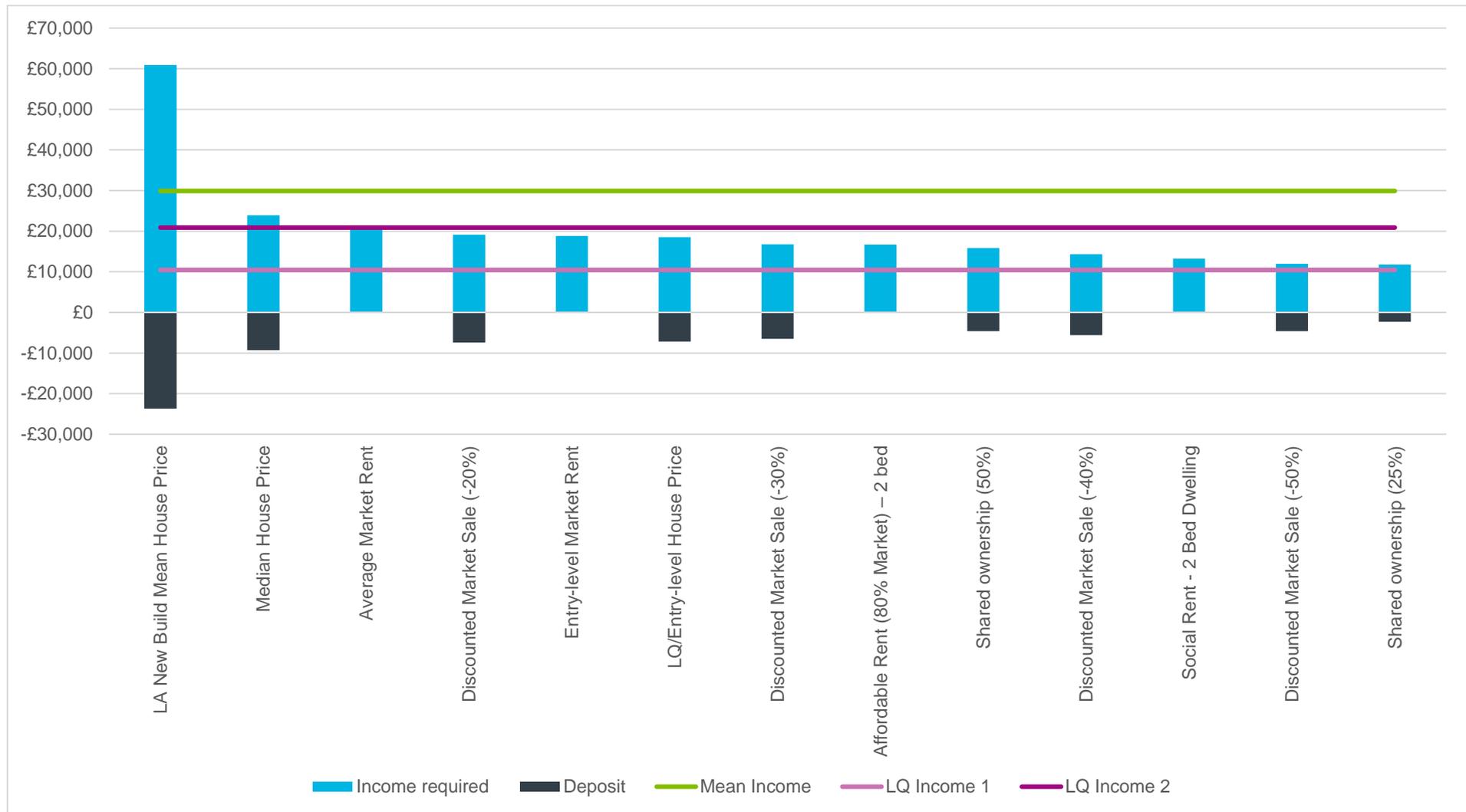
²⁵ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

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

Mean household income in NA:	£29,900
Tenure/ product:	Discount on sale price required:
- <i>Market sale (Average)</i>	0%
- <i>New build market sale (Average for LA)</i>	51%
- <i>Entry level sale (LQ)</i>	0%

Source: Land Registry PPD; ONS MSOA total household income

Figure 5-2: Affordability thresholds in Newbiggin-by-the-Sea (income required, £)



Source: AECOM Calculations

5.5 Affordable housing- quantity needed

107. The starting point for understanding the need for affordable housing in Newbiggin-by-the-Sea is the relevant Strategic Housing Market Assessment (SHMA)²⁶. A SHMA was undertaken for Northumberland in 2018. 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. The SHMA identifies the need for 151 additional affordable homes each year in Northumberland as a whole, having taken account of the supply of affordable homes commitments. This equates to 17% residual affordable housing need across Northumberland. The SHMA was calculated with a methodology which took into account the need for both affordable housing for sale and affordable housing for rent. The SHMA's methodology for calculating affordable housing need includes: 'Total in need and cannot afford open market (buying or renting)', has been informed by the updated PPG guidance from 2018 and includes commentary on both affordable housing for sale and rent. The SHMA therefore can be regarded as having thoroughly assessed the total affordable housing need in Northumberland.
108. When the SHMA figures are pro-rated to Newbiggin-by-the-Sea based on its fair share of the population (1.996% of the LPA's population), this equates to 3 homes per annum or 60 homes over the Local Plan period (2016 – 2036). The emerging Local Plan Policy HOU 6 sets out a requirement for 100% affordable housing for sale in low value Housing Viability Value Areas, therefore we have not applied a breakdown by both affordable housing for sale and rent.
109. There is no policy or legal obligation on the part either of the Local Authority or the Neighbourhood Plan Steering Group to meet affordable housing needs in full, either within or outside the Neighbourhood Plan area, though there are tools available to the Neighbourhood Plan Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
110. It is also important to remember that even after the Newbiggin-by-the-Sea, 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 Plan Steering Group.
111. 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).

5.5.1 Affordable Housing Policies in Newbiggin-by-the-Sea

112. The Neighbourhood Plan may wish to develop policies in relation to the delivery of Affordable Housing within Newbiggin-by-the-Sea. Northumberland's emerging Local Plan policy in relation to Affordable Housing delivery requires 10% of all new homes on sites of 10 dwellings or more or 0.5 hectares or more to be delivered as Affordable Housing [Policy HOU 6: Affordable Housing provision (Strategic Policy)] within low value Housing Viability Value Areas. It is important to note that this policy is likely to change as a result of main modifications in the Local Plan examination and the affordable housing requirement would then only apply to sites of 30 dwellings or more. Policy HOU 6 also sets out that tenure mix for low value areas should be 100% affordable home ownership. However, this does not necessarily rule out affordable housing for rent where justified by local needs. This policy would apply in Newbiggin-by-the-Sea, subject to sites coming forward for development with 10 or more dwellings (subject to potential revision) or on sites of 0.5 hectares or more.
113. 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.
114. 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 Neighbourhood Plan Steering Group as the Government consultation proceeds. For more detail on this proposal in relation to the

²⁶ Available at <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Studies%20and%20Evidence%20Reports/Housing%20Studies/2.%20SHMA/NCC-SHMA-June-2018.pdf>

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).

