

Wheatley Housing Needs Assessment (HNA)

July 2019

Quality information

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List of acronyms used in the text:

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

1. Executive Summary

1.1 Introduction

1. Wheatley in South Oxfordshire commissioned from Locality a Housing Needs Assessment (HNA) to inform their emerging Neighbourhood Plan. In consultation with the qualifying body, we developed 2 research questions (RQs) for the HNA to answer. The RQs serve to direct our research into the key neighbourhood-level issues and provide the structure for the study.

1.2 Research Questions

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

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

1.3 Findings of RQ1: Quantity

2. This HNA recommends, as an indicative process, following the emerging Local Plan's projection of 15% growth in larger villages, resulting in **an overall HNF of 305 dwellings in Wheatley which equates to 22 dwellings per year between 2019 and 2033.**
3. The housing figure for South Oxfordshire is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in South Oxfordshire and any indicative housing requirement figure provided by South Oxfordshire for neighbourhood areas.
4. Additionally, this AECOM calculation has the potential to be superseded at any time by SODC, although at the time of writing (July 2019), when this will happen is not known. It is recommended the group continue to liaise with SODC for this reason, in order to plan positively for local housing provision.
5. It should be noted that this figure is a minimum suggested requirement. If there is suitable land and community support, there should be no in-principle barrier to additional housing being provided at Wheatley if South Oxfordshire District Council is open to the idea.
6. In addition, it is worth noting that in the subsequent chapter 120 Affordable Homes are found to be needed in the area. Following requirements for 40% AH within the Local Plan, a total of 520 homes would be needed to deliver that particular affordable target. The SODC has also identified this as a potential factor in any final housing requirement figure, to be provided in line with national policy.
7. As the emerging Local Plan sets out 305 dwellings planned for Wheatley, of which at least 300 are to be on the OBU site, there may be a need (depending on the future status of the emerging Local Plan or any replacement for it) to address local housing needs for the parish regardless of the adopted Local Plan requirement. There is some uncertainty about the extent to which the future development of the OBU site will include a residential component (i.e. it could be entirely residential or not at all residential, or anything in between), so it is recommended that the group continue to monitor the status of this site, both in terms of the emerging Local Plan (or any replacement for it) and in terms of declared developer intention.

1.4 Findings of RQ2: Tenure and Affordability

8. The average net annual household income of South Oxfordshire is £51,490 and the lower quartile household income before housing costs is £28,620. Households earning around the average net household income can only afford to occupy the Social Rent tenure.
9. We have estimated that 88 households in Wheatley are currently unable to access housing that meets their needs, and that 120 households in total will likely be in need of AH over the plan period. If Wheatley's housing target of 305 dwellings is provided over the Plan period in accordance with the 40% AH requirement of the South Oxfordshire Local Plan, a total of 122 AH units and 183 market units will be delivered.
10. Since this would barely satisfy the AH needs of the community, every effort should be made to maximise AH provision in future while ensuring that overly ambitious targets do not imperil the viability of new development in general. As the

Local Plan 40% requirement only applies to developments of 10 or more units, an appropriate policy response may be for the Neighbourhood Plan to lower the minimum threshold above which an AH requirement applies.

11. The Affordable Housing requirement should be in line with the NPPF guidance. In order to provide more affordable dwellings, the parish could look into a rural exception sites, where smaller numbers can be considered, and all units delivered as affordable housing. There is precedence in Wheatley for rural exception sites, known as WHE3, which was completed in 2019.
12. Other tenures may also have a growing role to play in alleviating AH need in Wheatley. The South Oxfordshire lower quartile average household income is £28,260, and this level of income is insufficient to occupy all tenures apart from Social Rent, according to our affordability analysis. In this context, creating more affordable routes to home ownership is an equally important priority to the provision of Social Rented accommodation.
13. Given the strong growth in private renting, it is likely that these tenures are becoming more common as a way to meet demand from those priced out of home ownership. This trend is occurring despite the fact that market renting is not affordable to a household on an average level of income. Shared ownership at a 25% share, however, is within the financial capability of the average household's gross income level and, for lower-priced dwellings, may be a vital option.

1.4.1 The tenure split

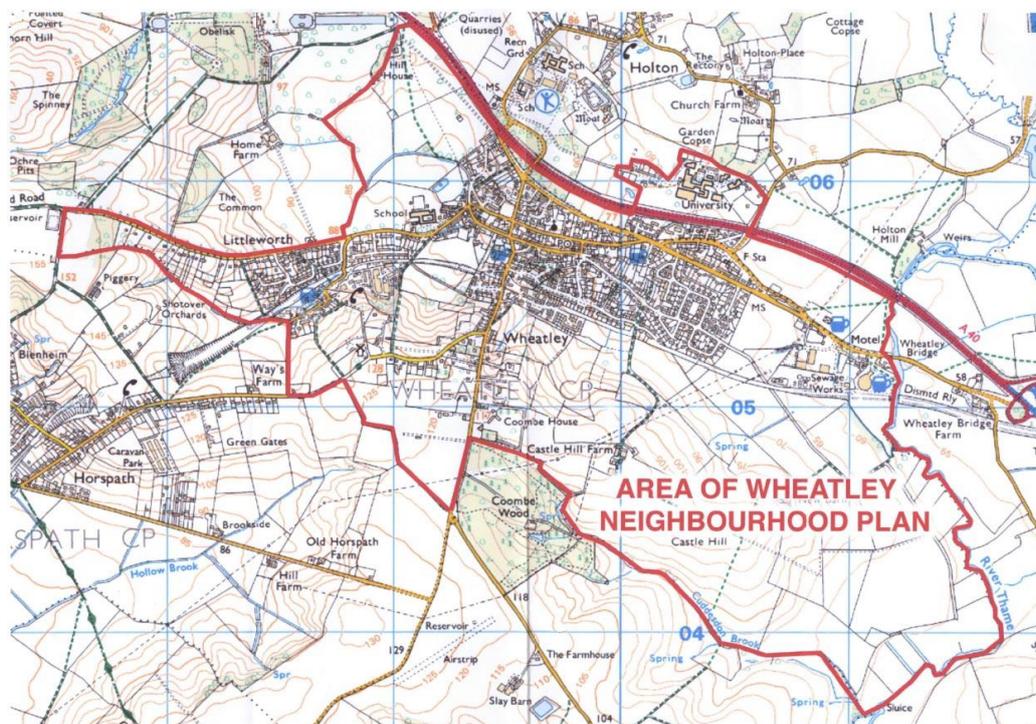
14. Policy H9 in the emerging Local Plan outlines the criteria for Affordable Housing (AH) contributions as 40% AH on all sites with a net gain of 10 or more dwellings, or a combined gross internal floorspace of more than 1000sqm.
15. In circumstances where it can be adequately demonstrated that the level of affordable housing being sought would be unviable, alternative tenure mixes and levels of affordable housing provision may be considered.
16. Where AH is required, the Council will expect a tenure mix of 40% affordable rented, 35% social rented and 25% other affordable routes to home ownership. Wheatley should follow this tenure split, as it is required to do so in accordance with the Local Plan.
17. Having said this, such policies should in practice be flexibly applied, given the need for viability. This question is particularly pertinent in rural locations where small infill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures provide viable options for Wheatley households, and should be well-represented in the dwelling mix.
18. It is important to note this report suggests lowering the threshold for seeking affordable housing contributions. The evidence in this report could be used to help justify local housing need above and beyond what has been identified and provided for in the emerging SOLP.

2. Context

2.1 Local context

19. Wheatley is a village and civil parish located in South Oxfordshire District in Oxfordshire, about 5 miles east of Oxford. The Neighbourhood Area (NA) boundary is shown in Figure 2-1 below and was designated in March 2016.
20. Development in the village is mainly centered along High Street and Church Road. A campus of Oxford Brookes University (OBU) creates the Northern boundary of the NA, and the M40 motorway provides excellent road connections to Birmingham and Oxford.
21. The South Oxfordshire Core Strategy (2012) identifies Wheatley as one of 12 settlements classed as 'larger village' within the District. Holton is classified as a 'smaller village'. This remains the case within the publication version of the emerging Local Plan.
22. Since the mid-19th century the adjacent small hamlet of Littleworth, located to the west, has been included within the boundaries of Wheatley parish. Littleworth was elevated to 'smaller village' status as part of the Settlement Assessment which informed the Local Plan 2nd Final Publication Version.
23. It is important to note that the Oxford Brookes University (OBU) site is located within the neighbouring parish of Holton. Given the proximity and relationship of the OBU site with the village of Wheatley, the local community have sought to include it within the designated neighbourhood area, resulting in the NA comprising of the entire parish of Wheatley and the neighboring OBU campus.
24. As regards expectations surrounding future residential development, the emerging Local Plan sets out that there are proposed strategic allocations at Berinsfeld, Chalgrove and (near) Wheatley. Therefore, it is not expected that each of these villages would deliver additional growth over and above what is already planned for these strategic allocations. In addition, potential development in Berinsfeld and Wheatley is restricted by the Green belt. However, the council does not want to suppress the appetite and hard work of the Neighbourhood Development Plan groups in these communities and the council will continue to support appropriate proposals made through a robust and evidenced NDP.
25. Within the NA in 2011 there were a total of 4,125 residents. Amenities, which include a county primary and a county secondary school, a library, a few churches and pubs, are dispersed throughout the NA.

