

Etwall

Housing Needs Assessment (HNA)

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Quality information

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Table of Contents

1. Executive Summary.....	7
Conclusions – Quantity	7
Conclusions - Affordability and Affordable Housing	9
Current tenure profile	9
Affordability	9
The need for Affordable Housing.....	10
Affordable Housing policy.....	10
Conclusions – Type and Size	10
The current housing mix.....	10
Population characteristics	11
Household characteristics	11
Future population and size needs	12
Conclusions- Specialist Housing for Older People	12
Characteristics of the current older population	12
Projected demographic change and need for specialist housing	13
Accessibility and adaptability.....	13
2. Context.....	14
Local context.....	14
The NA boundary and key statistics	14
The housing market area context.....	16
Planning policy context.....	17
3. Objectives and approach.....	18
Objectives	18
Quantity.....	18
Affordability and Affordable Housing	18
Type and Size	19
Specialist Housing for Older People.....	19
Approach.....	20
4. Quantity.....	21
Introduction	21
Policy background	22
Approach.....	23
Standard Method Local Housing Need (Step 1).....	24
Local Proportion of LHN (Step 2)	24
LPA Planning Strategy (Step 3).....	25
Dwelling Completions and Commitments (Step 4)	27
Conclusion - Final Housing Need Figure.....	29
5. Affordability and Affordable Housing.....	31
Introduction	31
Definitions	31
Current tenure profile	32
Affordability	33
House prices	33
Income	34
Affordability Thresholds	35

Estimates of the need for Affordable Housing	39
Evidence in the SHMA	39
Additional evidence of Affordable Housing needs	40
Affordable Housing policies in Neighbourhood Plans	41
Application of Local Plan policies	41
Affordable Housing at Neighbourhood level	41
Conclusions- Tenure and Affordability	43
6. Type and Size.....	45
Introduction	45
Definitions	46
The current housing mix.....	47
Dwelling type.....	47
Dwelling size	48
Population characteristics	48
Age.....	48
Household composition and occupancy	49
Future population and size needs	52
Age.....	52
Tenure	53
Type	54
Conclusions- Type and Size.....	55
7. Specialist housing for older people.....	59
Introduction	59
Definitions	60
Specialist housing for older people.....	60
Demographic characteristics	61
Future needs for specialist accommodation and adaptations.....	62
Further considerations.....	63
Care homes.....	64
The Role of Mainstream Housing	65
Conclusions- Specialist Housing for Older People	67
8. Next Steps.....	69
Recommendations for next steps	69
Appendix A : Assessment geography	70
Appendix B : Local Plan context.....	73
Policies in the adopted local plan	73
Appendix C : Affordability calculations.....	75
Market housing.....	75
i) Market sales	75
i) Private Rented Sector (PRS).....	76
Affordable Housing.....	77
i) Social rent.....	77
i) Affordable rent.....	78
i) Affordable home ownership	78
Appendix D : Affordable Housing policy	83
Affordable housing policy	83
Appendix E : Specialist housing for older people	86

Background data tables.....	86
HLIN calculations	87
Appendix F : Housing Needs Assessment Glossary	88

List of acronyms used in the text:

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
MHCLG	Ministry of Housing, Communities and Local Government
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
RQ	Research Question
SHMA	Strategic Housing Market Assessment

1. Executive Summary

- 1.1 Etwall is a Neighbourhood Area (NA) located in the district of South Derbyshire. The NA boundary covers the areas administered by Etwall Parish Council.
- 1.2 It should be noted whilst the NA comprises the Civil Parish of Etwall, it is not possible to exactly recreate the NA boundary using Census Output Areas (OAs) in either 2011 or 2021. This means that the Census data in this report relates to a smaller area than the NA (see Appendix A), unless stated otherwise. Census data in the tables throughout the report is therefore represented as percentages rather than raw figures in the majority of instances. The data is still considered robust, with the overall characteristics of the NA still accurately represented when using this proxy area.
- 1.3 Parish level Census data is available for limited datasets in the 2021 Census, and aligns with the exact geography of the NA. It is not possible to use this data throughout the report as not all of the required datasets are available, the data is not comparable to 2011, and the relevant datasets are not all available in suitable detail. A mix of geographies cannot be used throughout the report. However, headline data for the population and number of households is possible, with the 2021 Census data for the exact NA showing a population of 3,179, with 1,309 households. This represents an increase of 273 people and 154 households since the 2011 Census.
- 1.4 There has been significant development in Etwall in recent years. South Derbyshire District Council has provided data showing that 262 new homes have been built since 2011. Of these, 68 were delivered as Affordable Housing (comprising 10 affordable ownership dwellings and 58 affordable rented dwellings).
- 1.5 This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Etwall Parish Council at the outset of the research.
- 1.6 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level is not yet available, as well as some 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 projections where necessary to build up evidence at the neighbourhood level.

Conclusions – Quantity

- 1.7 Based on the evidence, this HNA recommends that the NP should identify land to meet the net housing need figure range of **206 – 310 dwellings** over the plan period 2024-2040.

- 1.8 However, we caveat that the eventual official housing requirement figure from South Derbyshire may well be different because:
- The distribution of housing requirement between the different parts of the District and wider Housing Market Area is as yet undecided;
 - As a settlement which is high up in the settlement hierarchy of the Local Plan, Etwall may be expected to accommodate more than its prorated share of growth (to recognise that some household growth will be generated by more rural areas which provide less sustainable locations for growth than Etwall);
 - Any requirement figure for Etwall may also be lower given South Derbyshire's strong housing supply position. If this is considered appropriate to reflect in Etwall's figure, the appropriate range may be 186 – 264 homes to 2040.
- 1.9 Whilst sites for more than the housing need figure of 206 – 310 dwellings may need to be found as part of the NP, the requirement figure could also be lower given South Derbyshire's strong housing supply position which may influence SDDC's approach to distributing future housing need or requirement figures to Neighbourhood Planning areas (including Etwall Parish).
- 1.10 This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national and local policy and guidance, and other relevant and available information at the time of writing. Negotiations for the future period covered by the Local Plan Part 1 Review are currently ongoing. Their result could have a significant impact on South Derbyshire's housing needs or targets, which will in turn cascade down to the District's various parishes and NAs.
- 1.11 Second, the Issues and Options consultation for South Derbyshire's Local Plan Part 1 Review proposed a number of options for the distribution of housing growth. Depending on which of these options is selected and how exactly they might be implemented, the implications for Etwall could vary significantly.
- 1.12 We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions of the AECOM HNA with SDDC, with a view to agreeing and finalising an official HRF, bearing in mind:
- The suitability and sustainability of Etwall as a location to accommodate future growth;
 - All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the NP to be in general conformity with the strategic policies of the adopted development plan;
 - The views of South Derbyshire District Council;
 - The views of local residents;
 - The views of other relevant local stakeholders, including housing developers and estate agents; and

- Numerous relevant supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any site capacity work carried out by the NA Steering Group and / or by South Derbyshire District Council.

1.13 The NP Steering Group should carefully monitor strategies and documents with an impact on housing policy produced by the Government, SDDC, or any other relevant party, and progress the NP accordingly, to ensure that general conformity is maintained.

1.14 At the time the final Neighbourhood Plan housing requirement figure is provided by South Derbyshire District Council, it can be considered to supersede the provisional calculation within this study.

Conclusions - Affordability and Affordable Housing

Current tenure profile

1.15 Home ownership is the dominant tenure in Etwall, representing a higher share of the total (78.5%) than the wider district (75.5%) and national average (61.3%). Etwall has a comparatively high proportion of shared ownership (1.8%), at more than double the rates found across South Derbyshire (0.8%). Etwall has a higher proportion of social rented tenures (11.1%) compared to South Derbyshire (9.9%), although provision across both of these geographies is significantly lower than the national average (17.1%). Private renting is, however, underrepresented throughout the Parish.

Affordability

1.16 Home values in the NA have gradually increased since 2013, despite some year-on-year volatility. Looking at 2022 transactions, price's in Etwall appear to be higher than in South Derbyshire as a whole. The mean price across South Derbyshire in 2022 was £270,106, compared to £327,382 in Etwall. Lower quartile prices are also higher in Etwall (£250,000) compared to South Derbyshire (£186,500). This is likely to impact on the ability of younger and newly forming households to remain in or move to Etwall.

1.17 AECOM has estimated the annual income required to afford various tenures of housing in Etwall – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £52,200 in 2020 and the lower quartile household income for South Derbyshire was £21,207 in 2023.

1.18 It was found that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income nearly double the current average. Private renting is more affordable, but is generally only accessible to average and dual earning households.

- 1.19 Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Etwall there is a relatively large gap between the income needed to afford to rent (£32,520) and to buy (£71,486), who may benefit from these products.
- 1.20 The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Etwall a 40% discount appears sufficiently affordable to average earning households, however, a higher discount of 50% would expand access to ownership more widely and bring First Homes within reach of households with two lower earners.
- 1.21 Shared ownership (at 25% and 10% equity) appears to be more affordable than First Homes, with both 25% & 10% equity extending affordability to dual lower quartile earners.
- 1.22 The affordable rented sector performs a vital function in Etwall Parish as the only option for a large segment of those in the most acute need. In practice, there is limited socially rented housing at present – a situation exacerbated by the Right to Buy and similar schemes, which have resulted in a loss in recent years. This means that lower earners may have limited opportunities to live in the NA at all.

The need for Affordable Housing

- 1.23 Based on the 2020 SHMA estimates for the North West sub-area of the District, AECOM estimates a need for 9.4 affordable homes for rent and 0.3 affordable homes for sale per year in Etwall Parish. This equates to 150 and 5 units over the Plan period to 2040.

Affordable Housing policy

- 1.24 The NA's future supply of Affordable Housing depends on the delivery of mainstream housing sites larger than the threshold at which Affordable Housing requirements apply. South Derbyshire expects 30% of homes on sufficiently large new sites to be affordable. Given that Affordable Housing made up 26% of new housing in Etwall, it is understood that this target is not always met on sites in the NA.
- 1.25 AECOM recommends that the tenure mix within any Affordable Housing secured in future years gives priority to affordable rented provision (67%) over affordable home ownership options (33%). Affordable rented housing would help diversify the NA's tenure offering, thereby enabling lower income people to live in Etwall. The delivery of affordable home ownership would help to meet modest potential demand in a context where home ownership through the open market is fairly unaffordable.

Conclusions – Type and Size

The current housing mix

- 1.26 The current dwelling mix in Etwall is generally weighted in favour of larger and detached homes. Over 52% of all homes in the Parish are detached houses (compared to around 41% across South Derbyshire and 23% across England). Consequently there are smaller proportions of other dwelling types, with lower levels of semi-detached houses,

terraces and flats compared to South Derbyshire. Etwall's accommodation type mix is substantially different to that of England, reflecting its rural nature.

- 1.27 In terms of size, four + bedroom dwellings are the single most prevalent category in Etwall (40%), significantly higher than the proportions recorded across to South Derbyshire (27%) and England (21%). Consequently there are lower proportions of other dwelling sizes. Three bedroom dwellings comprise 36% of dwellings in Etwall, compared to 43% in South Derbyshire and 40% England. Likewise, there is a small proportion of smaller one and two bedroom properties in Etwall (23%), compared to South Derbyshire (29%) and England (39%).
- 1.28 Interestingly, between 2011 and 2021 the proportional share of one, two and three bedroom dwellings in Etwall fell, whilst four + bedroom dwellings recorded an increase in proportional share. This suggests new development has continued the trend of larger properties in Etwall, with less home types and sizes that tend to be most affordable.

Population characteristics

- 1.29 In terms of age, Etwall has a significantly higher proportion of people in the older age categories (65-84 and 85 and over), compared to South Derbyshire and England. Interestingly, Etwall also has a higher proportion in the 0-15 age group, although Etwall has smaller shares in all other age groups compared to South Derbyshire and England.
- 1.30 The 45-64 age group represented the largest single age group in Etwall across 2011 and 2021. The largest proportional change is seen in the 85 and over age band, which increased by 44.4%, followed by the 25-44 age group which increased by 41.7%. There was also a significant increase in the 0-15 age group which grew by 28.0%, with modest growth recorded in the 15-24, 45-64 and 65-84 age groups.
- 1.31 Applying ONS household projections for South Derbyshire to Etwall in 2021 suggests that population growth can be expected to be spread across a range of age cohorts – most notably those aged 35-64 and aged 65+.

Household characteristics

- 1.32 Overall household composition (one person households v family households) is largely comparable across Etwall and South Derbyshire. However, both geographies have a higher proportion of families and a lower proportion of single-person households compared to national averages. Etwall has a higher proportion of households with dependent children compared to South Derbyshire and England. Conversely, Etwall has a lower proportion of households with non-dependent children compared to the wider geographies.
- 1.33 As of the 2021 Census, over 83% of households in the NA had at least one more bedroom than they would be expected to need, with around 57% having at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among two distinct groups: couples with no children and older households. While not uncommon in rural areas, this might suggest

that Etwall Parish's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

Future population and size needs

- 1.34 It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (primarily with two-three bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by demographic trends (notably ageing and the growth in younger families), and diversification away from the high proportion of four+ bedroom homes in the current stock.
- 1.35 The present lack of one-two bedroom dwellings may be the case for good reasons, such as the existing patterns of housing density that reflect the rural character of parts of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual one bedroom category as the HNA model suggests. If large numbers of flats are not considered a welcome proposition in the NA, the suggested proportions of one and two bedroom homes could be blended into a combined one-two bedroom (or even one-three bedroom) category, allowing for greater flexibility.
- 1.36 The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and/or more accessible housing for older people) are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount in line with the recommendations for South Derbyshire as a whole in the 2020 SHMA.
- 1.37 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the 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.