115. Table 5-7 at the end of this chapter estimates the number of affordable homes likely to come forward based on the overall housing requirement for the NA and the application of affordable housing policies.
116. 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 Plan Steering Group. 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 Newbiggin-by-the-Sea.
- A. **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 Newbiggin-by-the-Sea to address the aspirations of households who can rent but can't buy. AECOM's estimate identified the potential demand for 60 homes over the plan period as if Newbiggin-by-the-Sea was to meet its share of Northumberland's need for affordable housing and this would imply 60 homes over the Local Plan period. We have not provided a tenure breakdown by affordable housing for sale and rent because emerging Local Plan policy HOU 6 sets out that 100% of affordable dwellings in low value Housing Viability Value Areas should come forward as affordable housing for sale.
 - B. **Can Affordable Housing needs be met in full?** The recommended housing target figure for Newbiggin-by-the-Sea is a range of 424 to 521 dwellings. This level of housing delivery would not allow all affordable housing needs of 60 homes to be met in Newbiggin-by-the-Sea. It is therefore unlikely that sufficient Affordable Housing will be delivered over the plan period to meet identified needs. If some of Newbiggin-by-the-Sea's HRF is expected to come forward in the form of small infill developments, those schemes are unlikely to be large enough to meet the likely threshold of 30 dwellings, above which the Affordable Housing policy applies. If that is the case, the potential delivery of Affordable Housing is likely to be lower still. This suggests some form of prioritisation will be required. In most cases, Councils will wish to prioritise the delivery of social/affordable rented homes to meet acute needs. However, considerations can differ in rural areas and subject to other considerations.
 - C. **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.
 - D. **Emerging policy:** the Government recently consulted 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.²⁷ 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 Plan Steering Group will need to keep this emerging policy in mind when developing its Neighbourhood Plan policies.

The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes. 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. The August 2020 proposals also present options on how the make-up of the tenure mix of the remaining 75% of affordable housing is determined, with one option to maintain as far as possible the affordable rented proportions in the local plan, while a second option would allow greater flexibility. It is unknown at this time which option will be pursued.

²⁷The original proposals are available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf. The latest proposals are available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>.

Note that the latest proposals are not final, and could potentially be subject to further change.

- E. **Local Plan policy:** Northumberland's emerging Local Plan requires a tenure mix of 100% affordable home ownership in low value areas. The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes.
 - F. **Viability:** HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site specific level. Viability issues are recognised in the 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.
 - G. **Funding:** the availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The Neighbourhood Plan Steering Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
 - H. **Existing tenure mix in Newbiggin-by-the-Sea:** Evidence suggests there is limited Affordable Housing for sale within the Newbiggin-by-the-Sea at present. This suggests that some provision of Affordable Housing for sale 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.
 - I. **Views of registered providers:** it is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in this area.
 - J. **Wider policy objectives:** the Neighbourhood Plan Steering Group may wish to take account of broader policy objectives for Newbiggin-by-the-Sea and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the Neighbourhood Area. These wider considerations may influence the mix of Affordable Housing provided.
117. In Table 5-6 below, two alternative scenarios for the tenure mix of Affordable Housing in Newbiggin-by-the-Sea 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 Plan Steering Group is considering delivering Affordable Housing through other means, the national policy requirements reflected here may not apply.
118. The first scenario (Mix 1 – Indicative mix based on local needs) conforms to the target tenure split set out in the Local Plan which is 100% affordable home ownership in low value areas. Rent to buy is not recommended as a route to affordable home ownership as the income required is above that of a household with two lower quartile incomes. Shared ownership products are the most appropriate affordable home ownership product in Newbiggin-by-the-Sea as these are affordable to a much broader demographic.
119. 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.
120. 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, the suggested affordable routes to home ownership (shared ownership) would be displaced by First Homes.
121. Where the Neighbourhood Plan Steering Group wishes 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-site circumstances in addition to this evidence.
122. 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 (e.g. 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. Note that the Local Plan sets out a requirement for 100% affordable home ownership products for low value areas although this does not rule out affordable homes for rent where they can be justified.

123. 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 5-6: 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			Government proposing min 25% requirement for First Homes. Uncertainty over extent of requirement until policy finalised.
First Homes	0%	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc
Shared ownership	100%	75%	Proposed changes to the model to allow purchases of 10% share ²⁸ - impact on viability unknown RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	0%	0%	Emerging product with popularity and effectiveness as yet unknown Impact of displacement by First Homes unknown
Affordable Housing for rent, of which			
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

124. Assuming that the Government’s proposal that 25% of all affordable Housing should be First Homes is formalised, the Neighbourhood Plan Steering Group will need to take account of how this could impact on affordable housing policies (particularly the tenure mix) in the Neighbourhood Plan. This could potentially impact on the ability of Newbiggin-by-the-Sea to accommodate those with the most acute needs as it would reduce the number of affordable homes provided as shared ownership products.

125. It is recommended that consideration is also given to alternative mechanisms capable of helping to meet local need, where appropriate (i.e. rural/entry-level exception sites or community led housing etc.).

126. However, the Neighbourhood Plan Steering Group should note that the First Homes product has not been formally implemented, and should await the outcome of the Government consultation.

²⁸ <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

5.6 Conclusions- Tenure and Affordability

127. As of the 2011 census, Newbiggin-by-the-Sea has a lower proportion of home ownership and notably higher proportion of social rented households than is typical either locally or nationally. The proportion of shared ownership and private rented homes are closer to both local and national averages. Private rented households are slightly underrepresented in comparison to the national average.
128. Furthermore, the tenure profile of Newbiggin-by-the-Sea underwent considerable and dynamic changes between 2001 and 2011. The proportion of owner occupied households has moderately increased. Shared ownership remains a small proportion of the households in Newbiggin-by-the-Sea but has seen a dramatic percentage increase, although this figure is likely a product of the small sample size. The proportion of social rented properties has fallen considerably at a much faster rate than England and slightly faster rate than Northumberland. Meanwhile, the proportion of private rented properties has risen rapidly. In summary, the tenure profile has been in transition with social rented households forming a lower fraction, with a moderate rise in owner occupied households but large increases in shared ownership households and private rented households.
129. House prices were broadly stable between 2010 and 2014, before undergoing a period of growth between 2014 and 2018, with an overall robust growth of 42% between 2010 and 2018. House prices in Newbiggin-by-the-Sea are considerably low by both local and national standards, but have seen a moderate increase in recent years. In 2018, mean house prices were recorded at £133,460, median house prices at £93,000 and lower quartile prices at £72,000. In terms of house prices by type, detached homes are the most expensive at a mean price of £264,000 but have seen a moderate decline in prices of 11%. Semi-detached homes are considerably cheaper at a mean sale price of £108,000 although have risen robustly by 27%. Terraced homes are also more affordable at a mean sale price of £94,000 with growth of 22% in prices. In summary, semi-detached and terraced homes are seeing the strongest price growth in Newbiggin-by-the-Sea, although detached homes remain by far the highest value type of property.
130. With regards to affordability thresholds within Newbiggin-by-the-Sea, the average total household income is £29,900, while the gross lower quartile income was £10,442 or £20,884 for dual lower quartile income households.
131. Comparing these thresholds with the prices of all tenures within Newbiggin-by-the-Sea, indicates that housing is affordable for those on average incomes in this area. Among market tenures, the income required to buy an average market home for sale is lower than what would be available to those on mean household incomes. The income required to buy an average entry-level home for sale is lower than what is likely to be affordable for both those on mean incomes and on dual lower quartile household incomes. However, there are notable affordability issues for those on incomes lower than £18,514 which includes those on lower quartile incomes who are unable to afford entry-level market homes.
132. The discounts and products which would extend homeownership to the widest group include: discounted market sale (25% to 50%) and shared ownership (75% to 25%). It is very positive that those on dual lower quartile incomes can afford to buy homes at the starting levels of 25% discounted market sale or shared ownership at 75%. However, by extending discounts towards 50% or reducing shared ownership levels lower towards 25%, further low earners would be able to afford to buy. The maximum 50% discounted market sale enables those on incomes of £11,957 to buy, and maximum 25% shared ownership enables those on incomes at a slightly lower £11,791 to buy. It may not be realistic that these minimum income levels, which are lower than the income required for affordable rent, may always be achievable in practice. It is also unlikely that any of these discounts or products would be capable of rendering housing affordable for single lower quartile earners or below who are on an annual income of £10,442 or lower, and these groups would require further support. It should be noted that homeownership in Newbiggin-by-the-Sea is already relatively achievable and this is a positive starting position for prospective homebuyers in the area. Median house prices are affordable to those on average incomes or above, and entry-level homes are also affordable to those on dual lower quartile incomes. However, the discounts and products recommended above would also help further extend homeownership.
133. The starting point for understanding the need for affordable housing in Newbiggin-by-the-Sea is the relevant Strategic Housing Market Assessment (SHMA). When the SHMA figures are pro-rated to Newbiggin-by-the-Sea based on its fair share of the population (1.996% of Northumberland) this equates to 3 homes per annum or 60 homes over the Local Plan period (2016-2036), which in line with Local Plan Policy HOU 6, will be 100% affordable home ownership products.
134. Two indicative tenure mixes have been provided, which could serve as a guideline for the breakdown of Affordable Housing tenures in Newbiggin-by-the-Sea based on various considerations and evidence. Mix 1 (indicative mix based on local needs) proposes that 0% of affordable homes be provided as rented tenures, and 100% delivered as affordable routes to home ownership. This mix aligns with the Local Plan. Mix 2 (indicative mix with 25% First Homes requirement)

