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West Chiltoningon Housing Needs Assessment (HNA)

August 2018

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List of acronyms used in the text:

AH	Affordable Housing (NPPF definition)
AHNMU14	Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update 2014
AirS	Action in Rural Sussex
AMH	Affordable Market Housing
CtCLEP	Coast to Capital Local Enterprise Partnership
CtCSEP14	Coast to Capital Strategic Economic Plan 2014
HDC	Horsham District Council
HDEP16	Horsham District Economic Plan 2016
HDPF15	Horsham District Planning Framework 2015
HEP16	Horsham Economic Profile, December 2016
HMA	Housing Market Area
HNA	Housing Needs Assessment
HNHD15	Housing Need in Horsham District, March 2015
HNSR	Housing Needs Survey Report prepared by AirS for West Chiltington Parish Council
LEPSEP	Local Economic Partnership Strategic Economic Plan
LPA	Local Planning Authority
MH	Market Housing
MHCLG	Ministry for Housing, Communities and Local Government
MYPE	Mid-year population estimates
NA	Neighbourhood area (the area of the neighbourhood plan)
NDP	Neighbourhood Development Plan
NPPF	National Planning Policy Framework
OAN	Objectively Assessed Need
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA09	Northern West Sussex Strategic Housing Market Assessment, May 2009
SHMAU12	Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012
UKHPI	UK House Price Index
WCPC	West Chiltington Parish Council

1. Executive Summary

Headline summary

1. Our objective assessment of unconstrained housing need in West Chiltonington is **363 dwellings in to the end of the Plan period, or approximately 18 dwellings per annum**. Our calculations are set out in more detail in Chapter 4, and follow Planning Practice Guidance (PPG). There is no requirement for all of these dwellings to be accommodated within West Chiltonington however, as local constraints may make this unfeasible. Instead, the Local Plan settlement hierarchy approach requires 102 dwellings to be built as an absolute minimum over the plan period 2011-2031.
2. Our recommendation is that **50% of market dwellings be three bedrooms or less**, and 50% of affordable dwellings be two bedrooms or less, with these **most suitably provided as terraced homes and flats at a similar scale**. However, policies relating to the type and size of housing will be subject to **viability concerns**, and it is our view that influencing the type and size of housing to be delivered will best be done via a consideration of design issues, and possibly by the creation of **a set of design codes which can guide developers** in this respect.
3. There is likely to be a significant need of up to **77 specialist dwellings for the elderly in West Chiltonington** by the end of the Plan period, **broken down by 62 market dwellings and 15 affordable dwellings**, which will contribute to meeting general needs. There is also likely to be significant **need for either adaptation to existing homes or new build homes built to lifetime standards**, likely on a similar scale to actual specialist dwellings themselves. This will be required to accommodate a significant increase in those aged 75+, although we note that those in this age group tend to want to live independently and in 2-3 bedroom homes, much like people in other age groups. In this context, there is likely to be a trade-off between **the size of specialist housing and the degree of care services provided alongside it**. However, we note that there are 45 specialist dwellings in West Chiltonington already, with an additional 14 permissions granted, such that the residual need in West Chiltonington is for just 18 additional specialist dwellings.

Background summary

4. West Chiltonington Parish Council (WCPC) is designated as a Qualifying Body (QB) and has decided to prepare a Neighbourhood Plan for the Parish area, referred to here as the Neighbourhood Area (NA). The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area. We have been asked to prepare a Housing Needs Assessment by the Parish Council based on a robust methodology, local data, and focussed on a number of research questions agreed with the Parish Council.
5. As more and more parish councils seek to address housing growth, including tenure and type of new housing, it has become evident that housing policies need to be underpinned by robust, objectively assessed housing data. However, in the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer¹. The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard for relevant national and local planning policies and guidance. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single village almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
6. Government guidance on housing needs assessment is primarily aimed at local planning authorities preparing their own evidence base to support their housing policies, for example Strategic Housing Market Assessments (SHMAs) which in recent years have been used to determine housing need at a local authority and/or housing market area level. However, it helpfully states that those preparing Neighbourhood Plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a localized level should be proportionate. Our brief was to advise on data at this more local level to help RPC understand the tenure, type, and size of housing needed to inform Neighbourhood Plan policies.

Methodology summary

7. This objective and independent HNA follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. Housing Needs Assessment (HNA) at Neighbourhood Plan level can be focused either on quantity of housing needed, type of housing needed, or both. In most cases, there is a need to focus on quantity where the housing target for the area is unclear, for example where the local authority has not set a specific target for the area, or where there is no Local Plan in place. The rationale for this approach is that Neighbourhood Plans need to meet the basic conditions, the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the

¹ PPG Paragraph: 014 Reference ID: 2a-014-20140306 Revision date: 06 03 2014

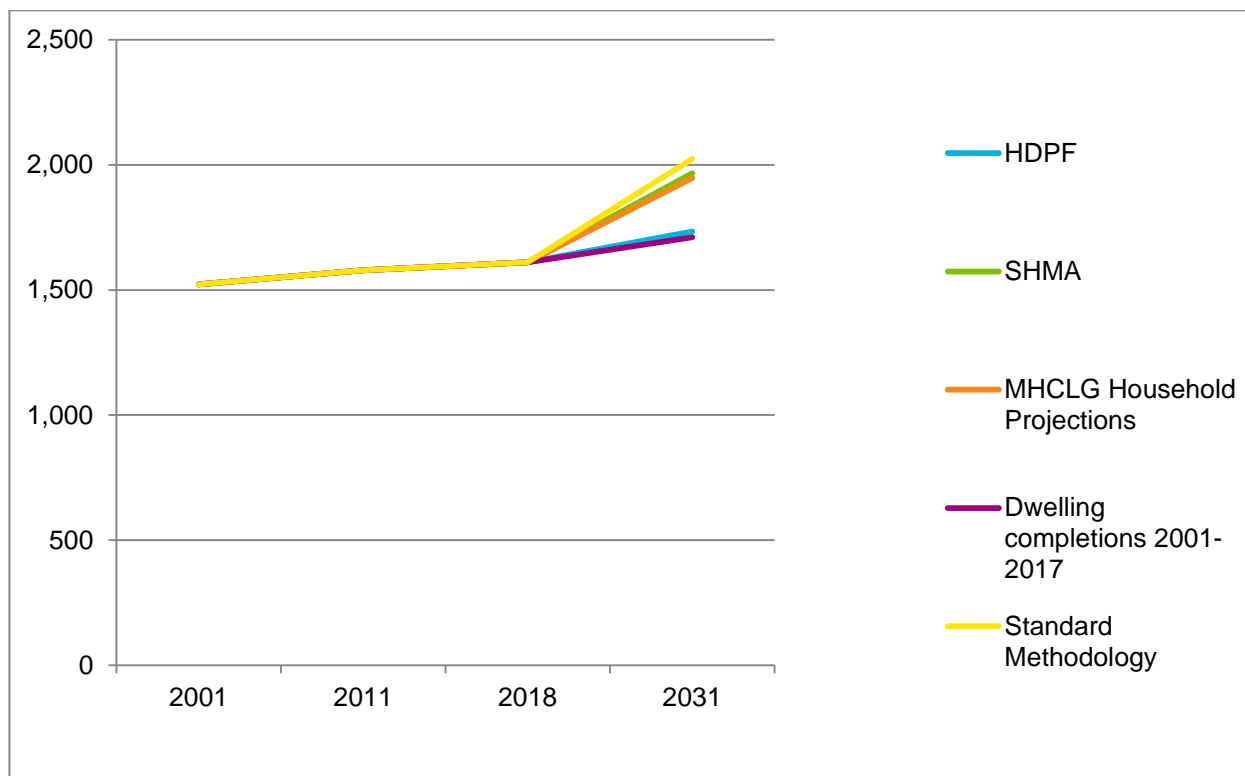
Local Plan. The Government’s Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.²

8. As such, this HNA investigates specific local needs that are relevant to the NA whilst supporting the strategic development needs set out in the Local Plan. This means a Neighbourhood Plan can propose more housing where there is demonstrable need, but not less than the Local Plan. In terms of the types of housing needed, there is generally more flexibility on what Neighbourhood Plan can cover. In order to understand the types of housing needed in Lewknor, we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.
9. Our approach is based on best practice and is to provide advice on the housing required based on need and/or demand, rather than supply. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on exercise³.

Quantity summary

10. The graph below sets out the total number of homes factoring in each of the projections we have identified in West Chiltington, starting from 2001, in 2011, in 2018, and at the end of the Plan period, in 2031.

Table 1-1: Projections of the housing stock needed in West Chiltington to 2031



Source: AECOM

11. The starting point for arriving at a projection of future housing need to be delivered in the NA over the Plan period is the average of the projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out of date in planning terms, or another projection was a clear outlier. The table on the following page shows these projections and their average.

² PPG Paragraph: 006 Reference ID: 2a-006-20140306

³ Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release ‘Councils must protect our precious green belt land’ (MHCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)


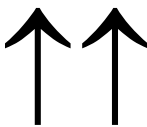

Table 1-2: Range of projections of housing need in West Chiltington



	Projection	Total housing need in West Chiltington
1	HDPF fair share	123
2	SHMA fair share	355
3	MHCLG household projections fair share	336
4	Home growth	100
5	Standard methodology fair share	548
6	Average of 2 and 3	346

Source: AECOM

12. We note that the Settlement Hierarchy approach represents a constrained 'minimum' figure which the neighbourhood plan should accommodate and plan for, and so this has been excluded. Similarly, home growth represents the rate of past delivery, which is likely to have been constrained, and may not be sufficient to meet the needs of West Chiltington's residents.
13. Below we have summarised our conclusions regarding the impact of market signals on the quantity of housing needed in West Chiltington. On this basis, we recommend that a 5% uplift should be applied to the initial figure of 346 dwellings by the end of the Plan period. This results in a total housing need of 363 dwellings in West Chiltington to the end of the Plan period, or approximately 18 dwellings per annum.
14. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are set out in the table below in alphabetical but no other order.

Table 1-3: Summary of factors specific to West Chiltington with a potential impact on neighbourhood plan housing quantity

Factor	Source(s) (detailed in Chapter 8)	Possible impact on future housing need	Rationale for judgement
Jobs Growth	SHMAU18		Given that a large proportion of West Chiltington's residents are retired, and growth prospects in surrounding employment centres do not appear particularly buoyant, we do not consider jobs growth to have any notable impact on demand for housing in West Chiltington, and therefore a neutral arrow is considered appropriate.
Land values	Land Registry Price Paid Data for 2008-2017, UKHPI		House prices in West Chiltington are significantly higher than the average for Horsham, although this may partly be as a result of the size and quality of the stock in question. Rises in house prices have been very pronounced however, and as such, two up arrows is deemed appropriate.
Sales volumes	Land Registry Price Paid Data for 2008-2017, Census 2001/2011		Sales volumes do not broadly indicate increased demand for housing in West Chiltington, and as such a neutral arrow is deemed appropriate.

Rate of development	Land Registry Data/AECOM Calculations, SHMA		Data at both the NA and Local Authority level suggests that the rate of development, and particular of the build-out of planned units (i.e. those with planning permission granted) has been significantly constrained in recent years. As such, two up arrows has been deemed appropriate to reflect the likelihood of future under delivery.
Overcrowding and Concealment	Census Data 2001, 2011		There have been a relatively significant increase in overcrowding in West Chiltington between 2001 and 2011, however, the rate of concealment is significantly lower in the Parish than across Horsham. Therefore a single up arrow is considered appropriate.

Type summary

15. Below we have summarised our conclusions on the possible impact of the evidence presented in this study on the types of housing needed. These factors are summarised below in alphabetical order.

Table 1-4: Summary of local factors specific to Client NP with a potential impact on neighbourhood plan housing characteristics

Factor	Sources	Summary of Analysis	Conclusion
Affordable Housing⁴	Census 2001/11, Land Registry PPD, HNHD15, HNSR	Whilst the vast majority of housing in West Chiltington is owner occupied (90%, compared with 75% across Horsham), there was a doubling in the proportion of households in the private rented sector between 2001-2011. The affordability ratio in West Chiltington suggests house prices are at least 20 times local median incomes, meaning there is a significant affordability challenge, particularly for younger people. Housing in West Chiltington is increasingly only accessible to those with very high incomes and/or existing housing equity. Many of those in housing need are single adults, or young people living with their parents, who typically earn between £18,000-£24,000 per annum.	There is likely to be a significant need for rented housing in West Chiltington in future, particularly to bring this in reach of younger generations, who may not have built up significant housing equity. District-wide affordable housing policies should deliver the homes needed to meet conventional housing need as measured by the housing register, however, there is likely to be a significant degree of unmet, 'hidden' need from young people who are unlikely to be eligible, or interested in, traditional social housing, but may wish to continue to live in West Chiltington upon leaving their parental home. Purpose built rented housing, both affordable and market, is most likely to be able to meet their needs.
Demand/need for smaller dwellings	Census 2011, MHCLG Household Projections, ONS Population Projections, HNSR, ONS Mid-Year Population Estimates	The dwelling stock in West Chiltington is currently dominated by very large homes of 9 rooms or more, typically 4+ bedrooms (29% of all homes). The number of these larger homes also increased by 20% between 2001-2011, in contrast to significant decreases in smaller homes less than 6 rooms (typically 3 bedrooms or less). This points to the need to balance the size of the housing stock, particularly in the context of the affordability challenges noted above. Furthermore, demographic factors point towards smaller households and older people who do not strictly need larger homes, although they may wish to occupy	Given local views on the need for smaller housing, and the demographic evidence presented here, we would recommend that at least 50% of future housing in West Chiltington be three bedrooms or less. In terms of affordable housing, 1-2 bedroom homes are likely to be adequate to meet affordable needs, with at least 50% of homes of these tenures to be in this size category. However, the data below also shows that family sized housing for those with 2-3 children is also likely to be needed, and therefore, subject to viability considerations, a small amount of family sized affordable housing is recommended in West Chiltington.

⁴ The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

Factor	Sources	Summary of Analysis	Conclusion
		<p>them and may be able to afford to do so. It is likely that the existing size profile of homes in the NA is likely to reinforce, rather than to alter, the demographic shifts towards an older population which are already occurring in West Chiltington.</p>	<p>Given the views of older people as expressed in the HNSR, the type and size recommendations for general needs housing are also apply to specialist housing for the elderly.</p>
Demographic change	<p>Census 2011, MHCLG Household Projections, ONS Population Projections, HNSR</p>	<p>The shift between 2001 and 2011 in West Chiltington was such the population over state pension age increased from 27.8% to 35.4% of the total population. A simple projection of this rate of change forward (7.6% increase in the 65+ population over the 10 years to 2021, and a further increase to 2031) suggests the population of West Chiltington could be comprised of up to 50% people aged 65+ by the end of the Plan period.</p>	<p>This points to the need for the neighbourhood plan to have a positive impact on the community by planning for smaller homes that will be suitable for younger families and may prove more affordable to them than the existing housing stock.</p>
Dwelling type	<p>Census 2011, HNHD15, HNSR</p>	<p>The vast majority of homes in West Chiltington are detached, 85.2%, versus just 38.7% across Horsham. Clearly the type of housing within the stock has a significant influence on its size, as well as its price, and this contributes to both the affordability and demographic aging concerns noted above. Furthermore, many properties in West Chiltington have been enlarged over the years. In this way the enlarging of properties by one generation has a long term impact on those from another generation seeking homes, as the size (and usually the value) of these properties increases.</p>	<p>It is likely that there will also be viability implications of certain types and sizes of homes, which may mean that imposing both the type and size of home will render developments unviable. Indeed, the preferences expressed by local people in terms of the type of housing needed suggest that semi-detached housing would be most appropriate; however the size recommendations provided above suggest that terraced homes might be more appropriate. Influencing the type of homes that come forward for development in West Chiltington will best be done via a consideration of design issues, and possibly by the creation of a set of design codes which can guide developers to provide the homes the community wants to see.</p>
Housing for independent living for older people	<p>Census 2011, HLIN, MHCLG Household Projections, ONS Population Projections, HNSR</p>	<p>Our estimates suggest there could be a very significant increase, or more than 50%, of those aged 75+ in West Chiltington by the end of the Plan period, those typically considered to be in need of specialist housing for the elderly. Up to 35% of this increase could be among those older people who have limitations to their mobility, and who may experience problems in their day-to-day activities as a result of aging.</p>	<p>Our recommendations, which are comparable to those derived from the Housing Learning and Improvement Network (HLIN) toolkit, suggest the need for up to 77 specialist dwellings with care services, split into 15 affordable and 62 market dwellings. There could also be a need for close to double this number again in dwellings which are suitable for those with some mobility limitations, either through adaptations to existing homes or through the provision newly built homes built to Lifetime Homes standards. However, such provision does not necessarily need to occur within West Chiltington itself, with such provision often dependent on other services that are provided in larger settlements.</p>

Recommendations for next steps

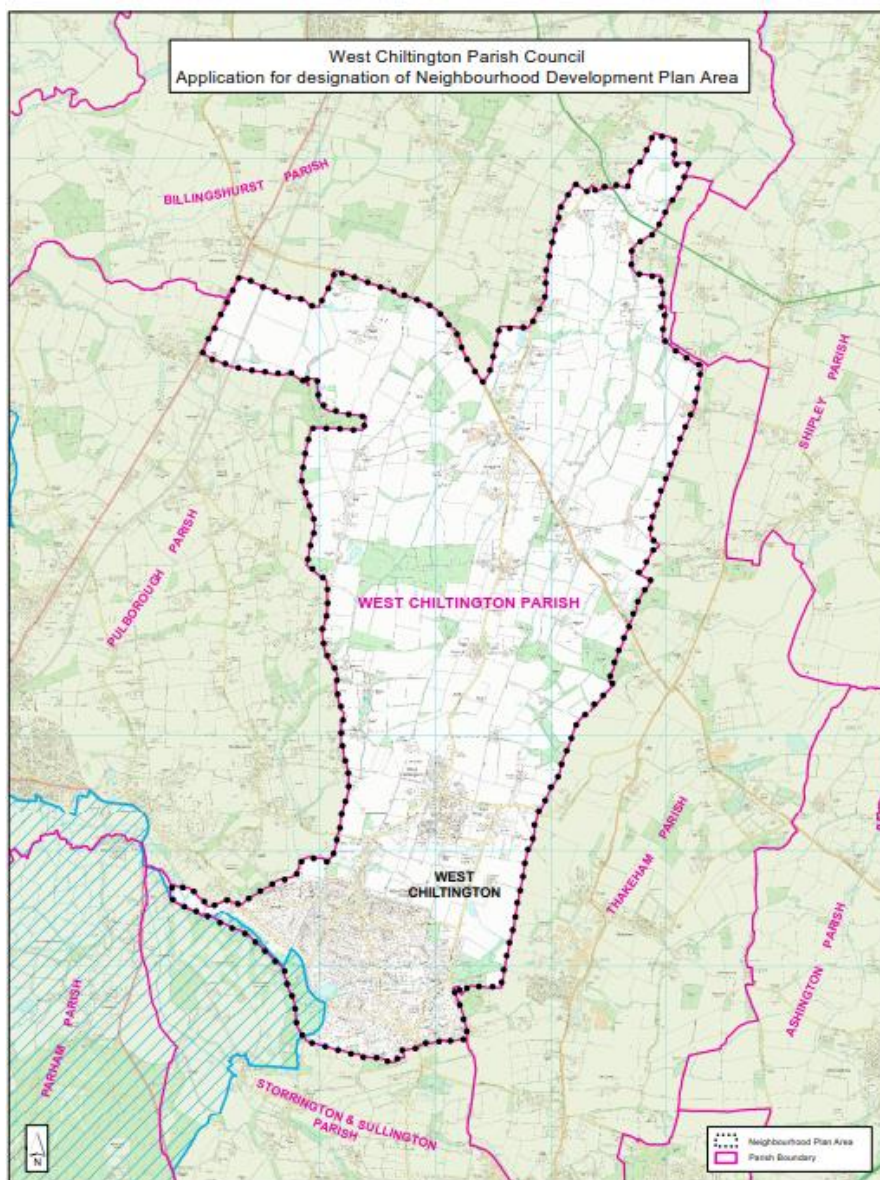
16. This Neighbourhood Plan housing needs advice has aimed to provide WCPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with HDC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
 - Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the adopted strategic development plan;
 - the views of HDC – in particular in relation to the housing need figure that should be adopted;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers; and
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the HDC, including but not limited to the SHLAA
 - the findings and recommendations of this study; and
 - The impact of the new Government proposed standard methodology on calculating housing need on the district and its neighbourhoods.
17. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
18. This advice note has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
19. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the HDC or any other relevant body and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
20. At the same time, monitoring on-going demographic or other trends over the period in which the Neighbourhood Plan is being developed (factors summarised in Table 1-2); monitoring of this kind may trigger a review of the policy position adopted in the draft NDP in light of changes in key indicators.