Conclusions- Specialist Housing for Older People

Characteristics of the current older population

- 1.38 There are currently around 403 individuals aged 75 or over in Etwall, representing over 13% of the population.
- 1.39 A clear majority (89%) of South Derbyshire households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2040) are owner occupiers. The remainder predominantly rent from a social landlord. This is important to note because currently

homeowners will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing because they are unlikely to have the funds to buy.

- 1.40 There are two specialist accommodation schemes and four care homes in the NA at present, according to the Elderly Accommodation Counsel search tool.

Projected demographic change and need for specialist housing

- 1.41 The current 75+ population of the NA is projected to nearly double by the end of the Plan period (2040) to 761 individuals – an increase of 358 people. This represents nearly 20% of the overall population in 2040. The growth in the existing older population, which, rather than the total, is the focus of the estimates of need here, should be converted into households because some older people will be cohabiting in old age. The projected household growth to 2040 among those aged 75+ in Etwall is 254.
- 1.42 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.
- 1.43 These two methods of estimating the future need in Etwall produce a range of 90 to 117 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
- 1.44 In broad terms, Etwall is considered a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Etwall in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself.

Accessibility and adaptability

- 1.45 Given the potentially limited volume of additional specialist supply expected during the Plan period, an important alternative solution may be to discuss the standards of accessibility and adaptability required of new development with SDDC. There is a particularly high degree of overlap between the groups served by sheltered specialist housing and adapted mainstream housing, so the unmet need for such homes identified here can be reduced through this avenue.
- 1.46 The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people but does not set specific targets for

new homes to meet Category M4(2) accessibility standards or M4(3) wheelchair user standards. 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, so discussions with SDDC are advised if action on this point is a key priority.

2. Context

Local context

- 2.1 Etwall is a Neighbourhood Area (NA) located in the district of South Derbyshire in Derbyshire County. The NA boundary comprises the Civil Parish of Etwall and was designated on 26th January 2023.
- 2.2 The Neighbourhood Plan is envisaged to start in 2024 and extend to 2040, therefore covering a period of 16 years. The evidence supplied in this report will look forward to the Plan end date of 2040, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes
- 2.3 The NA covers approximately 2,318 hectares of land, centred around Etwall village, located roughly equidistant between Derby (approximately 3.6km to the north east) and Burton Upon Trent (approximately 3.7km to the south). These towns are connected via the A38, which is located approximately 2.3km to the south east of Etwall village.

The NA boundary and key statistics

- 2.4 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 Etwall is provided in Appendix A. A map of the Plan area appears overleaf in Figure 2-1.

Figure 2-1: Map of the Etwall Neighbourhood Area¹



¹ South Derbyshire District Council (2023). 'Etwall Neighbourhood Area', available at <https://www.southderbyshire.gov.uk/assets/attach/11206/Appendix-A-Etwall-Neighbourhood-Plan-Area.pdf>

- 2.5 At the time of the 2011 Census the NA was home to 2,906 residents, formed into 1,155 households and occupying 1,180 dwellings. The 2021 Census indicates population growth of around 273 individuals (or 9%) since 2011, recording a total of 3,179 residents and 1,309 households. Residential completions data provided by South Derbyshire District Council (SDDC) shows that 262 new homes have been built since 2011. Of these, 68 were delivered as Affordable Housing (comprising 10 affordable ownership dwellings and 58 affordable rented dwellings).
- 2.6 For the purpose of this study, however, most of the data analysed will sum to the figures given in the 2021 Census because it is not possible to know or estimate the demographic or other characteristics of the occupants of these new homes. It is also possible that not every newly completed dwelling is already occupied at the time of writing in May 2024.

The housing market area context

- 2.7 Whilst this Housing Needs Assessment (HNA) focuses on Etwall 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.
- 2.8 In the case of Etwall, the NA sits within a housing market area which covers Derbyshire County, and the North West housing sub-market area.² This means that when households who live in the relevant authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Burton upon Trent and Uttoxeter.
- 2.9 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Etwall, are closely linked to other areas. In the case of Etwall, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. For example, the NA's proximity to Derby may impact this.
- 2.10 In summary, Etwall functions within a wider strategic area. As well as fostering good working relationships with the local planning authority (South Derbyshire District Council), 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.

² Available at [District-wide evidence | South Derbyshire District Council](#)

Planning policy context

2.11 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.³ In the case of South Derbyshire District Council, the relevant adopted Local Plan consists of:

- The Local Plan Part 1,⁴ which was adopted on 13th June 2016 and covers the period 2011 to 2028. This is the strategic element of the Local Plan, setting out the long-term vision, objectives and strategy for the spatial development of South Derbyshire; and
- The Local Plan Part 2⁵, which was adopted on 2nd November 2017 and proposes non-strategic housing allocations and detailed development management policies.

2.12 SDDC is currently in the process of reviewing its Local Plan.⁶ The most recent stage in the Local Plan review occurred in winter 2022, when the council held an Issues and Options consultation. No updates have since been issued; therefore, no new policies have yet been drafted.

³ 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>

⁴ South Derbyshire District Council (2016). 'Local Plan Part 1', available via [this link](#).

⁵ South Derbyshire District Council (2017). 'Local Plan Part 2', available via [this link](#).

⁶ South Derbyshire District Council (no date). 'Local Plan Review' available via [this link](#).

3. Objectives and approach

Objectives

3.1 This HNA is structured according to a number of themes or topics that were agreed at the outset of the research with the Etwall 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.

Quantity

3.2 The objective of this chapter is to understand what quantity of housing overall might be needed in the NA over the Plan period.

3.3 This question properly falls within the remit of the LPA, to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing need or requirement for any designated NA.

3.4 Etwall does not currently benefit from a specific housing requirement figure provided by South Derbyshire District Council through the Local Plan process.

3.5 In its absence, AECOM have agreed to supply an indicative estimate to help the Etwall Parish Council understand the potential scale of need in future years. This can be helpful context for the Neighbourhood Plan, particularly when considering the allocation of housing sites.

3.6 However, the indicative figure provided here will be automatically superseded if an LPA-provided figure emerges in future.

Affordability and Affordable Housing

3.7 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.

3.8 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.

3.9 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

3.10 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.

3.11 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.

3.12 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

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

3.14 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**.

3.15 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.

Approach

3.16 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 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from [Home.co.uk](https://www.home.co.uk);
- Local Authority housing waiting list data; and
- The 2020 Strategic Housing Market Assessment (SHMA) for South Derbyshire.

3.17 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, including parishes, will not be available until later in 2024, 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. Quantity

Introduction

- 4.1 The objective of this chapter is to understand what quantity of housing overall might be needed in the Neighbourhood Area (NA) over the Neighbourhood Plan period.
- 4.2 This question properly falls within the remit of the SDDC, to whom the National Planning Policy Framework (NPPF) gives responsibility for determining the overall housing need or requirement for any designated NA. More background on this point is provided in the Policy Background section below.
- 4.3 In the absence of a housing figure provided by the Local Planning Authority (LPA), AECOM can supply an indicative estimate to help neighbourhood planning groups understand the potential scale of need in future years. This can be helpful context for the Neighbourhood Plan, particularly when considering the allocation of housing sites.
- 4.4 However, the indicative figure provided by AECOM has a lower status to one provided by an LPA and would be automatically superseded if an LPA-provided figure emerges in future. As well as having a different status to an LPA-provided housing figure, AECOM's indicative figure is more limited in how it can be calculated.
- 4.5 It is important to highlight that there is no established method for calculating the overall housing need of small areas. While the NPPF requires LPA's to provide figures for NA's upon request, neither the NPPF nor Planning Policy Guidance (PPG) set out exactly how this should be done. As a result, LPAs take a variety of different approaches.
- 4.6 Generally, the methods used are top-down in nature, meaning that they try to determine what share of the Local Authority area's need is attributable to the NA. It is possible to use a bottom-up approach, likely drawing on household survey evidence, but this tends to be less consistent in terms of the data used and risks distorting the wider picture when multiple such estimates are aggregated.
- 4.7 AECOM's approach in HNAs is quite limited and simplistic for reasons of consistency and because certain judgements would require a wider scope and/or remain in the remit of the LPA. For example, LPAs can make their own determinations about the suitability of the NA for housing growth, noting for example its infrastructure and environmental constraints, or the role it plays in the local area relative to other locations.
- 4.8 For this reason, the number provided here is termed a Housing Need Figure (HNF) rather than sharing the terminology generally used by LPAs, which would speak of a Housing Requirement Figure (HRF). A need figure is a simpler expression of what might be needed, irrespective of the additional objectives, constraints and wider targets that might go into a more formal requirement or

housing target. In short, a HRF can reflect the wider planning strategy in addition to local need. However, the AECOM interim HNF can serve as a helpful placeholder to allow the Neighbourhood Plan to progress while the HRF is awaited.

Policy background

- 4.9 The 2023 NPPF (paragraph 67) states that strategic policy-making authorities “should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”.
- 4.10 NPPF paragraph 68 states that “Where it is not possible to provide a requirement figure for a neighbourhood area the local planning authority should provide an indicative figure, if requested to do so by the neighbourhood planning body”. This indicative figure should (amongst other things) “take into account factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the planning authority.”⁷
- 4.11 In calculating this HNF, it should be noted that paragraphs 67 and 68 place specific obligations on strategic or local planning authorities and no other parties (i.e. AECOM is not obliged to follow directly paragraphs 67 and 68). That said, AECOM’s calculation will be of most use as a starting point if it can seek to mirror the NPPF suggested approach as closely as possible, and so this is the reasonable approach that has been taken.
- 4.12 The PPG⁸ states that “Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations”.
- 4.13 A HNF is a ‘policy-off’ figure. This means that, while it takes account of the factors set out paragraph 68 of the NPPF and dwelling completions over the course of the Plan period, it is an expression of total housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land

⁷ NPPF 2023, paragraph 68, available at <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

⁸ Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

availability, relevant Local and Neighbourhood Plan objectives and policies, to formulate a ‘policy-on’ HRF.

4.14 This, again, is the difference between the Housing Need Figure (HNF) calculated here and the Housing Requirement Figure (HRF) that the Neighbourhood Plan may take forward based upon it, or which may be provided by the LPA. The HNA figure represents a blunt expression of need rather than a requirement.

Approach

4.15 The number of new dwellings that might be planned for in the NA over the Plan period (the interim HNF) is estimated using a three-step approach that seeks to reflect to the maximum extent the National Planning Policy Framework (NPPF) 2023, Planning Practice Guidance (PPG) advice, and the April 2021 Government response to its consultation on ‘Changes to the current planning system’.⁹ This is summarised in the box below:

Step 1: Standard Method Local Housing Need - summarising the Local Housing Need (LHN) figure and other relevant targets for South Derbyshire as set out in SDDC’s 2024 Housing Position Paper.

It is also important to reflect the Urban Centres Uplift, a 35% uplift which is applied for those urban local authorities in the top 20 cities and urban centres list (ranked by population). At the time of writing, neighbouring Derby is one of the 20 cities to which this applies.¹⁰ This has implications for its neighbouring authorities, including South Derbyshire. That said, the share of Derby city’s unmet need that may be taken by South Derbyshire remains a key point of uncertainty.

Step 2: Local Proportion of LHN - Pro-rating the LPA LHN to the NA using population statistics for the parish, to produce a baseline assessment of need, expressed as a range.

Step 3: LPA Planning Strategy - Applying South Derbyshire’s strategy for the distribution of development, based on the adopted settlement hierarchy and other relevant information.

Step 4: Dwelling Completions and Commitments - Deducting any completions within the NP period so far, and making reference to any outstanding commitments. If the latter were all built out, the residual need would be reduced, but they should not be deducted in advance.

4.16 Employing this methodology, the HNF for Etwall is calculated overleaf.

⁹ Available at: <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>.

¹⁰ The cities and urban centres list is devised by ranking the Office for National Statistics list of Major Towns and Cities by population size using the latest mid-year population estimates (Nomis, official labour market statistics)

Standard Method Local Housing Need (Step 1)

4.17 South Derbyshire's Housing Position Paper January 2024 states that:

"The standard method currently gives an annual requirement of 522 dwellings, as opposed the Local Plan based annual target of 742. ... The Local Plan target includes part of the need generated within Derby City whilst the standard method does not".

"This target includes a contribution of 3,013 dwellings towards meeting some of Derby City's unmet housing need. The period covered by the Plan is 2011 to 2028".

"It has... been determined that the South Derbyshire five year housing land supply should be calculated using both the Local Plan target and the housing need figure derived using the standard method pending consideration of the appropriate distribution of housing provision among the three HMA local authorities in the context of their respective Local Plan reviews".

4.18 AECOM deems the figure of 742 dwellings to be the most realistic available expression of South Derbyshire's annual need once broader objectives and Derby city's unmet need are taken into account. This represents a significant uplift of 42% on the most recent standard method result.