proposes that 75% of affordable homes be provided as shared ownership, with the remaining 25% exclusively as First Homes. 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.

135. Table 5-7 below summarises Newbiggin-by-the-Sea'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 target 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. 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 Neighbourhood Plan Steering Group plans for more housing (and therefore more affordable housing) than the local plan, or if the Neighbourhood Plan Steering Group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.
136. 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 5-7: Estimated delivery of Affordable Housing in Newbiggin-by-the-Sea

	Step in Estimation	Mix based on housing target figure
A	Provisional capacity figure	424 to 521
B	Affordable housing quota (%) in LPA's Local Plan	10%
C	Potential total Affordable Housing in NA (A x B)	42 to 52
D	Rented % (e.g. social/ affordable rented)	0%
E	Rented number (C x D)	0
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	100%
G	Affordable home ownership number (C x F)	42 to 52

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

137. The expected level of delivery is for 42 to 52 affordable homes. The policy requirement for 10% affordable homes should be met wherever possible, but further avenues for delivering greater quantities of Affordable Housing such as exception sites should be explored. It is not recommended that the Local Plan policy requirement be exceeded in the Neighbourhood Plan because such steps are rarely accepted by planning inspectors on the grounds that an extremely high standard of justification is required which goes beyond the scope of this HNA, in particular around the issue of what level of Affordable Housing delivery can be financially viable in the NA. Raising the percentage of Affordable Housing required could, furthermore, have the effect of discouraging new building from coming forward altogether. Should the Neighbourhood Plan Steering Group wish to consider such an option, it is advisable to discuss this with the LPA in the first instance. With the housing target figure of 424 to 521 dwellings provided by AECOM, 42 to 52 affordable homes may come forward over the plan period which is close to the level of the need identified for 60 affordable homes based on the SHMA.
138. 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.

6. RQ 3: Type and Size

RQ 3: 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?

6.1 Introduction

139. The Newbiggin-by-the-Sea 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.
140. 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 Newbiggin-by-the-Sea. 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 wider Local Authority area, and then applying demographic projections of how the Neighbourhood Plan area population is likely to change by the end of the Plan period.

6.2 Existing types and sizes

6.2.1 Background and definitions

141. 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.
142. 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.
143. 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 follows²⁹:
- 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 bedrooms, 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
144. 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.³⁰ As such, all dwellings are classified into either “shared” or

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

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

“unshared” dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

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

6.2.2 Dwelling type

146. The 2011 Census shows that there were 3,089 households in Newbiggin-by-the-Sea, living in 141 detached houses, 1,003 semi-detached houses, 1,698 terraced houses, and 171 flats. Compared with Northumberland, Newbiggin-by-the-Sea is characterised by an overrepresentation of terraced homes and notable lack of detached homes (see Table 6-1 below). Meanwhile, Newbiggin-by-the-Sea has close to the local and national average of semi-detached homes at 33%. Just under 5% of Newbiggin-by-the-Sea’s households are detached homes compared to 25% across Northumberland or 22% across England. This is an unusual underrepresentation of a housing type which typically commands the highest house prices and is likely partly responsible for Newbiggin-by-the-Sea’s low average house prices. 55% of Newbiggin-by-the-Sea’s housing stock is terraced, at around double the average local or national proportion, largely a legacy of Newbiggin-by-the-Sea’s historical development as an important coalmining and fishing town where worker’s terraces were built in the 19th and early 20th centuries. At over half the housing stock, this is an overrepresentation of this particular housing type which may therefore restrict choice in the local housing market. Lastly, Newbiggin-by-the-Sea has a small proportion of purpose-built blocks of flats or tenements, however, this would be expected in small towns. In summary, Newbiggin-by-the-Sea’s housing stock is starkly skewed away from detached homes towards terraced homes, which suggests that the current housing stock does not provide a well-balanced range of options.

Table 6-1: Accommodation type (households), Newbiggin-by-the-Sea 2011

Dwelling type		Newbiggin-by-the-Sea	Northumberland	England
Whole house or bungalow	Detached	4.6%	25.2%	22.4%
	Semi-detached	32.5%	35.3%	31.2%
	Terraced	55.0%	28.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	5.5%	8.6%	16.4%
	Parts of a converted or shared house	1.1%	1.7%	3.8%
	In commercial building	1.4%	0.8%	1.0%

Source: ONS 2011, AECOM Calculations

6.2.3 Dwelling size

147. Table 6-2 below sets out the distribution of the number of rooms by household space. The housing stock in Newbiggin-by-the-Sea is characterised by a smaller number of rooms per household than the local average. This is less obvious at 4 rooms or under where the proportions are at or slightly above the local average. However, Newbiggin-by-the-Sea notably has 40% of dwellings with 5 rooms, which means that many of its homes are concentrated in a moderate size category. There is an underrepresentation of larger homes with 6 or more rooms. For example, only 12% of households in Newbiggin-by-the-Sea have 7 or more rooms, in comparison with 26% of households across Northumberland. Older terraced homes tend to have fewer rooms than modern detached or semi-detached homes, and this indicates that the pattern of dwelling type is borne out in the data on number of rooms.

³¹ Ibid.

Table 6-2: Number of rooms per household in Newbiggin-by-the-Sea, 2011

Number of Rooms	Newbiggin-by-the-Sea	Northumberland
1 Room	0.1%	0.2%
2 Rooms	1.2%	1.2%
3 Rooms	8.6%	7.3%
4 Rooms	21.1%	20.6%
5 Rooms	39.2%	25.2%
6 Rooms	18.1%	19.6%
7 Rooms	5.9%	10.9%
8 Rooms or more	3.0%	7.3%
9 Rooms or more	2.8%	7.8%

Source: ONS 2011, AECOM Calculations

148. It is also relevant to consider how the number of rooms occupied by households changed between the 2001 and 2011 Censuses. The main change from the 2001 Census findings is that Newbiggin-by-the-Sea has seen a reduction in its smallest households with 1 or 2 rooms, and registered an increase in households with 6 or 7 rooms. This indicates that some of the smallest properties have left the housing market (for example through extension or demolition and replacement), a pattern which has also been seen in Northumberland, but not in England. There have been small increases or decreases in households with 3 to 5 rooms, which suggests that most additions to the housing stock have been larger. The largest increases have been seen among 6 room households at 9% and 7 room households at 26%. This suggests that the provision of larger homes is improving in Newbiggin-by-the-Sea, although from a low baseline. There was a sharp fall in households with 8 rooms or more, which may be owing to subdivisions of the largest homes or the small sample size. The lack of households with 8 or more rooms is something that future developments should seek to remedy.