2. Context

2.1 Local context

- 21. West Chiltington is a civil Parish falling within the Horsham District of West Sussex, adjacent to the world-renowned South Downs National Park, and comprising two villages, each with its own post office, West Chiltington Village and West Chiltington Common. The parish borders the National Park on its south-western Edge, with West Chiltington Common directly adjacent to the border of the Park.
- 22. The area lies just a few kilometres to the north of Storrington, and to the east of Pulborough, where the Arun Valley Line reaches, with trains running to numerous destinations including Horsham and to London Victoria, taking just over an hour.
- 23. The two settlements within the Parish are distinctly different. West Chiltington Village is characterised by the conservation area which contains many listed buildings. West Chiltington Common is generally characterised by private roads with large properties with spacious lots. The land surrounding the Parish is dominated by ever expanding vineyards encompassing the built up areas.

Figure 2-1: Map of West Chiltington NA



Source: HDC

2.2 Planning policy context

24. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
25. The Horsham District Planning Framework (excluding South Downs National Park), adopted in 2015, is the most up to date local plan for the area, and the emerging Horsham District Local Plan is at a sufficiently early stage of preparation, with no drafts published as to be disregarded for this exercise; it is projected to be published in 2020⁵. The 2015 Framework replaced the Core Strategy and General Development Control Policies adopted in 2007.
26. The Horsham District Planning Framework 2015 sets out the planning strategy for the District outside of the South Downs National Park for the years up to 2031, and aims to deliver the social, economic and environmental needs of the NA. This includes the provision of at least 16,000 homes at an average of 800 homes per annum between 2011-2031, with 1,500 homes allocated through Neighbourhood Planning in accordance with the settlement hierarchy (in addition to 750 windfall units, i.e. those arising without the need for allocations in Local or neighbourhood plans). The following policies are relevant to this HNA:
 27. **Strategic Policy 2 ‘Strategic Development’**, which sets out that the focus of development in the district and conforms to the settlement hierarchy, in which West Chiltington is identified as a Medium Village, and be focused on the market town of Horsham. It supports development which protects the rural character and existing landscape, whilst providing for the varied housing needs of the community. In particular it looks to bring forward three strategic development sites, although none of these are within the NA.
 28. **Strategic Policy 3 ‘Development Hierarchy’**, which sets out the mechanism of built-up area boundaries to support the planned expansion of existing settlements through the Local Plan and Neighbourhood Planning processes. Within this boundary, development is accepted in principle, whereas outside it, development will be more strictly controlled. Emphasis is placed on the use of a Settlement Sustainability Review⁶ to ensure that development is of a scale that both retains the character and role of the settlement in terms of the range of services and facilities as well as community cohesion.
 29. **Strategic Policy 15 ‘Housing Provision’**, which establishes the need for 800 homes per year to be built, or 16,000 homes over the next 20 years, to meet the demand created by growth in the economy of the Gatwick Diamond economic area, running from London in the North to Brighton in the South and centred around Gatwick Airport, and inward migration to Horsham as a result of its attractive quality of life and growing local economy. This target will be supported by: completions between 2011 and 2015, when the plan was adopted, homes already permitted or agreed for release, three strategic sites, the allocation of “1500 homes...through Neighbourhood Planning”, and 750 windfall units.
 30. **Strategic Policy 16 ‘Meeting Local Housing Needs’**, which seeks to achieve a mix of housing sizes, types and tenures to meet established local housing needs, subject to the existing character of neighbourhoods and individual scheme viability. It does so by requiring all residential developments of between 5 and 14 dwellings to provide 20% affordable units, or a financial contribution where this is not deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings. These provisions will also apply to sub-divided sites in a way which ensures the same amount of affordable housing is achieved as if they were not sub-divided. All of these policies will be subject to viability, as well as assurances that local housing needs as set out in the latest SHMA are met. The framework also notes that “the council will support schemes being brought forward through Neighbourhood Plans”.
 31. **Policy 17 ‘Exceptions Housing Schemes’**, which enables rural, greenfield sites near to settlement boundaries to come forward for development to meet local housing needs. This is considered acceptable in cases where no suitable alternatives exist within the locality to meet the need, where the need is in a single parish or its immediately adjoining parishes within Horsham District, and where the needs relate to:
 - existing residents in unsuitable accommodating or needing separate accommodation in area (excluding existing owner occupiers)
 - people whose work provides important services and who need to live in the parish

⁵ Horsham Local Development Scheme 2017

⁶ https://www.horsham.gov.uk/_data/assets/pdf_file/0016/9313/CD_GC_01_Settlement-Sustainability-Review2014.pdf

- people who may no longer be resident in the parish but have longstanding links with the local community, and people with the offer of a job in the parish who cannot take up the offer because of a lack of affordable housing.

A further condition is that the development must “provide subsidised housing in perpetuity which will normally be managed by a provider that is registered with the Homes and Community Agency.”

32. **Policy 18 ‘Retirement Housing and Specialist Care’**, which states that “proposals for development which provide retirement housing and specialist care housing will be encouraged and supported” where they are accessible from existing settlements and where they cater to those on lower incomes. Large scale retirement communities will also be supported in appropriate locations, provided they accommodate a range of needs, include some affordable provision or an appropriate financial contribution, and contribute “appropriate services and facilities”.
33. **Policy 19 ‘Park Homes and Residential Caravan Sites’**, which states that provision of park homes and caravans will be supported so long as they meet local housing needs and are marketed locally for a reasonable period of time, that they are used for permanent accommodation, and that flooding, drainage and ground engineering are not significant barriers to their development. Proposals to convert these to permanent housing or holiday accommodation will not be supported in the face of housing need, whilst conversion of existing holiday accommodation will have to meet the same criteria as new building of this type, and must not harm nearby occupiers and users’ amenity or damage the environment.
34. **Policy 20 ‘Rural Workers Accommodation’**, which takes the view that housing for rural workers to support the rural economy will be supported outside of the defined built-up area, provided that it is functionally required and its occupation supports the established business use, and that evidence is submitted to demonstrate the viability of the rural business for which the housing is required.
35. **Strategic Policy 21 ‘Gypsy and Traveller Sites Allocations’**, which states “Provision shall be made for 39 net additional permanent residential pitches for Gypsies and Travellers within the period 2011 – 2017”, and that the council will make provision for Gypsy, Traveller and Travelling Showpeople (GTTS) over the rest of the Plan period. It allocates 4 sites for this purpose, delivering a total of 29 pitches, and notes sites with existing planning permission for a further 13 pitches. One of these sites is Lane Top in Pulborough, which will be allocated to accommodate 3 pitches.
36. **Policy 22 ‘Gypsy and Traveller Sites’**, which states that existing sites for GTTS will be safeguarded from development preventing their use for that purpose, unless they are no longer required to meet identified need. It notes that the provision of sites to meet that need beyond 2017 will be identified in a Site Allocations Development Plan Document, and that further sites may be provided in the following ways:
 - on windfall sites
 - by extending existing sites
 - by redeveloping existing sites
 - by allocating further sites within strategic developments sites or as standalone allocations
 - on publically owned land, both publically managed and for purchase by GTTS.

The council also states that it will “work with neighbouring authorities to make appropriate provision to meet the requirements for Gypsies and Travellers.”

37. **Strategic Policy 23 ‘Gypsy and Traveller Accommodation’**, which sets out the criteria for determining the allocation of land for GTTS and assessing planning applications for this purpose, namely: barriers to development such as flooding or ground engineering issues; safe and convenient vehicle and pedestrian access; proper utility servicing and size of site to accommodate amenities; location in or near existing settlements, or part of an allocated strategic location within reasonable distance of local services; and that the development does not have an unacceptable impact on the character and amenities of neighbours and is sensitively designed. Furthermore, it takes the view that “in assessing sites for Travelling Showpeople, or where mixed uses are proposed, the site and its surrounding context must be suitable for mixed residential and business uses, including storage required and/or land required for exercising animals”, and does not have adverse impacts on neighbours in the same way as above.

3. Approach

3.1 Research Questions

38. Housing Needs Assessment at Neighbourhood Plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place. Research Questions, abbreviated to 'RQ,' are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA. The key research questions can be summarised as follows:

3.1.1 Quantity

39. Horsham District Planning Framework (HDPF) sets a figure for dwellings to be delivered over the Plan period (2011-31) of 'at least 16,000' homes. This will in part be achieved by 'the provision of at least 1,500 homes throughout the district in accordance with the settlement hierarchy, allocated through Neighbourhood Planning'.⁷ The purpose of this HNA is to produce a Housing Needs Figure for West Chiltington taking into consideration the Parish's 'fair share' of Horsham's housing targets.

RQ1: What quantity of Housing in the Neighbourhood Area (NA) is appropriate over the Plan period?

3.1.2 Tenure

40. The current draft of WCPC's Neighbourhood Plan replicates HDC policy 16⁸ in respect of Affordable Housing (AH), both in terms of the proportion of new dwellings that should be affordable, and how these should be split into different tenures⁹. This is largely on account of a lack of evidence relating to local need. WCPC are therefore interested to see what recommendations the HNA can produce in respect of these questions, drawing on appropriate evidence.

RQ2: What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

3.1.3 Type and size

41. There is a concern that West Chiltington is not a place where young people are able to settle. As a result of this, as well as nationally observed trends, the population of the Parish is ageing rapidly.
42. Policy that seeks to maintain a demographic balance is relevant to questions of tenure as well as size; nevertheless, WCPC is concerned that the majority of dwellings that have been built in recent years are larger, and therefore more expensive homes, and not suited to both older residents looking to 'right-size' and younger households looking to acquire their first home.

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate in order to achieve a balanced demography and address the ageing population in future years?

3.1.4 Housing for specialist groups

43. While 16 dwellings have been allocated in the draft neighbourhood plan to be built according to 'lifetime home' principles, WCPC are nevertheless interested in how they should plan for the housing needs of the elderly, taking into consideration specialist forms of dwellings, such as sheltered and extra-care dwellings.

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

⁷ HDPF, page 56

⁸ HDPF, page 58

⁹ West Chiltington Pre-Submission Neighbourhood Plan 2016 to 2032, page 24

3.2 Relevant Data

3.2.1 The Local Authority Evidence Base

44. The PPG states that those bringing forward Neighbourhood Plans can refer to existing needs assessments prepared by the local planning authority as a starting point. As West Chiltington is located within West Sussex Housing Market Area, we approached HDC to understand the evidence base they have assembled to support the housing policies that appear in their Local Plan.
45. This produced the following documents:
 - a. Northern West Sussex Strategic Housing Market Assessment, May 2009 (SHMA09)
 - b. Northern West Sussex – Horsham Strategic Housing Market Assessment Update, October 2012 (SHMAU12)
 - c. Northern West Sussex Housing Market Area – Affordable Housing Needs Model Update (AHNMU14)
 - d. Housing Need for Horsham District, 2015 (HNHD15)
46. We have also considered the evidence presented in the Housing Needs Survey Report (HNSR) prepared for West Chiltington Parish Council by the charity Action in Rural Sussex, based on a survey undertaken in April 2014. Whilst this data may now be somewhat out of date, it is still relevant to this HNA in terms of the views of local people, which are unlikely to have changed significantly since it was undertaken.
47. The SHMA studies address the relevant housing market area and inform emerging housing policies at a local authority level, including affordable housing policy. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA) that the SHMA studies treat as their subject area can be used as a proxy for the NA. This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are common to the NA. Shared characteristics emerge as a result of internal linkages fundamental to the notion of a 'housing market area' (HMA).
48. PPG defines an HMA as 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.'¹⁰ It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments,' i.e. not all housing types or economic development have the same appeal to different occupants.'¹¹
49. PPG therefore sets two principal tests for identifying a functional HMA: patterns of demand for housing and commuting relationships. The first can be denoted by the concept of 'self-containment,' the degree to which household moves are 'contained' within a certain geographical area, and the second by 'travel to work areas.' It is generally assumed that a strong HMA will show at least 70% of household moves and commuting journeys taking place within its area.
50. The SHMA09 notes that it is generally assumed that around 70% of household moves will be contained within a functional HMA¹². The study uses this figure as a benchmarking test to identify of whether individual districts can be considered housing markets. Four main markets emerge in West Sussex; these are illustrated in Figure 4 below (which reproduces SHMA09 Figure 2.26). West Chiltington essentially sits at the nexus of three of these market areas, and therefore is well represented by the SHMA data.

¹⁰ PPG Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

¹¹ PPG Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014

¹² SHMA09, page 16

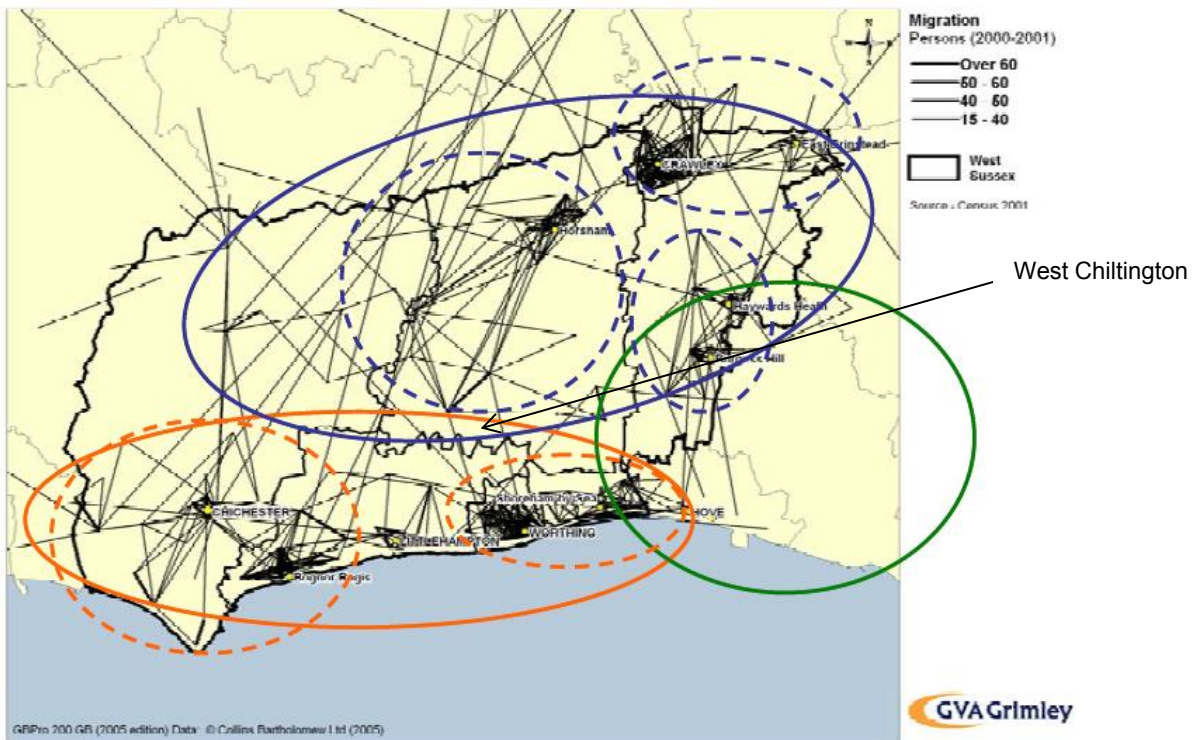
Figure 3-1: Defining Housing Market Areas and Areas of Market Overlap



Source: GVA Grimley/SHMA09

51. A similar picture can be seen for migration flows between wards, with West Chiltington sitting at the nexus of two of the three main transitory zones for inter-ward moves in 2001.

Figure 3-2: Migration Flows between Wards, 2000-1



Source: GVA Grimley/SHMA09

52. Given the age of the SHMA09, it is reasonable to ask whether its data remains true in 2018, or whether there have been changes in the economic geography to precipitate a shift in the HMA's boundaries. Later updates to SHMA09 (the other SHMA studies) suggest this is not the case and that, 'the defining characteristics of the HMA and its interactions/overlaps with surrounding areas previously identified will not have fundamentally altered such that the primary focus of the HMA should be considered as out-dated.¹³ The figure below shows travel to work areas as

¹³ AHNMU14, page 16

calculated by the ONS using 2011 Census commuting flow data. This suggests that in fact, in terms of economic links, West Chiltington may well be equally as influenced by the economy of Worthing as by that of Crawley (which covers the majority of the area of Horsham District). It is also not unlikely that Brighton itself exerts a significant economic pull on residents of West Chiltington. In this context, we have considered information from relevant sources, such as the Local Economic Partnership Strategic Economic Plan (LEPSEP), which covers all three of these travel to work areas, in our assessment of housing need in West Chiltington.

Figure 3-3: ONS Travel to Work Areas in the South East of England



Source: ONS

53. The LPA evidence base draws upon a range of data including population and demographic projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need for the district. As such, it contains a number of points of relevance in understanding housing need within the NA.
54. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

3.2.2 Other data

55. In addition to the LPA evidence base, we have gathered data from a range of other sources to ensure our study is robust for the purposes of developing policy at the neighbourhood plan level. These include findings from the Household Survey noted above, Census data providing insights into demographic shifts, the affordable housing waiting list managed by HDC, and Land Registry house price data. In addition, a survey of local estate agents has been undertaken to understand trends within the area, and we have also incorporated data from the Housing Needs Survey Report (HSNR) undertaken by Action in Rural Sussex (AirS) in 2014. Although now slightly dated, this survey is considered to be fairly robust, not least because fully 43.8% of households in the parish returned the survey form.¹⁴

¹⁴ HSNR14, pp.5

4. RQ 1 Quantity

RQ1: What quantity of Housing in the Neighbourhood Area (NA) is appropriate over the Plan period?

56. We have considered five sources for calculating housing figures for West Chiltington over the Plan period. The calculations are set out below.

