

Cheveley

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

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

1. Executive Summary

1. Cheveley is a Neighbourhood Area (NA) located in the district of East Cambridgeshire. The NA boundary covers the areas administered by Cheveley Parish Council and is defined in this HNA by statistical geographies known as Output Areas (OAs) so that data can be compared between 2011 and 2021 on a consistent basis. Distinction is also made between the north and south of the NA.
2. The latest Census 2021 data suggests that there were around 2,305 residents in the Cheveley NA, formed into 1,036 households. When compared to data from Census 2011, it appears that the population has declined slightly from 2,391, a fall of 56 people. The number of households has also fallen slightly from 1,059 – 23 fewer households.
3. Dwelling stock data is not yet available from Census 2021 but it is possible to estimate the current size of the housing stock based on Census 2011 figures plus completions since. AECOM estimate that there are currently 1,142 dwellings within the NA. It is noteworthy that the dwelling stock has increased but the population has fallen over the last 10 years.
4. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Parish Council at the outset of the research.
5. East Cambridgeshire's Local Plan 2015 allocated 2 sites for a total of 20 homes in Cheveley. These are understood to have been developed, along with further infill development suggesting the requirement for the Local Plan period has been met. At present, the NA does not have a new requirement and is not required to allocated sites.
6. Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections where necessary to build up evidence at the neighbourhood level.

Tenure, House Prices and Affordability

7. The majority of households in the NA are home owners (66.7%) - this is slightly below the level in the East Cambridgeshire at 68.0% but higher than the England average of 61.3%. Rates of home ownership are substantially higher in the north of the NA at 79.1% and just 57% in the south of the NA (which contains Cheveley village).
8. Households who rent privately account for 16.7% of households in the NA and the level is fairly consistent in the north and south and across East Cambridgeshire but is lower than in England as a whole (20.6%).

9. Between 2011-2021 there has been very little change in tenure, in absolute terms, in Cheveley as a whole. The number of homeowners has remained broadly static. The number of households social renting and in shared ownership has increased marginally. The number in the private rented sector appears to have declined over the period (-12.9%), in contrast to district and national trends which have seen 13% and 20% increases respectively.
10. The current mean average price is around £470,600, with the median average at £400,000 and the lower quartile price at £242,300 at the end of 2022. With the exception of lower quartile prices, house prices in Cheveley are higher than in East Cambridgeshire as a whole which may indicate particular pressures in this area. Average and lower quartile prices in Cheveley are also higher than neighbouring Newmarket.
11. Average house prices (both mean and median) have risen over the last 10 years at 54.4% and 46.2% respectively. Lower quartile prices appear to have remained relatively stable with just 5% growth in 2022 compared to 2013.
12. Average household incomes in Cheveley are around £48,600 (2018 - the most recent year for this dataset). East Cambridgeshire's gross *individual* lower quartile annual earnings were £16,547 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,094.
13. Overall, the affordability of market housing to households on average incomes or lower in Cheveley is particularly poor. Affordable home ownership and affordable rented tenures improve affordability substantially for these households.
14. Households would need an income of around £62,000 to afford to buy a lower quartile priced property on the open market. The average household income is around £48,600, meaning that households would require an annual income 28% higher than the current average to be able to afford one of the cheapest properties on the market.
15. Entry level private renting is generally only affordable to households on average incomes, though it is important to stress that very few properties are available for rent in the NA at present so availability of cheaper rents is likely to be very limited.
16. The East Cambridgeshire Housing Needs of Specific Groups study identified the need for 215 additional affordable homes for social/affordable rent each year in East Cambridgeshire specifically. Pro-rated to the population of Cheveley (2.6% of East Cambridgeshire's population based on 2021 Census figures) this gives an estimated need for 5.6 affordable rented homes in the NA per annum, or 67 homes over the plan period.
17. There are 56 households currently on the waiting list in Cheveley according to data provided by East Cambridgeshire District Council. It is interesting to note that the largest proportion of these households need a 4+ bedroom home to meet the needs of their household (21 of the 56 applicants). The majority of households on the waiting list need family sized accommodation with 3 or more bedrooms.
18. The Housing Needs of Specific Groups study also identifies a net need for 39.0 dwellings for affordable home ownership in East Cambridgeshire per annum. Pro-

rated as above to the Cheveley population gives a need for the NA of 1 dwellings per annum or 12 over the plan period.

19. The AECOM team consider the study may underestimate the potential demand for affordable home ownership because of the assumptions about what these households can afford to buy on the open market.
20. AECOM's in house model aims to estimate the number of households that might wish to own their own home but cannot afford to – the 'can rent, can't buy' and represent potential demand for affordable home ownership.
21. AECOM's estimate suggests there are up to 8.6 households per annum who may be interested in affordable home ownership (or 103 for the Plan period).
22. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent.
23. East Cambridgeshire's adopted policy on this subject HOU3 (Affordable housing provision) requires 40% of all new housing to be affordable in Cheveley on sites of more than 10 dwellings.
24. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
25. The HNA can provide localised evidence and this may be used to support Neighbourhood Plan policies. This report suggests an Affordable Housing tenure mix that might be suitable for Cheveley on the basis of identified housing need and a range of other considerations.
26. This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified. In this context, affordable rented tenures should be prioritised, with around 65% of Affordable Housing delivered in this form. This mix also complies with the various minimum requirements mandated nationally.
27. National policy that First Homes should represent 25% of the affordable mix is reflected here. In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership and 5% to Rent to Buy. This provides flexibility to deliver different forms of affordable home ownership, including for households who may not have sufficient deposits.
28. Where small numbers of Affordable Homes are being delivered through new development schemes, it may not be practicable to deliver different products.
29. The south of the NA has a higher proportion of social/affordable rented accommodation with limited affordable home ownership. The group may wish to consider whether a mix which favours more affordable home ownership on any sites that come forward in the south may improve local choice. Conversely, in the

north of the NA, there is a more limited supply of social/affordable rent and more shared ownership which may point to the need to prioritise rented tenures.

30. Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying exception sites or developing community land trusts.

The Housing Mix

31. The majority of dwellings in Cheveley NA are detached (52%), followed by semi detached (36%). There are fewer smaller property types with terraces and flats accounting for 7% and 5% respectively. The share of different property types in the stock has not changed substantially since 2011.
32. Within the NA, North Cheveley has a stronger bias to detached dwellings but a slightly higher proportion of flats compared to the NA as a whole. This is likely to reflect recent development on the edge of Newmarket which includes apartments. South Cheveley (which includes Cheveley village) has a higher proportion of semi detached homes compared to the north of the NA and district as a whole, though the bias towards larger properties is maintained.
33. The largest proportion of dwellings have 3 bedrooms (39%) with a further 31% with 4 or more bedrooms in 2021. The stock of smaller homes is more limited with 25% having 2 bedrooms and 6% having 1 bedroom.
34. A comparison between 2011 and 2021 shows that little has changed, with some growth in the largest dwellings in number and as a share of the stock. Some caution should be attached to the absolute dwelling numbers as these are based on households occupying dwellings of particular sizes. There may be additional unoccupied dwellings which are not counted in this data set and this is a particular concern for Cheveley because of the use of dwellings for part of the year associated with Newmarket racecourse.
35. Census data suggests there has been a small decline in the resident population of the NA as a whole from 2,391 to 2,305 (-4%) between 2011-2021. This is accounted for by falls in the number of younger people, aged 44 and under. The number of older people, particularly aged 65-84 has increased over the last decade.
36. The population in Cheveley has an older bias compared to the district and England as a whole. Around 26% of the NA population is aged 65 and over, compared to 21% in East Cambridgeshire and 18% in England. The south of Cheveley (including Cheveley village) has an older bias compared to the north which borders Newmarket. However, the south also has a relatively larger share of the population aged 0-14, though consistent with the district and England. This suggested that Cheveley village is a relatively popular location for families with young children.
37. Cheveley NA has a relatively high share of single person households compared to the district as a whole. This is evenly split between those under and over the

age of 65. However, when older couples are added to single older households, these account for 29% of the household population, substantially higher than the district (25%) and England (22%). There is a substantial share of households with dependent children (23%) but this is lower than both the district and England where rates are 27% and 26%.

38. The north and south of Cheveley NA display some different characteristics. Whilst the south (including Cheveley village) has a higher share of older households, the share of households with dependent children is also higher and consistent with the district.
39. AECOM's modelling estimates suggest that Cheveley would benefit from a broad range of dwelling sizes through new development, but that some prioritisation might be given to mid sized (2-3 bedroom) homes in new development. It is important to emphasise that the suggested mix does not take account of new completions since 2011. These have been limited in number (52 in total) so they are unlikely to have shifted the balance substantially.
40. Census 2021 housing mix by size (number of bedrooms) suggests there has been growth in the largest properties (4+ bedrooms) since 2011. There is also concern within the neighbourhood planning group that some larger homes are unoccupied for most of the year as they are used to house visitors to the race course during events or occupied for part of the year due to the travelling patterns of jockeys and racecourse employees. In effect, these properties may not be available to meet local housing demand and needs. On balance, these factors would suggest some prioritisation of smaller and mid sized dwellings through new development to improve the choice of property sizes in the stock.
41. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the parish or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

Specialist Housing for Older People

42. There is a total of 53 units of specialist accommodation in the NA at present, in the form of retirement bungalows, south of Cheveley village, with 1 or 2 bedrooms. There is no on site care or support provided with this scheme but the properties are restricted by age. All dwellings are for social/affordable rent rather than sale.
43. There are currently 292 people aged 74 and over living in Cheveley NA (Census 2021). This is likely to grow to 430 by the end of the plan period, an increase of 138 people, if trends at the district level are replicated locally.
44. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

45. Estimates in this HNA suggest the need for specialist older persons housing could be in the range of 35-42 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation.
46. In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.
47. It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.
48. The majority of older people live in mainstream housing and will continue to do so all of their lives. Around 82% of the Cheveley population aged 75 and over is likely to live in the mainstream housing stock¹. This is consistent with rates at the national level.
49. It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
50. However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with East Cambridgeshire.
51. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings², although changes to Building Regulations have not yet been made.
52. The current adopted Local Plan policy HOU1: Housing Mix provides explicit encouragement for development to accommodate specific groups such as older people. It states that 'developments of 50 or more dwellings will be expected to provide a proportion of dwellings that are suitable or easily adaptable for occupation by the elderly or people with disabilities.'
53. However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here may justify the Parish Council approaching the LPA to discuss setting requirements on accessibility and adaptability at district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application

¹ 292 over 75s in 2021, of which 53 are accommodated in specialist housing, none in care homes within the NA, leaving around 239 people living in mainstream housing. This is approximate since some people in specialist housing will be under the age of 75.

² See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

Second Homes in Cheveley

54. Cheveley NA contained 1,059 households and 1,097 dwellings in 2011, implying that there were 38 dwellings (or 'household spaces') with no usual resident household. 3.5% of dwellings therefore had no usual residents.
55. For comparison, the rate of dwellings that had no usual residents across East Cambridgeshire as a whole in 2011 was 3.2%, similar to Cheveley. For England, the rate was 4.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership.
56. In 2021, the NA contained 1,041 households according to the Census (a slight reduction compared to 2011), with an estimated 1,142 dwellings as of 2021/2022³. This implies that there were 101 dwellings (or 'household spaces') with no usual resident, with empty dwellings accounting for 8.8% of all housing. This implies that the number of homes without usual residents has more than doubled in the last decade and is now double the rate in England as a whole.
57. AECOM examined the number of properties in the NA registered for business rates, specifically self-catering holiday units. As of February 2023, this gave a figure of just one commercial holiday let within the NA. A further two properties were described as 'show homes' – both in the new development at Meadow Lane. Cross checking with properties advertised on Airbnb suggests there is one property which is let on Airbnb within the NA at present.
58. Given that the dwellings without residents do not appear to be registered as holiday lets, it is possible to assume that these additional properties are second homes either for personal use or in line with the group's anecdotal evidence that properties are used for short periods of time and associated with Newmarket Racecourse activities. These properties may serve an important function for the racecourse, but from the perspective of the HNA and Neighbourhood Plan, these properties are not available to rent or buy for local residents.
59. It is possible to infer that with rising levels of second home ownership in the NA, the apparent role of homes attached to Newmarket Racecourse, that this has had an adverse effect on affordability and access to new housing for local people. Specifically, in this case, new housing that has been delivered in recent years has not always met local needs and demands.

³ Based on 2011 Census plus completions data to 2021/2022 for Cheveley Parish from East Cambridgeshire District Council Annual Monitoring Reports which show 45 net new dwellings. Data on the number of dwellings (as oppose to households) is not yet available from Census 2021.

2. Context

Local context

- 2.1 Cheveley is a Neighbourhood Area (NA) located in the district of East Cambridgeshire in the East of England region. The NA boundary includes the whole of Cheveley Parish, extending from the edge of Newmarket and including the villages of Cheveley and Broad Green.
- 2.2 The Neighbourhood Plan period is 2023 to 2035, therefore covering a period of 12 years. The evidence supplied in this report will look forward to the Plan end date of 2035, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
- 2.3 The neighbourhood area includes the village of Cheveley in the centre of the parish, the edge of Newmarket in the north and smaller village of Broad Green in the south. Cheveley lies to the south east of Newmarket town and approximately equidistant between Cambridge to the west and Bury St Edmunds to the east.
- 2.4 Cheveley is a linear village located four miles south-east of Newmarket. Cheveley has a good range of local services including a church, post office, village store, public house, primary school, community room (within the school) and recreation ground. There is a regular bus service to Newmarket. Newmarket Racecourse has an influence on the economy and activities within Cheveley NA. A number of Stud Farms and stables exist within the parish, including within Cheveley Village. The north of the parish, on the fringe of Newmarket, has also experienced new housing development where anecdotal evidence suggests that some new homes have been purchased to serve the needs of the racecourse (visiting jockeys etc).
- 2.5 There is a clear distinction between Cheveley village and the south of the parish and Newmarket fringe to the north. These areas are not defined within the existing statistical geographies however. As such, AECOM has provided an approximate definition built up from Output Areas (the smallest statistical geographies) so that this HNA can make distinction between the north and south of the NA (see Figure 2-2 below).