Table 6-3: Rates of change in number of rooms per household in Newbiggin-by-the-Sea, 2001-2011

Number of Rooms	Newbiggin-by-the-Sea	Northumberland	England
1 Room	-84.6%	-38.6%	-5.2%
2 Rooms	-30.6%	-18.7%	24.2%
3 Rooms	7.4%	7.2%	20.4%
4 Rooms	-2.1%	-2.4%	3.5%
5 Rooms	2.4%	-1.6%	-1.8%
6 Rooms	9.3%	3.2%	2.1%
7 Rooms	26.3%	20.6%	17.9%
8 Rooms or more	-16.3%	35.6%	29.8%

Source: ONS 2001-2011, AECOM Calculations

149. 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 6-4 below summarises the proportion of households occupying each size of home in terms of the number of bedrooms. This data shows most prominently that Newbiggin-by-the-Sea has an overrepresentation of 3 bedroom homes but notably few 4 or 5 bedroom homes. Newbiggin-by-the-Sea has a similar proportion of 1 and 2 bedroom homes to what would be expected. 53% of homes in Newbiggin-by-the-Sea have 3 bedrooms, compared to 43% locally or 41% nationally, and this is likely contributing to a lack of dwelling size choice in the local housing market. Just 7% of homes have 4 bedrooms, which is low when compared to 15% locally or 14% nationally, similarly, only 3% of homes have 5 or more bedrooms compared with approximately 5% at a local or England-

wide level. It can be concluded that Newbiggin-by-the-Sea's housing stock has an oversupply of 3 bedroom homes and a lack of 4 or 5 bedroom homes which future developments should aim to counteract.

Table 6-4: Number of bedrooms in household spaces in Newbiggin-by-the-Sea, 2011

Bedrooms	Newbiggin-by-the-Sea		Northumberland		England	
All categories: no. of bedrooms	2,853	100.0%	138,534	100.0%	22,063,368	100.0%
No. bedrooms	2	0.1%	220	0.2%	54,938	0.2%
1 bedroom	261	9.1%	10,772	7.8%	2,593,893	11.8%
2 bedrooms	802	28.1%	40,698	29.4%	6,145,083	27.9%
3 bedrooms	1,512	53.0%	59,864	43.2%	9,088,213	41.2%
4 bedrooms	193	6.8%	20,701	14.9%	3,166,531	14.4%
5 or more bedrooms	83	2.9%	6,279	4.5%	1,014,710	4.6%

Source: ONS 2011, AECOM Calculations

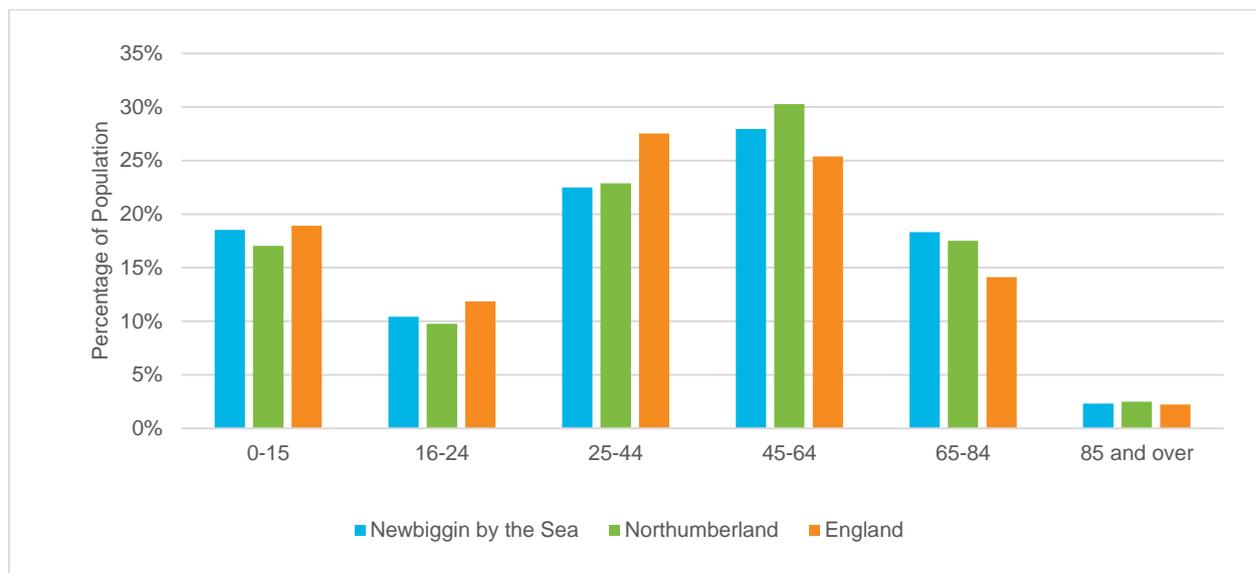
6.3 Household composition and age structure

150. Having established the current stock profile of Newbiggin-by-the-Sea 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.

6.3.1 Age structure

151. The 2011 Census data reveals that Newbiggin-by-the-Sea has significantly fewer younger adults and working age residents, alongside more pension age residents than would be expected across England (see Figure 6-1 below). Newbiggin-by-the-Sea has a similar proportion of children aged 0-15 to England at around 18% which is a positive sign that elements of its existing demographics do not fit the profile of a fast ageing population, which is also demonstrated in Table 6-5. However, only just over 10% of the population is aged 16-24, compared to 12% in England, and 22% aged 25-44 compared to 27% in England, which is an important difference given the size of this demographic. Newbiggin-by-the-Sea has slightly more residents aged 45-64 (and likely to be in work) at 28% compared to 25% across England. However, more notably, Newbiggin-by-the-Sea has a considerably higher proportion of residents aged 65 or over, at approximately 20% compared to 16% as would be expected nationally. Newbiggin-by-the-Sea's population profile fits Northumberland's relatively closely except for the town having a slightly higher proportion of young residents aged 0-15.

Figure 6-1: Age structure in Newbiggin-by-the-Sea, 2011



Source: ONS 2011, AECOM Calculations

152. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 Newbiggin-by-the-Sea’s population has seen the proportion of young residents aged 24 or under and older residents 45 or over increase, with a significant fall in the proportion of young working age adults aged 25 to 44 (see Table 6-5 below). This suggests that the population is ageing but also seeing younger adults leaving Newbiggin-by-the-Sea for elsewhere. It is interesting that this pattern has not been reflected in the number of children aged 0-15 which has grown quite sharply by 8%, in strong contrast to the Northumberland average which fell by 7%, or near stasis nationally. This indicates that more families with children are choosing to live in Newbiggin-by-the-Sea, but young adults without children are leaving the town.