4.19 However, the share of Derby City's unmet need (also reflecting its urban centres uplift) that will be attributed to South Derbyshire for its emerging Local Plan Part 1 Review, is yet to be determined. It should be emphasised that this figure, when confirmed, will be a key input for understanding South Derbyshire's and also Etwall Parish's housing need. Predictions about how Derby's unmet need should be distributed to South Derbyshire are beyond the scope of this HNA.

4.20 In the absence of a clear steer on this matter, it is difficult to be definitive about South Derbyshire's overall housing need or how this might be distributed to the NA. It is therefore considered appropriate to take forward both of the key figures summarised above as a range. They are the current LHN result of 552 dwellings, and the Local Plan figure of 742 dwellings. The latter should be seen as a placeholder, which may be replaced with any figure arising from discussions between South Derbyshire, Derby and other relevant authorities in due course.

Local Proportion of LHN (Step 2)

4.21 The 2021 Census population data is available for the NA (i.e. Etwall Parish), however, the following steps also reference the Etwall proxy area for completeness and consistency with the other findings in this report. The 2021 Census population data for the for each of the relevant areas is as follows:

- South Derbyshire: 107,204
- Etwall Parish: 3,179
- Etwall Proxy: 3,085

4.22 The proportion of the South Derbyshire population who live in the NA and its sub-areas is therefore:

- Etwall Parish: 2.97%
- Etwall Proxy: 2.88%

4.23 A baseline / fall-back assessment of need can be calculated by applying these percentages to the two South Derbyshire need figures summarised in the previous step – the standard method LHN figure of 522 and the latest annual target of 742. The resulting ranges (of need per year) are as follows:

- **Etwall Parish: 15.5 – 22.0**
- Etwall Proxy: 15.0 – 21.4

4.24 Over the 16 years over the currently envisaged Neighbourhood Plan period 2024-2040, this amounts to total estimated ranges of need for each of the areas of:

- **Etwall Parish: 248 – 352**
- Etwall Proxy: 240 – 342

LPA Planning Strategy (Step 3)

4.25 However as stated in NPPF guidance, it is important to acknowledge relevant policies in the most recently available development plan document for the LPA, which reflect the overall strategy for the pattern and scale of development and any relevant allocations. This requires producing a HNF for the NA that takes into account SDDC's spatial strategy, and therefore may differ from the initial HNF calculated above.

4.26 Policy H1 in South Derbyshire's adopted Local Plan Part 1 sets out the local authority's settlement hierarchy, based on the range of services and facilities that are offered by each settlement. The level of development for each settlement should be of a scale appropriate to the size and role of that settlement.

4.27 Local Plan paragraph 5.21 further sets out that "In line with the hierarchy, the Strategy directs larger development sites to those areas which offer a degree of self-containment in terms of availability of everyday services and facilities. In particular, priority is afforded to those places which are served by high quality public transport services offering sustainable travel at frequent intervals throughout the day and evening to employment and higher order service destinations. Similarly, the availability of a convenience shop offering a range of day-to-day goods, combined with other community and civic facilities are recognised as being essential Ingredients to sustainable communities".

4.28 The top two tiers of the settlement hierarchy are as follows:

- 1) Urban Areas – the urban areas of Swadlincote including Woodville, adjacent to Derby and adjacent to Burton upon Trent. The supporting text includes Highfields Farm as a site supplying housing in the Derby Urban Edge.
- 2) Key Service Villages - Aston on Trent, Etwall, Hatton, Hilton, Melbourne, Overseal, Repton, Shardlow, Willington, and Linton

4.29 Etwall is thus identified as being one of 10 Key Service Villages, which represents the second tier of the hierarchy, following Urban Areas.

4.30 For Urban Areas and Key Service Villages, Policy H1 states that development of all sizes within the settlement boundaries will be considered appropriate, as will sites adjacent to settlement boundaries as an exception or for the purpose of cross-subsidy as long as not greater than 25 dwellings.

4.31 The settlement hierarchy does not set out the percentage of development that should take place in any particular tier of the hierarchy, although it does make allocations for particular settlements. The Local Plan proposes 249 dwellings within Etwall, comprising 199 dwellings at land south of Willington Road (LP1: Policy H10) and 50 dwellings at Jacksons Lane (LP2: Policy H23).

4.32 While the ongoing Local Plan Part 1 Review is still an early stage, it is flagged that the settlement hierarchy will be reviewed but using similar principles as before. At this stage only broad options for accommodating growth have been identified, not specific locations.

- Option 1: Urban Extensions – focus development adjoining existing urban areas;
- Option 2: Key Service Villages – focus development on these ten villages;
- Option 3: Dispersed development – focusing on both Key and Local Service Villages;
- Option 4: Create a new settlement or significant urban extension.

4.33 Etwall, as a larger village containing key services, will therefore likely continue to be one of the locations prioritised for growth. However, there is insufficient information to quantify to what extent this may be the case, as this will depend on sites identified as available, suitable, and achievable for growth in the Strategic Housing Land Availability Assessment, and subsequently selected for allocation. This information is not yet available at the time of writing.

4.34 AECOM concludes that there is no meaningful way of quantifying the likely proportion of growth which should be assigned to Etwell and that therefore, we have to fall back on the pro-rated range given in Step 2. However, there is a possibility that in practice that this range may be different because:

- Etwell, as a Key Service Village containing key services, may be assigned more than its pro-rated share of district growth in the emerging Local Plan; and
- SDDC have met their housing requirement figure to 2028, as stated in the Housing Position paper, housing need up to 2028 can be removed from the calculation.

Dwelling Completions and Commitments (Step 4)

4.35 The next step is to subtract any net completions of new dwellings that have occurred since the beginning of the Neighbourhood Plan period. Because that period (currently envisaged to be 2024-2040) does not have a start date in the past, there are no completions to be deducted.

4.36 As noted previously, the Local Plan proposes 249 dwellings within Etwell, across two separate designations (LP1: Policy H10 and LP2: Policy H23 B). The 199 dwellings allocated under LP1: Policy H10 were built out between 2016 and 2020¹¹. According to SDDC's 2024 Housing Position Paper, 8 dwellings allocated under LP2 Policy: H23 B were completed between 2022 and 2023, leaving an outstanding commitment of 42 dwellings¹². This is the closest available proxy for the level of development that can be expected during the plan period in the near term, based on current allocations.

4.37 The Etwell NP is therefore, as a minimum, likely to need to find land for **206 – 310 dwellings** (248 – 352 net need minus 42 units on committed land).

4.38 However, it is relevant to consider the impact of completions and commitments against housing need targets for wider South Derbyshire.

4.39 SDDC's 2024 Housing Position Paper states that 'There is forecast to be no remaining shortfall in housing provision over the Local Plan period' (paragraph 31). The accompanying tables (8 and 9) demonstrate that completions to date and projected completions to 2028/29 together exceed projected needs based on both the Plan Period requirement and standard method calculations. This means that any housing need across the wider District, at least to 2028 but likely also beyond this date (though specific longer-term figures are not provided in the Position Paper), has effectively been met through existing allocations and committed sites.

¹¹ See relevant planning permissions: ref:9/2013/1040 approved April 2015 and ref:9/2015/0354 approved August 2016.

¹² See relevant planning permissions: ref: 9/2017/1191 approved May 2019.

- 4.40 South Derbyshire’s strong housing supply position could well influence SDDC’s approach to distributing future housing need or requirement figures to Neighbourhood Planning areas (including Etwall Parish).
- 4.41 It is reasonable to suppose, for instance, that Neighbourhood Plan housing requirements to 2040 would reflect the fact that needs have been met at least to 2028, meaning that only 12 years’ worth of housing growth (2028-2040) needs to be accounted for – rather than 16 years’ worth (2024-2040).
- 4.42 If that approach were applied to the need figures identified for Etwall Parish, as detailed above, the annual need range of 15.5 – 22.0 would be multiplied by 12 instead of 16 years to produce a lower residual total range of 186 – 264 additional homes to 2040.
- 4.43 The same principle could also apply if SDDC’s housing supply results in no shortfall beyond 2028, although specific figures for housing supply past that date are not currently available.
- 4.44 Theoretically, the 42 units on committed land could then be deducted as above to produce a lower residual range of need for 144 – 222 additional homes to 2040.
- 4.45 However, there is a risk of double-counting here, in that this step may effectively account for future supply twice: once by deducting the years for which need is met across South Derbyshire as a whole, and again for Etwall’s specific contribution to that pipeline of supply (namely, the 42-unit allocation, which could be complete by 2028). The reduction in Etwall’s potential range of need to reflect South Derbyshire’s supply position reduces the range by 62 – 88 homes in total (the difference between the 248 – 352 and 186 – 264 ranges highlighted above). Since both ends of this range are higher than 42, they should – in AECOM’s view – be seen as reflecting both Etwall’s own contribution to future delivery and a top-up deduction to reflect the wider District’s supply position. As such, it would represent double-counting to additionally deduct the 42 committed units from the adjusted range of 186 – 264 homes to 2040.
- 4.46 To clarify: if it is considered appropriate for Etwall’s housing need figures to reflect South Derbyshire’s supply position to 2028, the appropriate range is **186 – 264 homes to 2040**. Otherwise, the range of need should revert to **206 – 310 homes to 2040**. Both of these ranges reflect the expected delivery of the 42 committed units, but in the former case that deduction is topped-up to reflect the wider South Derbyshire position.
- 4.47 Whether and to what extent SDDC’s current housing supply position should influence Neighbourhood Plan housing requirements is a matter sitting properly with SDDC. This scenario is presented hypothetically here to reflect an important point of context. It may be valid for the resulting lower figures to be taken forward in the Etwall Neighbourhood Plan (if a definitive figure from SDDC remains unavailable at that time), but this should ideally be discussed with SDDC.

4.48 This issue is explored here to recognise further layers of uncertainty around housing requirements for Neighbourhood Plan areas in South Derbyshire (beyond those relating to the District's eventual share of Derby City's unmet needs, discussed earlier in this chapter). Given that SDDC are presently updating Part 1 of the Local Plan (which is concerned with strategic-scale sites) rather than Part 2 (which is more likely to consider smaller-scale growth and settlement boundaries), it may be some time before more definitive guidance is available. It is therefore helpful to think through relevant flexibilities, even if it is not appropriate for AECOM to make clear determinations. Further discussions with SDDC on this point are strongly advised.

Conclusion - Final Housing Need Figure

4.49 Based on the evidence above, this HNA recommends that the NP should identify land to meet the net HNF range of **186 – 310 dwellings** over the plan period 2024-2040.

4.50 However, we caveat that the eventual official HRF from South Derbyshire may well be higher because:

- The distribution of housing requirement between the different parts of the District and wider Housing Market Area is as yet undecided;
- As a settlement which is high up in the settlement hierarchy of the Local Plan, Etwall may be expected to accommodate more than its prorated share of growth (to recognise that some household growth will be generated by more rural areas which provide less sustainable locations for growth than Etwall).

4.51 All of this may mean that sites for more than the range set out in paragraph 4.49 may need to be found as part of the NP, unless the emerging Local Plan identifies more suitable sites elsewhere.

4.52 That said, any requirement figure for Etwall may also be lower given South Derbyshire's strong housing supply position, as discussed in the previous section. If this is considered appropriate to reflect in Etwall's figure, the appropriate range may be 186 – 264 homes to 2040.

4.53 This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national and local policy and guidance, and other relevant and available information at the time of writing. Negotiations for the future period covered by the Local Plan Part 1 Review are currently ongoing. Their result could have a significant impact on South Derbyshire's housing needs or targets, which will in turn cascade down to the District's various parishes and NAs.

4.54 Second, the Issues and Options consultation for South Derbyshire's Local Plan Part 1 Review proposed a number of options for the distribution of housing growth. Depending on which of these options is selected and how exactly they might be implemented, the implications for Etwall could vary significantly.

4.55 We recommend that the neighbourhood planners should, as a next step, discuss the contents and conclusions of the AECOM HNA with SDDC, with a view to agreeing and finalising an official HRF, bearing in mind:

- The suitability and sustainability of Etwall as a location to accommodate future growth;
- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the NP to be in general conformity with the strategic policies of the adopted development plan;
- The views of South Derbyshire District Council;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- Numerous relevant supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any site capacity work carried out by the NA Steering Group and / or by South Derbyshire District Council.

4.56 The NP Steering Group should carefully monitor strategies and documents with an impact on housing policy produced by the Government, SDDC, or any other relevant party, and progress the NP accordingly, to ensure that general conformity is maintained.

4.57 At the time the final Neighbourhood Plan housing requirement figure is provided by South Derbyshire District Council, it can be considered to supersede the provisional calculation within this study.

5. Affordability and Affordable Housing

Introduction

5.1 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.

5.2 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.

5.3 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

5.4 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 2023 (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.
- 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.¹³

- **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

5.5 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.

5.6 Table 5-1 presents data on tenure in Etwall compared with South Derbyshire and England from the 2021 Census. The majority of households in Etwall own their own homes (78.5%), slightly higher than South Derbyshire and significantly above the rate of owner occupation in England as a whole. Likewise, Etwall has a comparatively high proportion of shared ownership (1.8%), at more than double the rates found across South Derbyshire (0.8%). Etwall has a higher proportion of social rented tenures (11.1%) compared to South Derbyshire (9.9%), although provision across both of these geographies is significantly lower than the national average (17.1%). There is very limited private rented sector in Etwall at 8.6% compared to 14.8% in the district, which is also substantially below the level of 20.6% across England.