The NA boundary and key statistics

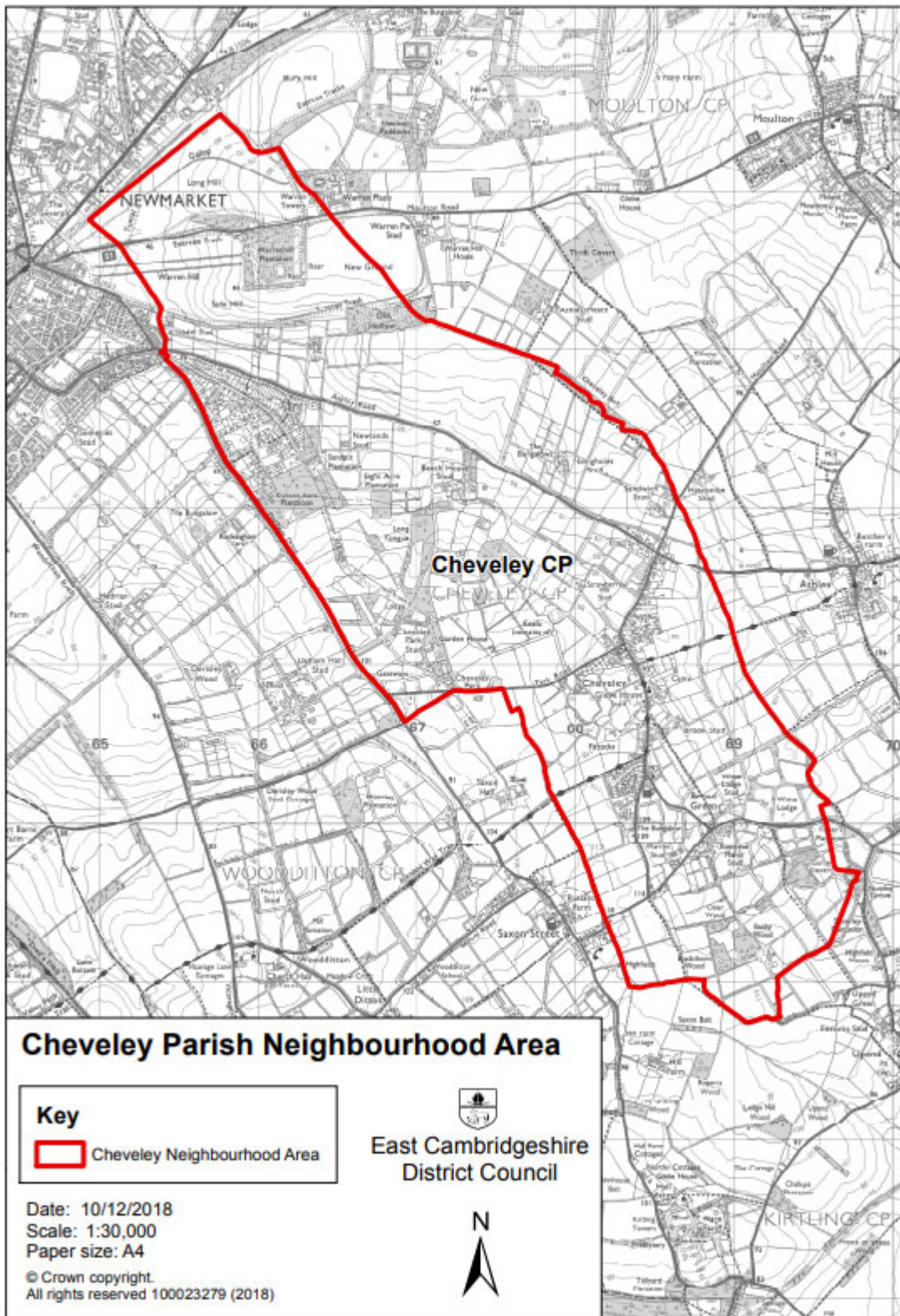
- 2.6 A map of the Plan area appears below in Figure 2-1. Whilst the plan area relates to ECDC parish boundaries for 2019, the neighbourhood area does not conform easily to statistical geographies available for the Census 2021 and 2011. As such, one of the Output areas used to define the NA extends outside of the parish boundary. The area included is sparsely populated so will not distort the figures in the HNA but this should be borne in mind when citing precise figures of population or dwellings.
- 2.7 For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Cheveley is provided in Map 2-2 and further detail in Appendix A.

2.8 The NA equates to the following combination of OAs, with distinction made between those in the north and south of the NA:

- E00090887 (south)
- E00090889 (north)
- E00090890 (north)
- E00090891 (south)
- E00165838 (north)
- E00173718 (south)
- E00173719 (south)

2.9 Figure 2-2 shows the OA boundaries. The south (4 OAs) contains Cheveley village and the south of the NA including Broad Green. The north (3 OAs) extends to the fringe of Newmarket.

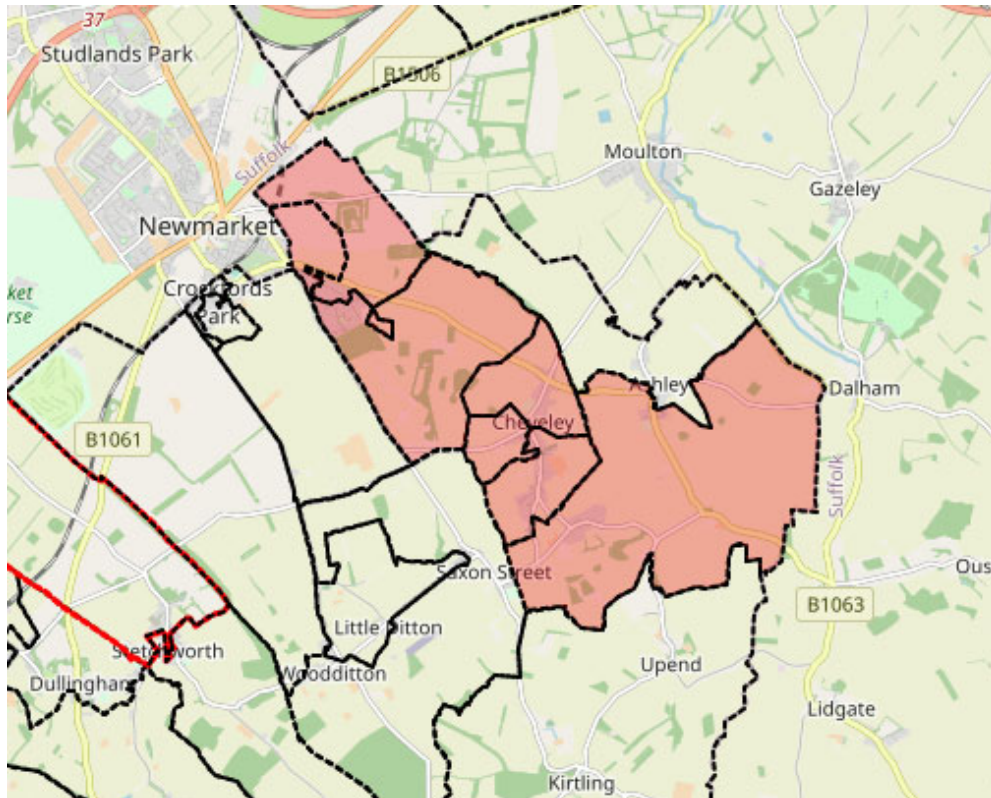
Figure 2-1: Map of the Cheveley Neighbourhood Area



Source: East Cambridgeshire District Council⁴

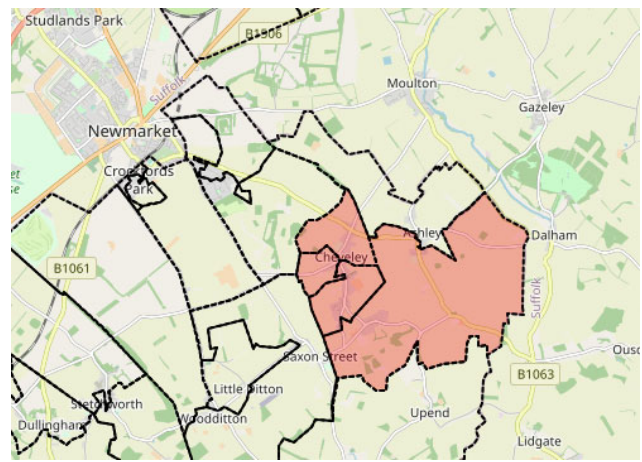
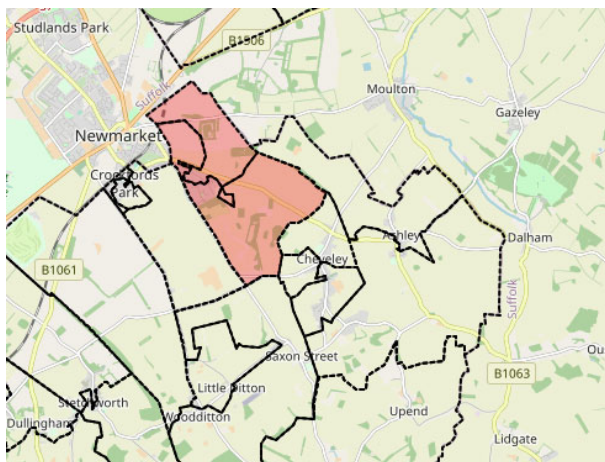
⁴ Available at [CheveleyNA.pdf \(eastcambs.gov.uk\)](http://CheveleyNA.pdf(eastcambs.gov.uk))

Figure 2-2: Statistical Geographies (Output Areas) in Cheveley NA



‘North’ - 3 Output Areas

‘South’ – 4 Output Areas



Source: ONS (Nomis)

2.10 The latest Census 2021 data suggests that there were around 2,305 residents in the Cheveley NA, formed into 1,036 households. When compared to data from Census 2011, it appears that the population has declined slightly from 2,391, a fall of 56 people. The number of households has also fallen slightly from 1,059 – 23 fewer households.⁵

2.11 Dwelling stock data is not yet available from Census 2021 but it is possible to estimate the current size of the housing stock based on Census 2011 figures plus completions since. AECOM estimate that there are currently 1,142 dwellings

⁵ As noted at paragraph 2-6 above, these are indicative figures for the NA as the boundary does not conform to statistical areas and so these figures include some people and dwellings outside of the NA area.

within the NA. It is noteworthy that the dwelling stock has increased but the population has fallen over the last 10 years.

The housing market area context

- 2.12 Whilst this HNA focuses on Cheveley NA it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.
- 2.13 In the case of Cheveley, the NA sits within Cambridge Housing Market Area which covers Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire, and West Suffolk. This means that when households who live in these authorities move home, the vast majority move within this geography.
- 2.14 **At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Cheveley are closely linked to other areas.** In the case of Cheveley changes in need or demand in settlements nearby, such as Newmarket in West Suffolk, is likely to impact on the neighbourhood.
- 2.15 In summary, Cheveley NA functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (East Cambridgeshire), it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

- 2.16 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.⁶ In the case of East Cambridgeshire, the relevant adopted Local Plan consists of:
- 2.17 The East Cambridgeshire Local Plan Adopted 2015 and the Single Issue Review of the Local Plan (examination began in 2022).
- 2.18 A detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B. Here, it is worth summarising the most important points of the Local Plan:
- The Single Issue Local Plan Review identifies an overall housing target of 600 homes per year for the district;

⁶ A description of the Basic Conditions of Neighbourhood Planning is available at <https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum>

- Policy GROWTH 2: Locational strategy states that the majority of development will be focused on the market towns of Ely, Soham and Littleport. Outside defined development envelopes, development will be strictly controlled, having regard to the need to protect the countryside and the setting of towns and villages. Development will be restricted and may be permitted as an exception in the case of community-based development (see Policy GROWTH 6), which may include uses such as affordable housing;
- Policy HOU2 states that 40% of all new dwellings are expected to be delivered as Affordable Housing on sites larger than 10 homes. The suggested tenure mix within Affordable Housing is not specified in policy but is expected to be based on the latest available evidence;

Quantity of housing to provide

2.19 The NPPF 2021 (paragraphs 66 and 67) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.20 East Cambridgeshire District Council fulfilled that requirement by allocating 2 sites for 20 homes in Cheveley in the Local Plan 2015. These are understood to have been developed, along with further infill development suggesting the requirement for the Local Plan period has been met. At present, the NA does not have a new requirement and, as such, is not required to allocate new housing sites at present.

3. Objectives and approach

Objectives

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

Affordability and Affordable Housing

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

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

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

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

Type and Size

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

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

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

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

Specialist Housing for Older People

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

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

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

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

Second Homes

3.10 This chapter considers the potential scale of second homes ownership, including commercial holiday lets, in the NA. The approach is as follows:

- To estimate the **current level** of second home ownership (including commercial holiday lets);
- To discuss the potential **policy options** relating to second homes in the NA.

Approach

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

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information at the neighbourhood level;
- ONS population and household projections for future years;

- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk) and crossed checked with Rightmove;
- Local Authority housing waiting list data; and
- Housing Needs of Specific Groups study by GL Hearn in 2021.

3.12 Data from the 2021 Census is being released throughout 2023. At present, the available data covers population (although not at the most localised level), households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, including parishes, will not be available until later in 2023, as well as data comparing numerous variables. As such, neighbourhood level HNAs will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

4. Affordability and Affordable Housing

Introduction

- 4.1 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.
- 4.2 This chapter has three aims, each given its own sub-section:
- 4.3 To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- 4.4 To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- 4.5 To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.
- 4.6 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

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

product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.⁷

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

Current tenure profile

- 4.10 The current tenure profile is a key feature of the Neighbourhood Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.
- 4.11 Table 4-1 presents data on tenure in Cheveley, distinguishing between the north and south of the NA and compared with East Cambridgeshire and England from the 2021 Census.
- 4.12 The majority of households in the NA are home owners (66.7%) - this is slightly below the level in the East Cambridgeshire at 68.0% but higher than the England average of 61.3%. Rates of home ownership are substantially higher in the north of the NA at 79.1% and just 57% in the south of the NA (which contains Cheveley village). This can in part be attributed to the larger stock of social/affordable rented housing in the south, at over one quarter of households. In contrast, the north of the NA has almost no social rented housing.
- 4.13 Households who rent privately account for 16.7% of households in the NA and the level is fairly consistent in the north and south and across East Cambridgeshire. It is lower than in England as a whole (20.6%).

Table 4-1: Tenure (households) in Cheveley, 2021

Tenure	Cheveley	North Cheveley	South Cheveley	East Cambridgeshire	England
Owned	66.7%	79.1%	57.0%	68.0%	61.3%
Shared ownership	2.1%	4.1%	0.5%	1.5%	1.0%
Social rented	14.5%	0.7%	25.3%	14.0%	17.1%
Private rented	16.7%	16.1%	17.2%	16.5%	20.6%

Sources: Census 2021, AECOM Calculations

- 4.14 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-2). There has been very little change in absolute terms in the NA as a whole. The number of homeowners has remained broadly static. The number of households social renting and in shared ownership has increased marginally. The number in the private rented sector appears to have declined over the period (-12.9%), in contrast to district and national trends

⁷ The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hws48>. The relevant update to PPG is available here: <https://www.gov.uk/guidance/first-homes#contents>.

which have seen 13% and 20% increases respectively. This is surprising given the strong national trends towards increased private renting, driven in particular by declining affordability. However, the decline represents a relatively small number of private renters in the NA so it is difficult to draw definitive conclusions about why the trends might be different here. One hypothesis might be that households in the PRS, who are generally aspiring to own their own homes at some point, may have move to other areas to access cheaper market housing, or affordable home ownership options.