Table 6-5: Rate of change in the age structure of Newbiggin-by-the-Sea population, 2001-2011

Age group	Newbiggin-by-the-Sea	Northumberland	England
0-15	8.4%	-7.0%	1.2%
16-24	14.5%	7.1%	17.2%
25-44	-5.8%	-12.1%	1.4%
45-64	10.5%	13.7%	15.2%
65-84	5.0%	15.0%	9.1%
85 and over	39.0%	34.6%	23.7%

Source: ONS 2001-2011, AECOM Calculations

6.3.2 Household composition

153. Household composition (i.e. the mix of adults and children in a dwelling) is a critical factor in driving the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

154. In assessing Census data on household composition, we see that Newbiggin-by-the-Sea differs from the LA in that there are slightly more one person households and fewer one family households (Table 6-6). Further breaking down these categories, Newbiggin-by-the-Sea notably has slightly fewer families aged all 65 and over than Northumberland, and fewer families with no children. Newbiggin-by-the-Sea has a similar proportion of families with dependent or non-dependent children. In comparison with England, Newbiggin-by-the-Sea has more one person households and fewer other household types. 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 6-6: Household composition (by household), Newbiggin-by-the-Sea, 2011

Household composition		Newbiggin-by-the-Sea	Northumberland	England
One person household	Total	33.3%	29.9%	30.2%
	Aged 65 and over	15.6%	14.0%	12.4%
	Other	17.7%	15.9%	17.9%
One family only	Total	62.3%	66.3%	61.8%
	All aged 65 and over	9.1%	10.3%	8.1%
	With no children	17.4%	21.0%	17.6%
	With dependent children	24.6%	24.9%	26.5%
	All children Non-Dependent ³²	11.2%	10.1%	9.6%
Other household types	Total	4.4%	3.8%	8.0%

Source: ONS 2011, AECOM Calculations

155. 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 a sharp reduction in one person households aged 65 and over but a jump in other one person households. This balanced out as near stasis in the number of one person households (see Table 6-7). In addition, one family households had moderate growth, but with higher growth of families with children and a slight reduction of families all aged 65 and over. Other households saw sharp growth but remain a small proportion overall. In summary, Newbiggin-by-the-Sea has seen a reduction of households where one person or all of a family are aged over 65, and an increase in family households with children and family households with no children.

Table 6-7: Rates of change in household composition, Newbiggin-by-the-Sea, 2001-2011

Household type		Percentage change, 2001-2011		
		Newbiggin-by-the-Sea	Northumberland	England
One person household	Total	1.6%	9.4%	8.4%
	Aged 65 and over	-17.8%	-4.3%	-7.3%
	Other	28.1%	25.3%	22.7%
One family only	Total	4.5%	4.1%	5.4%
	All aged 65 and over	-2.2%	7.4%	-2.0%
	With no children	12.5%	11.4%	7.1%
	With dependent children	11.1%	-3.2%	5.0%
	All children non-dependent	7.4%	6.2%	10.6%
Other household types	Total	78.6%	12.0%	28.9%

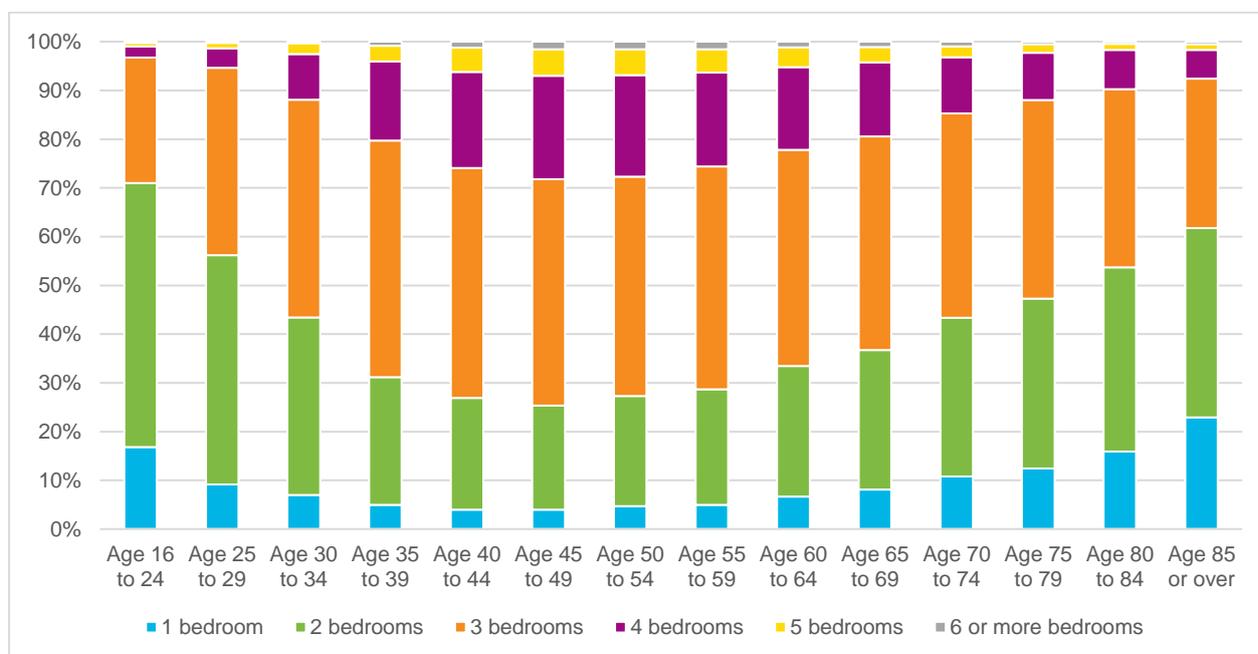
Source: ONS 2001-2011, AECOM Calculations

³² Refers to households containing children who are older than 18 e.g students or young working people living at home.

6.4 Dwelling mix determined by life-stage modelling

156. 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.
157. 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.
158. 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.
159. Figure 6-2 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 the need for 1-2 bedroom properties is likely to increase as a result of a projected increase in the number of residents over 65, as shown in Table 6-9. Households aged over 65 tend to have increasing need for 1 and 2 bedroom dwellings owing to children leaving home and the financial incentive to downsize. Young people under the age of 30 also prefer 1 or 2 bedroom dwellings as an affordable start on the housing ladder and often do not require as much space for children. Newbiggin-by-the-Sea therefore should plan for more 1 and 2 bedroom dwellings as a proportion of its housing stock. 3 bedroom properties are an important element of demand across age brackets, however, over 50% of Newbiggin-by-the-Sea’s homes have 3 bedrooms, and this is restricting choice at present. There is also a need for 4 and 5 bedroom properties which may not be satisfied, and working age families with children are particularly in need of these larger homes. This data for Northumberland suggests that Newbiggin-by-the-Sea’s current distribution of households by bedroom may be overly reliant on 3 bedroom dwellings with insufficient smaller or larger properties as also shown in Table 6-4.

Figure 6-2: Age of household reference person by dwelling size in Northumberland, 2011



Source: ONS 2011, AECOM Calculations

160. 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 Local Authority 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 (red in the table). The data is presented in Table 6-8 below.

Table 6-8: Projected distribution of households by age of HRP, Northumberland

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	3,595	14,614	51,006	27,449	41,870
2014	4,000	14,000	48,000	27,000	47,000
2036	4,000	12,240	42,720	23,480	68,120
2039	4,000	12,000	42,000	23,000	71,000

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

161. It is then necessary to extrapolate from this Local Authority-level data an estimate of the corresponding change in the age structure of the population in Newbiggin-by-the-Sea. To do so, the percentage increase expected for each group across Northumberland, derived from the data presented above, was mapped to the population of Newbiggin-by-the-Sea. The results of this calculation are detailed in Table 6-9 below:

Table 6-9: Projected distribution of households by age of HRP, Newbiggin-by-the-Sea

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	120	347	937	547	902
2014	134	332	882	538	1,013
2036	134	291	785	468	1,468
% change 2011-2036	11.7%	-16.1%	-16.2%	-14.4%	62.7%

Source: AECOM Calculations

162. Finally, having established the likelihood shown by households at different life-stages towards dwellings of different sizes in Figure 6-2, and the approximate number of households in Northumberland and Newbiggin-by-the-Sea 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 6-10 below).