Table 5-1 Tenure (households) in Etwall, 2021

Tenure	Etwall	South Derbyshire	England
Owned	78.5%	74.5%	61.3%
Shared ownership	1.8%	0.8%	1.0%
Social rented	11.1%	9.9%	17.1%
Private rented	8.6%	14.8%	20.6%

Sources: Census 2021, AECOM Calculations

5.7 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 5-2). Whilst all tenures experienced growth, there has been a very significant proportional increase in shared ownership, which grew by 1050% in Etwall. This growth contrasts the decline in this tenure at a national level (-88.7%) across the same time period. The scale of the change of shared ownership in Etwall can be attributed to a relatively low starting base of just two households in 2011.

¹³ 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>.

Table 5-2 Tenure change (households) in Etwall, 2011-2021

Tenure	2011	2021	% change
Owned	849	1,009	18.8%
Shared ownership	2	23	1050.0%
Social rented	108	142	31.5%
Private rented	90	111	23.3%

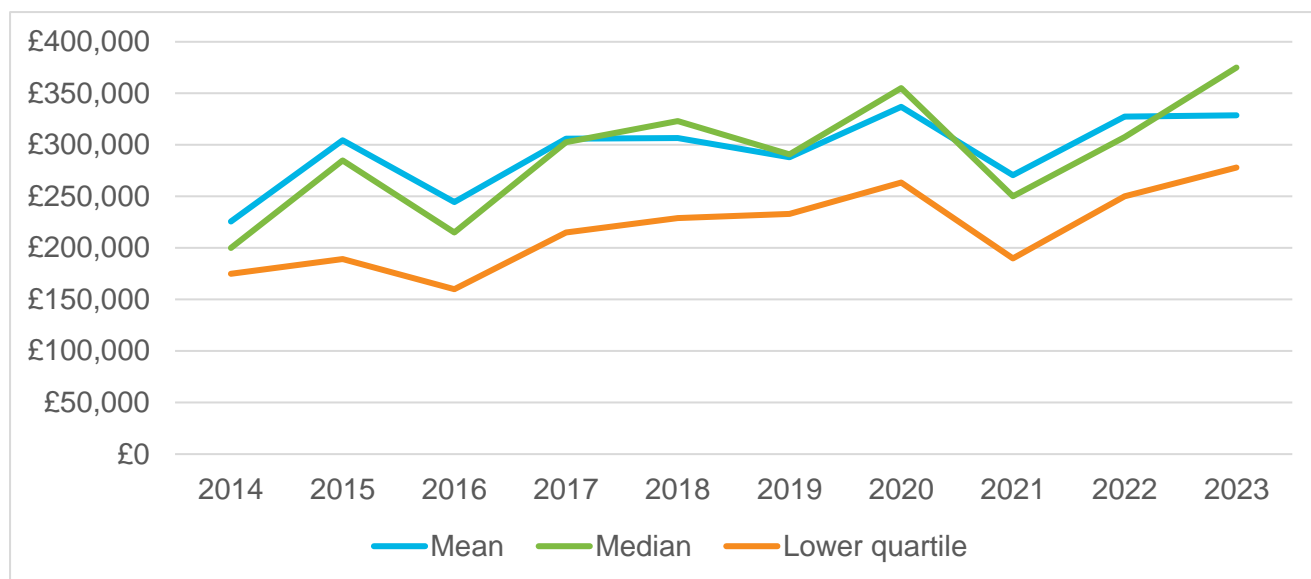
Sources: Census 2021 and 2011, AECOM Calculations

Affordability

House prices

- 5.8 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.
- 5.9 Figure 5-1 looks at the average and lower quartile house prices in Etwall based on sales price data published by the Land Registry. It shows that there has been an overall increase in house prices, despite year-on-year fluctuations. The mean (which captures the average of all house prices, both high and low) and the median (which is the middle number when the data is sorted from smallest to largest), largely track each other. By definition, the lower quartile price, which represents the bottom 25% value of all properties sold, remains lower than both the median and mean prices.
- 5.10 In 2023 the median price (£375,000) was higher than the mean price (£328,667), likely a result of the small sample size, with only three transactions recorded in Etwall across 2023. In contrast, 2022 saw 23 transactions across Etwall, with the mean price (£327,382) higher than median (£307,500).
- 5.11 Looking at 2022 transactions it appears that prices in Etwall are higher than in South Derbyshire as a whole. The mean price across South Derbyshire in 2022 was £270,106, compared to £327,382 in Etwall. Lower quartile prices are also higher in Etwall (£250,000) compared to South Derbyshire (£186,500). The wider district appears to be more affordable than the parish which is likely to impact on the ability of younger and newly forming households to remain in or move to Etwall.

Figure 5-1 House prices by quartile in Etwall, 2014-2023



Source: Land Registry PPD

5.12 Table 5-3 breaks down house prices by type, presenting the median within each type. It shows that detached dwellings (on average the most expensive dwelling type), with an average price increase of 56.9% between 2014 and 2023. There were no transactions recorded across 2012 and 2021 for flats. This is unsurprising, as Chapter 6 highlights this housing type is uncommon within Etwall. Interestingly, there are five years (2014, 2015, 2017, 2019 and 2020) where the median price for terraced housing exceeds the median price for semi-detached properties.

5.13 Note that this data should be approached with caution: the annual average by type is derived from a smaller sample size within each category that can mean that variation in the homes that happen to be sold in a given year (and their characteristics in terms of size, location and condition) can have a large impact on the average.

Table 5-3 Median house prices by type in Etwall, 2014-2023

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Detached	£256,500	£341,000	£261,500	£342,000	£342,950	£352,450	£364,975	£320,000	£407,500	£402,500
Semi-detached	£156,500	£171,000	£158,000	£214,950	£215,625	£227,250	£215,000	£230,000	£250,000	£181,000
Terraced	£249,000	£228,500	£153,000	£281,250	£152,000	£247,500	£290,000	£162,400	£205,000	-
Flats	-	-	-	-	-	-	-	-	-	-
All Types	£200,000	£285,000	£215,000	£302,450	£322,950	£290,750	£354,950	£250,000	£307,500	£375,000

Source: Land Registry PPD

Income

5.14 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.

- 5.15 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 £52,200 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.
- 5.16 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. South Derbyshire District Council's gross individual lower quartile annual earnings were £21,207 in 2023. To estimate the income of households with two lower quartile earners, this figure is doubled to £42,414.
- 5.17 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

- 5.18 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.
- 5.19 AECOM has determined thresholds for the income required in Etwall 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.
- 5.20 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.
- 5.21 Table 5-4 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 5-4 Affordability thresholds in Etwall (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £52,200	Affordable on LQ earnings (single earner)? £21,207	Affordable on LQ earnings (2 earners)? £42,414
Market Housing						
Median House Price	£337,500	-	£96,429	No	No	No
Estimated NA New Build Entry-Level House Price	£300,513		£85,861	No	No	No
LQ/Entry-level House Price	£250,200	-	£71,486	No	No	No
LA New Build Median House Price	£302,850	-	£86,529	No	No	No
Average Market Rent	-	£12,576	£41,920	Yes	No	Marginal
Entry-level Market Rent	-	£9,756	£32,520	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£210,359	-	£60,103	No	No	No
First Homes (-40%)	£180,308	-	£51,516	Marginal	No	No
First Homes (-50%)	£150,256	-	£42,930	Yes	No	Marginal
Shared Ownership (50%)	£150,256	£4,174	£56,843	No	No	No
Shared Ownership (25%)	£75,128	£6,261	£42,334	Yes	No	Marginal
Shared Ownership (10%)	£30,051	£7,513	£33,629	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£5,193	£17,293	Yes	Yes	Yes
Social Rent	-	£4,989	£16,613	Yes	Yes	Yes

Source: AECOM Calculations

5.22 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 interpreted flexibly.

Market housing for purchase and rent

5.23 Thinking about 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. The median house price would require an nearly doubled annual income.

5.24 Private renting is affordable to average earners and dual lower quartile earners. Households made up of one lower quartile earner 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

5.25 There is a relatively large group of households in Etwall who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £32,520 per year (at which point entry-level rents become affordable) and £71,486 (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.

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

5.27 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Whilst a 40% discount brings First Homes within reach of average earners, a 50% discount expands affordability households with two lower earners. As such a 50% discount appears to be the most appropriate discount level.

5.28 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. 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 the Etwall Parish Council intend to set a higher First Homes discount level than that set at district level, further discussions with the LPA are advised.

5.29 Shared ownership (at 25% and 10% equity) appears to be more affordable than First Homes but is broadly accessible to the same groups, with both 25% and 10% equity extending affordability to dual lower quartile earners. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.¹⁴ If this is delivered in the NA, it will make shared

¹⁴ 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

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.

5.30 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 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 expand this route to home ownership quite significantly. However, discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable to Shared Ownership at 10% equity. 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.

5.31 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 alone, which tend to be cheaper than renting.
- 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 and other costs, 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 but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

5.32 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 Etwall, where affordable rents are approximately 60% below average market rents.

5.33 Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible).

5.34 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Etwall as the only option for a large segment of those in the greatest need. 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

5.35 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.

Evidence in the SHMA

5.36 A SHMA was undertaken for South Derbyshire in 2020. 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.

5.37 The SHMA identifies affordable housing needs for three sub areas. Etwall Parish falls within the North West Fringe sub-area. This can be recreated using the boundaries available for the 2021 Census¹⁵. The population of this area in 2021 was 19,609. The proportion of the Derby Fringe population living in the NA is therefore as follows:

- Etwall Parish: 16.2%
- Etwall Proxy: 15.7%

¹⁵ Composed of MSOAs E02004118 and E02004119

5.38 The SHMA identifies a need for 58 additional affordable rented homes and 2 units of affordable home ownership in the North West per year over the period 2019-2028. These annual figures can be pro-rated to the Parish as follows:

- Etwall Parish: 9.4 for rent, 0.3 for sale
- Etwall Proxy: 9.1 for rent, 0.3 for sale.

5.39 Over the lifetime of the Neighbourhood Plan (assuming a Plan period of 16 years to 2040), this translates into total need for:

- **Etwall Parish: 150 for rent, 5 for sale**
- Etwall Proxy: 146 for rent, 5 for sale

5.40 Given the relatively recent production of the SHMA and its provision of results that are more locally specific than the District as a whole, this evidence represents a robust basis for understanding the affordable housing needs of the NA.

Additional evidence of Affordable Housing needs

5.41 Housing waiting list data provided by South Derbyshire District Council¹⁶ suggests there are nine households within the NA in housing need within Etwall (see Table 5-5). South Derbyshire District Council categorises need across four bands: Emergency Band, A Band, B Band, C Band and D Band. The majority of the households identified here fall within C Band, considered to be already adequately housed.

Table 5-5 Registered Housing Need within Etwall

Priority Band	Bedroom Need
A Band	1
A Band	1
B Band	3
B Band	1
C Band	2
C Band	2
C Band	2
C Band	2
C Band	1

Source: South Derbyshire District Council

5.42 Beyond the need within Etwall itself, housing waiting list data suggests there are 204 households (comprising 152 in Derbyshire County and 52 elsewhere) with a local connection, expressing an interest to live in Etwall. Whilst registered housing need within Etwall appears relatively low, it is clear that a number of local people have been forced to look beyond the parish to meet their housing needs.

¹⁶ As provided in an e-mail from Jordan Brown, South Derbyshire District Council, February 2023

Affordable Housing policies in Neighbourhood Plans

5.43 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

5.44 South Derbyshire District Council's adopted policy on this subject Policy H21 requires 30% of all new housing to be affordable. Given that Affordable Housing made up 26% of new housing in Etwall over the last decade according to South Derbyshire District Council completions figures, it is understood that this target is not always met on sites in the NA.

5.45 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.

5.46 How the Affordable Housing that comes forward through mainstream development sites is broken down into specific tenures – such as the balance between rented tenures and routes to home ownership – is left in the Local Plan to be informed by the latest evidence. The 2020 SHMA in turn suggests 67% of Affordable Housing should be for rent and 33% should be for sale.

Affordable Housing at Neighbourhood level

5.47 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 Etwall on the basis of identified housing need and a range of other considerations detailed in Appendix D.

5.48 On balance, AECOM recommends that any future Affordable Housing delivered in Etwall Parish be composed of around 67% affordable rent and 33% affordable home ownership in line with the evidence presented in the 2020 SHMA for the District as a whole.

5.49 This reflects the higher need associated with affordable rented housing presented above, the more acute and urgent needs of those requiring the former, and the likelihood that Affordable Housing delivery in the Parish is not sufficient to meet the needs identified. It would be equally valid to seek an even higher proportion of social and affordable rented housing. However, shared ownership has seen strong take-up at Etwall, and affordable routes to ownership add meaningful value in a context where market housing for purchase remains out of reach even to above average earners.

5.50 Whilst Shared Ownership appears to be more affordable than First Homes in Etwall, there is a nationally mandated requirement to deliver a minimum of 25% of Affordable Homes as First Homes. The tenure split set out in Table 5-6 adheres to this requirement. Provided that First Homes can be offered at the appropriate discount level (i.e 50%), this product would extend route to home ownership to those on average incomes. The tenure split recommends 6% of Affordable Housing be allocated to Shared Ownership, which if provide at 10% equity would extend affordability to dual lower quartile earners. In the interests of diversity and maximizing choice, a further 2% is allocated to Rent to Buy.