4.1 HDPF

57. Below we have considered two ways in which the local plan targets for housing may be cascaded down to the neighbourhood plan level.
58. To calculate the 'fair share' of the 1,500 dwellings that HDC expects to be delivered 'throughout the district in accordance with the settlement hierarchy'¹⁵ we have calculated the number of dwellings in the settlement as a proportion of all the settlements that come under the three different categories of 'small towns and larger villages, medium villages and smaller villages' (the 3 categories) set out in Policy 3.¹⁶
59. It is important to note we have excluded the 'Main Town' of Horsham from this calculation as it does not form a Neighbourhood Area (NA). In addition, it is not anticipated that dwellings will come forward through neighbourhood planning due to the strategic nature of development in and around Horsham. This should therefore be excluded from the 1,500 dwellings sought through section 4 of Policy 15.
60. The total number of dwellings in the three categories comes to 21,517 dwellings. This figure has been arrived at by accessing Census 2011 data relating to specific Middle and Lower Super Output Areas (M/LSOAs) and Output Areas (OAs) that focus on the spatial arrangement of each town and village (as opposed to the wider parish in which they sit). This is based on a reading of Policy 3 which specifically suggests that development will only be permitted within the defined built-up areas.
61. In 2011, there were 1,456 dwellings in the built-up areas of the two settlements (West Chiltington Village and Common); this equates to 6.77% of all the dwellings in the 3 categories. On this basis we can calculate that the settlement's fair share of the 1,500 figure is 102 dwellings (rounded) to be delivered over the Plan period.
62. **This figure should be seen as a minimum, and does not include the 750 dwellings expected on windfall sites across the district. Adding West Chiltington's fair share of these dwellings would add a further 21 dwellings, giving a total of 123 dwellings to the end of the Plan period.**
63. A further approach is to consider the district minimum across Horsham. The HDPF puts forward a housing requirement for 'at least 16,000 dwellings' for the whole district over the Plan period between 2011 and 2031. The proportional share may be calculated for West Chiltington Parish based on the proportion of homes within the district that fall into the NA.
64. At the time of the last Census there were 1,579 dwellings in the NA and 56,516 in the district; this represents 2.8% (rounded) of all homes in the district.
65. Therefore, a fair share of the entire district target without taking into account the Local Plan settlement hierarchy or relevant strategic allocations would be 447 homes (4.2% of 16,000).

4.2 SHMA

66. **Below we consider the potential housing need arising from the SHMA 2009's assessment.**
67. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN¹⁷), as opposed to a final housing target.

¹⁵ HDPF, page 56

¹⁶ HDPF, page 25

¹⁷ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

68. The final housing target will take into account a number of other important factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.
69. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the NP level, because it is an authoritative source of evidence, and importantly, because it takes into account population and household projections, as set out in the 2012 Sub-National Population Projections (SNPP). SNPP provide the basis for Household Projections which the PPG suggests should be taken as a 'starting point' in determining need at the local authority level.
70. The HNHD15 identifies an OAN for Horsham District over the period 2011 - 31 of 12,720 homes.¹⁸ This number has been selected from a number of options on the basis of the support it provides to employment growth of 275 jobs per annum as recommended by the Inspector following the examination of the HDC's Planning Framework.
71. It includes upwards adjustments to household formation rates relative to trends, producing an increase in housing supply (of both market and affordable housing). This reflects a policy aim of improving affordability, thus enabling a growing number of younger households in their 20s and 30s to form.
72. **To calculate the NA's 'fair share' of this target, it is again possible to use West Chiltington's proportion of all housing in the district (2.8%). This produces a figure of 355 dwellings (rounded).**

4.3 MHCLG household projections

73. MHCLG publishes household projections every two years. The most recent (2014-based) household projections were published in July 2016¹⁹, and extend to 2039.
74. These projections are an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase. They do not take into account political, economic, demographic or any other drivers that may in future influence the distribution of housing development approved at planning across the District.
75. However, the PPG recommends that these household projections should form the starting point for the assessment of housing need.
76. The 2014-based household projections suggest that by 2031, Horsham will have 66,854 households. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
77. **Based on a proportional 'fair share' of this household growth, West Chiltington would see a total growth of 336 households until the end of the Plan period.**

4.4 Home growth 2001-2018

78. Although it would not be appropriate to determine housing need simply based on past dwelling completion rates, it is still helpful to consider these as a baseline to understand how many homes would be delivered in the NA to the end of the Plan period based on past trends.
79. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors.
80. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development that could be delivered over the Plan period, we have taken the aggregate of the homes growth between 2001 and 2017; this comes to 79 (57 + 32) dwellings.
81. Expressed as an annual average rate, this is approximately 5 homes per year. This produces **projection derived from homes growth between 2001 and 2017 of 100 homes over the Plan period of 2011-2031 (5 * 20).**

4.5 The standard methodology

82. On 14th September 2017, MHCLG published "Planning for the right homes in the right places: consultation proposals" a consultation on a new proposed Standard Method for assessing housing need for arriving at the minimum number of homes needed for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies.

¹⁸ GL Hearn, *Housing Need in Horsham District*, March 2015, page 49

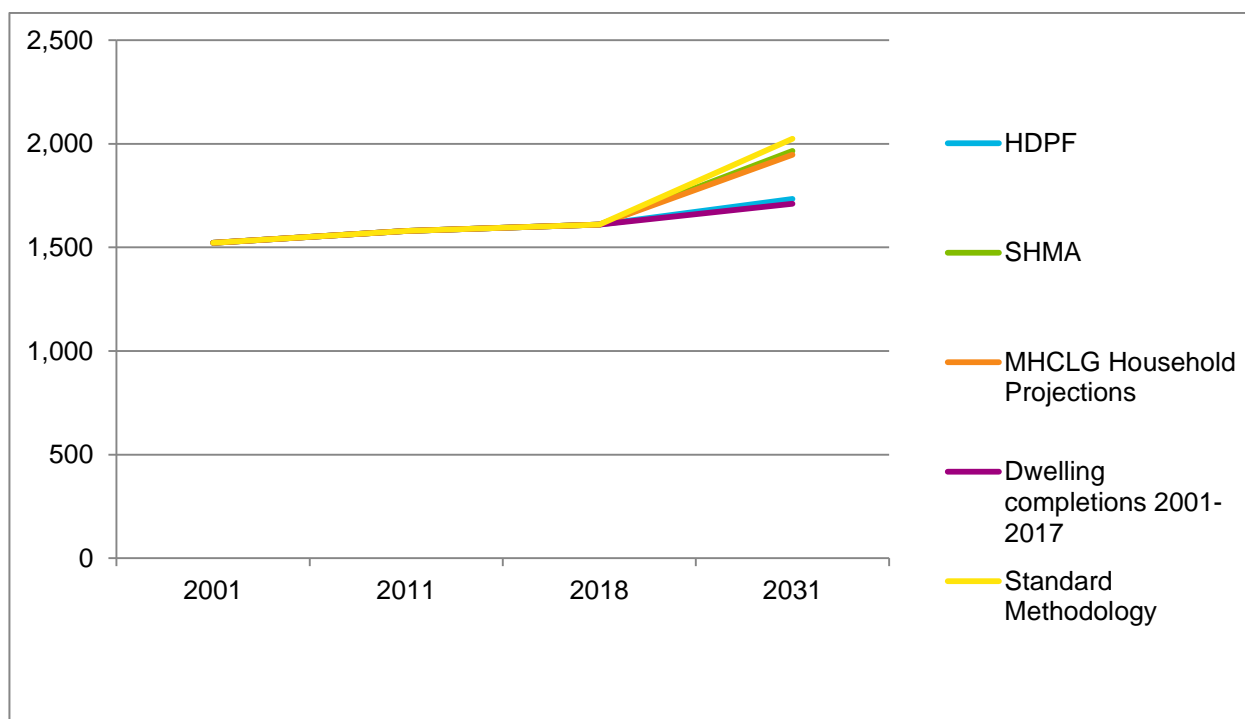
¹⁹ See 2014-based MHCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

- 83. The consultation draft of the National Planning Policy Framework, published in March 2018, proposes to establish this as the method LPAs should use as the starting point for arriving at a housing target for their area.
- 84. It is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NA. Therefore, what follows is an assessment of the NA's housing need based on the new proposed methodology which, should the policy be put in place in its current form, provide the likely figures for housing need in the area.
- 85. This projection is included *for information only*, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods for arriving at their housing target, so long as the number they arrive at exceeds that produced by the new standard method.
- 86. Proposed updates to the PPG include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so.²⁰
- 87. The starting point for using the Standard Method for the neighbourhood level is therefore whether the current Local Plan was adopted before or after the introduction of the NPPF.
- 88. In the case of Horsham, the HDPF was adopted in November 2015, and therefore provides an up-to-date basis for arriving at a housing need figure for Neighbourhood Areas.
- 89. However, the indicative assessment using the Standard Method is 974 homes per annum, a significant uplift of approximately 22%. As this total falls well within the proposed 40% cap on any uplifts, it is reasonable to assume that this uplift will be applied in the case of Horsham.
- 90. **A proportional share of this target for West Chiltington would then be 548 dwellings over the period.**

4.6 Preliminary housing need

- 91. The graph above sets out the total number of homes factoring in each of the projections we have identified in West Chiltington, starting from 2001, in 2011, in 2018, and at the end of the Plan period, in 2031.

Figure 4-1: Projection of the total number of homes in West Chiltington



- 92. The starting point for arriving at a projection of future housing need to be delivered in the NA over the Plan period is the average of the projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out of date in planning terms, or another projection was a clear outlier. The table on the next page shows these projections and their average.

²⁰ MHCLG, planning for the right homes in the right places: consultation proposals, page 31

Table 4-1: Range of housing projections for West Chiltington

	Projection	Total housing need in West Chiltington
1	HDPF fair share	123
2	SHMA fair share	355
3	MHCLG household projections fair share	336
4	Home growth	100
5	Standard methodology fair share	548
6	Average of 2 and 3	346

Source: AECOM

93. We note that the Settlement Hierarchy approach represents a constrained 'minimum' figure which the neighbourhood plan should accommodate and plan for, and so this has been excluded. Similarly, home growth represents the rate of past delivery, which is likely to have been constrained, and may not be sufficient to meet the needs of West Chiltington's residents. We have excluded these two estimates of need, as well as the standard methodology fair share, as this has not yet come into force.
94. Furthermore, the PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.
95. The PPG states:
- The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.²¹*
96. These market signals relate to trends discernible within the housing market, and broader economic trends that have an impact on the housing market. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:
- In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (eg the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.²²*
97. The following chapter contains our assessment of the market signals which are likely to impact on the quantity of housing needed in West Chiltington. These are then summarised, and the uplift applied to the figure derived above. In discussions with TNF and RBC as to the appropriate levels of market dwellings in the NA it will necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals.
- Employment and commuting
 - House prices
 - Housing sales volumes
 - Rate of development
 - Overcrowding and concealment

²¹ PPG Paragraph: 019 Reference ID: 2a-019-20140306

²² PPG Paragraph: 020 Reference ID: 2a-020-20140306

4.7 Market Signals

4.7.1 Employment and commuting

98. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand for housing in the NA, particularly where long commuting distances are not feasible or sustainable for local residents. It is therefore important to establish the employment sphere of influence experienced by residents of West Chiltington.
99. The table below shows some interesting trends in the average distance which those in employment in West Chiltington travelled in 2011. In general, the average distance travelled was very high, particularly in comparison with the district, suggesting that many people work outside of Horsham. Conversely, however, many more people also work mainly at or from home than in the district and these employees are not included in the average distance travelled.
100. Whilst this to some extent reflects the rural nature of the parish, the table below also shows that it may be a small number of people (just 17.1% of employees) working very far away that has skewed the average distance travelled upwards, given that nearly twice as many people work between 10km and 30km away.

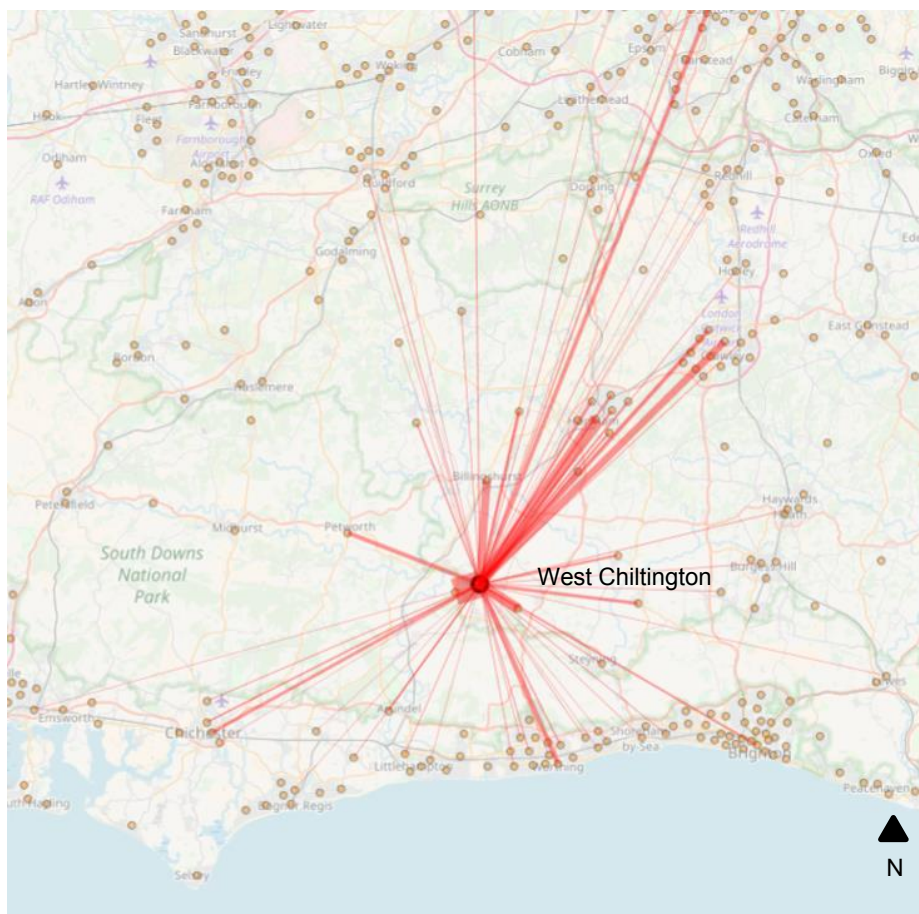
Table 4-2: Distance to work, 2011

	West Chiltington	Horsham	England
Less than 10km	16.7%	34.3%	52.3%
10km to less than 30km	30.9%	28.5%	21.0%
30km and over	17.1%	13.8%	8.0%
Work mainly at or from home	25.2%	14.6%	10.3%
Other	10.1%	8.7%	8.5%
Average distance travelled to work	27.2km	19km	14.9km

Source: Census, AECOM Calculations

101. Indeed, the figure below shows the actual commuting flow data from the census, and demonstrates that many residents of the area do indeed work quite far away, whether in Chichester, Guildford, London or Gatwick, as well as in Horsham itself. Still, the most common place of work, with 270 out of a total of 1,474 economically active people in West Chiltington, was nearby in Pulborough. Other destinations outside of Horsham, such as those in Crawley, Worthing, Chichester and indeed the City of London, had only relatively small numbers of commuters travelling from West Chiltington (less than 100 in all, and less than 50 in most cases).

Figure 4-2: Commuting patterns out of West Chilmington



Source: Datashine/Census 2011

102. The table below shows an overview of the employment situation of residents of West Chilmington in 2011. This confirms the view that West Chilmington has many retired people (with a ratio of approximately one retired person for every two economically active people), making up close to 1/3rd of the entire population. In this context, changes in employment are not likely to be as significant a factor in the demand for housing as in other places with fewer retired people, as the primary driver of demand in the area is not related to its employment prospects, but as a result of other factors.

Figure 4-3: Economic activity in West Chilmington, 2011

Economic category		West Chilmington	Horsham	England
Economically active	Total	59.2%	73.4%	69.9%
	Employee: Full-time	27.9%	40.3%	13.7%
	Employee: Part-time	11.8%	14.8%	38.6%
	Self-employed	16.7%	12.9%	9.8%
	Unemployed	1.2%	2.7%	4.4%
	Full-time student	1.6%	2.7%	3.4%
Economically inactive	Total	40.8%	26.6%	30.1%
	Retired	32.0%	15.5%	13.7%
	Student	2.5%	3.5%	5.8%
	Looking after home or family	4.3%	4.2%	4.4%
	Long-term sick or disabled	0.9%	2.2%	4.1%
	Other	1.2%	1.3%	2.2%

Source: Census 2011

103. Indeed, given the relatively small numbers of people working outside of Horsham District, we do not foresee significant employment effects beyond those which have already been taken into account by the SHMA projections. Growth in employment of those working at home would also be difficult to predict, and is similarly unlikely to increase demand for housing specifically within the NA.
104. Whilst growth in employment in Pulborough could increase the demand for housing in West Chiltington, we note that at the time of the Horsham Economic Profile in December 2016, Pulborough had 100% of its retail units occupied, higher than other towns in the district, and suggesting that further employment growth would be dependent on increased capacity.
105. Similarly, Pulborough does not in our view have significantly positive employment prospects to warrant adjustments to the household projections for the NA, not least as Pulborough is not mentioned as being a focus in the Horsham District Economic Strategy 2017-2027 (HDES17), and because, although Pulborough does have some quantum of industrial space, across the district just 31% of commercial space was built after 1980,²³ suggesting the expansion has been relatively low over the past few decades, and that this is unlikely to change dramatically over the Plan period.

4.7.2 House prices

106. The PPG suggests that mix adjusted house prices can indicate long term imbalances in supply and demand for housing²⁴. The table below shows average house prices in the West Chiltington NA. What is immediately clear from this is that the effects of the recession on average house prices were relatively limited, with prices fairly quickly regaining their pre-recession heights in 2011, and experiencing only a small second dip in 2013, before rising again. However, the average price for all types was driven primarily by detached homes, with these accounting for 83% of all 762 sales in the area over the 10 year period.

Table 4-3: House prices in West Chiltington, 2008-2017

Type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Detached	£551,310	£506,062	£530,686	£562,839	£577,693	£594,591	£645,227	£639,579	£704,996	£746,754
Semi-Detached	£381,667	£303,498	£242,742	£328,844	£271,400	£276,250	£401,292	£359,773	£396,143	£362,500
Terraced	N/A	£204,500	£215,929	£220,000	£224,833	£234,983	£245,242	£279,667	£262,500	£296,250
Flats	£112,500	£94,152	£113,000	N/A	£120,500	£117,125	£132,000	£209,167	£168,000	£170,500
All Types	£526,984	£458,865	£471,093	£524,087	£507,553	£545,033	£574,435	£570,093	£644,394	£672,446

Source: Land Registry PPD

107. When comparing price growth over the period with price growth across Horsham, it is interesting to note that, overall, prices across Horsham grew significantly more than in West Chiltington, although for detached homes the difference was less pronounced. Sales of other property types were relatively rare in West Chiltington; for example, the maximum number of flats sold in any given year was 6, in 2015, whilst a maximum of 7 terraced homes were sold in 2010, and 12 semidetached homes in 2014, making up just 12% of sales).

Table 4-4: Price growth in West Chiltington and Horsham, 2008-2017

Type	West Chiltington	Horsham
Detached		40%
Semi-Detached		39%
Terraced		36%
Flats		21%
All Types		35%

Source: Land Registry PPD, UKHPI

108. It is of course important to set these price changes in the context of actual prices, which were significantly higher for all types in West Chiltington than across Horsham. However, this is likely in part due to the mixture of homes sold, which were primarily detached in West Chiltington. Still, even detached homes were on average significantly more expensive in West Chiltington than in Horsham in both years, although again, this may be as a result of the characteristics of the stock in question, as homes in West Chiltington tend to have more rooms than the average across Horsham, as discussed in Chapter 7.