163. 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 6-10: Likely dwelling size distribution in Newbiggin-by-the-Sea 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
Households (2036)	134	291	785	468	1,468	-
1 bedroom	22	23	34	27	189	296
2 bedrooms	72	119	180	118	494	984
3 bedrooms	34	122	366	211	584	1,317
4 bedrooms	3	20	155	85	159	422
5+ bedrooms	1	6	49	27	42	125

Source: Census 2011, AECOM Calculations. Figures may not sum due to rounding

164. It is now possible to compare the 2011 housing mix in terms of size with the projected requirement based on the estimates set out in Table 6-10 above modelling the change in the age structure of the population in Newbiggin-by-the-Sea.
165. Table 6-11 below indicates that, by 2036, the size distribution of dwellings should better reflect local needs with a more even distribution of households by number of bedrooms. 3 bedroom properties should reduce from 53% to 42%, with increases in 2 bedrooms from 28% to 31%, 4 bedrooms from 7% to 13% and 5 bedrooms from 3% to 4%. The increases in 2 bedroom properties will help to provide alternatives for younger people without children and older residents wishing to downsize. In addition, 4 bedroom and 5 bedroom properties will give buyers looking for larger homes such as working age families with children more choice.

Table 6-11: 2011 housing sizes compared to ideal distribution at end of Plan period, according to household life-stages

Number of bedrooms	2011		2036	
1 bedroom	261	9.1%	296	9.4%
2 bedrooms	802	28.1%	984	31.3%
3 bedrooms	1,512	53.0%	1,317	41.9%
4 bedrooms	193	6.8%	422	13.4%
5 or more bedrooms	83	2.9%	125	4.0%
Total households	2,853	100.0%	3,144	100.0%

Source: Census 2011, AECOM Calculations

166. Table 6-12 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.

Table 6-12: Future potential misalignments of supply and demand for housing, Newbiggin-by-the-Sea

Number of bedrooms	2036	Change to housing mix	Recommended split
1 bedroom	296	35	7.2%
2 bedrooms	984	182	37.3%
3 bedrooms	1,317	-195	0.0%
4 bedrooms	422	229	47.0%
5 or more bedrooms	125	42	8.6%

Source: AECOM Calculations

167. 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: 7.2% as 1 bedroom, 37.3% as two bedrooms, 0% as three bedrooms, 47% as four bedrooms and 8.6% as 5 or more bedrooms.
168. Note that the changes to the housing mix given above for 3-bedroom dwellings is a negative number. Because in light of the national and local housing shortage, it is rarely advisable or practicable to remove dwellings from the available stock, as would otherwise be suggested here for dwellings with three bedrooms, we have instead set the recommended split at 0% rather than a negative number, and rebalanced the other sizes as percentages of the additional dwellings they represent in total. In other words, the interim results of the life-stage modelling suggest that there will be no need for further 3-bedroom dwellings over the Neighbourhood Plan period. It is important to stress that there may be other good reasons to provide a particular size or type of dwelling in the NA, for example the need to improve the mix of homes in a particular location, improving choice or meeting needs in the wider housing market area.
169. 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.

6.5 Conclusions- Type and Size

170. 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 LA strategies or plans) and site specific factors which may justify a particular dwelling mix.
171. With regards to housing typology, Newbiggin-by-the-Sea tends to be characterized by a much higher proportion of terraced houses than would be expected. 55% of Newbiggin-by-the-Sea's housing stock is terraced, at around double the average local or national proportion, largely a legacy of Newbiggin-by-the-Sea's historical development as an important coalmining and fishing town where worker's terraces were built in the 19th and early 20th centuries. At over half the housing stock, this is an overrepresentation of this particular housing type which may therefore restrict choice in the local housing market. Newbiggin-by-the-Sea has a close to average representation of semi-detached homes. The most notable underrepresentation is detached homes, which form just 5% of the housing stock.
172. In terms of dwelling size, the housing stock in Newbiggin-by-the-Sea is characterised by a smaller number of rooms per household than the local average. Newbiggin-by-the-Sea notably has 40% of dwellings with 5 rooms, which means that many of its homes are concentrated in a moderately sized category. There is an underrepresentation of larger homes with 6 or more rooms. For example, only 12% of households in Newbiggin-by-the-Sea have 7 or more rooms, in comparison with 26% of households across Northumberland. Older terraced homes tend to have fewer rooms than modern detached or semi-detached homes, and this indicates that the pattern of dwelling type is borne out in the data.
173. In terms of demographics, Newbiggin-by-the-Sea has significantly fewer younger adults and working age residents, alongside more pension age residents than would be expected across England. However, Newbiggin-by-the-Sea has a similar proportion of children aged 0-15 to England at around 18% which is a positive sign that elements of its existing demographics do not fit the profile of a fast ageing population. In terms of the changing age structure of the Neighbourhood Plan area population, Census data shows that since 2001 Newbiggin-by-the-Sea's population has seen the proportion of young residents aged 24 or under and older residents 45 or over increase, with a significant fall in the proportion of young working age adults aged 25 to 44. This suggests that the population is ageing but also seeing younger adults leaving Newbiggin-by-the-Sea for elsewhere. It is interesting that this pattern has not been reflected in the number of children aged 0-15 which has grown quite sharply, in strong contrast to the Northumberland average which fell, and was at near stasis nationally. This indicates that more families with children are choosing to live in Newbiggin-by-the-Sea, but young adults without children are leaving the town.
174. In assessing Census data on household composition, we see that Newbiggin-by-the-Sea differs from the LA in that there are slightly more one person households and fewer one family households. Further breaking down these categories, Newbiggin-by-the-Sea notably has slightly fewer families aged all 65 and over than Northumberland, and fewer families with no children. Between 2001 and 2011, the main changes in household composition were a sharp reduction in one person households aged 65 and over but a jump in other one person households. This is balanced out with near stasis in the number of one person households. In addition, one family households experienced moderate growth, but with higher growth of families with children and a slight reduction of families all aged 65 and over. In summary, Newbiggin-by-the-Sea has seen a reduction of households where one person or all of a family are aged over 65, and an increase in family households with children and family households with no children.
175. Life-stage modelling indicates that, by 2036, the size distribution of new dwellings should be as follows: 7.2% as 1 bedroom, 37.3% as two bedrooms, 0% as three bedrooms, 47% as four bedrooms and 8.6% as 5 or more bedrooms. The emphasis on smaller and larger dwellings counteracts the overabundance of 3 bedroom homes, which currently form 53% of Newbiggin-by-the-Sea's housing stock, restricting choice in the local housing market. Smaller homes should help to satisfy the demand for affordable housing and suitable housing for younger adults without children and older people looking to downsize. 4 and 5 bedroom homes will help make Newbiggin-by-the-Sea's housing array more attractive to buyers looking for larger homes and families with children who have greater need for space. Much of the projected growth of households falls in the over age 65 category and therefore a significant proportion of dwellings should be designed around the specific needs of this age type, for example, by referring to HAPPI principles for age-ready homes.³³

³³ <https://www.housinglin.org.uk/Topics/type/The-Housing-our-Ageing-Population-Panel-for-Innovation-HAPPI-Report-2009/>

7. Conclusions

7.1 Overview

177. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings specific to Newbiggin-by-the-Sea with a potential impact on Neighbourhood Plan housing policies