Table 4-2: Tenure change (households) in Cheveley (whole NA), 2011-2021

Tenure	2011	2021	% change
Owned	696	698	0.3%
Shared ownership	19	22	15.8%
Social rented	143	152	6.3%
Private rented	201	175	-12.9%

Sources: Census 2021 and 2011, AECOM Calculations

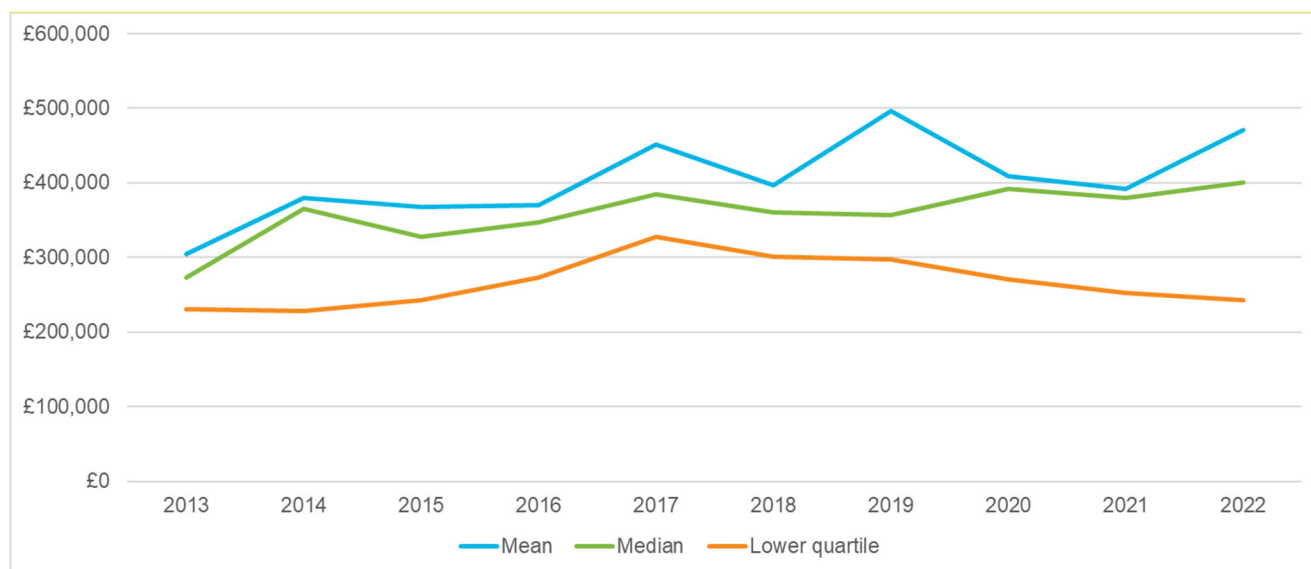
Affordability

House prices

- 4.15 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.
- 4.16 Figure 4-1 presents average and lower quartile house prices in Cheveley based on sales price data published by the Land Registry. Average prices (both mean and median) have risen over the last 10 years at 54.4% and 46.2% respectively. Lower quartile prices appear to have remained relatively stable with just 5% growth in 2022 compared to 2013, though the relatively small number of transactions can distort figures so some caution should be applied to this data.
- 4.17 The current mean average price is around £470,600, with the median average at £400,000 and the lower quartile price at £242,300 at the end of 2022. Because the mean captures the average of all the house prices, both high and low, the few outlying data points on the high end cause the mean to increase, making it higher than the median. Median prices (the middle number when you sort the data from smallest to largest) are typically used as a more representative average.
- 4.18 The lower quartile price is the middle figure of the lowest 50% of prices and a good representation of the cost of entry-level housing. Mean average prices are almost double lower quartile prices in the NA.
- 4.19 With the exception of lower quartile prices, house prices in Cheveley are higher than in East Cambridgeshire as a whole which may indicate particular pressures

in this area. The mean average price in Cheveley is also higher than in neighbouring Newmarket (at £415,400 in 2022) compared to £470,600 in Cheveley. Similarly, the lower quartile price in Newmarket was £215,000 compared to £242,300 in Cheveley. In part, this reflects a different mix of housing in the town compared to the more rural parish, which impacts on average prices, but also likely reflects the popularity of Cheveley as a location.

Figure 4-1: House prices in Cheveley, 2013-2022



Source: Land Registry PPD

4.20 Table 4-3 breaks down house prices by type, presenting the median within each type. It shows that detached dwellings are priced substantially higher than other dwelling types and have also increased in price at the greatest rate over the last 10 years. Again, given the small sample when broken down by type, the average price can be influenced by the quality and attributes of particular dwellings that are sold in one year. Nevertheless, year on year there appears to be a substantial differences between the price of detached and semi detached homes. Flats are the cheapest property year on year, though there are very few flat sales so availability of these less expensive properties is limited.

Table 4-3: Median house prices by type in Cheveley NA, 2012-2021

Type	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	PRICE GROWTH
Detached	£356k	£501k	£370k	£425k	£478k	£430k	£385k	£498k	£444k	£640k	79.8%
Semi-detached	£247k	£202k	£328k	£288k	£354k	£314k	£295k	£380k	£344k	£254k	2.7%
Terraced	£181k	£238k	£193k	£295k	£215k	£220k	£308k	£305k	£337k	£219k	21.3%
Flats	-	£75k	£78k	£85k	£91k	-	£175k	£99k	£103k	£115k	~
All Types	£274k	£365k	£328k	£347k	£385k	£361k	£357k	£393k	£380k	£400k	46.2%

Source: Land Registry PPD ~ absence of flats sold in particular years means comparable price growth cannot be calculated

4.21 The small number of transactions within the north and south of the NA means that prices cannot be broken down robustly. At the time of writing (Feb 2023), there were 14 properties on the market for sale in the NA as a whole according to Rightmove, 5 of which were detached (located in both north and south) and 6

flats which were clustered in the north of the NA. This is likely to have a bearing on average prices across the NA since flats are cheaper properties and will therefore affect average prices.

Income

- 4.22 Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.
- 4.23 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average total household income locally was £48,600 in 2018 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.
- 4.24 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. East Cambridgeshire's gross individual lower quartile annual earnings were £16,547 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,094.
- 4.25 It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

Affordability Thresholds

- 4.26 To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.
- 4.27 AECOM has determined thresholds for the income required in Cheveley to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.
- 4.28 The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although

different approaches are sometimes taken and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

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

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

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £48,600	Affordable on LQ earnings (single earner)? £16,574	Affordable on LQ earnings (2 earners)? £33,094
Market Housing						
Median House Price	£359,955	-	£102,844	No	No	No
Estimated NA New Build Entry-Level House Price	£218,025	-	£62,293	No	No	No
LQ/Entry-level House Price	£218,025	-	£62,293	No	No	No
LA New Build Median House Price	£283,500	-	£81,000	No	No	No
Average Market Rent	-	£19,200	£64,000	No	No	No
Entry-level Market Rent	-	£14,160	£47,200	Yes	No	No
Affordable Home Ownership						
First Homes (-30%)	£152,618	-	£43,605	Yes	No	No
First Homes (-40%)	£130,815	-	£37,376	Yes	No	No
First Homes (-50%)	£109,013	-	£31,146	Yes	No	Yes
Shared Ownership (50%)	£109,013	£3,028	£41,240	Yes	No	No
Shared Ownership (25%)	£54,506	£4,542	£30,714	Yes	No	Yes
Shared Ownership (10%)	£21,803	£5,451	£24,398	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£6,566	£21,863	Yes	No	Yes
Social Rent	-	£5,331	£17,751	Yes	No	Yes

Source: AECOM Calculations

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

treated as indicative of affordability generally but not necessarily definitive for any particular household.

- 4.31 Overall, the affordability of market housing to households on average incomes or lower in Cheveley is particularly poor. Affordable home ownership and affordable rented tenures improve affordability substantially for these households.

Market housing for purchase and rent

- 4.32 In terms of housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. Market housing, even with the benefit of a higher than average income, is likely to remain out of reach to most. Households would need an income of around £62,000 to afford to buy a lower quartile priced property on the open market. The average household income is around £48,600, meaning that households would require an annual income 28% higher than the current average to be able to afford one of the cheapest properties on the market.

- 4.33 Entry level private renting is generally only affordable to households on average incomes, though it is important to stress that very few properties are available for rent in the NA at present so availability of cheaper rents is likely to be very limited. Households made up of lower quartile earners cannot afford the given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

Affordable home ownership

- 4.34 There is a relatively large group of households in Cheveley who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £42,200 per year (at which point entry-level rents become affordable) and £62,293 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

- 4.35 First Homes have been designed to be the Government's flagship affordable home ownership product. The Local Plan (2015) predates the policy that requires 25% of affordable homes to be delivered as First Homes⁸, but this is likely to be a material consideration which is given weight in planning applications.

- 4.36 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the

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

discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

- 4.37 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. These estimates suggest First Homes which are offered at a 30% discount (on new build entry level prices) would be affordable to households on average incomes in the NA. This discount would not be sufficient for households on lower quartile earnings (single or dual earners) to afford, though it is possible that some of these households may be able to access First Homes at a 50% discount.
- 4.38 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. It is also likely to affect the business models of affordable housing providers as First Homes will be delivered directly by developers, in contrast to other established affordable home ownership products which are delivered by affordable housing providers in partnership with developers as part of the affordable housing contribution.
- 4.39 The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If Cheveley Parish Council intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.
- 4.40 Shared ownership appears to be slightly more affordable than First Homes but is broadly accessible to the same groups on the basis of income requirements. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.⁹ If this is delivered in the NA, it will make shared ownership easier to access for more people. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.
- 4.41 As noted above, shared ownership is typically provided by affordable housing providers and often part of a 'package' of affordable housing, including rented, which is delivered on any one scheme. The introduction of First Homes could impact on the delivery of other forms of affordable home ownership because of the different mechanisms for delivery.
- 4.42 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7

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

years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would allow households on average incomes to access this product. However, discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, out of reach to average income households. However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households. It is relevant to note that Rent to Buy may not be offered by all affordable housing providers so its availability is more limited than shared ownership.

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

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs rather than mortgage plus rent (as in the case of shared ownership) which offers a simpler model for many households.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent (as well as service charges in some cases), so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting (on the basis of cost) but entails a slow accumulation of the funds that can provide an eventual route to ownership. As noted above, this product may not be available from all housing providers

Affordable and Social rented housing

4.44 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in East Cambridgeshire and therefore this is likely to be true in Cheveley too.

4.45 Affordable rented housing is generally affordable to households with two lower earners depending on their household size. However, households with a single

lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will require additional subsidy through Housing Benefit to access housing.

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

Estimates of the need for Affordable Housing

4.47 This section seeks to quantify the long-term potential need for Affordable Housing, which should be considered separately for affordable rented housing and affordable routes to ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.

4.48 The starting point for understanding the need for affordable housing in Cheveley is the latest local authority (or housing market area) housing study. A Housing Needs of Specific Groups study was undertaken in October 2021 for Cambridgeshire and West Suffolk¹⁰. This study estimates the need for affordable housing in the district based on analysis of the Council's housing waiting list and analysis of other data sets in line with Planning Practice Guidance at the time.

Affordable Housing for Rent

4.49 The Housing Needs of Specific Groups study identified the net need for 215 additional affordable homes for social/affordable rent each year in East Cambridgeshire specifically. Pro-rated to the population of Cheveley (2.6% of East Cambridgeshire's population based on 2021 Census figures) this gives an estimated need for 5.6 affordable rented homes in the NA per annum, or 67 homes over the plan period (2023-2035).

4.50 There are 56 households currently on the waiting list in Cheveley according to data provided by East Cambridgeshire District Council. It is interesting to note that the largest proportion of these households need a 4+ bedroom home to meet the needs of their household (21 of the 56 applicants). The majority of households on the waiting list need family sized accommodation with 3 or more bedrooms. The need for different sized homes from those on the waiting list in Cheveley is as follows:

- 9 x 1 bedroom

¹⁰ Available at: <https://cambridgeshireinsight.org.uk/wp-content/uploads/2021/10/CWS-Housing-Needs-of-Specific-Groups-Oct21.pdf>

- 15 x 2 bedrooms
- 11 x 3 bedrooms
- 21 x 4+ bedrooms

Affordable Home Ownership

4.51 Turning to the demand for affordable home ownership, the report identifies a net need for 39.0 dwellings for affordable home ownership in East Cambridgeshire per annum. Pro-rated as above to the Cheveley population gives a need for the NA of 1 dwellings per annum or 12 over the plan period.

4.52 The Housing Needs of Specific Groups study by GL Hearn makes the assumption in the estimate for affordable home ownership that around half the homes priced at the lower quartile level may be affordable and available to meet the needs of households with an income gap between buying and renting. however, AECOM expect that the extent of this is limited for the following reasons:

- a) the majority of these households have insufficient deposits and deposit requirements are not reduced substantially enough at the cheaper end of the market;
- b) properties priced below lower quartile levels tend to be small and will not be suitable for all households (e.g. families); and
- c) the lowest priced properties may be in poor condition and/or requiring substantial investment to ensure they are habitable.

4.53 Because of the assumptions made regarding affordable home ownership, AECOM have calculated a figure for Cheveley in Table 4-7. Table 4-7 estimates the potential demand in Cheveley. This model aims to estimate the number of households that might wish to own their own home but cannot afford to – the ‘can rent, can’t buy’ group described in the previous section. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.

4.54 There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.¹¹ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

¹¹ <http://www.ipsos-mori-generations.com/housing.html>

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

Component of need or supply in the AECOM estimate	Per annum
Current need	8.6
Newly arising need	1.0
Supply	1.1
Net shortfall (or surplus)	8.6

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

- 4.55 The result of the calculation is 8.6 households per annum who may be interested in affordable home ownership (or 103 for the entirety of the Plan period). Again, this assumes a rate of turnover in the existing stock will satisfy some need, though this is extremely minimal because of the lack of shared ownership in the NA currently.
- 4.56 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are less acute than those on the waiting list for affordable rented housing.

Affordable Housing policies in Neighbourhood Plans

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

Application of Local Plan policies

- 4.58 East Cambridgeshire's adopted policy on this subject HOU3 (Affordable housing provision) requires 40% of all new housing to be affordable in Cheveley on sites of more than 10 dwellings. Given that Affordable Housing made up approximately 15.1% of new housing across East Cambridgeshire as a whole over the last decade according to the Council's Annual Monitoring Reports it is therefore understood that the 40% target is usually not met on sites.
- 4.59 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

4.60 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures is not specified in the Local Plan.

Affordable Housing at Neighbourhood level

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

4.62 This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures are likely to be prioritised, with around 65% of Affordable Housing delivered in this form. This is because the need for affordable rented homes represents acute needs, whereas the need (or rather potential demand) for affordable home ownership relates to households who are not in acute need but would prefer to own rather than rent. There is no guideline mix in the adopted Local Plan but the plan seeks a mix which reflects the local need at the time, using the SHMA as a starting point. This mix also complies with the various minimum requirements mandated nationally.

4.63 National policy that First Homes should represent 25% of the affordable mix is reflected here. In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership and 5% to Rent to Buy. This provides flexibility to deliver different forms of affordable home ownership, including for households who may not have sufficient deposits.

4.64 Where small numbers of Affordable Homes are being delivered through new development schemes, it may not be practicable to deliver different products. However, Table 4-5 provides a starting point to think about the mix of Affordable Housing, taking into account local circumstances.