Figure 2-1: Wheatley Neighbourhood Area boundary



Source: Wheatley Neighbourhood Plan website

2.2 Planning policy context

26. In line with the basic conditions¹ of neighbourhood planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the strategic policies in the adopted Local Plan. Consequently, it is necessary to consider the policies of the relevant Local Plan in preparing this Housing Needs Assessment (HNA).
27. South Oxfordshire District Council (SODC) is in the process of producing a new Local Plan, covering the period 2011-2034. Because this emerging Local Plan is at a relatively advanced stage of development – currently at submission stage and scheduled for adoption near the end of 2019 – it will be part of the adopted Development Plan for the majority of the Neighbourhood Plan period.
28. However, until the emerging Local Plan is adopted, the Core Strategy 2012, covering the period 2012-2027, remains the most recently adopted statutory policy document, and therefore the part of the Development Plan with which the Neighbourhood Plan must be in general conformity if it is to meet the Basic Conditions of Neighbourhood Planning at examination. It is therefore important to consult the policies within the Core Strategy, noting where the emerging Local Plan departs from or is in conflict with them.
29. There are also a number of saved policies from the 2011 South Oxfordshire Local Plan, which will be considered where relevant. The Wheatley Neighbourhood Plan (WNP) is being prepared by the Parish Council and will mirror the Plan period of the emerging South Oxfordshire Local Plan, thus 2011-2034. The draft NP is prepared for pre-submission consultation, with plans to be submitted by June 2019. Once the WNP has been 'made' (following a successful referendum) the WNP will have material weight in the determination of planning applications, alongside the adopted South Oxfordshire Local Plan.
30. The Oxfordshire 2014 Strategic Housing Market Assessment (SHMA) forms the evidence base of housing need within the district, influencing the future development of planning and housing policies with an objective to assess housing need over the period to 2031. There is also a 2018 Joint Housing Delivery Strategy for South Oxfordshire and Vale of White Horse, intended to work alongside local plans to guide the meeting of household delivery targets.
31. It is worth noting that Wheatley is inset but tightly surrounded by the Green Belt, which heavily constricts possible development policies.
32. The majority of the policies relevant to this HNA are contained in the emerging South Oxfordshire Local Plan and the adopted Core Strategy.

2.2.1 Emerging South Oxfordshire Local Plan policies

33. The Local Plan and Core Strategy policies relevant for the purpose of this HNA are identified in Table 2-1 below.

Table 2-1: Summary of South Oxfordshire Council Local Plan policies reviewed for the purpose of this HNA

Emerging South Oxfordshire Local Plan	2012 Core Strategy
Policy STRAT1: Overall Strategy	Policy CSH1: Amount and Distribution of Housing
Policy STRAT2: Housing and Employment Requirements	Policy CSH2: Density
Policy STRAT5: Residential Densities	Policy CSH3: Affordable Housing
Policy STRAT14: Land at Wheatley Campus, Oxford Brookes University	Policy CSH4: Meeting Housing Needs
Policy H1: Delivering New Homes	
Policy H4: Housing in the Larger Villages	
Policy H9: Affordable Housing	
Policy H11: Housing Mix	
Policy H18: Replacement Dwellings	

34. **Policy STRAT1 (Overall Strategy):** sets out a spatial strategy for South Oxfordshire, which focuses on new economic and social developments across the district with strategic allocations. It aims to support and enhance Wheatley's role as a local service centre.

¹ See Glossary

35. **Policy STRAT2 (South Oxfordshire Housing and Employment Requirements):** sets out the overall housing requirement for the district of 22,775 homes over the Plan period.
36. **Policy STRAT5 (Residential Densities):** describes the minimum net density requirements for major residential developments, based on their location in the District. Larger villages and strategic allocations for Wheatley (STRAT14) are set at a minimum net density Dwellings per hectare of 45.
37. **Policy STRAT14 (Land at Wheatley Campus, Oxford Brookes University):** permits and encourages the delivery of at least 300 homes and retail space on the site.
38. **Policy H1 (Delivering New Homes):** sets out the intentions for delivering new homes in South Oxfordshire. outlines conditions for housing sites and where development will be permitted within the district, and requires that all new development meets the needs of local communities based upon the most up-to-date evidence.
39. **Policy H4 (Housing in the Larger Villages):** sets a delivery target of 499 homes across 5 larger villages in South Oxfordshire. Although technically a Larger Village, Wheatley is not specified in this homes delivery policy, and no further homes are allocated for the parish.
40. **Policy H9 (Affordable Housing):** outlines the criteria for Affordable Housing (AH) contributions as 40% AH on all sites with a net gain of 10 or more dwellings, or a combined gross internal floorspace of more than 1000sqm.
41. In circumstances where it can be adequately demonstrated that the level of affordable housing being sought would be unviable, alternative tenure mixes and levels of affordable housing provision may be considered.
42. Where AH is required, the Council will expect a tenure mix of 40% affordable rented, 35% social rented and 25% other affordable routes to home ownership.
43. The AH should normally be provided on site and be mixed with the market housing, meeting requirements for size and type in accordance with housing need.
44. **Policy H11 (Housing Mix):** requires that the housing mix on development sites establishes sustainable communities through a choice of homes meeting a range of needs, and a mix of tenures, types and sizes that is appropriate to the site and settlement in question.

2.2.2 2012 Core Strategy policies

45. **Policy CSH1 (Amount and Distribution of Housing):** outlines the requirements for planning permissions to be granted in accordance with various targets and objectives.
46. **Policy CSH3 (Affordable Housing):** provides the regulation that 40% AH will be sought on all sites where there is a net gain of three or more dwellings, subject to viability of provision on each site.
47. One criterion of this policy is that a tenure mix of 75% social rented and 25% intermediate housing will be sought, with the exception of part units, and that AH should be mixed with the market housing. AH should meet required standards of size and type, in accordance with housing need.
48. **Policy CSH4 (Meeting housing needs):** stipulates that a mix of dwelling types and sizes to meet the needs of current and future households will be sought on all new residential developments.

3. Approach

3.1 Research Questions

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

3.1.1 Quantity

50. The emerging South Oxfordshire Local Plan has an overall housing supply of 28,465 dwellings to 2034. Of these, 4,362 have been completed, with 11,362 sites committed as of September 2018. Within the new components of this Local Plan, a target of zero dwellings for Wheatley is provided. There is also a windfall allowance of 1,300 homes within the plan.
51. The Local Plan proposes the provision of 15% growth in the larger villages, but it is not expected that these villages would deliver additional growth over and above what has already been allocated. Potential development in Wheatley is restricted by the Green Belt; however, SODC has indicated that it does not want to suppress any NDP group's development work and will continue to support appropriate proposals made through a robust and evidenced Neighbourhood Development Plan, provided this HNA identify a housing need for Wheatley.
52. Oxford Brookes University (OBU) campus is a strategic site in Oxfordshire for delivering new homes and lies within Wheatley Neighbourhood Plan's jurisdiction. The group is looking to develop potential sites that could be available in a timescale sooner than the proposed redevelopment of OBU by 2023, to help deliver homes meeting the needs of Wheatley's current and future residents.
53. The group requires an HNA that includes an indicative Housing Needs Figure (HNF) as this will provide clarity as to the quantity of homes needed to address demand in the neighbourhood area (NA) over the Plan period. Moreover, it will provide interim evidence until the new Local Plan/Framework for South Oxfordshire has been adopted.
54. If the qualifying body are minded to carry out a household survey, then the bespoke needs existing in Wheatley, above and beyond any requirement identified or met through the Local Plan, will become apparent. At that point, given that even after Neighbourhood Plan adoption it will be SODC that continues to administer and manage Affordable Housing need in Wheatley and across the district as a whole, the parish council should discuss policy options within the Neighbourhood Plan that would have the support of SODC. The results of the household survey could also be used as evidence to demonstrate housing need that would be accepted as an exceptional circumstance, potentially allowing Green Belt release through the South Oxfordshire Local Plan process.
55. While this assessment was being written, a change of political control in South Oxfordshire means that the status of the emerging local plan is, at the time of writing, unclear. As such, this report has been drafted so that policies based on its advice will be consistent with the adopted Local Plan, but we have also sought to be consistent with the emerging Local Plan, despite the current uncertainty as to its future status.
56. This question focuses on the bespoke housing needs of Wheatley, above and beyond any requirement identified or met through the Local Plan.

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

3.1.2 Tenure and Affordable Housing

57. Wheatley has identified a need for Affordable Housing (AH) in the NA². There is a specific preference for Social Rented housing as the Parish Council is conscious that other AH tenures do not provide housing that is genuinely affordable. The group has stated it is also willing to put forward more sites than currently allocated in the emerging Local Plan if they are for AH.

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

² Draft Wheatley Neighbourhood Plan 2019-2033, paragraph 5.1, page 20.

3.2 Relevant Data

3.2.1 Local Authority evidence base

58. Planning Practice Guidance (PPG) states that those bringing forward a Neighbourhood Plan can refer to existing needs assessment prepared by a Local Planning Authority as a starting point. As Wheatley is located within the South Oxfordshire Local Plan area, we reviewed the 2014 Oxfordshire Strategic Housing Market Assessment (SHMA), which covers the county and informs housing policies at the local authority level, including affordable housing policy. In the wider context, the Oxfordshire SHMA (2014) presents evidence of the South Oxfordshire housing market (including Wheatley) and how it is changing to provide an assessment of future needs for both market and affordable housing.
59. For the purpose of this HNA, we have considered data from the Oxfordshire SHMA valid unless it conflicts with locally-specific material. The Oxfordshire SHMA draws upon a range of data including population and demographic projections, housing market transactions and employment scenarios. As such, it contains a number of points of relevance when determining housing need within the NA.
60. This provides a strong starting point for policy development that aims to build upon and add local specificity to other work undertaken by SODC and Oxfordshire County Council, by enabling a comparison to be made with parish-level data (gathered as part of the preparation for this study); given that such an exercise reveals contrasts as well as similarities.
61. Finally, the study was also informed by additional data received from SODC, including data on housing completions.