²³ HDES17, pp.6

²⁴ PPG Paragraph: 019 Reference ID: 2a-019-20140306

109. It is interesting to note that for all other types of homes other than detached houses, those in West Chiltington were on average cheaper than the average price of the equivalent type across Horsham. However, this may again relate to the particular stock, and given the very small number of sales, the prices of these homes do not provide a reliable market signal.

Figure 4-4: Price differences between West Chiltington and Horsham, 2008 and 2017

Type	2008		2017	
	West Chiltington	Horsham	West Chiltington	Horsham
Detached	£551,310	£447,367	£746,754	£626,771
Semi-Detached	£381,667	£279,112	£362,500	£388,250
Terraced	N/A	£229,753	£296,250	£313,208
Flats	£112,500	£172,877	£170,500	£208,483
All Types	£526,984	£287,821	£672,446	£388,983

Source: Land Registry PPD, UKHPI

4.7.3 Sales volumes

110. It is helpful to contextualise these changes in prices and market signals relating to an imbalance of a particular type of housing with a consideration of sales volumes of different house types. The table below sets the overall volume of sales over the period against the overall stock (at the 2011 Census) in the NA, as well as in Horsham for comparison.

Table 4-5: Volume of existing home sales verses existing stock by type in West Chiltington, 2008-2017

Type	Housing Sales West Chiltington (2008-2017)	Housing Stock in West Chiltington (2011)	Housing Sales in Horsham (2008-2017)	Housing Stock in Horsham (2011)
Detached	84%	85%	36%	39%
Semi-Detached	8%	10%	24%	27%
Terraced	4%	0%	22%	17%
Flats	5%	4%	18%	17%

Source: Land Registry PPD, Census 2001/2011

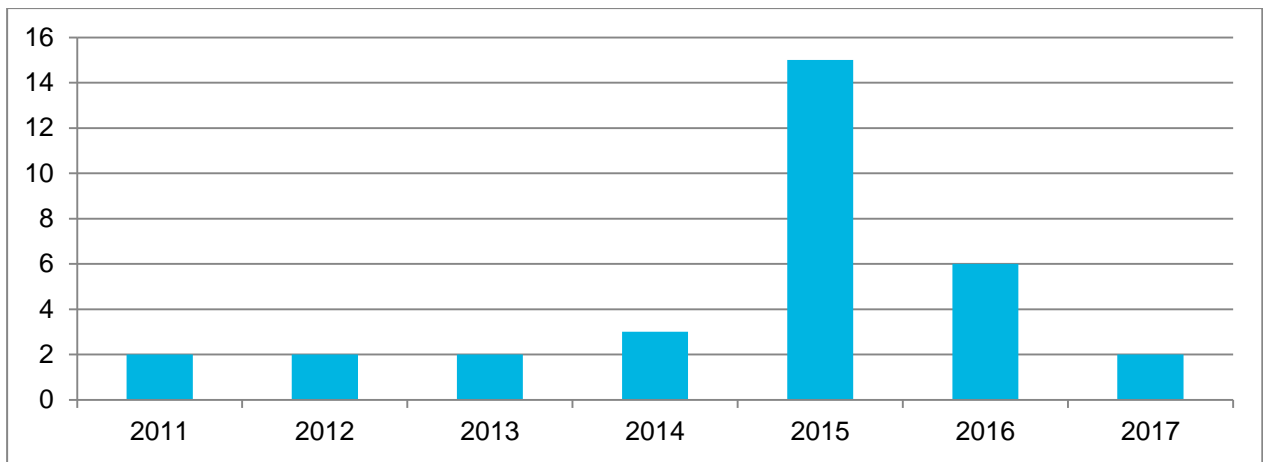
111. It is clear from this data that the number of detached homes sales is broadly in proportion to the percentage of detached homes in the village overall. We note, however, that sales of semi-detached properties were below the percentage present in the stock both in West Chiltington and in Horsham.
112. Similarly, there were higher sales than stock of terraced houses and flats across both geographies, although it seems unlikely that the census figure of 0% for terraced housing in West Chiltington is completely accurate, as some people answering the census questions may misunderstand the question, or answer it in line with Land Registry definitions (particularly given that 9 terraced homes were sold in the NA prior to 2011 according to Land Registry Records).

4.7.4 Rate of development

113. The PPG suggests that "If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan."²⁵ As such, this section considers this market signal and its potential impact to uplift the projections discussed in Chapter 2.
114. Data from HDC suggests that there were 36 dwelling completions, and 4 dwelling losses in West Chiltington between 2011-2017, giving a net completion of 32 dwellings, or approximately 5 dwellings per annum. This was actually a somewhat lower rate of development between 2001 and 2011 (57 dwellings in total, or about 6 dwellings per annum). Indeed, over that period, the change in the number of dwellings was just 4%, versus 10% growth across Horsham as a whole. However, this data must be treated with caution given the lack of targets for planned supply for West Chiltington within the local plan.
115. The chart below shows housing delivery over this period in West Chiltington, demonstrating the relatively low levels of housing delivery in the average year, with delivery spiking in relation to specific developments, for example of 3 and 9 homes in 2015, and of 3 homes in 2016, completing in a given year.

²⁵ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

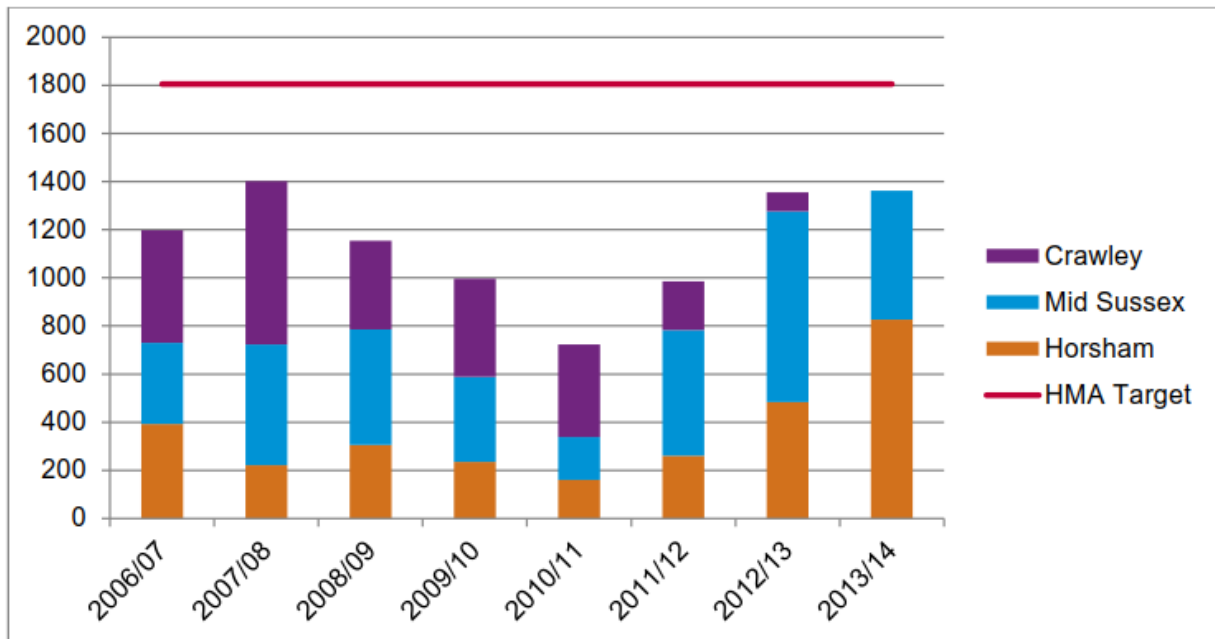
Figure 4-5: Net housing completions in West Chiltington, 2011-2017



Source: HDC

116. This demonstrates the extent to which the housing market in the NA is affected by the cycle of development, as much as by supply and demand, although it is worth noting that although 36 net dwellings were completed over the period, there were in fact 55 dwellings approved on those sites alone. It is likely that there were also further permissions granted on which construction had not started, suggesting that delivery rates may have been constrained.
117. Indeed, even across Horsham, housing supply has not, in the years for which data was available, surpassed more than 80% of projected need for the housing market area, as shown below, although in the year 2013/2014 Horsham did deliver more than the 800 homes set as an annual target in its 2015 District Planning Framework²⁶.

Figure 4-6: Housing delivery vs Housing Targets across the HMA



Source: SHMA

118. Furthermore, the effect of the financial crisis and the second dip of the recession can also be seen in the drop in housing supply focused on the year 2010/2011 across the entire Northern West Sussex Housing Market Area, as shown in the figure below. The chart also demonstrates the relative strength of Horsham’s housing market recovery, particularly when set against nearby Crawley, and the dip in supply in Mid-Sussex for 2013/14, the last year for which data is available.

²⁶ HDPF15, pp. 54

4.7.5 Overcrowding and concealment

119. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock, with families unable to afford housing which is of a suitable size for all of their members to be adequately housed.
120. One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the district is shown in Table 4-6 below. The data indicates that whilst the number of households occupying the most overcrowded conditions (i.e. over 1.5 persons per room, so for example 6 people living with less than 4 rooms, including a kitchen) dropped from 3 households to 1, those in the next most overcrowded category (with less than one room per person) increased significantly, such that the overall number of households experiencing overcrowding in West Chiltington doubled, from 6 to 12 households between 2001 and 2011. This is particularly surprising given that on average, the housing stock is larger in West Chiltington than in Horsham, as discussed in more detail in Chapter 7.

Table 4-6: Trends in number of persons per room in West Chiltington, 2001-2011

Persons per room	West Chiltington	Horsham	England
Up to 0.5 persons per room	-33.4%	0.9%	7.9%
Over 0.5 and up to 1.0 persons per room	55.0%	-9.7%	7.0%
Over 1.0 and up to 1.5 persons per room	266.7%	8.3%	27.3%
Over 1.5 persons per room	-66.7%	38.5%	2.5%

Source: ONS 2011, AECOM Calculations

121. A further indicator of increased housing demand is the presence of concealed families in the NA. Table 4-7 below presents the number of concealed families in West Chiltington. A concealed family is a self-identified household living within another household and represented by a separate household reference person. The data shows that there were 8 concealed families in West Chiltington in 2011. Whilst this is lower than the district and national average, it is still significant.

Table 4-7: Concealed families in West Chiltington, 2011

Concealed families	West Chiltington	Horsham	England
All families: total	1,190	38,935	14885145
Concealed families: total	8	451	275954
Concealed families as % of total	0.7%	1.2%	1.9%






Source: ONS 2011, AECOM Calculations

122. Whilst it is likely that there likely to be overlap between concealed families and those living in overcrowded conditions, this is not necessarily the case, with the difference being that concealed families represent an additional family unit living in the same home, whilst overcrowded households may consist of just a single family who are not adequately housed.

4.8 Conclusions on quantity of housing needed

123. Below we have summarised our conclusions regarding the impact of market signals on the quantity of housing needed in West Chiltington. On this basis, we recommend that an 8% uplift should be applied to the initial figure of 346 dwellings by the end of the Plan period. This results in a total housing need of 446 dwellings in West Chiltington to the end of the Plan period, or approximately 22 dwellings per annum.
124. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are set out in the table below.

Table 4-8: Summary of factors specific to West Chiltington with a potential impact on neighbourhood plan housing quantity

Factor	Source(s) (detailed in Chapter 8)	Possible impact on future housing need	Rationale for judgement
Jobs Growth	SHMAU18		Given that a large proportion of West Chiltington's residents are retired, and growth prospects in surrounding employment centres do not appear particularly buoyant, we do not consider jobs growth to have any notable impact on demand for housing in West Chiltington, and therefore a neutral arrow is considered appropriate.
Land values	Land Registry Price Paid Data for 2008-2017, UKHPI		House prices in West Chiltington are significantly higher than the average for Horsham, although this may partly be as a result of the size and quality of the stock in question. Rises in house prices have been very pronounced however, and as such, two up arrows is deemed appropriate.
Sales volumes	Land Registry Price Paid Data for 2008-2017, Census 2001/2011		Sales volumes do not broadly indicate increased demand for housing in West Chiltington, and as such a neutral arrow is deemed appropriate.
Rate of development	Land Registry Data/AECOM Calculations, SHMA		Data at both the NA and Local Authority level suggests that the rate of development, and particular of the build-out of planned units (i.e. those with planning permission granted) has been significantly constrained in recent years. As such, two up arrows has been deemed appropriate to reflect the likelihood of future under delivery.
Overcrowding and Concealment	Census Data 2001, 2011		There has been a relatively significant increase in overcrowding in West Chiltington between 2001 and 2011, however, the rate of concealment is significantly lower in the Parish than across Horsham. Therefore a single up arrow is considered appropriate.

5. RQ 2 Tenure

RQ2: What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?

5.1 Background and definitions

125. The provision of affordable housing is critical to the continuation of most communities as viable settlements; it needs however to be understood in relation to other tenures. The PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NPA's housing stock.²⁷
126. It is necessary at this stage of the study to make clear the distinction between affordable homes as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing²⁸. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
127. In this paragraph we review the tenures that appear under the new definition of Affordable Housing set out in the consultation draft of the NPPF published in March 2018 (henceforward, NPPF18). These revisions make clear the government's commitment to home ownership but recognise the important role of affordable rent for those not currently seeking home ownership. The changes remove references to 'social rented,' although its definition remains, those dwellings where 'rent is set in accordance with the Government's rent policy.' The revisions seek to broaden the definition of affordable housing to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. **For the purposes of this HNA we assume this new definition will be introduced broadly unchanged following the consultation process.**
128. The NPPF18 puts in place the revised definition of Affordable Housing envisaged in the Housing White Paper²⁹ as "housing that is provided for sale or rent to those whose needs are not met by the market (this can include 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, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*
 - b. **Starter homes:** *is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute at the time of plan preparation or decision-making. Income restrictions should be used to limit a household's eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London)*
 - c. **Discounted market sales housing:** *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*
 - d. **Other affordable routes to home ownership:** *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale 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*

²⁷ PPG Paragraph: 021 Reference ID: 2a-021-20160401

²⁸ At the time of writing the 2018 version of the NPPF is out for consultation and includes the following tenures, Affordable housing for rent, Starter homes, Discounted market sales housing, and other affordable routes to home ownership.

²⁹ MHCLG (2017) Fixing our Broken Housing Market (para A.120)

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.”³⁰

129. In paragraph 65 of the NPPF18, Government introduces a recommendation that ‘where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership’. In line with PPG³¹, the assumption should be that ‘major housing development’ can be defined as sites of more than 10 units, and that affordable home ownership includes starter homes, shared ownership homes and homes available for discount market sale.

5.2 Current tenure profile

130. It is necessary to present a picture of tenure in the NA based on the most recent reliable data. The table below presents Census data from 2011 that shows the dominant form of tenure is owner-occupation, much more so than across the district or indeed across England, with all other tenures much less common.

Table 5-1: Tenure (households) in West Chiltington, 2011

Tenure	West Chiltington	Horsham	England
Owned; total	90.4%	74.5%	63.3%
Shared ownership	0.2%	0.7%	0.8%
Social rented; total	3.4%	11.6%	17.7%
Private rented; total	5.0%	11.8%	16.8%

Source: Census 2011

131. Below we set out how tenure has shifted between the 2001 and 2011 Censuses; this shows how the tenure of housing stock has changed over time. As with many settlements in the UK, the proportion of dwellings privately rented has increased substantially. This reflects its role as a form of affordable market housing, within reach of some people unable to buy a property.

Table 5-2: Rates of tenure change in West Chiltington, 2001-2011

Tenure	West Chiltington	Horsham	England
Owned; total	4.6%	4.2%	-0.6%
Shared ownership	0.0%	34.9%	30.0%
Social rented; total	-8.6%	13.0%	-0.9%
Private rented; total	102.6%	97.6%	82.4%

Source: Census 2011, AECOM Calculations

132. Although the number of households renting privately only increased from 38 to 77, i.e. from a low base, it is worth noting that the dwelling stock overall increased by only 5% over the period despite that increased demand. In other terms, the number of dwellings added to the stock in West Chiltington over the intercensus period was 57, but the number of households privately renting increased by 39, with these homes likely to have formerly been owner occupied (rather than purpose built for renting). It is also possible, and indeed fairly likely, given the size profile of the housing stock discussed in the next chapter, that some of the increase in private rented dwellings has been as a result of subdivisions of the existing housing stock to form flats.
133. We also note the slight decrease in social rented stock, from 58 to 53 over the period, likely as a result of Right to Buy legislation allowing tenants to buy their homes at a discount (with the decline reflected in the national picture, though not across Horsham as a whole, which saw an increase in social rented homes). It is particularly relevant that there was no equivalent increased in shared ownership properties, suggesting that over the period the supply of affordable housing decreased in West Chiltington. We now turn to changes in the prices of homes to understand the affordability of housing to those on local incomes.

5.3 Affordability

134. In line with the Planning Practice Guidance, we have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and incomes, as expressed in the Lower Quartile Affordability Ratio

³⁰ NPPF18, pp. 62

³¹ PPG 031 Reference ID: 23b-031-20161116

(LQAR). While this is a relatively crude measure of affordability, as it does not take account of the cost of servicing mortgage debt, it is a useful basic measure for benchmarking affordability changes over time.