4.65 Another relevant factor is the different mix of Affordable Housing within Cheveley at present. The south of the NA has a higher proportion of social/affordable rented accommodation with limited affordable home ownership. The group may wish to consider whether a mix which favours more affordable home ownership on any sites that come forward in the south may improve local choice. Conversely, in the north of the NA, there is a more limited supply of social/affordable rent and more shared ownership which may point to the need to prioritise rented tenures. However, variations in tenure within a relatively small area, and one which is not self contained, is part of the normal pattern within the wider housing market area. So the objective to improve choice locally will need to be balanced against the objectives of the wider district and market area eg which may involve maximising the provision of particular forms of affordable housing.

4.66 Where the Parish Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with ECDC to determine what additional evidence

(notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

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

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	35%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	65%	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

Current tenure profile

- 4.67 The majority of households in the NA are home owners (66.7%) - this is slightly below the level in the East Cambridgeshire at 68.0% but higher than the England average of 61.3%. Rates of home ownership are substantially higher in the north of the NA at 79.1% and just 57% in the south of the NA (which contains Cheveley village).
- 4.68 Households who rent privately account for 16.7% of households in the NA and the level is fairly consistent in the north and south and across East Cambridgeshire but is lower than in England as a whole (20.6%).
- 4.69 Between 2011-2021 there has been very little change in tenure, in absolute terms, in Cheveley as a whole. The number of homeowners has remained broadly static. The number of households social renting and in shared ownership has increased marginally. The number in the private rented sector appears to

have declined over the period (-12.9%), in contrast to district and national trends which have seen 13% and 20% increases respectively.

Affordability

- 4.70 The current mean average price is around £470,600, with the median average at £400,000 and the lower quartile price at £242,300 at the end of 2022.
- 4.71 Average house prices (both mean and median) have risen over the last 10 years at 54.4% and 46.2% respectively. Lower quartile prices appear to have remained relatively stable with just 5% growth in 2022 compared to 2013.
- 4.72 With the exception of lower quartile prices, house prices in Cheveley are higher than in East Cambridgeshire as a whole which may indicate particular pressures in this area.
- 4.73 Average household incomes in Cheveley are around £48,600 (2018 - the most recent year for this dataset). East Cambridgeshire's gross *individual* lower quartile annual earnings were £16,547 in 2020. To estimate the income of households with two lower quartile earners, this figure is doubled to £33,094.
- 4.74 Overall, the affordability of market housing to households on average incomes or lower in Cheveley is particularly poor. Affordable home ownership and affordable rented tenures improve affordability substantially for these households.
- 4.75 Households would need an income of around £62,000 to afford to buy a lower quartile priced property on the open market. The average household income is around £48,600, meaning that households would require an annual income 28% higher than the current average to be able to afford one of the cheapest properties on the market.
- 4.76 Entry level private renting is generally only affordable to households on average incomes, though it is important to stress that very few properties are available for rent in the NA at present so availability of cheaper rents is likely to be very limited.

The need for Affordable Housing

- 4.77 The East Cambridgeshire Housing Needs of Specific Groups study identified the need for 215 additional affordable homes for social/affordable rent each year in East Cambridgeshire specifically. Pro-rated to the population of Cheveley (2.6% of East Cambridgeshire's population based on 2021 Census figures) this gives an estimated need for 5.6 affordable rented homes in the NA per annum, or 67 homes over the plan period.
- 4.78 There are 56 households currently on the waiting list in Cheveley according to data provided by East Cambridgeshire District Council. It is interesting to note that the largest proportion of these households need a 4+ bedroom home to meet the needs of their household (21 of the 56 applicants). The majority of households on their waiting list need family sized accommodation with 3 or more bedrooms.
- 4.79 The Housing Needs of Specific Groups study also identifies a net need for 39.0 dwellings for affordable home ownership in East Cambridgeshire per annum.

Pro-rated as above to the Cheveley population gives a need for the NA of 1 dwellings per annum or 12 over the plan period.

- 4.80 The AECOM team consider the study may underestimate the potential demand for affordable home ownership because of the assumptions about what these households can afford to buy on the open market.
- 4.81 AECOM's in house model aims to estimate the number of households that might wish to own their own home but cannot afford to – the 'can rent, can't buy' and represent potential demand for affordable home ownership.
- 4.82 AECOM's estimate suggests there are up to 8.6 households per annum who may be interested in affordable home ownership (or 103 for the Plan period).
- 4.83 It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent.

Affordable Housing policy

- 4.84 East Cambridgeshire's adopted policy on this subject HOU3 (Affordable housing provision) requires 40% of all new housing to be affordable in Cheveley on sites of more than 10 dwellings.
- 4.85 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
- 4.86 The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This report suggests an Affordable Housing tenure mix that might be suitable for Cheveley on the basis of identified housing need and a range of other considerations.
- 4.87 This indicative mix is chiefly a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified. In this context, affordable rented tenures should be prioritised, with around 65% of Affordable Housing delivered in this form. This mix also complies with the various minimum requirements mandated nationally.
- 4.88 National policy that First Homes should represent 25% of the affordable mix is reflected here. In the interests of diversity and maximizing choice, a further 5% is allocated to shared ownership and 5% to Rent to Buy. This provides flexibility to deliver different forms of affordable home ownership, including for households who may not have sufficient deposits.
- 4.89 Where small numbers of Affordable Homes are being delivered through new development schemes, it may not be practicable to deliver different products.
- 4.90 The south of the NA has a higher proportion of social/affordable rented accommodation with limited affordable home ownership. The group may wish to consider whether a mix which favours more affordable home ownership on any sites that come forward in the south may improve local choice. Conversely, in the

north of the NA, there is a more limited supply of social/affordable rent and more shared ownership which may point to the need to prioritise rented tenures.

- 4.91 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, given that there is no requirement in the Local Plan to provide additional housing in the Neighbourhood Area, if the community wishes to boost the supply of affordable housing, there are other, more proactive routes available for its provision. For example, using community development orders, identifying affordable housing exception sites or developing community land trusts.

5. Type and Size

Introduction

- 5.1 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.
- 5.2 This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific wants and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.
- 5.3 This chapter has three aims, each given its own sub-section:
- To establish what **mix** of housing exists in the NA at present;
 - To describe characteristics of the local **population** that are relevant to housing need; and
 - To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.
- 5.4 It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.
- 5.5 The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

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

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

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

The current housing mix

5.6 This section establishes the current housing mix in Cheveley and distinguishes, where possible, between the north and south of the NA, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

5.7 Table 5-1 shows the current mix of dwellings in Cheveley NA and how this has changed over the last 10 years. The majority of dwellings are detached (52%), followed by semi detached (36%). There are fewer smaller property types with terraces and flats accounting for 7% and 5% respectively. The share of different property types in the stock has not changed substantially since 2011. As noted in Section 2, the area of analysis extends slightly outside of the NA boundary and so these figures should be considered indicative rather than a precise reflection of the stock.

Table 5-1: Accommodation type, Cheveley, 2011-2021

Dwelling type	2011	%	2021	%
Detached	581	53%	540	52%
Semi-detached	371	34%	375	36%
Terrace	95	9%	72	7%
Flat	47	4%	48	5%
Other	3	0%	1	0%
Total	1,097	100%	1,036	100%

Source: ONS 2021 and 2011, AECOM Calculations

5.8 Table 5-2 compares the NA mix to wider benchmarks. It shows that the housing mix in the NA is biased towards larger property types when compared to the district as a whole but especially so when compared to England. Within the NA, North Cheveley has a stronger bias to detached dwellings but a slightly higher proportion of flats compared to the NA as a whole. This is likely to reflect recent development on the edge of Newmarket which includes apartments. South

Cheveley (which includes Cheveley village) has a higher proportion of semi detached homes compared to the north of the NA and district as a whole, though the bias towards larger properties is maintained.

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

	Total	Detached	Semi-detached	Terraced	Flats	Other
North Cheveley	100%	61%	29%	4%	6%	0%
South Cheveley	100%	45%	42%	10%	4%	0%
Cheveley	100%	52%	36%	7%	5%	0%
East Cambridgeshire	100%	42%	32%	17%	8%	1%
England	100%	23%	31%	23%	22%	0%

Source: Census 2021, AECOM Calculations

Dwelling size

5.9 Table 5-3 below presents the current housing mix in terms of size. It shows that the largest proportion of dwellings have 3 bedrooms (39%) with a further 31% with 4 or more bedrooms in 2021. The stock of smaller homes is more limited with 25% having 2 bedrooms and 6% having 1 bedroom.

5.10 A comparison between 2011 and 2021 shows that little has changed, with some growth in the largest dwellings in number and as a share of the stock. Some caution should be attached to the absolute dwelling numbers as these are based on households occupying dwellings of particular sizes. There may be additional unoccupied dwellings which are not counted in this data set and this is was raised as a concern by the neighbourhood planning group because of the perceived use of dwellings for part of the year associated with the race course.

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

Number of bedrooms	2011	%	2021	%
1	66	6%	61	6%
2	269	25%	256	25%
3	423	40%	403	39%
4+	301	28%	318	31%
Total	1,059	100%	1,038	100%

Source: ONS 2021 and 2011, AECOM Calculations

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

Number of bedrooms	North Cheveley	South Cheveley	Cheveley	East Cambridgeshire	England
1	2%	9%	6%	7%	12%
2	20%	28%	25%	26%	27%
3	42%	36%	39%	39%	40%
4+	36%	26%	31%	29%	21%

Source: Census 2021, AECOM Calculations

5.11 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country and within Cheveley itself. Cheveley NA has a very similar profile to East Cambridgeshire. It has a strong

bias towards larger dwellings (of 4+ bedrooms) compared to England, though this is not uncommon for predominately rural parishes. The north of Cheveley, which borders Newmarket, has a higher proportion of larger (4+ bedroom) dwellings compared to the NA as a whole.

Population characteristics

5.12 Having This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data from the Census 2021 is used. However, for some information it is necessary to fall back on the 2011 Census (eg where multivariate data has not yet been released ie comparing two or more variables).

Age

5.13 Table 5-5 shows the most recent estimated age structure of the NA population from the Census 2021, alongside 2011 Census figures for comparison. The data suggests there has been a small decline in the resident population of the NA as a whole (-4%). This is accounted for by falls in the number of younger people, aged 44 and under. The number of older people, particularly aged 65-84 has increased over the last decade.

Table 5-5: Age structure of Cheveley, 2011 and 2021

Age group	2011		2021		Change 2021-2021	%
0-15	381	16%	337	15%	-44	-12%
16-24	203	8%	182	8%	-21	-10%
25-44	596	25%	506	22%	-90	-15%
45-64	674	28%	682	30%	8	1%
65-84	470	20%	522	23%	52	11%
85 and over	67	3%	76	3%	9	13%
Total	2,391	100%	2,305	100%	-86	-4%

Source: Census 2011 and 2021, AECOM Calculations

5.14 For context, it is useful to look at the Cheveley population structure alongside that of the district and country and in the north and south of the NA. Figure 5-6 (using 2021 Census data) shows that the population in Cheveley has an older bias compared to the district and England as a whole. Around 26% of the NA population is aged 65 and over, compared to 21% in East Cambridgeshire and 18% in England. The south of Cheveley (including Cheveley village) has an older bias compared to the north which borders Newmarket. However, the south also has a relatively larger share of the population aged 0-14, though consistent with the district and England. This suggested that Cheveley village is a relatively popular location for families with young children.

Figure 5-6: Age structure in Cheveley and various geographies, 2021

Age group	North Cheveley	South Cheveley	Cheveley	East Cambridgeshire	England
0-14	12%	17%	15%	17%	17%
15-24	8%	8%	8%	9%	12%
25-44	21%	22%	22%	25%	27%
45-64	33%	27%	30%	28%	26%
65-84	22%	23%	23%	18%	16%
85 and over	3%	3%	3%	3%	2%
Total	100%	100%	100%	100%	100%

Source: Census 2021

Household composition and occupancy

5.15 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-7 shows that Cheveley has a relatively high share of single person households compared to the district as a whole. This is evenly split between those under and over the age of 65. However, when older couples are added to single older households, these account for 29% of the household population, substantially higher than the district (25%) and England (22%). There is a substantial share of households with dependent children (23%) but this is lower than both the district and England where rates are 27% and 26%.

Table 5-7: Household composition, Cheveley and comparator geographies, 2021

Household composition		North Cheveley	South Cheveley	Cheveley	East Cambridgeshire	England
One person household	Total	28%	31%	30%	28%	30%
	Aged 65 and over	10%	19%	15%	13%	13%
	Other	18%	12%	15%	15%	17%
One family only	Total	66%	66%	66%	68%	63%
	All aged 65 and over	16%	13%	14%	12%	9%
	With no children	24%	18%	21%	20%	17%
	With dependent children	17%	27%	23%	27%	26%
	With non-dependent children	9%	7%	8%	9%	11%
Other household types	Total	5%	3%	4%	4%	7%
		100%	100%	100%	100%	100%

Source: Census 2021, AECOM Calculations

5.16 The north and south of Cheveley NA display some different characteristics. Whilst the south (including Cheveley village) has a higher share of older households, the share of households with dependent children is also higher and

consistent with the district. The north has a higher share of younger single households (18%) and couples with no children (likely younger households) at 24%. This is likely to reflect its proximity to Newmarket with urban areas more likely to house younger and smaller households.

- 5.17 Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. The rate in 2021 in Cheveley was lower than the district and England, suggesting this is not a particularly marked feature of the NA.
- 5.18 The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of the NA. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2 in Table 5-8, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy (or overcrowding) works in the same way, with a rating of -1 indicating at least one bedroom too few.
- 5.19 A small proportion (1.3%) of households in Cheveley are overcrowded. Whilst data is not yet available which is broken down by tenure or household type, this is likely to be most prevalent in the social and private rented sectors where most low income households live. Rates of overcrowding are higher in both the district and England as a whole.
- 5.20 Under occupancy (where households have more bedrooms than they need) is higher in Cheveley than the district and England and this is particularly true in the north of the NA.