3.2.2 Other relevant data

62. In addition to the SHMA, evidence from a range of other data sources has also been gathered. This will support a robust assessment for the purposes of developing policy at the Neighbourhood Plan level, and is locally specific. These data includes Census data pertaining to demography.
63. Furthermore, to assess the housing in the NA, data from the Land Registry were analysed. These data provide prices paid, housing types and date of transaction information; allowing housing market trends to be identified.
64. The housing market material was collected for the OX33 postcodes contained within the NA boundary to create a database including all housing transactions registered with the Land Registry between 2008 and 2017. Similar data analysis was carried out for the whole of the District.
65. Market rental data were collected from a range of sources including www.home.co.uk and www.rightmove.com.

4. RQ1 Quantity

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

4.1 Introduction

66. The NPPF (paragraph 65) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
67. NPPF paragraph 66 states “Where it is not possible to provide a requirement figure for a neighbourhood area³, the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This ‘indicative’ figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”⁴
68. Given the indicative housing requirement figure for Wheatley is zero, there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Plan area.
69. As the emerging Local Plan sets out 305 dwellings planned for Wheatley, of which at least 300 are to be on the OBU site, there may be a need (depending on the future status of the emerging Local Plan or any replacement for it) to address local housing needs for the parish regardless of the adopted Local Plan requirement. There is some uncertainty about the extent to which the future development of the OBU site will include a residential component (i.e. it could be entirely residential or not at all residential, or anything in between), so it is recommended that the group continue to monitor the status of this site, both in terms of the emerging Local Plan (or any replacement for it) and in terms of declared developer intention.
70. In calculating this HNF, it should be noted that paragraphs 65 and 66 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 65 and 66). Having said this, clearly AECOM’s calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
71. The Planning Practice Guidance⁵ states “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
72. A housing need figure is a policy-off figure. This means that, while it takes account of the factors set out paragraph 66 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a policy-on Neighbourhood Plan housing requirement figure.
73. We have estimated the number of new dwellings that should be sought in the Plan area over the Plan period (the Housing Need Figure or HNF) using a four-step approach seeking to reflect to the maximum extent the 2019 National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) advice. This is set out in the box overleaf.

³ For example, this could be where a neighbourhood area has been designated at a late stage in the strategic policy-making process, or after strategic policies have been adopted; or in instances where strategic policies for housing are out of date.

⁴ NPPF, paragraph 66, page 18- available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

⁵ Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 4-1: Five-step approach to estimating the Housing Requirement Figure (HRF)

Step 1: “the population of the neighbourhood area”

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

NPPF requires Local Authorities to use the standard method.⁶ This calculation takes the most recent MHCLG-approved household population projection for the district, applies to it an uplift based on the most recent ONS affordability ratio for that area, and then applies a cap to that number if certain conditions are met.

Step 2: “most recently available planning strategy of the planning authority”

We then follow the guidance presented in the NPPF, which states that the initial HNF for neighbourhood plans should reflect “the overall strategy for the pattern and scale of development and any relevant allocations,”⁷ and “the most recently available planning strategy of the local planning authority.”⁸

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

Step 3: Completions

Next, any dwellings that have already been completed over the Plan period to the present date should be deducted from the total in order to provide an HNF for the remainder of the Plan period and an annual HNF that reflects past under- or over-delivery. While it is appropriate to consider existing commitments (i.e. dwellings with planning permission, but not yet completed) at this point, they should not be deducted from the total until they are completed.

Step 4: the Local Authority

The NPPF makes it clear that the Local Authority should provide housing numbers to designated NAs within their district where requested to do so. To this extent, AECOM is performing a similar role to that required of the Local Authority in providing an HNF to Wheatley. With this in mind, it is important the group share the HNF and underlying methodology once they have received the final version of this document with the LPA to seek confirmation it is aligned with their current planning strategy, in particular those circumstances which may justify an uplift to the HNF set out in PPG.⁹

74. It should be noted that this figure is just an estimate and will be superseded by any figure put forward by SODC in line with their requirement to do so within national policy.
75. Employing this methodology, the Housing Needs figure for the NA is calculated below.

4.2 Standard method (Step 1)

76. First, we calculate the LHN for South Oxfordshire using the standard method outlined in PPG. Next, we calculate what proportion of the population of South Oxfordshire live in Wheatley. We then use this percentage to estimate the share of South Oxfordshire’s housing need that should be apportioned to Wheatley.
77. The South Oxfordshire LHN, using the standard method, is calculated as follows:¹⁰
78. **Step one** is to set the baseline, by calculating the projected average annual household growth in South Oxfordshire over a 10-year period, beginning with the current year, using the most recent ONS household projections:

South Oxfordshire’s 2014-based household projection for 2019, the current year, is 57,819. Its projection for 2029, the end of the 10-year period, is 61,968. This represents a total growth of 4,149 households which, divided by the number of years in the period (10), gives an annual average growth rate of 415 households (rounded).

⁶ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁷ NPPF, paragraph 65, page 18

⁸ Ibid

⁹ Paragraph: 010 Reference ID: 2a-010-20190220

¹⁰ Paragraph: 004 Reference ID: 2a-004-20190220 Revision date: 20 02 2019

79. **Step two** is to adjust this annual average using the most recent ONS median workplace-based affordability ratios,¹¹ which provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a per cent:

South Oxfordshire's 2018 affordability ratio is 12.36. Using the formula outlined in PPG to calculate the adjustment factor results in a minimum annual figure of 632 dwellings (rounded).¹²

80. **Step three** is to apply a cap, which limits the magnitude of increase to apply to an LPA. How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:
- Option 1: Where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
 - Option 2: Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:
 - a) the projected household growth for the area over the 10-year period identified in step one above; or
 - b) the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
81. The relevant strategic policies in this case are those in the South Oxfordshire Core Strategy CSH1, which was adopted in 2012.
82. The housing requirement figure in CSH1 is for at least 11,487 homes over 2006 to 2027, which equates to an annual average of 547. The cap of 40% above this figure is therefore $547 \times 1.4\% = 766$.
83. As this document was not adopted within the last five years, Option 2 above is applied and the LHN is capped at 40% above the average annual housing requirement figure set out in CSH1, because the housing target of 766 ($547 \times 140\%$) is higher than the projected growth of 581 ($415 \times 140\%$).
84. The cap of 766 is higher than our adjusted figure in step two of 632, and so therefore does not limit the adjustment for affordability.
85. The minimum LHN for South Oxfordshire therefore remains 632 net additional dwellings per year.
86. Having derived South Oxfordshire's LHN, we now calculate Wheatley's share of that target by determining what proportion of South Oxfordshire's population currently reside in Wheatley and applying that percentage to South Oxfordshire's LHN.
87. At the time of the last Census, there were 3,913 people living in Wheatley, or 2.9% of the 134,257 people in South Oxfordshire. Therefore, applying this percentage to South Oxfordshire's LHN of 632 gives an HNF for Wheatley of 18.33 dwellings per annum, or 257 dwellings over the Neighbourhood Plan period 2019-2033.

4.3 Latest LA planning strategy (Step 2)

88. However, as stated in the NPPF, it is important to acknowledge the relevant policies in the most recently available development plan document for the district, which reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing an HNF for the NA that takes into account the LA's spatial strategy, and therefore may differ slightly from the initial HNF calculated above.
89. In South Oxfordshire, the relevant policy is Policy H4 in the emerging Local Plan, which outlines the planning provision of housing growth in larger villages. The larger villages within South Oxfordshire are: Benson, Cholsey, Sonning, Common, Berinsfield, Crowmarsh, Gifford, Watlington, Chalgrove, Goring-on-Thames, Wheatley, Chinnor, Nettlebed and Woodcote.

¹¹

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

¹² The full calculation for this step is as follows: $((12.36 - 4) / 4) \times 0.25 = 0.5225$. $415 \times 1.5225 = 631.8$.

90. It is noted that while 499 homes have been collectively allocated for larger villages, Wheatley is not included in this list due to its previous allocation of 305 homes for the OBU site.
91. The policy states that it is not expected that Wheatley deliver additional growth over and above this strategic allocation, but the council will support appropriate proposals made through a robust and evidenced Neighbourhood Development Plan.
92. The Wheatley Neighbourhood Group and SODC wish to plan positively for new development and are seeking evidence of the bespoke housing needs required by Wheatley, above and beyond the requirements identified and provided for in the emerging Local Plan. In accordance with the PPG, it is necessary to have regard to the overall strategy for development. We therefore adopt an approach whereby Wheatley should receive a level of development equivalent to its proportion of the population of the larger villages, and in keeping with the intention that 499 of South Oxfordshire's allocated dwellings are attributable to those villages.

Table 4-3: Population of Larger Villages Within South Oxfordshire

Location	Population
Benson	4,754
Berinsfield	2,806
Chalgrove	2,830
Chinnor	5,924
Cholsey	3,457
Crowmarsh Gifford	1,207
Goring-on-Thames	3,187
Nettlebed	727
Sonning Common	3,784
Watlington	2,727
Wheatley	3,913
Woodcote	2,604

Source: 2011 Census, AECOM calculations

93. The population of all larger villages in South Oxfordshire in the 2011 Census was 37,920. Of these people, 3,913 were resident in Wheatley, which is mid-range for the populations of larger villages in South Oxfordshire.
94. Based on the current planning strategy, 499 allocations would be distributed amongst the larger villages in proportion to their population.
95. Wheatley accounts for 9.7% (rounded) of the total population of the larger villages.
96. The indicative housing requirement for the NA for the period 2011-2034, taking account of the latest evidence, including South Oxfordshire's housing allocation, the current planning strategy and its population, would therefore be 9.7% of the 499 dwellings to be distributed amongst the larger villages in South Oxfordshire, which equates to 51 dwellings.
97. The Emerging Local Plan discusses in detail the growth expected in the larger villages across SODC. While providing for 15% growth in the larger villages, plus outstanding requirements from the Core Strategy, development should also be proportional and dependent on existing infrastructure.
98. A rate of 15% growth in Wheatley corresponds to 305 dwellings over the plan period. However, this may be restricted by the Green Belt, requiring exceptional circumstances to be demonstrated to unlock land for development.
99. In view of the strategic allocation at the OBU site, there are no other outstanding allocations from South Oxfordshire for Wheatley.