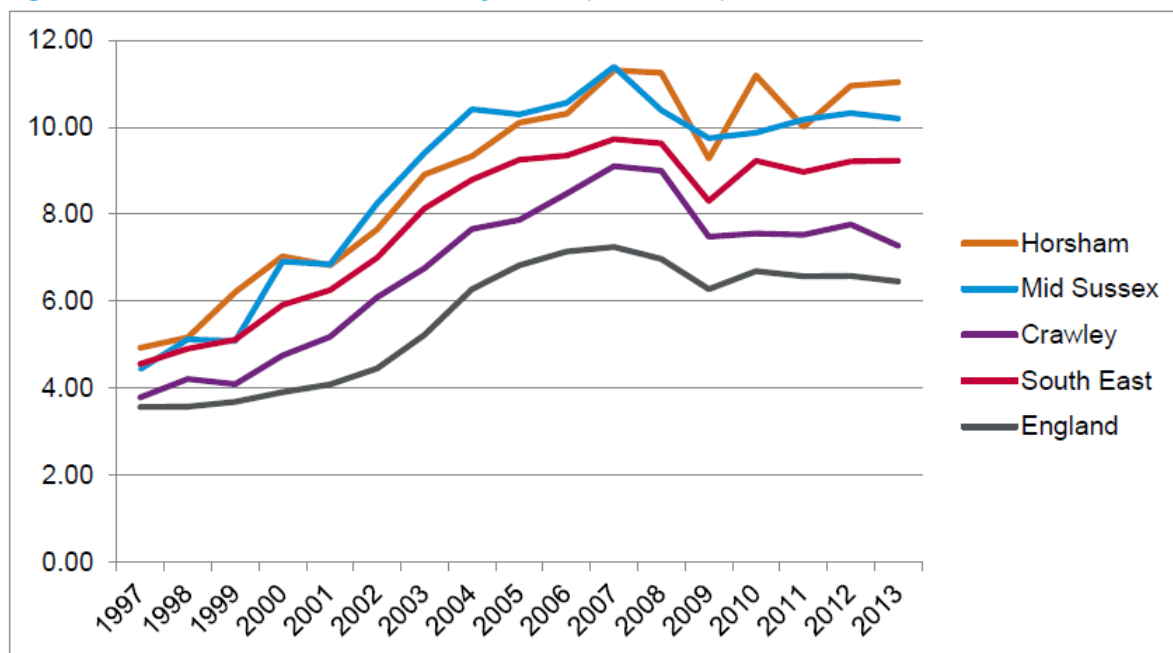
Figure 5-1: House prices in West Chiltington, 2008-2017, by type

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	GROWTH
Detached	£551,310	£506,062	£530,686	£562,839	£577,693	£594,591	£645,227	£639,579	£704,996	£746,754	35%
Semi-Detached	£381,667	£303,498	£242,742	£328,844	£271,400	£276,250	£401,292	£359,773	£396,143	£362,500	4%
Terraced	N/A	£204,500	£215,929	£220,000	£224,833	£234,983	£245,242	£279,667	£262,500	£296,250	28%
Flats	£112,500	£94,152	£113,000	N/A	£120,500	£117,125	£132,000	£209,167	£168,000	£170,500	49%
All Types	£526,984	£458,865	£471,093	£524,087	£507,553	£545,033	£574,435	£570,093	£644,394	£672,446	22%

Source: Land Registry PPD

- 135. Across Horsham, the lower quartile gross annual residence-based earnings were £22,480 in 2016, according to ONS data. Whilst local income data is not available for individual parishes, we have assessed the affordability of housing based on these figures. The lower quartile house price in 2016 in West Chiltington was £472,500, giving a LQAR of 21, i.e. house prices were 21 times lower quartile earnings.
- 136. Using an income multiple of 4 (which approximately 75% of all mortgage lending ratios fell below in recent years³²), it is possible to assess what income would be necessary to afford housing in West Chiltington. Based on a 90% mortgage on a lower quartile priced house, an income of approximately £106,000 per annum would be required to buy in West Chiltington, without significant existing equity or assistance.
- 137. This is quite extreme, even by the standards of Horsham, as shown below, where we reproduce HNHD15 Figure 18 which shows fluctuations in the Lower Quartile Affordability Ratio (LQAR) between 1997 and 2013; this assesses specifically the degree to which people on modest incomes (lower quartile earnings) are able to access market sale housing. This illustrates how house-prices have outstripped household incomes over the period.

Figure 5-2: Lower Quartile Affordability Trend (1997-2013)



Source: HNHD15

- 138. However, this level of unaffordability is in many ways not surprising, not least because of large numbers of older households in West Chiltington, households who either bought prior to the significant worsening of affordability in the past 20 years, or households who have built up equity in previous properties and been able to afford to enter the housing market in the area.
- 139. The median house price in West Chiltington in 2016 was £665,000, whilst the median income across Horsham was £33,414 in the same year. This produces a MAR of 19.9, which is in practical terms equally as significant as the affordability challenges noted for those on lower quartile incomes.

³² <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

140. Using the same income multiple as above in relation to a median priced house, would require an income of approximately £150,000 per annum, without significant existing equity or assistance. It seems clear from this that the nature of the housing stock in West Chiltington is likely reinforcing the older profile of the population, with housing accessible only to older households who have built up very significant equity in existing properties, whether in the area or elsewhere, particularly given that those above age 65 would be relatively less likely than those of working age to have incomes as high as £150,000 per annum (although this is clearly not impossible).
141. This broadly mirrors the very serious challenges in affordability for both those on median and lower quartile incomes across Horsham. Indeed, in Table 5-3 below we re-produce HNHD15 Figure 19 which compares the LQAR with an Affordability Ratio based on median incomes. This indicates that those at the lower end of the income scale are less able to access relatively affordable market homes than those on higher incomes are able to access more expensive dwellings.

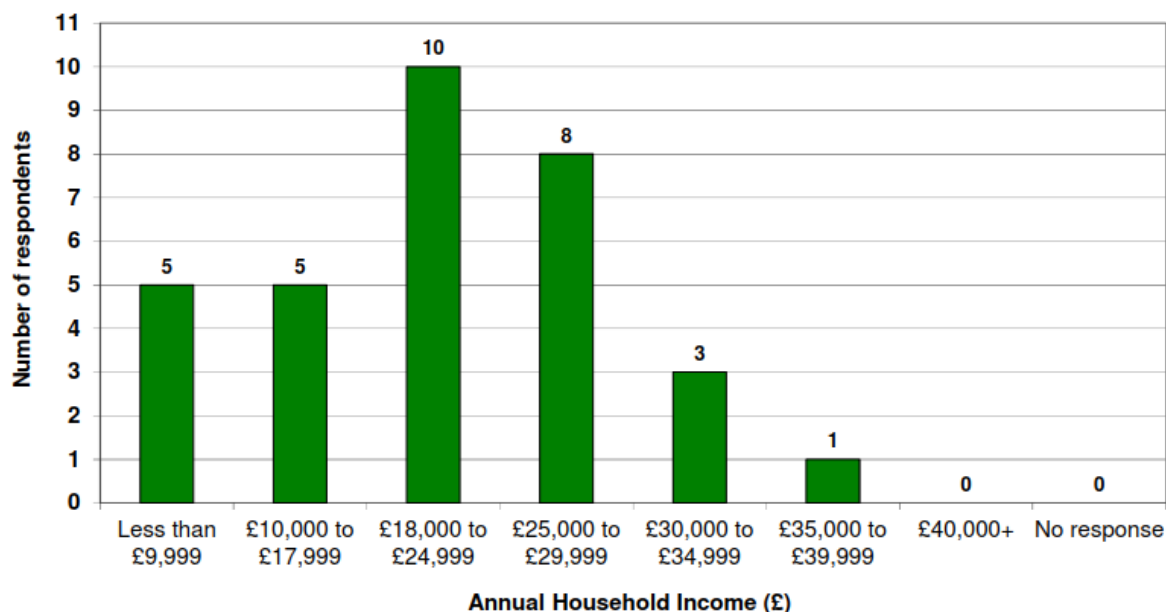
Table 5-3: Comparison of lower quartile and median affordability

	Lower Quartile Ratio	Median Ratio
Horsham	11.04	10.89
Mid Sussex	10.20	9.76
Crawley	7.28	6.22
West Sussex	8.88	8.72
South East	9.20	8.75
England	6.45	6.72

Source: HNHD15

142. It is also possible to assess what price of dwelling would be accessible to those on median and lower quartile household incomes. Those on a lower quartile income could afford a home of approximately £100,000, whilst those on median incomes could afford a home about approximately £148,500 based on the typical mortgage terms described above. In 2016, no homes sold for below these prices, indicating the scale of difficulty which those on even median incomes across the district would have in accessing housing in West Chiltington.
143. We also point to evidence from the HNSR, which showed that, of those identifying themselves in housing need in West Chiltington, the most common income bracket was £18,000-£24,999 per annum. It is important to note that whilst such an income would likely be sufficient for someone already owning their house outright, as many older households in West Chiltington do, for younger households, such an income would prevent them from accessing housing in the village. This reflects the different costs of housing for those with differing levels of equity.

Figure 5-3: Annual incomes of households in housing need with a local connection



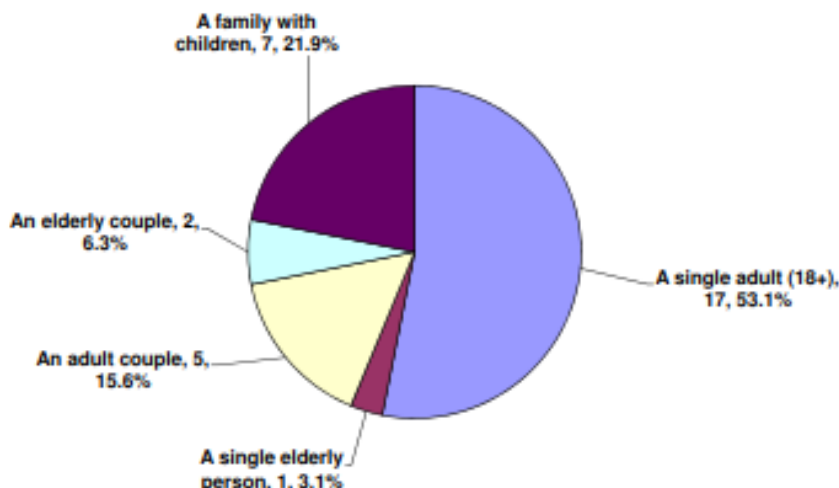
Source: HNSR

144. Indeed, the figure below shows that the vast majority of those in need are actually single adults, who will likely have lower household incomes than couples. The survey identified 32 households in affordable housing need (two were

excluded), whilst 15 households also wanted open market housing. Of those in need of affordable housing, fully 50% (16/32) were people living with their parents, 21 wanted to set up an independent home, and 9 rented privately. About 55% wanted to purchase a market property. Of these, 70% wanted a 2 bed home.

145. Crucially however, just 3 respondents were on the housing register. This points to the difficulties which the traditional system of affordable housing faces in addressing the needs of young people who may not be eligible for social rented properties, but are unable to purchase their own home (or indeed even to rent their own home) at market prices, and thus remain living with their parents.

Figure 5-4: Household composition of 32 households in housing need with a local connection



Source: HNSR

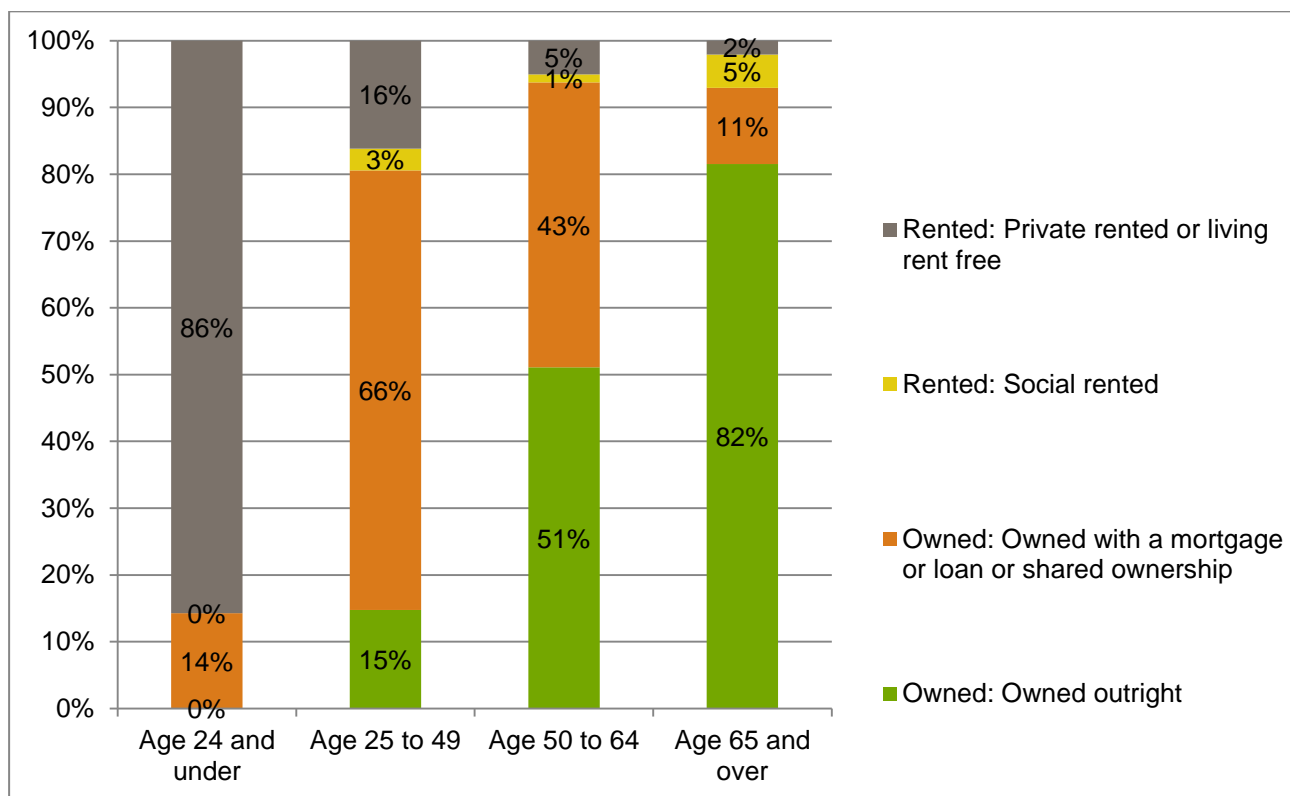
146. In 2011, there were fully 149 households with non-dependent children in West Chiltington (those over 18, and those in employment over 16), verses for example just 95 one person households aged under 65. This points to the serious lack of suitably sized and priced accommodation to accommodate single family households without significant housing equity.
147. Bringing together the evidence on affordability, we have seen that the affordability ratio in the area is very high, with house prices on average up to 20 times local incomes. Furthermore, those in housing need in West Chiltington are likely to earn approximately the lower quartile income across Horsham, with many of these being single adults, often young people, who may live with their parents.

5.4 Conclusions on tenures of housing needed

148. So far, we have considered housing need using a statistical understanding of affordability based on household income. It is also useful to consider need based on other measures. As such, we have considered identifiable demand expressed through entries on housing needs register. However, the register for Horsham does not include West Chiltington as a locational preference, given its proximity to Steyning and Upper Beeding (both of which those in need can express as a preference). This likely reflects the relatively small number of social rented homes in the Parish (53 in 2011).
149. HDC advise there are currently 605 applicants on the housing waiting list across Horsham district as a whole. A simple proportional share of this would be 17 households in West Chiltington in housing need.
150. Clearly however, the make-up of the population in West Chiltington may mean that need as expressed formally via the housing register is lower than this. However, given that the HNSR found a significant need from younger households who were not on the housing register, there is likely to be the need for a range of different affordable housing tenures.
151. As we have seen, the quantity of housing needed in West Chiltington as set out in Chapter 4 is 413 dwellings to the end of the Plan period. As noted earlier, policy 16 of the Horsham District Planning Framework requires that all residential developments of between 5 and 14 dwellings provide 20% affordable units, or a financial contribution where this is not deemed achievable; and by requiring all developments of more than 15 dwellings or on sites over 0.5 hectares, to provide 35% affordable dwellings.

- 152. It is not possible to predict the actual make-up of different schemes according to their sizes so as to understand the overall number of Affordable Homes that might be delivered; indeed, individual schemes will be negotiated between the applicants and the local authority on the basis of viability.
- 153. However, using a simple assumption that 50% of schemes will require 20% and 50% will require 35% affordable units, Horsham’s policies could deliver up to 114 affordable homes over the Plan period. This is far higher than the 32 affordable units identified as being needed by the HNSR, as well as the 16 suggested by the housing waiting list, and suggests that there may not be a need for the parish to set its own Affordable Housing Policies or Targets within its neighbourhood plan.
- 154. On this basis, we recommend that the Parish consider how its policies might encourage both build to rent development, that might provide additional affordable market housing to young people who cannot afford to buy in West Chiltington, as well as some smaller accommodation, as discussed in more detail in the following chapter, which would prove more affordable to younger people, and would also offer opportunities for older people to downsize.
- 155. Indeed, the figure below shows the tenures occupied by different age groups within West Chiltington at the 2011 Census. This shows that the private rented sector was most common for younger people, further giving impetus to the view that to increase the number of young people living in the village, the most appropriate tenure for new housing should be purpose-built rented dwellings. We have summarised our recommendations on the specific tenures of housing needed in more detail in Appendix B.

Figure 5-5: Tenure of households by age of household reference person, 2011



Source: Census 2011

6. RQ 3 Type and size

RQ3: What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate in order to achieve a balanced demography and address the ageing population in future years?

156. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration type and size within the existing housing stock.

6.1 Background and definitions

157. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, 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 and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability³³.
158. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and thus would be defined in Census terms as under occupying their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.
159. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, 'dwelling sizes' should be translated as follows³⁴:
- 1 room = bedsit
 - 2 rooms = flat/house with one bedroom and a reception room/kitchen
 - 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
 - 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
 - 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
 - 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
 - 7+ rooms = house with 3, 4 or more bedrooms
160. Census terminology may be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the census by combining address information with census returns on whether people's accommodation is self-contained³⁵, and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.
161. 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."³⁶ 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.
162. Whilst it is unlikely that these issues are of particular relevance to West Chiltoning, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

³³ SHMA15, pp.130, para 8.5

³⁴ <https://www.nomisweb.co.uk/census/2011/qs407ew>

³⁵ <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

³⁶ Ibid.

6.2 Existing types and sizes

163. Below we consider the existing types and sizes of dwellings in West Chiltington. It should be noted that the census data does not capture the housing stock in its entirety, as only those households that are usually resident and return the census are captured. Therefore, a small percentage of homes are not accounted for. The table below shows the relative split between types of houses, as defined by the census in West Chiltington, Horsham and across England.

Table 6-1: Types of dwellings, 2011

Dwelling Type (excluding caravan and other temporary structures)	West Chiltington	Horsham	England
Whole house or bungalow: Detached	85.2%	38.7%	22.4%
Whole house or bungalow: Semi-detached	10.3%	26.5%	31.2%
Whole house or bungalow: Terraced (including end-terrace)	0.3%	17.0%	24.5%
Flat, maisonette or apartment: Purpose-built block of flats or tenement	2.8%	14.7%	16.4%
Flat, maisonette or apartment: Part of a converted or shared house (including bed-sits)	0.4%	1.6%	3.8%
Flat, maisonette or apartment: In a commercial building	0.6%	0.9%	1.0%

Source: Census 2011

164. This data shows the extent to which the housing stock in West Chiltington differs from that of Horsham as a whole, and indeed across England, with the vast majority of homes being detached. All other types of home were comparatively rare in West Chiltington, including semi-detached homes, which were much more prevalent across Horsham, and indeed are the most common type of home across the country. It is likely that this dominance of detached homes reflects the relative homogeneity of West Chiltington Common, with many houses in that part of the Parish built in the same era and in a similar style, primarily being detached in nature.
165. The data below allows us to consider a broad picture of the size of the housing stock in West Chiltington in comparison with the district. Again, this data only covers homes and dwelling spaces (i.e. homes in a shared dwelling) that are occupied, and does not cover vacant or second homes. The data considers the total number of rooms in each household, that is, the self-reported count of the number of rooms available to each household in the census, including kitchens but excluding bathrooms.

Table 6-2: Household spaces by number of rooms, 2011

Number of Rooms	West Chiltington	Horsham	England
1 Room	0%	1%	1%
2 Rooms	1%	2%	3%
3 Rooms	2%	9%	10%
4 Rooms	8%	16%	19%
5 Rooms	11%	20%	25%
6 Rooms	17%	18%	19%
7 Rooms	15%	12%	10%
8 Rooms	18%	9%	6%
9 Rooms or more	29%	13%	6%

Source: Census 2001/2011, AECOM Calculations

166. The table suggests that homes in West Chiltington are relatively large, both in comparison with the average for the district, as well as across England. Indeed, the most common size of home in the parish was actually the largest, with 9 rooms or more, usually a home of 4+ bedrooms and 3+ reception rooms. In both Horsham and in England, the most common size of home was one of 5 rooms, usually a 3 bedroom home with one reception and one kitchen.
167. In this context it is useful to consider how the number of rooms in dwellings has changed over the Census period. This shows that the dwelling stock has shifted somewhat, with the number of smaller homes (of 5 rooms or less,

equivalent to a 2-3 bed home) decreasing by about 14%, from 389 to 335, and the number of larger homes increasing by 12%.