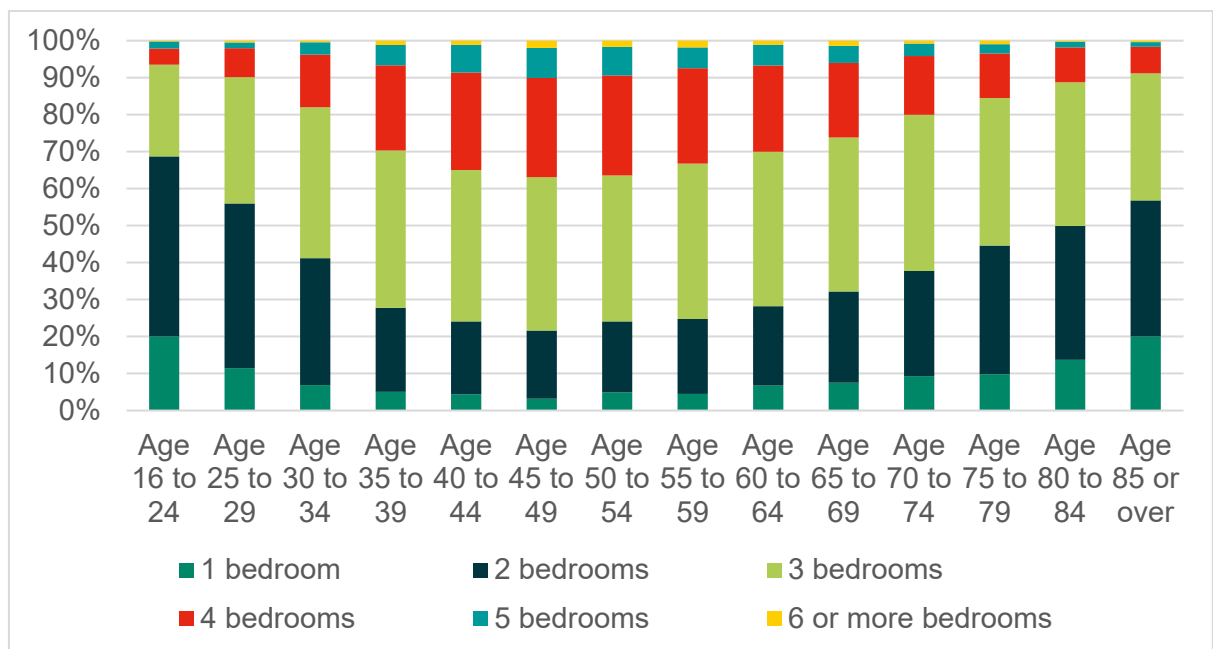
Table 5-8: Occupancy rating in Cheveley, 2021

Occupancy rating for bedrooms	North Cheveley	South Cheveley	Cheveley NA	East Cambridgeshire	England
All households	100.0%	100.0%	100.0%	100.0%	100.0%
+2 or more	61.1%	44.4%	51.8%	44.9%	35.6%
+1	29.3%	34.5%	32.2%	34.1%	33.2%
0	8.5%	19.6%	14.7%	19.2%	26.8%
-1	1.1%	1.5%	1.3%	1.6%	3.6%
-2 or less	0.0%	0.0%	0.0%	0.2%	0.7%

Source: Census 2021, AECOM Calculations

- 5.21 As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-9 sets out this relationship for East Cambridgeshire in 2011 (because this data is not available at smaller scales or for 2021). The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-9: Age of household reference person by dwelling size in East Cambridgeshire, 2011



Source: ONS 2011, AECOM Calculations

Future population and size needs

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

Age

5.23 The result of applying Local Authority level household projections to the age profile of Cheveley households in 2011 is shown in Table 5-9. This makes clear that population growth can be expected to be driven by the oldest households, with a 69% increase in households aged 65+ between 2011 and 2035. The projections suggest negative growth in the number of younger households. This is common to many areas of the country, particularly more rural parishes.

Table 5-10: Projected age of households, Cheveley, 2011 - 2035

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	17	109	381	186	366
2035	16	96	374	213	618
% change 2011-2035	-7%	-12%	-2%	15%	69%

Source: AECOM Calculations

5.24 The demographic change discussed above can be translated into an ideal mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-9) onto the projected age profile for the NA in Table 5-10 immediately above. The resulting 'ideal' future mix

of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

- 5.25 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.
- 5.26 The result of this exercise is presented in Table 5-11. It suggests that Cheveley would benefit from a broad range of dwelling sizes (final column of Table 5-11), but that some prioritisation might be given to mid sized (2-3 bedroom) homes in new development. It is important to emphasise that the suggested mix does not take account of new completions since 2011. These have been limited in number (52 in total) so they are unlikely to have shifted the balance substantially.
- 5.27 Census 2021 housing mix by size (number of bedrooms) suggests there has been growth in the largest properties (4+ bedrooms) since 2011. There is also concern within the neighbourhood planning group that some larger homes (particularly on the fringes of Newmarket) are unoccupied for most of the year as they are used to house visitors to the race course during events. In effect, these properties may not be available to meet local housing demand and needs. On balance, these factors would suggest some prioritisation of smaller and mid sized dwellings through new development to improve the choice of property sizes in the stock.

Table 5-11: Suggested dwelling size mix to 2035, Cheveley

Number of bedrooms	Current stock mix (2011)	Suggested stock mix 2035	Balance of <u>new</u> housing to reach suggested mix
1	6.2%	8.3%	14.0%
2	25.4%	27.1%	28.2%
3	39.9%	40.2%	34.1%
4+	28.4%	18.7%	23.7%

Source: AECOM Calculations

- 5.28 It is relevant to note that the Cheveley Neighbourhood Plan Survey in 2019 revealed relatively strong support for new homes of 1-2 bedrooms, with most (61% of respondents) believing that these were needed. The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.
- 5.29 It is also helpful to consider the recommended size mix of dwellings for East Cambridgeshire as a whole outlined in the Housing Needs of Specific Groups study undertaken in October 2021 for Cambridgeshire & West Suffolk. Figure 5-12 shows the suggested mix of housing by size and tenure across East Cambridgeshire, as per Table 84 in the Cambridgeshire & West Suffolk study. It

suggests that the majority of market housing should be delivered as mid-sized 3-bedroom dwellings, with this followed by 4+ bedroom and 2-bedroom dwellings. For affordable home ownership the mix moves to slightly smaller dwellings, but with a considerable proportion still in each category. Affordable rented housing is suggested to be focussed on the smaller dwelling sizes, with some provision still of larger dwellings.

Figure 5-12: Table 84 from Cambridgeshire & West Suffolk Housing Needs of Specific Groups – Suggested mix of housing by size and tenure, East Cambridgeshire

Tenure	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	0-10%	20-30%	40-50%	20-30%
Affordable home ownership	15-25%	35-45%	25-35%	5-15%
Affordable housing (rented)	30-40%	35-45%	15-25%	0-10%

Source: Housing Market Model based on ONS Data

Source: Cambridgeshire & West Suffolk Housing Needs of Specific Groups

- 5.30 The preceding chapter found that affordability is a serious challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets.
- 5.31 Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of 1 bedroom homes are suitable given the area's character and current density.
- 5.32 To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- 5.33 Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if they existing stock of larger homes is sufficiently affordable.

Tenure

- 5.34 The indicative mix in Table 5-11 applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the precise mix of Affordable Housing required on applicable sites, it is worth thinking through the considerations.
- 5.35 Generally, the size mix needed within affordable tenures, particularly affordable and social rent, is smaller than the size mix of market housing. This is because

there tend to be higher proportions of single people and couples in need of affordable rented housing, and they are likely to be eligible only for 1 or 2 bedroom properties. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

5.36 There are three key sources of information for thinking through the size needs of different categories. These are:

- The relevant SHMA or LHNA for the Local Authority, which will (usually) set out the projected need by size within each tenure over the long-term. In this case, the Housing Needs of Specific Groups study undertaken in October 2021 for Cambridgeshire & West Suffolk indicates that the primary need for Affordable Housing is smaller dwellings in East Cambridgeshire as a whole.
- However, the waiting list for affordable rented housing, kept by the Local Authority provides a more current snapshot of the size needs of applicant households in Cheveley. There are 56 households currently on the waiting list in Cheveley according to data provided by East Cambridgeshire District Council. The largest proportion of these households need a 4+ bedroom home to meet the needs of their household (21 of the 56 applicants). The majority of households on the waiting list need family sized accommodation with 3 or more bedrooms. The need for different sized homes from those on the waiting list in Cheveley is as follows:
 - 9 x 1 bedroom
 - 15 x 2 bedrooms
 - 11 x 3 bedrooms
 - 21 x 4+ bedrooms
- The Cheveley Neighbourhood Plan survey in 2019 gauged local residents' perceptions of the mix of housing needed. There was strong support for affordable housing generally and recognition of the need for smaller homes.

5.37 To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, the needs of Affordable Housing might require a greater weighting towards larger sizes (if meeting need on the waiting list) while market homes focus on smaller and mid-sized homes to provide choice within the existing stock. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

5.38 Planning policy also tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of

wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

- 5.39 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence.
- 5.40 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Cheveley, and which favours more smaller and sometimes more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character, which in rural areas tend to favour lower density options that blend in with the existing built environment. This is particularly relevant in the case of flats, a large block of which may not be a welcome proposition in the NA. That said, it is possible to deliver flats in the form of low-rise maisonettes that resemble terraces from street level, which can counter this issue.
- 5.41 In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and terraces, and, on the other hand, preserving the distinctive character and other features that residents like about the NA today. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the parish council and community to consider.

Conclusions- Type and Size

The current housing mix

- 5.42 The majority of dwellings in Cheveley NA are detached (52%), followed by semi detached (36%). There are fewer smaller property types with terraces and flats accounting for 7% and 5% respectively. The share of different property types in the stock has not changed substantially since 2011.
- 5.43 Within the NA, North Cheveley has a stronger bias to detached dwellings but a slightly higher proportion of flats compared to the NA as a whole. This is likely to reflect recent development on the edge of Newmarket which includes apartments. South Cheveley (which includes Cheveley village) has a higher proportion of semi detached homes compared to the north of the NA and district as a whole, though the bias towards larger properties is maintained.
- 5.44 The largest proportion of dwellings have 3 bedrooms (39%) with a further 31% with 4 or more bedrooms in 2021. The stock of smaller homes is more limited with 25% having 2 bedrooms and 6% having 1 bedroom.
- 5.45 A comparison between 2011 and 2021 shows that little has changed, with some growth in the largest dwellings in number and as a share of the stock. Some caution should be attached to the absolute dwelling numbers as these are based on households occupying dwellings of particular sizes. There may be additional

unoccupied dwellings which are not counted in this data set and this is a particular concern for Cheveley because of the use of dwellings for part of the year associated with Newmarket racecourse.

Population characteristics

- 5.46 Census data suggests there has been a small decline in the resident population of the NA as a whole from 2,391 to 2,305 (-4%) between 2011-2021. This is accounted for by falls in the number of younger people, aged 44 and under. The number of older people, particularly aged 65-84 has increased over the last decade.
- 5.47 The population in Cheveley has an older bias compared to the district and England as a whole. Around 26% of the NA population is aged 65 and over, compared to 21% in East Cambridgeshire and 18% in England. The south of Cheveley (including Cheveley village) has an older bias compared to the north which borders Newmarket. However, the south also has a relatively larger share of the population aged 0-14, though consistent with the district and England. This suggested that Cheveley village is a relatively popular location for families with young children.
- 5.48 Cheveley NA has a relatively high share of single person households compared to the district as a whole. This is evenly split between those under and over the age of 65. However, when older couples are added to single older households, these account for 29% of the household population, substantially higher than the district (25%) and England (22%). There is a substantial share of households with dependent children (23%) but this is lower than both the district and England where rates are 27% and 26%.
- 5.49 The north and south of Cheveley NA display some different characteristics. Whilst the south (including Cheveley village) has a higher share of older households, the share of households with dependent children is also higher and consistent with the district.

Future population and size needs

- 5.50 AECOM's modelling estimates suggest that Cheveley would benefit from a broad range of dwelling sizes through new development, but that some prioritisation might be given to mid sized (2-3 bedroom) homes in new development. It is important to emphasise that the suggested mix does not take account of new completions since 2011. These have been limited in number (52 in total) so they are unlikely to have shifted the balance substantially.
- 5.51 Census 2021 housing mix by size (number of bedrooms) suggests there has been growth in the largest properties (4+ bedrooms) since 2011. There is also concern within the neighbourhood planning group that some larger homes are unoccupied for most of the year as they are used to house visitors to the race course during events or occupied for part of the year due to the travelling patterns of jockeys and racecourse employees. In effect, these properties may not be available to meet local housing demand and needs. On balance, these factors would suggest some prioritisation of smaller and mid sized dwellings through new development to improve the choice of property sizes in the stock.

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

6. Specialist housing for older people

Introduction

- 6.1 It is relatively common for neighbourhood plans in areas with aging populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Cheveley. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:
- 6.2 To review the **current provision** of specialist housing in the NA;
- 6.3 To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- 6.4 To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.
- 6.5 Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.
- 6.6 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.¹²
- 6.7 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).¹³ Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.
- 6.8 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

¹² See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

¹³ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing¹⁴:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

6.9 There is a total of 53 units of specialist accommodation in the NA at present, in the form of retirement bungalows, south of Cheveley village, with 1 or 2 bedrooms. There is no on site care or support provided with this scheme but the properties are restricted by age. All dwellings are for social/affordable rent rather than sale. Details are provided in Appendix E.

6.10 Census 2021 population data suggests that there are currently around 292 individuals aged 75 or over in Cheveley NA. This suggests that current provision is in the region of 181 units per 1,000 of the 75+ population (a common measure of specialist housing supply).

¹⁴ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

Demographic characteristics

- 6.11 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Cheveley is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for East Cambridgeshire. The results are set out in Table 6-1.
- 6.12 There are currently 292 people aged 74 and over living in Cheveley NA (Census 2021). This is likely to grow to 430 by the end of the plan period, an increase of 138 people, if trends at the district level are replicated locally.
- 6.13 A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.

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

Age group	Cheveley		East Cambridgeshire	
	2021	2035	2021	2035
All ages	2,305	2,522	87,762	96,024
75+	292	430	8,523	12,546
%	13%	17.0%	9.7%	13.1%

Source: Census 2021, ONS SMPP 2018 based for projection, AECOM Calculations

- 6.14 The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.
- 6.15 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2035. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates that the majority own their own homes (79.8%), with 12% living in the social rented sector and just 8.2% renting privately. This is a similar pattern of other areas of the country, particularly rural parishes.
- 6.16 The expected growth in the 75+ population in the NA is 138 additional individuals by the end of the plan period. This can be converted into 99 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying

each tenure gives a breakdown of which tenures these additional Cheveley households are likely to need in 2035, and is shown in the bottom row of Table 6-2. Most of these additional households are likely to want to own their own homes but with a continued small number needing social and private rented housing.

Table 6-2: Tenure of households aged 55-75 in East Cambridgeshire (2011) and projected aged 75+ in Cheveley (2035)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
East Cambridgeshire	79.8%	56.4%	23.4%	20.2%	12.0%	6.0%	2.1%
Cheveley NA	79	56	23	20	12	6	2

Source: Census 2011

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

Future needs for specialist accommodation and adaptations

6.18 Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 42.

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

6.20 This estimate suggests that the majority of specialist accommodation is needed for households in the market sector (ie home owners), this is particularly true for households who might need a lower level of care and support in the home. The need for extra care accommodation (where care and support is provided on site along with other facilities), the need is broadly balanced between market and affordable housing. The only stock of specialist housing in Cheveley at present are 53 retirement bungalows available for social rent.

Table 6-3: AECOM estimate of specialist housing need in Cheveley by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	8	11	19
Adaptations, sheltered, or retirement living	5	18	23
Total	13	29	42

Source: Census 2011, AECOM Calculations

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

6.22 **Ta** in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Cheveley results in a total of 35 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4.