4.4 Past dwelling completions (2019-2033) (Step 3)

100. The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Plan period of 2019-2033.
101. Since 2011 there have been 112 dwelling completions, according to data sourced from South Oxfordshire District Council. However, it is not possible to deduce from this data how many dwellings have been completed since the beginning of the Neighbourhood Plan period (2019).
102. Due to the lack of accurate data, it is not possible to alter the housing requirement at this stage.

4.5 Final Housing Needs Figure

103. Based on the evidence above, this HNA recommends, as an indicative process, following the emerging Local Plan's projection of 15% growth in larger villages. This results in **an overall HNF of 305 dwellings at Wheatley, which equates to 22 dwellings per year between 2019 and 2033.**
104. The housing figure for South Oxfordshire is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in South Oxfordshire and any indicative housing requirement figure provided by South Oxfordshire for neighbourhood areas.
105. Additionally, this AECOM calculation has the potential to be superseded at any time by SODC, although at the time of writing (May 2019), when this will happen is not known. It is recommended the group continue to liaise with SODC for this reason, in order to plan positively for local housing provision.
106. It should be noted that this figure is a minimum suggested requirement. If there is suitable land and community support, there should be no in-principle barrier to additional housing being provided at Wheatley if South Oxfordshire District Council is open to the idea.
107. The Wheatley Neighbourhood Plan seeks to reverse the trend towards the ageing village population, by creating employment opportunities and Affordable Homes to meet local needs, helping to retain young people.
108. In addition, it is worth noting that in the subsequent chapter 120 Affordable Homes are found to be needed in the area. Following requirements for 40% AH within the Local Plan, a total of 520 homes would be needed to deliver that particular affordable target. The SODC has also identified this as a potential factor in any final housing requirement figure, to be provided in line with national policy.

5. RQ2 Tenure and affordability

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

5.1 Background and definitions

109. Tenure refers to the legal arrangements in place that enable a household to live in their home; it determines householder rights and influences the payments that are to be made in return for these rights. Broadly speaking, tenure falls into two categories: Affordable Housing (AH), in which households receive some sort of subsidy to enable them to live in their homes; and market housing, in which they do not.
110. We will address this question by examining the tenure of dwellings in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence we have been able to gather, whether the continuation of these trends would meet future needs. Alternatively, we may identify that misalignments exist between the supply of different tenures of housing and local need. Such misalignments can justify policies that guide new development to prioritise certain tenures, so as to bring supply and demand into better alignment.¹³
111. It is necessary at this stage of the study to make clear the distinction between Affordable Housing in 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 Rent, Affordable Rent, Affordable Private Rent (brought forward by Build to Rent schemes) and forms of AH designed to offer affordable routes to home ownership such as shared ownership, starter homes and discounted housing for market sale.¹⁴ To distinguish this from the colloquial definition of homes that are broadly within reach for the majority of the population, we refer to the latter as 'affordable market housing'.
112. The definition of AH set out in the NPPF makes clear the government's commitment to home ownership but recognises also the important role of Social, Affordable and Private Rent tenures for those not currently seeking home ownership.
113. It is important to note, however, that the 2012 version of the NPPF refers to the 'national rent regime' not 'Government's rent policy'. It has been suggested that this change in wording may give central Government, and by extension local authorities, wider flexibility in arriving at social rents.¹⁵
114. The revisions seek to broaden the definition of AH to include a range of low-cost housing opportunities for those aspiring to own a home, including Starter Homes.
115. In paragraph 64 of the revised NPPF, Government introduces a recommendation that "where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership." In line with PPG,¹⁶ 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

116. In order to set a baseline for our examination of tenure, it is necessary to present the current tenure profile of the NA based on the most recent reliable data. Figure 5-2 on the following page presents Census data from 2011, which shows that Wheatley's tenure profile is similar to that of South Oxfordshire: despite a similar rate of ownership (that is significantly higher than the national average), Wheatley has a lower rate of private renting, Social Renting and shared ownership.
117. This comparatively lower rent of Social Renting is even more notable in light of the fact, presented in the SHMA, that South Oxfordshire, at 12.6%, has the second lowest proportion of housing stock in public sector ownership among the eight geographies it compares (six Oxfordshire sub-markets, the South East, and England). Wheatley is therefore an area with low levels of Social Renting within a District that itself exhibits an unusually low incidence of that tenure.

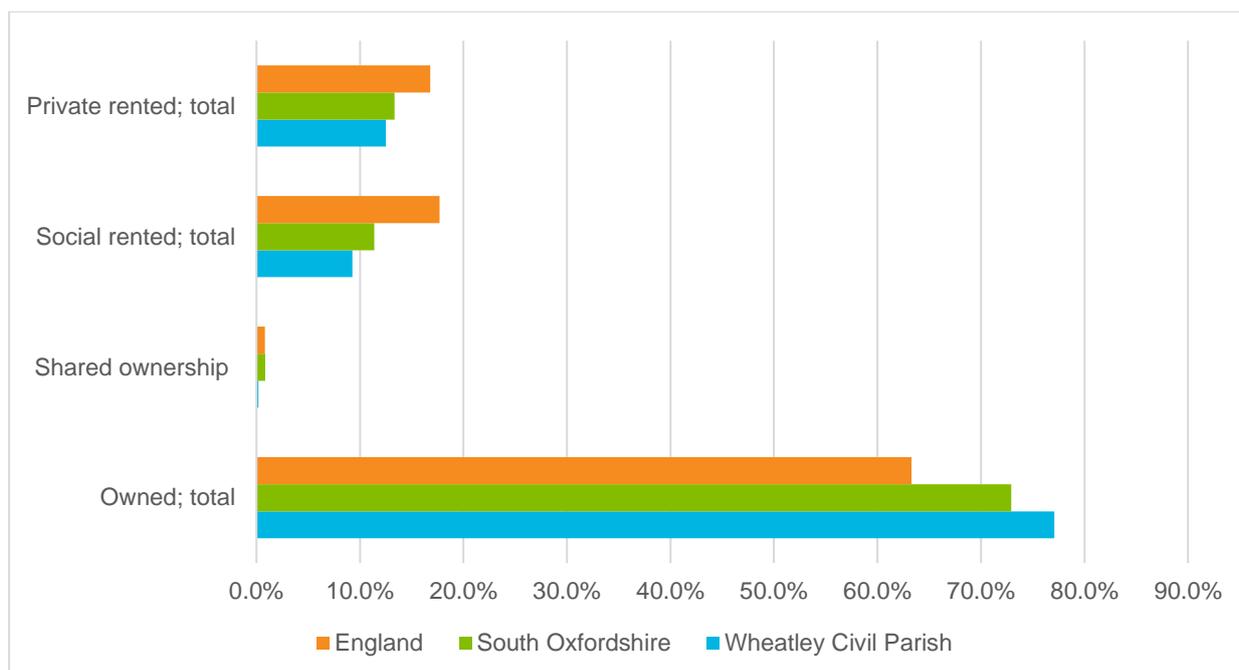
¹³ PPG Paragraph: 021 Reference ID: 2a-021-20160401

¹⁴ NPPF, Feb 2019

¹⁵ McGready, B, Affordable Housing and Planning, MBL seminars, April 2018

¹⁶ PPG 031 Reference ID: 23b-031-20161116

Figure 5-2: Tenure (households), 2011



Source: Source: ONS 2011, AECOM Calculations

118. It is also important to consider how Wheatley’s tenure profile has evolved over time. Table 5-1 below shows how tenure patterns have changed between the 2001 and 2011 Censuses. The number of households owning their homes has decreased moderately in Wheatley, while rates of shared ownership have remained stagnant. The prevalence of social renting has declined at a faster rate than the district and national trends, while rates of private renting have increased with wider trends, although not as markedly.
119. It would seem that with rates of social renting in decline and rates of private renting increasing, households in need are turning to the more affordable end of the private market. However, it is an important finding that while the number of social renting households has declined by 9.9%, the number in shared ownership stagnated.
120. There were ten new shared ownership homes in Wheatley in 2018. As will be explored below, shared ownership is an increasingly popular way of meeting the needs of households who cannot afford home ownership through conventional market channels, and the low recent level of delivery in Wheatley represents an opportunity for its potential for greater future use.

Table 5-1: Rates of tenure change, 2001-2011

Tenure	Wheatley Civil Parish	South Oxfordshire	England
Owned; total	-7.3%	-0.6%	-0.6%
Shared ownership	0.0%	118.6%	30.0%
Social rented; total	-9.9%	4.0%	-0.9%
Private rented; total	28.4%	79.1%	82.4%

Source: ONS 2001 and 2011, AECOM Calculations

5.3 What quantity of Affordable Housing is required?

121. In Table 5-3 on the following page, we develop calculations, using PPG¹⁷ as a starting point, to provide an estimate of the need for additional AH over the Plan period. The accuracy of the findings generated by the model is only as strong as the evidence we have available to us. For example, the Census 2011 is increasingly out-of-date. However, given the test of proportionality for neighbourhood planning, and the need to be in general conformity with Local Authority strategic policies, the calculations set out in Table 5-3 provide a sound basis for both understanding and planning for community need for AH.