Issue	Source(s) (see Chapter 3)	Summary of evidence and data assessed	Conclusions and recommendations
Quantity of housing to plan for	<p>Northumberland County Council data</p> <p>Northumberland SHMA</p> <p>ONS 2001-2011</p> <p>Other ONS data</p> <p>AECOM calculations</p>	<p>Firstly, the Local Housing Need (LHN) for the LPA is calculated using the Government’s Standard Method. This arrives at a figure of 651 dwellings per year. NCC has applied an uplift to the LHN to reflect economic growth objectives. The uplifted HRF equates to a minimum of 885 dwellings per year.</p> <p>At the time of the last Census, there were 6,308 people living in Newbiggin-by-the-Sea, or 1.996% of the 316,028 people in Northumberland. Therefore, applying this percentage to Northumberland’s HRF of 885 gives an indicative HRF for Newbiggin-by-the-Sea of 18 dwellings per annum, or 360 dwellings over the Local Plan period 2016-2036.</p> <p>AECOM has also calculated a housing target figure using completions data for South East Northumberland. NCC provided data on completions for Small Areas in South East Northumberland. The analysis used five steps. Step 1: Gathering data and summing net completions data for 2009 to 2018. Step 2: Establishing the baseline number of dwellings. Step 3: Annualising net completions and extrapolating from the baseline over the NP period. Step 4: Calculating percentage growth from the baseline. Step 5: Developing growth scenarios for Newbiggin-by-the-Sea.</p>	<p>NCC has provided Newbiggin-by-the-Sea a minimum HRF of 360 dwellings and stated its support for the NP seeking a higher housing target which is realistic and proportionate.</p> <p>Of the 6 scenarios, 3 are recommended to be taken forward as a basis for a housing target figure. Scenario 4 is a medium growth scenario based on Amble’s growth rates (424 dwellings). Scenario 5 is a high growth scenario based on the average of Amble, Blyth and Seaton Valley’s growth rates (461 dwellings). Scenario 6 is a maximum growth scenario based on applying Blyth’s growth rates (521 dwellings).</p> <p>By aiming for 424 to 521 net additional dwellings over the Neighbourhood Plan Period, Newbiggin-by-the-Sea can match its local peers’ recent growth rates. Newbiggin-by-the-Sea has been disadvantaged by historically low growth and by exceeding the minimum HRF figure of 360 dwellings in a proportionate and realistic way, this will help achieve key Neighbourhood Plan goals. An ambitious growth target will improve Newbiggin-by-the-Sea’s economic fortunes and ensure that the community thrives and regenerates in the future, contributing to Northumberland’s broader growth and prosperity.</p> <p>Based on the evidence, this HNA recommends an overall housing target figure of 424 to 521 dwellings, which equates to 28 to 35 dwellings per year between 2021 and 2036.</p>

<p>Housing tenure and affordability</p>	<p>Northumberland SHMA ONS 2001-2011 Land Registry PPD AECOM calculations</p>	<p>Newbiggin-by-the-Sea has a lower proportion of home ownership and notably higher proportion of social rented households than either locally or nationally typical. The tenure profile of Newbiggin-by-the-Sea underwent considerable and dynamic changes between 2001 and 2011. The proportion of owner occupied households has moderately increased. The proportion of social rented properties has fallen considerably at a much faster rate than England and slightly faster rate than Northumberland. Meanwhile, the proportion of private rented properties has risen rapidly.</p> <p>House prices were broadly stable between 2010 and 2014, before undergoing a period of growth between 2014 and 2018, with an overall robust growth of 42% between 2010 and 2018. House prices in Newbiggin-by-the-Sea are considerably low by both local and national standards, but have seen a moderate increase in recent years.</p> <p>With regards to affordability thresholds within Newbiggin-by-the-Sea, the average total household income is £29,900, while the gross lower quartile income was £10,442 or £20,884 for dual lower quartile income households.</p> <p>The starting point for understanding the need for affordable housing in Newbiggin-by-the-Sea is the relevant Strategic Housing Market Assessment (SHMA). When the SHMA figures are pro-rated to Newbiggin-by-the-Sea based on its fair share of the population (1.996% of Northumberland) this equates to 3 homes per annum or 60 homes over the Local Plan period (2016-2036), which in line with Local Plan Policy HOU 6, will be 100% affordable home ownership products.</p>	<p>While affordability is an issue in Newbiggin-by-the-Sea, house prices and rents in the area are low by both local and national standards. The discounts and products which would extend homeownership to the widest group include: discounted market sale (25% to 50%) and shared ownership (75% to 25%). It is very positive that those on dual lower quartile incomes can afford to buy homes at the starting levels of 25% discounted market sale or shared ownership at 75%. However, by extending discounts towards 50% or reducing shared ownership levels lower towards 25%, further low earners would be able to afford to buy. However, it is unlikely that any of these discounts or products would be capable of rendering housing affordable for single lower quartile earners or below who are on an annual income of £10,442 or lower, and these groups would require further support.</p> <p>It should be noted that homeownership in Newbiggin-by-the-Sea is already relatively achievable and this is a positive starting position for prospective homebuyers in the area. Median house prices are affordable to those on average incomes or above, and entry-level homes are also affordable to those on dual lower quartile incomes. However, the discounts and products recommended above would also help further extend homeownership.</p> <p>The expected level of delivery of 36 affordable homes based on the current housing requirement figure of 360 does not meet the quantity of demand identified which is 60 affordable homes. With the figure of 424 to 521 dwellings provided by AECOM, 42 to 52 affordable homes may come forward over the plan period which is closer level to the need identified for 60 affordable homes based on the Northumberland SHMA.</p> <p>Note that Northumberland's emerging Local Plan requires a tenure mix of 100% affordable home ownership in low value areas. The August 2020 proposals relating to First Homes convey the Government's intention to require that 25% of all Affordable Housing is delivered as First Homes.</p>
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<p>Housing type and size</p>	<p>ONS 2001-2011</p> <p>MHCLG 2014-based household projections</p> <p>AECOM calculations</p>	<p>With regards to housing typology, Newbiggin-by-the-Sea tends to be characterized by a much higher proportion of terraced houses than would be expected. 55% of Newbiggin-by-the-Sea’s housing stock in terraced, at around double the average local or national proportion.</p> <p>In terms of dwelling size, the housing stock in Newbiggin-by-the-Sea is characterised by a smaller number of rooms per household than the local average. Older terraced homes tend to have fewer rooms than modern detached or semi-detached homes, and this indicates that the pattern of dwelling type is borne out in the data.</p> <p>In terms of demographics, Newbiggin-by-the-Sea has significantly fewer younger adults and working age residents, alongside more pension age residents than would be expected across England. Census data shows that since 2001 Newbiggin-by-the-Sea’s population has seen the proportion of young residents aged 24 or under and older residents 45 or over increase, with a significant fall in the proportion of young working age adults aged 25 to 44. This indicates that more families with children are choosing to live in Newbiggin-by-the-Sea, but young adults without children are leaving the town.</p> <p>In assessing Census data on household composition, we see that Newbiggin-by-the-Sea differs from the LA in that there are slightly more one person households and fewer one family households. Between 2001 and 2011, the main changes were a reduction of households where one person or all of a family are aged over 65, and an increase in family households with children and family households with no children.</p>	<p>Life-stage modelling indicates that, by 2036, the size distribution of new dwellings should be as follows: 7.2% as 1 bedroom, 37.3% as two bedrooms, 0% as three bedrooms, 47% as four bedrooms and 8.6% as 5 or more bedrooms.</p> <p>The emphasis on smaller and larger dwellings counteracts the overabundance of 3-bedroom homes, which currently form 53% of Newbiggin-by-the-Sea’s housing stock, restricting choice in the local housing market. Smaller homes should help to satisfy the demand for affordable housing and suitable housing for younger adults without children and older people looking to downsize. 4 and 5 bedroom homes will help make Newbiggin-by-the-Sea’s housing array more attractive to buyers looking for larger homes and families with children who have greater need for space. Much of the projected growth of households falls in the over age 65 category and therefore a significant proportion of dwellings should be designed around the specific needs of this age type.</p> <p>However, this recommendation should be applied with a degree of flexibility because it may not be reasonable in practice strictly to limit the provision of dwellings three bedrooms, and in fact, such a restriction has the potential to negatively impact the viability of sites that could help to deliver Affordable Housing or other community priorities. It should also be noted that this report is concerned with demand in the sense of need rather than in the sense of the preferences of potential occupants, which will likely include demand for 3 bedroom homes. There may also be good reasons to deliver 3 bedroom properties in the NA as part of a housing mix strategy in the district as a whole.</p>
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7.2 Recommendations for next steps