Table 6-4: HLIN estimate of specialist housing need in Cheveley by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	4	6	10
Adaptations, sheltered, or retirement living	8	17	25
Total	13	22	35

Source: Housing LIN, AECOM calculations

Further considerations

6.23 The above estimates suggest that potential need for specialist accommodation could be in the range of 35-42 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing delivery expectation in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

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

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

- 6.26 It is considered that Cheveley's position in the settlement hierarchy makes it a relatively less suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, noting that there is no specific requirement or obligation to provide the specialist accommodation need arising from Cheveley entirely within the Neighbourhood Area boundaries, it is recommended it could be provided in a 'hub and spoke' model. In the case of Cheveley, Newmarket is considered to have potential to accommodate the specialist housing need arising from the Neighbourhood Area (i.e. to be the hub in the hub-and-spoke model).
- 6.27 It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

Care homes

- 6.28 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.
- 6.29 However, residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
- 6.30 Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.
- 6.31 AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2035 there would be a need for 9 care homes beds in the NA. There are no care homes within the NA at present.
- 6.32 It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in

addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

- 6.33 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 82% of the Cheveley population aged 75 and over is likely to live in the mainstream housing stock¹⁵. This is consistent with rates at the national level.
- 6.34 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
- 6.35 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with East Cambridgeshire.
- 6.36 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings¹⁶, although changes to Building Regulations have not yet been made.
- 6.37 The current adopted Local Plan policy HOU1: Housing Mix provides explicit encouragement for development to accommodate specific groups such as older people. It states that ‘developments of 50 or more dwellings will be expected to provide a proportion of dwellings that are suitable or easily adaptable for occupation by the elderly or people with disabilities.’
- 6.38 However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here may justify the Parish Council approaching the LPA to discuss setting requirements on accessibility and adaptability at district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.
- 6.39 The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the

¹⁵ 292 over 75s in 2021, of which 53 are accommodated in specialist housing, none in care homes within the NA, leaving around 239 people living in mainstream housing. This is approximate since some people in specialist housing will be under the age of 75.

¹⁶ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

Local Authority area falling into this category or to wider data from surveys and other sources where available.

6.40 Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population).

Table 6-5: Wheelchair use Nationally

	Percentage in England
Households using wheelchair all the time	0.6%
Households using wheelchair either indoors or outdoors	3.0%

Source: Survey of English Housing 2018/19

Conclusions- Specialist Housing for Older People

6.41 There is a total of 53 units of specialist accommodation in the NA at present, in the form of retirement bungalows, south of Cheveley village, with 1 or 2 bedrooms. There is no on site care or support provided with this scheme but the properties are restricted by age. All dwellings are for social/affordable rent rather than sale.

6.42 There are currently 292 people aged 74 and over living in Cheveley NA (Census 2021). This is likely to grow to 430 by the end of the plan period, an increase of 138 people, if trends at the district level are replicated locally.

6.43 The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

6.44 Estimates in this HNA suggest the need for specialist older persons housing could be in the range of 35-42 units over the Neighbourhood Plan period. However, it may not be possible or appropriate to deliver this scale of new accommodation.

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

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

6.47 The majority of older people live in mainstream housing and will continue to do so all of their lives. Around 82% of the Cheveley population aged 75 and over is

likely to live in the mainstream housing stock¹⁷. This is consistent with rates at the national level.

- 6.48 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need.
- 6.49 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another key avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan with East Cambridgeshire.
- 6.50 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings¹⁸, although changes to Building Regulations have not yet been made.
- 6.51 The current adopted Local Plan policy HOU1: Housing Mix provides explicit encouragement for development to accommodate specific groups such as older people. It states that ‘developments of 50 or more dwellings will be expected to provide a proportion of dwellings that are suitable or easily adaptable for occupation by the elderly or people with disabilities.’
- 6.52 However, it does not set specific targets for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)), or for wheelchair users (Category M4(3)). The evidence gathered here may justify the Parish Council approaching the LPA to discuss setting requirements on accessibility and adaptability at district level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

¹⁷ 292 over 75s in 2021, of which 53 are accommodated in specialist housing, none in care homes within the NA, leaving around 239 people living in mainstream housing. This is approximate since some people in specialist housing will be under the age of 75.

¹⁸ See [Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes)

7. Second Homes

Introduction

- 7.1 Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.
- 7.2 The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.
- 7.3 Cheveley exhibits some of these wider challenges, with clear affordability issues, as demonstrated in Chapter 4, and reported issues around the use of larger homes to house infrequent visitors to Newmarket racecourse with anecdotal evidence that these homes remain unoccupied for long periods of the year.
- 7.4 This section of the HNA gathers the limited available data on the rate of second home ownership in Cheveley that may be used to support policy decisions in this area. The approach is as follows:
- To estimate the **current level** of second home ownership (including commercial holiday lets);
 - To discuss the potential **policy options** relating to second homes in the NA.

Second and Holiday Homes Data

- 7.5 Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.
- 7.6 The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019¹⁹, meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.

¹⁹ Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

- 7.7 Turning to the NA specifically, Cheveley contained 1,059 households and 1,097 dwellings in 2011, implying that there were 38 dwellings (or 'household spaces') with no usual resident household. 3.5% of dwellings therefore had no usual residents.
- 7.8 For comparison, the rate of dwellings that had no usual residents across East Cambridgeshire as a whole in 2011 was 3.2%, similar to Cheveley. For England, the rate was 4.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership.
- 7.9 In 2021, the NA contained 1,041 households according to the Census (a slight reduction compared to 2011), with an estimated 1,142 dwellings as of 2021/2022²⁰. This implies that there were 101 dwellings (or 'household spaces') with no usual resident, with empty dwellings accounting for 8.8% of all housing. This implies that the number of homes without usual residents has more than doubled in the last decade and is now double the rate in England as a whole.
- 7.10 Another way of gauging the number of holiday homes is to look at the number of properties paying business rates (instead of council tax) in that category. This data is correct to the time of writing but has a number of limitations:
- Most importantly, it only gives an indication of the number of commercially rented holiday homes. A holiday let needs to be available for rent 140 days of the year to reach the threshold for business rates. So only the third subcategory of second/holiday homes below would be captured:
 - Second homes that are never rented and only used by the owner;
 - Holiday homes used by the owner primarily, but also available to rent for part of the year (under 140 days) or rented out informally;
 - Holiday homes with a stronger commercial purpose, available to rent more than 140 days per year.
 - In January 2022 the Government tightened the rules on second homes and business rates. This means that as well as being available for rent for at least 140 days a year, from April 2023, second homeowners will have to prove that holiday lets are being rented out for a minimum of 70 days a year to access small business rates relief²¹.
 - It is likely that the holiday homes counted in the business rates data would also be captured as dwellings with no usual residents in the Census, since owners of second homes, including those rented out for holiday lets, are obliged to fill in a Census return. This indicator is therefore only useful for context and to show the potential size of the tourist sector as opposed to personal-use second homes.

²⁰ Based on 2011 Census plus completions data to 2021/2022 for Cheveley Parish from East Cambridgeshire District Council Annual Monitoring Reports which show 45 net new dwellings. Data on the number of dwellings (as oppose to households) is not yet available from Census 2021.

²¹ Available here: <https://www.gov.uk/government/news/gove-closes-tax-loophole-on-second-homes>

- 7.11 Research was undertaken on the number of properties in the NA registered for business rates, specifically self-catering holiday units. As of February 2023, this gave a figure of just one commercial holiday let within the NA. A further two properties were described as 'show homes' – both in the new development at Meadow Lane. Cross checking with properties advertised on Airbnb suggests there is one property which is let on Airbnb within the NA at present.
- 7.12 It is relevant and interesting to note that there were also 10 stud farms and 6 stables registered within the NA, highlighting the connection of the NA with Newmarket racecourse and the horse racing and leisure industry.
- 7.13 Given that the dwellings without residents do not appear to be registered as holiday lets, it is possible to assume that these additional properties are second homes either for personal use or in line with the group's anecdotal evidence that properties are used for short periods of time to house jockeys and visitors to Newmarket Racecourse. The Parish Council has noted that a number of new properties in the north of Cheveley (on Newmarket fringe) have been purchased by Godolphin Racing for this purpose as well as properties within the Paddocks development in Cheveley village itself. These properties have blue plaques to identify their ownership. The data suggests that these are not let out in the same way as commercial holiday lets because they do not feature in the business rates relief data. Nevertheless, these properties are not available to rent or buy for local residents.
- 7.14 It is possible to infer that with rising levels of second home ownership in the NA, the apparent role of homes attached to Newmarket Racecourse, that this has had some adverse effect on affordability and access to new housing for local people. Specifically, in this case, new housing that has been delivered in recent years has not always met local needs and demands, rather there is some evidence that a number of homes have been purchased to serve the needs for short term accommodation associated with Newmarket Racecourse.

Policy Considerations

- 7.15 It is not only Cheveley within East Cambridgeshire that has housing challenges relating to second home ownership. The adopted Local Plan contains a policy (EMP 9 – holiday and seasonal occupancy conditions). However, this policy is only concerned with occupancy conditions of holiday homes and, primarily ensuring that they do not switch to residential use. It does not deal with residential properties which are used as second homes. The data suggests that it is second homes that account for the increase in the number of dwellings which have no usual residents within Cheveley. It is likely that the demands for short term accommodation associated with Newmarket Racecourse accounts for some of this increase, though it is difficult to identify the extent.
- 7.16 The affordability evidence establishes a clear context of poor and worsening affordability in Cheveley that prevents local people from moving to homes better suited to their needs within the neighbourhood and prevents younger households without significant financial help from accessing suitable housing.

- 7.17 It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the increased scale of second home ownership in the NA, AECOM suggest that it is likely that the second homes market is a factor in the rise in prices and declining affordability in the area.
- 7.18 AECOM suggest this may be a reason to *consider* a Principal Residence Policy or similar in the NA. It means that new dwellings coming forward in the NA would only be occupied by a household living in the property as their main home. This would be enforced by a legal agreement. If the group wish to pursue such a policy it is likely that further data may be required (e.g. additional data sources quantifying levels of second home ownership, particularly associated with the racecourse), as the data sources are limited at present. It is likely that the group would need to balance local considerations about housing need with any needs for accommodation associated with the racecourse or other businesses.

Conclusions- Second homes

- 7.19 Cheveley contained 1,059 households and 1,097 dwellings in 2011, implying that there were 38 dwellings (or 'household spaces') with no usual resident household. 3.5% of dwellings therefore had no usual residents.
- 7.20 For comparison, the rate of dwellings that had no usual residents across East Cambridgeshire as a whole in 2011 was 3.2%, similar to Cheveley. For England, the rate was 4.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership.
- 7.21 In 2021, the NA contained 1,041 households according to the Census (a slight reduction compared to 2011), with an estimated 1,142 dwellings as of 2021/2022²². This implies that there were 101 dwellings (or 'household spaces') with no usual resident, with empty dwellings accounting for 8.8% of all housing. This implies that the number of homes without usual residents has more than doubled in the last decade and is now double the rate in England as a whole.
- 7.22 AECOM examined the number of properties in the NA registered for business rates, specifically self-catering holiday units. As of February 2023, this gave a figure of just one commercial holiday let within the NA. A further two properties were described as 'show homes' – both in the new development at Meadow Lane. Cross checking with properties advertised on Airbnb suggests there is one property which is let on Airbnb within the NA at present.
- 7.23 Given that the dwellings without residents do not appear to be registered as holiday lets, it is possible to assume that these additional properties are second homes either for personal use or in line with the group's anecdotal evidence that properties are used for short periods of time and associated with Newmarket Racecourse activities. These properties may serve an important function for the

²² Based on 2011 Census plus completions data to 2021/2022 for Cheveley Parish from East Cambridgeshire District Council Annual Monitoring Reports which show 45 net new dwellings. Data on the number of dwellings (as oppose to households) is not yet available from Census 2021.

racecourse, but from the perspective of the HNA and Neighbourhood Plan, these properties are not available to rent or buy for local residents.

- 7.24 It is possible to infer that with rising levels of second home ownership in the NA, the apparent role of homes attached to Newmarket Racecourse, that this has had an adverse effect on affordability and access to new housing for local people. Specifically, in this case, new housing that has been delivered in recent years has not always met local needs and demands.

8. Next Steps

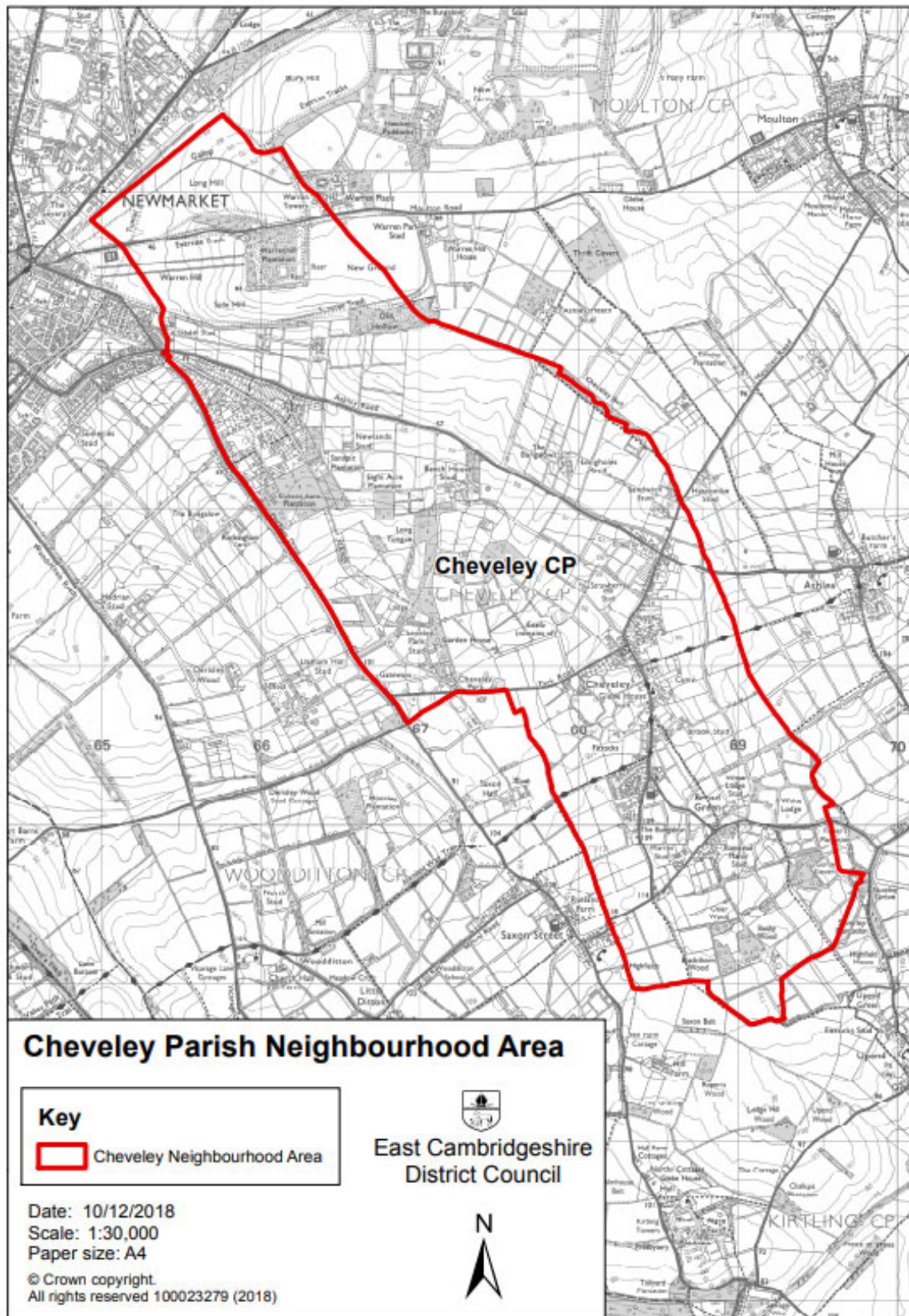
Recommendations for next steps

61. This Neighbourhood Plan housing needs assessment aims to provide Cheveley with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions with East Cambridgeshire with a view to agreeing and formulating draft housing policies, bearing the following in mind:
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
 - The views East Cambridgeshire District Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and
 - The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by East Cambridgeshire.
62. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.
63. Bearing this in mind, it is recommended that the Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, East Cambridgeshire or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
64. 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.