¹⁷ Paras 024-026 Reference ID: 2a-026-20140306

122. The table shows that, there are currently about 88 households in Wheatley who are unable to access tenures suitable to their needs. The table suggests that, over the Plan period, a further 32 households will fall into need, producing a total AH need of 120 dwellings that could be provided over the Plan period.

Table 5-3: Affordable Housing model for Wheatley

Step	Stage	Source	Calculation	Stage and Step Description
1. CURRENT HOUSING NEED (GROSS)				
a	Homeless households	ONS Census 2011 (QS101EW - Residence type)	0	There were 0 recorded homeless households in Wheatley in the 2011 Census.
b	Need on housing register	WBC	49	Drawing upon data from the South Oxfordshire Housing Needs Register, we have been advised the number of households in Wheatley currently applying to the register in bands 1, 2, and 3 comes to 49. This figure includes applicants who want to live in Wheatley. However, this is only indicative as anyone in South Oxfordshire on the housing register could decide to live in Wheatley.
c	Overcrowded households	Census 2011	19	We assume that number remains the same as in 2011 in which the Parish recorded 19 households containing more than one person per room, and that these households are not on the Housing Needs Register.
d	Concealed households	Census 2011	20	We assume that the number remains the same as in 2011 in which the Parish recorded 20 households who were concealed; and that these households are not registered on the Housing Needs Register. However, the combined total of 45 overcrowded and concealed households may well include the 25 households on WBC's housing register. To avoid double-counting, we therefore only count the difference between the two figures (20).
e	Backlog need	AECOM	88	Sum of stages a-d
2. NEWLY ARISING NEED				
f	Number of households in 2011	Census 2011	1,662	
g	Annual household formation between 2011 and 2052	2014-based HHP; AECOM Calculations	14	Taking households in 2011 in the NA as a proportion of all households in the District (3.1%); Wheatley's share of District households in 2052 will be 2,042 (rounded), an increase of 380 since 2011, which is an annual increase of 102 households (rounded) (380 / 28 years).
h	New household formation between 2011 and 2018	AECOM Calculations	98	$g \times 7$ (no. years between 2011 – 2018)
i	Estimated current number of households	AECOM Calculations	1,760	Sum of f + h
j	New household formation between 2018 and 2034	AECOM Calculations	224	$g \times 15$ (no. years between 2019 – 2034)
k	Proportion of newly forming households unable to access market housing	AECOM Calculations	14.5%	On account of the lack of income data available at parish level, the formula used to determine the proportion of households that come into existence unable to access market housing is the number of households in social housing at the time of the 2011 Census (154) + backlog need (88) divided by all current households (1,662).

l	Newly Arising Need	AECOM	32	j x k
m	TOTAL AFFORDABLE HOUSING NEED		120	Sum of e + l

123. If the HNF derived in the preceding chapter were delivered over the Plan period in accordance with the 40% AH requirement of South Oxfordshire Local Plan Policy H9, a total of 122 AH units would be provided, which is on the cusp of the figure derived here.
124. Furthermore, as the area within the settlement boundary of Wheatley is not designated as a rural area, the 40% AH requirement of South Oxfordshire Local Plan Policy H9 only applies to developments providing a net increase of 10 dwellings or more. For smaller developments an equivalent payment may be accepted in place of AH provision.
125. As Wheatley is a village with comparatively few opportunities for largescale housing delivery, it may be expected that other than site allocations of more than 10 dwellings, many development sites will provide fewer than 10 dwellings.
126. An appropriate policy response in Wheatley's Neighborhood Plan may therefore be to require development sites smaller than 10 dwellings to also provide a similar proportion of AH, subject to viability constraints. Note that viability constraints typically make providing 25-30% AH difficult on sites smaller than 5 dwellings, so this may be considered an appropriate minimum development size.
127. The group should also consider measures to increase the supply of affordable housing, such as exception sites, if suitable locations can be found.
128. It is worth noting that any rural exception site brought forward by the parish, as long as the site is deemed acceptable by planning, will be supported by the SODC Affordable housing team, and will ensure engagement with the parish and a Registered Provider to aid delivery.

5.4 Affordability

129. This section details the affordability requirements for each tenure in Wheatley, with reference to average incomes, in order to assess which tenures of housing are within reach for the local population, and what future supply should comprise. The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations below.

5.4.1 Income

130. Incomes are considered first, as they have an important relationship with the ability of households to exercise choice in the housing market and the level of need for affordable housing products. For this, we use estimates of average household incomes for 2015/16 published by ONS at the Middle-layer Super Output Area (MSOA) scale. As Wheatley's parish boundary falls predominantly within one MSOA (South Oxfordshire 012), this will be used as a proxy. Note however, that the MSOA extends beyond Wheatley and includes other parishes.
131. The median net annual household income before housing costs (equalised) for South Oxfordshire 012 in 2016/2017 was £51,490, while the median net household income for England and Wales was £54,220. The lower quartile household income for South Oxfordshire is £28,620, and is used in figure 5-4 as a marker of affordability in the area.
132. For reference, it is also useful to note the more granular data provided for the wider District of South Oxfordshire in the SHMA, which provides an understanding of the distribution of household income by various income level bands. Note that nearly one third of households in South Oxfordshire fall into the three bands between £10,000 and £40,000, and that South Oxfordshire has the highest median income of all of the sub-markets considered in the SHMA.

Figure 5-4: Gross household income distribution by District, Oxfordshire

Income band	Cherwell	Oxford	South Oxon	VoWH	West Oxon	County
Under £10k	2.3%	4.0%	1.6%	1.8%	2.1%	2.3%
£10k to £20k	22.9%	26.8%	19.7%	20.3%	22.3%	22.5%
£20k to £30k	18.1%	18.5%	18.0%	18.0%	18.1%	18.1%
£30k to £40k	14.3%	13.9%	13.9%	14.1%	14.2%	14.1%
£40k to £50k	10.4%	10.9%	10.5%	10.4%	10.4%	10.5%
£50k to £60k	8.8%	7.3%	9.0%	9.0%	8.9%	8.6%
£60k to £80k	9.4%	7.5%	11.0%	10.7%	9.7%	9.6%
£80k to £100k	4.7%	4.3%	5.5%	5.2%	4.8%	4.9%
Over £100k	9.2%	6.9%	10.9%	10.6%	9.6%	9.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mean	£45,254	£40,007	£49,477	£48,558	£46,097	£45,800
Median	£34,419	£30,429	£37,632	£36,933	£35,061	£34,729

Source: SHMA Table 45, derived from ASHE, Experian, SHE, CACI, and ONS data

5.4.2 Market housing

133. To determine affordability in market housing, we consider two primary indicators, 'Purchase Thresholds' (PT), which denote the standard household income requirement to access mortgage products, and 'Income Thresholds' (IT), which denote the maximum share of a family's income that should be spent on accommodation costs.

Market sales

134. The PT examines affordability for market homes. In this sub-section, we consider two measures of housing price: the average (mean) house price, and the lower quartile (LQ) house price. The LQ house price is the price below, which the cheapest 25% of houses may be bought and is a measure of 'entry-level' property in the area (cheaper, more affordable housing).¹⁸

135. Nonetheless, an entry-level dwelling can also be understood as one suitable for a household comprising two or three individuals. In order to conform with the Government guidance on overcrowding, such a home would require three habitable rooms (thus a flat or house with two bedrooms). Entry-level properties can therefore also be understood as two-bedroom flats/houses.

136. To determine the price of market sale homes, we calculated the average price of houses sold in Wheatley in 2017, using Land Registry data (5-4 below).

Table 5-4: Average prices for market sale homes, 2018

Average	Price (Wheatley)	Price (South Oxfordshire)
Mean	£447,008	£502,645
Median	£382,500	£390,000
Lower quartile	£328,750	£295,000
Max	£1,000,000	£13,325,000
Min	£197,500	£1,000

Source: Land Registry, 2018

137. The PT is calculated by discounting 10% of the house price to reflect a mortgage deposit. The resulting cost is then divided by 3.5.¹⁹

¹⁸ Definition of 'entry-level' taken from <https://www.ons.gov.uk/visualisations/dvc393/affordabilitycalculator/content.html>

¹⁹ Lending criteria: How much a mortgage provider is prepared to lend you (how many times income).

138. The PT for the average property price is $\text{£}447,008 \times 10\% = \text{£}44,701$; $\text{£}447,008 - \text{£}44,701 = \text{£}402,307$; $\text{£}402,307 / 3.5 = \text{£}114,945$. A single person would therefore need to be earning $\text{£}114,945$ annually to afford an average priced property.
139. The PT for an entry-level property is $\text{£}328,750 \times 10\% = \text{£}32,875$; $\text{£}328,750 - \text{£}32,875 = \text{£}295,875$; $\text{£}295,875 / 3.5 = \text{£}84,536$. A single person would therefore need to be earning $\text{£}84,536$ annually to afford an entry-level property.
140. Note that the lower quartile average price given here is significantly higher than the lower quartile sales price for South Oxfordshire of $\text{£}295,000$, and the income required of $\text{£}84,536$ is correspondingly higher than the indicative income level of $\text{£}67,100$ required for this tenure as put forward for South Oxfordshire in the SHMA.
141. This may be due to a combination of rising prices in the market and different data in the samples, in particular a higher proportion of the larger houses that tend to be more expensive in Wheatley than the wider District.
142. It is also interesting to consider how the ratio of LQ house prices to earnings has changed over time across the wider district, and how this compares with the neighbouring sub-market areas within the County of Oxfordshire. These data, reproduced from the SHMA, are represented below.
143. All the sub-market areas became moderately more affordable during the 2007-2012 period due to the contraction of the housing market during the recession, but prior to that South Oxfordshire had been becoming less affordable at one of the fastest rates in Oxfordshire. At 10.75, its ratio of LQ house prices to earnings remained the highest of those areas in 2012.