5.51 Where Etwall 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 South Derbyshire District Council 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 5-6 Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	33%	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	6%	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	2%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	67%	
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

5.52 Home ownership is the dominant tenure in Etwall, representing a higher share of the total (78.5%) than the wider district (75.5%) and national average (61.3%). Etwall has a comparatively high proportion of shared ownership (1.8%), at more than double the rates found across South Derbyshire (0.8%). Etwall has a higher proportion of social rented tenures (11.1%) compared to South Derbyshire (9.9%), although provision across both of these geographies is significantly lower than the national average (17.1%). Private renting is, however, underrepresented throughout the Parish.

Affordability

5.53 Home values in the NA have gradually increased since 2013, despite some year-on-year volatility. Looking at 2022 transactions, price's in Etwall appear to be higher than in South Derbyshire as a whole. The mean price across South Derbyshire in 2022 was £270,106, compared to £327,382 in Etwall. Lower quartile prices are also higher in Etwall (£250,000) compared to South Derbyshire (£186,500). This is likely to impact on the ability of younger and newly forming households to remain in or move to Etwall.

5.54 AECOM has estimated the annual income required to afford various tenures of housing in Etwall – each of which is explained in detail in Appendix C. These thresholds are compared to incomes to determine which options are the most appropriate for local people going forward. The average household income in the NA area was £52,200 in 2020 and the lower quartile household income for South Derbyshire was £21,207 in 2023.

5.55 It was found that local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income nearly double the current average. Private renting is more affordable, but is generally only accessible to average and dual earning households.

5.56 Subsidised routes to home ownership like First Homes and Shared Ownership are intended to target people who can afford to rent but not to buy. In Etwall there is a relatively large gap between the income needed to afford to rent (£32,520) and to buy (£71,486), who may benefit from these products.

5.57 The discount on First Homes can be set at 30%, 40% or 50% in Neighbourhood Plans. In Etwall a 40% discount appears sufficiently affordable to average earning households, however, a higher discount of 50% would expand access to ownership more widely and bring First Homes within reach of households with two lower earners.

5.58 Shared ownership (at 25% and 10% equity) appears to be more affordable than First Homes, with both 25% & 10% equity extending affordability to dual lower quartile earners.

5.59 The affordable rented sector performs a vital function in Etwall Parish as the only option for a large segment of those in the most acute need. In practice, there is limited socially rented housing at present – a situation exacerbated by the Right to Buy and similar schemes, which have resulted in a loss in recent years. This means that lower earners may have limited opportunities to live in the NA at all.

The need for Affordable Housing

5.60 Based on the 2020 SHMA estimates for the North West sub-area of the District, AECOM estimates a need for 9.4 affordable homes for rent and 0.3 affordable homes for sale per year in Etwall Parish. This equates to 150 and 5 units over the Plan period to 2040.

Affordable Housing policy

5.61 The NA's future supply of Affordable Housing depends on the delivery of mainstream housing sites larger than the threshold at which Affordable Housing requirements apply. South Derbyshire expects 30% of homes on sufficiently large new sites to be affordable. Given that Affordable Housing made up 26% of new housing in Etwall, it is understood that this target is not always met on sites in the NA.

5.62 AECOM recommends that the tenure mix within any Affordable Housing secured in future years gives priority to affordable rented provision (67%) over affordable home ownership options (33%). Affordable rented housing would help diversify the NA's tenure offering, thereby enabling lower income people to live in Etwall. The delivery of affordable home ownership would help to meet modest potential demand in a context where home ownership through the open market is fairly unaffordable.

5.63 Table 5-7 summarises Etwall's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

Table 5-7 Estimated delivery of Affordable Housing in Etwall

	Step in Estimation	Expected delivery
A	AECOM Calculated housing need range	186 – 310 dwellings
B	Affordable housing quota (%) in LPA's Local Plan	30%
C	Potential total Affordable Housing in NA (A x B)	56-93
D	Rented % (e.g. social/ affordable rented)	67%
E	Rented number (C x D)	38-62
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	33%
G	Affordable home ownership number (C x F)	18-31

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

5.64 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 neighbourhood development orders, identifying exception sites or developing community land trusts are all ways of boosting the supply of affordable housing.

6. Type and Size

Introduction

- 6.1 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.
- 6.2 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.

6.3 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.

6.4 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.

6.5 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, or a flat¹⁷. 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.

¹⁷ Note, Census data count bungalows as a separate category, instead counting them within the other categories.

- **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

6.6 This section establishes the current housing mix of Etwall, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

6.7 Table 6-1 shows that over 50% of detached properties represent the largest single accommodation type in Etwall. The increase in detached, semi-detached and terraced properties between 2011 and 2021 is relatively balanced. Flats are the only accommodation type to experience a decrease in provision since 2011.

Table 6-1 Accommodation type, Etwall, 2011-2021

Type	2011		2021		% Change
	No.	%	No.	%	
Detached	552	51.3%	672	52.5%	+21.7%
Semi-detached	318	29.6%	388	30.3%	+22.0%
Terrace	125	11.6%	150	11.7%	+20.0%
Flat	79	7.3%	71	5.5%	-10.1%
Total	1,075	-	1,281	-	+19.2%

Source: ONS 2021 and 2011, AECOM Calculations

6.8 Table 6-2 compares the NA mix to wider benchmarks, showing that Etwall has a higher proportion of detached properties (52.3%) compared to South Derbyshire (41.3%) and in England (22.9%). Consequently there are smaller proportions of other dwelling types with 30.3% semi-detached, 11.7% terraces and 5.5% flats. This mix is substantially different to the England, reflecting Etwall’s rural nature. It is important to keep in mind that these figures represent the Etwall proxy area, which does not match the parish and NA boundary precisely. Census 2021 data for parishes is limited at present and does not include data on dwelling types and sizes. Nevertheless, the percentage figures are likely to provide a reasonable reflection of the mix in the parish.

Table 6-2 Accommodation type, various geographies, 2021

Type	Etwall	South Derbyshire	England
Detached	52.5%	41.3%	22.9%
Semi-detached	30.3%	34.9%	31.5%
Terrace	11.7%	17.1%	23.0%
Flat	5.5%	5.9%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling size

6.9 Table 6-3 below presents the current housing mix in terms of size. It shows that each dwelling size category grew in terms of absolute numbers between 2011 and 2021. However, the proportional share of one, two and three bedroom dwellings fell, whilst four + bedroom dwellings recorded an increase in its proportional share.

Table 6-3 Dwelling size (bedrooms), Etwall, 2011-2021

Number of bedrooms	2011	%	2021	%
1	55	5.2%	61	4.7%
2	208	19.7%	242	18.7%
3	397	37.6%	466	36.1%
4+	396	37.5%	522	40.4%
Total	1,056	-	1,291	-

Source: ONS 2021 and 2011, AECOM Calculations

6.10 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with the wider district and country. Table 6-4 shows four + bedroom dwellings are the single most prevalent category in Etwall, contrasting South Derbyshire and England, where three bedroom dwellings are the largest category. Etwall has a smaller portion of three bedroom dwellings compared to South Derbyshire and England. Likewise, there is a small proportion of smaller one and two bedroom properties in Etwall. These dwellings make up approximately 23% of the stock, compared to 29% in South Derbyshire and almost 39% in England.

Table 6-4 Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Etwall	South Derbyshire	England
1	4.7%	5.1%	11.6%
2	18.7%	24.2%	27.3%
3	36.1%	43.3%	40.0%
4+	40.4%	27.4%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

6.11 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 is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

6.12 Table 6-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. The 45-64 age group represented the largest single age group in Etwall across 2011 and 2021. The largest proportional change is seen in the 85 and over age band, which increased by 44.4%, followed by the 25-44

age group which increased by 41.7%. There was also a significant increase in the 0-15 age group which grew by 28.0%, with modest growth recorded in the 15-24, 45-64 and 65-84 age groups.

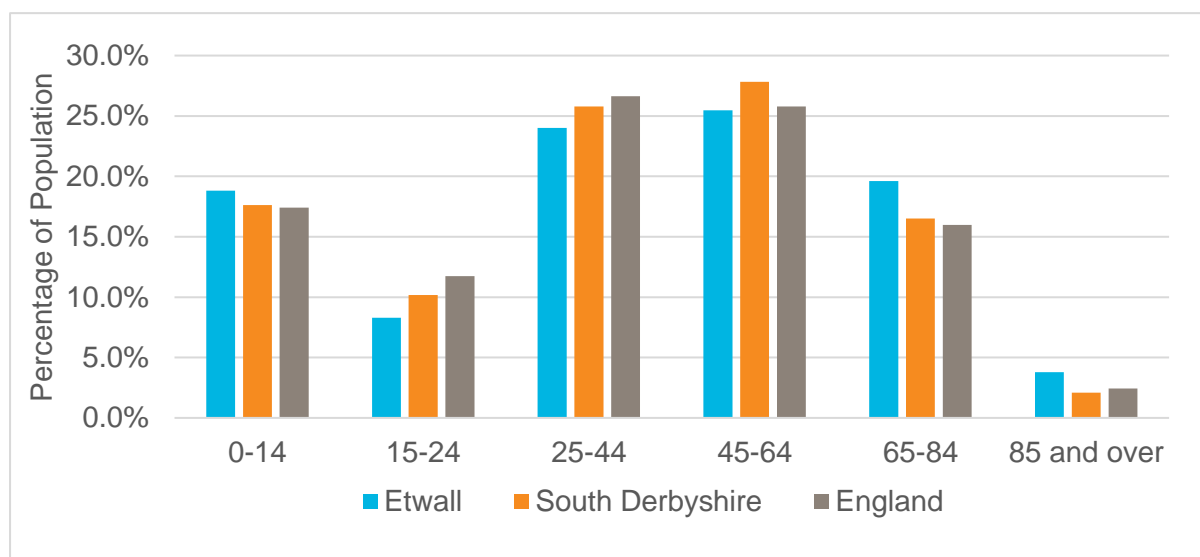
Table 6-5 Age structure of Etwall, 2011 and 2021

Age group	2011 (Census)	%	2021 (Census)	%	Change
0-14	453	17.6%	580	18.8%	+ 28.0%
15-24	233	9.1%	256	8.3%	+ 9.9%
25-44	523	20.3%	741	24.0%	+ 41.7%
45-64	719	28.0%	786	25.5%	+ 9.3%
65-84	563	21.9%	605	19.6%	+ 7.5%
85 and over	81	3.1%	117	3.8%	+ 44.4%
Total	2,572	100.0%	3,085	100.0%	+ 19.9%

Source: ONS 2011, ONS 2021, AECOM Calculations

6.13 For context, it is useful to look at the NA population structure alongside that of the district and country. Figure 6-1 (using 2021 Census data) shows that Etwall has a significantly higher proportion of people on the older age categories (65-84 and 85 and over) compared to South Derbyshire and England. Interestingly, Etwall also has a higher proportion in the 0-14 age group, although Etwall has smaller shares in all other age groups compared to South Derbyshire and England.

Figure 6-1 Age structure in Etwall, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

6.14 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 6-6 shows that, consistent with the population by age data presented above, older households account for 32.4% of all households in Etwall (including single older people and families). This is higher than the share in South Derbyshire (21.6%) and England (22.0%).

6.15 The proportion of households that are families vs single persons is largely comparable across Etwall and South Derbyshire. Both geographies have a higher proportion of families and a lower proportion of single-person households compared to the national averages.

6.16 The proportion of households with dependent children is higher in Etwall (30.4%) compared to South Derbyshire (27.4%) and England (25.8%). The share of households with non-dependent children is lower in Etwall (7.2%) than both South Derbyshire (10.1%) and England (10.5%).

6.17 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. It is interesting to observe that there was no change in this category between 2011 and 2021 in the NA, contrasting a 22.6% increase across South Derbyshire.

Table 6-6 Household composition, Etwall, 2021

Household composition		Etwall	South Derbyshire	England
One person household	Total	27.9%	27.1%	30.1%
	Aged 66 and over	16.2%	11.4%	12.8%
	Other	11.7%	15.7%	17.3%
One family only	Total	69.1%	69.3%	63.1%
	All aged 66 and over	16.2%	10.2%	9.2%
	With no children	17.8%	21.2%	16.8%
	With dependent children	30.4%	27.4%	25.8%
	With non-dependent children ¹⁸	7.2%	10.1%	10.5%
Other household types	Total	3.0%	3.7%	6.9%

Source: ONS 2021, AECOM Calculations

6.18 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, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

6.19 Table 6-7 shows that in Etwall over 83% of households have at least one more bedroom than they might be expected to need. Underoccupancy is particularly

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

prevalent among older couples and families without children. There is a small amount of overcrowding in the Parish, and this primarily affects families with children (particularly adult children).