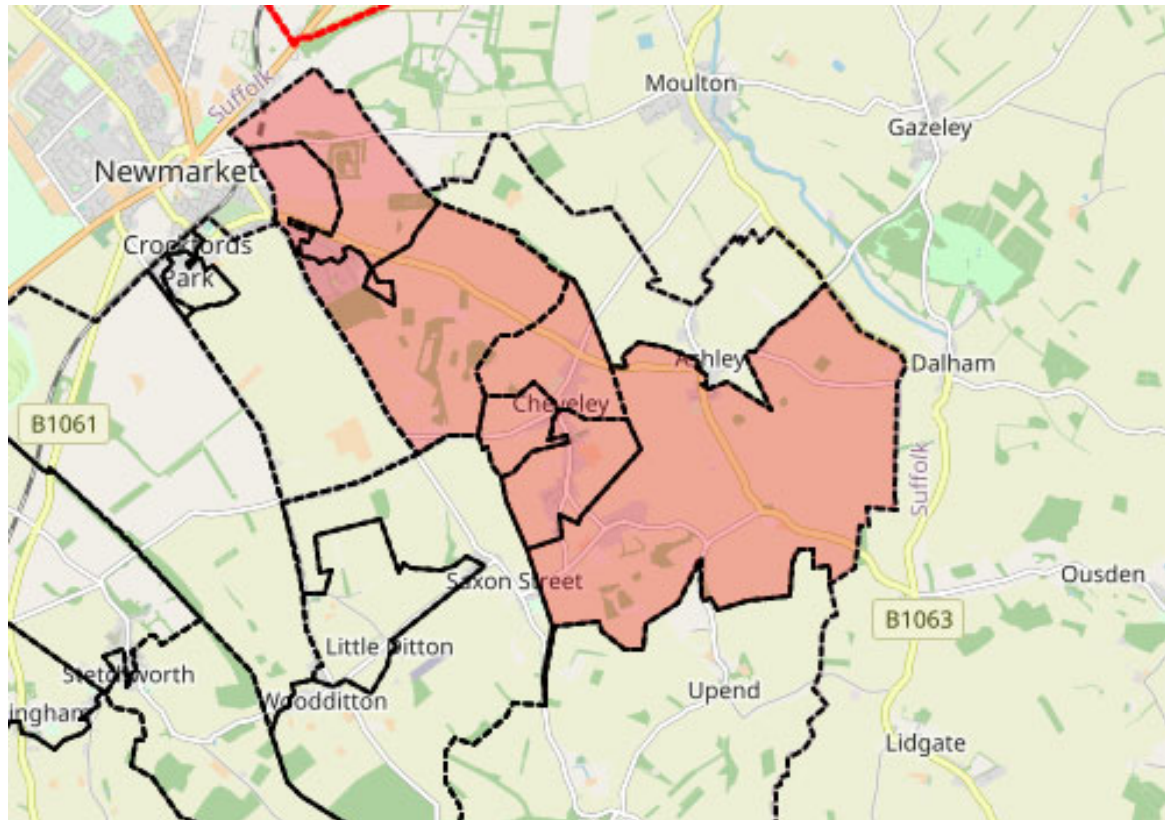
Appendix A : Assessment geography

65. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The NA equates to the following combination of OAs, with distinction made between those in the north and south of the NA:
- E00090887 (south)
 - E00090889 (north)
 - E00090890 (north)
 - E00090891 (south)
 - E00165838 (north)
 - E00173718 (south)
 - E00173719 (south)
66. Map A-2 shows the OA boundaries. The south (4 OAs) contains Cheveley village and the south of the NA including Broad Green. The north (3 OAs) extends to the fringe of Newmarket.
67. These OA codes apply to both the 2011 and 2021 Censuses and the geographies remain unchanged. It is important to note that the final OA (E00173719) includes a small area outside of the NA boundary. This is unavoidable as excluding this area would mean excluding Broad Green. Including it has no material impact on the analysis since it includes only a small number of additional households and dwellings. Map A-1 shows the NA area with Map A-2 and A-3 showing the OAs used in data analysis which are consistent for 2011 and 2021 Censuses.
68. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. In the case of Cheveley, the geography of the NA needs to be made up of the smallest OAs and therefore the LSOA / MSOAs geographies cover much wider areas in this case, and would therefore produce misleading results with respect to the dwelling mix.
69. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. The relevant MSOA, in which the NA is located and which will need to serve as a proxy for it, is:
- MSOA E02006825

Map A-1: The Cheveley Neighbourhood Area

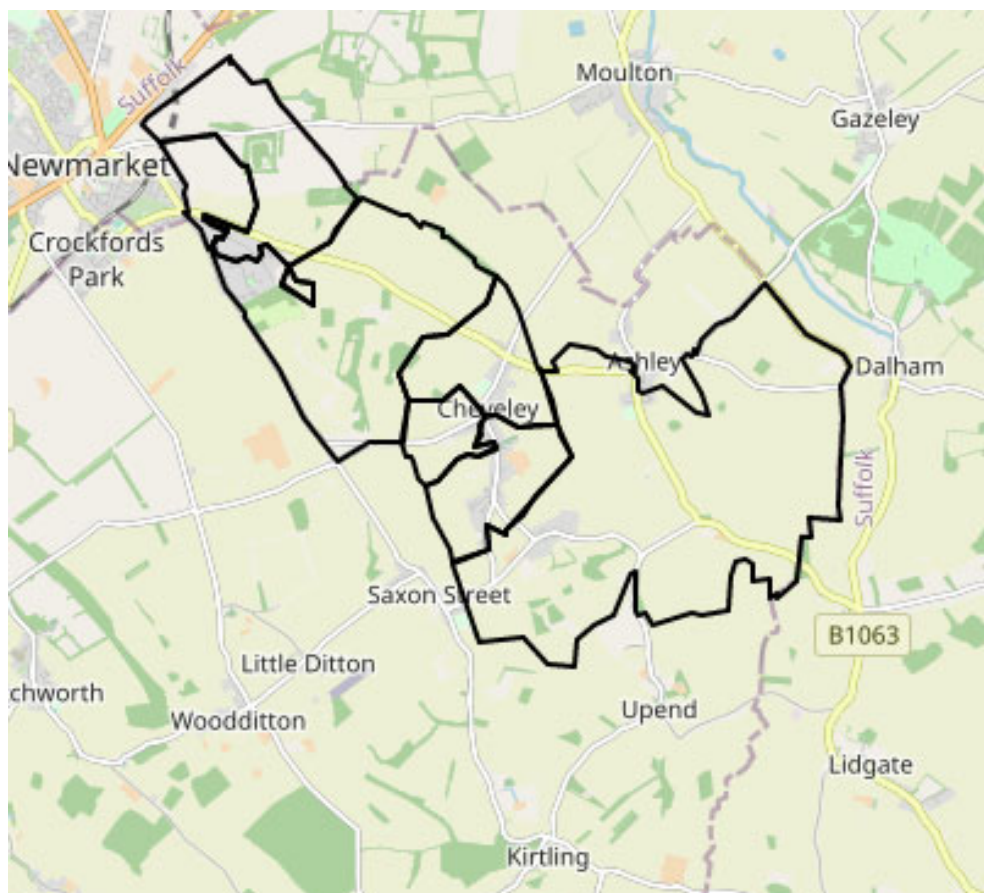


Map A-2: Output Areas corresponding to the NA, 2011

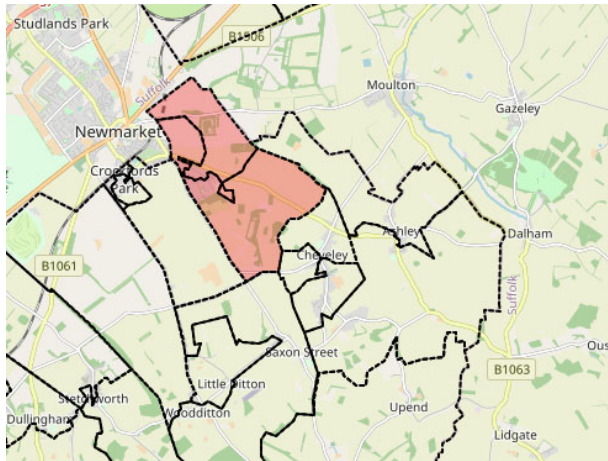


Source: ONS

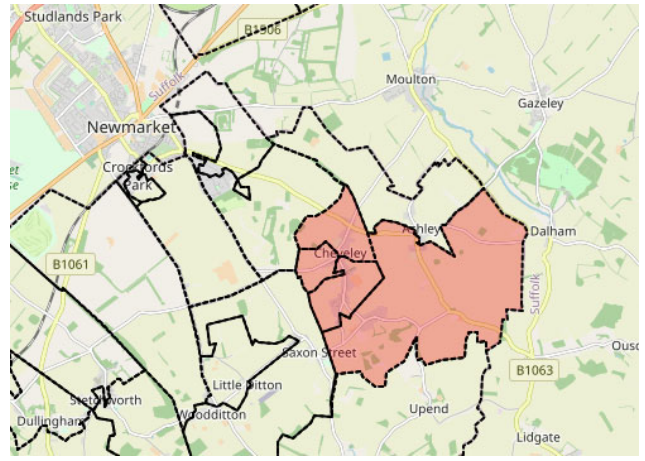
Map A-3: Output Areas corresponding to the NA, 2021



'North' - 3 Output Areas



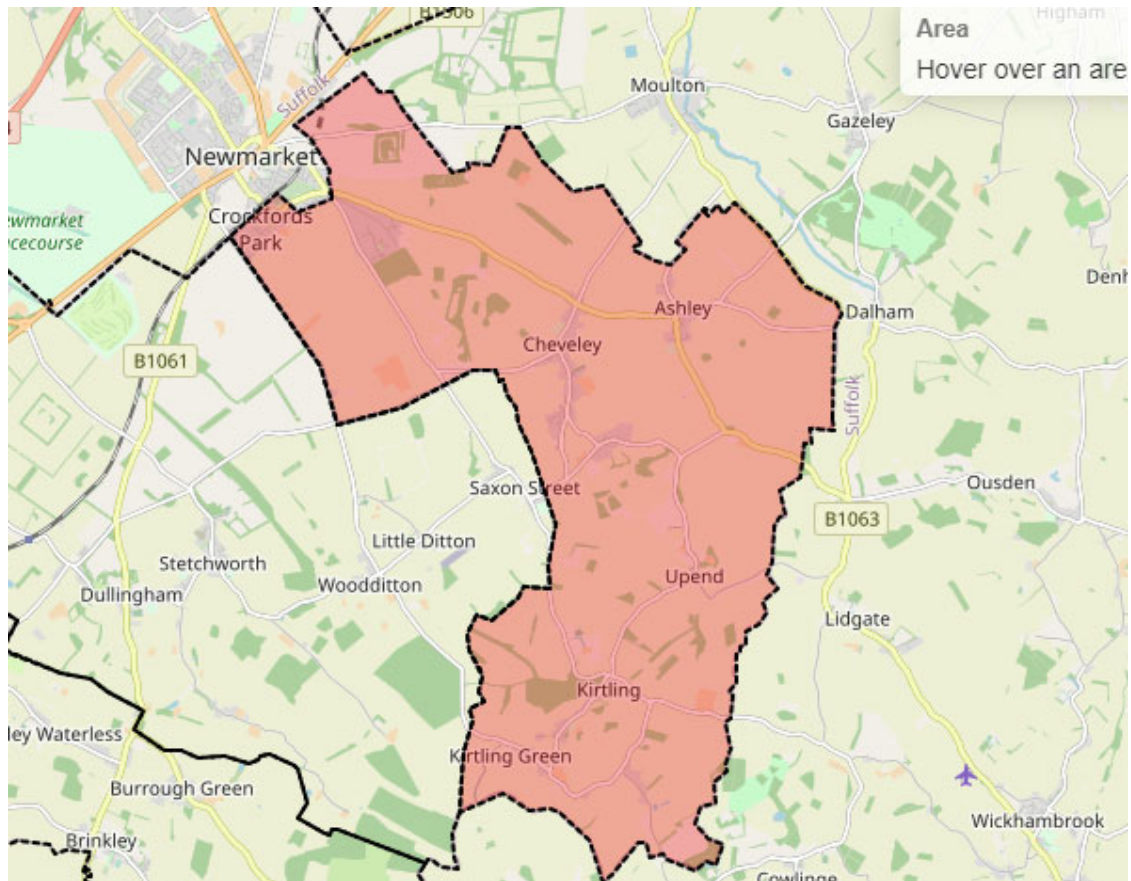
'South' - 4 Output Areas



Source: ONS

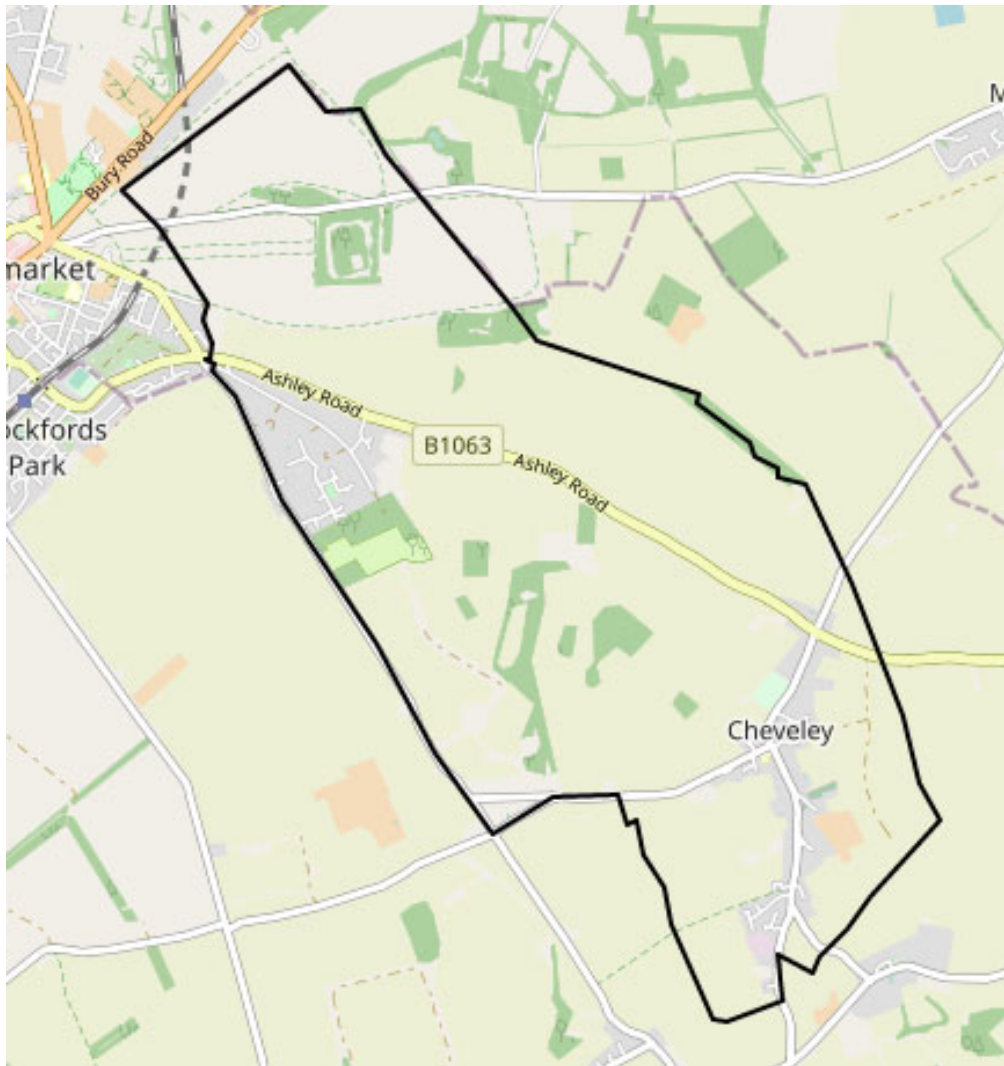
70. The 2011 and 2021 output areas (OAs) are the best fit for the NA boundary because they include all of the NA geography. The output area E00173719 (furthest south) extends outside of the NA and includes part of Ashley village. But to exclude this OA would mean excluding Broad Green village which is included in the NA. The inclusion of this OA (and with it a small number of homes in Ashley) will make no material difference to the analysis.
71. For completeness, Map A-4 and Map A-5 show the Ward and Parish geographies. The Ward boundary is much larger than the NA whereas the Parish boundary is smaller and excludes Broad Green. As such, neither of these geographies were deemed appropriate for the data analysis in this HNA.