Table 6-3: Households by number of rooms (including living spaces), and rates of change, 2001-2011

Number of Rooms	West Chiltington	Horsham	England
1 Room	-100.0%	10.5%	-5.2%
2 Rooms	-20.0%	18.8%	24.2%
3 Rooms	-10.5%	23.3%	20.4%
4 Rooms	-8.3%	6.7%	3.5%
5 Rooms	-16.1%	-3.9%	-1.8%
6 Rooms	3.6%	7.0%	2.1%
7 Rooms	0.0%	13.8%	17.9%
8 Rooms or more	20.2%	22.1%	29.8%

Source: Census 2001/2011, AECOM Calculations

168. It is crucial to remember, however, that these changes describe the way that households occupy or modify their dwellings. It would suggest that there may have been a general trend towards enlarging properties to 6 or more rooms, with the stock of smaller properties being lost as a result of additions and conservatories in particular being built. In this way the enlarging of properties by one generation has a long term impact on those from another generation seeking homes, as the size (and usually the value) of these properties increases. However it is worth recalling the cautionary note above that the way people categorised rooms has been prone to errors and may explain, at least in part, the differences seen above.
169. Even so, it is still potentially significant that the smaller properties are the only sizes of homes that have actually declined in number in West Chiltington over the intercensus period. What is also clear is that the most significant shift over the period has been an increase in large homes of 4 or more bedrooms, likely as a result of an increase in market demand for such homes.
170. It is particularly interesting to compare this data with census estimates of the number of bedrooms for each household in West Chiltington and Horsham, using ONS estimates based also on the Census data. The table below summarises the proportion of households occupying each size of home in terms of number of bedrooms only.

Table 6-4: Number of bedrooms in household spaces, 2011

Number of Bedrooms	West Chiltington	Horsham	England
1 bedroom/Bedsit	3%	11%	12%
2 bedrooms	16%	24%	28%
3 bedrooms	36%	37%	41%
4 bedrooms	30%	21%	14%
5 or more bedrooms	15%	7%	5%

Source: Census 2011, AECOM Calculations

171. This data suggests that in fact the most common size of home in West Chiltington is actually just 3 bedrooms, although overall the size of the housing stock tended to be significantly greater than in Horsham, with just 19% of dwellings less than three bedrooms, versus 35% across Horsham and 40% across England.
172. Still, judging by number of bedrooms, the housing stock does not appear as large as when judged by number of rooms overall. Our judgement is that this is as a result of the particular character of the housing stock, meaning that homes of even three bedrooms may have been designed (or later been modified to include) numerous, often smaller reception rooms, studies, and even conservatories, all of which are counted in room counts in the census.
173. In terms of housing need however, it is relevant to consider whether it is the number of rooms overall that is the more important measure of housing size, or the number of bedrooms. On the one hand, additional reception rooms may be converted for use as extra bedrooms where necessary. However, this is more likely to be true in larger homes where there is more flexibility, and the cumulative data above suggests that the vast majority of 1-3 room homes have only one bedroom, with relatively greater constraints on potential conversion to accommodate a second

bedroom in a purpose built living room for example. The data above however suggests that, particularly for larger homes of 4 or more bedrooms (which make up fully 45% of all housing in West Chiltington), housing size is as much a matter of choice, preference and ability to afford housing as it is of 'need' as defined by the bedroom standard, which essentially sets a minimum number of bedrooms needed for different compositions of household.

174. On this basis, we think it more accurate to consider need on the basis of the number of rooms, given the size and character of the stock in West Chiltington, rather than bedrooms, as this allows for a finer grained analysis of the housing stock. In summary, West Chiltington's housing stock is very much dominated by detached houses, which likely explains why homes tend to be larger in the area than across the district. Over the intercensus period, the number of larger homes of 4+ bedrooms also increased significantly, by 131 homes, although just 57 homes were added to the total stock, suggesting that many homes may have been expanded with additional rooms or conservatories.
175. It is helpful then to turn to demographic factors affecting housing needs to better understand how the future needs of West Chiltington's population might be met in terms of new housing. The evidence assembled below seeks to populate a series of 'key indicators'; these are the household composition and age structure of the population both now and how they are likely to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how the type and size of housing in West Chiltington should be influenced through planning policy.

6.3 Factors affecting size of housing needed: household composition

176. Household composition is a key factor driving the size of housing that will be needed in West Chiltington in future. As such, in Table 6-5 below we set out data from the Census that records household composition in West Chiltington, with data for the district and England for comparison. Data for the parish differs from that of the district in a variety of key areas.

Table 6-5: Household composition in West Chiltington, 2011

Type		West Chiltington	Horsham	England
One person household	Total	22.5%	28.2%	30.2%
	Aged 65 and over	16.4%	13.6%	12.4%
	Other	6.1%	14.6%	17.9%
One family only	Total	73.7%	66.8%	61.8%
	All aged 65 and over	23.0%	10.8%	8.1%
	With no children	26.5%	20.6%	17.6%
	With dependent children	14.4%	26.6%	26.5%
	All children Non-Dependent	9.6%	8.9%	9.6%
Other household types	Total	3.8%	5.0%	8.0%
Average Household Size		2.2 people	2.4 people	2.4 people

Source: Census 2011, AECOM calculations

177. What is immediately notable is the lower proportion of one person households in West Chiltington than either Horsham or England, however, this masks the fact that there was in fact a *higher* proportion of one person households aged 65 or over in the NA than in the district or the country, and lower proportion of one person households of other ages.
178. West Chiltington is primarily a family-oriented community, with the vast majority (about 50%) of households being families, either over 65 or with no children living at home. Still, about 24% of households have children living at home, with about three fifths of these children being dependents (i.e. most children aged 18 or under,.) and the other two fifths are 19+ (or 16+ and in employment). In broad terms then, about 1/3rd of families in West Chiltington are aged 65 and over, 1/3rd have children living at home, and 1/3rd have no children living at home. This compares with a

lower proportion of families overall in Horsham, with those much more biased towards families with children living at home (in line with the average for England).

179. There are two notable points to be made with regards to this data and how it translates into housing needs: firstly, the housing needs of one and two person households are relatively similar, except in the context of specialist housing for the elderly, which is discussed in more detail in Chapter 6. Saying that, many couples may require an additional bedroom, or maintain other rooms for their sole use, and so in practice, and where there is market demand, couples may live in larger homes than one person households, with income also playing a part in this decision.
180. Secondly, households with no children living at home may occupy the same homes they occupied when their children did still live at home, with households with non-dependent children being in the transition period between these two states (children in school and living at home, and children having left the family home and formed their own household). This aligns with what has been discussed above about under occupation, i.e. families occupying large homes with more space than they might need according to the Bedroom Standard.
181. We then turn to trends and changes in household composition in West Chiltington, both in previous and in future years. The PPG makes clear that such changes should be used to determine whether future housing needs will be met by the existing housing stock based on current trends.

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

Household type		Percentage change, 2001-2011				
		2001	2011	West Chiltington	Horsham	England
One person household	Total	1468	1545	6.1%	16.0%	8.4%
	Aged 65 and over	328	348	5.4%	8.6%	-7.3%
	Other	240	253	8.0%	23.9%	22.7%
One family only	Total	88	95	4.1%	6.3%	5.4%
	All aged 65 and over	1093	1138	13.7%	8.5%	-2.0%
	With no children	313	356	10.8%	4.8%	7.1%
	With dependent children	370	410	-24.4%	4.0%	5.0%
	All children non-dependent	295	223	29.6%	14.8%	10.6%
Other household types	Total	115	149	25.5%	26.4%	28.9%

Source: Census 2011, AECOM Calculations

182. The table above shows that the most significant increases were in households with non-dependent children, and other household types, although both were from a relatively low base. Still, over the 10 year period, clearly many families have stayed in place in the area whilst ageing, with the result being an overall decline of about 72 families with dependent children (those under 16, or under 18 and in full time education). This clearly demonstrates the relative 'ageing' of the population of West Chiltington.
183. It is helpful then to consider how the population of West Chiltington is projected to change in the future. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for Horsham as a whole and to refine them based on other local data.
184. The Ministry for Housing, Communities and Local Government (MHCLG) publishes bi-annual household projections for all local authorities in England and Wales, broken down by Household Type, and also providing projections of the average household size. It is notable that by 2039, the average household size across the district will have dropped from 2.32, to 2.15 household members. Based on these and current trends therefore, it is likely that the average household size in West Chiltington will also decline.
185. The projections for Horsham also consider increases in each type of household up to 2039, as well as a projection of the number of families with one, two and three or more dependent children. Clearly the greatest numerical increases projected for the district are of one person households, with much smaller absolute growth in households with dependent children and couples living with other adults.

Table 6-7: MHCLG Household Projections for Horsham by household type

	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other
2014	16148	17703	4256	15865	2651
2039	22534	21916	5106	17857	3635
Change	6386	4213	850	1992	984
% Change	40%	24%	20%	13%	37%

Source: MHCLG 2014-based household projections

186. Similarly, the household projections show that the main change in households in Horsham with dependent children will be for those with no dependent children, with only relatively less of an increase in those with one dependent child, and a relatively small increase in those with two or more (particularly given the decrease in families with three or more dependent children). Furthermore, the increase in those with no dependent children is very much more significant than any other household type. These changes point towards a significant need to prioritise the delivery of smaller homes in West Chiltington, and no obvious need for new large family homes.

Table 6-8: MHCLG Household Projections for Horsham by number of dependent children

	With no dependent children	With one dependent child	With two dependent children	With three or more dependent children
2014	40759	6726	6961	2178
2039	53191	8384	7673	1801
Change	12432	1658	712	-377
% Change	31%	25%	10%	-17%

Source: MHCLG 2014-based household projections

187. The table below shows how households of different compositions (such as one person households or families) occupied different sizes of housing in 2011. This shows that although one person households were the most likely to occupy both one and two bedroom homes, they were still more likely to occupy a three bedroom home than a smaller home. Families were most likely to occupy four bedroom homes, although for those with no children at home, a three bedroom home was more common, whereas for those with children, a four bedroom home was more common.

Table 6-9: Households by composition and number of bedrooms occupied in West Chiltington

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 or more bedrooms
All households	3%	15%	36%	33%	13%
One person households	8%	28%	38%	19%	6%
All Families	1%	12%	35%	38%	14%
All families with children at home	0%	8%	32%	40%	20%
All families with no children at home	2%	14%	37%	35%	11%

Source: Census 2011

188. Bringing the evidence together, we have seen that West Chiltington is dominated by detached homes that are relatively large, although three bedroom homes are still more common than 4 bedroom homes, in line with district and national trends. However, the average household size is shrinking in the area, and about 50% of households in 2011 were couples with no children living at home. Prevailing patterns of occupation suggest that such households are only slightly more likely to occupy three bedroom dwellings as four bedroom dwellings.
189. Given these trends, it is helpful to understand how the age of households impacts the size of housing needed. Indeed, the data below shows that households above 65 were more likely to occupy three bedroom homes than both four and five bedroom homes combined. Indeed, such households were almost as likely to occupy a smaller home of 1-2 bedrooms as they were three bedroom homes.

Table 6-10: Households aged 65+ by number of bedrooms and composition

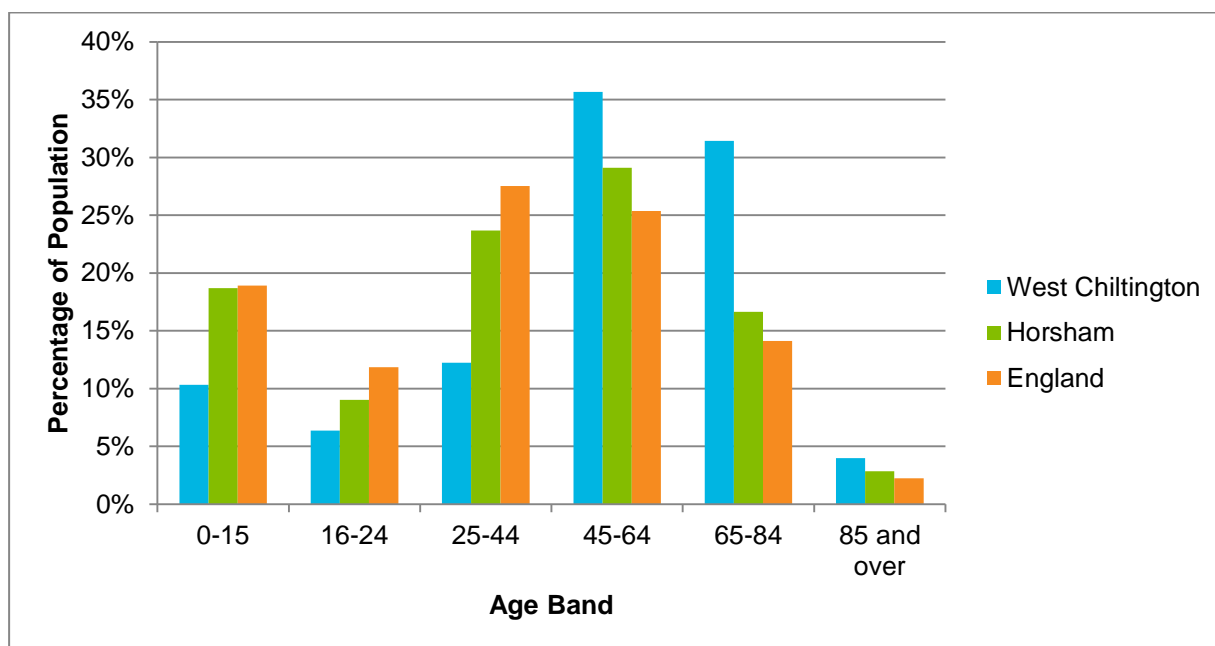
	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 or more bedrooms
One person household: Aged 65 and over	6%	29%	40%	19%	6%
One family only: All aged 65 and over	2%	16%	42%	32%	8%
All households 65 and over	4%	21%	42%	26%	8%

Source: Census 2011

6.4 Factors affecting size of housing needed: age structure

190. The relative age of the population is a key underlying indicator of the size of housing needed, as age also affects household types and incomes. In general, older people tend to have larger homes, broadly reflecting household growth in later life as families grow. In addition, many households choose to downsize into smaller homes towards the end of their life, with most areas of the country showing at least some decline in the average number of bedrooms occupied by a household towards the end of their life, particularly as a result of the number of older single person households.

191. The following figure shows how the relative proportions of the population in West Chilmington fall into different age groups, in comparison with Horsham and England. The data makes clear the extent to which West Chilmington is an older community, with far less children than the rest of Horsham and England, and far more people over 45. Figure 6-1: Age structure



Source: Census 2011

192. Such figures should be a cause for concern for two reasons: firstly retired people may have lower incomes than those still working, and this could affect the economy, with local shops closing as a result for example; secondly, other kinds of local services, such as schools, although not commercially driven and dependent on local incomes, may be less viable in the context of nearly half the number of children proportional to the population than the rest of the district.

193. In the table below, we present how the age structure of the population has shifted during the inter-censal period. It is interesting to note that the trends in West Chiltington, most notably a drop in the population of younger adults aged 25-45, as well as in the population of children, are also mirrored across Horsham with much less pronounced decreases, and to some extent in the relatively low growth in these age groups across England.

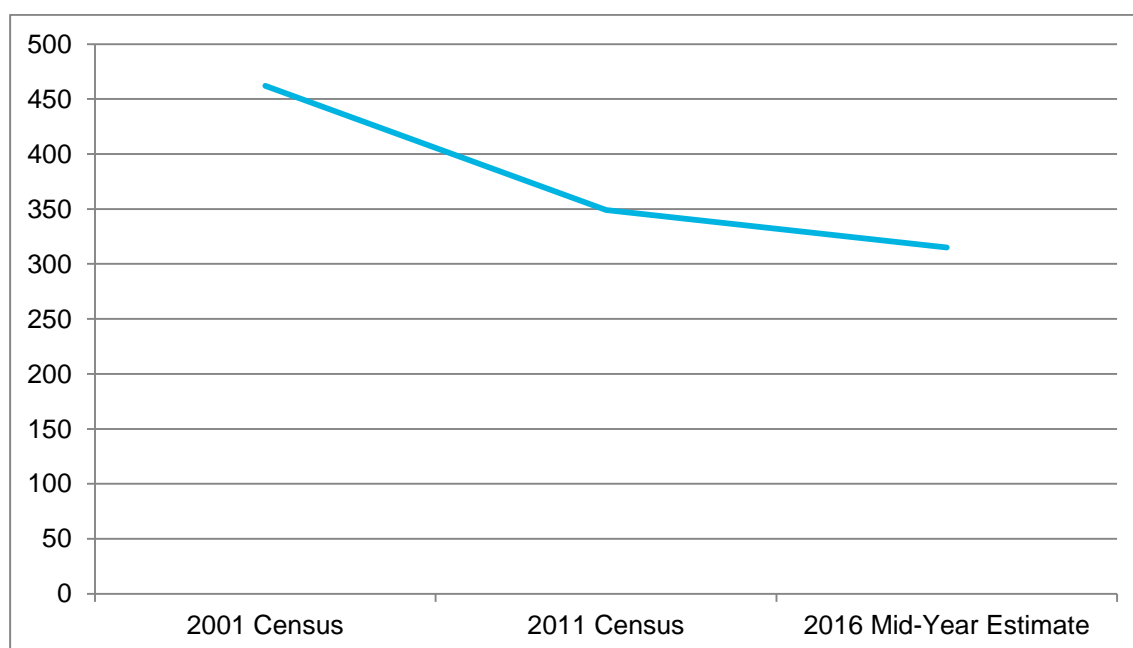
Table 6-11: Rate of change in the age structure of the population of West Chiltington, 2001-2011

Age group	West Chiltington	Horsham	England
0-15	-24.5%	-2.6%	1.2%
16-24	3.4%	13.9%	17.2%
25-44	-23.2%	-9.2%	1.4%
45-64	1.7%	20.4%	15.2%
65-84	30.3%	24.0%	9.1%
85 and over	24.1%	30.7%	23.7%

Source: Census 2001/2011 AECOM calculations

194. However, the scale of decline in these age groups is quite notable in West Chiltington. Whilst in 2001 there were 462 children under 16 for example, this declined to 349 in 2011. We have also considered the estimated population of children under 16 in 2016, using the ONS' own mid-year population estimates for small areas³⁷. The figure below shows that, although the decline in the number of children has been less pronounced in the five years to 2016, it has not been reversed, with the 2016 estimate suggesting there were just 315 children in the area in that year. Projecting this recent rate of decline forward to 2021 would suggest there will be 281 children in the area in that year, about 80% of the number in 2011, and 60% of the number in 2001. Again, we note the potential such declines may have to affect school provision in particular.

Figure 6-2: Number of children under 16 in West Chiltington, 2001-2016



Source: Census 2001/2011, MYPE

195. The fall in the proportion of those aged between 25-44 is also striking. Whilst the number of people in this age group declined by 125 people in the intercensal period, the number of people aged 65+ grew by 273 people, i.e. more than double the rate of change. Furthermore, the MYPE for this age group in the NA suggests that between 2011 and 2016, the population dropped at the same annual rate (of about 12.6 persons per annum fewer in this age group) as it had between 2001 and 2011. This data lays bare the demographic challenges facing West Chiltington, as the population ages and young people leave, with consequently a dramatic shift towards the non-working population (those above state pension age).