6.20 While not uncommon, this might suggest that the parish’s larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

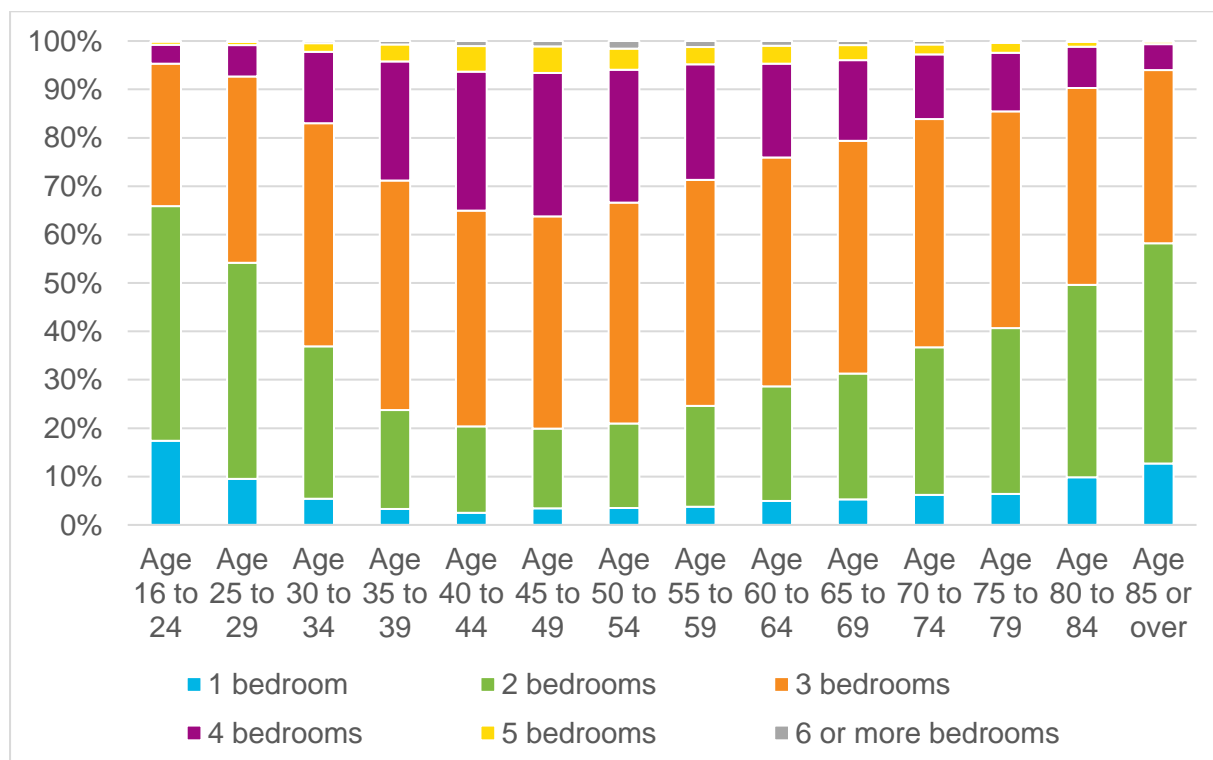
Table 6-7 Occupancy rating by age in Etwall, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	85.2%	13.6%	1.1%	0.0%
Single person 66+	66.8%	21.3%	11.9%	0.0%
Family under 66 - no children	79.6%	17.8%	2.6%	0.0%
Family under 66 - dependent children	36.6%	34.9%	26.5%	2.0%
Family under 66 - adult children	37.9%	39.1%	18.4%	4.6%
Single person under 66	47.4%	32.2%	20.4%	0.0%
All households	56.7%	26.8%	15.5%	1.0%

Source: ONS 2021, AECOM Calculations

6.21 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 6-2 sets out this relationship for South Derbyshire District Council in 2011 (because this data is not available at smaller scales). 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 6-2 Age of household reference person by dwelling size in South Derbyshire District Council, 2011



Source: ONS 2011, AECOM Calculations

Future population and size needs

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

Age

6.23 The result of applying Local Authority level household projections to the age profile of Etwall households in 2021 is shown in Table 6-8. This makes clear that population growth can be expected to be spread across a range of age cohorts – most notably those aged 35-64 and aged 65+. This data is, however, based on projections for South Derbyshire, which has not seen the same injection of younger people as the Parish. As such, in practice ageing may not be as strong as predicted

Table 6-8 Projected age of households, Etwall, 2021 - 2040

Year	24 and under	25 to 34	35 to 49	50 to 64	65 and over
2021	11	136	346	334	460
2040	16	146	581	257	738
% change 2021-2040	44%	7%	68%	-23%	61%

Source: AECOM Calculations

6.24 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 6-2) onto the projected age profile for the NA in Table 6-8 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.

6.25 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.

6.26 The result of this exercise is presented in Table 6-9. It suggests that the current mix of dwelling sizes is overly weighted in favour of large homes compared to the mix best suited to meeting the Parish’s future needs. Consequently, the model recommends that future development should focus on providing smaller and mid-sized homes, particularly with two and three bedrooms. Moderate numbers of one bedroom homes would help to provide diversity and improve affordability, while it appears that four + bedroom homes should no longer be a focus for delivery.

Table 6-9 Suggested dwelling size mix to 2040, Etwall

Number of bedrooms	Current mix (2021)	Suggested mix (2040)	Balance of new housing to reach suggested mix
1	4.7%	5.5%	6.1%
2	18.7%	26.9%	39.2%
3	36.1%	45.0%	54.7%
4 +	40.4%	22.6%	0.0%

Source: AECOM Calculations

6.27 The following points sense-check the results of the model against other evidence and suggest ways to interpret them when thinking about policy options.

- The South Derbyshire SHMA 2020 has a similar emphasis on two - three bedroom homes as the HNA mix presented above, but allows for modest continued provision of four + bedroom homes. This could justify an adjustment to the model results to include four + bedroom homes in any relevant Neighbourhood Plan policy, if this is the wish of the community.
- The preceding chapter found that affordability is a serious and worsening 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.
- Continuing to provide smaller homes with fewer bedrooms would help to address this situation, although it should be considered whether large numbers of one bedroom homes are suitable given the area's character and current density.
- 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.
- 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 the existing stock of larger homes is sufficiently affordable.

Tenure

6.28 The recommendation discussed immediately above 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 factors at play.

6.29 Generally speaking, 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 one or two 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.

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

- The relevant SHMA, which is clear that affordable tenures should include higher proportions of smaller homes than market tenures. In the South Derbyshire market mix the proportion of one bedroom homes is 0-5%, compared to 25-30% for affordable rented housing and 10-15% for affordable home ownership tenures like shared ownership.
- The waiting list for affordable rented housing, kept by the Local Authority. This provides a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. Of the 213 households (9 within Etwall and 204 elsewhere) in February 2024 on the waiting list for affordable rented housing with an interest in living in Etwall, 73% were eligible for a one-two bedroom property, compared to 27% eligible for a 3+ bedroom property.
- Any relevant household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population.

6.31 To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting towards smaller sizes while market homes focus on mid-sized homes and some larger options. 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

6.32 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.

- 6.33 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.
- 6.34 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Etwall, and which favours 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.
- 6.35 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 Etwall Parish Council and community to consider.

Conclusions- Type and Size

The current housing mix

- 6.36 The current dwelling mix in Etwall is generally weighted in favour of larger and detached homes. Over 52% of all homes in the Parish are detached houses (compared to around 41% across South Derbyshire and 23% across England). Consequently there are smaller proportions of other dwelling types, with lower levels of semi-detached houses, terraces and flats compared to South Derbyshire. Etwall's accommodation type mix is substantially different to that of England, reflecting its rural nature.
- 6.37 In terms of size, four + bedroom dwellings are the single most prevalent category in Etwall (40%), significantly higher than the proportions recorded across to South Derbyshire (27%) and England (21%). Consequently there are lower proportions of other dwelling sizes. Three bedroom dwellings comprise 36% of dwellings in Etwall, compared to 43% in South Derbyshire and 40% England. Likewise, there is a small proportion of smaller one and two bedroom properties in Etwall (23%), compared to South Derbyshire (29%) and England (39%).
- 6.38 Interestingly, between 2011 and 2021 the proportional share of one, two and three bedroom dwellings in Etwall fell, whilst four + bedroom dwellings recorded an increase in proportional share. This suggests new development has continued

the trend of larger properties in Etwall, with less home types and sizes that tend to be most affordable.

Population characteristics

6.39 In terms of age, Etwall has a significantly higher proportion of people in the older age categories (65-84 and 85 and over), compared to South Derbyshire and England. Interestingly, Etwall also has a higher proportion in the 0-15 age group, although Etwall has smaller shares in all other age groups compared to South Derbyshire and England.

6.40 The 45-64 age group represented the largest single age group in Etwall across 2011 and 2021. The largest proportional change is seen in the 85 and over age band, which increased by 44.4%, followed by the 25-44 age group which increased by 41.7%. There was also a significant increase in the 0-15 age group which grew by 28.0%, with modest growth recorded in the 15-24, 45-64 and 65-84 age groups.

6.41 Applying ONS household projections for South Derbyshire to Etwall in 2021 suggests that population growth can be expected to be spread across a range of age cohorts – most notably those aged 35-64 and aged 65+.

Household characteristics

6.42 Overall household composition (one person households v family households) is largely comparable across Etwall and South Derbyshire. However, both geographies have a higher proportion of families and a lower proportion of single-person households compared to national averages. Etwall has a higher proportion of households with dependent children compared to South Derbyshire and England. Conversely, Etwall has a lower proportion of households with non-dependent children compared to the wider geographies.

6.43 As of the 2021 Census, over 83% of households in the NA had at least one more bedroom than they would be expected to need, with around 57% having at least two extra bedrooms. This is not surprising given the relatively large skew of the housing stock. Under-occupancy was most common among two distinct groups: couples with no children and older households. While not uncommon in rural areas, this might suggest that Etwall Parish's larger housing is not necessarily being occupied by households with the most family members, but by the people with the most wealth or by older people who have not chosen or been able to move to smaller properties.

Future population and size needs

6.44 It is possible to estimate the size mix of future homes that might best accommodate demographic trends and address imbalances in the existing housing stock. The result of this process suggests that new development should be focused on smaller and mid-sized homes (primarily with two-three bedrooms), with few larger properties likely to be needed. This could help to achieve three key outcomes: improving affordability, meeting the needs suggested by

demographic trends (notably ageing and the growth in younger families), and diversification away from the high proportion of four+ bedroom homes in the current stock.

- 6.45 The present lack of one-two bedroom dwellings may be the case for good reasons, such as the existing patterns of housing density that reflect the rural character of parts of the Parish. It may therefore be considered inappropriate to focus as heavily on the presently unusual one bedroom category as the HNA model suggests. If large numbers of flats are not considered a welcome proposition in the NA, the suggested proportions of one and two bedroom homes could be blended into a combined one-two bedroom (or even one-three bedroom) category, allowing for greater flexibility.
- 6.46 The model also suggests that no further properties with 4 or more bedrooms are needed, chiefly because they are so abundant at present. In theory, if sufficient smaller homes (and/or more accessible housing for older people) are built, some of the households currently occupying larger homes will be able to downsize and thereby release larger homes for growing families. However, if a target for 0% 4+ bedroom homes is seen as overly rigid, insufficiently diverse or not able to serve the needs of people looking for larger new housing, this share could be increased by a moderate amount in line with the recommendations for South Derbyshire as a whole in the 2020 SHMA.

6.47 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the 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.

7. Specialist housing for older people

Introduction

7.1 It is relatively common for neighbourhood plans in areas with ageing populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Etwall. 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:

- 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**.

7.2 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.

7.3 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.¹⁹

7.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).²⁰ 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.

7.5 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

¹⁹ See Paragraph: 017 Reference ID: 2a-017-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>)

²⁰ For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

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 Housing²¹:** 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

7.6 There is a total of 33 units of specialist accommodation in the NA at present, according to housingcare.org (details are provided in Appendix E). These are offered across two social rent retirement housing schemes, The Almshouses and Peartree Court. In addition, Etwall includes four care homes, with total capacity for 138 residents.

7.7 The 2021 Census indicates that at this time there were 403 individuals aged 75 or over in Etwall. This suggests that current provision is in the region of 82 units

²¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population²², so provision in the NA is below the national average.

Demographic characteristics

- 7.8 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Etwall is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for South Derbyshire District Council. The results are set out in Table 7-1, which shows that Etwall has a higher proportion of 75+ residents than the wider district currently. The current population of older people is projected to nearly double between 2021 and 2040 to 761 individuals – an increase of 358 people.
- 7.9 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 7-1 Modelled projection of older population in Etwall by end of Plan period

Age group	2021		2040	
	Etwall	South Derbyshire	Etwall	South Derbyshire
All ages	3,085	107,204	3,832	133,174
75+	403	8,678	761	16,382
%	13.1%	8.1%	19.9%	12.3%

Source: ONS SNPP 2020, AECOM Calculations

- 7.10 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.
- 7.11 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 2040. The top row in Table 7-2 outlines the tenure mix among households aged 55-75 at Local Authority level, which indicates which indicates that the vast majority

²² Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now MHCLG) and the Care Services Improvement Partnership

(nearly 90%) of older households own rather than rent. Of the remainder, almost all rent from a social rather than a private landlord.

7.12 The expected growth in the 75+ population in the NA is 358 additional individuals by the end of the plan period. This can be converted into 254 households based on the average number of people per household aged 75+ at Local Authority scale (Census 2011). Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Etwall households are likely to need in 2040, and is shown in the bottom row of Table 7-2.

Table 7-2 Tenure of households aged 55-75 in South Derbyshire District Council (2011) and projected aged 75+ in Etwall (2040)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
South Derbyshire (2011 mix)	88.8%	65.6%	23.2%	11.2%	10.1%	0.8%	0.3%
Etwall (2040 projection)	226	167	59	29	26	2	1

Source: Census 2011

7.13 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 Etwall from the 2011 Census.