Map A-4: Ward 2011



Source: ONS

Map A-5: Parish 2011



Source: ONS

Appendix B : Local Plan context

Policies in the adopted local plan

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

Table B-1: Summary of relevant adopted policies in the East Cambridgeshire Adopted Local Plan 2015

Policy	Provisions
GROWTH 1: Levels of housing, employment, and retail growth	In the period 2011 to 2031, the District Council will make provision for the delivery of 11,500 dwellings in East Cambridgeshire.
GROWTH 2: Locational strategy	The majority of development will be focused on the market towns of Ely, Soham & Barway, and Littleport.
GROWTH 4: Delivery of growth	Land will be allocated in the Local Plan to enable the delivery of approximately 6,500 dwellings on the edge of towns and villages. Allocated sites in Cheveley have an estimated housing capacity of 20 dwellings.
GROWTH 6: Community-led development	The District Council is generally supportive of community-led development. Further detail is outlined in the full policy.
HOU1: Housing mix	Housing developments of 10 or more dwellings should provide an appropriate mix of dwelling types and sizes that contribute to current and future housing needs as identified in the most recent available evidence relating to the locality. Developments of 50 or more dwellings will be expected to provide a proportion of dwellings that are suitable or easily adaptable for occupation by the elderly or people with disabilities. Developments of 100 or more dwellings will be expected to provide a minimum of 5% self-build properties. The inclusion of self-build properties on smaller sites will also be encouraged.
HOU3: Affordable housing provision	All new open market housing developments which incorporate more than 10 dwellings will be required to make appropriate provision for an element of Affordable Housing.

Policy	Provisions
	<p>In the south of the district, the requirement will be a minimum of 40% Affordable Housing.</p> <p>The precise mix in terms of tenure and house sizes of Affordable Housing within a scheme will be determined by local circumstances at the time of planning permission.</p>
CHV 1: Housing allocation, land rear of Star and Garter Lane	<p>Approximately 0.2 hectares of land is allocated for residential development on land at the rear of Star and Garter Lane for up to 2 dwellings.</p>
CHV 2: Housing allocation, land between 199-209 High Street	<p>Approximately 0.75 hectares of land is allocated for residential development on land between 199-209 High Street for up to 18 dwellings. Development proposals will be expected to</p> <ul style="list-style-type: none"> • Provide an element of affordable housing (currently 40%) as required under Policy HOU 3, with priority being given to people in local housing need. • Provide a mix of dwelling types and sizes to reflect current evidence of need within Cheveley.

Source: East Cambridgeshire Adopted Local Plan 2015

Policies in the emerging local plan

- As discussed above, the emerging plan for East Cambridgeshire remains vastly the same as the adopted plan, with proposed changes to strategic housing (level and delivery of growth). The Single Issue Review proposes the following changes to policy:
 - Policy GROWTH 1 will be amended with the provision of housing figure updated (from 11,500) upon adoption. This is expected to be c.9,000 dwellings to be delivered between 2011 and 2031. In addition, it will outline the requirement of 5,398 dwellings to be delivered in the 9 year period 2022-2031. This is an average of 600 dwellings per annum between 2022 and 2031.

Appendix C : Affordability calculations

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

C.1 Market housing

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

i) Market sales

3. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
4. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Cheveley, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
5. The calculation for the purchase threshold for market housing is as follows:
 - Value of a median NA house price (2021) = £399,950;
 - Purchase deposit at 10% of value = £39,995;
 - Value of dwelling for mortgage purposes = £359,955];
 - Divided by loan to income ratio of 3.5 = purchase threshold of £102,844.
6. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2021 was £242,250, and the purchase threshold is therefore £62,293.
7. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. However, Land Registry records no sales of new build properties in the NA in 2021. It is, however, important to understand the likely cost of new housing

because new housing is where the Neighbourhood Plan has most influence, and is the appropriate benchmark for understanding the costs of affordable home ownership tenures (considered below).

8. An estimate can be calculated by determining the uplift between all house prices in 2021 across East Cambridgeshire and new build house prices in 2021 in the same area. This percentage uplift (or 'new build premium') is then applied to the 2021 lower quartile house price in the NA to give an estimated NA new build entry-level house price. However, there was no new build premium in 2021 in the district overall. This masks some differences within the stock, with semis and terraces exhibiting a premium but new build flats considerably cheaper than existing stock. However, for simplicity no premium is applied to the Cheveley figure and as such the average entry level new build price is assumed to be £242,250 and purchase threshold of £62,293.

ii) Private Rented Sector (PRS)

9. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
10. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
11. The property website [Home.co.uk](https://www.home.co.uk) shows rental values for property in the Neighbourhood Area. The best available data is derived from properties available for rent within the CB8 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. There were only 4 properties advertised for rent in the NA area. This was cross checked with Rightmove as at February 2023. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.
12. According to [home.co.uk](https://www.home.co.uk), there were 73 properties for rent at the time of search in February, 2023, with an average monthly rent of £1,600. There were 28 two-bed properties listed, with an average price of £1,180 per calendar month.
13. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

- Annual rent = £1,180 x 12 = £14,160;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £47,200.

14. The calculation is repeated for the overall average to give an income threshold of £64,000.

C.2 Affordable Housing

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

i) Social rent

16. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.
17. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Cheveley. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for East Cambridgeshire in Table C-1.
18. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£87.94	£100.16	£110.38	£122.71	£102.51
Annual average	£4,573	£5,208	£5,740	£6,381	£5,331
Income needed	£15,228	£17,344	£19,113	£21,248	£17,751

Source: Homes England, AECOM Calculations

ii) Affordable rent

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

20. Even an 80% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 50-60% of market levels rather than 80%.
21. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for East Cambridgeshire. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
22. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are actually closer to 40% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£104.57	£118.17	£137.54	£191.04	£126.26
Annual average	£5,438	£6,145	£7,152	£9,934	£6,566
Income needed	£18,107	£20,462	£23,816	£33,080	£21,863

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

23. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and Rent to Buy. These are considered in turn below.
24. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government’s new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

25. Because First Homes are a new tenure product, it is worth explaining some of their key features:
- First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);

- The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
 - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;
 - Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
 - They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
 - In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
 - 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.
26. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £242,250.
27. For the minimum discount of 30% the purchase threshold can be calculated as follows:
- Value of a new home (estimated NA new build entry-level) = £242,250;
 - Discounted by 30% = £169,575;
 - Purchase deposit at 10% of value = £16,958;
 - Value of dwelling for mortgage purposes = £152,618;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £43,605.
28. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £37,376 and £31,146 respectively.
29. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
30. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70

sq. m and a build cost of £1,750 per sq. m²³) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Cheveley.

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

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

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	53%	84%	68%
NA estimated new build entry-level house price	22%	73%	47%
NA entry-level house price	22%	73%	47%
LA median new build house price	40%	80%	59%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

32. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but now set at a minimum of 10%), and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.
33. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.
34. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

²³ It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - <https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/>

35. The affordability threshold for a 25% equity share is calculated as follows:

- A 25% equity share of £242,250 is £60,563;
- A 10% deposit of £6,056 is deducted, leaving a mortgage value of £54,506;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £15,573;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £181,688;
- The estimated annual rent at 2.5% of the unsold value is £4,542;
- This requires an income of £15,140 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £30,714 (£15,573 plus £15,140).

36. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £24,398 and £41,240 respectively.

Rent to Buy

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

Help to Buy (Equity Loan)

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

39. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix D : Affordable Housing need and policy

Affordable Housing estimates

1. Table D-1 estimates the potential demand for affordable home ownership in Cheveley. This model estimates the number of households that might wish to own their own home but cannot afford to. The model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefit.
2. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model also discounts 25% of households potentially in need, assuming a proportion will be renting out of choice. This assumption is based on consistent results for surveys and polls at the national level which demonstrate that most households (typically 80% or more) aspire to home ownership.²⁴ No robust indicator exists for this area or a wider scale to suggest aspirations may be higher or lower in the NA.

Table D-1: Estimate of the potential demand for affordable housing for sale in Cheveley

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	175.0	Census 2021 households in the PRS (including living rent free)
1.2 Percentage renters on housing benefit in LA	21.2%	% of private renters in 2021 on housing benefit/ Universal Credit with housing entitlement
1.3 Number of renters on housing benefits in parish	37.1	Step 1.1 * Step 1.2
1.4 Current need (households)	103.4	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	8.6	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	112.8	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	12.0%	(Step 1.4 + Step 3.1) divided by number of households in NA in 2021
2.3 Total newly arising need	13.5	Step 2.1 * Step 2.2
2.4 Total newly arising need per annum	1.0	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	22.0	Number of shared ownership homes in NA Census 2021
3.2 Supply - intermediate resales	1.1	Step 3.1 * 5% (assume rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	8.6	(Step 1.5 + Step 2.4) - Step 3.2

Source: AECOM model, using Census 2021, Stat-xplore Housing Benefit and Universal Credit data 2021, DLUHC 2018 based household projections. 2018 is the latest reliable data for some datasets so is used throughout for consistency.

²⁴ <http://www.ipsos-mori-generations.com/housing.html>

3. There is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).
4. It is also important to remember that even after the Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the neighbourhood planning group.

Affordable housing policy

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

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

Consideration	Local Evidence
<p>A. Evidence of need for Affordable Housing:</p> <p>The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.</p>	<p>This HNA suggests that the NA requires around 67 units of affordable rented housing and 103 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes.</p> <p>The relationship between these figures suggests that the potential demand for affordable home ownership is largely than the need for affordable rented housing, though the needs of the latter are more acute.</p>
<p>B. Can Affordable Housing needs be met in full?</p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.</p>	<p>The Local Plan housing requirement has already been met. The level of potential affordable housing delivery in the near future is likely to be limited and unlikely to be sufficient to meet all of the need identified.</p>
<p>C. Government policy (eg NPPF) requirements:</p>	<p>For 10% of all housing to be affordable ownership in Cheveley, where 40% of all housing should be affordable, 25% of</p>

<p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>Affordable Housing should be for affordable ownership.</p>
<p>D. Local Plan policy:</p>	<p>The adopted Local Plan states at para 4.4.8 that policy indicates that the 'size mix and tenure of affordable dwellings should reflect identified needs at the time of the proposal and in the locality. The SHMA provides a starting point for identifying these needs'.</p>
<p>E. First Homes policy:</p> <p>The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes.</p> <p>After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.</p> <p>AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.</p>	<p>This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing.</p> <p>Given that there is no prescribed tenure split in the adopted Local Plan and the First Homes requirement of 25% of affordable housing is consistent with the existing requirement to provide 10% of new housing as affordable home ownership, this should not impact on provision of other forms of affordable housing (specifically rented).</p>

<p>F. Viability:</p>	<p>HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.</p>
<p>G. Funding:</p> <p>The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.</p>	<p>The Parish Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.</p>
<p>H. Existing tenure mix in Cheveley:</p> <p>The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.</p>	<p>Across the whole NA, the proportion of affordable housing is consistent with the district as a whole. However, most of the social/affordable rented stock is concentrated in the south (Cheveley village), with little shared ownership. Whilst there is limited social/affordable rented in the north, with a higher proportion of shared ownership. It is important to note that the north of Cheveley NA is continuous with Newmarket where a wider choice of affordable housing exists.</p>
<p>I. Views of registered providers:</p>	<p>It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the parish. The funding arrangements available to housing associations will determine rent levels.</p>
<p>J. Wider policy objectives:</p>	<p>The Parish Council may wish to take account of broader policy objectives for Cheveley and/or the wider District. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.</p>

Appendix E : Specialist housing for older people

Background data tables

Table E-1: Existing specialist housing supply, Cheveley

	Name	Description	Dwellings	Tenure	Type
1	Somerset Court	Retirement bungalows – 1 & 2 bed dwellings	53	Social Rent	Retirement housing

Source: <http://www.housingcare.org>

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

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	537	118	127	292	537	118
Owned Total	370	53	84	233	370	53
Owned outright	338	47	78	213	338	47
Owned (mortgage) or shared ownership	32	6	6	20	32	6
Rented Total	167	65	43	59	167	65
Social rented	120	52	29	39	120	52
Private rented or living rent free	47	13	14	20	47	13

Source: DC3408EW Health status

HLIN calculations

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

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

Source: *Housing LIN SHOP Toolkit*

6. As Table X-X in the main report shows, Cheveley is forecast to see an increase of 138 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = $60 \times .138 = 8$
- Leasehold sheltered housing = $120 \times .138 = 17$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = $20 \times .138 = 2.76$
- Extra care housing for rent = $15 \times .138 = 2.07$
- Extra care housing for sale = $30 \times .138 = 4.13$
- Housing based provision for dementia = $6 \times .138 = 0.83$

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

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

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

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods²⁵.

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard²⁶

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.

²⁵ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²⁶ See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order²⁷

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

Concealed Families (Census definition)²⁸

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

Equity Loans/Shared Equity

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

²⁷ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁸ See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

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

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

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

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years²⁹, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

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

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

²⁹ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

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

Sheltered Housing³⁰

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

³⁰ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.³¹

³¹ See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

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