178. This HNA forms an important evidence base document for the Newbiggin-by-the-Sea Neighbourhood Plan. It makes the following key recommendations:

- NCC has provided a minimum HRF of 360 dwellings in the emerging Northumberland Local Plan which is undergoing examination. NCC has stated their support for a higher housing target in the Neighbourhood Plan if it is reasonable and proportionate. The recommended housing target figure of 424 to 521 dwellings is around an 18 to 45% uplift. This target figure is based on AECOM analysis using net completions data provided by NCC. The approach to develop a housing target figure using net completions data in this report was agreed between AECOM, NCC and Newbiggin-by-the-Sea Town Council. This report provides an evidence base for the Neighbourhood Plan to exceed the minimum HRF by a moderate amount to help meet their objectives to promote the economic resilience of Newbiggin-by-the-Sea over the plan period. In summary, the Newbiggin-by-the-Sea Neighbourhood Plan should aim for a growth target of **424 to 521 dwellings** over the Neighbourhood Plan Period.
- In terms of tenure, this HNA recommends that **60 dwellings** come forward as affordable housing for sale. The expected level of delivery based on the minimum HRF is 32 affordable homes, and based on the housing target figure, 42 to 52 affordable homes.
- In terms of type and size, this HNA recommends that the size distribution of new dwellings should be **7.2% as 1 bedroom, 37.3% as 2 bedrooms, 0% as 3 bedrooms, 47% as 4 bedrooms and 8.6% as 5 or more bedrooms** to improve choice in the housing market and rebalance the town's housing stock.
- Newbiggin-by-the-Sea has complex issues and demographic challenges owing to often poor-quality terraced housing stock which has restricted choice and flexibility in the local housing market. Related to this, Newbiggin-by-the-Sea has seen working age families leaving the area, harming the local economy and the long-term sustainability of the community. The linkage between housing and demographic changes has been strongly supported by the data. This HNA recommends that future housing development focusses on improving the choice, desirability and quality of housing stock in Newbiggin-by-the-Sea, especially by increasing the number of detached and semi-detached dwellings and homes with 1, 2, 4 and 5 bedrooms. This HNA is not able to calculate the extra need that may be generated by renewal or demolition of any existing housing in Newbiggin-by-the-Sea, which may come forward as part of the NP and its efforts to regenerate the town. However, any removal of existing dwellings from the housing stock would add on top of the housing needs calculated as it would require replacements in new development. Newbiggin-by-the-Sea Town Council is keen to attract inward investment and population growth to support the local amenities, economy and infrastructure. Meeting housing needs in a way which understands the town's specific circumstances will be crucial in fulfilling both Newbiggin-by-the-Sea and Northumberland's wider socio-economic aims in the plan period.

179. This Neighbourhood Plan housing needs assessment aims to provide Newbiggin-by-the-Sea with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the Neighbourhood Plan Steering Group should, as a next step, discuss the contents and conclusions with Northumberland 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 Northumberland County Council;
- 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 Northumberland, including but not limited to the Strategic Housing Land Availability Assessment (SHLAA); and
- The recommendations and findings of this study.

180. 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.
181. 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, Northumberland or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
182. 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

183. 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.

184. 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 Newbiggin-by-the-Sea, it is considered that MSOA E02005734 is the closest proxy for the Neighbourhood Plan area boundary, and as such, this is the assessment geography that has been selected. A map of E02005734 appears below in Figure A-1.

Figure A-1: MSOA E02005734 used as a best-fit geographical proxy for the Neighbourhood Plan area



Source: ONS

A.2 Market housing

185. 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.
186. 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.
187. 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.
188. 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

189. 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.
190. 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 Newbiggin-by-the-Sea. As such, a reasonable assumption is therefore made that a 10% purchase deposit is available to the prospective buyer.
191. 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.³⁴ 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 2019.
192. The calculation is therefore:
- Value of an 'entry level dwelling' = £72,000;
 - Purchase deposit = £7,200 @10% of value;
 - Value of dwelling for mortgage purposes = £64,800;
 - Loan to income ratio = value of dwelling for mortgage purposes divided by 3.5;
 - **Purchase threshold = £18,514.**

ii) Private Rented Sector (PRS)

193. 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.
194. 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,³⁵ such a home would require three habitable rooms (a flat or house with two bedrooms).
195. The property website [Home.co.uk](http://www.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 both the NE63 and NE64 postcode areas, which covers a larger

³⁴ '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.

³⁵ 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

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. Newbiggin-by-the-Sea generally coheres more geographically to the postcode NE64, however, NE63 has been included as a reasonable proxy. NE63 comprises parts of Newbiggin-by-the-Sea and the town of Ashington.

196. According to home.co.uk, there are 20 two-bed properties currently listed for rent across NE63 and NE64, with an average price of £470 per calendar month.
197. 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 = £470 x 12 = £5,460;
 - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = £18,800;
 - **Income threshold (private rental sector) = £18,800.**
198. The NPPF 2019 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.

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 Newbiggin-by-the-Sea. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Northumberland 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-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£68.49	£75.24	£81.87	£91.27	£76.20
Annual average	£3,561	£3,912	£4,257	£4,746	£3,962
Income needed	£11,872	£13,042	£14,191	£15,820	£13,208

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 Northumberland (above). Again it is assumed that no more than 30% of income should be spent on rent.

Table A-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£85.37	£95.29	£104.30	£115.03	£96.20
Annual average	£4,439	£4,955	£5,424	£5,982	£5,002
Income needed	£14,797	£16,517	£18,079	£19,939	£16,675

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”. The most recent proposals for ‘Changes to the current planning system’ suggest that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% requirement referenced above may be replaced by the First Homes requirement.
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 30% - as in the Government’s proposed First Homes product – provides an approximate selling price of £65,100 (30% discount on median average prices of £93,000). Allowing for a 10% deposit further reduces the value of the property to £58,590. The income threshold at a loan to income ratio of 3.5 is £16,740.
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 30% they may not offer any discount on entry level prices.
212. The income thresholds analysis in the Tenure and Affordability chapter also compares local incomes with the costs of a 20%, 40% and 50% discounted home. This would require an income threshold of £19,131, £14,349 and £11,957 respectively.

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 £93,000.³⁶ 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 £93,000 is £23,250, from which a 10% deposit of £2,325 is deducted. The mortgage value of £20,925 (£23,250 - £2,325) is then divided by 3.5. To secure a mortgage of £20,925, an annual income of £5,979 (£20,925/3.5) is therefore needed. In addition to mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £69,750. An ongoing annual rent equivalent to 2.5% of the value of the unsold equity is assumed, which is £1,744 and requires an income of £5,813 (multiplied by 3.33 so that no more than 30% of income is spent on rent). Therefore, an income of around **£11,791** (£5,979 + £5,813) 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 £15,832 and £19,873 respectively.

³⁶ 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 methods³⁷.

³⁷ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

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.

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 Standard³⁸

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 Order³⁹

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)⁴⁰

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.

³⁸ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

³⁹ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

⁴⁰ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Equity Loans/Shared Equity

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

Extra Care 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 provide a discount of at least 30% on the price of 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 are likely to be required to provide 25% of Affordable Housing as First Homes.

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 years⁴¹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

⁴¹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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 Housing⁴²

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

⁴² See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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.

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.⁴³

⁴³ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