Future needs for specialist accommodation and adaptations

7.14 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 116.

7.15 AECOM’s modelling, summarised in Table 7-3, 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.

7.16 Table 7-3 suggests the need for sheltered housing will be almost double the need for extra care housing. Overall, the vast majority of potential demand is likely to be for market specialist housing. This reflects the high rate of home ownership among people in the 75+ age group.

Table 7-3 AECOM estimate of specialist housing for older people need in Etwall by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	10	37	47
Adaptations, sheltered, or retirement living	9	60	69
Total	19	97	116

Source: Census 2011, AECOM Calculations

7.17 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. Table E- 3 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 Etwall results in a total of 90 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 7-4.

7.18 This model, which does not reflect local occupancy by tenure, suggests a lower weighting toward market housing.

Table 7-4 HLIN estimate of specialist housing for older people need in Etwall by the end of the Plan period

Type	Affordable	Market	Total
Housing with care	11	14	25
Adaptations, sheltered, or retirement living	21	43	64
Total	33	57	90

Source: Housing LIN, AECOM calculations

Further considerations

7.19 The above estimates suggest that potential need for specialist accommodation could be in the range of 90-116 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 need figure calculated earlier in this report, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

7.20 The 2020 SHMA for South Derbyshire identified a shortfall of 674 sheltered homes and 46 extra care units across the district over the period 2019-2028. This equates to an annual need for 75 sheltered and 5 extra care units. This suggests that wider needs should be focused strongly on sheltered rather than extra care dwellings.

- 7.21 These shortfalls can be prorated to Etwall parish at 2.97% (the percentage of the district's population living in the parish at the 2021 Census). This suggests that the total need over the 16-year Neighbourhood Plan period would be for 36 sheltered and 2 extra care units. The total of 38 is lower than the estimates given above. While the HNA estimates are more locally specific, the SHMA figures give a sense of the scale of wider needs to which the parish might need to contribute. On that basis, the need identified here may exceed what the Parish itself might be expected to deliver.
- 7.22 Furthermore, 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.
- 7.23 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).
- 7.24 It is considered that Etwall is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Etwall in other suitable locations near to but outside the Plan area boundaries).
- 7.25 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

- 7.26 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.
- 7.27 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.

- 7.28 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.
- 7.29 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. For nursing care beds this is an extra 45 care beds per 1,000 people aged 75+. Based on these rates, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2040 there would be a need for 23 residential care beds and 16 nursing care beds in the NA, on top of the 138 already in existence.
- 7.30 Pro-rating the shortfall of 200 units noted in the SHMA suggests the NA's share of wider needs, over the Neighbourhood Plan period, is around 11 bedspaces in total – again slightly lower than the HNA estimates. (This is calculated by dividing the 200 units by the 9 years the SHMA covers, then pro-rating that annualised figure to Etwall Parish, and multiplying the result by the 16 years in the Neighbourhood Plan period.)
- 7.31 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

- 7.32 The majority of older people live in mainstream housing and will continue to do so all of their lives. 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.
- 7.33 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 South Derbyshire District Council.
- 7.34 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 dwellings²³, although changes to Building Regulations have not yet been made.

7.35 The current adopted Local Plan policy H20 provides explicit encouragement for development to accommodate specific groups such as older people and to be adaptable for a range of needs. 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)). 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 setting such requirements is a key priority. The evidence gathered here may justify the Etwall Parish Council approaching the LPA to discuss setting requirements on accessibility and adaptability at district level.

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

7.37 Table 7-5 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). As a crude estimate, these percentages are applied to the expected level of housing delivery for Etwall to suggest the number that might be encouraged to be wheelchair friendly or adaptable. This would imply a potential need for 1-9 wheelchair accessible dwellings over the Plan period. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

Table 7-5 Wheelchair use Nationally Applied to Etwall

	Percentage in England	% applied to NA housing requirement figure (217-308 to end of plan period)
Households using wheelchair all the time	0.6%	1-2 dwellings
Households using wheelchair either indoors or outdoors	3.0%	7-9 dwellings

Source: Survey of English Housing 2018/19

²³ 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)

Conclusions- Specialist Housing for Older People

Characteristics of the current older population

- 7.38 There are currently around 403 individuals aged 75 or over in Etwall, representing over 13% of the population.
- 7.39 A clear majority (89%) of South Derbyshire households aged 55-75 in 2011 (and therefore likely to reach the 75+ bracket by 2040) are owner occupiers. The remainder predominantly rent from a social landlord. This is important to note because currently homeowners will require specialist accommodation for market purchase, being largely ineligible for subsidised housing, while those in private or social rent will need to rely on subsidised rented housing because they are unlikely to have the funds to buy.
- 7.40 There are two specialist accommodation schemes and four care homes in the NA at present, according to the Elderly Accommodation Counsel search tool.

Projected demographic change and need for specialist housing

- 7.41 The current 75+ population of the NA is projected to nearly double by the end of the Plan period (2040) to 761 individuals – an increase of 358 people. This represents nearly 20% of the overall population in 2040. The growth in the existing older population, which, rather than the total, is the focus of the estimates of need here, should be converted into households because some older people will be cohabiting in old age. The projected household growth to 2040 among those aged 75+ in Etwall is 254.
- 7.42 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.
- 7.43 These two methods of estimating the future need in Etwall produce a range of 90 to 117 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.
- 7.44 In broad terms, Etwall is considered a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Etwall in other suitable locations near to but outside the Plan area boundaries). Where it is considered for any reason desirable to meet some of the specialist need outside the Neighbourhood Area boundaries, there will be a degree of

overlap between the number of specialist dwellings to be provided and the overall dwellings target for the Neighbourhood Area itself

Accessibility and adaptability

- 7.45 Given the potentially limited volume of additional specialist supply expected during the Plan period, an important alternative solution may be to discuss the standards of accessibility and adaptability required of new development with SDDC. There is a particularly high degree of overlap between the groups served by sheltered specialist housing and adapted mainstream housing, so the unmet need for such homes identified here can be reduced through this avenue.
- 7.46 The current adopted Local Plan provides explicit encouragement for development to accommodate specific groups such as older people but does not set specific targets for new homes to meet Category M4(2) accessibility standards or M4(3) wheelchair user standards. 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, so discussions with SDDC are advised if action on this point is a key priority.

8. Next Steps

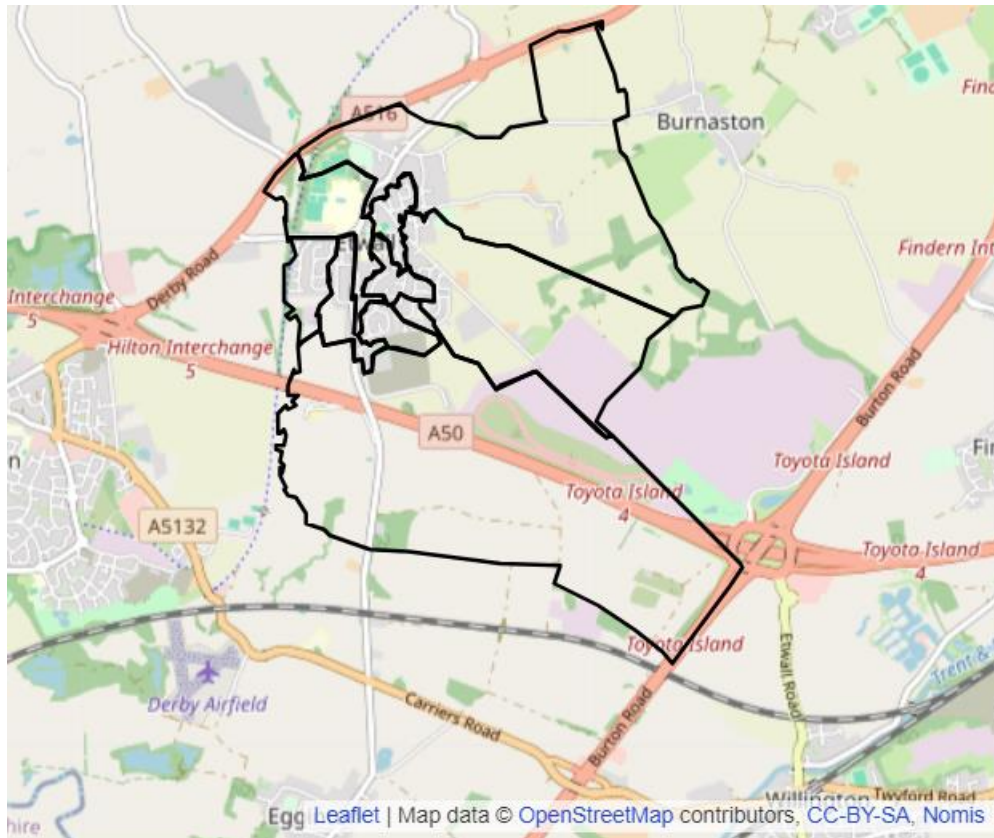
Recommendations for next steps

- 8.1 This Neighbourhood Plan housing needs assessment aims to provide Etwall Parish Council 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 South Derbyshire District Council 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 of South Derbyshire 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 South Derbyshire District Council.
- 8.2 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.
- 8.3 Bearing this in mind, it is recommended that the Etwall Parish Council should monitor carefully strategies and documents with an impact on housing policy produced by the Government, South Derbyshire District Council or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.
- 8.4 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

- A.1 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).
- A.2 It is not possible to exactly recreate the NA (see Main Report: Figure 2-1) using OAs in either 2011 or 2021 Census. Whilst the NA boundary aligns exactly with the civil parish of Etwall, there is very limited 2021 Census data available at this geography. It is not possible to use this data throughout the report as not all of the required datasets are available, the data is not comparable to 2011, and the relevant datasets are not all available in suitable detail. Furthermore, a mix of geographies cannot be used in this report as this would not allow for an accurate comparison between 2011 and 2021 data.
- A.3 Figure A- 1 shows the proxy area which has been used for Census data throughout this report. This proxy area includes Etwall village and accurately follows the parish boundary to the south of the A516. The proxy area excludes the northern part of the parish as the OA for this location partly extends into the Derby suburbs. The proxy area equates to the following combination of OAs:
- E00100400
 - E00100401
 - E00100402
 - E00100403
 - E00100404 (2011 Census only)
 - E00100405
 - E00100406
 - E00100408
 - E00180297 (2021 Census only)
 - E00180300 (2021 Census only)

Figure A- 1 Proxy area for Census Data



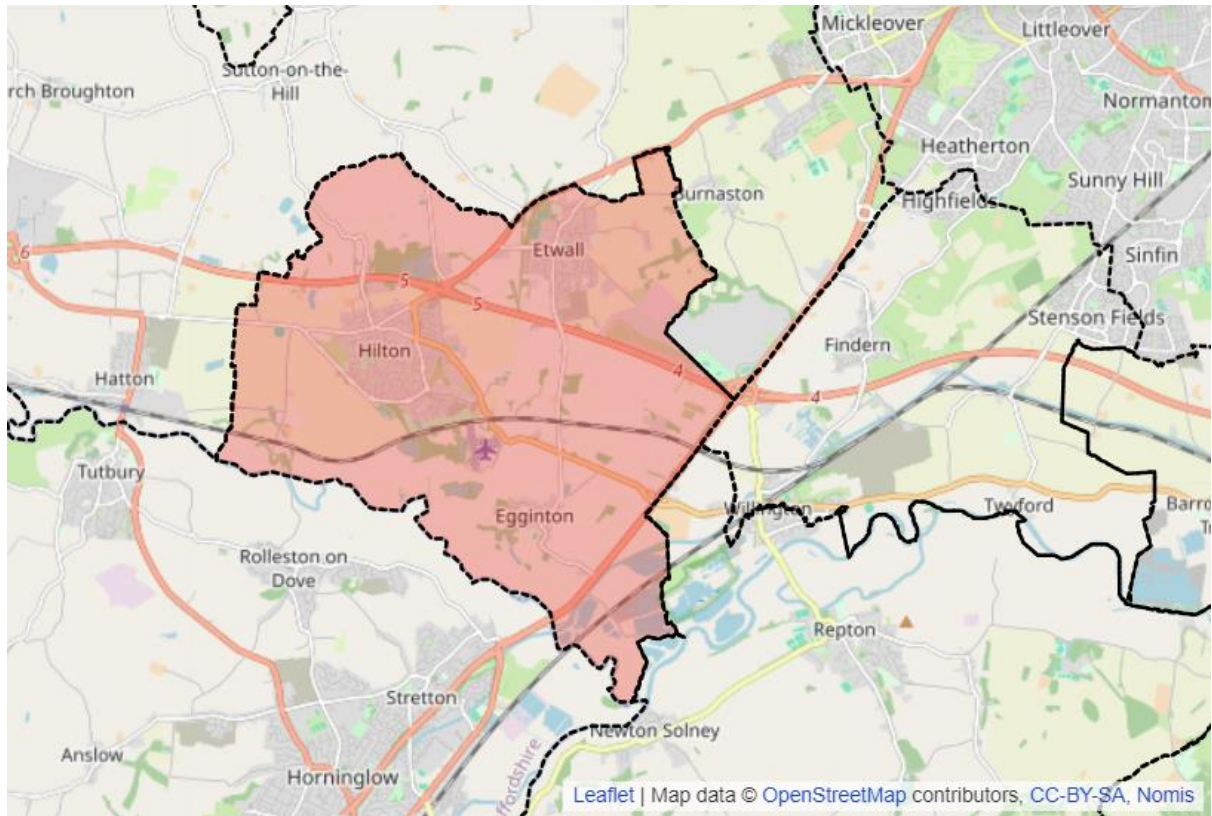
Source: NOMIS

A.4 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 (Figure A- 2), in which the NA is located and which will need to serve as a proxy for it, is:

- E02004119: South Derbyshire 002

A.5 Again, this excludes the northern part of the parish, beyond the A516. Whilst the entirety of Etwall village is included, MSOA E02004119 extends beyond the NA boundary to the west and south, containing the settlements of Hilton and Egginton.