Figure 5-5: Changes in LQ House Price to Earnings, Oxfordshire

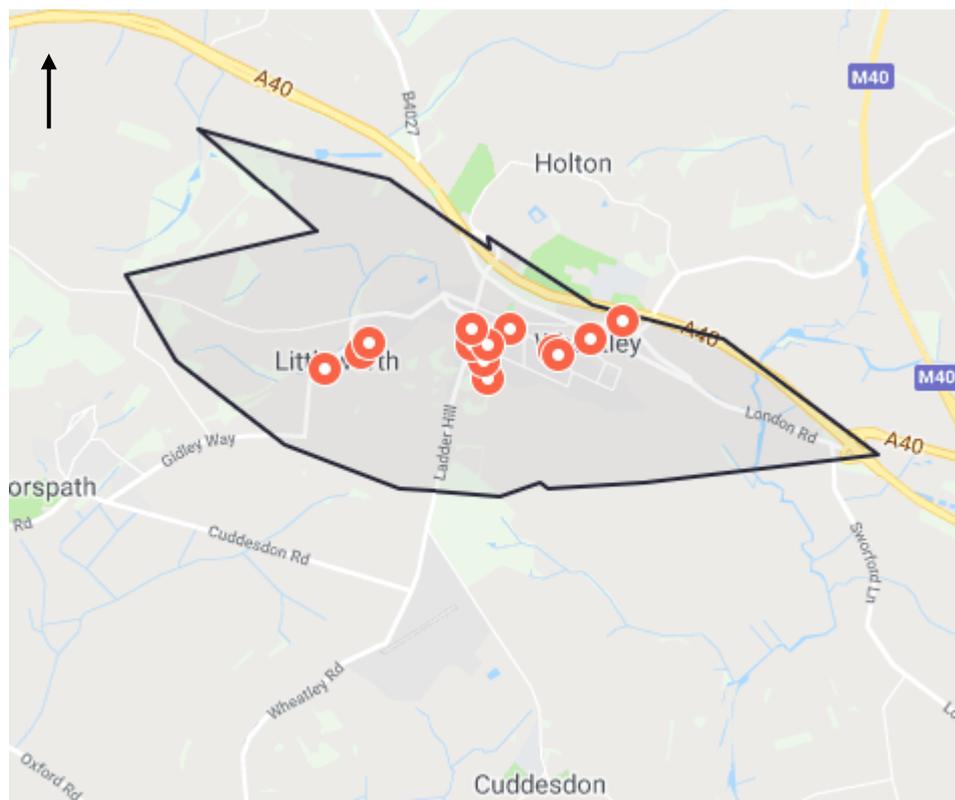
	1997-02	2002-7	2007-12	2012 Ratio
Cherwell	76%	32%	-7%	8.39
Oxford	60%	27%	-4%	10.03
South Oxfordshire	45%	57%	-6%	10.75
Vale of White Horse	66%	28%	-9%	8.45
West Oxfordshire	44%	33%	-16%	8.95
Oxfordshire	56%	32%	-7%	9.00
England	25%	63%	-9%	6.59

Source: SHMA Table 13, CLG

Private rented sector (PRS)

144. The IT examines affordability for rental market homes. Again, we consider two measures of price: the average rent price and the LQ rent price. However, data is not available for long-term trends at the NA scale, making it impossible to calculate LQ rent price. Nonetheless, as mentioned above, an entry-level dwelling can also be understood as two-bedroom flats/houses.
145. A search of properties available for private rent was made on www.rightmove.com, with the search radius presented in Figure 5-6 on the following page.

Figure 5-6: Wheatley rental market radius



Source: <https://www.rightmove.co.uk>

- 146. There were 13 properties listed as for let or let agreed at the time of search. The average rental price for each size of property, with the number in the sample, is presented in Table 5-3 below. Because the sample size is relatively small, we have presented alongside the Rightmove data for Wheatley equivalent average rental data for the wider OX33 postcode from Home.co.uk, which can be used to sense-check the results.
- 147. Because the average rents are generally similar between the two data sources, the more recent and specific Wheatley data from Rightmove is deemed more robust and will be used going forward.
- 148. What is noticeable is that the majority of properties for rent are smaller (two-bedrooms and under) dwellings. In the Rightmove sample, 64% of dwellings for rent have two or less bedrooms, while in the Home.co.uk sample, 58% fall into that category. This is consistent with the expectation that smaller and more affordable dwellings tend to be over-represented in the properties available to rent.
- 149. On average, monthly rents are lower in Wheatley than the wider OX33 area, with the slight exception of 4-bedroom homes.

Table 5-2: Property rents in Wheatley by number of bedrooms

	Wheatley no. of properties	Wheatley average monthly rent	OX33 no. of properties	OX33 average monthly rent
1-bed	3	£1,025	63	£1,050
2-bed	6	£948	43	£1,280
3-bed	2	£1,210	33	£1,670
4-bed	3	£1,967	43	£1,891

Source: <https://rightmove.co.uk>, <https://www.home.co.uk>

- 150. We now determine the income needed to afford market rents. The IT is derived through the annualisation of the monthly rental cost. For the purpose of this exercise and in line with the SHMA, affordability is defined as spending 25% of income on housing costs.²⁰

²⁰ SHMA 2012 “A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income”

151. The annualised average rent for each size of property in Wheatley is given in Table 5-3 below, along with the income threshold needed to afford it, assuming no more than 25% of income is spent on rent. That no more than 25% of income be spent on rent is an assumption that is also made in the calculations used in the SHMA.

Table 5-3: Annualised Wheatley rents and income thresholds

	Annualised rent	Required income threshold
1-bed	£12,300	£49,200
2-bed	£11,376	£45,504
3-bed	£14,520	£58,080
4-bed	£23,604	£94,416
Average all sizes	£15,450	£61,800

Source: <https://rightmove.co.uk>, AECOM Calculations

152. The average annual rent for Wheatley is £15,450, and the income threshold is therefore £61,800.

153. The average annual entry-level rent in Wheatley (the average rent for a two-bedroom dwelling) is £11,376 and the income threshold is therefore £45,504.

154. This is significantly lower than the indicative household income required for lower quartile private renting in the wider postcode area of OX33 of £61,440 that can be extrapolated from the average lower quartile rent of £11,280 in Table 5-2. However, District-level lower quartile rents are understandably higher because the larger sample size will include more expensive properties than the limited sample of six two-bedroom units available in Wheatley.

5.4.3 Affordable Housing

155. The tenures that constitute the new definition of AH within the NPPF (2018 version) are: Social Rent and Affordable Rent, Starter Homes, Discounted market sales housing, and other affordable routes to home ownership.

156. This range 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, to bring rents closer in line with people's ability to pay.

157. A good example is the introduction of dwellings for Affordable Rent in 2012. Rent for this tenure is set at up to 80% of market rent, with the intention that the additional income is used to help fund the development of new homes. Labelled an 'intermediate' product, this would be suitable for people with an income that precludes them from eligibility for Social Rent 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.

158. The overall aim is to reduce the size of the group who are eligible for Social Rent dwellings to those who have, relatively speaking, lower household incomes. However, within this segment, market principles continue to 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.

159. We consider each of the AH tenures in turn, before formulating a recommendation for how the quota of AH yielded by development should be divided between these tenure types.

Social Rent

160. 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.

161. To determine Social Rent prices we have used the Statistical Data Return (SDR) from the Regulator of Social Housing. This data is only available at the District level, so must be used as a proxy for Wheatley. SDR provides data about rents and the size and type of stock owned and managed by Private Registered Providers (PRPs) and is presented in Table 5-4 on the following page.

Table 5-4: South Oxfordshire Social Rent levels

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent PCW	£92	£108	£121	£138	£111
Annual average	£4,788	£5,590	£6,317	£7,179	£5,791
Income needed	£19,153	£22,360	£25,270	£28,714	£23,162

Source: Homes England, AECOM Calculations

162. Given the relatively high household income levels in the NA, it is appropriate that a substantial portion of the AH dwellings that will come through the planning system be for Social Rent.

Affordable Rent

163. 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.

164. To determine Affordable Rent prices we can also use the SDR. The data is presented in Table 5-6 below.

Table 5-5: South Oxfordshire Affordable Rent levels

Size	1 bed	2 beds	3 beds	4 beds	All
Average Affordable rent PCM	£520	£636	£780	£1000	£664
Annual average	£6,750	£8,265	£10,118	£12,993	£8,612
Income needed	£26,998	£33,060	£40,471	£51,973	£34,447

Source: Homes England, AECOM Calculations

5.4.4 Affordable Routes to Home Ownership

165. As noted earlier, the definition of AH set out in the NPPF makes clear the government’s commitment to home ownership. Affordable home ownership includes Starter Homes, Shared Ownership homes and homes available for discount market sale.

166. Households on full housing benefit or partially working can also qualify for the affordable houses. Affordable rent is based on the Local Housing Allowance for each area, thus the rent charged should not exceed this for the types of properties.

- **Starter Homes**

167. A Starter Home is a new build home with a value not exceeding £250,000 outside London, which is eligible only for first time buyers aged under 40.

168. The Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of Starter Homes, and a specific duty to require a minimum number or proportion of Starter Homes on certain residential development sites. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.”

169. 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.”

170. This is a 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 and promote an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

171. The decision whether to treat Starter Homes as AH should be determined by answering the question of whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access affordable market housing for purchase.