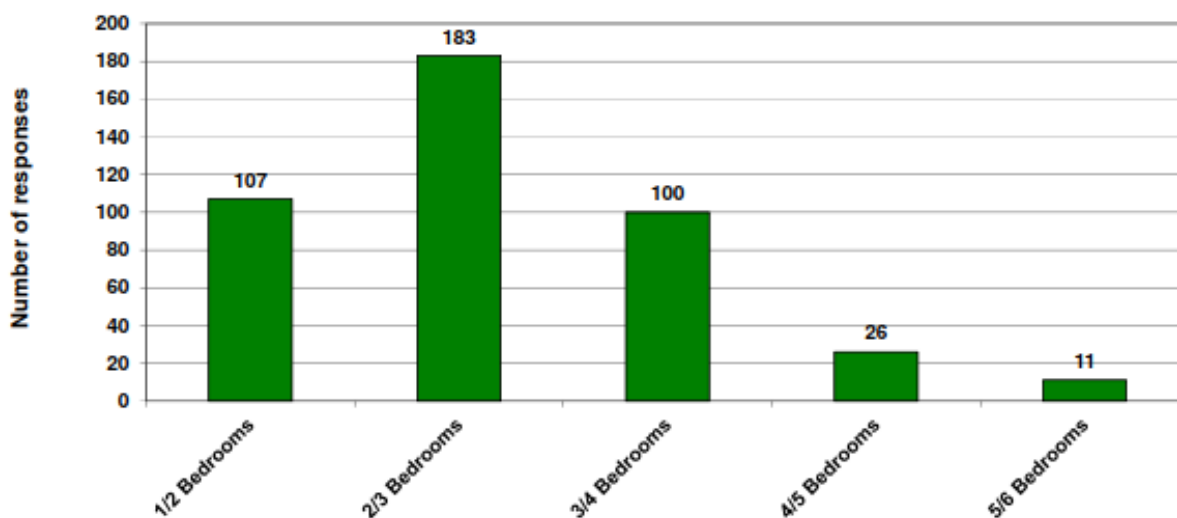
³⁷<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualsmallareapopulationestimates/mid2016>

- 196. Put in other terms, the shift between 2001 and 2011 in West Chiltington was such that the population over state pension age increased from 27.8% to 35.4% of the total population. A simple projection of this rate of change forward (7.6% increase in the 65+ population over the 10 years to 2021, and a further increase to 2031) suggests the population of West Chiltington could be comprised of up to 50% people aged 65+ by the end of the Plan period. We discuss in more detail the implication of such a change in the following chapter on specialist housing, alongside further tests of the extent to which this projection holds true.
- 197. Needless to say, this shift will have had a significant impact on the community. The Planning Practice Guidance specifically notes the difficulties in planning terms where the share of the population that is working age is declining.³⁸ Whilst many people are working longer into their old age than in the past, and the state pension age is planned to increase to 66 by 2020, and to 67 over the next decade,³⁹ the shifts shown above, particularly in the population aged 85+, are significant.
- 198. Bringing together the evidence related to age structure, West Chiltington shows strong evidence of an ageing population. These trends raise questions as to the long term viability of services in the NA, and given that the PPG suggests that “plan makers will need to consider whether they plan to attract a different age profile, e.g. increasing the number of working age people.”⁴⁰ In this context, it is reasonable to suggest that the existing size profile of homes in the NA is likely to reinforce, rather than to alter, the demographic shifts towards an older population which are already occurring in West Chiltington.

6.5 Conclusions on types and sizes of housing needed

- 199. It is important for neighbourhood plan policy to take into account objective evidence, such as that presented above, as well as the views of local people. The figure below, drawn from the HNSR, shows that public opinion rests firmly on the need for 2-3 bedroom homes, confirming the demographic evidence examined in this chapter.
- 200. Given that such homes might be similar in size, with the difference being primarily whether there are for example two double bedrooms or one double and two singles, it is likely that the housing market will influence the specific split between these two types. Given that HNHD15 provides no guidance on the types and sizes of dwelling that will be required in Horsham, the WCNP has an opportunity to shape policies on this topic.

Figure 6-3: Types of market housing considered to be considered



Source: HNSR

- 201. It is clear from the evidence presented above that the existing stock profile of West Chiltington is reinforcing the effects of the ageing population due to affordability issues. The large size of the existing stock means that only older people with significant housing equity, possibly leaving the London housing market, can afford a large proportion of the housing in West Chiltington. Given local views on the need for smaller housing, we would recommend that at least 50% of future housing in West Chiltington be three bedrooms or less.

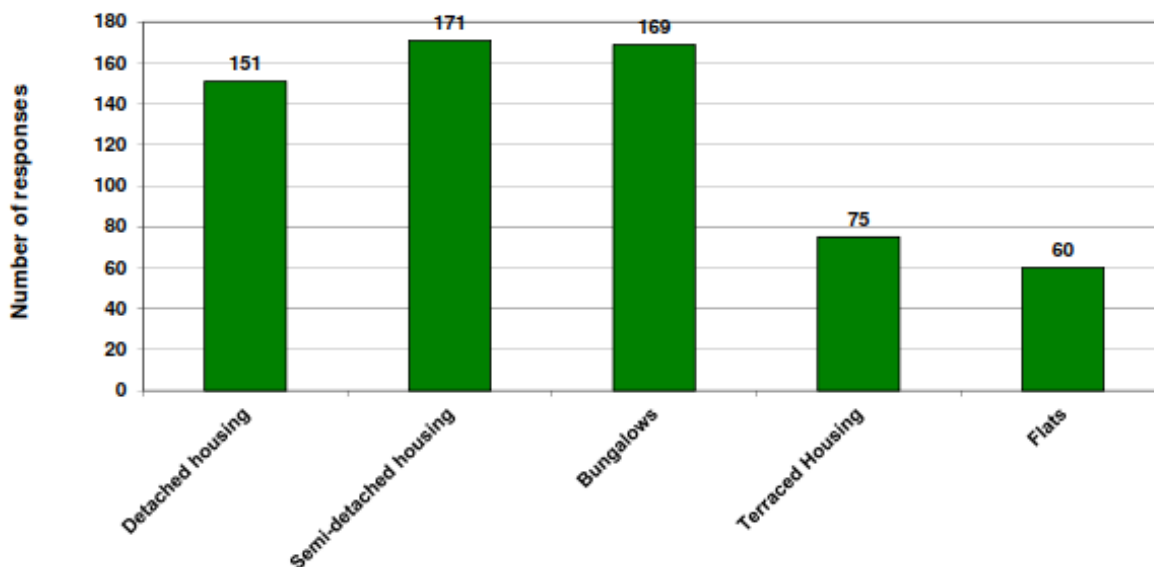
³⁸ Planning Practice Guidance Paragraph: 021 Reference ID: 2a-021-20160401

³⁹ <https://www.ageuk.org.uk/information-advice/money-legal/pensions/changes-to-state-pension-age/>

⁴⁰ Planning Practice Guidance Paragraph: 021 Reference ID: 2a-021-20160401

202. The figure below elaborates respondents of the HNSR’s views on the types of housing that should be considered in future in West Chiltington. The data below shows that the vast majority viewed detached and semidetached housing as the most appropriate forms. Bungalows can be either detached or semi-detached (though they are rarely terraced).

Figure 6-4: Types of open market housing that should be considered



Source: HNSR

203. This data conflicts somewhat with the data above on the size of housing required, particularly as two bedroom homes would be relatively unlikely to be built as either detached or semi-detached homes, simply given the nature of these types of buildings.

204. It is likely that there will also be viability implications of certain types and sizes of homes, which may mean that imposing both the type and size of home will render developments unviable. To achieve the right balance of sizes of dwellings may require a degree of compromise from residents in terms of allowing more flats and terraced homes into the village. We have provided more in depth recommendations on how to deliver policies arising from our advice in Chapter 8.2.

205. In terms of affordable housing, the table below from the HNSR shows that the vast majority of affordable housing need is from single adults. In this context, 1-2 bedroom homes are likely to be adequate to meet affordable needs, with at least 50% of homes of these tenures to be in this size category. However, the data below also shows that family sized housing for those with 2-3 children is also likely to be needed, and therefore, subject to viability considerations, a small amount of family sized affordable housing is recommended in West Chiltington.

Figure 6-5: Breakdown of households in need

Household type	Number of respondents
A single adult	17 (53.1%)
A single elderly person (over 65)	1 (3.1%)
An adult couple (18-64)	5 (15.6%)
An older couple (Over 65)	2 (6.3%)
A family with children	7 (21.9%)
Unclassified	0 (0.0%)
TOTAL	4

Family with children - Number of children	Number of respondents
1	3 (42.9%)
2	3 (42.9%)
3	1 (14.3%)
4	0 (0.0%)
5	0 (0.0%)
Not specified	0 (0.0%)
TOTAL	0

Source: HNSR

7. RQ 4 Specialist Housing

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

7.1 Background

206. West Chiltington has an established market for retirement developments for over 55s. These include Kensington Close, a housing association development consisting of 25 apartments, and Wheelwrights, run by a private provider consisting of 20 dwellings. As such, any future need should be considered in the context of 45 existing specialist housing units, as well as 14 extant permissions for specialist dwellings which have not yet been built out. However, before considering the future need for specialist housing in West Chiltington in more detail, it is useful to understand the national context for specialist housing for the elderly across England (see Appendix A for definitions).
207. Between 1974 and 2015, the population aged 65 and over in England grew by 47% and the population aged 75 and over grew by 89%.⁴¹ A Demos survey of over 60s conducted in 2013 found a “considerable appetite” amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting a specialist home.⁴²
208. Indeed, 76% of those in homes of three or more bedrooms wished to downsize, and this rose to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both.⁴³ However, in spite of evidence of high demand, currently only 5% elderly people’s housing is made up of specialist homes,⁴⁴ with Demos suggesting that “the chronic undersupply of appropriate housing for older people is the UK’s next housing crisis”,⁴⁵ and local authorities often “accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs”.⁴⁶ Indeed, whilst many of those surveyed may consider moving, the percentage who ultimately do is likely to be relatively low, and many who do may move into general needs housing, for example market sale bungalows.
209. In 2014 there were approximately 450,000 units of sheltered social rented and private sector retirement housing in England, with approximately one quarter of these in private sector and the rest provided at social rent levels.⁴⁷ This situation reflects the significant constraints on the delivery of such housing in the market sector, as well as the improved health of older people today in comparison with previous generations.
210. Given that the vast majority of people over 75 live in their own homes, but the current stock is primarily for social rent, AECOM has developed a ‘tenure-led’ approach to calculating the need for specialist housing, which also takes into account the health and mobility of population of the NA so as to arrive at projections for future need for specialist housing provided with some level of care or other services.
211. The following section applies a three stage process to determine the potential incidence of need for specialist housing for the elderly, based on tenures, projections of the future population of elderly people in the NA, and census data relating to mobility limitations and overall health. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN), as well as with existing rates of provision across Horsham.
212. Clearly, this calculation represents an assumption, with the actual decision for an elderly person to enter specialist housing highly dependent on individual circumstances. As already noted, the actual proportion of elderly people that can be considered in need of specialist housing is affected both by overall levels of health as well as by individual lifestyle choices, given that the vast majority of elderly people currently choose to continue to live in their homes into their old age.
213. The charity Age UK suggests that “inaccessible housing should not force anyone out of their home or local community against their wishes. It’s much better to have ‘pull factors’ that attract older people towards housing alternatives.”⁴⁸ By understanding the tenure breakdown of specialist housing need, we are able to better understand the extent to which demand will be a factor in this market segment.

⁴¹ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

⁴² <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

⁴³ Ibid.

⁴⁴ https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf

⁴⁵ <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

⁴⁶ <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

⁴⁷ https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf

⁴⁸ <https://www.ageuk.org.uk/documents/EN-GB/Political/Age%20UK%20ID201813%20Housing%20Later%20Life%20Report%20-%20final.pdf?dtrk=true>

7.2 Tenure-led projections

214. Firstly we review data on the tenure of households aged 55-75 across Horsham. We take this cohort approach because it is these households which, over the next 20 years, will be reaching the age of 75+, which is considered the typical threshold age for specialist housing provision, and thus form the basis for calculations of future housing need and provision within this age group using the HLIN toolkit. We will then use the tenure split within this cohort to project forward the need for specialist housing according to different tenure, based on the premise that those currently occupying their own home will wish to do so in future, even where downsizing or moving into specialist accommodation, and that those who currently rent, either in the private or social sectors, will need affordable rented accommodation of some kind.

Table 7-1: Tenure of households aged 55-75 in Horsham, 2011

Owned	Owned outright	Owned with a mortgage/loan or Shared ownership	All Rented	Social rented	Private rented	Living rent free
84.4%	58.6%	25.8%	15.6%	8.9%	5.7%	1.0%

Source: Census 2011

215. Secondly we project how the overall number of older people in West Chiltington is likely to change in future based on the ONS' sub-national population projections for the year 2031. This suggests a very significant increase of more than 50% over the period, which aligns with the notable ageing of the population described throughout this study.

Table 7-2: Projections of elderly population in West Chiltington to 2031

	2011		2031	
	West Chiltington (Census)	Horsham (Census)	Horsham Projection (ONS SNPP 2014)	West Chiltington Projection (AECOM Calculation)
All ages	3,377 (2.6% of the district total)	131,301	149,978	
75+	537 (4.3% of the district total)	12,440	23,197	603 (2.6% of the district total)

Source: ONS SNPP 2014, AECOM Calculations

216. The results of this exercise provide us with a projection of the number of people living in each tenure in the 55-75 cohort in 2011 as shown in the table below.

Table 7-3: Projected tenure of households aged 75+ in West Chiltington to 2031

Owned	Owned outright	Owned with a mortgage/loan or Shared ownership	All Rented	Social rented	Private rented	Living rent free
509	353	156	87	54	34	5

Source: Census 2011

217. Thirdly we have considered the incidence of mobility limitations, as defined by the census, within each tenure group for those aged 65+ in West Chiltington. This allows us to link the levels of need as defined by the levels of mobility limitations within the population, to tenure, based on the premise that such needs can be deemed a proxy for the need for specialist housing in this age group. The tendency for people in rented housing to have higher dependency levels is well established. This partly arises because people with higher dependency levels tend to have lower incomes and so are less able to afford to buy, even at earlier stages in their lives.

Table 7-4: Tenure and mobility limitations of those aged 65+ in West Chiltington MSOA, 2011

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	267	12.5%	490	22.9%	1,382	64.6%
Owned or shared ownership: Total	249	12.2%	463	22.7%	1,325	65.0%
Owned: Owned outright	214	12.0%	414	23.3%	1,150	64.7%
Owned: Owned with a mortgage or loan or shared ownership	35	13.5%	49	18.9%	175	67.6%
Rented or living rent free: Total	18	17.6%	27	26.5%	57	55.9%
Rented: Social rented	10	17.5%	15	26.3%	32	56.1%
Rented: Private rented or living rent free	8	17.8%	12	26.7%	25	55.6%

Source: Census 2011

218. If we focus on those whose activities are limited a lot, the calculations suggest that of the 87 renters and 509 owners in West Chiltington in this age group, there could be a need for 62 specialist homes for owner occupiers (12.2% x 509) and 15 for renters of all kinds (17.6% x 88), or 78 homes in total. These outputs are shown in the table below, based on the assumption that those whose day-to-day activities are limited a lot will need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services, whilst those with their day to day activities limited only a little may need adaptations to their existing homes, or sheltered or retirement living providing some degree of oversight or additional services for older people.

Table 7-5: AECOM estimate of specialist housing need in West Chiltington, 2031

	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	15	62	77
Adaptations, sheltered, or retirement living	8	61	69
Total	23	123	146

Source: Census 2011, AECOM Calculations

219. Below are the equivalent LIN recommendations, which produce a slightly higher figure weighted more towards affordable provision and towards lower care needs. However the figures above are deemed appropriate given the relative high levels of owner occupation, as well as the significantly ageing population in West Chiltington, who are likely to have higher care needs than are accommodated by the HLIN projections.

Table 7-6: Housing LIN estimate of specialist housing need in West Chiltington, 2031

	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	18	24	42
Adaptations, sheltered, or retirement living	36	72	108
Total	54	96	150

Source: Housing LIN

7.3 Conclusions on the need for specialist housing

220. On this basis, we recommend that the parish take as its need figure for specialist dwellings a minimum of 77 dwellings, split approximately 20% affordable and 80% market. The parish should then consider whether further evidence, for example a survey of older people in the area, might support the need for further specialist dwellings for those whose day to day activities may be limited only a little, or whether Lifetime Homes-standard dwellings would be suitable to meet their needs. The demand in this sector in particular is likely to be driven primarily by market factors and the desirability of such housing.
221. It is crucial to note however the existing supply of specialist housing in West Chiltington, including permissions granted, which total 61 units. As such, there is a residual need of just 18 additional specialist dwellings. At present, the 16 homes that the current drafts of the plan seek to allocate as accessible Lifetime Homes may meet this residual need, although we would advise this be increased to 18 on the basis of the evidence presented here.
222. We note that the Government's recent consultation on housing need asked specifically for, "suggestions on how to streamline the process for identifying housing need for individual groups", particularly in reference to older people. This demonstrates the relative difficulty in estimating the housing needs of elderly people, particularly given that there may be significant variations in the existing provision of such housing, not least because it crosses a range of sectors including housing, health and social care, the responsibilities for which are devolved at different geographical scales.
223. Indeed, new research undertaken by the Cambridge Centre for Housing and Planning Research (CCHPR) and the National House Building Council (NHBC) has shown that more than half of current homeowners are aged 55 or over, meaning that this group is extremely diverse and do not form a single market segment as such. The research overwhelmingly found that such people do not consider themselves to be 'old', and generally think of older people as being aged 85+. However, it was noted that the over 55s could be making up to 333,000 moves per annum, and may also be up to 20% more likely to consider new build homes than younger buyers.⁴⁹

⁴⁹ A moving experience. Lemond, K. Savills. 2014. Available at: www.savills.co.uk/research_articles/186866/174521-0/ [accessed 30/09/15].

224. An important finding of the research was that the view of older people ‘freeing up housing’ for younger families by moving is “misplaced”, and does not reflect actual evidence or older people’s aspirations. Only 33% of over 55s moving actually bought smaller homes, and only 40% bought cheaper homes, with only 20% buying homes that were both smaller and cheaper. Indeed for many, downsizing did not necessarily relate to a smaller number of bedrooms, and only 54% of movers released equity (although on average this was £105,000).
225. The research also found relatively little evidence of interest in specialist developments exclusively for over 55s: these were considered to be a very small niche market dominated by brand recognition, with buyers choosing a home based on previous knowledge of the provider. The conclusion was that in general the market for over 55s is not for specialist retirement housing, but rather for 3-5 bed properties of a high quality suitable for two person households, although it was noted that the lack of interest could be reflective to some extent of a lack of current supply.
226. Indeed, size was not the primary concern of households over 55, with some buying smaller properties with the same number of bedrooms, or vice versa for example. Indeed, the CCHPR research showed that 80% of buyers in this age group bought detached houses, while 75% bought homes of three or more bedrooms. While 20% bought a two bedroom property, only 3% bought a one bedroom property, and slightly less than 20% bought a flat.
227. However, the evidence suggests there could be some demand for larger flats, including those of 3-4 bedrooms, in comparison to the supply of such housing. There was generally significant interest from older people in buying bungalows, but not when these meant compromising on overall space, which must be seen in the context of very constrained supply, particularly of larger and more desirable bungalows.
228. These findings have numerous implications, not least for the specialist developers targeting the older market, who should be mindful of the diverse aspirations of older people, many of whom wish to remain active and living in mixed communities. For neighbourhood planners developing housing policy to support independent living for older people, the findings reinforce the findings of HLIN above in suggesting that one bedroom properties are unlikely to be desirable for older people.
229. Such people may have become used to accessing larger amounts of space and additional bedrooms for hobbies and for family to stay, are relatively unlikely to wish to downsize to one bedroom homes, unless these are provided in the context of care or other services, or are specifically for single older people and provide a social environment.
230. Indeed, the NHBC’s survey of older people moving into new properties suggested that 74% bought homes of three bedrooms or more, and 46% bought homes of four bedrooms or more. Whilst this did represent downsizing, with the proportion in homes of 2 bedrooms or less nearly doubling from 13% to 24%, this was still a minority of homeowners.