Figure A- 2 Map of South Derbyshire 002 MSOA



Source: *NOMIS*

Appendix B : Local Plan context

Policies in the adopted local plan

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

Table B-1: Summary of relevant adopted policies in the South Derbyshire Local Plan Part 1 (2016) and Part 2 (2017)

Policy	Provisions
LP1: Policy S1 – Sustainable Growth Strategy	Over the plan period (2011-2028) at least 12,618 dwellings will be built within South Derbyshire. The housing sites required will be met on a mixture of brownfield and greenfield sites with encouragement given to the re-use of previously developed land.
LP1: Policy S4 – Housing Strategy	<p>The 12,618 dwellings to be delivered over the plan period are split between the Local Plan Part 1 and 2 as follows:</p> <ul style="list-style-type: none"> • Part 1 allocates strategic sites (greater than 99 dwellings) to accommodate the majority of the housing target. These will be delivered in the following locations: <ul style="list-style-type: none"> – Urban Areas: Swadlincote, edge of Derby, and the edge of Burton upon Trent. – Key Service Villages: strategic sites in Aston on Trent, Etwall, Hatton, Hilton, and Repton. • Part 2 allocates 600 dwellings across non-strategic sites (fewer than 100 dwellings). South Derbyshire District Council will maintain a five year rolling land supply of specific deliverable sites with additional buffers in accordance with the NPPF.
LP1: Policy H1 – Settlement Hierarchy	<p>The Settlement Hierarchy is as follows:</p> <ol style="list-style-type: none"> 1. Urban Areas; 2. Key Service Villages; 3. Local Service Villages; 4. Rural Villages; 5. Rural Areas.

Etwall settlement is identified as a ‘Key Service Village’, the second highest priority tier for housing development. Consequently, development in Etwall of all sizes within the settlement boundaries will be considered appropriate and sites adjacent to settlement boundaries as an exceptions or cross subsidy site as long as not greater than 25 dwellings.

Policy	Provisions
LP1: Policy H20 - Housing Balance	<p>The Council will seek to provide a balance of housing that includes a mix of dwelling type, tenure, size and density. The overall mix of housing will take account of the Strategic Housing Market Assessment (SHMA) and Local Housing Needs Study.</p> <p>The Council will also promote a mix of housing that is suitable and adaptable for different groups of people such as single occupiers, people with disabilities, people wanting to build their own homes, and the ageing population of the District.</p>
LP1: Policy H21 - Affordable Housing	<p>The Council will seek to secure up to 30% of new housing development as affordable housing as defined in the NPPF on sites of over 15 dwellings. The tenure mix and dwelling type on the site will be based on the SHMA or other up to date housing evidence in conjunction with the Council.</p> <p>Rural exception sites that are kept in perpetuity as affordable housing for local people, will be permitted adjoining existing Key Service Villages, Local Service Villages and Rural Villages. The number of dwellings will be in accordance with Policy H1 as an exceptional circumstance to normal policy where:</p> <ul style="list-style-type: none"> • The homes meet a clearly identified local need; • The development provides a majority of affordable homes; • The need cannot reasonably be met within the development limits of the village concerned or the sub-market area the site falls within as detailed in the SHMA; and <p>The development is in a scale relative to the settlement size and facilities available particularly public transport and does not have any unacceptable adverse impacts on the natural and built environment.</p>
LP1: Policy H10 - Land south of Willington Road, Etwall	Residential development on land at Willington Road, Etwall for around 199 dwellings.
LP2: Policy H23 - Non-Strategic Housing Allocations	Non-strategic allocation at Jacksons Lane, Etwall (S/0284) - around 50 dwellings.

Source: South Derbyshire District Council

Appendix C : Affordability calculations

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

Market housing

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

i) Market sales

- C.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.
- C.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 Etwall, 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.
- C.5 The calculation for the purchase threshold for market housing is as follows:
- Value of a median NA house price (2023) = £375,000;
 - Purchase deposit at 10% of value = £37,500;
 - Value of dwelling for mortgage purposes = £337,500;
 - Divided by loan to income ratio of 3.5 = purchase threshold of £96,429.
- C.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 2023 was £278,000, and the purchase threshold is therefore £71,486.
- C.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. There were too few recent sales in the NA specifically to determine

an accurate average for the cost of new build housing in Etwell. 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).

- C.8 Therefore an estimate has been calculated by determining the uplift between terrace house prices²⁴ in 2023 across South Derbyshire District Council and new build terrace house prices in 2023 in the same area. This percentage uplift (or ‘new build premium’) is then applied to the 2023 lower quartile house price in the NA to give an estimated NA new build entry-level house price of £333,901 and purchase threshold of £85,861.
- C.9 In order to provide a comparison with the wider local authority area, it is helpful to also look at the cost of new build housing across South Derbyshire District Council in 2023. The median cost of new build dwellings in South Derbyshire District Council was £336,500, with a purchase threshold of £86,529.

i) Private Rented Sector (PRS)

- C.10 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.
- C.11 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.
- C.12 The property website 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 DE65 postcode area, which covers a larger area than the Plan area itself but can be used as a reasonable proxy for it. Moreover, because it forms a larger geography with a greater number of rental properties offered, the larger sample size is likely to generate more robust findings.

²⁴ Terraced properties have been selected as the house type to best reflect entry-level properties in the NA.

C.13 According to home.co.uk, there were 15 properties for rent at the time of search in April, 2024, with an average monthly rent of £1,048. There were 6 two-bed properties listed, with an average price of £813 per calendar month.

C.14 The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:

- Annual rent = £813 x 12 = £9,756;
- Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £32,520.

C.15 The calculation is repeated for the overall average to give an income threshold of £41,920.

Affordable Housing

C.16 There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2023: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. The new First Homes was due to be introduced in 2021 but is not yet included in the NPPF. Each of the affordable housing tenures are considered below.

i) Social rent

C.17 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.

C.18 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 Etwall. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Derbyshire District Council in Table C-1.

C.19 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	£83.49	£93.74	£102.31	£119.04	£95.94
Annual average	£4,341	£4,874	£5,320	£6,190	£4,989
Income needed	£14,457	£16,232	£17,716	£20,613	£16,613

Source: Homes England, AECOM Calculations

i) Affordable rent

- C.20 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).
- C.21 Even a 20% 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%.
- C.22 Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for South Derbyshire District Council. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.
- C.23 Comparing this result with the average two 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	£86.60	£102.32	£116.46	£140.23	£99.87
Annual average	£4,503	£5,321	£6,056	£7,292	£5,193
Income needed	£14,996	£17,718	£20,166	£24,282	£17,293

Source: Homes England, AECOM Calculations

i) Affordable home ownership

- C.24 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.
- C.25 In paragraph 66 of the NPPF 2023, the Government introduces a recommendation that “where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership.” There are exemptions to this requirement, including where:
- The provision would exceed the level of affordable housing required in an area;

- The provision would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
- A proposed development provides solely Build to Rent homes;
- A proposed development provides specialist accommodation for a group of people with specific needs (such as purpose built accommodation for students or the elderly);
- The development is proposed to be developed by people who wish to build or commission their own homes; or
- The proposed development is exclusively for affordable housing, a community-led development exception site, or a rural exception site.

First Homes

C.26 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.

C.27 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 £333,903.

C.28 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) = £333,903;
- Discounted by 30% = £233,732;
- Purchase deposit at 10% of value = £23,373;
- Value of dwelling for mortgage purposes = £210,359;
- Divided by loan to income ratio of 3.5 = purchase threshold of £60,103.

C.29 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 £51,519 and £42,930 respectively.

C.30 All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible. Likewise, all discounted prices are lower than the £250,000 initial sale price cap applied to this product.

C.31 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 two bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m²⁵) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Etwall.

C.32 Table C-3 shows the discount required for First Homes to be affordable to the three 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	46%	78%	56%
NA estimated new build entry-level house price	39%	75%	51%
NA entry-level house price	27%	70%	41%
LA median new build house price	40%	75%	51%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

²⁵ 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/>

- C.33 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 rent 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'.
- C.34 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.
- C.35 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).
- C.36 The affordability threshold for a 25% equity share is calculated as follows:
- A 25% equity share of £333,903 is £83,476;
 - A 10% deposit of £8,348 is deducted, leaving a mortgage value of £75,128;
 - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £21,465;
 - Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £250,427;
 - The estimated annual rent at 2.5% of the unsold value is £6,261;
 - This requires an income of £20,869 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
 - The total income required is £42,334 (£21,465 plus £20,869).
- C.37 The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £33,629 and £56,843 respectively. All of the income thresholds calculated here for Shared Ownership are below the cap of £80,000 above which households are not eligible.

Rent to Buy

- C.38 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)

- C.39 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.
- C.40 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 policy

Affordable housing policy

D.1 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-3: 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>Based on figures in the SHMA, this HNA suggests that the NA requires around 150 units of affordable rented housing and 5 units of affordable home ownership homes 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 amend as appropriate: affordable rented housing should be strongly prioritized over affordable home ownership.</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>If the Local Plan target of 30% were achieved on every site, assuming the delivery of the NA's housing need for 217-308 homes overall, up to 65-92 affordable homes might be expected in the NA over Plan period.</p> <p>This level of potential affordable housing delivery would not be sufficient to meet all of the need identified. In that context, there is further value in prioritizing the most acute needs (for affordable rented housing).</p>
<p>C. Government policy (eg NPPF) requirements:</p> <p>Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this</p>	<p>For 10% of all housing to be affordable ownership in Etwall, where 30% of all housing should be affordable, 33% of Affordable Housing should be for affordable ownership. This can be accommodated in</p>

<p>requirement if it would prevent the delivery of other forms of Affordable Housing.</p>	<p>Local Plan policy, which does not seek a specific Affordable Housing tenure split.</p>
<p>D. Local Plan policy:</p>	<p>The adopted Local Plan expects the tenure split within affordable housing to reflect the latest evidence. The 2020 SHMA, in turn, recommends a split of 66% affordable rent and 33% affordable home ownership.</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. This is not the case in the 2020 SHMA, and is not specified in the Local Plan.</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</p>

	<p>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: 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>Etwall 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 Etwall: 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>The proportion of shared ownership exceeds wider averages. Etwall also has a higher proportion of social rent compared to the wider district, although provision in both is lower than the national average.</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 NA. The funding arrangements available to housing associations will determine rent levels.</p>
<p>J. Wider policy objectives:</p>	<p>The Etwall Parish Council may wish to take account of broader policy objectives for Etwall 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, Etwall

Name	Description	Dwellings	Tenure	Type	
1	The Almshouses	This almshouse charity caters for: residents in Derbyshire, with preference to residents in the Parish of Etwall; one almshouse reserved for retired farmworker	10	Rent (social landlord)	Retirement housing
2	Peartree Court	Comprising 1 bedroom studio flats.	23	Rent (social landlord)	Retirement housing
3	Bearwardcote Hall	This home accommodates 38 residents in 38 single rooms.	-	-	Care home
4	Old Lodge	This home accommodates 40 residents in 32 single and 4 shared rooms	-	-	Care home
5	Ashe Fields	This home accommodates 20 residents in 20 single rooms.	-	-	Care home
6	Tynfield Court	This home accommodates 40 residents in 38 single and 2 shared rooms	-	-	Care home

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

Table E- 2 Tenure and mobility limitations of those aged 65+ in Etwall, 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	2,503	176	299	2,028	2,503	176

Owned Total	2,047	128	242	1,677	2,047	128
Owned outright	921	99	174	648	921	99
Owned (mortgage) or shared ownership	1,126	29	68	1,029	1,126	29
Rented Total	456	48	57	351	456	48
Social rented	205	39	39	127	205	39
Private rented or living rent free	251	9	18	224	251	9

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

E.1 As Table 7-1 in the main report shows, Etwall is forecast to see an increase of 358 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 x .358 = 21
- Leasehold sheltered housing = 120 x .358 = 43
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x .358 = 7
- Extra care housing for rent = 15 x .358 = 5
- Extra care housing for sale = 30 x .358 = 11
- Housing based provision for dementia = 6 x .358 = 2

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 methods²⁶.

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 Standard²⁷

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.

²⁶ The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

²⁷ 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 developments (NPPF definition)

A development instigated and taken forward by a not-for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed, and democratically controlled by its members. It may take any one of the various legal forms including a community land trust, housing co-operative, and community benefit society. Membership of the organisation is open to all beneficiaries and prospective beneficiaries of that organisation. The organisation should own, manage, or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.

Community Right to Build Order²⁸

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)²⁹

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.

²⁸ See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

²⁹ 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 years³⁰, 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

³⁰ See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

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

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (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 Housing³¹

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

³¹ See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

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

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

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

Specialist Housing for 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.³²

³² See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