172. In order to provide a conservative assessment of the suitability of Starter Homes, we propose to use the value we have estimated for an entry-level dwelling, i.e. £328,750. Housing in Wheatley is more expensive than the national average, and this figure exceeds the £250,000 average home cost eligible under the government policy.
173. In accordance with government policy, the value cannot surpass £250,000 outside of London, and so for the purpose of this exercise this figure will be used from here on.
174. It is important to note that starter homes are usually smaller and cheaper than the average home on the market, in order to qualify for the policy, which can lead to viability issues down the line.
175. Applying a discount of 20% results in an approximate selling price of £200,000. Allowing for a 10% deposit further reduces the remaining value of the property to £180,000. The PT at a multiple of 3.5 is £51,429.
176. The income required is therefore significantly higher than the median income for South Oxfordshire (£24,913) for households in need, and although building Starter Homes would reduce affordability pressures, home ownership would still remain out of reach for many people.
177. Notwithstanding this, given the gap between the IT for PRS (£45,504) and the Purchase Threshold (£84,536), it is plausible that Starter Homes could provide a route to home ownership to those currently renting; it is therefore considered appropriate for this tenure to be included within the housing mix in Wheatley.

- **Shared ownership**

178. There were only three shared ownership properties in Wheatley from 2001 to 2011 but an additional ten in 2018, making a total of thirteen. Despite the relatively low incidence of the shared ownership tenure, it has potential to be an important alternative in the future.
179. Shared ownership involves the purchaser buying an initial share in a property, typically between 25% and 75%, and paying rent on the remaining share retained by the provider. Shared ownership is flexible in two respects: in the share, which can be purchased, and in the rental payable on the share retained by the provider. Both of these are variable.
180. The share owned by the leaseholder can be varied by 'staircasing'. Generally, staircasing will be upward, thereby increasing the share owned over time. In exceptional circumstances and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously, and council and housing association tenants with a good credit rating whose household income does not exceed £80,000.
181. To determine the affordability of shared ownership, calculations are based on the entry-level house price in Wheatley (£328,750). The amount of the deposit available to the prospective purchaser is assumed to be between 5-10% of the value of the dwelling, and the standard loan to value ratio of 3.5 is used to calculate the income required to obtain a mortgage. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 25% of its income on rent (as for the IT for PRS).
182. A 25% equity share of £328,750 is £82,187, from which a 10% deposit of £8,219 is deducted. To secure a mortgage of £73,968 (£82,187 – £8,219), an annual income of £21,133 (£73,968 divided by the loan-to-value ratio of 3.5) is therefore needed. In addition to the mortgage costs, rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £246,563. An ongoing annual rent equivalent to 2.75% of the value of the unsold equity is assumed, which is £6,780 and requires an income of £27,122. Therefore, an income of around £48,256 (£21,134 + £27,122) is required to afford a 25% shared equity purchase of an entry-level dwelling.
183. Given these values, again noting how they compare to Affordable Rented dwellings, PRS and for sale homes, Shared Ownership offers an alternative choice to people currently in rented accommodation seeking to move into a tenure that offers a route to home ownership. For this reason it is reasonable to include this tenure within the housing mix in Wheatley.
184. The same calculation is reiterated for different initial share levels and the results are presented in Table 5-6 on the following page:

Table 5-6: Affordability calculator for shared ownership in Wheatley

	£328,750	Minimum income needed	Mortgage	Income needed for mortgage	Annual Rent	Income needed for rent	Deposit required
Initial share	25%	£48,256	£73,969	£21,134	£6,780	£27,122	£8,219
	35%	£53,093	£103,556	£29,588	£5,876	£23,506	£11,506
	40%	£55,512	£118,350	£33,814	£5,424	£21,698	£13,150
	50%	£60,349	£147,938	£42,268	£4,520	£18,081	£16,438
	60%	£65,186	£177,525	£50,721	£3,616	£14,465	£19,725
	75%	£72,442	£221,906	£63,402	£2,260	£9,041	£24,656

Source: AECOM Calculations

5.5 Conclusion- tenure and affordability

185. We are now able to directly compare the cost of market rent, market purchase, Social Rent, Starter Homes, Shared Ownership at 25%, 50% and 75%, and Affordable Rent in Wheatley, and the level of income needed to afford these tenure options. Table 5-7 below summarises the income required to support the cost of each tenure.

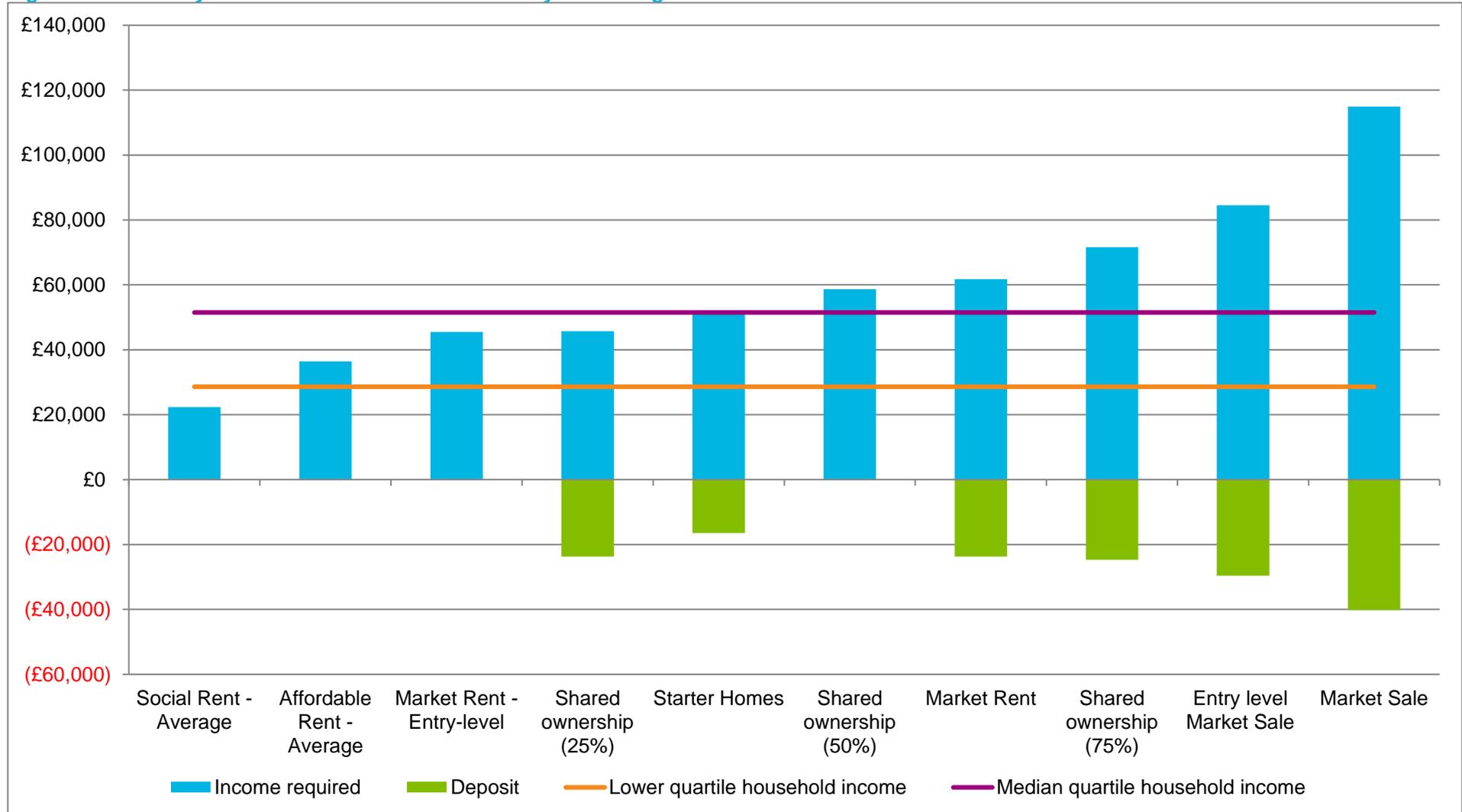
Table 5-7: Affordability thresholds (income required)

Tenure	Cost of purchase	Annual rent	Deposit	Income Required
Social Rent - average	-	£5,590	-	£22,360
Affordable Rent – average	-	£9,101	-	£36,403
Market rent - entry-level	-	£11,376	-	£45,504
Shared ownership (25%)	£73,969	£24,656	£8,219	£45,790
Shared ownership (50%)	£147,938	£13,560	£16,438	£58,705
Starter Homes	£250,000	-	£25,000	£51,429
Market rent	-	£15,450	-	£61,800
Shared ownership (75%)	£221,906	£8,219	£24,656	£71,621
Entry level market sale	£295,875	-	£29,588	£84,536
Market sale	£402,307	-	£40,231	£114,945

Source: AECOM Calculations

186. The income required to afford these different tenures is then benchmarked against the median quartile annual household income of £51,490 and the lower quartile income before housing costs of £28,620. Figure 5-5 shows that households earning around the lower quartile household income can only afford to occupy the Social Rent tenure. This finding is in alignment with the SHMA, which found that 48.4% of South Oxfordshire households can only afford that tenure.