Figure 7-1: 1. Proportion of owner occupied households living in homes of different sizes

	Owners aged 55 or over (this study - people who moved)		Owners of all ages (NHBC data)
	Previous home (before latest move)	Current home (after latest move)	Home occupied in 2012-2014
1 bedroom	1%	3%	10%
2 bedrooms	12%	21%	34%
3 bedrooms	36%	29%	32%
4 bedrooms	36%	40%	20%
5 bedrooms	11%	6%	3%
6 bedrooms	4%	0%	<0.5%

Source: NHBC

231. However, if we consider all households headed by someone aged 55+ at the 2011 Census across England and Wales, fully 38% lived in homes of 2 or fewer bedrooms. To some extent this reflects the fact that those aged 55+ were less likely than some other age groups (for example those aged 45-54) to own their own homes, and were more likely to live in the social rented sector.
232. This demonstrates the difficulty in projecting from past trends, particularly when there is a clear need for innovation in the specialist housing market relating to the size and quality of properties available, which might help to incentivise further movers.
233. As we have already noted, further survey work at West Chilton, as well as partnership working with specialist developers, is recommended to introduce a greater degree of choice into the housing options for elderly people who wish to leave their family homes in their old age. In the HNSR, the vast majority of those older people wishing to downsize (14/16) wished to downsize to 2-3 bedroom home. This suggests that the type and size recommendations for general needs housing in Chapter 6 also apply to specialist housing for the elderly.
234. In terms of specialist housing with care, only one of the 16 respondents felt they needed full residential care, but 6/16 suggested they might need some services. This provides further impetus from the community for WCPC to consider bringing forward such specialist development in the area. However, such provision does not necessarily need to occur within West Chilton itself, with such provision often dependent on other services that are provided in larger settlements.

8. Conclusions

8.1 Overview

235. Below we have summarised our conclusions on the possible impact of the evidence presented in this study on the types of housing needed. These factors are summarised below in alphabetical order.

Table 8-1: Summary of local factors specific to Client NP with a potential impact on neighbourhood plan housing characteristics

Factor	Sources	Summary of Analysis	Conclusion
Affordable Housing⁵⁰	Census 2001/11, Land Registry PPD, HNHD15, HNSR	Whilst the vast majority of housing in West Chiltington is owner occupied (90%, compared with 75% across Horsham), there was a doubling in the proportion of households in the private rented sector between 2001 and 2011. The affordability ratio in West Chiltington suggests house prices are at least 20 times local median incomes, meaning there is a significant affordability challenge, particularly for younger people. Housing in West Chiltington is increasingly only accessible to those with very high incomes and/or existing housing equity. Many of those in housing need are single adults, or young people living with their parents, who typically earn between £18,000-£24,000 per annum.	There is likely to be a significant need for rented housing in West Chiltington in future, particularly to bring this in reach of younger generations, who may not have built up significant housing equity. District-wide affordable housing policies should deliver the homes needed to meet conventional housing need as measured by the housing register, however, there is likely to be a significant degree of unmet, 'hidden' need from young people who are unlikely to be eligible, or interested in, traditional social housing, but may wish to continue to live in West Chiltington upon leaving their parental home. Purpose built rented housing, both affordable and market, is most likely to be able to meet their needs.
Demand/need for smaller dwellings	Census 2011, MHCLG Household Projections, ONS Population Projections, HNSR, ONS Mid-Year Population Estimates	The dwelling stock in West Chiltington is currently dominated by very large homes of 9 rooms or more, typically 4+ bedrooms (29% of all homes). The number of these larger homes also increased by 20% between 2001-2011, in contrast to significant decreases in smaller homes less than 6 rooms (typically 3 bedrooms or less). This points to the need to balance the size of the housing stock, particularly in the context of the affordability challenges noted above. Furthermore, demographic factors point towards smaller households and older people who do not strictly need larger homes, although they may wish to occupy them and may be able to afford to do so. It is likely that the existing size profile of homes in the NA is likely to reinforce, rather than to alter, the demographic shifts towards an older population which are already occurring in West Chiltington.	Given local views on the need for smaller housing, and the demographic evidence presented here, we would recommend that at least 50% of future housing in West Chiltington be three bedrooms or less. In terms of affordable housing, 1-2 bedroom homes are likely to be adequate to meet affordable needs, with at least 50% of homes of these tenures to be in this size category. However, the data below also shows that family sized housing for those with 2-3 children is also likely to be needed, and therefore, subject to viability considerations, a small amount of family sized affordable housing is recommended in West Chiltington. Given the views of older people as expressed in the HNSR, the type and size recommendations for general needs housing also apply to specialist housing for the elderly.

⁵⁰ The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

Factor	Sources	Summary of Analysis	Conclusion
Demographic change	Census 2011, MHCLG Household Projections, ONS Population Projections, HNSR	Between 2001 and 2011 in West Chiltington, the population over state pension age increased from 27.8% to 35.4% of the total. A simple projection of this rate of change forward (7.6% increase in the 65+ population over the 10 years to 2021, and a further increase to 2031) suggests West Chiltington could be comprised of up to 50% people aged 65+ by the end of the Plan period.	This points to the need for the neighbourhood plan to have a positive impact on the community by planning for smaller homes that will be suitable for younger families and that may prove more affordable to them than the existing housing stock.
Dwelling type	Census 2011, HNHD15, HNSR	The vast majority of homes in West Chiltington are detached, 85.2%, versus just 38.7% across Horsham. Clearly the type of housing within the stock has a significant influence on its size, as well as its price, and this contributes to both the affordability and demographic ageing concerns noted above. Furthermore, many properties in West Chiltington have been enlarged over the years. In this way the enlarging of properties by one generation has a long term impact on those from another generation seeking homes, as the size (and usually the value) of these properties increases.	It is likely that there will also be viability implications for certain types and sizes of homes, which may mean that restricting both the type and size of home will render developments unviable. Indeed, the preferences expressed by local people in terms of the type of housing needed suggest that semi-detached housing would be most appropriate; however the size recommendations provided above suggest that terraced homes and flats might be more appropriate. Influencing the type of homes that come forward for development in West Chiltington could best be achieved via a consideration of design issues, and possibly by the creation of a set of design codes which can guide developers to provide the homes the community wants to see.
Housing for independent living for older people	Census 2011, HLIN, MHCLG Household Projections, ONS Population Projections, HNSR	Our estimates suggest there could be a very significant increase, or more than 50%, of those aged 75+ in West Chiltington by the end of the Plan period, who are typically considered to be in need of specialist housing for the elderly. Up to 35% of this increase could be among those older people who have mobility limitations, and who may experience problems in their day-to-day activities as a result of ageing.	Our recommendations, which are comparable to those of the Housing Learning and Improvement Network (HLIN) toolkit, suggest the need for up to 77 specialist dwellings with care services, split into 15 affordable and 62 market dwellings. There could also be a need for close to double this number again in dwellings which are suitable for those with some mobility limitations, either through adaptations to existing homes or through the provision newly built homes built to Lifetime Homes standards. However, such provision does not necessarily need to occur within West Chiltington itself, with such provision often dependent on other services that are provided in larger settlements.

8.2 Recommendations for next steps

236. This neighbourhood plan housing needs advice has aimed to provide WCPC with evidence on housing trends from a range of sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with HDC.
237. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
238. It is important to review any implications arising from forthcoming changes which have been published in the new draft NPPF, as well as the implementation of the Housing and Planning Act 2016, which will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
239. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity with the adopted Local Plan is maintained.
240. At the same time, we recommend the group monitor available data on demographic or other trends over the period in which the neighbourhood plan is being developed to help ensure relevance and credibility of its policies.
241. Below we summarise our recommendations regarding policies on the specific issues considered as part of this HNA. Such recommendations clearly relate to the future supply, rather than the future need or indeed demand for housing in West Chiltington.

Quantity of Housing

242. The national policy context for neighbourhood planning is currently in the process of changing. There is increasingly a duty on Local Planning Authorities to provide a housing figure to groups, not least in the draft version of the new NPPF, which they can then use as the basis for their plan. Furthermore the new Standard Methodology is likely to come into effect following the adoption of the NPPF.
243. It is also worth understanding that the provision of a larger number of dwellings overall could help to enable the delivery of Affordable Housing in your NA, as discussed in more detail below, as Affordable Housing is typically delivered by the market alongside market housing, which is used to cross subsidise its development.
244. You will likely already be aware that the primary mechanism for neighbourhood plans to begin to meet their housing need is through a site assessment exercise. This exercise will take into account supply-side considerations (such as infrastructure, landscape constraints, flood risk and so on) and the capacity of individual sites, so as to arrive at a series of site allocations (sites selected for future housing development by the neighbourhood plan).
245. These site allocations can then be written into the neighbourhood plan, helping to enable their development over the Plan period. In addition to assessing whether sites are feasible and likely to be developed, this process also allows the WCPC to engage with local landowners as to how housing should be delivered, and what type of housing would meet local needs.

Policies on Tenure

246. We have set out recommendations as to the most appropriate tenures of affordable housing in the NA in Appendix B. However, requiring developers to provide a set proportion of affordable housing (or indeed any specific tenure of home) will likely be subject to viability considerations at applications stage as per the current NPPF, Paragraph 173, and is also likely to be considered a strategic matter for Local Planning Authorities. Whilst the Draft NPPF looks to establish the viability of Affordable Housing policies at the Local Plan making stage, so as to prevent the repeated testing of such policies at application stage, these provisions have not yet come into force.
247. Indeed, in rural areas, 68% of affordable homes are delivered via Section 106 agreements,⁵¹ whilst smaller sites, typically those under 10 units, are usually less likely to support the provision of affordable housing on site, recent updates to the PPG ensure that schemes contributions may be sought on schemes of 6-10 homes in certain circumstances⁵².
248. Whilst we support ambitious neighbourhood planning groups to set challenging affordable housing policies to meet local need, a degree of pragmatism is also required to ensure that affordable homes are delivered rather than remaining a policy aspiration.

⁵¹ HAPPI 4, pp. 41

⁵² PPG Paragraph: 031 Reference ID: 23b-031-20161116

249. In particular, Local Plan policies on affordable housing may already provide for the framework under which contributions towards affordable housing will be negotiated with developers and landowners, with little value added by additional neighbourhood plan policies.
250. On this basis, we would recommend that policies on tenure consider specifically what types and sizes of housing developments they apply to, and ideally which sites they will relate to. This will allow a targeted approach to negotiations with developers regarding affordable housing contributions, whether these are on-site delivery of affordable housing units, or off-site payments.
251. The specific tenures delivered on specific sites is likely to relate as much to the nature of the site and its design and access as to issues of viability and land prices. More detailed advice can be found in the PAS Neighbourhood Planning Advice Note on Housing Needs Assessment for Neighbourhood Plans⁵³

Policies on Type and size

252. This HNA has set out AECOM's recommendations for the types and sizes of housing needed in future. Neighbourhood plan policies can specify types and sizes of homes that should be developed. However the extent to which these specifications will be delivered, is subject to the viability of individual housing schemes.
253. An alternative and often more effective approach on the type and size of dwelling applying to all development within the NA would be for neighbourhood planners to develop specific guidance on the characteristics of housing on specific development sites which are allocated in the plan.
254. This could be developed according to the views of local residents, and also in consultation with other local stakeholders including developers and your local authority.
255. Such guidance would ideally be informed by both design code/masterplanning work exploring the impact of the proposals on the overall capacity of the sites, and by viability evidence showing that the requirements would not place undue burdens on developers seeking to deliver housing.
256. In developing more detailed guidance for specific sites, neighbourhood planners will be able to provide certainty and evidence in discussions with both the public and private sector as to the future of development sites. In addition, emerging Draft Planning Practice Guidance states that "Neighbourhood plan policies on the size or type of housing required should be informed by other local authority evidence as far as possible".⁵⁴

Policies on Housing for Specialist Groups

257. Specialist housing for the elderly is typically delivered either by specialist developers (who mainly provide market sale and rented products), and housing associations, who typically provide rented products. This market is still relatively underdeveloped in the UK, with the result being that such providers tend to buy only specific types of land in specific parts of the country.
258. The evidence presented to the All Party Parliamentary Group on Housing and Care for Older People's inquiry 'HAPPI4' suggested that a policy link between Rural Exceptions Sites and specialist dwellings for the elderly could be made in Local Plan, and by extension Neighbourhood Plan policy⁵⁵.
259. Similarly the inquiry called for Local Plans to allocate sites for specialist housing for the elderly, and this could undoubtedly also be extended to neighbourhood plans⁵⁶. We would encourage groups to explore with HDC the possibilities of such a policy, and whether it would be in conformity with the relevant Local Plan's Strategic Policies. We have already noted that provision of specialist housing may be more suited to larger settlements, however, such development is likely to have an impact on families needing to commute to visit older relatives, as well as people being removed from their established communities.
260. We also note that the revised NPPF suggests that such developments could be exempt from some types of affordable housing requirements, as this may impact both on their viability and their ability to deliver different tenures of specialist accommodation for the elderly⁵⁷.

⁵³ <https://www.local.gov.uk/sites/default/files/documents/view-advice-note-here-cb3.pdf>

⁵⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/687239/Draft_planning_practice_guidance.pdf

⁵⁵ http://www.housingandcare21.co.uk/files/8515/2508/3531/APPG_Rural_HAPPI_4_Housing_Care_Report...pdf

⁵⁶ Ibid.

⁵⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685289/Draft_revised_National_Planning_Policy_Framework.pdf

Appendix A : Definitions of Specialist Housing

A.1 Sheltered Housing

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 11/11/17)

A.2 Extra Care Housing

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming frailer and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. <http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 11/11/17)

Appendix B Tenures of Housing Needed

B.1 Housing tenure

261. Earlier in this study, we identified the various different tenures that constitute the new definition of Affordable Housing (AH) within the NPPF18: Affordable housing for rent, Starter homes, Discounted market sales housing, and other affordable routes to home ownership.
262. This variety of AH tenures reflects an ambition by the Government to provide a pathway to home ownership to those who seek it, as well as introducing market principles into the provision of subsidised housing for rent. The aim is to divide AH into a series of products designed to appeal to different sectors of the market and, by changing eligibility criteria, bring rents closer in line with people's ability to pay.
263. A good example is, in 2012, the introduction of affordable rented dwellings, rent for this tenure is set at up to 80% of market rent, with the additional income being used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for the social rented dwellings (those dwellings where the rent is set in accordance with the Government's rent policy), but who cannot afford to access the private market.
264. The overall aim is to reduce the group who are eligible for social rented dwellings to those who have, relatively speaking, very low household incomes. However, within this segment, market principles also apply given the link between rents and size of dwelling, with a strong financial incentive for households to only occupy a dwelling deemed suited to their composition, based on an 'occupancy rating' formula set by the Government.

B.2 Affordable rent

265. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
266. Affordable rent is controlled at no more than 80% of the local market rent. Data from Home.co.uk suggests that the average rent for a two bedroom property was £1,028 pcm. Discounted to 80%, and based on a 40% income threshold, this would be suitable for a household with an income of £24,672 per annum, this would help to bring rental properties within reach of those on lower incomes, although it would still remain at the uppermost limit of those on lower quartile incomes, and those in housing need in West Chiltoningon.
267. Still, this would represent a significant opportunity for these households, and we recommend that Affordable rent should be considered suitable for future development in West Chiltoningon.

B.3 Build to rent

268. Recent policy developments, not least through the updated NPPF, suggest a range of new rented products are becoming more common, and it may be that these offer more opportunities for housing for local people than affordable home-ownership products, particularly where built to rent developments offer housing at a range of price points, including some affordable rented housing.
269. As we have seen, there is strong evidence of growing demand for private rent accommodation in the NA, with a significant increase between 2001 and 2011, albeit from a low base. On-going changes to the benefit system, in particular 'Universal Credit',⁵⁸ and the way Affordable Housing is allocated, for example restrictions imposed by eligibility criteria, are likely to increase demand on the private rented sector, especially at the lower-cost end of the market.
270. Given the very substantial increases in PRS revealed by Census data, this trend is one shared by West Chiltoningon. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.
271. On this basis we would recommend that the parish seek build to rent (BTR) development, which may include an element of Affordable Private Rented Housing (as defined in the introduction to this chapter and the draft revised NPPF) and is likely to be brought forward by specialist developers. This could help to provide housing options for

⁵⁸ Reforms to the benefits system are likely to see payments made directly into recipients' bank accounts rather than housing benefit paid to landlords thus granting the individual greater choice in the nature of their housing arrangements.

those who cannot afford to buy in the area, including younger households, providing more affordable alternative to home-ownership in the current housing market.

B.4 Discounted market sales housing (starter homes and shared ownership)

272. As we have seen, Housing and Planning Act 2016 includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. As we have seen, in paragraph 65 of the NPPF18 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'*.
273. This is a fulfilment of the direction of travel set in the Housing White Paper. It states that, *'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes,' alongside other affordable home ownership and rented tenures'*.
274. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.
275. The decision whether to treat Discounted Market Sale Homes as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.
276. Based on a conservative assessment by the ONS, of entry level house prices in the area of £405,000 a 20% discount would result in such a home costing exactly £324,000. As this would be more than the £250,000 capped price of Starter Homes outside of London, this type of development is unlikely to be viable in West Chilton, and as such we do not recommend that discounted market sales housing form part of the future tenure mix in the NA.

B.5 Market housing

277. Given the very limited quantity of AH in the NA, the needs of the great majority of the people are likely to continue to be served by the housing market rather than by the various forms of affordable housing. People on higher incomes will be able to access a variety of market dwelling, and their choices will be driven principally by how much they can afford to spend, as well as personal taste.
278. The operation of the housing market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check.
279. In this way the notion of 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. However, delivering market housing of an appropriate size, that meets the needs of residents as well as being viable, will help to provide more housing options for local residents. Our recommendations in Chapter 6 provide more detail on the types and sizes of housing needed in this respect.

B.6 Social rented housing

280. Rents in socially rented properties reflect a 'formula rent' based on a combination of individual property values and average earnings in each area, maintaining substantial discounts to market rents. As such, it is suitable for the needs of those on low incomes, and is subject to strict eligibility criteria.
281. Given the significant constraints on grant funding to deliver social rented housing, as well as the removal of the definition of social rented housing from the draft NPPF in 2018, we do not recommend that WCPC should include policies for social rented housing in their NP.

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