Figure 5-5: Wheatley household income and affordability of housing tenures



Source: AECOM Calculations

187. An estimated 88 households in Wheatley are currently unable to access housing that meets their needs, totaling 120 households in need of AH over the plan period. If Wheatley's housing target of 305 dwellings is provided over the Plan period in accordance with the 40% AH requirement of the South Oxfordshire Local Plan, a total of 122 AH units and 183 market units will be delivered. As these figures are on the cusp of projected AH need, the 40% AH policies are still justified.
188. Since this would not satisfy the AH needs of the community, every effort should be made to maximise AH provision in future while ensuring that overly ambitious targets do not imperil the viability of new development in general. As the Local Plan 40% requirement only applies to developments of 10 or more units, an appropriate policy response may be for the Neighbourhood Plan to lower the minimum threshold above which an AH requirement applies.
189. The Affordable Housing requirement should be in line with the NPPF guidance. In order to provide more affordable dwellings, the parish could look into a rural exception sites, where smaller numbers can be considered, and all units delivered as affordable housing. There is precedence in Wheatley for a rural exception site, known as WHE3, which was completed in 2019.
190. Other tenures may also have a growing role to play in alleviating AH need in Wheatley. Though average annual net household incomes before housing costs are relatively high at £51,490, this level of income is insufficient to occupy all tenures apart from Social Rent, according to our affordability analysis. In this context, creating more affordable routes to home ownership is an equally important priority to the provision of Social Rented accommodation.
191. Wheatley has an incidence of home ownership higher than that of the national average and the wider district, while the proportion of households renting privately is lower than in both South Oxfordshire and England. The proportion renting socially is slightly lower than the district and lower than England. Over the intercensal period, the frequency of ownership and social renting decreased, while private renting expanded greatly, and shared ownership remained stagnant.
192. Private renting has seen tremendous growth, and it is likely that these tenures are becoming more common as a way to meet demand from those priced out of home ownership, which is not close to being affordable for the vast majority of people on average incomes. This trend is occurring regardless of the fact that market renting is not affordable to a household on an average level of income. Shared ownership at a 25% share, however, is within the financial capability of the average household's gross income level and, for lower-priced dwellings, may be a vital option. The stagnation of this type of home ownership suggests a small supply, and it is reasonable to conclude that increasing the supply of shared ownership properties would help to reduce affordability pressures for many households.
193. Delivering more affordable houses for market sale and market rent would also reduce affordability pressures on these tenures and expand the options available to households at all income levels.

5.5.1 The tenure split

194. Policy H9 in the emerging Local Plan outlines the criteria for Affordable Housing (AH) contributions as 40% AH on all sites with a net gain of 10 or more dwellings, or a combined gross internal floorspace of more than 1000sqm.
195. In circumstances where it can be adequately demonstrated that the level of affordable housing being sought would be unviable, alternative tenure mixes and levels of affordable housing provision may be considered.
196. Where AH is required, the Council will expect a tenure mix of 40% affordable rented, 35% social rented and 25% other affordable routes to home ownership.
197. Wheatley should follow this tenure split, as it is required to do so in accordance with the Local Plan.
198. Having said this, such policies should in practice be flexibly applied, given the need for viability. This question is particularly pertinent in rural locations where small infill schemes predominate. For these schemes, providers sometimes reject Social Rented stock due to relatively high maintenance costs, seeking to vary the tenure to Affordable Rent or shared ownership. As we have seen, both of these tenures provide viable options for Wheatley households, and should be well-represented in the dwelling mix.
199. It is important to note this section suggests lowering the threshold for seeking affordable housing contributions. The evidence in this section could be used to help justify local housing need above and beyond what has been identified and provided for in the emerging SOLP.

6. Conclusions

6.1 Findings and recommendations

200. Table 6-1 below summarises issues affecting the quantity and type of housing needed in Wheatley, and the overall HNA recommendations.

Table 6-1: Summary of local issues specific to Wheatley with a potential impact on neighbourhood plan housing characteristics

Issue	Evidence
Quantity	<p>Given that the indicative housing requirement figure that has been provided to Wheatley by South Oxfordshire District Council is zero at the time of writing, there is the potential to calculate an objectively assessed Housing Need Figure (HNF) for the Neighbourhood Plan area.</p> <p>In calculating this HNF, it should be noted that the NPPF places specific obligations on strategic or local planning authorities and no other parties. Having said this, clearly AECOM's calculation will be of most use as a starting point, both to the neighbourhood group and to the LPA, if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.</p> <p>Based on the evidence, this HNA recommends, as an indicative process, following the emerging Local Plan's projection of 15% growth in larger villages. This results in an overall HNF of 305 dwellings at Wheatley, which equates to 22 dwellings per year between 2019 and 2033.</p> <p>The housing figure for South Oxfordshire is derived from the Government's Standard Methodology and is likely to change annually as the Government publish new affordability data each year and new household projections approximately every two years. This could impact on the number of homes required in South Oxfordshire and any indicative housing requirement figure provided by South Oxfordshire for neighbourhood areas.</p> <p>Additionally, this AECOM calculation has the potential to be superseded at any time by SODC, although at the time of writing (May 2019), when this will happen is not known. It is recommended the group continue to liaise with SODC for this reason, in order to plan positively for local housing provision.</p> <p>It should be noted that this figure is a minimum suggested requirement. If there is suitable land and community support, there should be no in-principle barrier to additional housing being provided at Wheatley if South Oxfordshire District Council is open to the idea.</p>
Tenure and affordability	<p>In Wheatley, households earning around the lower quartile household income can only afford to occupy the Social Rent tenure.</p> <p>In accordance with the emerging Local Plan, 40% AH on all sites with a net gain of 10 or more dwellings, or a combined gross internal floorspace of more than 1000sqm. In circumstances where it can be adequately demonstrated that the level of affordable housing being sought would be unviable, alternative tenure mixes and levels of affordable housing provision may be considered. Where AH is required, the Council will expect a tenure mix of 40% affordable rented, 35% social rented and 25% other affordable routes to home ownership.</p> <p>AECOM's calculations suggest a tenure split of 30% routes to home ownership, of which 50% are starter homes and 50% shared ownership, and 70% affordable housing for rent, of which 70% is social rent and 30% affordable rent. Affordable rent in an expensive area such as Wheatley may still be a challenge for many to afford.</p> <p>In total, we estimate that 88 households in Wheatley are currently unable to access housing meeting their needs, and that in total 120 households will likely be in need of AH over the plan period. If Wheatley's housing target of 305 dwellings is provided over the Plan period in accordance with the 40% AH requirement of the South Oxfordshire Local Plan, a total of 122 AH units and 183 market units will be delivered.</p>

Issue

Evidence

However, the margin of delivery is relatively small, so every effort should be made to maximise AH provision in future, while ensuring that overly ambitious targets do not imperil the viability of new development in general. As the Local Plan 40% requirement only applies to developments of 10 or more units, an appropriate policy response may be for the Neighbourhood Plan to lower the minimum threshold above which an AH requirement applies.

Other tenures may also have a growing role to play in alleviating AH need in Wheatley. Though average lower quartile household income is £28,260. This level of income is insufficient to occupy all tenures apart from Social Rent, Affordable Rent, Market Rent and 25% Shared Ownership, according to our affordability analysis. In this context, creating more affordable routes to home ownership is an equally important priority to the provision of Social Rented accommodation.

Shared ownership at a 25% share is within the financial capability of the average household's gross income level and, for lower-priced dwellings, may be a vital option. The stagnation of this type of home ownership suggests a small supply, and it is reasonable to conclude that increasing the supply of shared ownership properties would help to reduce affordability pressures for many households.

Delivering more affordable houses for market sale and market rent would also reduce affordability pressures on these tenures and expand the options available to households at all income levels.

Households with below average incomes in Wheatley are only able to afford Social Rented accommodation. For this reason, we recommend that AH provision should focus on dwellings for Social Rent. This aligns with the Oxfordshire SHMA, which found that South Oxfordshire's AH need is made up of 11.4% Social Rent and 2% intermediate tenures.

We also recommend that Starter Homes be delivered in the area, in accordance with the Government's 10% policy expectation.

The recommended overall tenure split is 30% offering 'routes to home ownership' of which 50% should be Starter Homes and 50% Shared Ownership, and 70% Affordable Housing for rent of which 70% should be Social Rent and 30% Affordable Rent.

6.2 Recommendations for next steps

201. This Neighbourhood Plan housing needs advice aims to provide Wheatley Parish Council with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with South Oxfordshire District Council with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the Neighbourhood Area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, i.e. that the Neighbourhood Plan has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the Neighbourhood Plan contributes to the achievement of sustainable development; and Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies in the adopted local plan;
 - the views of South Oxfordshire Council – in particular in relation to the housing need figure that should be adopted;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers;
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by South Oxfordshire Council, including but not limited to the SHLAA;
 - the potential for exception sites to release land from the Green Belt;
 - the recommendations and findings of this study; and
 - The impact of the new Government-proposed standard methodology on calculating housing need on the district and its neighbourhoods.
202. 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).
203. Bearing this in mind, it is recommended that the steering group carefully monitor forthcoming strategies and documents with an impact on housing policy produced by the LPA or any other relevant body and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
204. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

National Planning Policy Framework Annex 2: Glossary, Affordable Housing

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²¹.

Annual Monitoring Report

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

Basic Conditions

The basic conditions are the legal tests that are made at the examination stage of neighbourhood plans. They need to be met before a plan can progress to referendum.

Backlog need

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

Bedroom Standard²²

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

²¹ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²² See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²³

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

Concealed Families (Census Definition)²⁴

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

Equity Loans/Shared Equity

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

Extra Care Housing²⁵

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 manage day-to-day tasks without assistance. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet.

Fair Share

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

²³ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁴ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

²⁵ See <http://www.housingcare.org/jargon-extra-care-housing.aspx>

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing, such as Starter Homes, the Government's flagship 'housing product'.

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁶, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood plan

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

Older People

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

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

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

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

Overcrowding

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing²⁷

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

²⁷ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for the Elderly

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

Social Rented Housing

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

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

